

# Annual Report 年報 2018



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 Managing Director)  
Mr. Lui Man Sang

#### Non-Executive Directors

Mr. Shen Bo  
Mr. Feng Quanming  
Dr. Lam Lee G.  
(Appointed on 1 January 2018)  
Mr. Shi Shaobin  
(Resigned on 31 December 2017)

#### Independent Non-Executive Directors

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

### AUDITOR

Ernst & Young  
Certified Public Accountants  
22nd Floor, CITIC Tower  
No. 1 Tim Mei Avenue  
Central  
Hong Kong

### HONG KONG LEGAL ADVISER

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  
(董事長兼董事總經理)  
呂文生先生

#### 非執行董事

沈波先生  
馮全明先生  
林家禮博士  
(於2018年1月1日獲委任)  
施少斌先生  
(於2017年12月31日辭任)

#### 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

安永會計師事務所  
執業會計師  
香港  
中環  
添美道1號  
中信大廈22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  
Industrial and Commercial Bank of China  
China Merchants Bank  
Bank of China

### 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  
中國工商銀行  
招商銀行  
中國銀行

### 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](http://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

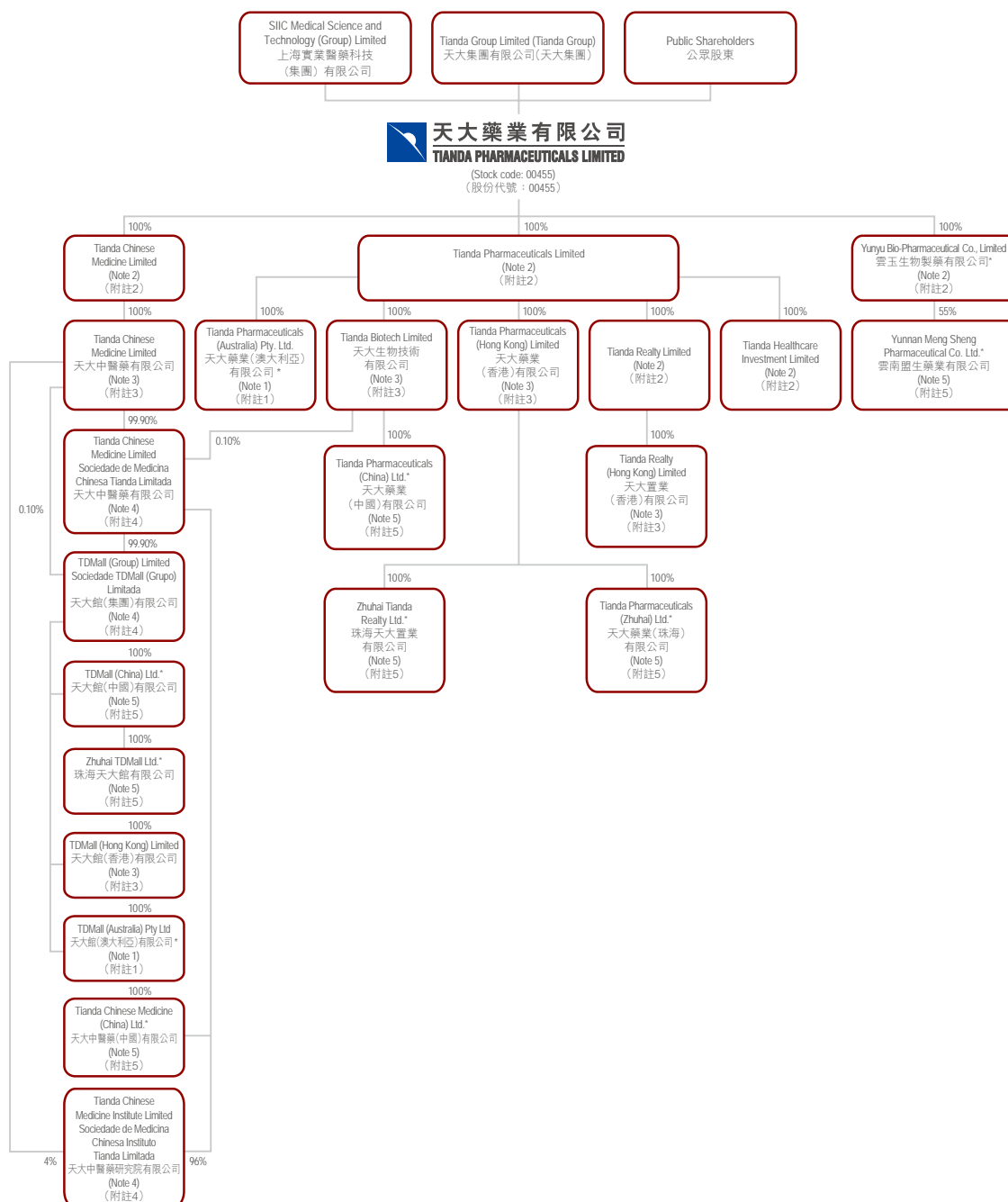
[www.tiandapharma.com](http://www.tiandapharma.com)

# 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 2018:

以下為天大藥業有限公司(本公司)及其附屬公司(本集團)於2018年3月31日之架構圖：



Notes 附註：

- |  |  |
|--|--|
| (1) Incorporated in Australia with limited liability<br>於澳大利亞註冊成立之有限公司                     | (4) Incorporated in Macau with limited liability<br>於澳門註冊成立之有限公司   |
| (2) Incorporated in the British Virgin Islands with limited liability<br>於英屬維爾京群島註冊成立之有限公司 | (5) Incorporated in the PRC with limited liability<br>於中國註冊成立之有限公司 |
| (3) Incorporated in Hong Kong with limited liability<br>於香港註冊成立之有限公司                       | * For identification purpose only<br>* 僅供識別                        |

# 您的健康是天大的事 TIANDA FOR HEALTH



R&D and Production Base (Zhuhai, China) 研發及製藥基地 (中國珠海)



R&D and Production Base (Kunming, China) 研發及製藥基地 (中國昆明)



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



Anti-infection Drugs  
抗感染用藥



Cardio-cerebrovascular Drugs  
心腦血管用藥



Paediatric Drugs  
兒科用藥



Chinese Medicine Products  
中藥產品



"Herb Valley" Healthcare Products  
“和谷”品牌健康產品



# FINANCIAL SUMMARY

## 財務摘要

### RESULTS

#### 業績

		Year ended 31 March 截至3月31日止年度				
		2014	2015	2016	2017	2018
		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	247,173	139,367	192,785	195,539	361,555
Profit (loss) before tax	除稅前溢利 (虧損)	64,426	(24,261)	18,425	32,750	29,942
Income tax (expense) credit	所得稅(支出) 抵免	(15,477)	1,245	(5,058)	(7,997)	(7,780)
Profit (loss) for the year	本年度溢利 (虧損)	48,949	(23,016)	13,367	24,753	22,162
Profit (loss) attributable to:	溢利(虧損) 歸屬於:					
Owners of the parent	母公司股東	22,049	(17,942)	6,569	12,442	10,008
Non-controlling interests	非控股權益	26,900	(5,074)	6,798	12,311	12,154
		48,949	(23,016)	13,367	24,753	22,162
		HK cents	HK cent	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)	1.18	(0.96)	0.32	0.58	0.47

### ASSETS AND LIABILITIES

#### 資產及負債

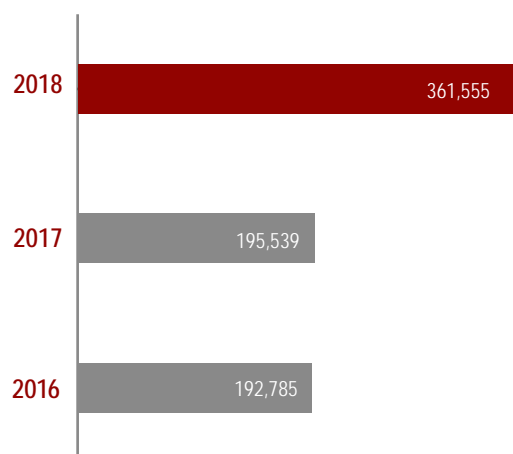
		At 31 March 於3月31日				
		2014	2015	2016	2017	2018
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Total assets	資產總值	932,490	921,017	956,169	904,120	1,045,308
Total liabilities	負債總額	(117,429)	(132,609)	(109,436)	(91,156)	(159,723)
		815,061	788,408	846,733	812,964	885,585
Equity attributable to owners of the parent	母公司股東 應佔權益	751,146	729,344	813,748	778,322	847,728
Non-controlling interests	非控股權益	63,915	59,064	32,985	34,642	37,857
		815,061	788,408	846,733	812,964	885,585

# FINANCIAL SUMMARY

## 財務摘要

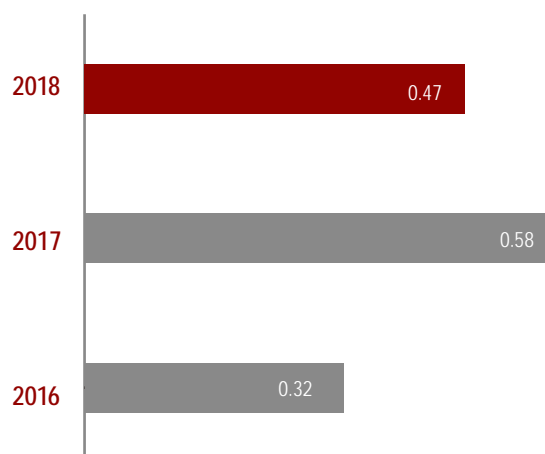
### REVENUE 收入

HK\$'000 千港元



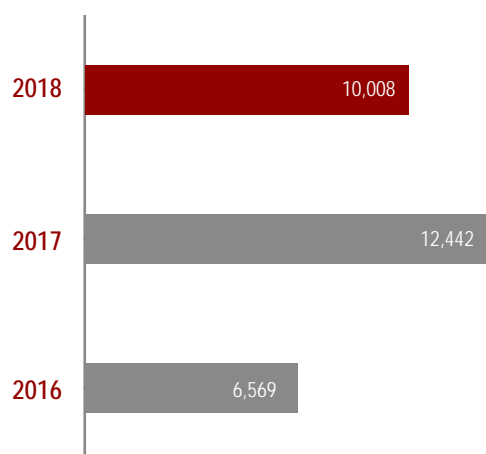
### BASIC EARNINGS PER SHARE

HK CENTS 港仙

每股基本  
盈利

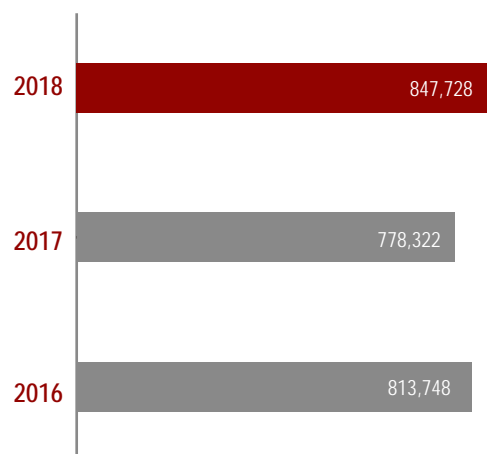
### PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

HK\$'000 千港元

母公司股東  
應佔溢利

### EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT

HK\$'000 千港元

母公司股東  
應佔權益

## BIOGRAPHICAL DETAILS OF DIRECTORS

### 董事簡歷

**Mr. Fang Wen Quan**, aged 49, was appointed as an executive Director since 6 October 2003. He is currently the Chairman, the Managing Director, the chairman of the nomination committee and a member of the remuneration committee and the risk management committee of the Company, and a director of the Group's certain subsidiaries. Mr. Fang is the founder, chairman and beneficial owner of Tianda Group Limited (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 authorized representative of Tianda Culture Holdings (China) Limited\* (listed on the National Equities Exchange and Quotations, 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 greater commitment to community services, including donations to the poverties, education and talents development, healthcare, scientific research, environmental protection, culture and arts.

**Mr. Lui Man Sang**, aged 54, was appointed as an executive Director of the Company on 30 September 2013 and is a director 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, 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**，49歲，於2003年10月6日起獲委任為執行董事。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。方先生乃天大集團有限公司（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（在全國中小企業股份轉讓系統掛牌，公司代號：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**，54歲，於2013年9月30日獲委任為本公司之執行董事，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（在全國中小企業股份轉讓系統掛牌，公司代號：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 45, 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 SPH 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 41, was appointed as a non-executive Director of the Company 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**，45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。彼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（股份代號：601607）及香港聯合交易所有限公司上市的公司（香港聯交所，股份代號：2607）之執行董事、副總裁及財務總監，也同時兼任上藥集團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，股份代號：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，股份代號：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**，41歲，於2016年3月23日獲委任為本公司之非執行董事。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

**Dr. Lam Lee G.**, aged 58, was appointed as a non-executive Director of the Company with effect from 1 January 2018. Dr. Lam holds a BSc in sciences and mathematics, an MSc in systems science and an MBA from the University of Ottawa in Canada, a post-graduate diploma in public administration from Carleton University in Canada, a post-graduate diploma in English and Hong Kong Law and an LLB (Hons) in law from Manchester Metropolitan University in the UK, an LLM in law from the University of Wolverhampton in the UK, an MPA and a PhD from the University of Hong Kong. As a former member of the Hong Kong Bar Association, Dr. Lam is a Solicitor of the High Court of Hong Kong, an Honorary Fellow of CPA Australia, a Fellow of CMA Australia and an Honorary Fellow of the University of Hong Kong School of Professional and Continuing Education (HKU SPACE).

Dr. Lam has over 30 years of experience in multinational corporate management, management consulting, corporate governance, investment banking, direct investment and fund management across the telecommunications/media/technology (TMT), consumer/healthcare, infrastructure/real estate, energy/resources and financial services sectors. Dr. Lam is Chairman of Hong Kong Cyberport Management Company Limited, and Non-Executive Chairman – Hong Kong and ASEAN Region and the Chief Adviser to Macquarie Infrastructure and Real Assets Asia. Dr. Lam previously served as a part-time member of the Hong Kong Special Administrative Region Government's Central Policy Unit, a member of the Task Force on Industry Facilitation under the Digital 21 Strategy Advisory Committee, the Assessment Panel of the Small Entrepreneur Research Assistance Programme under the Innovation and Technology Fund (SERAP), the Derivatives Market Consultative Panel of Hong Kong Exchanges and Clearing Limited, a member of the General Committee and the Corporate Governance Committee of The Chamber of Hong Kong Listed Companies, the New Business Committee of the Hong Kong Financial Services Development Council, the School Allocation Committee of the Hong Kong Special Administrative Region Government Education Bureau, and the Legal Aid Services Council. Dr. Lam is a member of the Hong Kong Special Administrative Region Government Committee on Innovation, Technology and Re-Industrialization, the Hong Kong Council on Smoking and Health, the Council on Professional Conduct in Education (CPC), and the Court of the City University of Hong Kong, Convenor of the Panel of Advisors on Building Management Disputes of the Hong Kong Special Administrative Region Government Home Affairs Department, President of the United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP) Sustainable Business

**林家禮博士**，58歲，於2018年1月1日獲委任為本公司之非執行董事。林博士持有加拿大渥太華大學之科學與數學理學學士學位、系統科學理學碩士和工商管理碩士學位、加拿大加爾頓大學公共管理研究生文憑、英國曼徹斯特城市大學香港及英國法律深造文憑及法律榮譽學士學位、英國胡佛漢頓大學之法律碩士學位、香港大學公共行政碩士和哲學博士學位。林博士乃香港高等法院律師(前大律師)、澳洲會計師公會榮譽資深會員、澳洲管理會計師公會資深會員及香港大學專業教育學院榮譽院士。

林博士於跨國企業管理、策略顧問、企業治理、投資銀行、直接投資及基金管理方面擁有逾30年經驗，跨越電信／媒體／科技、消費市場／保健、基建／地產、能源／資源及金融服務行業。林博士現為香港數碼港管理有限公司主席，以及麥格理基礎設施及有形資產香港及東盟區非執行主席兼亞洲區首席顧問。林博士亦曾擔任香港特別行政區政府中央政策組非全職顧問、數碼21資訊科技策略諮詢委員會的行業促進專責小組委員、創新及科技基金小型企業研究資助計劃項目評審小組的評審員、香港交易所衍生工具市場諮詢小組成員、香港上市公司商會常務委員會及公司管治委員會委員、香港金融發展局拓新業務小組成員、香港特別行政區政府教育局校舍分配委員會委員及法律援助服務局成員。林博士現為香港特別行政區政府創新、科技及再工業化委員會委員、香港吸煙與健康委員會委員、教育人員專業操守議會委員、香港城市大學顧問委員會成員及民政事務總署大廈管理糾紛顧問小組召集人、聯合國亞洲及太平洋經濟社會公署ESBN執行委員會主席及其銀行及金融業專案組主席、世界中小企聯盟(WUSME)經濟及金融事務常任委員會主席、太平洋地區經濟理事會(PBEC)理事、香港貿易發展局一帶一路委員會委員、麥理浩爵士信託基金投資諮詢委員會委員、香港天使投資脈絡榮

## BIOGRAPHICAL DETAILS OF DIRECTORS

### 董事簡歷

Network (ESBN) Executive Council and Chairman of its Task Force on Banking and Finance, Chairman of the Permanent Commission on Economic and Financial Issues of World Union of Small and Medium Enterprises (WUSME), a Board member of Pacific Basin Economic Council (PBEC), a member of Belt and Road Committee of the Hong Kong Trade Development Council, a member of Sir Murray MacLehose Trust Fund Investment Advisory Committee, Honorary Advisor to the Hong Kong Business Angel Network (HKBAN), Honorary Chairman — Asia Pacific of CMA Australia, Chairman of Monte Jade Science and Technology Association of Hong Kong, President of Hong Kong – ASEAN Economic Cooperation Foundation, Vice President of the Hong Kong Real Property Federation, Special Adviser to the Asia Pacific Real Estates Association, a Board member of the Chinese General Chamber of Commerce of Hong Kong and the Australian Chamber of Commerce in Hong Kong and Macau, a founding Board member and the Honourary Treasurer of the Hong Kong Vietnam Chamber of Commerce, Vice Chairman of the Hong Kong Myanmar Chamber of Commerce, a founding member of the Hong Kong-Korea Business Council, and a member of the Hong Kong-Thailand Business Council.

**Mr. Lam Yat Fai**, aged 52, 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 accumulated rich experience in auditing, taxation, corporate finance and accounting over the years. Mr. Lam is an independent non-executive director of Oriental Press Group Limited (stock code: 0018), which is listed on the Main Board of the Hong Kong Stock Exchange.

譽顧問、澳洲管理會計師公會亞太區榮譽主席、香港玉山科技協會理事長、香港 – 東盟經濟合作基金會會長、香港房地產協會副會長、亞太區房地產協會特別顧問、香港中華總商會會董、香港及澳門澳大利亞商會會董、香港 – 越南商會創始董事會成員兼榮譽司庫、香港緬甸商會副主席、香港 – 韓國商會創會成員及香港 – 泰國商會成員。

**林日輝先生**，52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多年經驗。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。

## BIOGRAPHICAL DETAILS OF DIRECTORS

### 董事簡歷

**Mr. Chiu Sung Hong**, aged 71, 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 a senior research fellow of Centre for Law & Globalization of Renmin University of China. He also 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 (stock code: 0883), which is listed on the Main Board of the Hong Kong Stock Exchange and Bank of China (Australia) Limited.

**Mr. Chiu Fan Wa**, aged 53, 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 was also an independent non-executive director of Kenford Group Holdings Limited (stock code: 0464), which is listed on the Main Board of the Hong Kong Stock Exchange.

**Mr. Shi Shaobin**, aged 50, was appointed as executive Director on 13 March 2015 and re-designated as non-executive Director on 1 February 2017. Mr. Shi resigned on 31 December 2017.

**趙崇康先生**，71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及中國人民大學法律與全球化研究中心高級研究員。彼亦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**，53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。趙先生亦曾擔任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。

**施少斌先生**，50歲，於2015年3月13日獲委任為執行董事，及於2017年2月1日調任為非執行董事。施先生已於2017年12月31日辭任。

## REPORT OF THE CHAIRMAN

### 董事長報告

On behalf of the Board of Directors of the Company, I am pleased 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 2018 (the Current Financial Year/FYE 2018) for shareholders' review.

In the past year, under the continuous deepening of the reform of the national medical and healthcare system, the Group continued to strengthen its management over daily operations, vigorously developed the third terminal sales channel and its customer coverage, steadily promoted the progress of research and development (R&D), and actively grasped and explored opportunities for cooperation with external parties and for investment and development. Total revenue of the Group for the FYE 2018 amounted to approximately HK\$361,600,000, increased significantly by 84.9% as compared to approximately HK\$195,500,000 for the year ended 31 March 2017 (Last Corresponding Period/FYE 2017). Gross profit increased from approximately HK\$120,000,000 for the Last Corresponding Period to approximately HK\$270,400,000 for the Current Financial Year, representing an increase of 125.3%. Gross profit margin increased by 13.4 percentage points from 61.4% for the Last Corresponding Period to 74.8% for the Current Financial Year. Profit attributable to owners of the parent for the FYE 2018 amounted to approximately HK\$10,000,000. The Group declared a final dividend of HK0.35 cent per share for FYE 2018 (FYE 2017: HK0.57 cent per share), amounting to approximately HK\$7,500,000.

In the FYE 2018, Tianda Pharmaceuticals' marketing team seized the opportunity of a new round of bidding and online procurement. The Group won bids for providing various products such as Cerebroprotein Hydrolysate Injection and Aceglutamide Injection and maintained high bid prices, meanwhile, the pediatric series, which include Ibuprofen suspension and drops, Dex-pseud-chlorpheniramine syrup and Ambroxol HCl Syrup, are successfully available for online procurement in most of the provinces in China. The Group recorded remarkable sales performance in the hospital market segment. As for the OTC market, through the organic integration of sales control model and academic promotion, the Group further strengthened the market positions of two major brands, namely Tuoan (Ibuprofen series) and Tuoping (Valsartan series) and expanded the coverage of the third terminal sales networks, the sales volume of which achieved a breakthrough growth.

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2018年3月31日止年度(本財政年度/2018財政年度)之全年業績以供股東省覽。

過去一年，在國家醫藥衛生體制改革持續深化底下，本集團不斷加強日常經營管理，大力開發第三終端及其客戶覆蓋率，穩步推動研發進程，積極把握及發掘對外合作與投資發展機會。截至2018財政年度，本集團整體收入約361,600,000港元，相較截至2017年3月31日止年度(去年同期/2017財政年度)之收入約195,500,000港元，大幅增長84.9%。毛利由去年同期約120,000,000港元增加至本財政年度約270,400,000港元，增幅達125.3%。毛利率上升13.4百分點，由去年同期61.4%上升至本財政年度的74.8%。截至2018財政年度之母公司股東應佔溢利為約10,000,000港元，本集團宣派2018財政年度末期股息每股0.35港仙(2017財政年度：每股0.57港仙)，合共約7,500,000港元。

2018財政年度內，天大藥業行銷團隊抓住新一輪招標、掛網的契機，保持注射用腦蛋白水解物、注射用乙酰谷酰胺等產品的高價中標，並使兒科系列產品包括布洛芬混懸液/滴劑、美敏偽麻溶液、鹽酸氨溴索糖漿等在國內大部分省份成功掛網，醫院市場表現喜人。而在OTC市場，透過控銷策略和學術推廣的有機結合，令托恩(布洛芬系列)和托平(巔沙坦膠囊)兩大品牌得以進一步鞏固及增加第三終端銷售網絡的覆蓋率，產品銷量取得突破性增長。



## REPORT OF THE CHAIRMAN

### 董事長報告

The Group also carried out external expansion through cooperation and acquisition. In the FYE 2018, the Group deepened its business cooperation with Shanghai Pharmaceuticals Group, the second largest shareholder of the Group. By the end of the Current Financial Year, both parties entered into a three-year framework agreement to strengthen their cooperation over marketing networks and products and support each other's business development. As for mergers and acquisitions, upon the completion of the acquisition of the entire equity interest in a Zhuhai-based pharmaceutical company with limited liability in the Current Financial Year, the company has been renamed as Tianda Chinese Medicine (China) Limited. It is principally engaged in the business of Chinese herbal medicines, Traditional Chinese Medicine (TCM) decoction pieces and Chinese patent medicines; in addition, the Group entered into an agreement in April 2018 to acquire a TCM decoction pieces manufacturer that possesses the Good Manufacturing Practice for Pharmaceutical Products Certification (GMP certification). The acquisition will be completed shortly and will complement the Group's ongoing development of its fully-integrated TCM industry value chain.

Furthermore, the Group's R&D progressed smoothly. Research for the Valsartan capsule's conformity assessment has been carried out in accordance with the requirements under the national policies and the Group strived to accelerate the project declaration procedures; pharmaceutical research has been completed for Type Four glucose-lowering Acarbose tablets and the Group is ready for conducting clinical research for the drug. The R&D of TCM products has been commenced orderly: food products, healthcare food products and drug series that feature dried tangerine peel, a Chinese herb in Guangdong Province, is under development; development of healthcare products series based on ZhiKang Granules was carried out; "notoginseng" series healthcare products that are based on "Qi-Shangzhen oral solution", a healthcare product using notoginseng stalks as main ingredient, are currently under development; over 100 products such as soup packages, tea bags, medicinal liquors, TCM paste and herbal tea products have been developed to cope with the development of TDMall, an innovative TCM medical chain center business. The construction of the new R&D and pharmaceutical production base in Jinwan District, Zhuhai has been progressing in full swing. It will be completed by the end of 2019 and will commence formal operation in mid-2020.

本集團亦通過合作與收購方式進行外源性拓展。於2018財政年度，本集團與第二大股東上海醫藥集團加深業務合作，並在本財政年度完結前雙方簽訂了一份三年期的框架協議，擴大行銷網路及產品合作，支持彼此的業務發展。在併購方面，本財政年度完成收購一間位於珠海的醫藥有限公司之全部股權後，該公司已改名為天大中醫藥(中國)有限公司，主營中藥材、中藥飲片及中成藥業務；另外，本集團於2018年4月簽訂一份協議，收購一間持有《藥品生產質量管理規範認證證書》(GMP認證)的中藥飲片生產企業，此收購將於短期內完成，以配合本集團發展中醫藥全產業鏈佈局。

此外，本集團研發進展順利，其中按國家政策要求，已展開對繅沙坦膠囊一致性評價的研究工作，並力求加快項目申報；已完成四類降糖阿卡波糖藥片藥學研究，並做好臨床研究準備。中醫藥產品研發已有序開展：以廣東道地藥材廣陳皮為主，開發食品、保健食品及藥品系列，在中藥脂康顆粒基礎上進行系列健康產品開發；在以三七莖為主原料的七上珍口服液產品基礎上，正在進行三七系列健康產品開發；為配合新型連鎖中醫館“天大館”業務發展，已開發湯包、茶包、藥酒、膏滋、保健茶飲等過百款產品。於珠海金灣區的新研發和製藥基地項目全力推進中，確保於2019年底竣工，2020年中正式啟用。

## REPORT OF THE CHAIRMAN

### 董事長報告

In the current year, the management team will focus on formulating and implementing a five-year development plan. The Group will execute the “three integrates” initiative and will be devoted to the integration of R&D resources, integration of marketing resources and integration of management resources accordingly, so as to realise the involvement of the Company from a pharmaceutical manufacturer of generic drugs to a comprehensive medic-pharmaceuticals enterprise.

Looking forward, Tianda Pharmaceuticals continues to actively promote the development of its fully-integrated TCM industry value chain. The Group has completed the procedures for establishing in Macao the Tianda Chinese Medicine Limited as its TCM business headquarter, TDMall (Group) Limited as its innovative Chinese medical chain centre, and Tianda Chinese Medicine Institute Limited as its TCM research platform, and together with the foundations provided by various ongoing projects in the area of TCM, the Group will continue to further develop and enhance its industry strategy and build new growth poles for the Company within the shortest possible time. On the other hand, it will continue to closely monitor the cutting-edge technologies and latest development of modern medical science, capitalise on cooperation and investment opportunities, identify new opportunities for development, and strive to enter into a new era with brilliant prospects.

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, and also the Board of Directors for their efforts and contributions to the Group’s expeditious business growth.

**Fang Wen Quan**  
*Chairman*

Hong Kong, 28 June 2018

新的一年，經營團隊將圍繞制定並實施五年發展規劃，整合研發資源、整合行銷資源、整合管理資源，並以這“三個整合”為舉措，推動天大藥業從一家以仿製藥為主的製藥企業發展成為一家綜合性醫藥企業。

展望未來，天大藥業一方面繼續積極推進中醫藥全產業鏈的發展，在已經完成澳門設立的中醫藥產業總部—天大中醫藥有限公司、新型連鎖中醫館—天大館（集團）有限公司、中醫藥研發平臺—天大中醫藥研究院有限公司，及正在進行的中醫藥併購項目的基礎上，不斷深化和完善產業佈局，儘快儘早形成公司新的增長極；另一方面將繼續密切關注現代醫學前沿技術和發展趨勢，合作與投資並舉，謀求發展新機遇，努力創造一個前景無限的新局面。

最後，本人謹此感謝客戶、員工、業務合作夥伴及股東多年來的支持、貢獻及信任，以及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，2018年6月28日

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### FINANCIAL REVIEW

During the Current Financial Year, the Group recorded a consolidated revenue of approximately HK\$361,600,000 from its core business, representing an increase of 84.9% as compared with approximately HK\$195,500,000 for the FYE 2017. Gross profit was approximately HK\$270,400,000 which increased by 125.3% from approximately HK\$120,000,000 for the FYE 2017. Gross profit margin increased significantly by 13.4 percentage points from 61.4% for the FYE 2017 to 74.8% for the Current Financial Year.

During the Current Financial Year, the Group improved its sales performance by vigorously developing the third terminal sales channel to increase its customer base. Sales revenue of Tianda Pharmaceuticals (Zhuhai) Ltd. (Tianda Pharmaceuticals (Zhuhai)), a wholly-owned subsidiary of the Company, increased by 38.8% from approximately HK\$115,600,000 for the FYE 2017 to approximately HK\$160,400,000, with its main product “Tuoen” (Ibuprofen suspension and drops) delivered remarkable sales performance, the sales revenue and sales volume of “Tuoen” up by 76.5% and 48.5% year-over-year respectively. Profit contribution from Tianda Pharmaceuticals (Zhuhai) also increased by 28.8% from approximately HK\$11,600,000 for the FYE 2017 to approximately HK\$15,000,000 for the Current Financial Year.

Yunnan Meng Sheng Pharmaceutical Co., Ltd. (Meng Sheng Pharmaceutical) adjusted its sales model during the Current Financial Year in response to the changes in policy brought by the Chinese government's gradual implementation of the Two-Invoice System for drug sales. As a result, both selling price of products and operating costs increased accordingly, leading to an increase in sales revenue of 152.3% from approximately HK\$77,800,000 for the FYE 2017 to approximately HK\$196,300,000 for the Current Financial Year, while selling and distribution expenses also increased from approximately HK\$15,900,000 for the FYE 2017 to approximately HK\$131,200,000 for the Current Financial Year. Domestic sales volume of its flagship product, Cerebroprotein Hydrolysate Injection, increased by nearly 11.9%. Meanwhile, the sales revenue and sales volume of “Qi-Shangzhen oral solution”, a healthcare product using notoginseng stalks (sanqi, a local medicine in Yunnan) as base ingredient, increased by 63.5% and 60.0% respectively for the Current Financial Year as compared to those recorded for the FYE 2017. Profit contribution from Meng Sheng Pharmaceutical, after netting off non-controlling interests' share, increased slightly from approximately HK\$13,500,000 for the FYE 2017 to approximately HK\$13,700,000 for the Current Financial Year.

### 財務回顧

於本財政年度，本集團錄得綜合主營業務收入約361,600,000港元，較2017財政年度約195,500,000港元按年上升84.9%。毛利由2017財政年度的約120,000,000港元按年上升125.3%至約270,400,000港元。毛利率大幅提升13.4百分點，由2017財政年度的61.4%上升至74.8%。

於本財政年度，本集團大力開發第三終端，增加第三終端的客戶覆蓋，使銷售表現得以提升，當中本公司全資附屬公司天大藥業(珠海)有限公司(天大藥業(珠海))錄得銷售收入約160,400,000港元，較2017財政年度約115,600,000港元增加38.8%。其中，主要產品托恩(布洛芬混懸液及滴劑)表現突出，銷售收入及銷售量按年分別上升76.5%及48.5%。而天大藥業(珠海)溢利貢獻亦由2017財政年度約11,600,000港元增加28.8%至本財政年度約15,000,000港元。

雲南盟生藥業有限公司(盟生藥業)方面，於本財政年度，國家對藥品銷售逐步落實施行兩票制政策，盟生藥業要調整銷售模式以應對政策轉變，產品銷售價格及營運成本相應同步增加，其銷售收入由2017財政年度約77,800,000港元，大幅上升152.3%至本財政年度約196,300,000港元，而銷售及分銷支出由2017財政年度15,900,000港元增至本財政年度約131,200,000港元。旗艦產品注射用腦蛋白水解物於國內銷售量錄得近11.9%增幅。而以雲南道地藥材三七莖為主原料的保健產品七上珍口服液於本財政年度的銷售收入及銷量較2017財政年度分別增加63.5%及60.0%。盟生藥業溢利貢獻，扣除非控股權益後，由2017財政年度約13,500,000港元稍為增加至本財政年度約13,700,000港元。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論與分析

Selling and distribution expenses increased from approximately HK\$49,400,000 for the FYE 2017 to approximately HK\$197,200,000 for the Current Financial Year. As explained above, Meng Sheng Pharmaceutical recorded agency fees of approximately HK\$112,700,000 for the Current Financial Year due to its change in sales model in response to the Chinese government's implementation of the Two-Invoice System. The substantial increase in selling and distribution expenses was mainly due to building of the sales team and extensive market expansion. With regard to administrative expenses, the Group continued its efforts to enhance efficiency and effectiveness in costs control and contained the increase of the overall administrative expenses which recorded a slight increase from approximately HK\$50,200,000 for the FYE 2017 to approximately HK\$55,100,000 for the Current Financial Year.

The Group recorded other income and other net gains of approximately HK\$15,000,000, representing a slight decrease as compared to approximately HK\$15,300,000 for the FYE 2017. There were three main components of growth which were included in the other income and other net gains for the Current Financial Year, namely 1) interest income from bank deposits and fair value gain on derivative financial instruments increased by approximately HK\$300,000 or 3.5% from approximately HK\$8,800,000 for the FYE 2017 to approximately HK\$9,100,000; 2) in view of the substantial returns that could be realised from its investment in ASLAN Pharmaceuticals Limited (ASLAN) and in order to lock in the lucrative profits and capitalise on the opportunity to realise its investment, during the Current Financial Year, the Group disposed 2,797,000 shares in ASLAN on Taiwan's OTC Exchange, representing approximately two-thirds of the Group's shareholdings in ASLAN, and recorded a profit of approximately HK\$8,300,000, representing an increase of approximately HK\$2,100,000 or 34.7% as compared to the one-off fair value gain on investment of approximately HK\$6,200,000 when the Group derecognised the ASLAN Preference Shares during the FYE 2017. As all the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the shares disposal in ASLAN were below 5%, the shares disposal transaction did not constitute a notifiable transaction for the Company; and 3) recognised impairment of approximately HK\$1,300,000 for intangible assets in respect of healthcare product business during the Current Financial Year, representing a decrease of approximately HK\$5,100,000 or 79.6% as compared to the impairment of goodwill and intangible assets in aggregate of approximately HK\$6,400,000 for the FYE 2017.

銷售及分銷支出由2017財政年度約49,400,000港元增加至本財政年度約197,200,000港元。誠如上文所解釋，盟生藥業順應國家兩票制所帶來的經營模式改變，而於本財政年度錄得代理商費用約112,700,000港元。而構建銷售團隊、加大拓展市場力度等都是令銷售及分銷支出大幅上升原因。行政支出方面，本集團持繼努力提升效率效益以控制成本，使整體行政費用支出由2017財政年度約50,200,000港元輕微增加至本財政年度約55,100,000港元。

其它收入及其它淨收益錄得約15,000,000港元，較2017財政年度約15,300,000港元輕微下跌。本財政年度的其它收入及其它淨收益當中包括有三個增長部份：一) 銀行存款及理財產品利息收入錄得約9,100,000港元，較2017財政年度約8,800,000港元增長約300,000港元或3.5%；二) 本集團鑒於投資於ASLAN Pharmaceuticals Limited (亞獅康) 已有非常可觀的回報，為了鎖定豐厚利潤及把握投資變現的機會，本集團於本財政年度在臺灣股票市場出售2,797,000股亞獅康股份(即約三份之二本集團持有亞獅康股份數目)，錄得約8,300,000港元利潤，較2017財政年度因終止確認亞獅康優先股時錄得一次性投資公允價值收益約6,200,000港元，多出約2,100,000港元或34.7%。由於根據上市規則第14.07條，出售亞獅康股份事項的所有適用百分比率低於5%，故並不構成本公司一項須予公告交易；及三) 本財政年度對保健產品業務相關的無形資產確認減值約1,300,000港元，較2017財政年度的商譽及無形資產減值總額約6,400,000港元減少約5,100,000港元或79.6%。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論與分析

The above growth components were partly offset by non-cash exchange losses due to the continuous depreciation of Hong Kong dollar against RMB during the Current Financial Year, the Group recorded a net exchange loss of approximately HK\$2,800,000, as compared to net exchange gain of approximately HK\$3,700,000 for the FYE 2017 arising from the appreciation of Hong Kong dollar against RMB.

The Group completed the acquisition of Zhuhai Renhong Medicine Co., Ltd. on 4 December 2017 with the acquiree being renamed as Tianda Chinese Medicine (China) Limited subsequently to promote its investment and development in the Traditional Chinese Medicine (TCM) industry. However, a loss of approximately HK\$2,100,000 was recorded for the Current Financial Year as the business is in the phase of consolidation after the acquisition.

Based on the foregoing, profit attributable to owners of the parent for the Current Financial Year was approximately HK\$10,000,000, representing a decrease of 19.6% as compared to approximately HK\$12,400,000 for the FYE 2017, representing basic and diluted earnings per share of HK0.47 cents (FYE 2017: HK0.58 cents).

The Group maintained its sound financial position, net cash flows from operating activities and net cash inflows increased from approximately HK\$40,600,000 and approximately HK\$25,900,000 for the FYE 2017 to approximately HK\$58,800,000 and approximately HK\$57,600,000 for the Current Financial Year respectively. As at 31 March 2018, the Group's cash and cash equivalents amounted to approximately HK\$493,200,000 with no external borrowing, representing a net cash value per share equivalent to HK22.9 cents. The current ratio and quick ratio decreased from 7.53 and 6.97 for the FYE 2017 to 4.58 and 4.31 for the Current Financial Year respectively. The decrease in the ratios was mainly due to the significant increase in both trade receivables and other payables on marketing expenses arising from change in sales model in response to the implementation of the Two-Invoice System.

上述的增長部份受到非現金匯兌虧損而被部份抵銷，港幣兌人民幣於本財政年度內持續貶值，令本集團錄得淨匯兌虧損約2,800,000港元，而2017財政年度則因港幣兌人民幣升值而錄得淨匯兌收益約3,700,000港元。

本集團於2017年12月4日已完成收購珠海仁宏醫藥有限公司，及後改名為天大中醫藥(中國)有限公司，為投資發展中醫藥產業向前推進，惟由於業務正處於收購後的整合階段，於本財政年度內錄得虧損約2,100,000港元。

綜上，母公司股東應佔溢利約為10,000,000港元，較2017財政年度約12,400,000港元下跌19.6%，相當於每股基本及攤薄盈利為0.47港仙(2017財政年度：0.58港仙)。

本集團財務狀況維持穩健，來自經營活動的淨現金流量及淨現金流入分別由2017財政年度約40,600,000港元及約25,900,000港元上升至本財政年度約58,800,000港元及約57,600,000港元。於2018年3月31日，本集團持有現金及現金等值項目合共約493,200,000港元，並且未有向外借貸，每股現金淨值相當於22.9港仙。流動比率及速動比率由2017年財政年度7.53及6.97，下降至本財政年度4.58及4.31，比率下降主要原因是兩票制銷售模式下，導致貿易應收賬及應付市場行銷費用皆大幅增加。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### BUSINESS REVIEW

During the Current Financial Year, through managerial and technological innovation, the operation team has successfully widened the Group's supply side, implemented material procurement and bidding in bulk volume, strengthened production standardisation assessment, achieved cost and consumption reduction and enhanced efficiency; the Group also adhered to the strategy of controlling sales and stepped up its efforts in product promotion which contributed to sales growth. While further enhancing the performance of its existing business, the Group grasped the opportunities arising from the national policy of supporting the development of TCM. It will focus on nine components in three major aspects, namely "Chinese Medical Practice, Chinese Medicines and Smart TCM", and take the opportunity to build its presence in the TCM industry and strive to build new growth poles for the Company.

The Group views both research and development (R&D) and innovation as the important driving force for its long-term development and devised a five-year development plan for R&D accordingly. During the Current Financial Year, 1) process optimisation and sample preparation of Valsartan capsules Conformity Assessment Project commenced smoothly; 2) sufficient pharmaceutical research has been completed for Type Four glucose-lowering Acarbose and the Group is ready for conducting clinical research for the drug. The next step would be improvement of pharmaceutical research of Acarbose tablets and formal commencement of bioequivalence tests and other research works; 3) "dried tangerine peel plus" product project features dried tangerine peel, a Chinese herb in Canton regions, with the development of nine product series as its focus, namely dried tangerine peel candy series, lipid and blood sugar-lowering series, dampness removing and phlegm reducing series, spleen strengthening and digestion promotion series, antidote and liver protection series, heat clearance and dampness removal series, beauty maintenance series, bowels loosening and weight loss series, and sleeping improvement series; 4) development of healthcare products series based on ZhiKang Granules was carried out and the preparation of 21 samples of products derived from Zhikang Granules in small quantities has been completed; 5) over 100 products such as soup packages, tea bags, medicinal liquors, TCM paste and herbal tea products have been developed to cope with the development of TDMall, an innovative TCM medical chain center business; 6) in addition to the "Qi-Shangzhen oral solution", a healthcare product using notoginseng stalks as main ingredient, the Group is developing "notoginseng" series healthcare products; 7) received government awards or subsidies of over HK\$1,400,000.

### 業務回顧

本財政年度，經營團隊透過管理和技術創新，擴寬供給側，推行大宗物料採購招標，加強生產標準化考核，節本降耗提效益；堅持控銷策略，加大產品推廣力度，有效促進銷售增長。在進一步做好現有業務的同時，本集團把握國家支持發展中醫藥產業的先機，從“中醫、中藥、中醫藥智能科技”三大方面、九個領域，順勢進軍中醫藥產業，努力謀劃公司新的增長極。

本集團視研發創新為長期發展的重要驅動力，為此，制定了研發五年發展規劃。本財政年度，一) 纈沙坦膠囊一致性評價項目的工藝優化和樣品試制有效開展；二) 四類降糖阿卡波糖片完成充分的藥學研究，做好臨床研究準備。下一步將完善阿卡波糖片藥學研究、正式開展生物等效性試驗等研究工作；三) “陳皮+”產品項目以廣東道地藥材廣陳皮，重點開發九個系列產品：陳皮糖系列、降脂降糖系列、燥濕化痰系列、健脾消食系列、解酒護肝系列、清熱化濕系列、美容養顏系列、潤腸減肥系列及改善睡眠系列；四) 在脂康顆粒基礎上進行系列健康產品開發，已完成脂康衍生產品21種小樣製備；五) 為配合新型中醫館“天大館”業務開拓，已開發湯包、茶包、藥酒、膏滋、保健茶飲等過百款產品；六) 在以三七莖為主原料的七上珍口服液產品基礎上，正在進行三七系列的健康產品開發；七) 研發獲政府獎勵或補貼超1,400,000港元。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論與分析

- The Group's sales network covers all provinces, cities and autonomous regions in the PRC. The pediatric series, namely Ibuprofen suspension and drops, Dex-pseud-chlorpheniramine syrup and Ambroxol HCl syrup, are successfully available for online procurement in most of the provinces and cities in China. Hospital sales increased steadily, of which the annual sales volume of "Tuoen" (Ibuprofen series) products broke through the 10 million bottles level; the Group also won bids for providing Cerebroprotein Hydrolysate Injection and Aceglutamide Injection and maintained high bid prices. As for the OTC market, through the organic integration of sales control model and academic promotion, the Group further strengthened its coverage and market competitiveness of the Company's products and brand in the third terminal sales network.
- "Herb Valley" series health products maintained its sales growth momentum. The business actively expanded its sales channels in Mainland China, Hong Kong and Australia, explored and attracted new customers, launched diversified product promotion programs, and stimulated consumers' purchasing power. A revamped e-commerce platform was officially re-launched at the end of 2017. The business strengthened its brand promotion efforts on WeChat and Weibo and continued to expand the exposure of "Herb Valley" healthcare products and Super Manuka Honey and improved the reputation of its products and brand continuously.
- By the end of the Current Financial Year, the Group entered into a three-year framework agreement with Shanghai Pharmaceuticals Holding Co., Ltd\*, the second largest shareholder of the Company, so as to strengthen both parties' cooperation over their products and marketing networks to promote joint development.
- The acquisition of Zhuhai Renhong Medicine Co., Ltd. was completed on 4 December 2017 with the acquiree being renamed as Tianda Chinese Medicine (China) Limited subsequently. The company possesses the Good Supply Practice for Pharmaceutical Products Certification (GSP Certification) and this marked the commencement of Chinese herbal medicines, TCM decoction pieces and Chinese patent medicines business of the Group.
- 銷售網絡遍佈全國所有省、市、自治區。兒科系列產品布洛芬混懸液／滴劑、美敏偽麻溶液、鹽酸氨溴索糖漿在全國大部分省市成功掛網，醫院銷量穩步增長，其中托恩（布洛芬系列）產品年銷量突破千萬瓶；注射用腦蛋白水解物和注射用乙酰谷酰胺亦保持了高價中標。在OTC市場方面，透過控銷模式和學術推廣的有機結合，進一步加強公司產品和品牌於第三終端銷售網絡的覆蓋率及市場競爭力。
- “和谷”系列健康產品銷售繼續推進，在中國大陸、香港及澳大利亞三地積極拓展銷售管道，開發新客戶，推出多元化的產品促銷方案，激發消費者購買動力。電子商務平臺更新後已於2017年底正式重新上線，並於微信及微博加強品牌推廣，不斷擴大“和谷”品牌及超級麥蘆卡蜂蜜產品的曝光率，不斷提升產品和品牌的美譽度。
- 本財政年度完結前，與第二大股東上海醫藥集團股份有限公司簽訂了一份三年期的框架協議，以加強雙方產品和行銷網路的合作，促進共同發展。
- 2017年12月4日完成收購珠海仁宏醫藥有限公司，及後改名為天大中醫藥（中國）有限公司，獲得了《藥品經營質量管理規範認證證書》（GSP認證）經營資質，開啓中藥材、中藥飲片及中成藥業務。

\* For identification purpose only

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論與分析

- In April 2018, the Group entered into an acquisition agreement to acquire the entire interest in a company that possesses the Good Manufacturing Practice for Pharmaceutical Products Certification (GMP Certification) and engaged in the manufacturing of TCM decoction pieces at a cash consideration of approximately HK\$3,000,000. The acquisition added an important component to the Group's ongoing development of its fully-integrated TCM industry value chain. The acquisition is subject to fulfillment of conditions by the seller and is expected to be completed shortly. The Group will issue a voluntary announcement in this respect in due course.
- The new R&D and pharmaceutical production base in Jinwan District, Zhuhai will be constructed in two phases. The first phase covers the construction of ancillary facilities for various existing pharmaceutical products and newly-developed TCM decoction pieces and TCM preparation operations of Tianda Pharmaceuticals (Zhuhai) and ancillary facilities required for R&D. During the Current Financial Year, the cost, quality control and safety management and other aspects of the base construction have all been effectively monitored and all work has been progressing smoothly. It will be completed by the end of 2019 and will commence operation in mid-2020.
- 2018年4月簽訂一份收購協議，以現金約3,000,000港元收購一間持有《藥品生產質量管理規範認證證書》(GMP認證)的中藥飲片生產企業全部權益，為本集團發展中醫藥全產業鏈又添上了重要的一環。此收購涉及賣方須履行條件，預計將於短期內完成，本集團將適時發出自願性公告。
- 於珠海金灣區的新研發和製藥基地分兩期建設，第一期包括天大藥業(珠海)現化藥品種、新佈局的中藥飲片和中藥製劑、以及研發所需的建設配套。本財政年度，有關基地建設的成本、品質和安全管理等，均已得到有效監控，各項工作順利推進，確保在2019年底竣工，2020年中啟用。

### OUTLOOK

The Group will integrate its R&D resources and implement a five-year R&D plan; step up its efforts to develop innovative drugs with intellectual property rights, undergo comprehensive R&D plan for TCM technology and product, stay at the forefront of modern medical science and technology, and capitalise on investment and development opportunities. The Group will also integrate its marketing resources, formulate five-year marketing plan; explore opportunities in the international market based on its strong foundation in the PRC market, build four marketing teams for Tianda Pharmaceuticals (China), Tianda Chinese Medicine (China), Tianda Pharmaceuticals (Australia) and Tianda Pharmaceuticals (Hong Kong) respectively, further improve the e-commerce platform of "Herb Valley"; strengthen and devote additional resources to new market development, strengthen the reputation of "Tianda" brand and various brands of the Group, and strengthen the building of new sales growth drivers and new competitive products, and with concerted effort, the Group is committed to developing "Herb Valley" healthcare products as another source of profit with "Qi-Shangzhen oral solution" and Super Manuka Honey series will take the role to spur the development, it will also adopt a multi-pronged

### 展望

本集團將整合研發資源，實施五年研發計劃；加大力度開發具有智慧財產權的創新藥物，全方位謀劃中醫藥技術和產品研發，瞄準現代醫學科技前沿，擇機投資發展。整合行銷資源，制定五年行銷規劃；立足中國市場，放眼國際市場，打造天大藥業(中國)、天大中醫藥(中國)、天大藥業(澳大利亞)、天大藥業(香港)四個行銷團隊，進一步做好“和谷”電商平臺；加強空白市場開發和市場投入，加強“天大”品牌和諸多產品品牌建設，加強培育新的銷售增長點和新的拳頭產品，齊心協力，把以七上珍口服液和麥盧卡蜂蜜為先鋒的“和谷”系列健康產品發展成為又一利潤源頭，多管齊下，把獨家專利產品脂康顆粒發展成為又一明星產品；推動中藥材、中藥飲片國內外業務發展，穩健啟動“天大館”業務。整合管理資源，助推五年發展規劃；以人力資源整合為突破口，推動財務資產、生產



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論與分析

approach and develop its proprietary patented product, ZhiKang Granules, into another well-known product; promote the development of TCM and TCM decoction pieces business in both domestic and foreign markets, and commence the operation of TDMall in a steady and healthy manner. The Group will integrate its management resources to accelerate its five-year development plan; leverage on opportunities arising from human resources integration as a breakthrough to promote the rational deployment of various management resources which cover financial assets, production and operation, material procurement, quality control, and information technology, make the best use of its talents and resources available, further improve efficiency and effectiveness; take innovation as an initiative to effectively implement flat management, intensive management and collaborative management. The “three integrations” mentioned above will be the Group’s starting point for future development. The Group will strive for its organic growth and move forward steadily and is committed to developing into a comprehensive pharmaceuticals enterprise.

#### LIQUIDITY AND FINANCIAL RESOURCES

The Group’s liquidity remains steady and healthy. As at 31 March 2018, the Group’s cash and cash equivalents was approximately HK\$493,200,000 (31 March 2017: approximately HK\$399,300,000), of which approximately 16.2%, 76.8% and 6.7% were denominated in Hong Kong dollars, Renminbi and New Taiwanese dollars respectively with remaining in Australian dollars, United States dollars and Euros. The Group has no external borrowing as at 31 March 2018. Therefore, the Group has sufficient resources to meet its obligation and daily operations.

#### EXCHANGE RATE EXPOSURE

The Group’s assets, liabilities and transactions are substantially dominated in Hong Kong dollars, Renminbi, Australian dollars, United States dollars and New Taiwanese 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 minimise 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 risks as at 31 March 2018 and 31 March 2017.

運作、物料採購、品質控制、資訊技術等企業各方面管理資源的合理調配，人盡其才，物盡其用，進一步提高效率效益；以創新為舉措，切實推進企業管理扁平化、集約化、協同化。本集團將以上述“三個整合”為抓手，有機貫通，穩健前行，致力發展成為綜合性醫藥企業。

#### 流動資金及財務資源

本集團之流動資金維持穩健。於2018年3月31日，本集團有現金及現金等值項目約493,200,000港元（2017年3月31日：約399,300,000港元），其中約16.2%、76.8%及6.7%分別以港元、人民幣及新台幣計值，餘額則以澳元、美元及歐元計值。於2018年3月31日，本集團概無外部借貸。因此，本集團具備充足資源以應付其責任及日常營運。

#### 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、美元及新台幣計值。

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2018年3月31日及2017年3月31日，本集團概無訂立任何外幣遠期合約。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### CHARGES ON ASSETS

As at 31 March 2017, the Company pledged certain bank deposits in favor of a bank to secure bank facilities granted to the Company. The bank facilities were undrawn during the years ended 31 March 2018 and 31 March 2017. The pledge has been released during the year ended 31 March 2018.

### EMPLOYEES

The Group has approximately 481 employees in Hong Kong, Mainland China and Australia as at 31 March 2018. The Group remunerates its employees based on market terms and the qualification and experience of the employees concerned.

### 資產抵押

於2017年3月31日，本公司已向一間銀行質押若干銀行存款，作為本公司所獲授銀行融資之抵押。有關銀行融資於截至2018年3月31日及2017年3月31日止年度內尚未提取。該質押已於截至2018年3月31日止年度內獲解除。

### 僱員

於2018年3月31日，本集團於香港、中國大陸及澳大利亞聘有約481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 FYE 2018 except as mentioned below.

Mr. Fang Wen Quan is the Chairman of the Board and the Managing Director of the Company. Pursuant to code provision of A.2.1 of the CG Code, the roles of the chairman and chief executive officer of an issuer should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. Having considered the current business operation and the size of the Group, the Board is of the view that Mr. Fang Wen Quan acting as both the Chairman of the Board and the Managing Director of the Company is acceptable and in the best interest 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.

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2018財政年度，本公司已遵守在香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。

方文權先生為本公司董事長兼董事總經理。根據企業管治守則之守則條文第A.2.1條，發行人董事長及行政總裁之職務應分開及不應由同一人士擔任，並應以書面明確界定董事長與行政總裁各自之職責。經考慮本集團目前業務運作及規模，董事會認為由方文權先生同時出任本公司之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。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

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 Managing Director*)  
Mr. Lui Man Sang

### Non-executive Directors:

Mr. Shen Bo  
Mr. Feng Quanming  
Dr. Lam Lee G.  
(Appointed on 1 January 2018)

### INEDs:

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

During the FYE 2018, Mr. Shi Shaobin resigned as non-executive Director with effect from 31 December 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.

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 (*董事長兼董事總經理*)  
呂文生先生

### 非執行董事：

沈波先生  
馮全明先生  
林家禮博士  
(於2018年1月1日獲委任)

### 獨立非執行董事：

林日輝先生  
趙崇康先生  
趙帆華先生

於2018財政年度，施少斌先生辭任非執行董事，自2017年12月31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。

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

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.

#### Corporate Governance Functions

The Board is responsible for performing the corporate governance duties including the following matters attended by the Board during the FYE 2018:

- develop and review the Company's policies and practices on corporate governance and make recommendations;
- 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.

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。

#### 企業管治職能

董事會負責履行企業管治職責，包括於2018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；
- 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。

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

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.

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 FYE 2018.

#### Directors' meeting

During the FYE 2018, the Board held 5 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
<b>Executive Directors :</b>	<b>執行董事：</b>	
Mr. Fang Wen Quan (Chairman and Managing Director)	方文權先生 (董事長兼董事總經理)	5/5
Mr. Lui Man Sang	呂文生先生	5/5
<b>Non-executive Directors :</b>	<b>非執行董事：</b>	
Mr. Shen Bo	沈波先生	5/5
Mr. Feng Quanming	馮全明先生	4/5
Dr. Lam Lee G. (Appointed on 1 January 2018)	林家禮博士 (於2018年1月1日獲委任)	1/1
Mr. Shi Shaobin (Resigned on 31 December 2017)	施少斌先生 (於2017年12月31日辭任)	4/4
<b>INEDs :</b>	<b>獨立非執行董事：</b>	
Mr. Lam Yat Fai	林日輝先生	5/5
Mr. Chiu Sung Hong	趙崇康先生	2/5
Mr. Chiu Fan Wa	趙帆華先生	4/5

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。

根據各董事向本公司提供之培訓記錄，全體董事於2018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2018財政年度內，董事會舉行五次董事會會議。董事出席會議之情況如下：

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

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](http://www.tiandapharma.com).

#### 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 1 meeting during the FYE 2018 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 FYE 2018 are as follows:

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

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](http://www.tiandapharma.com)。

#### 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2018財政年度，薪酬委員會舉行一次會議，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2018財政年度內個別成員之出席詳情如下：

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

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 7 and 8 to the consolidated financial statements, respectively.

#### 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 FYE 2018, the nomination committee held 2 meetings. Details of individual attendance of its members are as follows:

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

During the FYE 2018, 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 appointment of new non-executive Director, and re-election of retiring Directors.

In considering the appointment of Dr. Lam Lee G. as the new non-executive Director, 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 his duties and responsibilities effectively, etc. and made recommendation to the Board for approval.

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7及8。

#### 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2018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：

		Number of Meetings Attended/Held 出席／舉行會議次數
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於2018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，以及就委任新非執行董事，及重選退任董事向董事會提出建議。

考慮委任新非執行董事林家禮博士時，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。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### 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。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### 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 3 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 ( <i>主席</i> )	3/3
Mr. Chiu Sung Hong	趙崇康先生	1/3
Mr. Chiu Fan Wa	趙帆華先生	3/3
Mr. Shen Bo	沈波先生	3/3

The work performed by the audit committee during the FYE 2018 includes the followings:

- review the financial statements for the year ended 31 March 2017 and for the six months ended 30 September 2017;
- to make recommendation with respect to the appointment of the Company's new external auditor;

### 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，審核委員會舉行三次會議。個別成員之出席詳情如下：

於2018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2017年3月31日止年度及截至2017年9月30日止六個月之財務報表；
- 就委任新外聘核數師作出建議；

## CORPORATE GOVERNANCE REPORT 企業管治報告

- 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.

### 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.

During the year, the risk management committee held 1 meeting. Details of individual attendance of its members are as follows:

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

### 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 FYE 2018.

- 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。

### 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。

於本年度內，風險管理委員會舉行一次會議。個別成員之出席詳情如下：

### 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2018財政年度內均已遵守標準守則。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### AUDITOR'S REMUNERATION

The fees in relation to the audit and other services, including reviewing interim results for the year provided by Ernst & Young, Certified Public Accountants, the external auditor of the Company, amounted to HK\$1,300,000 and HK\$380,000 respectively.

### 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 57 to 63.

### 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 has established an internal audit department 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.

### 核數師酬金

本公司之外聘核數師安永會計師事務所(執業會計師)於年內所提供核數服務及其它服務(包括審閱中期業績)之費用分別為1,300,000港元及380,000港元。

### 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57至63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。

本公司已成立內部審核部門，以評估其內部監控制度，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。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### 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;
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.

### 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；
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。

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

During the FYE 2018, the Board has reviewed the effectiveness of the risk management and internal control systems through the audit committee, risk management 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 opinion of the Audit Committee.

In respect of the FYE 2018, 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 current primary contact person with the company secretary of the Company is Mr. Wong Man Yuk, Financial Controller. Mr. Lo has confirmed that he has taken no less than 15 hours of relevant training.

於2018財政年度，董事會亦透過審核委員會，風險管理委員會及本公司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意見達致對制度有效程度之意見。

就2018財政年度而言，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。現在與本公司公司秘書之主要聯絡者為財務總監黃文旭先生。羅先生確認，彼已接受不少於十五小時之相關培訓。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### CONSTITUTIONAL DOCUMENTS

During the FYE 2018, 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.

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 28 August 2017. A notice convening the AGM contained in the circular dated 28 July 2017 was dispatched to the shareholders together with the 2017 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 Director Mr. Lui Man Sang, Mr. Shi Shaobin, 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. Shen Bo and Mr. Feng Quanming, non-executive Directors of the Company, were unable to attend the 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.

### 憲章文件

於2018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。

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2017年8月28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2017年7月28日之通函內)已連同2017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、執行董事呂文生先生、非執行董事施少斌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沈波先生及馮全明先生各自因其它事務而未能出席股東週年大會。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。

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

Ensuring high corporate transparency is a key emphasis in the Group's investor relations activities. During the FYE 2018, 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.

The Company also maintains a website at [www.tiandapharma.com](http://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](mailto: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 (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.

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2018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。

本公司亦設有網站，網址為 [www.tiandapharma.com](http://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1號  
中信大廈24樓2405–2410室  
傳真：(852) 2541 6558  
電郵：[investor\\_relations@tianda.com](mailto: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。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### (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.

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](mailto:direct_enquiries@tianda.com) for the attention of the Board.

### (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1號中信大廈24樓2405-2410室。

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1號中信大廈24樓2405-2410室，或以電郵發送至[direct\\_enquiries@tianda.com](mailto:direct_enquiries@tianda.com)，註明收件人為董事會。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### (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](http://www.tiandapharma.com).

### (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](http://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 2018.

### 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. The Group also engages in the sales and wholesales of Chinese Herbal Medicines, Traditional Chinese Medicine decoction pieces and Chinese medicines.

### BUSINESS REVIEW

The business review of the Group for the year ended 31 March 2018 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 15 to 17 and pages 18 to 25 respectively of this Annual Report.

The financial risk management objectives and policies of the Group are shown in note 34 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 Group 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. Further discussions on the Group's environmental policies and the relationships with various stakeholders will be covered in a separate "Environmental, Social and Governance (ESG) Report". The ESG Report will be published in the due course.

董事呈列截至2018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。本集團亦從事銷售批發中藥材、中藥飲片及中成藥產品。

### 業務回顧

本集團截至2018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15至17頁之“董事長報告”及第18至25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34。

### 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，對達致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。有關本集團的環境政策及與多個持份者的關係會於一份單獨的“環境、社會及管治報告”中作進一步討論。該環境、社會及管治報告將會適時發布。

# 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 2018 is set out in note 4 to the consolidated financial statements.

### MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2018, the five largest customers of the Group accounted for approximately 12.4% of the Group's total revenue while the largest customer of the Group accounted for approximately 3.4% of the Group's total revenue. In addition, for the year ended 31 March 2018, the five largest suppliers of the Group accounted for approximately 17.7% of the Group's total purchases while the largest supplier of the Group accounted for approximately 5.3% of the Group's total purchases.

During the FYE 2018, 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 Zhuhai S.E.Z. Cheng Cheng Printing Co., Ltd.\* (Cheng Cheng Printing) which is one of the five major suppliers of the Group.

Except for the above-disclosed, none of the Directors, associates of Director or Shareholders of the Company (who to the knowledge of the Directors owns 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 2018 are set out in the consolidated statement of profit or loss and other comprehensive income on page 64.

\* For identification purpose only

### 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2018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4。

### 主要客戶及供應商

截至2018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12.4%及約3.4%。此外，截至2018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17.7%及約5.3%。

於2018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)(本集團五大供應商之一)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2018年3月31日止年度之業績載於第64頁之綜合損益及其它全面收益表。

\* 僅供參考

# REPORT OF THE DIRECTORS

## 董事會報告

### DIVIDEND AND CLOSURES OF REGISTER OF MEMBERS

The Board has recommended the payment of a final dividend of HK0.35 cent per share for FYE 2018 (FYE 2017: HK0.57 cent per share), subject to shareholders' approval at the forthcoming 2018 AGM. The final dividend is expected to be paid on or before Friday, 21 September 2018 to the shareholders whose names appear on the register of members of the Company on Friday, 7 September 2018.

The register of members of the Company will be closed from Thursday, 23 August 2018 to Tuesday, 28 August 2018 (both days inclusive), whereby no transfer of shares will be effected for the purpose of ascertaining the shareholders' entitlement to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all share transfers, accompanied by the relevant share certificate(s) must be lodged with the Company's Hong Kong Branch share registrar, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Wednesday, 22 August 2018.

The register of members of the Company will be closed from Tuesday, 4 September 2018 to Friday, 7 September 2018 (both days 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 at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Monday, 3 September 2018.

### 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 8 to 9 of this annual report.

### PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the FYE 2018 are set out in note 12 to the consolidated financial statements.

### 股息及暫停辦理股份過戶登記手續

董事會建議就2018財政年度派發末期股息每股0.35港仙(2017財政年度：每股0.57港仙)，須待股東於應屆2018年股東週年大會上通過後方可作實。預期將於2018年9月21日(星期五)或之前向名列本公司於2018年9月7日(星期五)之股東名冊上的股東支付末期股息。

為確定股東享有出席股東週年大會並投票之權利，本公司的股東名冊將由2018年8月23日(星期四)至2018年8月28日(星期二)(包括首尾兩天)暫停登記，期間將暫停辦理股份過戶登記手續。為確保符合資格出席股東週年大會及投票之本公司股東，請將所有股份過戶文件連同有關股票，務必於2018年8月22日(星期三)下午四時三十分前送達本公司香港股份過戶登記分處，卓佳秘書商務有限公司，地址為香港皇后大道東183號合和中心22樓。

自2018年9月4日(星期二)起至2018年9月7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2018年9月3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，卓佳秘書商務有限公司，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8至9頁。

### 物業、廠房及設備

本集團之物業、廠房及設備於2018財政年度之變動詳情載於綜合財務報表附註12。

# REPORT OF THE DIRECTORS

## 董事會報告

### 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 FYE 2018 are set out in the consolidated statement of changes in equity set out on page 67 of this annual report.

### DISTRIBUTABLE RESERVES

As at 31 March 2018, 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 HK\$98,222,370. 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 2018, the Company's share premium account amounted to HK\$339,017,375.

### DIRECTORS

The Directors of the Company during the FYE 2018 and up to the date of this report were:

#### Executive Directors:

Mr. Fang Wen Quan  
(Chairman and Managing Director)  
Mr. Lui Man Sang

#### Non-executive Directors:

Mr. Shen Bo  
Mr. Feng Quanming  
Dr. Lam Lee G.  
(Appointed on 1 January 2018)  
Mr. Shi Shaobin  
(Resigned on 31 December 2017)

#### INEDs:

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

### 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2018財政年度內之儲備變動詳情載於本年報第67頁之綜合權益變動表。

### 可供分派儲備

於2018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98,222,370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2018年3月31日，本公司之股份溢價賬為339,017,375港元。

### 董事

於2018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  
(董事長兼董事總經理)  
呂文生先生

#### 非執行董事：

沈波先生  
馮全明先生  
林家禮博士  
(於2018年1月1日獲委任)  
施少斌先生  
(於2017年12月31日辭任)

#### 獨立非執行董事：

林日輝先生  
趙崇康先生  
趙帆華先生

## REPORT OF THE DIRECTORS

### 董事會報告

Dr. Lam Lee G. was appointed as a non-executive Director on 1 January 2018 and in accordance with Article 91 of the Company's articles of association, he will retire and, being eligible, offer himself for re-election at the forthcoming AGM of the Company.

In accordance with Article 99 of the Company's articles of association, Messrs. Lui Man Sang, Shen Bo and Chiu Sung Hong shall retire from their office by rotation at the forthcoming AGM of the Company. Being eligible, they will offer themselves for re-election at the forthcoming AGM of the Company.

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

#### 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.

#### DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 31 March 2018, 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:

##### 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	55.57
方文權先生	受控法團持有	(Note) (附註)	

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.

林家禮博士於2018年1月1日獲委任為非執行董事，並根據本公司之章程細則第91條將會告退，彼合資格並願意於本公司應屆股東週年大會重選連任。

根據本公司之章程細則第99條，呂文生先生、沈波先生及趙崇康先生將於本公司應屆股東週年大會上輪值告退。彼等合資格並願意於本公司應屆股東週年大會上膺選連任。

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。

#### 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。

#### 董事於股份及相關股份之權益

於2018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：

##### 本公司股份

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 31 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31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 2018, 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)	55.57
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)	55.57
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:

- (1) 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.
- (2) 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2018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：

- (1) 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。
- (2) 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 2018, 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 2018.

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

During the FYE 2018, the Company repurchased a total of 160,000 ordinary shares of HK\$0.1 each on the Stock Exchange of Hong Kong at a total consideration of HK\$48,950 (excluding the transaction cost). All the repurchased shares were subsequently cancelled. Details of the shares repurchased during the period are set out as follows:

Month of repurchase 回購月份	Number of shares 股份數目	Repurchase price per share 每股回購價格		Total consideration 總代價 (excluding transaction cost) (不包括交易費用)
		Highest 最高價 HK\$ 港元	Lowest 最低價 HK\$ 港元	
February 2018 2018年2月	100,000	0.310	0.300	30,500
March 2018 2018年3月	60,000	0.310	0.305	18,450
	160,000			48,950

上述全部權益皆為好倉。於2018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2018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

於2018財政年度，本公司於香港聯交所合共回購160,000股每股0.1港元的普通股，總代價為48,950港元（不包括交易費用）。所有已回購股份隨後已被註銷。期內已回購股份之詳情載列如下：

## REPORT OF THE DIRECTORS

### 董事會報告

Subsequent to 31 March 2018, the Company repurchased 70,000 ordinary shares on the Stock Exchange of Hong Kong at a total consideration of HK\$21,050 (excluding the transaction cost) from 1 April 2018 to the date of this report. These shares were cancelled upon repurchase. Details of the repurchased shares subsequent to 31 March 2018 are set out as follows:

於2018年3月31日後，本公司自2018年4月1日起直至本報告日期止於聯交所回購70,000股普通股，總代價為21,050港元（不包括交易費用）。該等股份於回購後已被註銷。於2018年3月31日後回購股份之詳情載列如下：

Month of repurchase 回購月份	Number of shares 股份數目	Repurchase price per share 每股回購價格		Total consideration 總代價 (excluding transaction cost) (不包括交易費用)
		Highest 最高價 HK\$ 港元	Lowest 最低價 HK\$ 港元	
April 2018 2018年4月	20,000	0.305	0.305	6,100
May 2018 2018年5月	50,000	0.305	0.295	14,950
	70,000			21,050

The Directors believe that repurchases of shares are in the best interests of the Company and its shareholders and that such repurchases of shares would benefit shareholders as a whole by enhancing the earnings per share of the Company. Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities for the FYE 2018 and up to the date of this report.

董事相信，回購股份符合本公司及其股東之最佳利益，且該等股份回購可提高本公司每股盈利，而使整體股東獲益。除上述披露外，於2018財政年度及本報告日期，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

#### 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.

#### 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。

# REPORT OF THE DIRECTORS

## 董事會報告

### CONTINUING CONNECTED TRANSACTIONS

During the FYE 2018, 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, 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 expired 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 Framework 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.

### 持續關連交易

於2018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、包裝盒及相關產品及服務

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，並已於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 FYE 2018 as shown as follows:

上述持續關連交易於2018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 年度上限 HK\$ 港元	The actual transaction amount 實際交易金額 HK\$ 港元
Purchasing printed instruction leaflets, packaging boxes and related products and services 採購印刷說明書、包裝盒及相關產品及服務	9,000,000	4,023,094

Pursuant to Rule 14A.55 of the Listing Rules, the 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, Ernst & Young have provided a letter to the Board confirming that the above continuing connected transactions:

本公司之核數師安永會計師事務所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

### CONNECTED TRANSACTIONS

Shanghai Pharmaceuticals Holding Co., Ltd. (SPHL) is a substantial shareholder of the Company and it is a connected person of the Company under the Listing Rules. Accordingly, the transactions of products provided by the Group to the SPHL and its subsidiaries (SPH Group) constitute connected transactions of the Company under the Listing Rules.

During the FYE 2018, the Group monitored internally all connected transactions with SPH Group. According to the management account of the Company for the period ended 28 February 2018, the Company announced on 26 March 2018 that the aggregate amount of products sold from the Group to SPH Group firstly exceeded the consideration exemption limit HK\$3,000,000 of the de minimis transactions. Overall, the aggregate amount of products sold from the Group to SPH Group for the FYE 2018 amounted to approximately HK\$3,894,000. As all the applicable percentage ratios represented by the aggregate amount of the connected transactions were less than 25% and the accumulated amount was less than HK\$10,000,000, the aggregate amount of connected transactions was only subject to reporting and announcement requirements, but was exempt from independent shareholders' approval under Chapter 14A of the Listing Rules. The INEDs have reviewed the connected transactions and confirmed that:

1. these transactions were in the Group's ordinary and usual course of business;
2. these transactions were entered into on normal commercial terms; and
3. 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.

On 26 March 2018, the Company entered into a Framework Agreement with SPHL for a 3-year term commencing from 1 April 2018 to 31 March 2021. It is expected that the Group and SPH Group will from time to time enter into transactions by providing products (including pharmaceutical products, Chinese medicines and healthcare products) and logistics services to each other during the ordinary and usual course of business. As SPHL is a connected person of the Company, the Framework Agreement and the transactions contemplated under the Framework Agreement constitute continuing connected transactions of the Company during the 3-year term of the Framework Agreement.

### 關連交易

上海醫藥集團股份有限公司(上藥醫藥)為本公司的主要股東及根據上市規則為本公司的關連人士。因此，根據上市規則，本集團向上藥醫藥及其附屬公司(上藥醫藥集團)提供產品的交易構成本公司的關連交易。

於2018財政年度內，本集團內部監察與上藥醫藥集團之間的所有關連交易。根據本公司截至2018年2月28日止期間的管理賬目，本公司於2018年3月26日宣佈，本集團向上藥醫藥集團銷售的產品總額首次超過符合最低豁免規定交易的代價豁免限額3,000,000港元。整體而言，本集團於2018財政年度向上藥醫藥集團銷售的產品總額約為3,894,000港元。由於關連交易總額所代表的所有適用百分比率低於25%而累計金額少於10,000,000港元，根據上市規則第14A章，關連交易總額僅須遵守申報及公告規定，惟獲豁免遵守獨立股東批准的規定。獨立非執行董事已審閱關連交易，並確認：

1. 此等交易屬於本集團的一般及日常業務過程；
2. 此等交易是按正常商業條款訂立；及
3. 此等交易乃根據屬公平合理的協議條款進行，並符合本公司及股東的整體利益。

於2018年3月26日，本公司與上藥醫藥簽訂一份三年期的框架協議，期限於2018年4月1日開始至2021年3月31日。預期本集團與上藥醫藥集團在一般及日常業務過程中，將會不時訂立交易以互相向對方銷售產品(包括成藥、中藥及保健產品)及提供物流配送服務。由於上藥醫藥為本公司的關連人士，框架協議及框架協議項下所擬進行的該等交易在框架協議的三年期內構成本公司的持續關連交易。

# REPORT OF THE DIRECTORS

## 董事會報告

### RELATED PARTY TRANSACTIONS

Details of the material related party transactions undertaken by the Group in its normal course of business are set out in note 31 to the consolidated financial statements. Those related party transactions which constituted continuing connected transactions/connected transactions under the Listing Rules which are set out in the sections headed “Continuing Connected Transactions” and “Connected Transactions” above and have complied with Chapter 14A.

### 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 FYE 2018.

### 關連人士交易

本集團在日常業務過程中進行之重大關連人士交易之詳情載列於綜合財務報表附註31。構成上市規則項下之持續關連交易／關連交易之關連人士交易已載於上述“持續關連交易”及“關連交易”章節，並已遵守上市規則第14A章之規定。

### 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2018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。



## REPORT OF THE DIRECTORS 董事會報告

### AUDITOR

Deloitte Touche Tohmatsu (Deloitte) resigned as auditor of the Company on 12 October 2017 and Ernst & Young was appointed as auditor of the Company to fill the vacancy arising from the resignation of Deloitte on 27 October 2017. Save as the disclosed above, there was no change in auditor during the past 3 years.

The financial statements of the Company and its subsidiaries for the FYE 2018 have been audited by Ernst & Young who retire and, being eligible, offer themselves for re-appointment. A resolution will be submitted to the forthcoming AGM to re-appoint Ernst & Young as auditor of the Company.

*On behalf of the Board*  
Tianda Pharmaceuticals Limited

**Fang Wen Quan**  
*Chairman*

Hong Kong, 28 June 2018

### 核數師

德勤·關黃陳方會計師行(德勤)已於2017年10月12日辭任本公司核數師，而安永會計師事務所已於2017年10月27日獲委任為本公司核數師，以填補德勤辭任產生的空缺。隨上文所披露以外，於過去三年核數師概無變動。

本公司及其附屬公司截至2018財政年度之財務報表已經由安永會計師事務所審核，安永會計師事務所將任滿告退，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安永會計師事務所為本公司之核數師。

*代表董事會*  
天大藥業有限公司

**方文權**  
*董事長*

香港，2018年6月28日

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告



**Ernst & Young**  
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1 Tim Mei Avenue  
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**TO THE SHAREHOLDERS OF TIANDA PHARMACEUTICALS LIMITED**  
(Incorporated in the Cayman Islands with limited liability)

### OPINION

We have audited the consolidated financial statements of Tianda Pharmaceuticals Limited (the Company) and its subsidiaries (the Group) set out on pages 64 to 152, which comprise the consolidated statement of financial position as at 31 March 2018, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the 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 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (HKFRSs) issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### 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.

**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)

### 意見

我們已審核載於第64頁至152頁天大藥業有限公司(貴公司)及其附屬公司(貴集團)之綜合財務報表,包括於2018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。

我們認為,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2018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

我們已根據香港會計師公會頒佈之《香港審計準則》進行審計。我們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),我們獨立於 貴集團,並已履行守則中的其它道德責任。我們相信,我們所獲得之審計憑證能充足及適當地為我們之意見提供基礎。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter  
關鍵審計事項

### 關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。就下文各事項而言，我們於文內提供我們的審計如何處理關鍵審計事項的詳情。

我們已履行本報告「核數師就審計綜合財務報表承擔的責任」章節所述的責任，包括有關該等事項的責任。因此，我們的審計包括執行為應對綜合財務報表重大錯報風險的評估而設的程序。審計程序的結果包括處理以下事項的程序，為我們就隨附的綜合財務報表的審計意見提供基礎。

How our audit addressed the key audit matter  
我們的審計如何處理關鍵審計事項

#### *Goodwill and other intangible assets' impairment assessment on cash-generating units (CGUs)* 現金產生單位的商譽及其它無形資產減值評估

As at 31 March 2018, the Group had goodwill at carrying amount of HK\$112.1 million relating to the acquisition of subsidiaries in prior years and other intangible assets at carrying amount of HK\$33.3 million.  
於2018年3月31日，貴集團有關於以往年度收購附屬公司的商譽之賬面值為112,100,000港元以及其它無形資產之賬面值為33,300,000港元。

Our procedures in relation to the impairment assessment of goodwill and other intangible assets included:  
吾等就商譽及其它無形資產減值之評估程序包括：

- (i) Engaged our internal valuation expert to evaluate the appropriateness of the valuation methodologies adopted by management and the forecasted growth rates, budgeted gross margins and discount rates applied;
- (ii) 委託一名內部估值專家評估管理層採用之估值方法及預測增長率、預算毛利率及折現率的恰當性；

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

Key audit matter  
關鍵審計事項

How our audit addressed the key audit matter  
我們的審計如何處理關鍵審計事項

### *Goodwill and other intangible assets' impairment assessment on cash-generating units (CGUs)* 現金產生單位的商譽及其它無形資產減值評估

The risk that we focused on in our audit is the risk of the impairment of the remaining balances of goodwill and other intangible assets. Given the high level of management judgement in the impairment assessment, we considered this area to be important to our audit.

我們在審計中關注的風險是商譽和其它無形資產餘額減值的風險。鑑於減值評估涉及管理層的高水平判斷，我們認為此範疇對我們的審計非常重要。

The significant accounting judgements and estimates and the disclosure of the balances of goodwill and other intangible assets are included in notes 3, 14 and 15 to the consolidated financial statements.

主要會計判斷及估計以及商譽和其它無形資產結餘的披露載於綜合財務報表附註3、14和15。

- (ii) Tested the key assumptions based on our knowledge of the business and industry and by benchmarking against independent data;
- (ii) 根據吾等對業務及行業的認識，通過與獨立數據比較以測試關鍵假設；
- (iii) Engaged the historical accuracy of the financial budgets and the growth rates used in the discounted cash flows by comparing the historical budgets to actual results;
- (iii) 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；
- (iv) Tested a selection of data inputs underpinning the cash flow forecasts against appropriate supporting evidence, such as approved budgets, to assess the accuracy and reliability; and
- (iv) 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；及
- (v) Assessed whether the disclosures of impairment assessment in the consolidated financial statements are sufficient and appropriate.
- (v) 評估綜合財務報表中有關減值評估的披露是否足夠及合適。

## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

#### OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

#### RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

#### 年報所載的其它信息

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（綜合財務報表及我們的核數師報告除外）。

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。

#### 董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》的披露規定擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在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，貴公司董事負責評估貴集團持續經營的能力，並在適用情況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，除非貴公司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。

審核委員會協助貴公司董事履行監督貴集團的財務報告程序的責任。

# 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. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

### 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，並出具包括我們意見的核數師報告。我們僅向閣下（作為整體）作出報告，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，如果合理預期他們單獨或匯總起來可能影響使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視為重大。

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

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

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

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

## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

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

The engagement partner on the audit resulting in this independent auditor's report is Lam, Wai Ming, Ada.

**Ernst & Young**  
*Certified Public Accountants*

Hong Kong  
28 June 2018

從與審核委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況，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林慧明。

**安永會計師事務所**  
*執業會計師*

香港  
2018年6月28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 2018 截至2018年3月31日止年度

		NOTES 附註	2018 HK\$ 港元	2017 HK\$ 港元
<b>REVENUE</b>	<b>收入</b>	5	<b>361,554,649</b>	195,538,964
Cost of sales	銷售成本		(91,195,131)	(75,523,883)
Gross profit	毛利		<b>270,359,518</b>	120,015,081
Other income, gains and losses	其它收入、收益及虧損	5	<b>14,968,639</b>	15,295,556
Selling and distribution expenses	銷售及分銷支出		(197,184,674)	(49,358,441)
Administrative expenses	行政支出		(55,062,819)	(50,177,531)
Research and development expenses	研發支出		(3,138,669)	(3,024,947)
<b>PROFIT BEFORE TAX</b>	<b>除稅前溢利</b>	6	<b>29,941,995</b>	32,749,718
Income tax expense	所得稅支出	9	(7,779,956)	(7,997,122)
<b>PROFIT FOR THE YEAR</b>	<b>本年度溢利</b>		<b>22,162,039</b>	24,752,596
<b>OTHER COMPREHENSIVE INCOME</b>	<b>其它全面收益</b>			
<i>Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:</i>	<i>於往後期間將會重新分類為損益之其它全面收益(虧損):</i>			
Available-for-sale investments	可供出售投資:			
Changes in fair value	公允價值變動		14,450,894	-
Reclassification adjustment for a gain included in profit or loss	就計入損益的收益作出重新分類調整	5	(8,293,917)	-
			<b>6,156,977</b>	-
<i>Other comprehensive income (loss) may be reclassified to profit or loss in subsequent periods</i>	<i>於往後期間或會重新分類為損益之其它全面收益(虧損):</i>			
Exchange differences on translation of financial statements	換算財務報表所產生之匯兌差額		70,260,166	(44,080,472)
<b>OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR</b>	<b>本年度其它全面收益(虧損)</b>		<b>76,417,143</b>	(44,080,472)
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR</b>	<b>本年度全面收益(虧損)總額</b>		<b>98,579,182</b>	(19,327,876)
Profit for the year attributable to:	應佔本年度溢利:			
Owners of the parent	母公司股東		<b>10,007,756</b>	12,442,265
Non-controlling interests	非控股權益		<b>12,154,283</b>	12,310,331
			<b>22,162,039</b>	24,752,596
Total comprehensive income (loss) attributable to:	應佔全面收益(虧損)總額:			
Owners of the parent	母公司股東		<b>81,713,550</b>	(29,619,386)
Non-controlling interests	非控股權益		<b>16,865,632</b>	10,291,510
			<b>98,579,182</b>	(19,327,876)
			<b>HK cents 港仙</b>	<b>HK cents 港仙</b>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	<b>母公司普通權益持有人應佔每股盈利</b>			
- Basic and diluted	- 基本及攤薄	11	<b>0.47</b>	0.58

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

At 31 March 2018 於2018年3月31日

	NOTES 附註	2018 HK\$ 港元	2017 HK\$ 港元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>		
Property, plant and equipment	物業、廠房及設備	12 151,064,566	139,284,183
Prepaid land lease payments	預付土地租賃款項	13 113,643,582	107,201,666
Goodwill	商譽	14 112,148,013	98,714,465
Other intangible assets	其它無形資產	15 33,343,979	41,035,718
Deposit for acquisition of property, plant and equipment	收購物業、廠房及 設備之按金	19 217,936	189,497
Available-for-sale investments	可供出售投資	16 17,779,099	36,232,212
Total non-current assets	非流動資產總值	428,197,175	422,657,741
<b>CURRENT ASSETS</b>	<b>流動資產</b>		
Inventories	存貨	17 36,324,377	35,431,963
Trade and bills receivables	應收賬款及應收票據	18 74,797,171	38,749,127
Prepayments, deposits and other receivables	預付款項、按金及 其它應收款	19 8,857,547	4,339,655
Prepaid land lease payments	預付土地租賃款項	13 3,977,486	3,625,143
Cash and cash equivalents	現金及現金等值項目	20 493,153,768	399,316,081
Total current assets	流動資產總值	617,110,349	481,461,969
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>		
Trade payables	應付賬款	21 17,196,713	11,262,460
Other payables and accruals	其它應付款及應計費用	22 106,747,564	43,543,706
Amount due to a related company	應付一間關連公司款項	427,133	1,058,410
Dividend payable	應付股息	1,771,345	–
Tax payable	應付稅項	8,470,839	8,107,925
Total current liabilities	流動負債總額	134,613,594	63,972,501
<b>NET CURRENT ASSETS</b>	<b>流動資產淨值</b>	<b>482,496,755</b>	<b>417,489,468</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>總資產減流動負債</b>	<b>910,693,930</b>	<b>840,147,209</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

At 31 March 2018 於2018年3月31日

		NOTES 附註	2018 HK\$ 港元	2017 HK\$ 港元
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>			
Deferred income	遞延收入		699,315	751,522
Deferred tax liabilities	遞延稅項負債	23	24,409,730	26,431,976
Total non-current liabilities	非流動負債總額		25,109,045	27,183,498
<b>NET ASSETS</b>	<b>資產淨值</b>		885,584,885	812,963,711
<b>EQUITY</b>	<b>權益</b>			
Share capital	股本	24	215,047,588	215,063,588
Reserves	儲備	25	632,679,945	563,258,594
Equity attributable to owners of the parent	母公司股東應佔權益		847,727,533	778,322,182
Non-controlling interests	非控股權益		37,857,352	34,641,529
<b>TOTAL EQUITY</b>	<b>權益總額</b>		885,584,885	812,963,711

**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 2018 截至2018年3月31日止年度

		Attributable to owners of the parent 母公司股東應佔											
		Share Capital	Share premium	Capital redemption reserve	Capital contribution reserve (Note 25)	Special reserve (Note 25)	Statutory reserve (Note 25)	Exchange fluctuation reserve	Available-for-sale investment revaluation reserve	Retained profits	Total	Non-controlling interests	Total equity
		股本	股份溢價	資本贖回儲備	資本供款儲備 (附註25)	特別儲備 (附註25)	法定儲備 (附註25)	匯兌波動儲備	可供出售投資重估儲備	保留溢利	總額	非控股權益	權益總額
		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	HK\$ 港元	HK\$ 港元
At 1 April 2016	於2016年4月1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
Other comprehensive income (loss) for the year:	本年度其它全面收益 (虧損):												
Exchange differences on translation of financial statements	換算財務報表所產生之匯兌差額	-	-	-	-	-	-	(42,061,651)	-	-	(42,061,651)	(2,018,821)	(44,080,472)
Total comprehensive income (loss) for the year	本年度全面收益 (虧損) 總額	-	-	-	-	-	-	(42,061,651)	-	12,442,265	(29,619,386)	10,291,510	(19,327,876)
Appropriation of maintenance and production safety funds	維修及生產安全基金之分配	-	-	-	-	-	193,837	-	-	(193,837)	-	-	-
Utilisation of statutory reserve	使用法定儲備	-	-	-	-	-	(48,965)	-	-	48,965	-	-	-
Final 2016 dividends declared	已宣派2016年末期股息	-	-	-	-	-	-	-	-	(5,806,717)	(5,806,717)	-	(5,806,717)
Dividends paid to non-controlling shareholders	已向非控股股東支付之股息	-	-	-	-	-	-	-	-	-	-	(8,635,449)	(8,635,449)
At 31 March 2017 and 1 April 2017	於2017年3月31日及2017年4月1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
Profit for the year	本年度溢利	-	-	-	-	-	-	-	-	10,007,756	10,007,756	12,154,283	22,162,039
Other comprehensive income for the year:	本年度其它全面收益:												
Available-for-sale investments	可供出售投資												
Change in fair value	公允價值變動	-	-	-	-	-	-	-	14,450,894	-	14,450,894	-	14,450,894
Reclassification adjustments included in profit or loss	就計入損益的收益作出重新分類調整	-	-	-	-	-	-	-	(8,293,917)	-	(8,293,917)	-	(8,293,917)
Exchange differences on translation of financial statements	換算財務報表所產生之匯兌差額	-	-	-	-	-	-	65,548,817	-	-	65,548,817	4,711,349	70,260,166
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	-	-	65,548,817	6,156,977	10,007,756	81,713,550	16,865,632	98,579,182
Appropriation to reserve	分配至儲備	-	-	-	-	-	306,393	-	-	(306,393)	-	-	-
Utilisation of statutory reserve	使用法定儲備	-	-	-	-	-	(22,255)	-	-	22,255	-	-	-
Repurchases of shares	購回股份	(16,000)	(33,573)	-	-	-	-	-	-	-	(49,573)	-	(49,573)
Transfer to reserve	轉撥至儲備	-	(16,000)	16,000	-	-	-	-	-	-	-	-	-
Final 2017 dividends declared	已宣派2017年末期股息	-	-	-	-	-	-	-	-	(12,258,626)	(12,258,626)	-	(12,258,626)
Dividends paid to non-controlling shareholders	已向非控股股東支付之股息	-	-	-	-	-	-	-	-	-	-	(13,649,809)	(13,649,809)
At 31 March 2018	於2018年3月31日	215,047,588	355,815,668*	24,000*	8,959,307*	3,460,016*	30,505,177*	12,021,027*	6,156,977*	215,737,773*	847,727,533	37,857,352	885,584,885

\* These reserve accounts comprise the consolidated reserves of HK\$632,679,945 (2017: HK\$563,258,594) in the consolidated statement of financial position.

\* 此等儲備賬目包括綜合財務狀況表內之綜合儲備632,679,945港元(2017年: 563,258,594港元)。

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

For the year ended 31 March 2018 截至2018年3月31日止年度

	NOTES 附註	2018 HK\$ 港元	2017 HK\$ 港元
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>經營活動所得現金流量</b>		
Profit before tax	除稅前溢利	29,941,995	32,749,718
Adjustments for:	就下列各項作出之調整：		
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	6 3,743,075	3,661,929
Amortisation of licences and permits	執照及許可證攤銷	6 11,039,985	11,007,221
Depreciation	折舊	6 11,001,929	10,383,922
Impairment of goodwill	商譽減值	6 –	2,141,711
Impairment of trademark	商標減值	6 1,307,629	4,255,947
Gain on disposal of available-for-sale investments	出售可供出售投資之收益	5 (8,293,917)	–
Fair value gain on derecognition of investments 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	5 –	(6,159,428)
Release of government grants in relation to certain assets	就若干資產獲發放政府補助	(117,869)	(115,314)
Bank interest income	銀行利息收入	5 (4,143,258)	(5,373,104)
Fair value gain on derivative financial instruments	衍生金融工具之公允價值收益	5 (4,955,777)	(3,418,473)
Loss on disposal/write-off of items of property, plant and equipment	出售／撇銷物業、廠房及設備項目之虧損	5 90,785	75,033
		39,614,577	49,209,162
Decrease in inventories	存貨減少	2,988,611	4,390,297
(Increase)/decrease in trade and bills receivables	應收賬款及應收票據(增加)／減少	(26,741,196)	1,249,371
Decrease in the prepayments, deposits and other receivables	預付款項、按金及其它應收款減少	160,752	402,683
Increase/(decrease) in trade payables	應付賬款增加／(減少)	4,824,135	(4,250,709)
Increase/(decrease) in other payables and accruals	其它應付款及應計費用增加／(減少)	45,741,738	(2,880,338)
Decrease in an amount due to a related company	應付一間關連公司款項減少	(690,882)	(193,565)
Proceeds from maturity of foreign exchange linked investments	外匯掛鈎投資到期所得款項	3,370,851,093	1,608,867,136
Purchases of foreign exchange linked investments	購買外匯掛鈎投資	(3,365,895,316)	(1,605,448,663)
Cash generated from operations	經營所得現金	70,853,512	51,345,374
PRC taxes paid	已付中國稅項	(12,115,683)	(10,747,211)
Net cash flows from operating activities	經營活動所得之現金流量淨額	58,737,829	40,598,163

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

Year ended 31 March 2018 截至2018年3月31日止年度

	NOTES 附註	2018 HK\$ 港元	2017 HK\$ 港元
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>投資活動所得現金流量</b>		
Acquisition of a subsidiary	收購一間附屬公司 27	(5,365,793)	–
Interest received	已收利息	4,143,258	5,373,104
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備 項目之所得款項	26,611	424
Proceeds from disposal of available-for-sale investments	出售可供出售投資之 所得款項	32,904,007	–
Purchases of property, plant and equipment	購買物業、廠房及設備	(8,634,232)	(2,802,967)
Purchases of other intangible assets	購買其它無形資產	(5,168)	–
Net cash flows from investing activities	投資活動所得之 現金流量淨額	23,068,683	2,570,561
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>融資活動所得現金流量</b>		
Dividend paid to non-controlling shareholders	已付非控股股東之股息	(13,649,809)	(11,444,087)
Dividend paid	已付股息	(10,487,281)	(5,806,717)
Repurchases of shares	購回股份	(49,573)	–
Net cash flows used in financing activities	融資活動所用之 現金流量淨額	(24,186,663)	(17,250,804)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等值項目 增加淨額</b>	<b>57,619,849</b>	<b>25,917,920</b>
Cash and cash equivalents at beginning of year	於年初之現金及現金 等值項目	399,316,081	394,301,141
Effect of foreign exchange rate changes, net	外匯匯率變動之影響 (淨額)	36,217,838	(20,902,980)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>於年終之現金及現金 等值項目</b>	<b>493,153,768</b>	<b>399,316,081</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等值項目之分析</b>		
Cash and bank balances	現金及銀行結餘	493,153,768	399,316,081

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 1. CORPORATE AND GROUP INFORMATION

Tianda Pharmaceuticals Limited (the Company) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the Stock Exchange). The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

During the year, the Company and its subsidiaries (the Group) was involved in the research and development, production and sale of pharmaceuticals, biotechnology and healthcare products and wholesales of Chinese herbal medicines, Traditional Chinese medicine decoction pieces and Chinese medicines.

In the opinion of the directors, the immediate holding company and the ultimate holding company of the Company is Tianda Group Limited, a private limited company incorporated in Hong Kong.

#### Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital 已發行普通股/ 註冊資本	Percentage of equity attributable to the Company		Principal activities
			Direct 直接	Indirect 間接	
名稱	註冊成立/ 註冊及經營地點		本公司應佔權益百分比		主要業務
Yunnan Meng Sheng Pharmaceutical Co. Ltd.# 雲南盟生藥業有限公司#	People's Republic of China 中華人民共和國 (PRC) (中國)	RMB36,000,000 人民幣36,000,000元	-	55	Research, development, manufacture and sale of pharmaceutical and biotechnology products 醫藥及生物科技產品之研究、開發、生產及銷售

### 1. 公司及集團資料

天大藥業有限公司(本公司)根據開曼群島公司法(2010年修訂版)於開曼群島註冊成立為有限責任之獲豁免公司,其股份於香港聯合交易所有限公司(聯交所)上市。本公司之註冊辦事處位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands。

年內,本公司及其附屬公司(本集團)從事醫藥、生物科技及保健產品之研發、生產及銷售,以及中藥材、中藥飲片及中藥顆粒的批發。

董事認為,本公司的直接控股公司及最終控股公司為天大集團有限公司(於香港註冊成立的私人有限公司)。

#### 有關附屬公司之資料

本公司主要附屬公司之資料如下:

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

## 1. CORPORATE AND GROUP INFORMATION (continued)

## 1. 公司及集團資料 (續)

## Information about subsidiaries (continued)

## 有關附屬公司之資料 (續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及經營地點	Issued ordinary/ registered share capital 已發行 普通股/ 註冊資本	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Yunyu Bio-Pharmaceutical Co., Limited	British Virgin Islands (BVI) 英屬維爾京群島	US\$1 1美元	100	–	Investment holding 投資控股
Tianda Pharmaceuticals (Zhuhai) Limited** 天大藥業(珠海)有限公司**	PRC 中國	RMB93,000,000 人民幣93,000,000元	–	100	Research, development, manufacture and sale of pharmaceutical and biotechnology products 醫藥及生物科技產品 之研究、開發、 生產及銷售
Tianda Pharmaceuticals (Australia) Pty. Ltd.* 天大藥業(澳大利亞)有限公司*	Australia 澳大利亞	AU\$1,000,000 1,000,000澳元	–	100	Marketing, sale and distribution of healthcare products 保健產品之行銷、 銷售及分銷



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

## 1. CORPORATE AND GROUP INFORMATION (continued)

## 1. 公司及集團資料 (續)

## Information about subsidiaries (continued)

## 有關附屬公司之資料 (續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及經營地點	Issued ordinary/ registered share capital 已發行 普通股/ 註冊資本	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Tianda Pharmaceuticals (China) Limited** 天大藥業(中國)有限公司**	PRC 中國	HK\$50,000,000 50,000,000港元	–	100	Research and development of pharmaceutical products and provision of intra-group consultation service marketing sales and distributable of healthcare products 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 Limited** 珠海天大置業有限公司**	PRC 中國	RMB67,000,000 人民幣67,000,000元	–	100	Property holding 物業控股
Tianda Chinese Medicine (China) Ltd.** 天大中醫藥(中國)有限公司**	PRC 中國	RMB50,000,000 人民幣50,000,000元	–	100	Wholesale of Chinese herbal medicine, traditional Chinese medicine decoction pieces and Chinese medicines 中藥材、 中藥飲片及中成藥 的批發

\* Not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network

\* 並非由香港安永會計師事務所或安永全球網絡其它成員公司審核

\*\* Registered as wholly-foreign-owned enterprises under the PRC Law

\*\* 根據中國法律註冊之外商獨資企業

# Incorporated as cooperative enterprise

# 註冊成立為合作企業

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 1. CORPORATE AND GROUP INFORMATION (continued)

#### Information about subsidiaries (continued)

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

During the year, the Group acquired 100% equity interests of Zhuhai Renhong Medicine Co. Ltd. (latterly renamed as Tianda Chinese Medicine (China) Ltd (TCM (China))). Further details of this acquisition are included in note 27 to the consolidated financial statements.

### 2.1 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (HKFRSs) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (HKICPA), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for available-for-sale investments which have been measured at fair value. These consolidated financial statements are presented in Hong Kong Dollar (HK\$) and all values are rounded to nearest dollar except when otherwise indicated.

#### Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 March 2018. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

### 1. 公司及集團資料 (續)

#### 有關附屬公司之資料 (續)

上表列出董事認為對本年度本集團業績有主要影響或構成本集團資產淨值主要部份的本公司附屬公司。董事認為將其它附屬公司之資料列出會令篇幅過於冗長。

年內，本集團收購珠海仁宏醫藥有限公司 (其後更名為天大中醫藥 (中國) 有限公司 (天大中醫藥 (中國))) 的 100% 股本權益。該項收購的進一步詳情載於綜合財務報表附註27。

### 2.1 編製基準

該等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 (包括全部香港財務報告準則、香港會計準則及詮釋) 及香港公認會計準則及香港公司條例的披露規定編製。該等財務報表採用歷史成本法編製，惟可供出售投資按公允價值計量。該等綜合財務報表以港元呈列而所有數值已約整至最接近的元，惟另有指明者除外。

#### 綜合基準

綜合財務報表包括本集團截至2018年3月31日止年度之財務報表。附屬公司為本公司直接或間接控制之實體 (包括結構性實體)。當本集團對參與投資對象業務的浮動回報承擔風險或享有權利以及能透過對投資對象之權力 (即本集團獲賦予現有或以主導投資對象相關活動之既存權利) 影響該等回報時，即取得控制權。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 2.1 BASIS OF PREPARATION (continued)

#### Basis of consolidation (continued)

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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 described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

### 2.1 編製基準 (續)

#### 綜合基準 (續)

倘本公司直接或間接擁有少於投資對象大多數投票或類似權利的權利，則本集團於評估其是否擁有對投資對象之權力時會考慮一切相關事實及情況，包括：

- (a) 與投資對象其它投票持有人之合約安排；
- (b) 其它合約安排所產生之權利；及
- (c) 本集團之投票權及潛在投票權。

附屬公司的財務報表乃按與本公司相同的報告期間及一致的會計政策編製而成。附屬公司之業績自本集團取得控制權當日起綜合入賬，直至該項控制權終止為止。

損益及其它全面收益之各組成部分歸屬於本集團母公司股東及非控股權益，即使此舉引致非控股權益結餘出現虧絀。所有本集團內公司間之資產及負債、權益、收入、開支以及與本集團成員公司之間交易有關之現金流量均於綜合賬目時悉數對銷。

倘事實及情況顯示上文附屬公司會計政策所述的三項控制因素中一項或多項出現變動，本集團會重新評估其是否仍然控制投資對象。倘於附屬公司的擁有權權益變動並無失去控制權，則按權益交易入賬。

倘本集團失去對一間附屬公司之控制權，則終止確認(i)該附屬公司之資產(包括商譽)及負債；(ii)任何非控股權益之賬面值；及(iii)於權益內記錄之累計匯兌差額，並確認(i)已收代價之公允價值；(ii)所保留任何投資之公允價值；及(iii)損益內任何因此產生之盈餘或虧絀。先前於其它全面收益內確認之本集團應佔部份則按倘本集團直接出售有關資產或負債所規定之相同基準重新分類至損益或保留溢利(如適用)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's consolidated financial statements.

Amendments to HKAS 7	<i>Disclosure Initiative</i>
Amendments to HKAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i>
Amendments to HKFRS 12 included in <i>Annual Improvements to HKFRSs 2014-2016 Cycle</i>	<i>Disclosure of Interests in Other Entities: Clarification of the Scope of HKFRS 12</i>

Other than as explained below regarding the impact of amendments to HKAS 7, the adoption of the above revised standards has had no significant financial effect on these consolidated financial statements.

Amendments to HKAS 7 require an entity to provide disclosures that enable users of consolidated financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

### 2.2 會計政策及披露變更

本集團於本年度之綜合財務報表首次採納以下經修訂香港財務報告準則。

香港會計準則 第7號修訂本	主動披露
香港會計準則 第12號修訂本	就未變現虧損確認 遞延稅項資產
香港財務報告準則 第12號修訂本， 載入2014年至 2016年週期香港財務 報告準則之年度改進	於其它實體權益的披 露：澄清香港財務 報告準則第12號之 範圍

除下文就香港會計準則第7號修訂本之影響所說明者外，採納上述經修訂準則對本綜合財務報表並無重大財務影響。

香港會計準則第7號修訂本要求實體作出披露，以使綜合財務報表使用者可評估融資活動所產生之負債變動，包括現金流量產生之變動及非現金變動。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these consolidated financial statements.

Amendments to HKFRS 2	<i>Classification and Measurement of Share-based Payment Transactions<sup>1</sup></i>
Amendments to HKFRS 4	<i>Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts<sup>1</sup></i>
HKFRS 9	<i>Financial Instruments<sup>1</sup></i>
Amendments to HKFRS 9	<i>Prepayment Features with Negative Compensation<sup>2</sup></i>
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>4</sup></i>
HKFRS 15	<i>Revenue from Contracts with Customers<sup>1</sup></i>
Amendments to HKFRS 15	<i>Clarifications to HKFRS 15 Revenue from Contracts with Customers<sup>1</sup></i>
HKFRS 16	<i>Leases<sup>2</sup></i>
HKFRS 17	<i>Insurance Contracts<sup>3</sup></i>
Amendments to HKAS 19	<i>Plan Amendment, Curtailments and Settlements<sup>2</sup></i>
Amendments to HKAS 28	<i>Long-term Interests in Associates and Joint Ventures<sup>2</sup></i>
Amendments to HKAS 40	<i>Transfers of Investment Property<sup>1</sup></i>
HK(IFRIC)-Int 22	<i>Foreign Currency Transactions and Advance Consideration<sup>1</sup></i>
HK(IFRIC)-Int 23	<i>Uncertainty over Income Tax Treatments<sup>2</sup></i>
Annual Improvements 2014-2016 Cycle	Amendments to HKFRS 1 and HKAS 28 <sup>1</sup>
Annual Improvements 2015-2017 Cycle	Amendments to various HKFRSs <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2018

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2019

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2021

<sup>4</sup> No Mandatory effective date determined but available for adoption

### 2.3 已頒佈但尚未生效之香港財務報告準則

本集團並未於該等綜合財務報表中採納以下已頒佈但尚未生效之新訂及經修訂香港財務報告準則。

香港財務報告準則第2號之修訂	以股份付款交易之分類及計量 <sup>1</sup>
香港財務報告準則第4號之修訂	對香港財務報告準則第4號保險合約應用香港財務報告準則第9號金融工具 <sup>1</sup>
香港財務報告準則第9號	金融工具 <sup>1</sup>
香港財務報告準則第9號之修訂	具有負值補償特點之預付款項 <sup>2</sup>
香港財務報告準則第10號及香港會計準則第28號(2011年)之修訂	投資者與其聯營公司或合營企業之間之資產出售或注資 <sup>4</sup>
香港財務報告準則第15號	客戶合約收入 <sup>1</sup>
香港財務報告準則第15號之修訂	香港財務報告準則第15號客戶合約收入之澄清 <sup>1</sup>
香港財務報告準則第16號	租賃 <sup>2</sup>
香港財務報告準則第17號	保險合約 <sup>3</sup>
香港會計準則第19號之修訂	計劃修訂、縮減或結清 <sup>2</sup>
香港會計準則第28號之修訂	於聯營公司及合營企業之長期權益 <sup>2</sup>
香港會計準則第40號之修訂	轉撥投資物業 <sup>1</sup>
香港(國際財務報告詮釋委員會)一詮釋第22號	外幣交易及預付代價 <sup>1</sup>
香港(國際財務報告詮釋委員會)一詮釋第23號	有關所得稅處理法之不確定性 <sup>2</sup>
2014年至2016年週期之年度改進	香港財務報告準則第1號及香港會計準則第28號之修訂 <sup>1</sup>
2015年至2017年週期之年度改進	多項香港財務報告準則之修訂 <sup>2</sup>

<sup>1</sup> 於2018年1月1日或之後開始的年度期間生效

<sup>2</sup> 於2019年1月1日或之後開始的年度期間生效

<sup>3</sup> 於2021年1月1日或之後開始的年度期間生效

<sup>4</sup> 並無釐定強制生效日期但可供採納

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Further information about those HKFRSs that are expected to be applicable to the Group is described below:

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group will adopt HKFRS 9 from 1 April 2018. The Group will not restate comparative information and will recognise any transition adjustments against the opening balance of equity at 1 April 2018. During the year ended 31 March 2018, the Group has performed a detailed assessment of the impact of the adoption of HKFRS 9. The expected impacts relate to the classification and measurement and the impairment requirements and are summarised as follows:

#### (a) Classification and measurement

Equity investments currently held as available-for-sale will be classified as either fair value through profit or loss (FVTPL) or irrevocably elect to designate as fair value through other comprehensive income (FVTOCI) (without recycling) on transition to HKFRS 9. The Group has not yet decided whether it will irrevocably designate these investments as FVTOCI or classify it as FVTPL. Either classification would give rise to a change in accounting policy as currently the Group recognises the fair value changes of available-for-sale financial asset in other comprehensive income until disposal or impairment, when gains or losses are recycled to profit or loss in accordance with the Group's policies. This change in policy will have no impact on the Group's net assets and total comprehensive income but will impact on reported performance amounts such as profit and earnings per share.

### 2.3 已頒佈但尚未生效之香港財務報告準則 (續)

預期適用於本集團之香港財務報告準則之進一步資料論述如下：

於2014年9月，香港會計師公會頒佈香港財務報告準則第9號之最終版本，將金融工具項目之所有階段匯集於一起以取代香港會計準則第39號及香港財務報告準則第9號之所有先前版本。該準則引入分類及計量、減值及對沖會計處理的新規定。本集團將自2018年4月1日起採納香港財務報告準則第9號。本集團將不會重列可比較資料，並將於2018年4月1日確認對期初權益結餘之任何過渡調整。於截至2018年3月31日止年度，本集團已就採納香港財務報告準則第9號之影響作出詳細評估。預期涉及分類與計量以及減值規定之影響概述如下：

#### (a) 分類與計量

分類為可供出售金融資產之權益證券投資，於過渡至香港財務報告準則第9號時，該投資可分類為按以公平值計入損益，或不可撤銷地選擇為指定按以公平值計入其它全面收益（不得重新計算）。本集團尚未決定其將不可撤銷地指定該等投資為按以公平值計入其它全面收益或分類為按以公平值計入損益。由於現時本集團在出售可供出售金融資產或將有關資產減值前，會於其它全面收益確認有關資產之公平值變動，涉及之損益會根據本集團政策重新計入損益，故此上述分類會出現會計政策之變動。該項政策改變將不會對本集團資產淨值及全面收益總額構成影響，惟影響已報告之表現數額，如溢利及每股盈利。

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### 2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

#### (b) Impairment

HKFRS 9 requires an impairment on debt instruments recorded at amortised cost or at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts that are not accounted for at fair value through profit or loss under HKFRS 9, to be recorded based on an expected credit loss model either on a twelve-month basis or a lifetime basis. The Group will apply the simplified approach and record lifetime expected losses that are estimated based on the present values of all cash shortfalls over the remaining life of all of its trade receivables. Furthermore, the Group will apply the general approach and record twelve-month expected credit losses that are estimated based on the possible default events on its other receivables within the next twelve months. The standard is not expected to have any significant impact on the Group's consolidated financial statements.

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 (2011) was removed by the HKICPA in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

### 2.3 已頒佈但尚未生效之香港財務報告準則 (續)

#### (b) 減值

香港財務報告準則第9號規定，以攤銷成本或按公允價值計入其它全面收益之債務工具、租賃應收款項、貸款承諾及根據香港財務報告準則第9號無需按公允價值計入損益之財務擔保合約的減值，應按12個月或可使用年期為基準以預期信貸虧損模式入賬。本集團將運用簡化方式，並將根據於其所有應收賬款餘下年期之所有現金差額現值估計可使用年期預期虧損入賬。此外，本集團將採用一般方式，並將基於未來12個月內其它應收款可能潛在違約事件估計12個月的預期信貸虧損入賬。預期該準則將不會對本集團綜合財務報表產生任何顯著影響。

香港財務報告準則第10號及香港會計準則第28號(2011年)之修訂針對香港財務報告準則第10號及香港會計準則第28號(2011年)之間有關投資者與其聯營公司或合營企業間之資產出售或注資兩者規定之不一致性。該等修訂規定，當投資者與其聯營公司或合營企業間之資產出售或注資構成一項業務時，須確認全數盈虧。當涉及資產之交易不構成一項業務時，由該交易產生之盈虧於投資者之損益內確認，惟僅以不相關投資者於該聯營公司或合營企業之權益為限。該等修訂將生效後應用。香港會計師公會已於2016年1月撤銷香港財務報告準則第10號及香港會計準則第28號(2011年)之修訂先前的強制生效日期，而新之強制生效日期將於對聯營公司及合營企業之會計處理完成更廣泛之檢討後釐定。然而，該等修訂可於現時採納。

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### 2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

HKFRS 15, issued in July 2014, establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs. Either a full retrospective application or a modified retrospective adoption is required on the initial application of the standard. In June 2016, the HKICPA issued amendments to HKFRS 15 to address the implementation issues on identifying performance obligations, application guidance on principal versus agent and licences of intellectual property, and transition. The amendments are also intended to help ensure a more consistent application when entities adopt HKFRS 15 and decrease the cost and complexity of applying the standard. The Group will adopt HKFRS 15 from 1 April 2018 and plans to adopt the full retrospect approach. The Group has assessed the impact of this standard and expects that the standard will not have any significant impact, when applied, on the consolidated financial statements of the Group.

### 2.3 已頒佈但尚未生效之香港財務報告準則 (續)

於2014年7月頒佈之香港財務報告準則第15號建立了全新一套五步模式，將來自客戶合約的收入列賬。根據香港財務報告準則第15號，收入之金額按反映實體預期就客戶轉讓貨物或服務而有權換取之代價之金額確認。香港財務報告準則第15號的原則為計量及確認收入提供更具結構性的方法。該準則亦引入廣泛的定性及定量披露規定，包括分拆收入總額，有關履行責任、不同期間之間之合約資產及負債賬目結餘的變動以及主要判斷及估計的資料。該準則將取代香港財務報告準則下所有現時收入確認的規定。於首次應用該準則時，需要進行全面追溯應用或採納經修訂追溯。於2016年6月，香港會計師公會頒佈香港財務報告準則第15號之修訂，以解釋採納該準則之不同實施問題，如知識產權許可之實施問題及過渡安排。該等修訂亦擬協助確保實體於採納香港財務報告準則第15號時更貫徹應用及降低應用有關準則之成本及複雜性。本集團將自2018年4月1日起採納香港財務報告準則第15號並計劃採納全面追溯法。本集團已評估此準則之影響並預期此準則於應用時不會對本集團之綜合財務報表產生任何顯著影響。



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## 綜合財務報表附註

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### 2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

#### Presentation and disclosure

The presentation and disclosure requirements in HKFRS 15 are more detailed than those under the current HKAS 18. The presentation requirements represent a significant change from current practice and will significantly increase the volume of disclosures required in the Group's consolidated financial statements. Many of the disclosure requirements in HKFRS 15 are new and the Group has assessed that the impact of some of these disclosure requirements will be significant. In particular, the Group expects that the notes to the consolidated financial statements will be expanded because of the disclosure of significant judgements made on determining the transaction prices of those contracts that include variable consideration, how the transaction prices have been allocated to the performance obligations, and the assumptions made to estimate the stand-alone selling price of each performance obligation. In addition, as required by HKFRS 15, the Group will disaggregate revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. It will also disclose information about the relationship between the disclosure of disaggregated revenue and revenue information disclosed for each reportable segment.

### 2.3 已頒佈但尚未生效之香港財務報告準則 (續)

#### 呈列及披露

香港財務報告準則第15號內之呈列及披露要求較現時之香港會計準則第18號更為詳盡。該等呈列較現時做法有重大變動，將要求本集團綜合財務報表大幅增加披露內容。香港財務報告準則第15號中的多項披露規定為新規定，而本集團已評估其中的若干披露規定將產生重大影響。特別是，本集團預期綜合財務報表附註將因披露就決定該等合約的交易價（當中包括可變代價）所作重大判斷，將交易價格分配至履約責任的方式及估計各項履行責任之獨立售價作出的假設而增加。此外，根據香港財務報告準則第15號之規定，本集團須將從客戶合約所確認之收入分拆為多個類別，以便說明收入及現金流之性質、金額、時間及不確定性受經濟因素之影響。其亦將會就分拆收入的披露與各呈報分類所披露之收入資料之間的關係作出信息披露。

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### 2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

HKFRS 16, issued in May 2016, replaces HKAS 17 Leases, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases – Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two elective recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in HKAS 40, or relates to a class of property, plant and equipment to which the revaluation model is applied. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

### 2.3 已頒佈但尚未生效之香港財務報告準則 (續)

於2016年5月頒佈之香港財務報告準則第16號取代香港會計準則第17號租賃、香港(國際財務報告詮釋委員會)–詮釋第4號釐定安排是否包括租賃、香港(準則詮釋委員會)–詮釋第15號經營租賃–優惠及香港(準則詮釋委員會)–詮釋第27號評估涉及租賃法律形式的交易內容。該準則載列有關租賃之確認、計量、呈列及披露之原則，並要求承租人就大多數租賃確認資產及負債。該準則包括給予承租人兩項可選租賃確認豁免–低價值資產租賃及短期租賃。於租賃開始日期，承租人將確認於租賃期支付租賃款項為負債(即租賃負債)及代表可使用相關資產之權利為資產(即使用權資產)。除非使用權資產符合香港會計準則第40號投資物業之定義，或有關應用重估模式之物業、廠房及設備之類別，否則使用權資產其後按成本減累計折舊及任何減值虧損計量。租賃負債其後會就反映租賃負債利息而增加及因支付租賃款項而減少。承租人將須分別確認租賃負債之利息開支及使用權資產之折舊開支。

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### 2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under HKFRS 16 is substantially unchanged from the accounting under HKAS 17. Lessors will continue to classify all leases using the same classification principle as in HKAS 17 and distinguish between operating leases and finance leases. HKFRS 16 requires lessees and lessors to make more extensive disclosures than under HKAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group expects to adopt HKFRS 16 from 1 April 2019. The Group is currently assessing the impact of HKFRS 16 upon adoption and is considering whether it will choose to take advantage of the practical expedients available and which transition approach and reliefs will be adopted. As disclosed in note 29 to the consolidated financial statements, at 31 March 2018, the Group had future minimum lease payments under non-cancellable operating leases in aggregate of approximately HK\$14,382,101. Upon adoption of HKFRS 16, certain amounts included therein may need to be recognised as new right-of-use assets and lease liabilities.

Further analysis, however, will be needed to determine the amount of new rights of use assets and lease liabilities to be recognised, including, but not limited to, any amounts relating to leases of low-value assets and short term leases, other practical expedients and reliefs chosen, and new leases entered into before the date of adoption.

### 2.3 已頒佈但尚未生效之香港財務報告準則 (續)

承租人亦須於若干事件發生時重新計量租賃負債，如有關租賃期變更或用於釐定未來租賃款項之一項指數或比率變更而引致該等款項變更。承租人一般將重新計量租賃負債之金額確認為對使用權資產之調整。香港財務報告準則第16號大致沿用香港會計準則第17號內出租人的會計處理方式。出租人將繼續使用與香港會計準則第17號相同之分類原則對所有租賃進行分類，並將項目分為經營租賃及融資租賃。香港財務報告準則第16號要求承租人及出租人較根據香港會計準則第17號作出更多披露。承租人可選擇以全面追溯或經修訂追溯應用方式應用該準則。本集團預期自2019年4月1日起採納香港財務報告準則第16號。本集團現正評估採納香港財務報告準則第16號後之影響，且正考慮會否選擇利用現有可行權宜方式，以及將會採納之過渡方式及寬免。誠如綜合財務報表附註29所披露，於2018年3月31日，本集團根據不可撤銷經營租賃應付之未來最低租金總額約為14,382,101港元。採納香港財務報告準則第16號後，當中所列部分金額或需確認為新的有使用權資產及租賃負債。

然而，本集團需作進一步分析，以確定將予確認之新的有使用權資產及租賃負債，包括但不限於涉及低價值資產租賃及短期租賃之任何金額、所選其它可行權宜方式及寬免以及採用日期前訂立之新租賃。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

### 2.4 主要會計政策概要

#### 業務合併及商譽

業務合併乃以收購法列賬。轉讓對價乃以收購日期的公允價值計量，該公允價值為本集團轉讓的資產於收購日期的公允價值、本集團向被收購方前擁有人承擔的負債，及本集團發行以換取被收購方控制權的股本權益的總和。於各業務合併中，本集團選擇是否以公允價值或被於收購方可識別淨資產的應佔比例，計量於被收購方的非控股權益，即於被收購方中賦予持有人在清盤時按比例分佔淨資產的現有所有權權益。非控股權益的所有其它組成部分均按公允價值計量。收購相關成本於產生時列為開支。

當本集團收購一項業務時會根據合同條款、於收購日期的經濟環境及相關條件，評估取得的金融資產及承擔的金融負債，以進行適當分類及指定，其中包括分離被收購方主合同中的嵌入式衍生工具。

如業務合併分階段進行，先前持有的股本權益按其於收購日期的公允價值重新計量，所產生的任何損益在損益賬中確認。

收購方將轉讓的任何或然代價按收購日期的公允價值確認。分類為資產或負債的或然代價按公允價值計量，其公允價值變動於損益賬內確認。分類為權益的或然代價不重新計量，其之後的結算在權益中入賬。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Business combinations and goodwill (continued)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 March. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

### 2.4 主要會計政策概要 (續)

#### 業務合併及商譽 (續)

商譽起初按成本計量，即已轉讓對價、非控股權益的確認金額及本集團先前持有的被收購方股本權益的任何公允價值總額，與所收購可識別淨資產及所承擔負債之間的差額。如對價與其它項目的總額低於所收購淨資產的公允價值，於重新評估後該差額將於損益賬內確認為議價收購收益。

於初始確認後，商譽按成本減任何累計減值虧損計量。商譽須每年作減值測試，若有事件發生或情況改變顯示賬面值有可能減值時，則會更頻密地進行測試。本集團於3月31日進行商譽的年度減值測試。為進行減值測試，因業務合併而購入的商譽自收購日期起被分配至預期可從合併產生的協同效益中獲益的本集團各現金產生單位或現金產生單位組別，而無論本集團其它資產或負債是否已分配至該等單位或單位組別。

減值乃通過評估與商譽有關的現金產生單位 (或現金產生單位組別) 的可收回金額釐定。當現金產生單位 (或現金產生單位組別) 的可收回金額低於賬面金額時，減值虧損便予以確認。已就商譽確認的減值虧損不得於隨後期間撥回。

如商譽分配至現金產生單位 (或現金產生單位組別) 而該單位的部分業務已出售，則在釐定出售損益時，與所出售業務相關的商譽會計入該業務的賬面金額。在該等情況出售的商譽乃根據所出售業務的相對價值及現金產生單位的保留份額進行計量。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Fair value measurement

The Group measures its available-for-sale investments at fair value at the end of each reporting period. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

### 2.4 主要會計政策概要 (續)

#### 公允價值計量

本集團於各報告期末按公允價值計量其可供出售投資。公允價值為市場參與者於計量日期在有序交易中出售資產所收取或轉讓負債所支付之價格。公允價值計量乃基於假設出售資產或轉讓負債之交易於資產或負債之主要市場或(在無主要市場情況)資產或負債之最具優勢市場進行。主要或最具優勢市場須為本集團可進入之市場。

資產或負債之公允價值乃按市場參與者於資產或負債定價時所使用之假設計量，並假設市場參與者會以最佳經濟利益行事。

非金融資產之公允價值計量須計及市場參與者透過使用該資產之最高及最佳用途或將該資產出售予將使用其最高及最佳用途之另一市場參與者而產生經濟效益之能力。

本集團採納適用於不同情況且具備充分數據以供計量公允價值之估值方法，以盡量使用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### 2.4 主要會計政策概要 (續)

#### 公允價值計量 (續)

於綜合財務報表中計量或披露公平價值之所有資產及負債乃按對公允價值計量整體而言屬重大之最低層輸入數據按以下公允價值等級分類：

- 第1級 – 基於相同資產或負債於活躍市場之報價 (未經調整)
- 第2級 – 基於對公允價值計量而言屬重大之可觀察 (直接或間接) 最低層輸入數據之估值方法
- 第3級 – 基於對公允價值計量而言屬重大之不可觀察最低層輸入數據之估值方法

就按經常性基準於綜合財務報表確認之資產及負債而言，本集團透過於各報告期末重新評估分類 (基於對公允價值計量整體而言屬重大之最低層輸入數據) 釐定是否發生不同等級轉移。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

### 2.4 主要會計政策概要 (續)

#### 非金融資產減值

倘出現減值跡象，或須就資產（不包括存貨及金融資產）進行年度減值測試時，則會估計資產之可收回金額。資產之可收回金額乃按該資產或現金產生單位之使用價值及公允價值減銷售成本（以較高者為準）計算，並就個別資產予以釐定，惟倘該資產產生之現金流入不能大致獨立於其它資產或資產組合所產生之現金流入，則可收回金額按資產所屬現金產生單位釐定。

減值虧損僅於資產賬面值超逾其可收回金額時確認。評估使用價值時，估計未來現金流量按除稅前貼現率折讓至其現值，該貼現率反映當時市場對貨幣時間價值及該項資產之特有風險之評估。減值虧損於產生期間自損益中與減值資產功能一致之支出類別中扣除。

於各報告期末會評估有否跡象顯示先前已確認減值虧損不再存在或已減少。倘出現該等跡象，則會估計可收回金額。除非用於釐定資產之可收回金額之估計有變，否則該資產（商譽除外）過往已確認減值虧損不予撥回，而撥回之減值虧損以假設過往年度並無確認減值虧損而應有之資產賬面值（經扣除任何折舊／攤銷）為限。有關減值虧損撥回於產生期間計入損益。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Related parties

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

- (a) the party is a person or a close member of that person's family and that person
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

### 2.4 主要會計政策概要 (續)

#### 關連人士

在下列情況，一方將視為與本集團有關連：

- (a) 該方為一名人士或該人士之近親，而該人士
  - (i) 對本集團擁有控制權或共同控制權；
  - (ii) 對本集團具有重大影響力；或
  - (iii) 為本集團或其母公司之主要管理層人員；

或

- (b) 該人士為符合下列任何條件之實體：
  - (i) 該實體與本集團屬同一集團的成員公司；
  - (ii) 一實體為另一實體（或另一實體之母公司、附屬公司或同系附屬公司）之聯營公司或合營企業；
  - (iii) 該實體與本集團為同一第三方之合營企業；
  - (iv) 一實體為一名第三方實體之合營企業，而另一實體為該第三方實體之聯營公司；
  - (v) 該實體為本集團或與本集團有關連的實體為僱員福利而設的離職後福利計劃；
  - (vi) 該實體受(a)所述人士控制或共同控制；
  - (vii) 於(a)(i)所述人士對該實體具有重大影響力，或為該實體（或該實體母公司）之主要管理層成員；及
  - (viii) 該實體（或其所屬集團之任何成員公司）向本集團或本集團母公司提供主要管理層人員服務。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations*. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	3% to 10%
Leasehold improvements	10% to 33.3% or over the lease terms, whichever rate is higher
Plant and machinery	5% to 10%
Furniture, fixtures and equipment	10% to 20%
Motor vehicles	10% to 20%

### 2.4 主要會計政策概要 (續)

#### 物業、廠房及設備與折舊

除在建工程外，物業、廠房及設備乃按成本扣除累計折舊及任何減值虧損列賬。倘物業、廠房及設備項目分類為持作出售或當其屬於分類為持作出售之出售組別之一部分，則不會計提折舊及按香港財務報告準則第5號 *持作出售之非流動資產及已終止經營業務* 入賬。物業、廠房及設備項目成本包括其買價及將該資產達至運作狀況及地點以作擬定用途之直接應佔費用。

於物業、廠房及設備項目投入運作後所產生之維修及保養等費用通常於產生期間於損益中扣除。倘符合確認標準，則相關重大檢查費用會於資產賬面值中撥作重置成本。倘須定期重置物業、廠房及設備的重大部分，則本集團會將該等部分確認為有特定可使用年期之個別資產，並相應地計提折舊。

折舊按估計可使用年期以直線法攤銷每項物業、廠房及設備之成本至剩餘價值。採用之主要折舊年率如下：

樓宇	3%至10%
租賃物業裝修	10%至33.3%或按租期，以較高者為準
廠房及機器	5%至10%
傢俬、裝置及設備	10%至20%
汽車	10%至20%

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Property, plant and equipment and depreciation (continued)

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents a building under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

#### Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

### 2.4 主要會計政策概要 (續)

#### 物業、廠房及設備與折舊 (續)

倘物業、廠房及設備項目各部份之可使用年期不相同，則該項目之成本將按合理基礎於各部份分配，並個別計算折舊。剩餘價值、可使用年期及折舊方法至少於各財政年度結算日檢討，並在適當情況調整。

物業、廠房及設備項目(包括首次確認之任何重要部分)於出售或預期其使用或出售不會產生未來經濟利益時終止確認。於資產終止確認之年度在損益內確認之出售或廢棄資產之任何盈虧，為有關資產之出售所得款項淨額與其賬面值之差額。

在建工程指興建中之樓宇，按成本扣除任何減值虧損列賬，且不計算折舊。成本包括直接建築成本及建築期內產生之相關借貸之資本化借貸成本。在建工程於落成及可供使用時重列為物業、廠房及設備之適當類別。

#### 無形資產 (商譽除外)

單獨取得的無形資產於初始確認時按成本計量。通過業務合併取得的無形資產的成本為收購日期的公允價值。無形資產的可使用年期評定為有限期或無限期。有限期的無形資產隨後按可使用經濟年期攤銷，於有跡象顯示無形資產可能出現減值時評估減值。有限可使用年期的無形資產的攤銷期及攤銷方法至少於各財政年度結算日檢查一次。

年期並無限定的無形資產每年單獨或按現金產生單位進行減值測試。有關無形資產不作攤銷。每年對年期並無限定的無形資產的使用年期進行檢討，以確定年期並無限定的評估是否繼續得到支持。否則，使用年期評估由並無限定改為有限之情況將按預期適用基準入賬。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### **Intangible assets (other than goodwill)** (continued)

##### **Licences and Permits**

Purchased licences and permits are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 8 to 10 years.

##### **Trademark**

Trademark with indefinite life is stated at cost less any impairment losses.

##### **Research and development costs**

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

### 2.4 主要會計政策概要 (續)

#### **無形資產 (商譽除外) (續)**

##### **執照和許可證**

購入的執照和許可證按成本減任何減值虧損列賬，並以直線法在其8至10年的估計可用年期攤銷。

##### **商標**

並無限定年期之商標按成本減去任何減值虧損列賬。

##### **研究與開發成本**

所有研究成本於產生時在損益中扣除。

僅當本集團可證明完成無形資產以供使用或出售在技術上屬可行，且有意完成並有能力使用或出售該資產，能明確資產產生未來經濟利益的方法及擁有足夠的資源以完成項目，並能夠可靠計量開發期間的開支時，方會將開發新產品的項目開支資本化並遞延處理。不符合上述標準的產品開發支出於產生時列作費用開支。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

### 2.4 主要會計政策概要 (續)

#### 租賃

將資產擁有權 (法定業權除外) 之絕大部份回報及風險撥歸本集團之租約均列為融資租賃。訂立融資租賃時，租賃資產之成本按最低租約付款之現值撥作資本，並連同反映購買及融資的債務 (扣除利息部份) 入賬。根據資本化融資租賃持有之資產 (包括根據融資租賃的預付土地租賃款項) 均計入物業、廠房及設備，並按資產之租期或估計可使用年期 (以較短者為準) 折舊。該等租約之融資費用乃於損益按租期以固定比率扣除。

透過融資性質的租購合約取得的資產按融資租賃列賬，惟按其估計可使用年期折舊。

資產擁有權之絕大部份回報及風險由出租人承擔，則租賃作為經營租約列賬。倘本集團為出租人，本集團按經營租約出租之資產列為非流動資產，而根據該等經營租約應收取之租金乃於租期以直線法計入損益。倘本集團為承租人，根據經營租約應付之租金 (扣除出租人給予的任何獎勵) 乃於租期以直線法於損益中扣除。

經營租約之預付土地租賃款項初次按成本列賬，其後以直線法於租期確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Investments and other financial assets

##### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, and loans and receivables and available-for-sale financial investments, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

##### *Subsequent measurement*

The subsequent measurement of financial assets depends on their classification as follows:

##### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by HKAS 39.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as other income, gains and losses and in profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets.

### 2.4 主要會計政策概要 (續)

#### 投資及其它金融資產

##### *首次確認及計量*

金融資產於首次確認時分類為按公允價值計入損益之金融資產、貸款及應收款以及可供出售金融投資(視情況而定)。金融資產於首次確認時按公允價值加收購金融資產應佔交易成本計量，惟按公允價值計入損益之金融資產則除外。

金融資產之所有常規買賣均於交易日(即本集團承諾購買或出售該資產之日期)確認。常規買賣指按照一般由市場規定或慣例設定之期間內交付資產之金融資產買賣。

##### *其後計量*

金融資產之其後計量按以下分類進行：

##### *按公允價值計入損益之金融資產*

按公允價值計入損益之金融資產包括首次確認時被指定為透過損益反映公平值之金融資產。金融資產如以短期出售為目的而購買，則分類為持作買賣資產。衍生工具(包括獨立嵌入式衍生工具)除非指定為香港會計準則第39號所界定有效對沖工具，否則亦分類為持作買賣。

按公允價值計入損益之金融資產按公允價值於財務狀況表列賬，其公允價值變動淨額於收益呈列為其它收入、收益及虧損。該等公允價值變動淨額不包括此等金融資產之任何股息或利息。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### **Investments and other financial assets** (continued)

##### **Financial assets at fair value through profit or loss** (continued)

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria under in HKAS 39 are satisfied.

#### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income, gains and losses in profit or loss. The loss arising from impairment is recognised in profit or loss in finance costs for loans and on other expenses for receivables.

### 2.4 主要會計政策概要 (續)

#### **投資及其它金融資產** (續)

##### **按公允價值計入損益之金融資產** (續)

於首次確認時被指定為按公允價值計入損益之金融資產於首次確認日期指定，惟須符合香港會計準則第39號之規定。

#### **貸款及應收款**

貸款及應收款為具有固定或可確定付款但在活躍市場並無報價之非衍生金融資產。於首次計量後，該等資產其後採用實際利率法按攤銷成本減任何減值撥備計量。攤銷成本乃經計及任何收購折讓或溢價後計算，包括屬於實際利率整體部分之費用或成本。實際利率攤銷計入損益之其它收入、收益及虧損。貸款及應收款之減值虧損分別計入損益之融資成本及其它開支。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### **Investments and other financial assets** (continued) **Available-for-sale financial investments**

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments and debt securities. Equity investments classified as available-for-sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in profit or loss in other income, gains and losses, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to profit or loss in other income, gains and losses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised profit or loss as other income, gains and losses.

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

### 2.4 主要會計政策概要 (續)

#### **投資及其它金融資產 (續)** **可供出售金融投資**

可供出售金融投資指上市及非上市股本投資及債務證券之非衍生金融資產。分類為可供出售之股本投資指並非分類為持作買賣或指定為按公允價值計入損益之投資。屬於此類別之債務證券是指擬無限期持有的債券，可以視乎流動資金需求或者因應市況變化而出售。

首次確認後，可供出售金融投資其後按公允價值計量，有關未變現盈虧則於可供出售投資重估儲備確認為其它全面收益，直至有關投資終止確認（屆時累計盈虧於損益之其它收入、收益及虧損確認）或直至資產被釐定為出現減值（屆時相關累計盈虧自可供出售投資重估儲備重新分類至損益之其它收入、收益及虧損）為止。持有可供出售金融投資所賺取之利息及股息分別呈報為利息收入及股息收入並在損益內確認為其它收入、收益及虧損。

倘非上市股本投資之公允價值因以下原因而不能可靠計量：(a)該項投資之合理公允價值估算範圍存在重大變動或(b)在評估公允價值時未能合理評估及使用有關範圍內可能出現之各項估計，則該等投資以成本減任何減值虧損列賬。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### 2.4 主要會計政策概要 (續)

#### 終止確認金融資產

金融資產(倘適用,則一項金融資產之一部份或一組類似金融資產之一部份)主要在下列情況將終止確認(即從本集團綜合財務狀況表中移除):

- 收取該項資產所得現金流量之權利經已屆滿;或
- 本集團已轉讓其收取該項資產所得現金流量之權利,或根據"轉手"安排承擔在無重大延誤下向第三方全數支付已收取之現金流量之責任;及(a)本集團已轉讓資產之絕大部分風險及回報,或(b)本集團並無轉讓或保留資產之絕大部分風險及回報,惟已轉讓資產之控制權。

倘本集團已轉讓其收取資產現金流量之權利或已訂立轉手安排,則評估有否保留資產所有權之風險及回報以及保留程度。倘並無轉讓或保留資產絕大部分風險及回報,亦無轉讓資產之控制權,則本集團繼續按本集團持續涉及之程度確認已轉讓資產。在此情況,本集團亦確認相關負債。已轉讓資產及相關負債按本集團所保留的相關權利及責任為基礎進行計量。

以擔保形式對已轉撥資產的持續參與,按資產原賬面值與本集團可能須償還最高代價兩者之較低者計量。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

#### Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

### 2.4 主要會計政策概要 (續)

#### 金融資產之減值

本集團會於各報告期末評估有否客觀跡象顯示某項金融資產或一組金融資產出現減值。當資產首次確認後發生一項或多項事件致使某項金融資產或一組金融資產之預計未來現金流量受影響，且該影響金額能可靠預測而減值，則存在減值。減值之證據可能包括債務人或一組債務人出現重大財務困難，違約或拖欠利息或本金，可能面臨破產或進行其它財務重組，以及可觀察數據顯示預計未來現金流量出現可計量之減少，如欠款或拖欠付款相關的經濟狀況有所轉變。

#### 以攤銷成本列賬之金融資產

對於按攤銷成本列賬之金融資產，本集團首先就個別重大的金融資產單獨評估或就個別並非重大的金融資產共同評估，以釐定是否有減值。倘本集團確定單獨評估的金融資產並無客觀證據顯示減值，則無論該資產重大與否，均計入具類似信貸風險特徵的金融資產組別內，並共同作減值評估。單獨評估減值且減值虧損已確認或持續確認的資產不計入共同評估減值。

任何已識別減值虧損數額會按資產之賬面值與估計未來現金流量（不包括尚未產生之未來信貸虧損）現值間之差額計量。估計未來現金流量之現值按金融資產之原實際利率（即於首次確認時計得之實際利率）折現。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Impairment of financial assets (continued)

##### *Financial assets carried at amortised cost (continued)*

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to profit or loss.

##### *Available-for-sale financial investments*

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is removed from other comprehensive income and recognised in profit or loss.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss – is removed from other comprehensive income and recognised in profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through profit or loss. Increases in their fair value after impairment are recognized directly in other comprehensive income.

### 2.4 主要會計政策概要 (續)

#### 金融資產之減值 (續)

##### *以攤銷成本列賬之金融資產 (續)*

有關資產之賬面值可通過撥備賬作出沖減，而有關虧損於損益確認。利息收入則繼續採用計量減值虧損時所用折現未來現金流量的利率按已減少的賬面值累計。倘日後不能收回且所有擔保已變現或已轉撥予本集團，則撇銷貸款及應收款連同任何相關撥備。

於其後期間，倘由於減值確認後所發生之事件導致估計減值虧損增減，則先前確認之減值虧損透過調整撥備賬增加或減少。倘撇銷於其後撥回，則相關撥回金額計入損益。

##### *可供出售金融投資*

就可出售金融投資而言，本集團於各報告期末評估有否客觀證據顯示一項或一組投資減值。

倘可供出售資產已減值，則其成本(扣除任何本金付款及攤銷)與現有公允價值之差額，扣除任何先前已於損益確認之減值虧損，將自其它全面收益移除，並於損益確認。

倘股本投資被列作可供出售類別，則客觀證據將包括該項投資之公允價值顯著或非暫時性跌至低於其成本值。“顯著”乃針對投資的原來成本而言，而“非暫時性”則針對公允價值低於原始成本之期間而言。倘出現減值證據，則累計虧損(按收購成本與現時公允價值之差額減該項投資先前在損益內確認之任何減值虧損計量)將從其它全面收益中移除，並於損益內確認。歸類為可供出售之股本投資之減值虧損不可透過損益撥回，而其公允價值於減值後的增加部份會直接於其它全面收益中確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Financial liabilities

##### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as loans and borrowings, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and an amount due to a related company.

##### *Subsequent measurement*

The subsequent measurement of financial liabilities depends on their classification as follows:

##### *Loans and borrowings*

After initial recognition, interest-bearing bank borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

### 2.4 主要會計政策概要 (續)

#### 金融負債

##### *首次確認及計量*

金融負債於首次確認時分類為貸款及借貸(倘適用)。

所有金融負債首次按公允價值確認，而貸款及借貸則需在此基礎上扣除直接應佔交易成本。

本集團之金融負債包括應付賬款及其它應付款以及應付一間關連公司款項。

##### *其後計量*

金融負債之其後計量按以下分類進行：

##### *貸款及借貸*

於首次確認後，計息銀行借貸其後以實際利率法按攤銷成本計量，折現影響甚微則以成本列賬。於終止確認負債時之損益於損益確認並採用實際利率攤銷。

攤銷成本乃經考慮收購時之任何折價或溢價以及實際利率組成部分之費用或成本後計算。實際利率攤銷額計入損益之融資費用。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average method and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

#### Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

### 2.4 主要會計政策概要 (續)

#### 終止確認金融負債

當負債之責任解除或取消或屆滿時，終止確認金融負債。

倘現有金融負債被來自同一借款人但條款極不相同之另一項負債所取代，或對現有負債之條款進行大幅修訂，上述更替或修訂將被視作終止確認原有負債及確認新負債，而有關賬面值之差額將在損益內確認。

#### 抵銷金融工具

當具目前可執行法定權力抵銷已確認金額及計劃以淨額結算，或同時變現資產及清償負債時，金融資產與金融負債方可互相抵銷，並於財務狀況表內以淨額呈報。

#### 存貨

存貨按成本或可變現淨值兩者中之較低者列賬。成本按加權平均法釐定。在製品及製成品之成本包括直接原材料、直接勞工及應佔適當比例之間接成本。可變現淨值則根據估計售價減估計完成及出售所產生之任何成本計算。

#### 現金及現金等值項目

就綜合現金流量表而言，現金及現金等值項目包括庫存現金及活期存款，以及高度流通之短期投資（其價值變動風險不大，且一般於購入後三個月內到期，並可隨時轉換為已知現金金額）減須按要求償還且屬本集團現金管理部分之銀行透支。

就綜合財務狀況表而言，現金及現金等值項目為並無用途限制之庫存現金及存於銀行之現金（包括定期存款）以及性質與現金相若之資產。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

#### Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

### 2.4 主要會計政策概要 (續)

#### 撥備

倘因過往事件引致現有法定或推定債務，且清償有關債務可能會導致日後資源流出，並可可靠估算負債金額，則會確認撥備。

倘折現影響屬重大，就撥備確認之金額為預期清償有關債務所需之未來開支於報告期末之現值。因時間推移而引致之折現現值增加計入損益之融資費用。

#### 所得稅

所得稅包括即期及遞延稅項。於損益外確認之項目所得稅於損益外在其它全面收益或直接於權益確認。

即期稅項資產及負債按預期可獲稅務當局退回或支付予稅務當局之稅款，基於報告期末已頒佈或具體頒佈之稅率（及稅法），經計及本集團營運所在國家／地區現有詮釋及慣例計量。

遞延稅項乃以負債法就於報告期末資產及負債之稅基與其用作財務申報賬面值之所有暫時差額撥備。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Income tax (continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

### 2.4 主要會計政策概要 (續)

#### 所得稅 (續)

遞延稅項負債就所有應課稅暫時差額予以確認，惟：

- 倘遞延稅項負債源於首次確認商譽或交易 (並非業務合併，且於交易時不影響會計溢利亦不影響應課稅溢利或虧損) 之資產及負債除外；及
- 有關於附屬公司投資之應課稅暫時差額，而可控制暫時差額之撥回時間且暫時差額於可預見未來可能不會撥回者除外。

遞延稅項資產就所有可扣稅暫時差額、未動用稅項抵免及未動用稅項虧損之結轉予以確認，以可能有可供動用可扣稅暫時差額、未動用稅項抵免及未動用稅項虧損之結轉的應課稅溢利為限，惟下述者除外：

- 有關可扣稅暫時差額之遞延稅項資產源於首次確認一項交易 (並非業務合併，且於交易時不影響會計溢利亦不影響應課稅溢利或虧損) 之資產及負債；及
- 有關於附屬公司投資之可扣稅暫時差額，遞延稅項資產僅限於在可預見未來可能撥回暫時差額及可能有應課稅溢利以動用暫時差額情況確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Income tax (continued)

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

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred taxes assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

### 2.4 主要會計政策概要 (續)

#### 所得稅 (續)

遞延稅項資產之賬面值乃於各報告期末檢討，倘不再有足夠應課稅溢利可供動用全部或部份遞延稅項資產，則予以相應扣減。未確認之遞延稅項資產於各報告期末重新評估，而限於可能有足夠應課稅溢利可供收回全部或部份遞延稅項資產予以確認。

遞延稅項資產及負債基於報告期末已頒佈或具體頒佈之稅率（及稅法）以預期適用於資產變現及負債清償期間之稅率計算。

僅當本集團有合法執行之權利將即期稅項資產與即期稅項負債抵銷，且遞延稅項資產與遞延稅項負債與同一稅務機構對同一應課稅企業或於各未來期間預期有大額遞延稅項負債或資產需要結算或清償時，擬按淨額基準結算即期稅項負債及資產或同時變現資產及結算負債之不同稅務企業徵收之所得稅相關，則遞延稅項資產與遞延稅項負債可予對銷。

#### 政府補助金

政府補助金於可合理確定將收取並會遵守其所附之一切條件時按公允價值確認。倘補助金與開支項目有關，則會按有系統的基準在預計支銷所補償的成本之期間內確認為收入。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold; and
- (b) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

#### Employee benefits Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance 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 employees of the Group's subsidiaries which operate in the Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain specific percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Payments to state-managed retirement benefit schemes in jurisdictions other than the PRC are charged as expenses when employees have rendered the service entitling them to the contributions.

### 2.4 主要會計政策概要 (續)

#### 收入確認

在有關經濟利益有可能流入本集團及可按下列方式可靠計量有關收入時，確認收入：

- (a) 出售貨品收入在其所有權之重大風險及回報已轉移至買家時確認，惟本集團並無參與已售貨品所有權有關之管理，亦無實質控制所售貨品；及
- (b) 利息收入按應計基準採用實際利率法對金融工具之預計年期或較短期間(如適用)以實際折現估計未來收取現金至金融資產賬面淨值之比率確認。

#### 僱員福利 退休金計劃

本集團根據強制性公積金計劃條例為合資格參與一項強制性公積金退休福利計劃(強積金計劃)之僱員實施強積金計劃。供款按僱員基本薪酬百分比計算，於按強積金計劃之規則應支付時在損益內扣除。強制金計劃之資產由一項獨立管理之基金與本集團資產分開持有。本集團之僱主供款於支付予強積金計劃後即全數歸屬予僱員。

本集團中國大陸營運附屬公司之僱員須參與當地市政府運行之中央退休金計劃。此等附屬公司須按其薪酬成本之若干指定百分比向該中央退休金計劃供款。有關供款於根據該中央退休金計劃應支付時在損益內扣除。

在中國以外司法管轄權區之國家管理的退休福利計劃所作付款，在僱員提供服務使其有權獲得供款時支銷。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the consolidated financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

#### Foreign currencies

These consolidated financial statements are presented in HK\$, which is different from the Company's functional currency, Renminbi ("RMB"). As the shares of the Company are listed on the Stock Exchange, for the convenience of the consolidated financial statements users, the results and financial position of the Group are expressed in HK\$. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

### 2.4 主要會計政策概要 (續)

#### 股息

末期股息於股東大會上獲股東批准及宣派時確認為負債。擬派末期股息於綜合財務報表附註內披露。

由於本公司之組織章程大綱及細則賦予董事宣派中期股息之權力，故中期股息乃同時建議及宣派。因此，中期股息在建議及宣派時即時確認為負債。

#### 外幣

該等綜合財務報表以港元（並非本公司之功能貨幣人民幣）呈報。由於本公司股份於聯交所上市，為方便綜合財務報表使用者，本集團業績及財務狀況均以港元列值。本集團內之企業各自決定其功能貨幣，其財務報表項目均以所定功能貨幣計量。本集團內之企業之外幣交易初步按交易日有關功能貨幣之當時匯率換算入賬。以外幣計值之貨幣資產及負債，按有關功能貨幣於報告期末之匯率換算。結算或換算貨幣項目之差額於損益確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Foreign currencies (continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries are currencies other than the HK\$. As at the end of the reporting period, the assets and liabilities of these entities are translated into HK\$ at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into HK\$ at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into HK\$ at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into HK\$ at the weighted average exchange rates for the year.

### 2.4 主要會計政策概要 (續)

#### 外幣 (續)

按歷史成本列賬以外幣計量之非貨幣項目，採用初步交易日之匯率換算。按公允價值列賬以外幣計量之非貨幣項目，採用計量公允價值之日之匯率換算。換算按公允價值計量之非貨幣項目之盈虧與該項目之公允價值變更之盈虧確認（即公允價值盈虧於其它全面收益確認或損益亦分別於其它全面收益或損益確認之項目之換算差額）一併處理。

若干海外附屬公司之功能貨幣為非港元貨幣。於報告期末，有關企業之資產及負債按報告期末當日匯率換算為港元，其損益表則按本年度之加權平均匯率換算為港元。

所產生匯兌差額於其它全面收益確認並累積計入匯兌波動儲備。出售海外業務時，該海外業務相關其它全面收益在損益確認。

收購海外業務產生的任何商譽以及因收購產生的資產和負債的賬面值的任何公允價值調整均視為海外業務的資產和負債，並按收盤匯率換算。

就綜合現金流量表而言，海外附屬公司之現金流量乃按現金流量日期之匯率換算為港元。海外附屬公司於整年內之持續現金流量則按本年度之加權平均匯率換算為港元。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

#### Estimation uncertainty

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

#### Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 March 2018 was approximately HK\$112,148,000 (2017: HK\$98,714,000). Further details are given in note 14.

#### Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

### 3. 主要會計判斷及估計

本集團綜合財務報表之編製須管理層作出會影響收入、開支、資產及負債之列報數額及其隨附披露，以及或然負債之披露之判斷、估計及假設。該等假設及估計的不確定因素或會導致日後須就受影響之資產或負債賬面值作出重大調整。

#### 估計不確定因素

於報告期末具有重大風險導致資產及負債賬面值於下個財政年度須作出重大調整之未來相關重要假設及估計不確定因素之其它主要來源論述如下。

#### 商譽減值

本集團至少於每個年度評估商譽是否發生減值。這要求對被分配商譽的現金產生單位的使用價值進行估計。估計使用價值時，本集團需要估計來自現金產生單位的預期未來現金流量，同時選擇恰當的貼現率計算該等現金流量的現值。商譽於2018年3月31日的賬面值約為112,148,000港元（2017年：98,714,000港元）。進一步詳細請參閱附註14。

#### 非金融資產減值(商譽除外)

本集團評估於各報告期末是否有任何跡象顯示所有非金融資產減值。無限年期的無形資產須每年及於出現有關跡象的其它時間作減值測試。其它非金融資產於有跡象顯示賬面值可能無法收回時作減值測試。當資產或現金產生單位的賬面值高於其可收回金額（即其公允價值減出售成本與其使用價值間的較高者）時，即出現減值。公允價值減出售成本的計算乃基於類似資產的公平交易中具有約束力的出售交易的可得數據或可觀察市價減出售資產的遞增成本。於計算使用價值時，管理層必須估計資產或現金產生單位的預期未來現金流量及選擇適當的貼現率，以計算該等現金流量的現值。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 4. OPERATING SEGMENT INFORMATION

Information reported to the managing director of the Company, being the chief operating decision maker (CODM), for the purposes of resource allocation and assessment of segment performance focuses on the types of goods delivered. Other than the revenue analysis as set out below, no operating results and other discrete financial information relating to major products is prepared regularly for internal reporting to the CODM for resource 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.

Segment performance is evaluated based on segment profit or loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax except that allocation of central administration costs, directors' salaries, certain other income, and other gains and losses are excluded from such measurement.

### 4. 經營分部資料

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。除以下所載之收入分析外，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。

分部表現乃根據分部溢利或虧損（即除稅前經調整溢利／虧損之計量）評估。經調整除稅前溢利／虧損之計量乃未作中央行政成本、董事薪金、若干其它收入以及其它收益及虧損之分配。

		2018		
		Pharmaceutical and biotechnology business 醫藥生物業務	Unallocated 未分配	Total 總額
		HK\$ 港元	HK\$ 港元	HK\$ 港元
<b>Segment revenue:</b>	<b>分部收入：</b>			
Sales to external customers	向外部客戶銷售	361,554,649	–	361,554,649
Revenue	收入	361,554,649	–	361,554,649
<b>Segment results</b>	<b>分部業績</b>	<b>45,157,539</b>	<b>(15,215,544)</b>	<b>29,941,995</b>
Profit before tax	除稅前溢利			29,941,995

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

## 4. OPERATING SEGMENT INFORMATION (continued)

## 4. 經營分部資料 (續)

		2017		
		Pharmaceutical and biotechnology business 醫藥生物業務	Unallocated 未分配	Total 總額
		HK\$ 港元	HK\$ 港元	HK\$ 港元
<b>Segment revenue:</b>	<b>分部收入：</b>			
Sales to external customers	向外部客戶銷售	195,538,964	–	195,538,964
<b>Revenue</b>	<b>收入</b>	195,538,964	–	195,538,964
<b>Segment results</b>	<b>分部業績</b>	39,164,043	(6,414,325)	32,749,718
Profit before tax	除稅前溢利			32,749,718

The segment results of pharmaceutical and biotechnology business for the year ended 31 March 2017 disclosed in prior annual report were HK\$31,166,921. The difference comprises tax expense of HK\$7,997,122 for the year ended 31 March 2017.

上一份年報中所披露的截至2017年3月31日止年度醫藥生物業務分部業績為31,166,921港元。當中差異包括截至2017年3月31日止年度的稅務支出7,997,122港元。

**Geographical information****(a) Revenue from external customers****地域資料****(a) 來自外界客戶之收入**

		2018 HK\$ 港元	2017 HK\$ 港元
Mainland China	中國大陸	360,009,359	193,682,020
Hong Kong	香港	1,030,835	1,391,342
Australia	澳大利亞	514,455	465,602
		361,554,649	195,538,964

The revenue information of operations above is based on the locations of the customers.

以上營運之收入資料以客戶所在地為基準。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

## 4. OPERATING SEGMENT INFORMATION (continued)

**(b) Non-current assets**

		2018	2017
		HK\$	HK\$
		港元	港元
Mainland China	中國大陸	408,307,160	382,686,331
Hong Kong	香港	2,085,669	2,022,442
Australia	澳大利亞	25,247	1,716,756
		<b>410,418,076</b>	<b>386,425,529</b>

The non-current asset information of operations above is based on the locations of the assets and excludes financial instruments.

**Information about a major customer**

During the years ended 31 March 2018 and 2017, no revenue from any single customer accounted for 10% or more of the total revenue of the Group.

## 4. 經營分部資料 (續)

**(b) 非流動資產**

以上營運之非流動資產資料以資產所在地為基準，且不包括金融工具。

**有關主要客戶之資料**

截至2018年及2017年3月31日止年度，並無來自任何一名客戶的收入佔本集團收入10%或以上。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 5. REVENUE, OTHER INCOME, GAINS AND LOSSES

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

An analysis of revenue, other income, gains and losses is as follows:

### 5. 收入、其它收入、收益及虧損

收入指經扣除退貨備抵及貿易折扣後，來自所售貨品之發票淨值。

有關收入、其它收入、收益及虧損之分析如下：

		2018 HK\$ 港元	2017 HK\$ 港元
<b>Revenue</b>	<b>收入</b>		
Sale of pharmaceuticals, biotechnology and healthcare products:	銷售醫藥、生物科技及保健產品：		
– Cerebroprotein hydrolysate injection	– 注射用腦蛋白水解物	158,269,495	67,435,162
– Tuoen (Ibuprofen suspension and drops)	– 托恩(布洛芬混懸液及滴劑)	65,285,097	36,985,769
– Tuoping (Valsartan capsules)	– 托平(纈沙坦膠囊)	56,633,856	54,376,077
– Other products	– 其它產品	81,366,201	36,741,956
		<b>361,554,649</b>	<b>195,538,964</b>
<b>Other income</b>	<b>其它收入</b>		
Bank interest income	銀行利息收入	4,143,258	5,373,104
Government subsidies*	政府資助*	1,403,937	1,298,013
Others	其它	400,602	614,157
		<b>5,947,797</b>	<b>7,285,274</b>
<b>Gains and losses</b>	<b>收益及虧損</b>		
Fair value gain on derivative financial instruments, net	衍生金融工具之公允價值收益淨額	4,955,777	3,418,473
Fair value gain on derecognition of investments 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
Gain on disposal of available-for-sale investments	出售可供出售投資之收益	8,293,917	–
Foreign exchange (loss)/gain, net	匯兌(虧損)/收益淨額	(2,830,438)	3,682,747
Loss on disposal/write off of property, plant and equipment	出售/撇銷物業、廠房及設備之虧損	(90,785)	(75,033)
Impairment loss on goodwill	商譽的減值虧損	–	(2,141,711)
Impairment loss on other intangible assets	其它無形資產的減值虧損	(1,307,629)	(4,255,947)
Refund for cancellation of a research and development project	取消研發項目之退款	–	1,222,325
		<b>14,968,639</b>	<b>15,295,556</b>

\* There are no unfulfilled conditions or contingencies relating to these grants.

\* 並無有關此等補助金之尚未達成條件或或有事項。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 6. PROFIT BEFORE TAX

The Group's profit for the year is arrived at after charging/  
(crediting):

### 6. 除稅前溢利

本集團之本年度溢利經扣除/  
(已計入)：

			2018 HK\$ 港元	2017 HK\$ 港元
	Notes 附註			
Cost of inventories sold	已售存貨之成本		91,195,131	75,523,883
Depreciation	折舊	12	11,001,929	10,383,922
Amortisation of licences and permits	執照及許可證攤銷	15	11,039,985	11,007,221
Research and development costs	研發成本		3,138,669	3,024,947
Impairment of goodwill	商譽減值	14	–	2,141,711
Impairment of trademark	商標減值	15	1,307,629	4,255,947
Amortisation of prepaid land lease payments	預付土地租賃 款項攤銷	13	3,743,075	3,661,929
Auditors' remuneration	核數師酬金		1,965,192	1,722,185
Foreign exchange differences, net	匯兌差異淨額		2,830,438	(3,682,747)
Minimum lease payments under operating leases	經營租賃之最低租賃 付款		6,379,465	5,278,778
Employee benefit expense (including chief executive's and directors' remuneration (note 7)):	僱員福利開支(不包括 主要行政人員及董事 酬金(附註7))：			
Wages and salaries	工資及薪酬		42,270,441	33,616,941
Pension scheme contributions	退休金計劃供款		3,814,947	2,730,210

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 7. CHIEF EXECUTIVE'S AND DIRECTORS' REMUNERATION

Chief executive's and directors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

		2018	2017
		HK\$	HK\$
		港元	港元
Fees	袍金	492,000	492,000
Other emoluments:	其它酬金		
Salaries, allowances and benefits in kind	薪酬、津貼及實物利益	-	1,666,680
Performance related bonuses	績效花紅	-	220,000
Pension scheme contributions	退休金計劃供款	-	61,416
		492,000	2,440,096

#### (a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

		2018	2017
		HK\$	HK\$
		港元	港元
Mr. Lam Yat Fai	林日輝先生	72,000	72,000
Mr. Chiu Sung Hong	趙崇康先生	72,000	72,000
Mr. Chiu Fan Wa	趙帆華先生	72,000	72,000
		216,000	216,000

There were no other emoluments payable to the independent non-executive directors during the year (2017: Nil).

### 7. 主要行政人員及董事酬金

根據上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條以及公司(披露董事利益資料)規例第2部披露本年度之主要行政人員及董事酬金如下：

#### (a) 獨立非執行董事

年內已付予獨立非執行董事之袍金如下：

年內並無應付予獨立非執行董事之其它酬金(2017年：無)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 7. CHIEF EXECUTIVE'S AND DIRECTORS' REMUNERATION (Continued)

#### (b) The chief executive, executive director and non-executive directors

### 7. 主要行政人員及董事酬金 (續)

#### (b) 主要行政人員、執行董事及非執行董事

		Fees	Salaries, allowances and benefits in kind 薪酬、津貼及實物利益	Performance related bonuses 績效花紅	Pension scheme contributions 退休金計劃供款	Total remuneration 酬金總額
		袍金 HK\$ 港元	實物利益 HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
<b>2018</b>	<b>2018年</b>					
Chief executive: Mr. Fang Wen Quan	主要行政人員： 方文權先生	60,000	-	-	-	60,000
Executive director: Mr. Lui Man Sang	執行董事： 呂文生先生	72,000	-	-	-	72,000
Non-executive directors: Mr. Shi Shaobin	非執行董事： 施少斌先生	54,000	-	-	-	54,000
Mr. Shen Bo	沈波先生	72,000	-	-	-	72,000
Mr. Feng Quanming	馮全明先生	-	-	-	-	-
Dr. Lam Lee G.	林家禮博士	18,000	-	-	-	18,000
		216,000	-	-	-	216,000
		276,000	-	-	-	276,000
<b>2017</b>	<b>2017年</b>					
Chief executive: Mr. Fang Wen Quan	主要行政人員： 方文權先生	60,000	-	-	-	60,000
Executive directors: Mr. Lui Man Sang	執行董事： 呂文生先生	72,000	-	-	-	72,000
Mr. Shi Shaobin (Note)	施少斌先生 (附註)	60,000	1,666,680	220,000	61,416	2,008,096
Non-executive directors: Mr. Shi Shaobin (Note)	非執行董事： 施少斌先生 (附註)	12,000	-	-	-	12,000
Mr. Shen Bo	沈波先生	72,000	-	-	-	72,000
Mr. Feng Quanming	馮全明先生	-	-	-	-	-
		216,000	1,666,680	220,000	61,416	2,164,096
		276,000	1,666,680	220,000	61,416	2,224,096

Note:

Mr. Shi Shaobin was re-designated from an executive director to a non-executive director with effect from 1 February 2017.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

附註：

施少斌先生由執行董事調任為非執行董事，由2017年2月1日起生效。

年內並無董事或主要行政人員放棄或同意放棄任何酬金之安排。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 8. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year did not include any director (2017: included one executive director), details of whose remuneration are set out in note 7 above. Details of the remuneration for the year of the remaining five (2017: four) highest paid employees who are neither a director nor chief executive of the Company are as follows:

		2018	2017
		HK\$	HK\$
		港元	港元
Salaries, allowances and benefits in kind	薪酬、津貼及實物利益	4,060,799	3,163,780
Performance related bonuses	績效花紅	316,400	362,800
Pension scheme contributions	退休金計劃供款	72,000	54,000
		<b>4,449,199</b>	<b>3,580,580</b>

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

		Number of employees	
		僱員人數	
		2018	2017
Nil to HK\$1,000,000	無至1,000,000港元	3	3
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	2	1
		<b>5</b>	<b>4</b>

### 8. 五名最高薪酬僱員

年內五名最高薪酬僱員不包括任何董事(2017年:包括一名執行董事),其酬金詳列於上文附註7。年內餘下五名(2017年:四名)並非本公司董事或主要行政人員之最高薪酬僱員之酬金詳情如下:

酬金屬於以下組別而並非董事及並非主要行政人員之最高薪酬僱員之人數如下:

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 9. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2017: Nil). Tax on profits assessable in the Mainland China has been calculated at the applicable Mainland China corporate income tax ("CIT") rate of 25% (2017: 25%), except for Yunnan Meng Sheng Pharmaceutical Co., Ltd. (Meng Sheng Pharmaceutical) and Tianda Pharmaceuticals (Zhuhai) Ltd. (Tianda Pharmaceuticals (Zhuhai)), which are the subsidiaries of the Group. Yunnan Meng Sheng is established in the Kunming economic Pharmaceuticals development zone. Pursuant to the relevant laws and regulations in the PRC, Yunnan Meng Sheng is engaged in Western China Development and was entitled to a preferential tax rate of 15% during the year (2017: 15%). Tianda Pharmaceuticals (Zhuhai) is qualified as an advanced technology enterprise and has obtained approvals from the relevant tax authorities for a preferential tax rate of 15% for a period of 3 years up to December 2018. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

### 9. 所得稅

由於本集團在年內並無在香港產生任何應課稅溢利，故並無作出香港利得稅撥備(2017年：無)。除本集團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，於中國大陸就應課稅溢利徵收之稅項，乃按照適用中國大陸企業所得稅(企業所得稅)稅率25%(2017年：25%)計算。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，故於本年度享有優惠稅率15%(2017年：15%)。天大藥業(珠海)符合高新科技企業資格，獲得相關稅務機關批准按優惠稅率15%繳稅，為期三年，直至2018年12月為止。其它地區的應課稅溢利之稅項已按本集團經營所在司法權區之當前稅率計算。

		2018	2017
		HK\$	HK\$
		港元	港元
Current – Mainland China	即期－中國大陸		
Charge for the year	本年度支出	10,441,726	10,797,465
Underprovision in prior years	以往年度撥備不足	–	309,001
Withholding tax	預扣稅	1,582,309	1,063,408
Deferred tax (note 23)	遞延稅項(附註23)	(4,244,079)	(4,172,752)
Total tax charge for the year	本年度稅項支出總額	7,779,956	7,997,122

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 9. INCOME TAX (continued)

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the jurisdictions in which the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

		2018		2017	
		HK\$	%	HK\$	%
		港元		港元	
Profit before tax	除稅前溢利	29,941,995		32,749,718	
Tax at the statutory tax rate	按法定稅率計算之稅項	7,485,499	25.0	8,187,430	25.0
Lower tax rate(s) enacted by local authority	地方機關頒佈之較低稅率	(4,784,567)	(16.0)	(4,073,104)	(12.4)
Effect of withholding tax at 10% on the distributable profits of the Group's PRC subsidiaries	按本集團中國附屬公司可分派溢利之10%計算之預扣稅之影響	1,125,442	3.8	1,504,596	4.6
Income not subject to tax	毋須課稅之收入	(2,646,380)	(8.8)	(3,005,064)	(9.2)
Expenses not deductible for tax	不可扣稅之支出	1,414,984	4.7	1,527,865	4.7
Tax losses utilised from previous periods	來自往期之已動用稅項虧損	-	0.0	(430,750)	(1.3)
Tax losses not recognised	未確認之稅項虧損	5,184,978	17.3	3,977,148	12.1
Adjustments in respect of current tax of previous period	就往期稅項於即期作出調整	-	0.0	309,001	0.9
Tax charge at the Group's effective rate	按本集團之有效稅率計算之稅項支出	7,779,956	26.0	7,997,122	24.4

### 9. 所得稅 (續)

以下為除稅前溢利之稅項支出 (採用其大部份附屬公司業務所在司法權區之法定稅率計算) 與按有效稅率計算之稅項支出之對賬, 以及適用稅率 (即法定稅率) 與有效稅率之對賬:

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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## 10. DIVIDENDS

## 10. 股息

		2018 HK\$ 港元	2017 HK\$ 港元
Final – HK0.35 cent per share for FYE 2018 (HK0.57 cent per share for FYE 2017)	末期—2018財政年度 每股0.35港仙 (2017財政 年度每股0.57港仙)	7,526,666	12,258,626

Final dividend of HK0.35 cent per share amounting to HK\$7,526,666 in respect of the year ended 31 March 2018 (FYE 2017: HK0.57 cent per share amounting to HK\$12,258,625) has been proposed by the Board and is subject to approval by the shareholders at the forthcoming annual general meeting.

董事會建議派發截至2018年3月31日止年度的末期股息每股0.35港仙，共7,526,666港元（2017財政年度：每股0.57港仙，共12,258,625港元），並須待股東在應屆股東週年大會上批准作實。

## 11. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

## 11. 母公司普通權益持有人應佔每股盈利

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 2,150,620,268 (2017: 2,150,635,884) in issue during the year.

每股基本盈利金額按母公司普通權益持有人應佔年度溢利及年內已發行普通股加權平均數2,150,620,268股（2017年：2,150,635,884股）計算。

		2018 HK\$ 港元	2017 HK\$ 港元
Profit attributable to ordinary equity holders of the parent, used in basic earnings per share	用於計算每股基本盈利之 母公司普通權益持有人 應佔溢利	10,007,756	12,442,265

		2018 Number of shares 股份數目	2017 Number of shares 股份數目
Weighted average number of ordinary shares in issue during the year for the purposes of basic earnings per share calculation	用於計算每股基本盈利之 年內已發行普通股 加權平均數	2,150,620,268	2,150,635,884

The Group had no potentially diluted ordinary shares in issue during the years ended 31 March 2018 and 2017.

本集團於截至2018年及2017年3月31日止年度並無具潛在攤薄效應之已發行普通股。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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## 12. PROPERTY, PLANT AND EQUIPMENT

## 12. 物業、廠房及設備

		Buildings	Leasehold improvements	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Total
	Note	樓宇	租賃物業裝修	廠房及機器	傢俱、裝置及設備	汽車	在建工程	總額
	附註	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
At 1 April 2016, net of accumulated depreciation	於2016年4月1日， 扣除累計折舊	100,667,768	1,060,534	39,521,113	11,010,467	2,630,446	304,827	155,195,155
Additions	添置	-	-	2,054,576	269,831	-	691,072	3,015,479
Transfers	轉撥	-	-	125,170	-	-	(125,170)	-
Depreciation provided during the year	年內折舊撥備	(3,394,653)	(160,385)	(4,474,231)	(1,871,702)	(482,951)	-	(10,383,922)
Disposals/write-off	出售／撇銷	-	-	(39,791)	(32,177)	(3,489)	-	(75,457)
Exchange realignment	匯兌調整	(5,585,367)	-	(2,182,693)	(552,091)	(124,220)	(22,701)	(8,467,072)
At 31 March 2017 and 1 April 2017, net of accumulated depreciation	於2017年3月31日及 2017年4月1日， 扣除累計折舊	91,687,748	900,149	35,004,144	8,824,328	2,019,786	848,028	139,284,183
Additions	添置	-	1,166,592	2,585,668	798,989	711,440	3,362,115	8,624,804
Depreciation provided during the year	年內折舊撥備	(3,469,323)	(293,331)	(4,781,272)	(1,880,702)	(577,301)	-	(11,001,929)
Disposals/write-off	出售／撇銷	(26,611)	-	(40,197)	(50,588)	-	-	(117,396)
Acquisition of a new subsidiary	收購一間新附屬公司 27	-	322,009	-	373,064	330,558	-	1,025,631
Exchange realignment	匯兌調整	8,692,601	83,167	3,262,188	746,452	171,889	292,976	13,249,273
At 31 March 2018	於2018年3月31日	96,884,415	2,178,586	36,030,531	8,811,543	2,656,372	4,503,119	151,064,566

		Buildings	Leasehold improvements	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Total
		樓宇	租賃物業裝修	廠房及機器	傢俱、裝置及設備	汽車	在建工程	總額
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
At 1 April 2016:	於2016年4月1日：							
Cost	成本	114,283,603	1,603,851	48,804,906	15,957,643	6,501,750	304,827	187,456,580
Accumulated depreciation	累計折舊	(13,615,835)	(543,317)	(9,283,793)	(4,947,176)	(3,871,304)	-	(32,261,425)
Net carrying amount	賬面淨值	100,667,768	1,060,534	39,521,113	11,010,467	2,630,446	304,827	155,195,155



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

## 12. PROPERTY, PLANT AND EQUIPMENT (continued)

## 12. 物業、廠房及設備 (續)

		Buildings	Leasehold improvements	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Total
		樓宇	物業裝修	廠房及機器	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
At 31 March 2017 and 1 April 2018:	於2017年3月31日及2018年4月1日：							
Cost	成本	107,904,073	1,603,851	47,852,549	15,231,615	6,174,727	848,028	179,614,843
Accumulated depreciation	累計折舊	(16,216,325)	(703,702)	(12,848,405)	(6,407,287)	(4,154,941)	-	(40,330,660)
Net carrying amount	賬面淨值	91,687,748	900,149	35,004,144	8,824,328	2,019,786	848,028	139,284,183
At 31 March 2018:	於2018年3月31日：							
Cost	成本	118,363,466	3,183,946	54,849,134	17,166,139	7,760,979	4,503,119	205,826,783
Accumulated depreciation	累計折舊	(21,479,051)	(1,005,360)	(18,818,603)	(8,354,596)	(5,104,607)	-	(54,762,217)
Net carrying amount	賬面淨值	96,884,415	2,178,586	36,030,531	8,811,543	2,656,372	4,503,119	151,064,566

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

## 13. PREPAID LAND LEASE PAYMENTS

## 13. 預付土地租賃款項

		2018 HK\$ 港元	2017 HK\$ 港元
Carrying amount at beginning of the year	於年初之賬面值	110,826,809	121,218,605
Recognised during the year	年內確認	(3,743,075)	(3,661,929)
Exchange realignment	匯兌調整	10,537,334	(6,729,867)
Carrying amount at end of the year	於年末之賬面值	117,621,068	110,826,809
Current portion	流動部份	(3,977,486)	(3,625,143)
Non-current portion	非流動部份	113,643,582	107,201,666

## 14. GOODWILL

## 14. 商譽

		HK\$ 港元
<b>31 March 2017</b>	<b>2017年3月31日</b>	
At 1 April 2016:	於2016年4月1日：	
Cost	成本	106,926,467
Accumulated impairment	累計減值	—
Net carrying amount	賬面淨值	106,926,467
Cost at 1 April 2016, net of accumulated impairment	於2016年4月1日之成本，扣除累計減值	106,926,467
Impairment during the year	年內減值	(2,141,711)
Exchange realignment	匯兌調整	(6,070,291)
At 31 March 2017	於2017年3月31日	98,714,465
At 31 March 2017:	於2017年3月31日：	
Cost	成本	100,856,176
Accumulated impairment	累計減值	(2,141,711)
Net carrying amount	賬面淨值	98,714,465
<b>31 March 2018</b>	<b>2018年3月31日</b>	
Cost at 1 April 2017, net of accumulated impairment	於2017年4月1日之成本，扣除累計減值	98,714,465
Acquisition of a subsidiary (note 27)	收購一間附屬公司(附註27)	3,295,777
Exchange realignment	匯兌調整	10,137,771
At 31 March 2018	於2018年3月31日	112,148,013
At 31 March 2018:	於2018年3月31日：	
Cost	成本	114,289,724
Accumulated impairment	累計減值	(2,141,711)
Net carrying amount	賬面淨值	112,148,013

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 14. GOODWILL (continued)

#### Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating units for impairment testing:

- Pharmaceutical products cash-generating unit for Yunnan Meng Sheng Pharmaceutical
- Pharmaceutical products cash-generating unit for Tianda Pharmaceuticals (Zhuhai)
- Pharmaceutical products cash-generating unit for TCM (China)

#### *Pharmaceutical products cash-generating unit for Meng Sheng Pharmaceutical*

The recoverable amount of the pharmaceutical products cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 13.96% (2017: 12.66%). The growth rate used to extrapolate the cash flows of the pharmaceutical products unit beyond the five-year period is 3% (2017: 3%), which was the same as the long term average growth rate of the pharmaceutical industry.

#### *Pharmaceutical products cash-generating unit for Tianda Pharmaceuticals (Zhuhai)*

The recoverable amount of the pharmaceutical products cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a ten-year period approved by senior management. The discount rate applied to the cash flow projections is 13.96% (2017: 13.66%). The growth rate used to extrapolate the cash flows of the pharmaceutical products unit beyond the ten-year period is 3% (2017: 3%), which was the same as the long term average growth rate of the pharmaceutical industry.

The calculations use cash flow projections based on financial budgets approved by management covering a ten-year period. Financial budgets covering a ten-year period was used as the management believes that forecasted period longer than five years is feasible and reflects a more accurate entity value.

### 14. 商譽 (續)

#### 商譽減值測試

通過業務合併購入的商譽分配至以下現金產生單位作減值測試：

- 盟生藥業之醫藥產品現金產生單位
- 天大藥業(珠海)之醫藥產品現金產生單位
- 天大中醫藥(中國)之醫藥產品現金產生單位

#### *盟生藥業之醫藥產品現金產生單位*

醫藥產品現金產生單位的可收回金額乃採用基於高級管理層批准的覆蓋五年期間的財務預算作出的現金流量預測按使用價值計算釐定。現金流量預測所採用的貼現率為13.96% (2017年：12.66%)。五年期間後之醫藥產品現金產生單位的現金流量按3% (2017年：3%) 增長率 (此與醫藥行業的長遠平均增長率相同) 推算。

#### *天大藥業(珠海)之醫藥產品現金產生單位*

醫藥產品現金產生單位的可收回金額乃採用基於高級管理層批准的覆蓋十年期間的財務預算作出的現金流量預測按使用價值計算釐定。現金流量預測所採用的貼現率為13.96% (2017年：13.66%)。十年期間後之醫藥產品現金產生單位的現金流量按3% (2017年：3%) 增長率 (此與醫藥行業的長遠平均增長率相同) 推算。

該計算使用基於管理層批准的十年期財務預算的現金流量預測。由於管理層相信，超過五年之預測期為可行並反映更準確之實體價值，因此採用了涵蓋十年期的財務預算。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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## 14. GOODWILL (continued)

**Impairment testing of goodwill (continued)****Pharmaceutical products cash-generating unit for TCM (China)**

The recoverable amount of the pharmaceutical products cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 14.34%. The growth rate used to extrapolate the cash flows of the pharmaceutical products unit beyond the five-year period is 3%, which was the same as the long term average growth rate of the pharmaceutical industry.

The carrying amount of goodwill allocated to each of the cash-generating units is as follows:

## 14. 商譽 (續)

**商譽減值測試 (續)****天大中醫藥 (中國) 之醫藥產品現金產生單位**

醫藥產品現金產生單位的可收回金額乃採用基於高級管理層批准的覆蓋五年期間的財務預算作出的現金流量預測按使用價值計算釐定。現金流量預測所採用的貼現率為14.34%。五年期間後之醫藥產品現金產生單位的現金流量按3%增長率 (此與醫藥行業的長遠平均增長率相同) 推算。

分配至各現金產生單位之商譽之賬面值如下：

		TCM (China) 天大中醫藥 (中國) HK\$ 港元	Meng Sheng Pharmaceutical 盟生藥業 HK\$ 港元	Tianda Pharmaceuticals (Zhuhai) 天大藥業 (珠海) HK\$ 港元	Total 總額 HK\$ 港元
Carrying amount of goodwill as at 31 March 2018	於2018年3月31日之 商譽賬面值	3,453,434	6,653,157	102,041,422	112,148,013
Carrying amount of goodwill as at 31 March 2017	於2017年3月31日之 商譽賬面值	-	6,063,789	92,650,676	98,714,465

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 14. GOODWILL (continued)

#### Impairment testing of goodwill (continued)

#### *Pharmaceutical products cash-generating unit for TCM (China) (continued)*

Assumptions were used in the value in use calculation of the pharmaceuticals products cash-generating units for 31 March 2018. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

**Forecasted growth rates** – The forecasted growth rates are based on industry forecasts.

**Budgeted gross margins** – The basis used to determine to the value assigned to the budgeted gross margins is reference to the gross margins achieved in the year immediately before the budget year.

**Discount rates** – The discount rates used are before tax and reflect specific risks relating to the relevant units.

The values assigned to the key assumptions on market development of pharmaceutical industries and discount rates are consistent with external information sources.

### 14. 商譽 (續)

#### 商譽減值測試 (續)

#### *天大中醫藥 (中國) 之醫藥產品現金產生單位 (續)*

假設乃用於計算2018年3月31日醫藥產品現金產生單位的使用價值。以下載列管理層用於現金流量預測進行商譽減值測試時的各關鍵假設：

**預測增長率** – 基於行業預測的預測增長率。

**預算毛利率** – 用以釐定預算毛利率價值的基準為參考緊接預算年度前一年所達致的毛利率。

**貼現率** – 所用貼現率為除稅前，並反映與相關單位有關的特定風險。

用於釐定價值的醫藥產品市場發展及貼現率的主要假設與外部信息來源一致。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 15. OTHER INTANGIBLE ASSETS

## 15. 其它無形資產

		Trademark 商標 HK\$ 港元	Licences and permits 執照及許可證 HK\$ 港元	Total 總額 HK\$ 港元
<b>31 March 2017</b>	<b>2017年3月31日</b>			
At 1 April 2016:	於2016年4月1日：			
Cost	成本	5,553,746	94,799,230	100,352,976
Accumulated amortisation	累計攤銷	–	(41,216,347)	(41,216,347)
Net carrying amount	賬面淨值	5,553,746	53,582,883	59,136,629
Cost at 1 April 2016, net of accumulated amortisation	於2016年4月1日之 成本，扣除累計 攤銷	5,553,746	53,582,883	59,136,629
Amortisation provided during the year	年內計提攤銷	–	(11,007,221)	(11,007,221)
Impairment during the year	年內減值	(4,255,947)	–	(4,255,947)
Exchange realignment	匯兌調整	461	(2,838,204)	(2,837,743)
At 31 March 2017	於2017年3月31日	1,298,260	39,737,458	41,035,718
At 31 March 2017 and 1 April 2017:	於2017年3月31日及 2017年4月1日：			
Cost	成本	5,554,207	89,651,943	95,206,150
Accumulated amortisation and impairment	累計攤銷及減值	(4,255,947)	(49,914,485)	(54,170,432)
Net carrying amount	賬面淨值	1,298,260	39,737,458	41,035,718
<b>31 March 2018</b>	<b>2018年3月31日</b>			
Cost at 1 April 2017, net of accumulated amortisation	於2017年4月1日之 成本，扣除累計 攤銷	1,298,260	39,737,458	41,035,718
Additions	添置	5,168	–	5,168
Amortisation provided during the year	年內計提攤銷	–	(11,039,985)	(11,039,985)
Acquisition of a subsidiary (note 27)	收購一間附屬公司 (附註27)	–	1,702,650	1,702,650
Impairment during the year	年內減值	(1,307,629)	–	(1,307,629)
Exchange realignment	匯兌調整	4,201	2,943,856	2,948,057
At 31 March 2018	於2018年3月31日	–	33,343,979	33,343,979
At 31 March 2018:	於2018年3月31日：			
Cost	成本	5,554,207	89,651,943	95,206,150
Accumulated amortisation and impairment	累計攤銷及減值	(5,554,207)	(56,307,964)	(61,862,171)
Net carrying amount	賬面淨值	–	33,343,979	33,343,979

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 15. OTHER INTANGIBLE ASSETS (continued)

Due to the intense competition in the market of healthcare products which resulted in a decrease in sales revenue of Tianda Pharmaceuticals (Australia) for the years ended 31 March 2018 and 2017, having conducted prudent business assessment and thorough review of its product portfolio, the Group has foreseen Tianda Pharmaceuticals (Australia) to be loss-making in subsequent years. Such business forecast resulted in the impairment of the trademark of HK\$1,307,629 for the year ended 31 March 2018 (2017: HK\$4,255,947). The impaired trademark belongs to the CGU for Tianda Pharmaceuticals (Australia), a business operation which is engaged in the sales of healthcare products. The recoverable amount of the CGU for Tianda Pharmaceuticals (Australia), which is based on the value in use, is nil (2017: HK\$12,299,394). The discount rate used in the current estimate is 22% (2017: 22%).

### 16. AVAILABLE-FOR-SALE INVESTMENTS

		2018	2017
		HK\$	HK\$
		港元	港元
Unlisted equity securities, at cost	非上市股本投資，按成本	-	36,232,212
Listed equity securities, at fair value	上市股本投資，按公允價值	17,779,099	-
		17,779,099	36,232,212

During the year, the gross gain on disposal in respect of the Group's available-for-sale investments recognised in other comprehensive income amounted to HK\$14,450,894 (2017: nil), HK\$8,293,917 (2017: nil) of which was reclassified from other comprehensive income to profit or loss for the year.

### 17. INVENTORIES

		2018	2017
		HK\$	HK\$
		港元	港元
Raw materials	原材料	9,906,201	8,201,477
Work in progress	在製品	7,941,311	6,752,698
Finished goods	成品	18,476,865	20,477,788
		36,324,377	35,431,963

### 15. 其它無形資產 (續)

保健產品市場競爭激烈導致天大藥業(澳大利亞)截至2018年及2017年3月31日止年度的銷售收入減少，而經審慎業務評估及全面審視其產品組合後，本集團預期天大藥業(澳大利亞)將於未來數年出現虧損。此業務預測導致截至2018年3月31日止年度錄得商標減值1,307,629港元(2017年：4,255,947港元)。減值的商標屬於天大藥業(澳大利亞)的現金產生單位，該業務營運從事保健產品的銷售。天大藥業(澳大利亞)基於使用價值的現金產生單位的可收回金額為零(2017年：12,299,394港元)。目前估計使用的貼現率為22%(2017年：22%)。

### 16. 可供出售投資

年內，於其它全面收益確認之本集團可供出售投資之出售收益為14,450,894港元(2017年：無)，當中8,293,917港元(2017年：無)為於年內自其它全面收益重新分類至損益。

### 17. 存貨

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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## 18. TRADE AND BILLS RECEIVABLES

## 18. 應收賬款及應收票據

		2018 HK\$ 港元	2017 HK\$ 港元
Trade and bills receivables	應收賬款及應收票據	74,797,171	38,749,127

The Group's trading terms with its customers are mainly on credit. The credit periods are ranging from 60 to 180 days. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade and bills receivables relate to a large number of customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade and bills receivables are non-interest-bearing.

An ageing analysis of the trade and bills receivables as at the end of each reporting period, based on the invoice date and net of provision, is as follows:

本集團與客戶之貿易方式以記賬為主。信貸期通常為60至180天不等。本集團對未償還應收款項維持嚴格監控，並設有信貸監控部門將信貸風險減至最低。高級管理層定期審閱逾期結欠。鑑於上文所述情況及本集團之應收賬款及應收票據涉及眾多客戶，故並無重大集中信貸風險。本集團並無持有關於應收賬款及應收票據結餘的抵押品或其它加強信貸安排。應收賬款及應收票據為不計息。

於報告期末，以發票日期為基準扣除撥備的應收賬款及應收票據之賬齡分析如下：

		2018 HK\$ 港元	2017 HK\$ 港元
Within 1 month	1個月內	48,684,132	21,670,665
1 to 2 months	1至2個月	9,372,744	4,869,827
2 to 3 months	2至3個月	6,810,351	3,105,424
Over 3 months	3個月以上	9,929,944	9,103,211
		74,797,171	38,749,127



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 18. TRADE AND BILLS RECEIVABLES (continued)

The ageing analysis of the trade and bills receivables that are not individually nor collectively considered to be impaired is as follows:

		2018	2017
		HK\$	HK\$
		港元	港元
Neither past due nor impaired	未逾期且未減值	68,868,016	38,454,101
Less than 1 month past due	逾期少於1個月	2,401,721	106,225
1 to 3 months past due	超過1至3個月逾期	3,527,434	188,801
		<b>74,797,171</b>	<b>38,749,127</b>

Receivables that were neither past due nor impaired related to customers for whom there was no recent history of default.

Receivables that were past due but not impaired related to customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

### 18. 應收賬款及應收票據 (續)

並非個別或共同被視為減值之應收賬款及應收票據之賬齡分析如下：

既未逾期亦未減值之應收賬款與近期並無欠款紀錄之客戶有關。

已逾期但未減值之應收賬款與一批與本集團擁有良好營業紀錄之客戶有關。根據過往經驗，由於信貸質素並無重大變動及結餘仍視為可全數收回，故本公司董事認為並無必要就該等結餘作出減值撥備。

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## 綜合財務報表附註

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## 19. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

## 19. 預付款項、按金及其它應收款

		2018 HK\$ 港元	2017 HK\$ 港元
<b>Non-current</b>	<b>非流動</b>		
Deposit for acquisition of property, plant and equipment	收購物業、廠房及設備之按金	217,936	189,497
<b>Current</b>	<b>流動</b>		
Prepayments	預付款項	1,516,865	2,099,106
Deposits	按金	4,487,934	1,538,932
Other receivables	其它應收款	2,852,748	701,617
		<b>8,857,547</b>	<b>4,339,655</b>

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

上述資產既未逾期亦未減值。計入上述結餘之金融資產與近期並無欠款紀錄之應收款有關。

## 20. CASH AND CASH EQUIVALENTS

## 20. 現金及現金等值項目

At the end of the reporting period, the Group's cash and bank balances denominated in RMB amounted to HK\$378,397,882 (2017: HK\$289,454,004). The RMB is not freely convertible into other currencies, however, under the Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

於報告期末，本集團以人民幣計值之現金及銀行結餘為378,397,882港元(2017年：289,454,004港元)。人民幣不可自由兌換為其它貨幣，然而根據中國大陸外匯管制規例及結匯、售匯及付匯管理規定，本集團可透過獲准進行外匯業務之銀行將人民幣兌換為其它貨幣。

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

存於銀行之現金基於每日銀行存款利率按浮動利率賺取利息。銀行結餘存放於最近並無拖欠紀錄之信譽良好的銀行。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 21. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of each of the reporting period, based on the invoice date, is as follows:

		2018	2017
		HK\$	HK\$
		港元	港元
Within 2 months	2個月內	15,451,209	7,193,404
2 to 3 months	2至3個月	472,263	2,464,244
Over 3 months	3個月以上	1,273,241	1,604,812
		<b>17,196,713</b>	<b>11,262,460</b>

Trade payables are non-interest-bearing and are normally settled with terms of 30 to 60 days.

### 21. 應付賬款

於各報告期末，以發票日期為基準的應付賬款之賬齡分析如下：

應付賬款為不計息，一般於30至60天內清償。

### 22. OTHER PAYABLES AND ACCRUALS

		2018	2017
		HK\$	HK\$
		港元	港元
Other payables	其它應付款	9,221,187	2,408,813
Accruals	應計費用	79,711,302	30,986,523
Receipts in advance	預收款項	17,815,075	10,148,370
		<b>106,747,564</b>	<b>43,543,706</b>

Other payables are non-interest-bearing and have an average term of three months.

### 22. 其它應付款及應計費用

其它應付款不計利息，平均為期三個月。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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## 23. DEFERRED TAX LIABILITIES

## 23. 遞延稅項負債

		Fair value adjustment of property, plant and equipment	Prepaid land lease payments	Other Intangible assets	Withholding tax on distributable profit of subsidiaries	Total
		物業、廠房及設備之公允價值調整	預付土地租賃款項	其它無形資產	附屬公司可供分派溢利之預扣稅	總額
		HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元
At 1 April 2016	於2016年4月1日	3,616,603	13,098,200	14,987,051	539,745	32,241,599
Deferred tax credited/(charged) to profit or loss during the year (note 9)	年內在損益計入/(扣除)之遞延稅項(附註9)	(130,575)	(472,903)	(4,010,462)	441,188	(4,172,752)
Exchange realignment	匯兌調整	(200,570)	(726,416)	(709,885)	-	(1,636,871)
At 31 March 2017 and at 1 April 2017	於2017年3月31日及於2017年4月1日	3,285,458	11,898,881	10,266,704	980,933	26,431,976
Deferred tax credited/(charged) to profit or loss during the year (note 9)	年內在損益計入/(扣除)之遞延稅項(附註9)	(133,469)	(483,383)	(3,170,360)	(456,867)	(4,244,079)
Exchange realignment	匯兌調整	310,964	1,126,232	784,637	-	2,221,833
At 31 March 2018	於2018年3月31日	3,462,953	12,541,730	7,880,981	524,066	24,409,730

At the end of the reporting period, the Group had unused tax losses arising mainly in Hong Kong, the PRC and Australia of HK\$320,832,000 (2017: HK\$296,801,000) available to offset against future profits. Unrecognised tax losses that may be carried forward indefinitely.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between the Mainland China and the jurisdiction of the foreign investors.

For the Group, the applicable rate is 10%. The Group is therefore liable to withholding taxes on dividends distributed by those subsidiaries established in the Mainland China in respect of earnings generated from 1 January 2008.

There are no income tax consequences attaching to the payment of dividend by the Company to its shareholders.

於報告期末，本集團可用於抵銷未來溢利之未動用稅項虧損（主要源自香港、中國及澳大利亞）為320,832,000港元（2017年：296,801,000港元）。未確認稅務虧損可無限期結轉。

根據中國企業所得稅法，向來自於中國成立的外國投資企業的外國投資者所宣派股息須繳納10%的預扣。該規定自2008年1月1日起生效及適用於2007年12月31日後產生的盈利。倘中國大陸與外國投資者所在司法權區訂立稅務條約，適用的預扣稅率或較低。

就本集團而言，適用稅率為10%。因此本集團須就中國大陸成立的該等附屬公司自2008年1月1日起產生盈利所分派的股息繳納預扣稅。

本公司向其股東派付股息並無附帶所得稅後果。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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## 24. SHARE CAPITAL

## 24. 股本

		2018 HK\$ 港元	2017 HK\$ 港元
Authorised:	法定：		
4,000,000,000 (2017: 4,000,000,000) ordinary shares of HK\$0.1 each	4,000,000,000股 (2017年： 4,000,000,000股) 每股 面值0.1港元之普通股	400,000,000	400,000,000
Issued and fully paid:	已發行及繳足：		
2,150,475,884 (2017: 2,150,635,884) ordinary shares of HK\$0.1 each	2,150,475,884股 (2017年： 2,150,635,884股) 每股 面值0.1港元之普通股	215,047,588	215,063,588

A summary of movement in the Company's share capital is as follows:

本公司股本之變動概列如下：

		Number of shares in issue 已發行股份數目	Share capital 股本 HK\$ 港元
Issued and fully paid: At 1 April 2016 and 31 March 2017	已發行及繳足： 於2016年4月1日及 2017年3月31日	2,150,635,884	215,063,588
Share repurchased	購回股份	(160,000)	(16,000)
<b>At 31 March 2018</b>	<b>於2018年3月31日</b>	<b>2,150,475,884</b>	<b>215,047,588</b>

During the year, the Company purchased 160,000 (2017: nil) of its shares on the Stock Exchange for a total consideration of HK\$49,573 (2017: nil) which was paid wholly out of share premium in accordance with the Cayman Islands Companies Law. The purchased shares were cancelled during the year and HK\$16,000 (2017: nil) and HK\$33,573 (2017: nil) have been charged to the share capital and share premium of the Company respectively.

年內，本公司根據開曼群島公司法以總代價49,573港元（2017年：無）於聯交所購入其160,000股（2017年：無）股份，該代價已悉數由股份溢價支付。所購買之股份已於年內註銷，16,000港元（2017年：無）及33,573港元（2017年：無）已分別在本公司股本及股份溢價中扣除。

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## 綜合財務報表附註

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### 25. RESERVES

The amounts of the Group's reserves and the movements therein for the reporting period are presented in the consolidated statement of changes in equity on page 67 of this annual report.

The capital contribution reserve represents (1) the excess of disposal consideration over the fair value of the disposal of Tinwise Investment Limited, a wholly owned subsidiary of the Company, and its subsidiaries in 2010 as deemed contribution from the ultimate holding company; (2) the excess of disposal consideration over the fair value of the disposal of packaging and printing business at 31 August 2012 as deemed capital contribution from the ultimate holding company; (3) the excess of disposal consideration over the fair value of the disposal of mineral resources business as deemed capital contribution from the ultimate holding company.

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 in 1992.

The statutory reserve represents (1) the appropriation of certain percentages of profit after taxation of the subsidiaries established in 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 retained profits to the specific reserve and could be utilised when expenses and capital expenditures in production maintenance and safety measures are incurred.

### 25. 儲備

本集團於報告期之儲備數額及相關變動載於本年報第67頁之綜合權益變動表。

出資儲備代表(1) 2010年出售本公司全資附屬公司Tinwise Investment Limited及其附屬公司之代價高於所出售之公允價值，作為最終控股公司之視作出資；(2) 2012年8月31日出售包裝及印刷業務之代價高於所出售之公允價值，作為最終控股公司之視作出資；(3)出售礦產資源業務之代價高於所出售之公允價值，作為最終控股公司之視作出資。

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年在聯交所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。

法定儲備乃指(1)於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)，由保留溢利轉撥至特定儲備，且於生產維修及安全措施產生支出及資本開支時動用。

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### 綜合財務報表附註

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#### 26. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiary that have material non-controlling interests are set out below:

		2018 HK\$ 港元	2017 HK\$ 港元
Percentage of equity interest held by non-controlling interests: Meng Sheng Pharmaceutical	非控股權益持有的股權百分比： 盟生藥業	45%	45%
Profit for the year allocated to non-controlling interests: Meng Sheng Pharmaceutical	分配予非控股權益的本年度溢利： 盟生藥業	12,154,283	12,310,331
Dividend paid to non-controlling interests of Meng Sheng Pharmaceutical	支付予盟生藥業非控股權益的股息	13,649,809	8,635,449
Accumulated balances of non-controlling interests at the reporting date: Meng Sheng Pharmaceutical	於報告日期的非控股權益的累計結餘： 盟生藥業	37,857,352	34,641,529

#### 26. 擁有重大非控股權益的部份擁有附屬公司

本集團擁有重大非控股權益之附屬公司詳情載列如下：

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## 綜合財務報表附註

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### 26. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS (continued)

The following tables illustrate the summarised financial information of the above subsidiary. The amounts disclosed are before any inter-company eliminations:

### 26. 擁有重大非控股權益的部份擁有附屬公司 (續)

下表說明上述附屬公司的財務資料概要。披露的金額是在作出任何公司間抵銷之前：

		Meng Sheng Pharmaceutical 盟生藥業 HK\$ 港元
<b>2018</b>		
Revenue	收入	196,324,628
Total expenses	總開支	(169,315,109)
Profit for the year	本年度溢利	27,009,519
Total comprehensive income for the year	本年度全面收益總額	37,479,182
Current assets	流動資產	91,253,169
Non-current assets	非流動資產	60,514,099
Current liabilities	流動負債	(70,251,367)
Non-current liabilities	非流動負債	(699,315)
Net cash flows from operating activities	來自經營活動的現金流量淨額	54,514,286
Net cash flows from investing activities	來自投資活動的現金流量淨額	898,514
Net cash flows used in financing activities	用於融資活動的現金流量淨額	(24,046,146)
Net increase in cash and cash equivalents	現金及現金等值項目增加淨額	31,366,654
<b>2017</b>		
Revenue	收入	77,820,573
Total expenses	總開支	(50,464,285)
Profit for the year	本年度溢利	27,356,288
Total comprehensive income for the year	本年度全面收益總額	22,870,022
Current assets	流動資產	43,753,630
Non-current assets	非流動資產	60,374,871
Current liabilities	流動負債	(28,015,187)
Non-current liabilities	非流動負債	(751,522)
Net cash flows from operating activities	來自經營活動的現金流量淨額	34,077,222
Net cash flows from investing activities	來自投資活動的現金流量淨額	220,934
Net cash flows used in financing activities	用於融資活動的現金流量淨額	(14,904,051)
Net increase in cash and cash equivalents	現金及現金等值項目增加淨額	19,394,105



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## 綜合財務報表附註

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### 27. BUSINESS COMBINATION

On 4 December 2017, the Group acquired a 100% interest in TCM (China) from the independent third parties Mr. Zhu Hongbin and Ms. Lao Baozhen. TCM (China) is principally engaged in the wholesale of Chinese Herbal Medicines, Traditional Chinese Medicine (TCM) decoction pieces and Chinese Granules. The acquisition was made as part of the Group's strategy to enhance its product varieties and develop in the Chinese Medicine business. The purchase consideration for the acquisition was in the form of cash, with RMB5,141,394 (equivalent to HK\$6,120,255) paid in full at the acquisition date.

The fair values of the identifiable assets and liabilities of TCM (China) as at the date of acquisition were as follows:

		Notes 附註	Fair value recognised on acquisition 於收購時確認 之公允價值 HK\$ 港元
Property, plant and equipment	物業、廠房及設備	12	1,025,631
Intangible assets	無形資產	15	1,702,650
Inventories	存貨		1,257,851
Trade receivables	應收賬款		3,669,450
Other receivables and prepayments	其它應收款及預付款項		4,251,829
Cash and bank balances	現金及銀行結餘		754,462
Other payables and accruals	其它應付款及應計費用		(9,787,725)
Tax payable	應付稅項		(49,670)
Total identifiable net assets at fair value	按公允價值列賬之 合計可識別資產淨值		2,824,478
Goodwill on acquisition	收購之商譽	14	3,295,777
Satisfied by cash	以現金支付		6,120,255

The fair values of the trade receivables and other receivables as at the date of acquisition amounted to HK\$3,669,450 and HK\$4,251,829, respectively. The gross contractual amounts of trade receivables and other receivables were HK\$3,669,450 and HK\$4,251,829, respectively.

No transaction cost was incurred for this acquisition.

### 27. 業務合併

於2017年12月4日，本集團向獨立第三方朱宏兵先生及羅寶珍女士收購天大中醫藥(中國)的100%權益。天大中醫藥(中國)主要從事中藥材、中藥飲片及中藥顆粒的批發。此收購是本集團加強產品種類和發展中醫藥產業戰略的一環。收購事項的收購代價以現金支付並已於收購日期全數支付人民幣5,141,394元(相當於6,120,255港元)。

天大中醫藥(中國)於收購日期的可識別資產及負債之公允價值如下：

應收賬款及其它應收款於收購日期之公允價值分別為3,669,450港元及4,251,829港元。應收賬款及其它應收款之總合約金額分別為3,669,450港元及4,251,829港元。

並無就此項收購錄得交易成本。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 27. BUSINESS COMBINATION (continued)

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

		HK\$ 港元
Cash consideration	現金代價	(6,120,255)
Cash and bank balances acquired	收購現金及銀行結餘	754,462
Net outflow of cash and cash equivalents included in cash flows from investing activities	計入投資活動所得現金流量之現金及現金等值項目流出淨額	(5,365,793)

Since the acquisition, TCM (China) contributed HK\$3,197,307 to the Group's revenue and a loss of HK\$2,113,505 to the consolidated profit for the year ended 31 March 2018.

Had the combination taken place at the beginning of the year, the revenue and the profit of the Group for the year would have been HK\$371,759,444 and HK\$18,967,115, respectively.

None of the goodwill recognised is expected to be deductible for income tax purposes.

### 27. 業務合併 (續)

有關收購一間附屬公司之現金流量分析如下：

自收購以來，天大中醫藥(中國)為本集團收入貢獻3,197,307港元，並為截至2018年3月31日止年度的綜合溢利帶來虧損2,113,505港元。

倘若合併是於年初發生，本集團年內的收入及溢利將分別為371,759,444港元及18,967,115港元。

預期概無已確認商譽可用於扣除所得稅。

### 28. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

#### Changes in liability arising from financing activities

		Dividend payable 應付股息 HK\$ 港元
At 1 April 2017	於2017年4月1日	-
Dividend declared (Note 10)	已宣派股息(附註10)	12,258,626
Dividend paid	已付股息	(10,487,281)
<b>At 31 March 2018</b>	<b>於2018年3月31日</b>	<b>1,771,345</b>

### 28. 綜合現金流量表附註

#### 融資活動產生的負債變動

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 29. OPERATING LEASE ARRANGEMENTS

#### As lessee

At 31 March 2018 and 2017, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2018 HK\$ 港元	2017 HK\$ 港元
Within one year	一年內	5,199,360	2,728,965
In the second to fifth years, inclusive	第二至五年內(包括首尾兩年)	9,182,741	–
		<b>14,382,101</b>	<b>2,728,965</b>

The Group leases certain of its office properties under operating lease arrangements. The lease for properties is negotiated for a three-year term.

### 30. COMMITMENTS

In addition to the operating lease commitments detailed in note 29 above, the Group had the following capital commitments at the end of the reporting period:

		2018 HK\$ 港元	2017 HK\$ 港元
Contracted, but not provided for:	已訂約但未撥備：		
Plant and equipment	廠房及設備	1,671,169	3,916,219

### 29. 經營租約安排

#### 作為承租人

於2018年及2017年3月31日，本集團根據不可撤銷經營租約於下列期限到期而應收之未來最低租約款項總額如下：

本集團按經營租約安排租賃若干辦公室物業。經協商之物業租約年期為3年。

### 30. 承擔

除上文附註29詳述的經營租賃承擔外，本集團於報告期末有以下資本承擔：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 31. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in these consolidated financial statements, the Group had the following transactions with related parties during the year:

	Notes 附註	2018 HK\$ 港元	2017 HK\$ 港元
Purchases of package materials: Zhuhai S.E.Z. Cheng Cheng Printing Co., Ltd.	採購包裝物料： 珠海經濟特區 誠成印務 有限公司 (i) (ii)	4,023,094	2,749,271
Office rental expenses: 天大實業(中國)有限公司	辦公室租賃費： 天大實業(中國) 有限公司 (i) (iii)	712,948	557,993

Notes:

- (i) The transactions were conducted in accordance with the terms and conditions mutually agreed by both parties.
- (ii) Zhuhai S.E.Z. Cheng Cheng Printing Co., Ltd. is a fellow subsidiary of the Company.
- (iii) 天大實業(中國)有限公司 is a fellow subsidiary of the Company.

- (b) Outstanding balances with a related party:

The Group had an outstanding balance due to its related party, Zhuhai S.E.Z. Cheng Cheng Printing Co., Ltd., of HK\$427,133 (2017: HK\$1,058,410) as at the end of the reporting period. This balance is unsecured, interest-free and has no fixed terms of repayment.

### 31. 關連人士交易

- (a) 除本綜合財務報表其它部份詳述之交易外，本集團於年內與關連人士進行以下交易：

	Notes 附註	2018 HK\$ 港元	2017 HK\$ 港元
Purchases of package materials: Zhuhai S.E.Z. Cheng Cheng Printing Co., Ltd.	採購包裝物料： 珠海經濟特區 誠成印務 有限公司 (i) (ii)	4,023,094	2,749,271
Office rental expenses: 天大實業(中國)有限公司	辦公室租賃費： 天大實業(中國) 有限公司 (i) (iii)	712,948	557,993

附註：

- (i) 有關交易乃按雙方相互同意之條款及條件進行。
- (ii) 珠海經濟特區誠成印務有限公司為本公司的同系附屬公司。
- (iii) 天大實業(中國)有限公司為本公司的同系附屬公司。

- (b) 與關連人士之未償還結餘：

本集團於報告期末有應付關連人士珠海經濟特區誠成印務有限公司之未償還結餘427,133港元(2017年：1,058,410港元)。該結餘為無抵押、免息及無固定還款期。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

## 31. RELATED PARTY TRANSACTIONS (continued)

(c) Compensation of key management personnel of the Group:

		2018 HK\$ 港元	2017 HK\$ 港元
Short term employee benefits	短期僱員福利	4,851,199	5,905,259
Post-employment benefits	退休福利	72,000	115,416
Total compensation paid to key management personnel	已付主要管理人員酬金總額	4,923,199	6,020,675

Further details of directors' and the chief executive's emoluments are included in note 7 to the consolidated financial statements.

## 31. 關連人士交易 (續)

(c) 本集團主要管理人員酬金：

有關董事及主要行政人員酬金之進一步詳情載於綜合財務報表附註7。

## 32. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2018

## Financial assets

		Loans and receivables 貸款及 應收賬款 HK\$ 港元	Available-for-sale financial assets 可供出售 金融資產 HK\$ 港元	Total 總額 HK\$ 港元
Available-for-sale investments	可供出售投資	-	17,779,099	17,779,099
Trade and bills receivables	應收賬款及應收票據	74,797,171	-	74,797,171
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及 其它應收款之 金融資產	7,340,682	-	7,340,682
Cash and cash equivalents	現金及現金等值項目	493,153,768	-	493,153,768
		575,291,621	17,779,099	593,070,720

## 32. 金融工具之類別

於報告期末各類金融工具之賬面值如下：

## 金融資產

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

## 32. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

## 32. 金融工具之類別 (續)

## Financial liabilities

## 金融負債

		Financial liabilities at amortised cost 按攤銷成本 列賬之金融負債 HK\$ 港元
Trade payables	應付賬款	17,196,713
Financial liabilities included in other payables and accruals	計入其它應付款及應計費用之 金融負債	78,742,730
Amount due to a related company	應付一間關連公司款項	427,133
Dividend payable	應付股息	1,771,345
		<b>98,137,921</b>

2017

## Financial assets

## 金融資產

		Loans and receivables 貸款及 應收賬款 HK\$ 港元	Available- for-sale financial assets 可供出售 金融資產 HK\$ 港元	Total 總額 HK\$ 港元
Available-for-sale investments	可供出售投資	–	36,232,212	36,232,212
Trade and bills receivables	應收賬款及應收票據	38,749,127	–	38,749,127
Financial assets included in prepayments, deposits and other receivables	計入預付款項、 按金及其它 應收款之 金融資產	2,240,549	–	2,240,549
Cash and cash equivalents	現金及現金等值項目	399,316,081	–	399,316,081
		<b>440,305,757</b>	<b>36,232,212</b>	<b>476,537,969</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

## 32. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

## Financial liabilities

		Financial liabilities at amortised cost 按攤銷成本 列賬之金融負債 HK\$ 港元
Trade payables	應付賬款	11,262,460
Financial liabilities included in other payables and accruals	計入其它應付款及應計費用之金融負債	24,900,868
Amount due to a related company	應付一間關連公司款項	1,058,410
		37,221,738

## 33. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of trade and bills receivables, financial assets included in prepayments, deposits and other receivables, cash and cash equivalents, trade payables, financial liabilities included in other payables and accruals, an amount due to a related company and dividend payable approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair value:

The fair value of the available-for-sale investments is based on quoted market prices.

## 32. 金融工具之類別 (續)

## 金融負債

## 33. 金融工具之公允價值及公允價值等級

管理層已評估，應收賬款及應收票據、計入預付款項、按金及其它應收款之金融資產、現金及現金等值項目、應付賬款、計入其它應付款及應計費用之金融負債、應付一間關連公司款項以及應付股息之公允價值與其各自之賬面值相若，主要由於該等工具於短期內到期。

金融資產及負債之公允價值按自願雙方(非強迫或清盤銷售)之間的當前交易中進行交換的工具的金額入賬。已採用下列方法及假設估計公允價值：

可供出售投資之公允價值乃基於市場報價。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 33. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

#### Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments:

#### Assets measured at fair value

		2018	2017
		HK\$	HK\$
		港元	港元
Available-for-sale investments	可供出售投資		
– Fair value measurement using quoted prices in active markets (Level 1)	– 以活躍市場報價進行公允價值計量 (第1級)	17,779,099	–

As at 31 March 2017, the available-for-sale investments were measured at cost less impairment, if any, as they did not have a quoted market price in an active market and the range of reasonable fair value estimates was so significant that the directors of the Company were of the opinion that its fair value could not be measured reliably.

The available-for-sale investments commenced publicly trading on the Taipei Exchange since 1 June 2017.

The Group did not have any financial liabilities measured at fair value as at 31 March 2018 and 2017.

During the year ended 31 March 2018, there were no transfers of fair value measurement between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

### 33. 金融工具之公允價值及公允價值等級 (續)

#### 公允價值等級

下表說明本集團金融工具的公允價值計量等級：

#### 按公允價值計量的資產

於2017年3月31日，可供出售投資按成本減去減值(如有)計量，因並無活躍市場內之市場報價而合理公允價值估計範圍重大以致本公司董事認為無法可靠計量其公允價值。

自2017年6月1日起，可供出售投資於台北交易所開始公開交易。

於2018年及2017年3月31日，本集團並無以公允價值計量的任何金融負債。

於截至2018年3月31日止年度，金融資產及金融負債並無第1級與第2級之間公允價值計量轉撥以及並無轉入或轉出第3級。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instrument comprises cash and cash equivalents. The main purpose of this financial instrument is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables, available-for-sale investments, other receivables, trade payables and other payables.

The main risks arising from the Group's financial instrument are equity price risk, interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

#### Equity price risk

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from available-for-sale investments (note 16) as at 31 March 2018. The Group's listed investments are listed on the Taiwan Stock Exchange and are valued at quoted market prices at the end of the reporting period. The market equity indices for the following stock exchange, at the close of business of the nearest trading day in the year to the end of the reporting period, and their respective highest and lowest points during the year were as follows:

	31 March 3月31日 2018	High/low 高/低 2018	31 March 3月31日 2017	High/low 高/低 2017
Taiwan – Taiwan Stock Exchange Capitalization Weighted Stock Index	台灣 – 台灣證券交易 所資本化加權股票 指數	11,270/ 9,622	9,812	9,977/ 8,000

### 34. 金融風險管理目標及政策

本集團的主要金融工具包括現金及現金等值項目。該金融工具的主要目的是撥付本集團的營運。本集團擁有不同的其它金融資產及負債，如應收賬款及應收票據、可供出售投資、其它應收款、應付賬款以及其它應付款。

本集團金融工具產生的主要風險包括股本價格風險、利率風險、外幣風險、信貸風險及流動資金風險。董事會審查並協定用於管理此等風險的政策，並概述如下。

#### 股本價格風險

股本價格風險是股本證券的公允價值因股票指數水平和個別證券價值變化而下降的風險。於2018年3月31日，本集團面對可供出售投資(附註16)產生的股本價格風險。本集團的上市投資於台灣證券交易所上市，並於按報告期末的市場報價估值。以下證券交易所市場股票指數(在年內最接近報告期末的交易日收市時)以及在年內的各自最高點和最低點如下：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The following table demonstrates the sensitivity to every 1% change in the fair values of the equity investments, with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period.

### 34. 金融風險管理目標及政策 (續)

下表說明對股本投資公允價值每變動1%的敏感度(所有其它變數保持不變以及在計及任何稅項之影響前)，乃基於有關投資於報告期末的賬面值得出。

		Carrying amount of equity investment 股本投資 的賬面值 HK\$ 港元	Increase/ (decrease) in equity* 權益增加 ／(減少)* HK\$ 港元
<b>2018</b>			
Investments listed in:	於以下地方上市的投資：		
Taiwan – Available-for-sale	台灣 – 可供出售	17,779,099	177,791/ (177,791)
<b>2017</b>			
Unlisted investments at cost	非上市投資，按成本		
– Available-for-sale	– 可供出售	36,232,212	362,322/ (362,322)

\* Excluding retained profits

\* 不包括保留溢利

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's cash and bank balances with a floating interest rate. The Group has not used any interest rate derivatives to hedge its interest rate risk, and will consider hedging significant interest rate risk should the need arise.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate of cash and cash equivalents).

### 34. 金融風險管理目標及政策 (續)

#### 利率風險

本集團面對市場利率變動風險主要與本集團按浮動利率計息的現金及銀行結餘有關。本集團並無使用任何利率衍生工具以對沖其利率風險，並將於有需要時考慮對沖重大利率風險。

下表說明在所有其它變數保持不變的情況，利率合理可能變動對本集團除稅前溢利的敏感度（通過浮動利率對現金及現金等值項目的影響）。

		Increase/ (decrease) in basis points 基點 增加／(減少)	Increase/(decrease) in profit before tax 除稅前溢利 增加／(減少)	
			2018 HK\$ 港元	2017 HK\$ 港元
HK\$	港元	100	797,532	1,088,973
RMB	人民幣	100	3,787,979	2,894,540
USD	美元	100	7	3,144
HK\$	港元	(100)	(797,532)	(1,088,973)
RMB	人民幣	(100)	(3,787,979)	(2,894,540)
USD	美元	(100)	(7)	(3,144)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Foreign currency risk

The Group has currency exposures. Such exposures mainly arise from outstanding foreign currency denominated monetary items in operating units in currencies other than the units' functional currencies.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the foreign currency exchange rate, with all other variables held constant, of the Group's profit before tax.

### 34. 金融風險管理目標及政策 (續)

#### 外幣風險

本集團存在貨幣風險。有關風險主要是源自經營單位的單位功能貨幣以外的以外幣為結算單位之貨幣性項目之結餘。

下表說明在所有其它變數保持不變的情況，外幣匯率合理可能變動對本集團除稅前溢利於報告期末的敏感度。

		Change in foreign currency rate 外幣 匯率變動 %	Increase/ (decrease) in profit before tax 除稅前溢利 增加／(減少) HK\$ 港元
<b>2018</b>			
If RMB weakens against HKD	倘若人民幣兌港元匯率下跌	1	44,996
If RMB strengthens against HKD	倘若人民幣兌港元匯率上升	(1)	(44,996)
If RMB weakens against AUD	倘若人民幣兌澳元匯率下跌	1	59
If RMB strengthens against AUD	倘若人民幣兌澳元匯率上升	(1)	(59)
<b>2017</b>			
If RMB weakens against HKD	倘若人民幣兌港元匯率下跌	1	1,082,559
If RMB strengthens against HKD	倘若人民幣兌港元匯率上升	(1)	(1,082,559)
If RMB weakens against AUD	倘若人民幣兌澳元匯率下跌	1	59
If RMB strengthens against AUD	倘若人民幣兌澳元匯率上升	(1)	(59)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Credit risk

Credit risk of the Group's other financial assets, which comprise cash and cash equivalents and other receivables, arise from default of the counterparty with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

At the end of the reporting period, the Group had certain concentrations of credit risk as 24.5% and 38.8% of the Group's trade and bills receivables were due from the Group's five largest customers for the years ended 31 March 2018 and 2017 respectively. Concentrations of credit risk are managed by establishing credit verification procedures. Management determines that there are minimal concentrations of credit risk within the Group as the customers of the Group's trade and bills receivables are recognised and creditworthy.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade and bills receivables are disclosed in note 18 to the consolidated financial statements.

### 34. 金融風險管理目標及政策 (續)

#### 信貸風險

本集團其它金融資產(包括現金及現金等值項目以及其它應收款)的信貸風險源自交易對手的違約，最高風險等於該等工具的賬面值。

由於本集團僅與認可及信譽良好的第三方進行交易，因此不需要抵押品。

於報告期末，本集團有若干信貸風險集中，原因為截至2018年及2017年3月31日止年度，本集團分別為24.5%及38.8%的應收賬款及應收票據為應收本集團最大五位客戶。信貸風險的集中通過建立信用驗證程序進行管理。管理層認為本集團的信貸風險集中情況甚低，因為本集團應收賬款及應收票據的客戶為認可及信譽良好。

有關本集團因應收賬款及應收票據而產生的信貸風險的進一步量化數據於綜合財務報表附註18披露。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of long term bank loans and projected cash flows from operations.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

### 34. 金融風險管理目標及政策 (續)

#### 流動資金風險

本集團之目標旨在透過使用長期銀行貸款及營運之預測現金流量以維持資金持續供應與靈活性之間的平衡。

根據已訂約未貼現付款，本集團金融負債於報告期末之到期情況如下：

		On demand or no later than 1 year 按要求或 一年以下 HK\$ 港元	1 to 5 years 一至五年 HK\$ 港元	Over 5 years 超過五年 HK\$ 港元	Total 總額 HK\$ 港元
<b>2018</b>					
Trade payables	應付賬款	17,196,713	-	-	17,196,713
Other payables and accruals	其它應付款及 應計費用	78,742,730	-	-	78,742,730
Amount due to a related company	應付一間關連公司 款項	427,133	-	-	427,133
Dividend payable	應付股息	1,771,345	-	-	1,771,345
		<b>98,137,921</b>	<b>-</b>	<b>-</b>	<b>98,137,921</b>
<b>2017</b>					
Trade payables	應付賬款	11,262,460	-	-	11,262,460
Other payables and accruals	其它應付款及 應計費用	24,900,868	-	-	24,900,868
Amount due to a related company	應付一間關連公司 款項	1,058,410	-	-	1,058,410
		<b>37,221,738</b>	<b>-</b>	<b>-</b>	<b>37,221,738</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 2017.

The Group monitors capital using a gearing ratio, which is net debt divided by the equity attributable to owners of the parent. Net debt includes borrowings less cash and cash equivalents. Capital includes equity attributable to owners of the parent. The gearing ratios as at the end of the reporting periods were as follows:

		2018 HK\$ 港元	2017 HK\$ 港元
Negative net debt	負值淨債務	(493,153,768)	(399,316,081)
Equity attributable to owners of the parent	母公司股東應佔權益	847,727,533	778,322,182
Capital and net debt	資本和淨債務	478,945,175	434,870,677
Gearing ratio	資本負債比率	N/A不適用	N/A不適用

### 34. 金融風險管理目標及政策 (續)

#### 資本管理

本集團資本管理的主要目標是保障本集團持續經營的能力，並保持穩健的資本比率，以支持其業務並實現股東價值最大化。

本集團根據經濟狀況變動及相關資產的風險特徵管理資本結構並作出調整。為維持或調整資本結構，本集團可調整向股東派付的股息、向股東返還資本或發行新股份。本集團不受任何外部施加的資本要求所限。截至2018年及2017年3月31日止年度，管理資本的目標、政策或程序並無變動。

本集團使用資本負債比率(即負債淨額除以母公司股東應佔權益)監察資本。淨債務包括借貸減去現金及現金等值項目。資本包括母公司股東應佔權益。截至報告期末的資本負債比率如下：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 35. EVENTS AFTER THE REPORTING PERIOD

On 8 April 2018, the Group entered into an acquisition agreement with independent third parties for the acquisition of 100% equity interests of Zhuhai City Tonghui Pharmaceutical Co. Ltd.\* for a cash consideration of approximately RMB2,428,000 (equivalent to approximately HK\$2,998,000). The acquisition has not been completed as at the date of issuance of these consolidated financial statements.

### 36. STATEMENT OF THE FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of reporting period is as follows:

### 35. 報告期後事項

於2018年4月8日，本集團與獨立第三方訂立收購協議，以收購珠海市同輝藥業有限公司之100%股權，現金代價約為人民幣2,428,000元（相當於約2,998,000港元）。於本綜合財務報表刊發日期，收購事項尚未完成。

### 36. 本公司之財務狀況表

有關本公司於報告期末之財務狀況表之資料如下：

		2018 HK\$ 港元	2017 HK\$ 港元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>		
Plant and equipment	廠房及設備	1,262,551	1,575,139
Amounts due from subsidiaries	應收附屬公司款項	352,298,650	249,297,301
Investment in subsidiaries	於附屬公司之投資	296,280,826	296,280,818
Total non-current assets	非流動資產總值	649,842,027	547,153,258
<b>CURRENT ASSETS</b>	<b>流動資產</b>		
Deposits and other receivables	按金及其它應收款	2,269,103	1,807,731
Cash and cash equivalents	現金及現金等值項目	119,764,970	221,681,338
Total current assets	流動資產總值	122,034,073	223,489,069
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>		
Other payables	其它應付款	4,948,083	3,750,158
Amount due to a subsidiary	應付一間附屬公司款項	20,163,170	7,451,919
Total current liabilities	流動負債總額	25,111,253	11,202,077
<b>NET CURRENT ASSETS</b>	<b>流動資產淨值</b>	<b>96,922,820</b>	<b>212,286,992</b>
<b>NET ASSETS</b>	<b>資產淨值</b>	<b>746,764,847</b>	<b>759,440,250</b>
<b>EQUITY</b>	<b>權益</b>		
Share capital	股本	215,047,588	215,063,588
Reserves (Note)	儲備(附註)	531,717,259	544,376,662
Total equity	權益總額	746,764,847	759,440,250

FANG WEN QUAN  
方文權  
Chairman  
董事長

LUI MAN SANG  
呂文生  
Executive Director  
執行董事

\* For identification purpose only

\* 僅供參考



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 March 2018 2018年3月31日

### 36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

		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 fluctuation reserve 匯兌 波動儲備 HK\$ 港元	Retained profits 保留溢利 HK\$ 港元	Total 總額 HK\$ 港元
At 1 April 2016	於2016年4月1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)
Final 2016 dividend declared	已宣派2016年末期股息	-	-	-	-	(5,806,717)	(5,806,717)
At 31 March 2017 and 1 April 2017	於2017年3月31日及 2017年4月1日	339,066,948	8,000	105,239,603	(25,634,426)	125,696,537	544,376,662
Loss for the year	本年度虧損	-	-	-	-	(15,215,541)	(15,215,541)
Exchange difference arising on translation	換算產生之匯兌差額	-	-	-	14,848,337	-	14,848,337
Total comprehensive expense for the year	本年度全面支出總額	-	-	-	14,848,337	(15,215,541)	(367,204)
Repurchases of shares	購回股份	(33,573)	-	-	-	-	(33,573)
Transfer to reserve	轉撥至儲備	(16,000)	16,000	-	-	-	-
Final 2017 dividend declared	已宣派2017年末期股息	-	-	-	-	(12,258,626)	(12,258,626)
At 31 March 2018	於2018年3月31日	339,017,375	24,000	105,239,603	(10,786,089)	98,222,370	531,717,259

### 37. COMPARATIVE AMOUNTS

Certain comparative statement of consolidated financial statements has been re-presented at the beginning of comparative period to comply with disclosure requirements.

### 38. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 28 June 2018.

### 36. 本公司之財務狀況表 (續)

附註：

本公司儲備之概要如下：

### 37. 比較數字

綜合財務報表之若干比較數字已於比較期間開始時重新呈列以遵守披露規定。

### 38. 綜合財務報表之批准

綜合財務報表已於2018年6月28日獲董事會核准及批准刊發。

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