



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

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

Stock code 股份代號 : 858

ANNUAL REPORT 年報  
**2019**





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# CORPORATE INFORMATION

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

Dr. XIE Yi (*Chairman and Chief Executive Officer*)  
Dr. LOU Yi  
Mr. CHENG Yong  
Ms. WONG Sau Kuen  
Mr. LIU Kwok Wah  
Mr. LU Zhiqiang

#### Independent Non-executive Directors

Mr. FANG Lin Hu  
Mr. XUE Jing Lun  
Ms. JIN Song

### AUDIT COMMITTEE

Mr. FANG Lin Hu (*Chairman*)  
Mr. XUE Jing Lun  
Ms. JIN Song

### REMUNERATION COMMITTEE

Mr. FANG Lin Hu (*Chairman*)  
Mr. XUE Jing Lun  
Ms. JIN Song  
Dr. XIE Yi

### NOMINATION COMMITTEE

Dr. XIE Yi (*Chairman*)  
Mr. FANG Lin Hu  
Mr. XUE Jing Lun  
Ms. JIN Song

### JOINT COMPANY SECRETARIES

Mr. LIU Kwok Wah  
Ms. WONG Sau Kuen

### HONG KONG LEGAL ADVISERS

Chiu & Partners Solicitors

### INDEPENDENT AUDITOR

Elite Partners CPA Limited  
*Certified Public Accountants*

### 董事會

#### 執行董事

謝毅博士 (*主席兼行政總裁*)  
樓屹博士  
程勇先生  
王秀娟女士  
廖國華先生  
盧志強先生

#### 獨立非執行董事

方林虎先生  
薛京倫先生  
金松女士

### 審核委員會

方林虎先生 (*主席*)  
薛京倫先生  
金松女士

### 薪酬委員會

方林虎先生 (*主席*)  
薛京倫先生  
金松女士  
謝毅博士

### 提名委員會

謝毅博士 (*主席*)  
方林虎先生  
薛京倫先生  
金松女士

### 聯席公司秘書

廖國華先生  
王秀娟女士

### 香港法律顧問

趙不渝 • 馬國強律師事務所

### 獨立核數師

開元信德會計師事務所有限公司  
*執業會計師*



## REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

## 註冊辦事處

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 2206–08, 22/F  
Devon House, Taikoo Place  
979 King's Road  
Quarry Bay  
Hong Kong

## 總辦事處及香港主要營業地點

香港  
鰂魚涌  
英皇道979號  
太古坊德宏大廈  
22樓2206–08室

## PRINCIPAL BANKERS

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

## 主要往來銀行

中國工商銀行(亞洲)有限公司  
東亞銀行有限公司

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited  
Clarendon House, 2 Church Street  
Hamilton HM 11  
Bermuda

## 股份過戶登記處總處

Conyers Corporate Services (Bermuda) Limited  
Clarendon House, 2 Church Street  
Hamilton HM 11  
Bermuda

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited  
Level 54, Hopewell Centre  
183 Queen's Road East  
Wanchai, Hong Kong

## 股份過戶登記處香港分處

卓佳登捷時有限公司  
香港灣仔  
皇后大道東183號  
合和中心54樓

## WEBSITE

<http://www.extrawell.com.hk>

## 網站

<http://www.extrawell.com.hk>

## STOCK CODE

The Stock Exchange of Hong Kong Limited: 00858

## 股份代號

香港聯合交易所有限公司：00858

# CHAIRMAN'S STATEMENT 主席報告

## DEAR SHAREHOLDERS

### 致各位股東：

On behalf of the board of directors (the “Board”) of Extrawell Pharmaceutical Holdings Limited (the “Company”) together with its subsidiaries (the “Group”), I am pleased to present the annual report of the Group for the year ended 31 March 2019.

本人謹代表精優藥業控股有限公司（「本公司」）連同其附屬公司（「本集團」）董事會（「董事會」）欣然提呈本集團截至二零一九年三月三十一日止年度之年報。





The year 2018 ended with globally downside volatility brought by the uncertainties from ongoing trade dispute between China and the United States, pending outcome of Brexit negotiations and future direction of monetary policy, which cloud over the global economic outlook for 2019, dampening trade and investment flows.

China's economy grew 6.6% in 2018, down from a growth of 6.8% in 2017 and at its slowest pace in 28 years. While China's economic growth rate is decelerating, it had a steady start to 2019, with a slightly better-than-expected growth of 6.4% in the first quarter of 2019, which was supported by strong industrial production and greater domestic consumption, and the Chinese government's stimulus measures to stabilise the economy including tax cuts for businesses, infrastructure spending and easing monetary policy.

After three years' efforts in adapting to a new normal in economic development since the implementation of the Thirteenth Five-Year Plan (2016–2020), China has been reshaping the regulatory landscape and intensifying the structural reform to the pharmaceutical industry which has maintained a steady growth in the midst of constantly changing regulatory environment. In 2018, the institutional reshuffle reform was initiated by the State Council, sweeping overhaul of various government bodies through merging and restructuring, with the aim of aligning the nation's policy goals by enhancing efficiency of market controls, facilitating greater surveillance and promoting accessibility and affordability of quality drugs and national health services in pursuit of a 'Healthy China' by year 2030. The drug regulator, China Food and Drug Administration was merged into a new regulatory structure, renamed as National Medical Products Administration ("NMPA") and under the direct supervision of a newly formed market regulator, State Administration for Market Regulation. The National Health and Family Planning Commission was dissolved, its functions were integrated into the new establishment National Health Commission, and together with the set up of a new state medical insurance administration National Health Security Administration, serve to help the government to offer comprehensive, lifecycle health services to the nation, optimise the national health insurance system, and promote the healthcare reforms. And since June 2018, NMPA has become a management committee member of International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use, this milestone reflects that

於二零一八年年底，因中美貿易爭議持續、英國脫歐談判仍未達成任何結果、加上貨幣政策未知未來走向如何，此種種問題產生之不確定因素導致全球經濟呈下行波動，為二零一九年全球經濟前景蒙上陰影，打擊貿易及投資的流量。

於二零一八年，中國經濟增長6.6%，低於二零一七年6.8%之增長率，創28年新低。儘管中國經濟增長率放緩，惟於二零一九年初趨於穩定，並於二零一九年第一季度錄得略高於預期之6.4%增長率，此乃由於獲得強勁工業生產及較大內需的支持，以及中國政府為穩定經濟推出的多項刺激經濟措施，包括減低商業稅項、斥資發展基礎設施及放寬貨幣政策。

自第十三個五年規劃(二零一六年至二零二零年)實施以來，經三年努力適應經濟發展新常態，中國已重塑監管環境及深化醫藥行業之結構改革，從而令該行業於瞬息萬變之監管環境中維持穩定增長。於二零一八年，國務院發起機構重組改革，透過合併及重組全面改革眾多政府部門，旨在配合國家之政策目標，提升市場控制效率、加強監督並促進優質藥品及國家醫療服務之可及性及可承受性以於二零三零年前實現「健康中國」之目標。藥品監管機構國家食品藥品監督管理總局已併入新的監管結構，易名為國家藥品監督管理局(「國家藥監局」)，並受國家市場監督管理總局(新組成之市場監管機構)直接監督。國家衛生和計劃生育委員會已解散，其職能已併入新成立之國家衛生健康委員會，並與新設立之國家醫療保障局一同協助政府向國民提供全面的終身醫療服務、完善國家醫療健康保險制度及促進醫療改革。自二零一八年六月起，國家藥監局已成為人用藥品技術要求國際協調理事會之管理委員會成員，該里程碑反映國家藥監局將逐步匯集國際最高的技術標準及指引，將之兼收並蓄，應用於中國藥品監管程序內。另一方面，隨著審批制度改革，國家藥監局於加快審批創

## CHAIRMAN'S STATEMENT (Continued) 主席報告(續)

NMPA will gradually converge and implement the international highest technical standards and guidelines into the drug regulatory process in China. On the other hand, with the reform of the review and approval system, NMPA has demonstrated an improved efficiency in accelerating the pace of approval for registration of innovative drugs which are urgently required to serve China's unmet medical needs especially for chronic and rare diseases.

China's pharmaceutical industry has experienced waves of challenges brought by the institutional reshuffle reform and the restructured regulatory framework but improved market accessibility for self-developed innovative drugs, which create both challenges and opportunities to pharmaceutical enterprises. The continued deepening of the healthcare reforms as to full swing of the two-invoice system nationwide, ongoing consistency evaluation on generic drugs, tightening environmental regulations, intensifying overseas inspection for imported drugs, and the launch of various policies followed by the institutional reshuffle reform, including the centralised procurement with pre-determined quantities tendering mechanism in 11 selected cities and the adjustments to the national essential drug list, have influenced market sentiment and added pressures to drug prices and costs, whilst accelerating consolidation within the industry and facilitating new drug development.

During the year under review, the ever-increasingly competitive landscape has further impacted significantly the performance of the Group's trading segment of imported pharmaceutical products due to increasing regulatory scrutiny on imported products which resulted in temporary sales suspension of the Group's major revenue contributor to the segment. Nonetheless, the Group's manufactured segment was able to achieve revenue growth and exhibited continuous improvement in performance through management's intensive efforts in expanding market coverage and strengthening credit control.

The Group's profit for the year attributable to owners of the Company amounted to about HK\$64.0 million as compared to a profit of about HK\$29.9 million of last financial year, representing an increase of about HK\$34.1 million, primarily attributable to non-cash items.

新藥物註冊之效率方面有所提升，而該等藥物為中國亟待解決的藥品需求(特別是慢性病及罕見疾病)所殷切需要的。

中國醫藥行業已經歷機構重組改革及重組監管架構所帶來之挑戰，而增進自主研發創新藥物之市場渠道亦為醫藥企業創造挑戰及機遇。持續深化醫療改革，全面開展全國性兩票制制度、對非專利藥物持續進行一致性評估，加強對環境之法規及就進口藥品強化海外檢查，並根據機構重組改革推出多項政策，包括於11個經選定城市採用預定數量招標機制進行集中採購，及就國家基本藥品目錄作出調整，該等舉措已影響市場氣氛以及對藥品價格及成本造成壓力，同時加速產業整合及促進開發新藥物。

於回顧年內，日益激烈之競爭環境已進一步顯著影響本集團進口醫藥產品之貿易分類表現，此乃由於對進口產品日益嚴格之監管審查致使本集團暫停出售為該分類作出主要收益貢獻的產品。儘管如此，通過管理層於擴大市場覆蓋範圍及加強信貸控制方面集中努力，本集團製造分類得以實現收益增長，並持續提升表現。

本公司擁有人應佔本集團之年度溢利為約64,000,000港元，較上一個財政年度之溢利約29,900,000港元增加約34,100,000港元，主要是由非現金項目所致。



## CHAIRMAN'S STATEMENT (Continued) 主席報告(續)

While China's pharmaceutical market will continue to face various challenges against the backdrop of frequent policy changes brought by the ongoing healthcare reforms, the Group believes that the upside potential bolstered by China's large and aging population, growing per capita income, and the government's long term commitment to build up a 'Healthy China', embraces business and development opportunities. The Group will endeavor to enhance the manufacturing capability of its plants in Changchun to develop quality products to capture market demand, improve cost efficiency by resource allocation and maintain a sound financial fundamental, so as to improve the Group's performance and strengthen its foundation for sustainable development.

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

**Dr. Xie Yi**

*Chairman*

Hong Kong, 28 June 2019

在持續醫療改革帶動政策變動頻仍之情況下，儘管中國醫藥市場將持續面臨多項挑戰，但本集團堅信，中國之龐大的、老齡化的人口、人均收入增長以及政府對建立「健康中國」之長遠承諾，將為醫藥市場造就上行潛力，業務及發展機遇處處。本集團將致力於提升長春廠房之製造能力以開發優質產品，從而把握市場需求，並通過資源分配及維持穩健之財務基礎提升成本效益，藉此改善本集團之表現及鞏固其基礎，推動可持續發展。

本人謹代表董事會衷心感謝全體員工於過去一年不懈之努力及對本集團所作之貢獻，及股東與業務夥伴一如既往之支持。

主席

謝毅博士

香港，二零一九年六月二十八日



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### BUSINESS REVIEW

#### Overall Performance Review

The global economic growth started encouragingly in early 2018 but slowed down notably as the year progressed, reflecting the faded momentum and diverged trends of growth across regions. Facing the complicated international environment and intense trade tensions with the United States, the Chinese economy recorded in 2018 its slowest growth at 6.6% since 1990. Despite the challenges, China has been making progress in its structural reform from rapid growth to high-quality development in the third year of its Thirteenth Five-Year Plan (2016-2020) and maintained growth at 6.4% in the first quarter of 2019. The regulatory landscape of the pharmaceutical industry has been going through significant changes along with the deepening healthcare reforms and Healthy China 2030 Plan. The sweeping institutional reshuffle including the reorganisation of the drug regulator China Food and Drug Administration, now renamed as National Medical Products Administration and under direct supervision of State Administration for Market Regulation; the set-up of National Health Commission and National Health Security Administration directly under the State Council, would facilitate advancing the healthcare reforms and promoting the Healthy China initiatives. The frequent roll out of national policies and the institutional reshuffle have reflected the Chinese government's determination in improving accessibility and affordability of drugs and healthcare services to its citizens and bringing China into close alignment with international regulatory practices in terms of efficacy, safety and quality. The deepening of the healthcare reforms followed with a brace of policy changes including adjustments to National Drugs Reimbursement List, full implementation of two invoice system, adoption of a new centralised drugs procurement arrangement in 11 cities to compel quality drugs tendering with minimum procurement quantities at the lowest prices, have driven a new round of consolidation and integration in the industry, whilst encouraging research and development of innovative drugs to meet the unmet medical demand. Large pharmaceutical players with scale economies emerging as formidable competitors in all segments of the market have posed tremendous pressure to the Group.

### 業務回顧

#### 整體表現回顧

全球經濟增長於二零一八年初始令人振奮，但該增長隨著時間推移而顯著放緩，此現象反映各地區的增長勢頭減弱及增長呈現分化趨勢。面臨複雜國際情勢及與美國之間之緊繃貿易勢態，中國經濟於二零一八年錄得自一九九零年以來最低增長率6.6%。儘管面臨該等挑戰，於第十三個五年規劃（二零一六年至二零二零年）的第三年，中國結構性改革由快速增長至高質量發展取得進展，並於二零一九年第一季度維持增長6.4%。隨著深化醫療改革及健康中國2030規劃，醫藥行業之監管環境正經歷重大變動。全面機構重組包括重組藥品監管機構國家食品藥品監督管理總局（現已易名為國家藥品監督管理局，並受國家市場監督管理總局直接監督）、設立由國務院直接監督之國家衛生健康委員會及國家醫療保障局，將促進醫療改革發展及推動健康中國之新措施。國家政策之頻繁出台及該等機構重組反映中國政府為其人民改善藥品及醫療服務之可及性及可承受性之決心，並使中國於效力、安全及質量方面更貼近國際監管原則。伴隨一系列政策變動（包括調整醫保目錄、全面實行兩票制、於11個城市採用藥品集中採購新安排以促進按最低價格供應最低數量之優質藥品招標）之深化醫療改革已帶動行業之新一輪整合，同時鼓勵研發創新藥品，以滿足亟待解決的藥品需求。具規模經濟之大型醫藥公司紛紛於市場各分類冒升，作為市場強大的競爭者，已為本集團帶來龐大壓力。

## BUSINESS REVIEW (Continued)

### Overall Performance Review (Continued)

Notwithstanding the challenging conditions, the Group's manufacturing segment continued posting revenue growth with improved margin, which more than covered the decline in revenue and gross profit of the imported segment. As a result, the Group's revenue and gross profit increased to HK\$89.2 million (2018: HK\$85.8 million) and HK\$49.6 million (2018: HK\$42.0 million) respectively, representing an increase of about 4.0% and 18.0% as compared with that of last financial year.

The Group's operating profit before income tax was about HK\$63.4 million (2018: HK\$29.2 million), representing an increase of about HK\$34.2 million. Such increase was mainly due to an increase in a net gain of about HK\$13.3 million arising from the fair value change of the Group's investments in convertible bonds, and no impairment provision made for unrealised loss related to investments in unlisted funds as compared to about HK\$21.0 million recorded in last year, whereas its fair value loss of about HK\$59.0 million arisen in the year was recognised in other reserve other than profit or loss, upon adopting new accounting standard Hong Kong Financial Reporting Standard 9 ("HKFRS 9") for financial instruments that is effective for the Group's current accounting period.

The Group's profit for the year attributable to owners of the Company was about HK\$64.0 million, representing an increase of about HK\$34.1 million when compared to profit of about HK\$29.9 million of last financial year.

## 業務回顧(續)

### 整體表現回顧(續)

儘管市況嚴峻，本集團之製造分類持續實現收益增長及提升利潤率，其足以補足進口分類收益及毛利之下降。因此，本集團之收益及毛利分別增加至89,200,000港元(二零一八年：85,800,000港元)及49,600,000港元(二零一八年：42,000,000港元)，較上一個財政年度增加約4.0%及18.0%。

本集團之除所得稅前經營溢利為約63,400,000港元(二零一八年：29,200,000港元)，相當於增加約34,200,000港元。有關增加主要由於來自本集團可換股債券投資之公平值變動而產生之淨收益增加約13,300,000港元，以及無就非上市基金投資有關的未變現虧損作出減值撥備以對比去年錄得約21,000,000港元的減值撥備，而其年內產生之公平值虧損約59,000,000港元於採納在本集團當前會計期間生效有關金融工具之新會計準則香港財務報告準則第9號(「香港財務報告準則第9號」)時，於損益以外之其他儲備確認。

本公司擁有人應佔本集團之年度溢利為約64,000,000港元，較上一個財政年度之溢利約29,900,000港元增加約34,100,000港元。



## MANAGEMENT DISCUSSION AND ANALYSIS (Continued) 管理層討論及分析(續)

### REVENUE AND OPERATING RESULTS

#### Manufactured Pharmaceutical Sector

During the year, management continued executing last year's strategic initiatives by adjusting distribution channels, expanding market coverage through collaboration with distributors and outsourcing service providers with extensive distribution network to promote product awareness in rural areas and communities. These strategic initiatives enabled the segment to strengthen its competitive position, enlarge market share and capture new growth opportunities. As a result, the segment revenue grew to about HK\$75.8 million (2018: HK\$60.2 million), representing an increase of HK\$15.6 million or 26.0%, and driven by such increase offset more than rising labor and material costs, gross profit increased by about HK\$15.1 million.

In tandem with revenue growth, management had strengthened risk management measures to monitor customers' creditability and collection of receivables with the aim of limiting the credit exposure, which significantly reduced the allowance for bad and doubtful debts to about HK\$0.3 million (2018: HK\$3.2 million), representing a reduction of about HK\$3.0 million. However, there was no further bad debts recovered when compared to the recovery of HK\$3.4 million made in previous year.

Although the revenue and gross profit growth contributed positively to the segment results, the segment had a large impact from high costs of selling and marketing activities. Significant resources were deployed on symposium, seminars as well as promotional activities in order to cope with the challenges from aggressive competitors for market share, which led to a surge of selling and marketing expenses by more than HK\$14.2 million when compared to last year. Together with a loss on disposal of about HK\$0.7 million arising from replacement of coal-fired boilers with natural gas boilers under the increasingly stringent environmental requirements for pollutant emissions, segment loss was thus slightly reduced to about HK\$3.6 million (2018: HK\$3.7 million).

### 收益及經營業績

#### 自產藥品業務

年內，管理層繼續實行上一年之戰略舉措，透過調整分銷渠道、與擁有廣泛分銷網絡之分銷商及外判服務供應商合作以擴大市場覆蓋範圍，以提升本集團產品於農村及社區之知名度。該等戰略舉措使該分類能夠提升其競爭地位、擴大市場份額並抓住新增長機遇。因此，分類收入增長至約75,800,000港元(二零一八年：60,200,000港元)，相當於增加15,600,000港元或26.0%，而有關增加足以抵銷勞工及材料成本上漲，毛利增加約15,100,000港元。

隨著收益增長，管理層為限制信貸風險而加強風險管理措施以監管客戶之信譽及應收款項之收回情況，而呆壞賬撥備大幅減少至約300,000港元(二零一八年：3,200,000港元)，相當於減少約3,000,000港元。然而，較上一年度收回3,400,000港元，本年度並無進一步收回壞賬。

儘管收益及毛利增長對分類業績帶來正面影響，惟該分類明顯受到銷售及營銷活動之低成本所影響。就於座談會、研討會及推廣活動中投入重大資源，以應對與競爭對手爭奪市場份額之激烈交鋒，此舉致使銷售及營銷開支較去年激增超過14,200,000港元。連同在因應污染物排放之環保規定日益嚴格之情況下，以天然氣鍋爐替代燃煤鍋爐而產生之撇銷虧損約700,000港元，分類虧損則略為減少至約3,600,000港元(二零一八年：3,700,000港元)。

## REVENUE AND OPERATING RESULTS (Continued)

### Manufactured Pharmaceutical Sector (Continued)

In a highly competitive and difficult regulatory environment as depicted above, management believes that revenue growth accompanied with larger spending in selling and marketing expenses may impact short term performance, but in a longer term perspective, strengthening of revenue growth and building of brand awareness will ultimately help improve profitability. Apart from executing the initiatives to expand market coverage, management will continue to focus on improving product quality, reducing production and operation costs in order to drive for a better performance.

### Imported Pharmaceutical Sector

The overall market conditions adversely affected the segment performance. The unfavorable factors as stated in the Group's interim report issued on 29 November 2018, including the intensified competition from competing products produced by Chinese manufacturers, the increasing regulatory scrutiny on imported products, backlog of approval process for the renewal of import license for the central nervous product expired in October 2017 as well as uncertainties of outcome of overseas on-site inspection for the skin treatment product ("Skin Drug"), had dented the first half-yearly results. The segment revenue dented further in the second half of the year by the outcome of on-site inspection for Skin Drug which is a major revenue contributor to the segment. As disclosed in the Company's announcement dated 15 February 2019, the Group was given to understand that the Chinese authorities had concluded in end January 2019 certain manufacturing practices issues which required the Skin Drug manufacturer's remedies in order to fully comply with the Chinese manufacturing practices and decided to temporarily suspend sales of the Skin Drug in China. According to the contract terms with the Group's customers and suppliers, the Group would not be involved in the product recall of the Skin Drug.

Given this difficult operating environment, segment revenue dropped significantly to about HK\$13.4 million (2018: HK\$25.6 million), representing a decrease of about HK\$12.2 million or 47.6%. Despite management had cautiously maintained the administrative costs at its minimal level, the decrease in revenue and gross profit caused segment loss to about HK\$6.6 million (2018: HK\$6.0 million), representing an increase of about HK\$0.6 million.

## 收益及經營業績(續)

### 自產藥品業務(續)

於誠如上述之具高度競爭及嚴峻之監管環境下，管理層相信收益增長隨而增多支出的銷售及營銷開支可能會影響短期表現，惟長遠來看，提升收益增長及建立品牌知名度最終將有助於提高盈利能力。除採取擴大市場覆蓋範圍之舉措外，管理層將繼續專注於提高產品質量、降低生產及營運成本，從而提升業績表現。

### 進口藥品業務

整體市況對分類表現造成不利影響。誠如二零一八年十一月二十九日發出之本集團中期報告中所述之不利因素，包括來自中國製造商具競爭性之產品的激烈競爭、對進口產品之日益嚴格監管審查、就重續二零一七年十月到期之中樞神經系統產品進口許可證審批程序，以及皮膚治療產品(「該皮膚藥品」)之海外現場檢查結果等不確定因素已削弱上半年之業績。下半年之分類收益因該皮膚藥品(為進口藥品分類之主要收益貢獻者)之現場檢查結果而進一步萎縮。誠如本公司日期為二零一九年二月十五日之公告所披露，據本集團瞭解，中國當局已於二零一九年一月底總結若干製造規範問題，其要求該皮膚藥品製造商採取補救措施以全面遵守中國製造規範，並決定暫停該皮膚藥品於中國銷售。按與本集團客戶及供應商之合約條款規定，本集團將不會涉及該皮膚藥品之產品回收。

鑒於此艱難之經營環境，分類收益大幅下跌至約13,400,000港元(二零一八年：25,600,000港元)，相當於減少約12,200,000港元或47.6%。儘管管理層已審慎將行政成本維持在最低水平，惟收益及毛利減少導致分類虧損約6,600,000港元(二零一八年：6,000,000港元)，相當於增加約600,000港元。



## MANAGEMENT DISCUSSION AND ANALYSIS (Continued) 管理層討論及分析(續)

### REVENUE AND OPERATING RESULTS (Continued)

#### Imported Pharmaceutical Sector (Continued)

As the Group is given to understand that the respective manufacturers for Skin Drug and the central nervous product are still in the process of rectifying the issues with the relevant Chinese authorities, as such, the Group considers that the loss-making position of this segment will likely extend into the coming year. However, the Group and its business partners have been making collaborative effort with a view to resolving all those issues in the long term so as to bring its imported products back to the China market as soon as practicable. Management believes that the concerted efforts made by the Group and its business partners will be ultimately reflected in the segment performance.

#### Gene Development Sector

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

#### Interest in an Associate

The Group holds 49% equity interest in Smart Ascent Limited (“Smart Ascent”, together with its subsidiaries, the “Smart Ascent Group”), and the major asset of the Smart Ascent Group is the intangible asset in relation to an in-process research and development project (“In-process R&D”) involving an oral insulin product (“Product”), which is still at its clinical trial stage. As a minority shareholder of Smart Ascent, the Group has been working closely with Innovative Pharmaceutical Biotech Limited (“Innovative Pharm”), the 51% shareholder of Smart Ascent, in monitoring the progress of the oral insulin project with a view to facilitating successful launching of the Product to the market.

As stated in the 2018 Annual Report, the timeline for commercialisation of the Product was expected to be in around mid of 2020.

A supplemental announcement was made by the Company on 15 August 2018 to provide further information in relation to (i) management and audit committee’s position on the disclaimer of opinion; (ii) the adjustment of expected timeline for the commercialisation of the Product; (iii) the Company’s participation in the progress of the launch of the Product; and (iv) the latest status of the Product.

### 收益及經營業績(續)

#### 進口藥品業務(續)

由於據本集團瞭解該皮膚藥品及中樞神經系統產品之相關製造商仍在與中國有關當局解決問題，因此，本集團認為該分類之虧損情況將可能延續至下一年。然而，本集團及其業務夥伴一直共同努力，冀能長遠解決所有這些問題，以儘快使其進口產品重回中國市場。管理層相信，本集團與其業務夥伴齊心協力之成果將最終反映於分類表現中。

#### 基因開發業務

於本年度，基因開發業務仍未開展，故並無錄得任何收益。

#### 於一間聯營公司之權益

本集團持有進生有限公司(「進生」，連同其附屬公司稱為「進生集團」)49%股權，進生集團之主要資產為有關進行中之研發項目(「進行中之研發」)之無形資產，當中涉及口服胰島素產品(「產品」)，其仍在臨床測試階段。作為進生之少數股東，本集團已與領航醫藥及生物科技有限公司(「領航醫藥」)(擁有進生51%股權之股東)緊密協作，監察口服胰島素項目之進展情況，以促使產品成功推出市場。

誠如二零一八年年報所述，商品化該產品之時間表預期將於二零二零年中前後。

本公司於二零一八年八月十五日刊發補充公告，以提供有關以下方面的進一步資料：(i)管理層及審核委員會對不發表意見之立場；(ii)商品化該產品的預期時間表之調整；(iii)本公司於推出該產品進程之參與；及(iv)該產品之最新情況。

## REVENUE AND OPERATING RESULTS (Continued)

### Interest in an Associate (Continued)

With reference to the working capital requirements of Smart Ascent Group, Innovative Pharm and the Company through their respective wholly-owned subsidiaries as lenders and Smart Ascent as borrower entered into a shareholders' loan agreement on 27 July 2018 for a loan to Smart Ascent amounting to HK\$30 million in total (the "Loan"), to be contributed as to 51% i.e. HK\$15.3 million by Innovative Pharm Group and as to 49% i.e. HK\$14.7 million by the Group. In September 2018, Smart Ascent had drawn down HK\$10 million of the Loan, of which the Group's share was HK\$4.9 million.

In October 2018, Fosse Bio-Engineering Development Limited ("Fosse Bio", one of the members of the Smart Ascent Group) had finalised the engagement of the contract research organisation ("CRO") and entered into a technical service agreement with the CRO to conduct clinical research of the Product. And a supplemental agreement was entered into between Tsinghua University and Fosse Bio to renew the term of the collaboration arrangement for another five years to October 2023, under which Fosse Bio continues to be entitled to commercialise the relevant technologies of the Product and to manufacture and sell the Product on an exclusive basis.

Upon the engagement of the CRO, the CRO has been working with the project team so as to select the participating hospitals for the clinical trial; meetings were held with the hospitals as shortlisted. Fosse Bio has engaged a hospital to act as the leader hospital or principal investigator for the clinical trial. Engagement of other shortlisted hospitals is in progress, whereas the oral insulin samples for clinical trial purpose have been manufactured. Given the recent progress and the reassessment of the timeline by Smart Ascent Group, the expected timeline for commercialisation of the Product has been revised to be by January 2022.

## 收益及經營業績(續)

### 於一間聯營公司之權益(續)

參照進生集團之營運資金需求，領航醫藥及本公司透過彼等各自之全資附屬公司(作為貸款方)及進生(作為借款方)於二零一八年七月二十七日訂立一份股東貸款協議，向進生提供總額為30,000,000港元之貸款(「該貸款」)，由領航醫藥集團提供51%款項(即15,300,000港元)及由本集團提供49%款項(即14,700,000港元)。於二零一八年九月，進生已提取該貸款之10,000,000港元，其中本集團應佔4,900,000港元。

於二零一八年十月，福仕生物工程有限公司(「福仕」，進生集團成員之一)已落實委聘合約研究機構(「合約研究機構」)並與合約研究機構訂立一份技術服務協議，以進行該產品之臨床研究。清華大學與福仕已訂立補充協議，將合作安排之期限延長五年至二零二三年十月，據此福仕繼續享有將該產品之相關技術商品化及製造和銷售該產品之獨家權利。

委聘合約研究機構後，合約研究機構一直與項目團隊合作，以甄選參與臨床測試的醫院；與候選的醫院舉行會議。福仕已委聘一間醫院作為臨床測試的領導醫院或項目主要研究者。同時正在委聘其他候選醫院，並已為臨床測試製造口服胰島素樣本。鑒於近期進展及進生集團重估時間表，預期該產品商品化的時間表將改為二零二二年一月前。



## MANAGEMENT DISCUSSION AND ANALYSIS (Continued) 管理層討論及分析(續)

### REVENUE AND OPERATING RESULTS (Continued)

#### Interest in an Associate (Continued)

In making the assessment as to the recoverability of the In-process R&D and the fair value of the interest in the associate, the Group has engaged an independent qualified valuer, Roma Appraisals Limited (“Valuer”) in conducting a valuation. The asset-based valuation approach has been consistently adopted in the valuation and the recoverable amount of the In-process R&D was determined based on fair value calculation using cash flow projections, which the estimated cash inflows derived from budgeted sales and gross margin were based on the expectation for the market development, and which included the regulatory approvals from the relevant government bodies and launching of the Product by January 2022. The recoverable amount of the interest in the associate was determined based on share of the estimated fair value of the In-process R&D after taking into account the lack of control discount.

The expected future economic benefits attributable to the In-process R&D was assumed to cover a 10 years period from the commercialisation of the Product. The calculation used in the cash flow projection with certain key parameters are as below:

Discount rate (post-tax)	貼現率(除稅後)	23.64%
Growth rate	增長率	3%
Gross profit ratio	毛利率	64.44%

In conducting the impairment assessment, the directors of the Company, having considered the prevailing market conditions, reasonableness of assumptions used for the cash flow projections and the valuation as prepared by the Valuer indicating its fair value in excess of the carrying amount, do not identify any indication on the carrying amount of interest in the associate as at 31 March 2019 that may need to be impaired. Accordingly, no impairment is considered necessary as at 31 March 2019.

The Group will continue to closely coordinate with Innovative Pharm in monitoring the progress of the oral insulin project with a view to facilitating successful launching of the Product to the market. In addition, the Group will continue to perform impairment assessment on the carrying amount of the interest in the associate in accordance with Hong Kong Accounting Standard 36 “Impairment of Assets” where necessary.

### 收益及經營業績(續)

#### 於一間聯營公司之權益(續)

就評估進行中之研發的可收回金額及於聯營公司之權益的公平值，本集團委聘了獨立合資格估值師羅馬國際評估有限公司(「估值師」)進行估值。在進行估值時一直採用資產基礎估值法，而進行中之研發的可收回金額乃使用現金流量預測根據公平值計算釐定，其中根據預算銷售額及毛利率計算之估計現金流入乃基於對市場發展之預期，及其包括於二零二二年一月前取得有關政府監管部門批准及推出該產品。於聯營公司之權益的可收回金額乃根據應佔進行中之研發的估計公平值並經計及無控制權之折讓後釐定。

進行中之研發應佔預期未來經濟利益乃假設自商品化該產品涵蓋十年期間。用於計算現金流量預測之若干關鍵參數如下：

在進行減值評估時，經考慮當前市況、各現金流量預測所使用假設的合理性及估值師進行之估值表明其公平值超出賬面值，本公司董事並無發現任何跡象顯示於聯營公司之權益於二零一九年三月三十一日之賬面值可能須作出減值，故認為於二零一九年三月三十一日毋須作出減值。

本集團將繼續與領航醫藥緊密協作，監察口服胰島素項目之進展情況，以促使產品成功推出市場。此外，本集團於必要時將繼續根據香港會計準則第36號「資產減值」就於聯營公司之權益之賬面值進行減值評估。

## REVENUE AND OPERATING RESULTS (Continued)

### Other income and gains and losses, net

Other income and gains and losses, net were in total a gain of about HK\$89.1 million (2018: HK\$53.0 million), which increased by about HK\$36.1 million or 68.1%. The increase was primarily attributable to (i) an increase in a net gain of about HK\$13.3 million arising from the fair value change of the Group's investments in convertible bonds and (ii) no impairment provision made for unrealised loss related to investments in unlisted funds as compared to about HK\$21 million recorded in last year, whereas its fair value loss of about HK\$59.0 million arisen in the year was recognised in other reserve other than profit or loss, upon adopting new accounting standard for financial instruments; namely HKFRS 9 that is effective for the Group's current accounting period.

### Selling and Distribution Expenses

Selling and distribution expenses of the Group increased to about HK\$40.2 million (2018: HK\$32.3 million), representing an increase of HK\$7.9 million or 24.5%. Such increase was due to the combined effect of decrease in promotional expenses resulting from revenue decline of the imported segment and increase in marketing expenses for revenue growth in the manufacturing segment.

### Administrative Expenses

Administrative expenses maintained at a broadly steady level of about HK\$26.4 million (2018: HK\$27.0 million), representing a slight decrease by about HK\$0.6 million or 2.2%. Such decrease reflected a continued focus of the Group on execution of cost containment initiatives to control the expenses and to improve profitability.

## 收益及經營業績(續)

### 其他收入及收益及虧損淨額

其他收入及收益及虧損淨額合計錄得收益約89,100,000港元(二零一八年: 53,000,000港元), 增加約36,100,000港元或68.1%。該增加主要歸因於(i)來自本集團可換股債券投資之公平值變動而產生之淨收益增加約13,300,000港元; 及(ii)無就非上市基金投資有關的未變現虧損作出之減值撥備以對比去年錄得約21,000,000港元的減值撥備, 而於採納有關金融工具之新訂會計準則(即於本集團現時會計期間生效之香港財務報告準則第9號)時, 其於年內產生之公平值虧損約59,000,000港元乃於損益外之其他儲備確認。

### 銷售及分銷費用

本集團銷售及分銷費用增加至約40,200,000港元(二零一八年: 32,300,000港元), 相當於增加7,900,000港元或24.5%。有關增加乃主要由於進口分類之收益減少導致推廣開支減少及製造分類之收益增長導致營銷開支增加之綜合影響所致。

### 行政費用

行政費用保持相對穩定, 約為26,400,000港元(二零一八年: 27,000,000港元), 相當於小幅減少600,000港元或2.2%。有關減少反映出本集團持續專注於執行成本控制措施以控制費用及提升盈利能力。



## MANAGEMENT DISCUSSION AND ANALYSIS (Continued) 管理層討論及分析(續)

### OUTLOOK

Despite waning global growth momentum and concerns about escalating trade tensions between the US and China, the World Bank recently released and maintained its growth forecast for China at 6.2% in 2019. Against the backdrop of stable economic growth, it is anticipated that the Chinese government will continue to commit resources to invest in the healthcare reforms in accordance with the Thirteenth Five-Year Plan and Healthy China 2030 Plan. Following the Chinese government's reorganisation of drug regulator and establishment of new institutions to push forwards the plans, the pharmaceutical industry has entered into a new regime with greater levels of regulatory influence, which has a material and profound impact on the industry. New round of policies including new regulations on centralised drugs procurement, regulatory monitoring over adjuvant drugs, comprehensively implementation of two invoice system have intensified market competition and posed significant challenges to the Group.

In light of the challenges and ever-increasingly competitive landscape, development of the Group's own quality products and enhancement of the Group's core competitiveness by advancing its production technology remain crucial and necessary to create a favorable momentum of long-term development and growth for the Group. In addition to measures on enhancing production efficiency and strengthening cost savings, the Group will continue to leverage its competitive advantages of scale economies, product quality and established distribution networks of its manufacturing segment in competition for gaining greater market share in order to achieve better performance. As the Group has been placing more focus on reinforcing the fundamentals for development of the Group's manufacturing segment which has demonstrated positive progress in these recent years, the Group believes that the loss-making situation of its imported pharmaceuticals trading segment in the near term would not have material adverse impact on the financial position of the Group, which remains sound.

### 前景

儘管全球增長勢頭減弱及中美貿易戰升溫，世界銀行於近期作出公佈，維持其對二零一九年中國經濟增長6.2%之預測。在經濟穩步發展之情況下，預期中國政府將根據第十三個五年規劃及健康中國2030規劃持續就醫療改革投入資源。隨著中國政府為推動該等規劃而對藥品監管部門進行重組並建立新機構，醫藥行業已踏入監管影響力水平有所提升之新體制，其對行業產生重大且深遠之影響。新一輪政策(包括藥物集中採購之新制、輔助用藥之監管及全面實施兩票制)已加劇市場競爭並對本集團帶來重大挑戰。

有鑒於各項挑戰不斷加劇之競爭態勢，開發本集團自有優質產品及透過提升其生產技術增強本集團核心競爭力對建立本集團長期發展及增長之有利勢頭仍屬至關重要及必需。除提升生產效率及加強成本節約之措施外，本集團將繼續借助其製造分類之規模經濟、產品質量及穩健分銷網絡的競爭優勢，以爭取更大市場份額，從而達致更佳表現。由於本集團一直專注於加強本集團製造分類發展之基礎，並於近年來呈現正面進展，本集團相信，其進口藥品貿易分類之虧損情形於短期內將不會對本集團之財務狀況造成重大不利影響，本集團之財務狀況依然穩健。

## OUTLOOK (Continued)

Looking forward, the operating environment will be very challenging as the pharmaceutical industry has been undergoing a radical change in its regulatory landscape. However, the Group remains optimistic that the industry will maintain a stable growth driven by mounting demands of accelerated aging population, growing chronic diseases and improving standard of living in China. In the meantime, the Group will continuously endeavor to adopt a flexible strategy in parallel to the market challenges so as to improve the Group's business operations, and stay alert for business opportunities which may diversify its revenue stream.

## FINANCIAL REVIEW

### Liquidity and Financial Resources

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

As at 31 March 2019, the Group had total cash and bank balances (including pledged bank deposits) of about HK\$169.9 million (2018: HK\$182.3 million), representing a decrease by approximately 6.8%. Such decrease was mainly due to the combined effect of working capital changes as well as utilisation of interest income received from investments in convertible bonds of about HK\$25.0 million to fund respectively the repayment of about HK\$19.8 million and provision of a shareholder's loan of about HK\$4.9 million to Smart Ascent.

The Group did not have bank borrowings during the year but had banking facilities on trade finance, which were supported by the pledge of the Group's fixed deposits of about HK\$21.0 million (2018: HK\$20.5 million) and corporate guarantees from the Company and certain subsidiaries of the Company. In general, there is no significant seasonality fluctuation on trade finance requirement of the Group.

## 前景(續)

展望將來，由於醫藥行業之監管政策持續出現根本性之變化，營運環境將會極具挑戰性。然而，本集團相信，隨著中國人口老齡化加速、慢性疾病增多及生活水平不斷提高，需求將繼續增加，而行業將維持穩定增長。與此同時，本集團將繼續努力採用靈活之策略以應付市場挑戰，從而改善本集團的業務營運，並密切注視各項可使其收入來源多元化的商機。

## 財務回顧

### 流動資金及財務資源

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

於二零一九年三月三十一日，本集團有現金及銀行結餘總額(包括已抵押銀行存款)約169,900,000港元(二零一八年：182,300,000港元)，相當於減少約6.8%。有關減少主要由於營運資金變動及動用可換股債券投資之已收利息收入約25,000,000港元以向進生分別還款約19,800,000港元及提供股東貸款約4,900,000港元而提供資金之綜合影響所致。

本集團於年內並無銀行借款，惟擁有貿易融資之銀行信貸融資，其乃以本集團之定期存款約21,000,000港元(二零一八年：20,500,000港元)以及本公司與其若干附屬公司提供之公司擔保作抵押。一般而言，本集團之貿易融資需求並無重大季節性波動。



## MANAGEMENT DISCUSSION AND ANALYSIS (Continued) 管理層討論及分析(續)

### FINANCIAL REVIEW (Continued)

#### Liquidity and Financial Resources (Continued)

The Group's total borrowing over total assets ratio as at 31 March 2019 was 0.041 (2018: 0.051), calculated based on the Group's total assets of about HK\$1,196.1 million (2018: HK\$1,216.8 million) and total debts of about HK\$49.6 million (2018: HK\$61.6 million), comprising convertible bonds of about HK\$49.6 million (2018: HK\$41.8 million) and amount due to an associate of HK\$ Nil (2018: HK\$19.8 million).

#### Foreign Exchange Exposure

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

### 財務回顧(續)

#### 流動資金及財務資源(續)

於二零一九年三月三十一日，本集團總借款與總資產之比率為0.041(二零一八年：0.051)，乃按本集團總資產約1,196,100,000港元(二零一八年：1,216,800,000港元)及總債項約49,600,000港元(二零一八年：61,600,000港元)(包括可換股債券約49,600,000港元(二零一八年：41,800,000港元)及應付一間聯營公司款項零港元(二零一八年：19,800,000港元))計算。

#### 外匯風險

除部分採購是以歐元計價外，本集團之業務交易、資產及負債主要以港元、美元及人民幣列值。本集團透過密切監察外幣變動和於適時購買即期外匯以履行付款責任等措施來執行外匯風險管理。本集團於年內並無進行外幣對沖活動，然而，本集團在合適時機將會以金融工具作風險對沖用途。

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued) 管理層討論及分析(續)

### FINANCIAL REVIEW (Continued)

#### Investments in Unlisted Funds

As at 31 March 2019, the Group held a total of 80,000 participating shares (“Relevant Participating Shares”) in KKC Capital SPC, a segregated portfolio company incorporated in the Cayman Islands at aggregate consideration of HK\$80,000,000 (the “Funds”). During the year, the Funds have been reclassified from available-for-sale investments at fair value through other comprehensive income (“FVTOCI”) to financial assets at FVTOCI upon adopting a new accounting standard for financial instruments on 1 April 2018. Due to volatile fluctuations in equity markets resulting from an escalating trade conflict between the US and China and weakening corporates earnings, fair value loss of about HK\$59,047,000 was recognised in FVTOCI reserve. Details of the Funds at 31 March 2019 as held by the Group are set out below:

### 財務回顧(續)

#### 非上市基金投資

於二零一九年三月三十一日，本集團於KKC Capital SPC（一間於開曼群島註冊成立之隔離投資組合公司）共持有80,000股參與股份（「有關參與股份」），總代價為80,000,000港元（「該等基金」）。於年內，該等基金於二零一八年四月一日採納有關金融工具之新訂會計準則時已由分類為按公平值計入之其他全面收益（「按公平值計入其他全面收益」）之可供出售投資重新分類為按公平值計入其他全面收益之金融資產。由於中美貿易戰所導致之股市大幅波動及疲弱企業盈利，已於按公平值計入其他全面收益儲備確認公平值虧損約59,047,000港元。於二零一九年三月三十一日，本集團持有之該等基金詳情載列如下：

Name of unlisted investment	Brief description of the business	Number of units held	Investment cost	Market value	Fair value loss recognised in FVTOCI reserve (附註) 於按公平值計入其他全面收益儲備確認為公平值虧損	Percentage to total assets value of the Group 佔本集團總資產百分比
非上市投資名稱	業務簡介	所持單位數目	投資成本	市值		
KKC Capital High Growth Fund Segregated Portfolio	The investment objective is for long term capital appreciation by investing primarily in listed and unlisted shares, rights and warrants. The investment manager is KKC Capital Limited and its investment advisor is Avia Asset Management Limited, which is licensed by the Securities and Futures Commission of Hong Kong to carry on Type 4 (advising on securities) and Type 9 (asset management) regulated activities 投資目標為透過主要投資於上市及非上市股份、權利及認股權證以取得長期資本增值。投資管理人為KKC Capital Limited，而其投資顧問為輝亞資產管理有限公司（其獲香港證券及期貨事務監察委員會發牌可進行第4類（就證券提供意見）及第9類（提供資產管理）受規管活動）	80,000	80,000	—	80,000	—



## MANAGEMENT DISCUSSION AND ANALYSIS (Continued) 管理層討論及分析(續)

### FINANCIAL REVIEW (Continued)

#### Investments in Unlisted Funds (Continued)

Note: Of this balance, HK\$20,953,000 related to impairment loss recognised in last year's profit or loss and transferred to FVTOCI reserve as a result of adopting the new accounting standard for financial instruments.

In order to mitigate the loss, the Board considers exploring the possibilities of identifying potential investors for acquiring the Relevant Participating Shares subject to the then performance of the Funds and the offer from the potential investors, if any, and in accordance with the requirements of the Listing Rules.

#### Employment and Remuneration Policy

As at 31 March 2019, the Group had 171 employees (2018: 178). Staff costs (including directors' emoluments) for the year ended 31 March 2019 amounted to approximately HK\$23.7 million (2018: approximately HK\$25.8 million), which was mainly due to decrease in headcount at the manufacturing segment.

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

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

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

From the effective date of the Scheme to 31 March 2019, no share option has been granted under the Scheme.

### 財務回顧(續)

#### 非上市基金投資(續)

附註：於該結餘中，由於採納有關金融工具之新訂會計準則，於去年損益內確認有關減值虧損20,953,000港元，並轉撥至按公平值計入其他全面收益儲備。

為減輕虧損，董事會考慮就識別潛在投資者以收購有關參與股份探索可能性，惟視乎該等基金當時之表現及潛在投資者之出價而定(如有)，並遵照上市規則之規定。

#### 僱傭和薪酬政策

於二零一九年三月三十一日，本集團共聘用171名僱員(二零一八年：178名)。截至二零一九年三月三十一日止年度之員工成本(包括董事薪酬)為約23,700,000港元(二零一八年：約25,800,000港元)，主要由於製造分類員工人數減少所致。

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

於二零一二年八月二十四日，本公司股東已批准採納一項購股權計劃(「該計劃」)，於獲得香港聯合交易所有限公司上市委員會批准後，該計劃已於二零一二年八月二十九日生效，除非被另行取消或修訂，否則將自該日起十年內維持有效。

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

自該計劃的生效日期起至二零一九年三月三十一日止，概無根據該計劃授出購股權。

# DIRECTORS AND SENIOR MANAGEMENT PROFILE

## 董事及高層管理人員簡介

### BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

#### Executive Directors

*Dr. Xie Yi Ph.D. (aged 56)*

*Chairman, Chief Executive Officer and Executive Director*

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

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

*Dr. Lou Yi Ph.D. (aged 61)*

*Executive Director*

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

### 董事及高層管理人員簡介

#### 執行董事

*謝毅博士(五十六歲)*

*主席、行政總裁及執行董事*

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

謝博士現為本公司之主席兼行政總裁，負責本集團之策略規劃及發展以及整體管理。彼亦為長春精優藥業股份有限公司(於中國成立並由本公司擁有73%權益之附屬公司)之執行董事及董事長，同時亦擔任本集團旗下若干成員公司之執行董事。

*樓屹博士(六十一歲)*

*執行董事*

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



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

### BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

#### Executive Directors (Continued)

*Mr. Cheng Yong (aged 56)*

##### *Executive Director*

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

*Ms. Wong Sau Kuen (aged 56)*

##### *Executive Director*

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

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

*Mr. Liu Kwok Wah (aged 57)*

##### *Executive Director*

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

### 董事及高層管理人員簡介(續)

#### 執行董事(續)

*程勇先生(五十六歲)*

##### *執行董事*

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

*王秀娟女士(五十六歲)*

##### *執行董事*

王秀娟女士於二零零八年五月加盟本集團擔任董事會助理，並於二零零八年十月獲委任為董事。王女士於工商業領域擁有逾二十年經驗，當中包括中國醫藥市場。王女士具有豐富的商業管理及內部監控經驗。彼目前為本公司之授權代表。

自二零一四年一月八日起，王女士獲委任為本公司聯席公司秘書。

*廖國華先生(五十七歲)*

##### *執行董事*

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

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

### BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

#### Executive Directors (Continued)

*Mr. Lu Zhiqiang (aged 44)*

##### *Executive Director*

Mr. Lu Zhiqiang holds a Master Degree of Business Administration from Central State University of the United States of America, a Bachelor Degree of Engineering and a Bachelor Degree of Industry from Nanchang Hangkong University of the PRC. Mr. Lu attended the program of a Master of Science Degree in International Purchasing & Supply Chain Management organised by Audencia NANTES.Ecole de Management. Mr. Lu is experienced in corporate management and investment. He is currently an executive director and chief executive officer of Hong Kong Life Sciences and Technologies Group Limited (stock code: 8085) whose shares are listed on the GEM of the Stock Exchange. He was a non-executive director of Lamtex Holdings Limited (formerly known as China New Energy Power Group Limited) (stock code: 1041) from 29 October 2014 to 9 July 2015 and an executive director of Global Energy Resources International Group Limited (stock code: 8192) from 28 November 2014 to 2 September 2016, the shares of these two companies are listed on the Main Board and GEM of the Stock Exchange respectively.

#### Independent Non-executive Directors

*Mr. Fang Lin Hu (aged 81)*

##### *Independent Non-executive Director*

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

### 董事及高層管理人員簡介(續)

#### 執行董事(續)

*盧志強先生(四十四歲)*

##### *執行董事*

盧志強先生持有美國中央城大學頒授之工商管理學碩士學位及中國之南昌航空大學頒授之工程學士學位及工業工程學士學位。盧先生曾修讀法國南特歐當斯亞高等商業管理學院舉辦之國際採購及供應鏈管理之理學碩士學位課程。盧先生擁有豐富的企業管理和投資經驗。彼現為香港生命科學技術集團有限公司(股份代號：8085)之執行董事兼行政總裁，該公司股份於聯交所GEM上市。彼自二零一四年十月二十九日至二零一五年七月九日期間擔任林達控股有限公司(前稱中國新能源動力集團有限公司，股份代號：1041)之非執行董事，並自二零一四年十一月二十八日至二零一六年九月二日期間擔任環球能源資源國際集團有限公司(股份代號：8192)之執行董事，該兩家公司的股份分別於聯交所主板及GEM上市。

#### 獨立非執行董事

*方林虎先生(八十一歲)*

##### *獨立非執行董事*

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



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

### BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

#### Independent Non-executive Directors (Continued)

*Mr. Xue Jing Lun (aged 85)*

*Independent Non-executive Director*

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

*Ms. Jin Song (aged 48)*

*Independent Non-executive Director*

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

#### Senior Management

*Dr. Wen Ming (aged 58)*

*Head of Research and Development*

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

### 董事及高層管理人員簡介(續)

#### 獨立非執行董事(續)

*薛京倫先生(八十五歲)*

*獨立非執行董事*

薛京倫先生曾任復旦大學首席教授，兼任國內第二軍醫大學、同濟醫科大學及汕頭大學等校客座教授、中國環境誘變劑學會理事長、國際環境誘變劑學會理事及中國遺傳工程學學會理事等職務。薛先生在二零零七年四月退休。薛先生領導的研究小組在基因治療及轉基因動物研究等領域獲得國際矚目的成就。薛先生多次獲得國家的重大科研獎項，是一位具有國際聲望的遺傳學家。薛先生於二零零一年獲委任為獨立非執行董事。

*金松女士(四十八歲)*

*獨立非執行董事*

金松女士持有山東廣播電視大學工程學專科文憑和復旦大學國際貿易專科文憑，彼亦為中國註冊會計師協會（「中國註冊會計師協會」）會員，並且於二零零一年取得中國註冊會計師協會考試全科合格證。金女士於多個行業會計方面擁有逾二十年之經驗。金女士於二零零四年獲委任為獨立非執行董事。

#### 高層管理人員

*溫明醫生(五十八歲)*

*研究及發展總監*

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

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

### BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

#### Senior Management (Continued)

*Mr. Gong Youlu (aged 50)*

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

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

*Ms. Wu Hong (aged 47)*

*Group Senior Finance Manager*

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

*Mr. Huang Wenda (aged 42)*

*Financial Controller of CEP and JECP*

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

### 董事及高層管理人員簡介(續)

#### 高層管理人員(續)

*龔有祿先生(五十歲)*

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

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

*吳紅女士(四十七歲)*

*集團高級財務經理*

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

*黃文達先生(四十二歲)*

*長春精優及吉林精優財務總監*

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



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### A. CORPORATE GOVERNANCE PRACTICES

#### Corporate Governance

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

In the opinion of the directors, the Company has complied with the code provisions of the Corporate Governance Code and Corporate Governance Report (“Code Provisions”) as set out in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). During the year ended 31 March 2019, the Company had adopted and applied the Code Provisions, except for certain deviations as set out below.

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

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

### A. 企業管治常規

#### 企業管治

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

董事認為，本公司已遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載的企業管治守則及企業管治報告內之守則條文（「守則條文」）。於截至二零一九年三月三十一日止年度，本公司已採納及應用守則條文，惟下列若干偏離者除外。

守則條文第A.1.3及A.7.1條規定，須就每次董事會例會發出十四日通知，且須就例會（及只要所有其他情況切實可行時）適時向全體董事寄發全部議程及相關董事會文件，並至少在計劃舉行董事會或其轄下委員會會議日期的三日前（或其他協定時間內）送出。本公司同意須給予董事充足時間以作出適當決策。就此而言，本公司採用一個更靈活之方法（亦會給予充足時間）召開董事會會議，以確保作出具有效率及快速明智之管理層決策。

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

**A. CORPORATE GOVERNANCE PRACTICES  
(Continued)**

**Corporate Governance (Continued)**

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

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

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

**A. 企業管治常規(續)**

**企業管治(續)**

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

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

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



## CORPORATE GOVERNANCE REPORT (Continued) 企業管治報告(續)

### A. CORPORATE GOVERNANCE PRACTICES (Continued)

#### Corporate Governance (Continued)

Code provision E.1.2 stipulates that the Chairman of the Board should attend the annual general meeting of the Company. Due to other important engagement, Dr. Xie Yi was unable to attend the annual general meeting of the Company held on 24 August 2018. Dr. Lou Yi, an executive director of the Company, was appointed to chair the annual general meeting in accordance with the provisions of the Company's bye-laws, and answered questions from shareholders of the Company.

Code provision E.1.5 stipulates that the Company should have a policy on payment of dividends. The Company has not established a dividend policy as the Company considers it more appropriate to determine a dividend payment after taking into account those factors including the Company's then financial performance, operating and capital requirements and market conditions, to enable the Company be in a better position to cope with its future development, which is to the best interest of the Company and its shareholders as a whole.

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

### B. DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the Company's code of conduct for dealings in securities of the Company by the directors. Based on specific enquiry of the directors, the directors have complied with the required standard set out in the Model Code throughout the year ended 31 March 2019.

### A. 企業管治常規(續)

#### 企業管治(續)

守則條文第E.1.2條規定，董事會主席應出席本公司股東週年大會。由於其他重要事務在身，謝毅博士未能出席本公司於二零一八年八月二十四日舉行之股東週年大會。根據本公司之公司細則條文，本公司執行董事樓屹博士已獲委任主持股東週年大會並回答本公司股東之提問。

守則條文第E.1.5條規定，本公司應設立派付股息的政策。本公司並無設立股息政策，原因為本公司認為經計及本公司當時的財務表現、營運及資本需求及市況的因素釐定股息支付更為合適，以使本公司處於更有利之地位，應對其未來發展，此舉符合本公司及其股東之整體利益。

本公司將繼續審閱及監控上述情況，如情況需要，將會對有關常規作出改善。

### B. 董事進行之證券交易

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易的標準守則(「標準守則」)作為本公司董事買賣本公司證券之操守守則。經向董事作出特定查詢後，董事於截至二零一九年三月三十一日止年度內均一直遵照標準守則所載之規定準則。

## C. BOARD OF DIRECTORS

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

### Executive Directors

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

### Independent Non-executive Directors

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

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

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

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

## C. 董事會

於本年報刊發日期，董事會（「董事會」）由六名執行董事及三名獨立非執董組成，成員如下：

### 執行董事

謝毅博士（主席及行政總裁）  
樓屹博士  
程勇先生  
王秀娟女士  
廖國華先生  
盧志強先生

### 獨立非執行董事

方林虎先生  
薛京倫先生  
金松女士

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

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

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



## CORPORATE GOVERNANCE REPORT (Continued) 企業管治報告(續)

### C. BOARD OF DIRECTORS (Continued)

During the year ended 31 March 2019, five Board meetings and an annual general meeting of the Company were held, and the attendance records of each director at the respective meetings are set out in the table below:

Name of Director	董事姓名	Number of attendance 出席次數	
		Board Meeting 董事會會議	General Meeting 股東大會
Dr. Xie Yi	謝毅博士	5/5	0/1
Dr. Lou Yi	樓屹博士	5/5	1/1
Mr. Cheng Yong	程勇先生	5/5	1/1
Ms. Wong Sau Kuen	王秀娟女士	5/5	1/1
Mr. Liu Kwok Wah	廖國華先生	5/5	1/1
Mr. Lu Zhiqiang	盧志強先生	4/5	0/1
Mr. Fang Lin Hu	方林虎先生	5/5	1/1
Mr. Xue Jing Lun	薛京倫先生	5/5	1/1
Ms. Jin Song	金松女士	5/5	1/1

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

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

### C. 董事會(續)

截至二零一九年三月三十一日止年度，本公司曾舉行五次董事會會議及一次股東週年大會，而各董事於相關會議之出席率載列於下表：

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

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

## D. CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

## E. NON-EXECUTIVE DIRECTORS

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

The function of the INEDs includes but not limited to participating in Board meetings and meetings of committees to bring an independent judgement to bear on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct.

The Board has established three committees; namely Nomination Committee, Remuneration Committee and Audit Committee. Each committee comprising of all INEDs is responsible for, inter alia, the review and oversight of the activities within its defined terms of reference. The written terms of reference for the respective committees are available on the websites of the Stock Exchange and the Company.

## D. 主席及行政總裁

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

## E. 非執行董事

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

獨立非執董之職責包括但不限於參加董事會會議及委員會會議，以就有關策略、政策、表現、問責性、資源、主要委任及操守準則等事宜作出獨立判斷。

董事會已設立三個委員會，即提名委員會、薪酬委員會及審核委員會。各委員會由全體獨立非執董組成，負責(其中包括)審閱及監管其指定職權範圍內的活動。各委員會的書面職權範圍可於聯交所及本公司網站查閱。



## **F. NOMINATION COMMITTEE**

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

The major role and function of the Nomination Committee are to formulate and implement the policy for nominating candidates for consideration by the Board and election by shareholders, review the structure, size and composition of the Board with due regard to Board diversity, and to assess the independence of non-executive directors.

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

The Nomination Committee has adopted a nomination policy guiding the nomination criteria and procedures to identify, select and recommend candidates for directorship.

The Nomination Committee shall consider a number of nomination criteria in assessing the suitability of a proposed candidate for directorship or proposed re-appointment of a retiring director, including but not limited to: the skills, knowledge and experience possessed by the candidate or retiring director which are relevant to the Company's business, corporate development and strategy; the diversity perspectives set out in the Board Diversity Policy and the balance of skills and experience in board composition; the level of independence from the Company and compliance of the relevant requirements under the Listing Rules; and such other factors the Nomination Committee may consider relevant to enhancement of the effectiveness of the Board.

## **F. 提名委員會**

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

提名委員會的主要角色及功能是制定及實施有關提名人選之政策，以供董事參考及股東選任，及適當考慮董事會的多元化以檢討董事會的架構、人數、組成，以及評核非執行董事之獨立性。

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

提名委員會已採納提名政策，作為提名標準及程序的指引，以識別、挑選及建議董事人選。

提名委員會於評估人選擔任董事職務或重新委任退任董事是否適合時，須考慮若干提名標準，包括但不限於：人選或退任董事所擁有與本公司業務、企業發展及戰略相關之技能、知識及經驗；董事會多元化政策中載列之多元化觀點以及董事會組成之技能及經驗之平衡；在多大程度上獨立於本公司及是否符合上市規則之相關規定；以及提名委員會可能認為與提高董事會效率有關之其他因素。

## F. NOMINATION COMMITTEE (Continued)

Subject to the provisions in the Company's bye-laws, where the Nomination Committee determines that an additional director or a replacement director is required, it may take appropriate steps in connection with the identification and evaluation of a suitable candidate for directorship. The Nomination Committee may deploy channels including referral from directors, advisers of the Company and external executive search firms in the identification process, evaluate a candidate based on the nomination criteria stated above, and make recommendation for the Board's consideration and approval.

For re-appointment of a retiring director, the Nomination Committee reviews his/her service to the Company, the level of participation on the Board during his/her term, and after taking into account the nomination criteria, recommends to the Board for proposed re-appointment of the retiring director who wishes to stand for re-election at the Company's general meeting.

The Nomination Committee may also propose to the Board a candidate recommended or offered for nomination by a shareholder of the Company as a nominee for election to the Board, if it evaluates that the candidate meets the nomination criteria. The procedures for shareholders to propose a person for election as a director are published in the Company's website.

The Board has the ultimate responsibility for selection and appointment of directors. On accepting the recommendation made by the Nomination Committee, the Board may (as the case may be) appoint the candidate as director to fill a casual vacancy or as an addition to the Board and recommend the candidate to shareholders for election or re-election (for a retiring director) at the general meeting.

The Nomination Committee held a meeting during the year ended 31 March 2019, and all members had attended the meeting to review the structure, size and composition including Board diversity, of the Board; consider and make recommendations to the Board on the re-appointment of retiring directors; and assess the independence of INEDs.

## F. 提名委員會(續)

根據本公司之公司細則，倘提名委員會決定需要一名新增或替補董事，則可就有關物色及評估合適人選採取適當措施。提名委員會可在物色人選過程中部署渠道，包括董事、本公司顧問及外部獵頭公司之推薦，根據上述提名標準評估人選，並建議人選供董事會考慮及批准。

就重新委任退任董事而言，提名委員會會審閱彼對本公司之服務、彼於任期內在董事會之參與程度，並經計及提名標準後，向董事會建議有意於本公司股東大會上重選連任的退任董事。

若提名委員會評估由本公司股東所推薦或提名之人選符合提名標準，則可將該人選向董事會建議，作為被提名人供董事會選任。股東提名人選參選董事的程序刊登於本公司網站。

甄選及委任董事的最終責任由董事會承擔。在接納提名委員會作出之建議時，董事會可(視情況而定)委任該人選擔任董事以填補臨時空缺或作為增補董事，並向股東推薦該人選以於股東大會上進行選任或重選(就退任董事而言)。

提名委員會於截至二零一九年三月三十一日止年度曾舉行一次會議，全體成員均已出席該會議以檢討董事會之架構、人數及組成(包括董事會多元化)；考慮及建議董事會重新委任退任董事；及評核獨立非執董之獨立性。



## CORPORATE GOVERNANCE REPORT (Continued) 企業管治報告(續)

### G. REMUNERATION COMMITTEE

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

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

During the year ended 31 March 2019, three meetings were held and attendance of each director is set out as follows:

Name of Director	董事姓名	Number of attendance 出席次數
Mr. Fang Lin Hu	方林虎先生	3/3
Mr. Xue Jing Lun	薛京倫先生	3/3
Ms. Jin Song	金松女士	3/3
Dr. Xie Yi	謝毅博士	3/3

The emoluments of the directors are reviewed and recommended by the Remuneration Committee and/or decided by the Board as authorised by the shareholders at the annual general meeting according to the directors' respective responsibilities, individual performance and prevailing market conditions. The Company has also adopted a share option scheme as an incentive to the directors and the senior management. The Remuneration Committee conducts regular review of the Company's remuneration policy and structure of the directors and senior management which takes into account the prevailing market conditions and the role and responsibility of individual members, for making recommendation to the Board. During the year ended 31 March 2019, the Remuneration Committee reviewed and approved the remuneration packages (including directors' fees) of the directors and made recommendation to the Board for considerations and approval.

### G. 薪酬委員會

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

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

截至二零一九年三月三十一日止年度，曾舉行三次會議，各董事之出席率載列如下：

根據董事各自的責任、個別表現及當時市況，董事薪酬由薪酬委員會檢討及建議及／或由董事會經股東於股東週年大會上之授權而作出決定。本公司亦已採納購股權計劃作為對董事及高層管理人員之鼓勵。薪酬委員會會因應當時市況及個別成員之角色及職責，定期審閱本公司就董事及高層管理人員採納的薪酬政策以及架構，向董事會作出建議。截至二零一九年三月三十一日止年度，薪酬委員會已審閱及批准董事薪酬待遇(包括董事袍金)，並向董事會提供建議以供考慮及批准。

## G. REMUNERATION COMMITTEE (Continued)

Directors' emoluments and the five highest paid individuals for the year ended 31 March 2019 are disclosed in notes 10 and 11 respectively to the consolidated financial statements. Emoluments of senior management whose profiles are disclosed in the section "Directors and Senior Management Profile" but not included in the note as the five highest paid individuals, fell within the following band:

## G. 薪酬委員會(續)

截至二零一九年三月三十一日止年度之董事酬金及五位最高薪酬人士分別於綜合財務報表附註10及11內披露。高層管理人員(其履歷披露於「董事及高層管理人員簡介」一節,但不包括於附註內作為五位最高薪酬人士)之酬金屬於下列範圍:

		Number of individuals 人數	
		2019 二零一九年	2018 二零一八年
Emolument band HK\$ Nil to HK\$1,000,000	酬金範圍 零港元至1,000,000港元	3	3

## H. AUDIT COMMITTEE

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

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

## H. 審核委員會

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

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



## CORPORATE GOVERNANCE REPORT (Continued) 企業管治報告(續)

### H. AUDIT COMMITTEE (Continued)

The current members of the Audit Committee are Mr. Fang Lin Hu (Chairman), Mr. Xue Jing Lun and Ms. Jin Song. During the year ended 31 March 2019, four meetings were held and attendance of each director is set out as follows:

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

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

### I. AUDITOR'S REMUNERATION

The remuneration paid/payable to the Company's auditor, Elite Partners CPA Limited in respect of audit services for the year ended 31 March 2019 amounted to HK\$700,000.

### H. 審核委員會(續)

審核委員會之現有成員為方林虎先生(主席)、薛京倫先生及金松女士。截至二零一九年三月三十一日止年度，曾舉行四次會議，各董事之出席率載列如下：

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

### I. 核數師酬金

截至二零一九年三月三十一日止年度，就審核服務已付/應付本公司核數師開元信德會計師事務所有限公司之酬金為700,000港元。

## J. FINANCIAL REPORTING

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

A statement by the auditor of the Company about their reporting responsibilities is set out in the “Independent Auditor’s Report” on pages 72 to 79 of this annual report.

## K. RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for overseeing on an ongoing basis and ensuring that sound and effective risk management and internal control systems are maintained within the Group in order to safeguard the Group’s assets and the interests of the Company’s shareholders. These systems are designed under the framework of a defined management structure with specified limits of authority and control responsibilities to manage rather than to eliminate the risk of failure to achieve business objectives and help to provide reasonable assurance against material misstatement or loss.

The Audit Committee is delegated with authorities to assist the Board to fulfill its oversight role over the systems by reviewing and evaluating on a regular basis the effectiveness and adequacy of the Company’s financial controls, risk management and internal control systems (the “Systems”). During the year ended 31 March 2019, the Audit Committee, after taking into consideration the size of the Group’s activities and operations, had adopted a risk-based approach in identifying the scope for review for its business units. The review was conducted by the Group’s risk management and internal audit function independent of the business unit, which covered appraisal of the Systems by conducting physical counts of assets, walkthroughs and tests on operating procedures. Audit findings and recommendations were reported to the Audit Committee and the senior management. The Audit Committee and the Board satisfied the result of the review and concluded that the key areas of the Systems are reasonably and adequately implemented to their satisfaction.

## J. 財務報告

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

本公司核數師就其報告責任所作聲明載於本年報第72至79頁之「獨立核數師報告」。

## K. 風險管理及內部監控

董事會負責持續監督及確保於本集團內維持一個健全且有效之風險管理及內部監控制度，以保障本集團之資產及本公司股東之利益。該等制度乃於界定管理架構框架下設計，具備特定的職權範圍及監控職責，旨在管理而非消除未能實現業務目標的風險並協助提供針對重大錯誤闡述或缺失的合理保證。

審核委員會獲授權力透過定期審閱及評估本公司之財務監控、風險管理及內部監控制度（「該等制度」）是否有效及足夠以協助董事會履行其對該等制度之監管角色。截至二零一九年三月三十一日止年度，經考慮本集團業務及營運之規模後，審核委員會已採納風險管理方法，以確定其業務單位的審閱範疇。有關審閱乃由本集團獨立於業務單位的風險管理及內部審核職能進行，其中涵蓋透過實際清點資產、對經營流程進行的走查及測試評估該等制度。審核發現及推薦建議向審核委員會及高層管理人員匯報。審核委員會及董事會信納審閱結果，並總結該等制度的主要領域獲合理及充分執行。



## CORPORATE GOVERNANCE REPORT (Continued) 企業管治報告(續)

### K. RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

With respect to handling and dissemination of inside information (the “Information”), the Group is aware of its obligations under the Listing Rules, the Securities and Futures Ordinance and the guiding principle that when the Information comes to the Group’s attention it should be properly disclosed as soon as practicable. In this regard, the Group has adopted an inside information disclosure policy (the “Policy”) in 2013 with the aim of preventing the disclosure of premature Information and ensuring shareholders and the public are provided with full, accurate and timely Information about the activities, performance and financial condition of the Group. The Policy covers the procedures as to (i) maintain the confidentiality of Information, such as identification of project by using code name, dissemination on a need-to-know basis and (ii) identify, assess and monitor the dissemination of Information. The Audit Committee and the Board consider that the procedures are effective in discharging the Group’s obligations in respect of the Information.

### L. DIRECTORS’ CONTINUOUS TRAINING AND DEVELOPMENT

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

### K. 風險管理及內部監控(續)

就處理及發佈內幕消息(「該等資料」)而言，本集團知悉其於上市規則、證券及期貨條例及指引原則項下的責任，即倘本集團知悉該等資料，應在實際可行情況下儘快妥為披露該等資料。就此而言，本集團已於二零一三年採納內幕消息披露政策(「該政策」)，旨在防止該等資料遭提前披露及確保股東及公眾就本集團活動、表現及財務狀況獲提供完整、準確和及時的該等資料。該政策涵蓋有關以下各項的程序：(i)保持該等資料保密，如使用代號識別項目、按須知基準發佈；及(ii)識別、評估及監察該等資料分發。審核委員會及董事會認為該等程序在本集團履行有關該等資料的責任方面屬有效。

### L. 董事的持續培訓及發展

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

## L. DIRECTORS' CONTINUOUS TRAINING AND DEVELOPMENT (Continued)

During the year ended 31 March 2019, the directors were briefed and updated with written materials on the latest development regarding the Listing Rules and other applicable legal and regulatory requirements from time to time, to ensure compliance and enhance their awareness of good corporate governance practices. In addition, the Company had organised an in-house training seminar for the directors, which was conducted by qualified professional covering topics of updates on the Listing Rules and Corporate Governance Code with training materials provided. Directors are also encouraged to attend outside seminars and talks organised by professional bodies to enrich their knowledge in discharging their duties as a director. All directors have participated in continuous professional development by attending training courses and/or referring materials on the topics related to corporate governance and regulations:

### Executive Directors

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

## L. 董事的持續培訓及發展(續)

截至二零一九年三月三十一日止年度，董事獲得有關上市規則及其他不時適用的法律及監管規定最新發展的簡報及最新書面資料，以確保彼等遵守企業管治常規及增加對良好企業管治常規的認識。此外，本公司亦為董事舉辦內部培訓研討會，該研討會由合資格專業人士進行，內容涵蓋上市規則及企業管治守則之最新資料，並向參加者提供培訓材料。本公司亦鼓勵董事參加由專業組織舉辦的外界研討會及講座，以增加彼等在履行董事職務方面的知識。所有董事已透過參加培訓課程及／或參考有關企業管治及法規的資料進行持續的專業進修：

### 執行董事

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



## CORPORATE GOVERNANCE REPORT (Continued) 企業管治報告(續)

### L. DIRECTORS' CONTINUOUS TRAINING AND DEVELOPMENT (Continued)

#### Independent Non-executive Directors

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

### M. JOINT COMPANY SECRETARIES

Mr. Liu Kwok Wah and Ms. Wong Sau Kuen are joint company secretaries of the Company and each has taken no less than 15 hours of relevant professional training during the year ended 31 March 2019.

### N. COMMUNICATION WITH SHAREHOLDERS

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

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

### L. 董事的持續培訓及發展(續)

#### 獨立非執行董事

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

### M. 聯席公司秘書

廖國華先生及王秀娟女士為本公司聯席公司秘書，各自於截至二零一九年三月三十一日止年度已參與不少於15小時的相關專業培訓。

### N. 與股東之溝通

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

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

## N. COMMUNICATION WITH SHAREHOLDERS (Continued)

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

## O. SHAREHOLDERS' RIGHTS

### Convening a Special General Meeting

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

### Putting forward Proposals at General Meetings

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

## N. 與股東之溝通(續)

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

## O. 股東權利

### 召開股東特別大會

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

### 於股東大會上提呈決議案

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



## CORPORATE GOVERNANCE REPORT (Continued) 企業管治報告(續)

### O. SHAREHOLDERS' RIGHTS (Continued)

#### Putting forward Proposals at General Meetings (Continued)

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

#### Enquiries to the Board

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

### P. CONSTITUTIONAL DOCUMENTS

There were no changes in the Company's constitutional documents during the year ended 31 March 2019.

### O. 股東權利(續)

#### 於股東大會上提呈決議案(續)

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

#### 向董事會提交查詢

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

### P. 組織章程文件

截至二零一九年三月三十一日止年度，本公司之組織章程文件概無任何變動。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### 1. INTRODUCTION

As a member of the global business community, the Group recognises the importance of sustainable development. This Environmental, Social and Governance (“ESG”) Report, covering the period from 1 April 2018 to 31 March 2019 (the “Period”), has been prepared in accordance with the “Environmental, Social and Governance Reporting Guide” under Appendix 27 of the Listing Rules. The Group observes the principles of materiality, quantitative, balance and consistency, and therefore focuses on reporting the practices and various works in environmental and social aspects of the Group’s major lines of business in manufacturing and trading activities as well as the operations of its Hong Kong headquarters. The selected Key Performance Indicators are summarised under Section 6 of this report. With respect to governance, it is separately reported on pages 26 to 42.

The Board is responsible for the ESG strategy, and is committed to conducting regular review and evaluation of the Group’s ESG-related policies and risks so as to ensure that appropriate and effective ESG risk management and internal control systems (the “Systems”) are in place. Senior management and departmental staff of relevant operations have been engaged to identify the relevant ESG issues and to assess their materiality to the Group’s business as well as to its stakeholders. As the Group’s manufacturing activities in Changchun, China involve production process, which will have a material ESG impact, an “Environmental Protection, Occupational Health and Safety Management Committee” (the “Committee”) has been formed to lead the management of environmental protection as well as to foster a safe and healthy work environment. The Committee includes staff members who are professionally qualified with relevant permits recognised by the Chinese authorities to administrate and monitor the works. The Committee will report to the Board on material ESG issues on annual basis. For trading segment and Hong Kong headquarters, which are generally office’s operations and will have a limited ESG impact, staff members of various departments are engaged to implement the sustainable policies and practices adopted by the Group. The Group’s risk management and internal audit function will conduct regular review on the effectiveness of the Systems and report the findings to the Board.

### 1. 緒言

作為全球商業界的一員，本集團認同可持續發展的重要性。本環境、社會及管治（「環境、社會及管治」）報告涵蓋二零一八年四月一日至二零一九年三月三十一日期間（「本期間」），乃根據上市規則附錄二十七項下的「環境、社會及管治報告指引」編製。本集團遵守重要性、量化、平衡及一致性原則，因而專注於報告本集團主要的製造及貿易活動業務領域以及香港總部營運在環境及社會方面的常規及各項工作。本報告第6部分概述了部分關鍵績效指標。相關管治則單獨呈報於第26頁至第42頁。

董事會負責制定環境、社會及管治策略，並承諾定期審查及評估本集團環境、社會及管治相關的政策及風險，以確保落實適當且有效的環境、社會及管治風險管理及內部監控制度（「該等制度」）。有關業務的高層管理人員及部門員工已參與識別相關環境、社會及管治問題及評估該等問題對本集團業務及其利益相關者的重要性。由於本集團於中國長春之生產活動涉及將對環境、社會及管治產生重大影響的生產過程，本集團已成立「環境保護、職業健康及安全管理委員會」（「委員會」）以領導環境保護管理以及營造安全及健康的工作環境。委員會包括員工成員，彼等具備專業資格並具有獲中國相關部門認可的許可以管理及監察有關工作。委員會將每年向董事會報告重大環境、社會及管治問題。貿易分類及香港總部一般進行辦公室業務，產生的環境、社會及管治影響有限，各部門的員工參與實施本集團採取的可持續政策及措施。本集團的風險管理及內部審核職能將定期審閱該等制度的有效性並向董事會報告調查結果。



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

## 環境、社會及管治報告(續)

### 1. INTRODUCTION (Continued)

The Group values opinions from stakeholders including shareholders, staff members, business partners, governments and the communities, and is committed to building constructive relationships with stakeholders through different communication channels including annual general meetings, the Company's website, annual reports, industry forums, meetings and corporate social responsibility activities with a view to achieving its objectives towards sustainable growth. Stakeholders could send their comments on this ESG Report to the head office of the Company by post, fax or email as detailed in the Company's website [www.extrawell.com.hk](http://www.extrawell.com.hk).

### 2. ENVIRONMENTAL ASPECTS

#### 2.1 Emissions

It is the Group's policy for each business segment or operation to manage the environmental impacts of emissions caused by its activities and comply with the applicable environmental laws, prevention and control regulations in which it operates. During the Period, the Group did not breach the related emissions laws and regulations.

### 1. 緒言(續)

本集團重視利益相關者(包括股東、員工、業務合作夥伴、政府及社區)發表的意見，並致力於透過不同溝通渠道(包括股東週年大會、本公司網站、年度報告、行業論壇、會議及企業社會責任活動)與利益相關者建立良好關係，以期實現其可持續增長目標。利益相關者可通過郵寄、傳真或電郵方式(詳情見本公司網站([www.extrawell.com.hk](http://www.extrawell.com.hk)))向本公司總辦事處提交彼等對本環境、社會及管治報告的意見。

### 2. 環境層面

#### 2.1 排放

本集團各業務分類或營運的政策為管理因其活動產生的排放對環境的影響並遵守其經營所在地區的適用環境法律、預防及監控法規。於本期間內，本集團並未違反相關排放法律及法規。

## 2. ENVIRONMENTAL ASPECTS (Continued)

### 2.1 Emissions (Continued)

Emissions arising from production activities of the Group's manufacturing segment include air pollutants, greenhouse gas ("GHG"), water and solid wastes. The Group's trading activities and the Hong Kong headquarters have insignificant emissions of air pollutants, water and solid wastes but GHG emissions. In this report, GHG is categorised into three scopes as below:

- (i) Scope 1 refers to direct emissions from sources that are owned or controlled by the operations. Examples include coal and natural gas combusted for boilers, fuels used by owned vehicles.
- (ii) Scope 2 refers to indirect emissions from consumption of purchased electricity, steam or other sources of energy.
- (iii) Scope 3 refers to indirect emissions from other activities that are consequences of the operations but are not directly owned or controlled. Examples include business travel, third-party distribution and logistics.

2.1.1 GHG emissions arising from the Group's trading activities and the Hong Kong headquarters mainly relate to indirect emissions of purchased electricity under Scope 2 and third-party distribution and logistics as well as business travels under Scope 3. During the Period, the respective Scope 2 and Scope 3 carbon dioxide ("CO<sub>2</sub>") emissions amounted to a total of about 20 tonnes and 125 tonnes respectively.

## 2. 環境層面(續)

### 2.1 排放(續)

本集團製造分類的生產活動產生的排放物包括空氣污染物、溫室氣體(「溫室氣體」)、水及固體廢棄物。本集團的貿易活動及香港總部產生的空氣污染物、水及固體廢棄物排放微乎其微，而溫室氣體排放則較多。在本報告中，溫室氣體分為以下三個範圍：

- (i) 範圍1 指來自業務擁有或控制的來源的直接排放。例子包括鍋爐燃燒的煤炭及天然氣、自有汽車使用的燃料等。
- (ii) 範圍2 指來自消耗所購電力、蒸汽或其他能量來源的間接排放。
- (iii) 範圍3 指因來自非直接擁有或控制業務產生的其他活動的間接排放。例子包括商務旅行、第三方分銷及物流等。

2.1.1 本集團貿易活動及香港總部產生的溫室氣體排放主要與範圍2所購電力及範圍3第三方分銷及物流以及商務旅行的間接排放有關。於本期間內，範圍2及範圍3各自產生的二氧化碳(「二氧化碳」)排放總量分別約為20噸及125噸。



## 2. ENVIRONMENTAL ASPECTS (Continued)

### 2.1 Emissions (Continued)

2.1.2 As to the manufacturing segment with a GMP factory in Changchun, China (or the “PRC”), the Committee is responsible for implementing policies and monitoring the factory’s performance so as to ensure its strict compliance of the production with the environmental requirements under the GMP standards and the relevant environmental laws and regulations of the PRC such as the Environmental Protection Law (《環境保護法》), the Water Pollution Prevention and Control Law (《水污染防治法》) and Prevention and Control of Air Pollution Law (《大氣污染防治法》). During the Period, the factory handled its major emissions in the following manner:

(a) *Waste gas emission management*

The major source of waste gas emission comes from coal and natural gas combusted for boilers. Air pollutants mainly include sulfur oxide (“SOx”), nitrogen oxide (“NOx”), and particle material (“PM”). In the Period, SOx, NOx, and PM emissions amounted to about 3,947 kgs, 5,752 kgs and 274 kgs respectively. Though in compliance with the environmental emission standards, in pursuit of improvement, the factory had replaced coal-fired boilers with natural gas boilers at the end of 2018. And the factory has installed a desulfurisation tower to ensure levels of emission are in compliance with the standards. The tower is functioning well and levels of emission are significantly lower than the lower limit of the national emission requirements.

CO<sub>2</sub> emissions arising from coal-fired boilers, natural gas boilers, fuels for daily operations of vehicles (Scope 1), purchased electricity (Scope 2) and business travels (Scope 3) amounted to about 3,261 tonnes, 1,659 tonnes and 8 tonnes respectively.

## 2. 環境層面(續)

### 2.1 排放(續)

2.1.2 至於中國長春一間GMP工廠的製造分類，委員會負責實施有關政策及監控工廠的履行情況，以確保其生產嚴格遵守GMP準則以及中國相關環境法律及法規（如《環境保護法》、《水污染防治法》及《大氣污染防治法》）項下的環保規定。於本期間內，該工廠乃按以下方式處理其主要排放物：

(a) *廢氣排放管理*

廢氣排放的主要來源為鍋爐燃燒的煤炭及天然氣。空氣污染物主要包括硫氧化物（「硫氧化物」）、氮氧化物（「氮氧化物」）及顆粒物（「顆粒物」）。本期間內，硫氧化物、氮氧化物及顆粒物的排放量分別約為3,947千克、5,752千克及274千克。儘管工廠已符合環境排放標準，但務求作出改善，工廠已於二零一八年年底用天然氣鍋爐代替燃煤鍋爐。而工廠已安裝脫硫塔，以確保排放水平符合標準。該塔運行良好，排放水平遠低於國家排放要求的下限。

燃煤鍋爐、天然氣鍋爐、汽車日常使用所用燃料（範圍1）、所購電力（範圍2）及商務旅行（範圍3）產生的二氧化碳排放量分別約為3,261噸、1,659噸及8噸。

## 2. ENVIRONMENTAL ASPECTS (Continued)

### 2.1 Emissions (Continued)

#### 2.1.2 (Continued)

##### (b) *Wastewater management*

The factory has built its own waste water treatment facilities with daily capacity of 400 tonnes to treat the wastewater from its production processes before discharge, and about 40,000 tonnes of effluents were treated and discharged in the Period. To monitor and control the discharge, the factory has worked jointly with local environmental monitoring stations, and an on-line monitoring system has been installed at the end of 2018 to test and collect data on the quality of effluent. In addition, the factory has commissioned a third-party inspection unit to conduct regular surveillance on effluent discharge standards in order to ensure timely detection of its abnormality and implementation of corrective measures when in exceedances.

##### (c) *Solid waste management*

The storages and disposals of hazardous and non-hazardous wastes are handled in accordance with the requirements of relevant rules and regulations. During the Period, about 97 kgs hazardous wastes generated from the production process were disposed of with waste management services provided by contractors as designated by Jilin Province Environmental Protection Office. The non-hazardous wastes of about 155 tonnes were disposed of through wastes collection services provided by the local authorities.

## 2. 環境層面(續)

### 2.1 排放(續)

#### 2.1.2 (續)

##### (b) *廢水管理*

工廠已建立自身日處理量為400噸的廢水處理設施以於排放前處理其生產過程產生的廢水，而於本期間內，約有40,000噸廢水經處理及排放。為監察及監控有關排放，工廠已與當地的環境監察站合作，並已於二零一八年年底安裝在線監測系統，以測試及收集污水的質量。此外，工廠委聘了第三方檢測單位，定期監測污水排放標準，以確保及時探測到異常情況，並於污水排放過量時採取糾正措施。

##### (c) *固體廢棄物管理*

有害及無害廢棄物乃根據相關規則及法規的規定儲存及處理。於本期間內，生產過程產生之約97千克有害廢棄物已由吉林省環保廳指定的承包商提供的廢棄物管理服務進行處理。約155噸無害廢棄物已通過地方當局提供的廢棄物收集服務進行處理。



## **2. ENVIRONMENTAL ASPECTS (Continued)**

### **2.2 Use of Resources**

It is the Group's policy to encourage all staff to be environmentally friendly at work to reduce the consumption of paper, water and electricity and effective use of the resources. Measures being implemented include double-sided printing and copying, disseminating information in digital format, waste paper recycling, turning off power consuming devices when not in use.

2.2.1 The major resources used by the Group's trading activities and Hong Kong headquarters are electricity, and paper (including own offices use and bulk printing of reports and circulars distributed to the Company's shareholders through printing firms). In the Period, the electricity consumption was in aggregate of about 25,000 kWhs (2018: 32,000 kWhs), and paper used was kept at a similar level as last year, in aggregate of about 1.6 tonnes (2018: 1.6 tonnes). With respect to the paper usage, about 1.4 tonnes (2018: 1.4 tonnes) were used for the Group's documents copying and annual and interim reports using FSC certified paper.

The Group has been making its best efforts to reduce paper usage by distributing office files in digital format, reusing single-sided paper, and collecting double-sided printed paper for recycler's handling. The Group also adopts the practice of green procurement that eco-friendly paper is selected for office use and bulk printing of reports.

## **2. 環境層面(續)**

### **2.2 資源使用**

本集團的政策為鼓勵全體員工在工作中保護環境以減少紙張、水及電力的消耗並高效使用資源。所實行的措施包括雙面打印及影印、以數碼形式傳播資料、回收廢紙、於不使用時關閉用電設備。

2.2.1 本集團的貿易活動及香港總部使用的主要資源為電力及紙張(包括辦公室自用及透過印刷公司大量印刷向本公司股東分發之報告及通函)。於本期間內，耗電量合計約25,000千瓦時(二零一八年：32,000千瓦時)，而用紙量與去年的水平相若，合計約1.6噸(二零一八年：1.6噸)。至於紙張使用情況，本集團的文件複印及年報及中期報告所使用FSC認證紙約1.4噸(二零一八年：1.4噸)。

本集團一直在盡其最大努力來減少紙張使用，方法為分發數碼格式的辦公文件、重用單面紙及收集雙面印刷紙供回收站處理。本集團亦採用綠色採購做法，選擇環保紙用於辦公室使用及批量印刷報告。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued) 環境、社會及管治報告(續)

## 2. ENVIRONMENTAL ASPECTS (Continued)

### 2.2 Use of Resources (Continued)

2.2.2 The Group's manufacturing activities consume mainly water, electricity, coal, natural gas, fuel for vehicles and packing material used for finished products. Paper consumption in its daily operations amounted to about 25 tonnes relates to paper used during the processes of procurement, invoicing, production, quality assurance, marketing and administration, of which the consumption in various departments is being monitored by the management, where management aims to reduce paper consumption within internal departments by better utilisation of the electronic network and digitalisation of files and would select eco-friendly paper products as far as practicable in the paper procurement process.

The major resources consumed in the Period are set out as below:

## 2. 環境層面(續)

### 2.2 資源使用(續)

2.2.2 本集團的生產活動主要消耗水、電力、煤炭、天然氣、汽車燃料及製成品所用的包裝物料。其日常業務的紙張消耗(約25噸)涉及採購、開具發票、生產、質量控制、商務及管理過程中所使用的紙張，管理層正監控各部門的紙張消耗情況，以期透過更好地利用電子網絡及數碼化文件等方式來減少內部部門的紙張消耗，並在紙張採購過程中盡可能選擇環保紙製品。

本期間所消耗的主要資源載列如下：

Type of resources consumed	所消耗資源類型	Amount 數量	Intensity* 密度*
1. Water (tonne)	水(噸)	55,000	0.73
2. Electricity (KWh)	電力(千瓦時)	2,100,000	27.7
3. Coal (tonne)	煤炭(噸)	1,000	0.013
4. Natural gas (m <sup>3</sup> )	天然氣(立方米)	150,000	1.98
5. Fuel for vehicles (liter)	汽車燃料(升)	17,000	0.22
6. Packing material (tonne)	包裝物料(噸)	760	0.01

\* Amount generated per HK\$'000 of revenue.

\* 每千港元收入所產生的數量。



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued) 環境、社會及管治報告(續)

### 2. ENVIRONMENTAL ASPECTS (Continued)

#### 2.2 Use of Resources (Continued)

##### 2.2.2 (Continued)

It is the Group's policy to ensure effective and efficient use of resources in the production process with the aim of minimising wastes and reducing consumption of the resources.

As water is a key element of the products and production process, water supplies are provided by the municipally owned water supply company, which will ensure relatively stable and adequate water supplies. During the Period, there was no reported difficulties or issues arising from water supplies. Management has recognised the importance of water conservation, and therefore has closely monitored the operation with the aim of identifying means and ways in saving and reusing water; including setting clear instructions for better water used (time, volume and frequency) in the production process, more frequent inspection to reduce leakage in water supplies, and enhance employees' consciousness of water conservation in operation process training.

As to other resources, measures being implemented include avoiding procurement of high-energy consumption materials, regular monitoring performance of the production equipment, upgrading and phasing out non eco-friendly machines to raise the utilisation of energy and resources. During the Period, 7 sets of water pumps that comply with new energy conservation standards were installed to replace 14 sets of pumps with high power consumption. Packing materials primarily comprise paper, glasses and plastics used for the Group's finished products. As a good practice, the Group endeavors to select eco-friendly materials in the procurement process, and minimise wastes by managing purchase quantities.

### 2. 環境層面(續)

#### 2.2 資源使用(續)

##### 2.2.2 (續)

本集團的政策為在生產過程中確保資源的高效使用，以盡量減少廢棄物及降低資源消耗。

由於水是產品和生產過程的關鍵要素，供水由市政供水公司提供，這將確保相對穩定和充足的供水。在本期間，沒有報告供水造成的困難或問題。管理層已認識到節約用水的重要性，因此密切監測該行動，目的是識別節約和再利用水的工具和方法；包括在生產過程中設定明確的用水(時間、數量和次數)，更頻繁的檢查，以減少供水洩漏，在操作過程培訓中提高員工的節約用水意識。

至於其他資源所實行的措施包括避免採購高耗能材料、定期監察生產設備的性能、升級及淘汰非環保機器以提升對能源及資源的使用。在本期間，安裝了7套符合新節能標準的水泵代替14套耗電量高的泵。包裝材料主要包括用於本集團製成品的紙張、玻璃和塑料。作為一項良好做法，本集團致力於在採購過程中選擇環保材料，並通過管理採購數量來最大限度地減少浪費。

## 2. ENVIRONMENTAL ASPECTS (Continued)

### 2.3 The Environment and Natural Resources

The Group is dedicated to reducing the adverse effect of its activities that could result in environmental damages, controlling the level of consumption of natural resources and promoting environmental awareness among its employees at workplaces. In production, the Group has regularly inspected and monitored the production process to ensure strict compliance with relevant laws and regulations on emissions. In office, management has persistently reminded colleagues to protect the environment by recycling papers and plastic, turning off unused electricity devices. Management has also kept colleagues abreast of various environmental issues and encouraged colleagues to participate in activities like tree planting.

## 3. SOCIAL ASPECTS

### 3.1 Employment

The Group employs about 171 employees on a permanent basis, and the manufacturing segment accounts for nearly 90% of the Group's workforce. The statistics of the Group's workforce and employee turnover rate of the manufacturing segment are set out as below:

*Total workforce by gender and age group (of the Group)*

Gender	性別	Age 年齡			Total 總計
		Below 30 30歲以下	Between 30-50 30至50歲	Over 50 50歲以上	
Male	男	3	34	25	62
Female	女	8	97	4	109
Total	總計	11	131	29	171

## 2. 環境層面(續)

### 2.3 環境及自然資源

本集團致力於減少能夠導致環境破壞的活動的不利影響，控制自然資源的消耗水平及提升僱員在工作場所的環保意識。就生產而言，本集團已定期檢查及監控生產流程，確保嚴格遵守相關排放的法律及法規。就辦公室而言，管理層不斷提醒同事透過回收紙張及塑料、關閉未使用的設備以保護環境。管理層亦向同事更新各類環境問題並鼓勵同事參與植樹等活動。

## 3. 社會層面

### 3.1 僱傭

本集團聘有約171名長期僱員，而製造分類的僱員佔本集團員工總數接近90%。本集團員工總數及製造分類的僱員流失率統計載列如下：

*按性別及年齡層劃分之員工總數(本集團)*



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued) 環境、社會及管治報告(續)

### 3. SOCIAL ASPECTS (Continued)

#### 3.1 Employment (Continued)

Employee turnover rate (%) by gender and age group (Manufacturing segment only\*)

Gender	性別	Age 年齡			Total 總計
		Below 30 30歲以下	Between 30-50 30至50歲	Over 50 50歲以上	
Male	男	67%	10%	56%	29%
Female	女	38%	14%	50%	17%
Total	總計	45%	13%	55%	21%

\* Information relating to the manufacturing segment is disclosed as the employee turnover rate of the trading segment and Hong Kong headquarters is insignificant.

People are valuable asset to the Group's success and sustainable development. It is the Group's policy to attract and retain high caliber people for its business operations. The Group recruits people on the basis of job requirements without discrimination on grounds of age, gender, ethnic, politics or religion, trains and grows their capabilities, rewards and makes promotion based on their contributions. The Group remunerates its employees based on industry practices. The Group arranges working hours, rest periods, benefits and welfare including medicals and retirement protection in accordance with prevailing labour laws of its operating units in which they operate. The Group is committed to ensuring that all applicable legal requirements are observed in dealing with dismissal of any employee who violates the Group's regulations or persistently performs below job requirements.

During the Period, the Group did not breach any employment laws and regulations in the PRC, Hong Kong and Malaysia.

### 3. 社會層面(續)

#### 3.1 僱傭(續)

按性別及年齡層劃分之僱員流失率(%)(僅製造分類\*)

\* 有關製造分類的資料作出披露，因為貿易分類及香港總部的僱員流失率微小。

僱員乃本集團成功及可持續發展的寶貴資產。為本集團之業務經營吸引及挽留優秀人才亦是本集團之政策。本集團以崗位要求為基準招募僱員，不因年齡、性別、種族、政治或宗教等理由而歧視僱員；本集團培訓及培養各僱員的辦事能力，並根據彼等之貢獻作出獎勵及安排晉升。本集團員工之薪酬乃根據行業慣例確定。本集團按照其經營所在經營單位的現行勞工法律安排工作時間、休息時間、利益及福利(包括醫療及退休保障)。本集團致力確保解僱任何違反本集團規例或長時間未能符合工作要求的僱員時遵守一切適用法律規定。

於本期間內，本集團並無違反中國、香港及馬來西亞的任何僱傭法律及法規。

### 3. SOCIAL ASPECTS (Continued)

#### 3.2 Health and Safety

The Group is committed to providing and maintaining a safe and healthy working environment for all its employees.

For the Group's office operations, management strives to maintain smoke-free, healthy and safe working environment. All employees are encouraged to participate regularly emergency drills held by the office building management.

For the Group's factory in China, management has persistently upheld the principle of safe production and observed the requirements of the "Law of the Prevention and Control of Occupational Diseases" (《職業病防治法》). There is no allowance of any personal consideration but strict compliance of the requirements under the GMP standards and the relevant laws and regulations. We have regularly conducted safety examinations for production equipment, conducted drills and provided training to employees in order to increase their awareness and involvement in accident prevention.

During the Period, the Group did not breach any laws and regulations in relation to occupational health and safety and there were no work-related fatalities in the Group's operations but 12 work injury cases in the manufacturing segment resulting in 311 lost days. Those injury cases mainly related to fingers and hands and rest days were recommended together medical treatments. Measures have been taken to strengthen the production safety with the aim of minimising risk of injury through safety publicity and education in order to enhance consciousness of all employees.

### 3. 社會層面(續)

#### 3.2 健康與安全

本集團致力為其全體僱員提供及維持安全及健康的工作環境。

就本集團的辦公室運營而言，管理層致力營造無煙、健康及安全的工作環境。本集團鼓勵全體僱員定期參加辦公樓管理處舉行的應急演習。

就本集團於中國的工廠而言，管理層一貫堅持安全生產的原則及遵守《職業病防治法》的規定，要求嚴格遵守GMP準則及相關法律及法規的規定，不允許個人存在僥倖心理。我們已定期對生產設備進行安全檢驗、進行操作演練及向僱員提供培訓，以提高彼等的事務防範意識及參與程度。

於本期間內，本集團並無違反任何有關職業健康及安全的法律法規，且本集團業務並未發生任何因工作關係而死亡事件，但製造分類發生12個工傷案例，導致損失工作日數達311日。該等受傷案例主要與手指及手部有關，我們建議僱員休假並接受治療。本集團已採取措施加強生產安全，以期透過安全宣傳及教育提高全體僱員安全意識，從而最大限度地降低受傷風險。



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued) 環境、社會及管治報告(續)

### 3. SOCIAL ASPECTS (Continued)

#### 3.3 Development and Training

The Group organises and provides on-the-job training to develop its employees' potential in order to support the Group's sustainable development. Employees are encouraged to equip themselves with relevant academic and professional qualifications by attending external training programs for future career development.

As to the Group's manufacturing segment in China, regular training programs have been provided in the areas of production process operations, quality and safety management, applicable legal and regulatory requirements, important environmental factors and risk controls to relevant personnel including production technicians, safety management personnel and operating personnel.

The Group also provides training subsidies to support its employees to receive external professional training to develop and refresh their knowledge and skills.

#### 3.4 Labour Standards

All employees of the Group are employed in accordance with the relevant laws and regulations on employment including, inter alia, working hours, rest periods and staff benefits. The Group prohibits the use of child labour and forced labour at all its operation units. During the recruitment process, the Group requires all applicants to provide true and accurate personal information including their proofs of identity for checking purpose, particularly for verifying the photo on the documents and reviewing the age. The Group will take immediate action to terminate the employment of anyone who provides false information or in breach of the Group's regulations.

During the Period, the Group has complied with employment-related laws and regulations and found no violations of laws and regulations regarding child labour and forced labour.

### 3. 社會層面(續)

#### 3.3 發展與培訓

本集團組織及提供在職培訓，以發展其僱員潛能支持本集團的可持續性發展。本集團鼓勵僱員為未來職業發展參加外部培訓課程，充實自身的相關學術及專業資格。

至於本集團於中國的製造分類，在生產流程操作、質量及安全管理、適用法律及法規要求、重要環境因素及風險控制等方面向生產技術人員、安全管理人員及操作人員等相關人員提供定期培訓。

本集團亦提供培訓津貼支持其僱員接受外部專業培訓，以發展及更新彼等的知識及技能。

#### 3.4 勞工準則

本集團全體僱員均按相關僱傭法律法規聘用，涵蓋(其中包括)工作時間、休息時間及員工福利等多個方面。本集團在其所有業務單位禁止使用童工及強制勞工。在招聘過程中，本集團要求所有求職者提供真實及準確的個人信息(包括彼等之身份證明)以供核查，尤其是檢查文件上的照片及核實年齡。倘發現有僱員提供虛假信息或違反本集團規例，本集團將即時採取措施終止僱傭關係。

於本期間內，本集團已遵守僱傭相關的法律及法規，並未發現任何有關童工及強制勞工法律及法規的違規行為。

## 4. OPERATING PRACTICES

### 4.1 Supply Chain Management

The Group relies on a wide range of vendors to supply goods; from raw materials to finished goods for the Group's manufacturing and trading activities. In order to fulfill the Group's mission to provide quality products, it is imperative for its pursuit of quality goods from the vendors.

The Group's GMP plants in China have established a quality management system to regulate the production and quality management of drugs. Since all procurement is conducted locally, the Group has clearly notified its vendors to comply with relevant quality standards and provide necessary permits if so required by the relevant laws and regulations for the goods supplied. Specific procedures have been implemented in quality control and inventory management in order to ensure the Group's products are consistently manufactured in accordance with the registration requirements. The aim of the management system is to minimise the risks of contamination, detect, monitor and rectify errors in production process.

As to the Group's trading segment for China market, all drugs are sourced from GMP manufacturers in Europe and Latin America, and the Group has worked closely with and provided supports to its customers for quality control in compliance with the stringent testing conducted by the PRC drug authorities. During the Period, all imported drugs had complied with the relevant import requirements of the PRC laws and regulations before their sales to market.

## 4. 營運慣例

### 4.1 供應鏈管理

本集團的製造及貿易活動從原材料到製成品各個環節均倚賴廣泛的供應商提供之貨品。為達成本集團提供優質產品的使命，向供應商採購優質貨品至關重要。

本集團的中國GMP廠房設有質量管理系統規管藥品的生產及質量管理。由於所有採購乃於當地進行，本集團已明確知會其供應商遵循相關的質量準則及於相關法律法規要求時就所供應之貨品提供必要的許可證明。質控及存貨管理流程亦執行特定程序，以確保本集團的產品乃一致地按照註冊要求而製造。該等管理系統旨在最大程度地降低生產過程中的污染風險，並探測、監控及糾正各類錯誤。

就本集團的中國市場貿易分類而言，所有藥品均採購自歐洲及拉丁美洲的GMP製造商，且本集團已就質量控制與客戶密切協作並向其提供支持，以符合中國藥監部門主導的嚴格檢測。於本期間內，所有進口藥品在向市場銷售之前均已符合中國法律法規的相關進口規定。



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued) 環境、社會及管治報告(續)

### 4. OPERATING PRACTICES (Continued)

#### 4.2 Product Responsibility

The Group places great emphasis on maintaining and improving the quality of its products. The Group has implemented a comprehensive quality control and inspection procedures to ensure product quality and safety from procurement of raw materials, packaging materials and finished products. All products manufactured, purchased and sold by the Group to its customers in China have met the GMP production standards and complied with the registration requirements with the National Medical Products Administration, except for the occasion where the Group's skin treatment products imported from Spain have been temporarily suspended for sale in China since January 2019. The suspension is due to certain issues on manufacturing practices identified in an overseas on-site inspection by the Chinese regulatory authorities. In the meantime, the manufacturer is preparing supplemental information for submission to the authorities in order to rectify the issues. The Group has been working closely with its business partners with a view to resolving all those issues in the long term so as to bring the products back to the market as soon as possible.

On distribution side, all products distributed by the Group have clear instructions and specifications as to its composition, quality and safety use for end-user protection purpose, which are in compliance with the laws and requirements, such as the Advertisement Law and the Drug Administration Law in China.

The Group has also worked closely with customers to deal with products and services complaints in order to ensure product quality and competitiveness and has put top priority to ensure privacy of customer's information.

### 4. 營運慣例(續)

#### 4.2 產品責任

本集團高度重視維持及提高其產品品質。本集團已落實全面的質控及檢驗程序，確保產品從採購原料、包裝材料到製成品各個方面的質量及安全。本集團為中國客戶製造、採購及向其出售的所有產品均已符合GMP生產標準及符合國家藥品監督管理局註冊標準，惟本集團自西班牙進口的皮膚治療產品於二零一九年一月起在中國暫時停止銷售。停售是由於中國監管機構進行海外現場視察時識別若干製造規範問題。與此同時，製造商現正編製補充資料提交主管當局，以糾正有關問題。本集團一直與業務夥伴緊密合作，以期可長遠解決所有該等問題，讓產品可以儘快重返市場。

分銷方面，本集團分銷的所有產品均就其成分、質量及安全使用附有清晰的使用說明及藥品規格以保護終端用戶，此做法符合中國廣告法及藥品管理法等法律及法規。

本集團亦與客戶密切合作處理產品及服務投訴，確保產品的質量及競爭力；並將保護客戶隱私資料作為第一要務。

#### 4. OPERATING PRACTICES (Continued)

##### 4.3 Anti-corruption

The Company understands the importance of good business ethics, which along with good corporate governance are essential foundation to success. The Company has established ethics code to promote integrity and accountability, which requires all group companies and employees to strictly comply with the local laws and regulations. The code contains, inter alia, provisions for bribery, extortion, fraud, money laundering and whistleblowing procedures.

During the Period, the Group did not breach any laws and regulations relating to anti-corruptions or receive any reports in relation thereof in China, Malaysia, and Hong Kong.

#### 5. COMMUNITY INVESTMENT

As a socially responsible corporation, the Company is committed to leverage its resources to facilitate the community development and strongly encourages all staff members to participate in volunteering and charitable activities, such as “Dress Casual Day” and “Blood Donation”. In the Books for Love @10 charity campaign, second-hand books were donated by staff for charity sale. Staff members also support the Lai See Packet Recycle and Reuse Programme by dropping off the unused lai see packets at the designated collection points.

#### 4. 營運慣例(續)

##### 4.3 反貪污

本公司深明良好商業道德的重要性，其與良好的企業管治一起構成成功的重要基礎。本公司已制定誠信守則倡導誠信及加強問責，要求所有集團公司及全體僱員嚴格遵守當地法律及法規。守則載有(其中包括)賄賂、敲詐、欺詐、洗錢及檢舉程序多方面條文。

於本期間內，就中國、馬來西亞及香港三地而言，本集團並無違反任何有關反貪污的法律及法規或接獲任何舉報。

#### 5. 社區投資

作為一個具社會責任感的企業，本公司致力利用其資源促進社區發展並積極鼓勵其全體僱員參與「公益金便服日」及「愛心捐血」等志願及慈善活動。於「書出愛心十元義賣」慈善活動中，員工捐贈二手書用於義賣。僱員亦於指定收集點投放未經使用的利是封，以支持利是封回收重用大行動。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued) 環境、社會及管治報告(續)

### 6. ENVIRONMENTAL KEY PERFORMANCE INDICATORS (“KPIs”) TABLE

The following table summarises the Group’s significant KPIs information as set out in this report:

### 6. 環境關鍵績效指標(「關鍵績效指標」)表

下表概述本報告內所載本集團主要關鍵績效指標資料：

KPIs	關鍵績效指標	2019 二零一九年	2018 二零一八年
<b>Environment</b>	<b>環境</b>		
<b>Air pollutants (Kg)</b>	<b>空氣污染物(千克)</b>		
SOx	硫氧化物	3,947	3,326
NOx	氮氧化物	5,752	535
PM	顆粒物	274	75
<b>Greenhouse gas (Tonne CO2)</b>	<b>溫室氣體(噸二氧化碳)</b>		
<b>Total emission:</b>	<b>總排放量：</b>	<b>5,073</b>	4,431
Direct emission (Scope 1)	直接排放(範圍1)	3,261	3,105
Indirect emission (Scope 2)	間接排放(範圍2)	1,679	1,211
Indirect emission (Scope 3)	間接排放(範圍3)	133	115
Intensity per employee	每名僱員強度	30	25
<b>Wastes (Tonne)</b>	<b>廢棄物(噸)</b>		
Total hazardous waste produced	所產生有害廢棄物總量	40,000	22,479
Intensity (Hazardous waste) per employee	每名僱員強度(有害廢棄物)	234	126
Total non-hazardous waste produced	所產生無害廢棄物總量	155	188
Intensity (Non-hazardous waste) per employee	每名僱員強度(無害廢棄物)	1	1
<b>Energy consumption</b>	<b>能源消耗</b>		
<b>Total energy consumption:</b>	<b>能源消耗總量：</b>		
Fuel consumed for vehicles (Liter)	汽車燃料消耗(升)	17,000	20,000
Intensity (Fuel) per employee	每名僱員強度(燃料)	99	112
Electricity (MWh)	電力(兆瓦時)	2,125	1,532*
Intensity (Electricity) per employee	每名僱員強度(電力)	12	9*
Coal (Tonne)	煤炭(噸)	1,000	1,069
Intensity (Coal) per employee	每名僱員強度(煤炭)	6	6
Natural gas (thousand m <sup>3</sup> )	天然氣(千立方米)	150	—
Intensity (Natural gas) per employee	每名僱員強度(天然氣)	1	—



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued) 環境、社會及管治報告(續)

### 6. ENVIRONMENTAL KEY PERFORMANCE INDICATORS (“KPIs”) TABLE (Continued)

### 6. 環境關鍵績效指標(「關鍵績效指標」)表(續)

KPIs	關鍵績效指標	2019 二零一九年	2018 二零一八年
<b>Social</b>	<b>社會</b>		
<b>Total workforce (persons) – Group</b>	<b>工作員工(人員)總數 – 本集團</b>	<b>171</b>	178
<b>By gender:</b>	<b>按性別劃分：</b>		
Male	男	<b>62</b>	65
Female	女	<b>109</b>	113
<b>By age group:</b>	<b>按年齡層劃分：</b>		
<30	30歲以下	<b>11</b>	43
30–50	30至50歲	<b>131</b>	113
>50	50歲以上	<b>29</b>	22
<b>By employment type:</b>	<b>按僱傭類型劃分：</b>		
Permanent	全職	<b>171</b>	178
Part-time	兼職	—	—
<b>Employee turnover rate (%) – Manufacturing</b>	<b>僱員流失率(%) – 製造分類</b>		
<b>By gender:</b>	<b>按性別劃分：</b>		
Male	男	<b>29%</b>	11%
Female	女	<b>17%</b>	8%
<b>By age group:</b>	<b>按年齡層劃分：</b>		
<30	30歲以下	<b>45%</b>	—
30–50	30至50歲	<b>13%</b>	10%
>50	50歲以上	<b>55%</b>	23%
<b>By employment type:</b>	<b>按僱傭類型劃分：</b>		
Permanent	全職	<b>100%</b>	100%
Part-time	兼職	—	—
<b>Health and safety</b>	<b>健康與安全</b>		
Number of work-related fatalities	因工作關係死亡人數	—	—
Lost days due to work injury (days)	因工傷損失的工作日數(日)	<b>311</b>	132

\* Amended and expressed in MWh for comparison purpose

\* 經修訂及以兆瓦時列示，以作比較

# REPORT OF THE DIRECTORS

## 董事會報告

The directors present their annual report and the audited consolidated financial statements of Extrawell Pharmaceutical Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2019.

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding and the activities of its principal subsidiaries and an associate are set out in notes 39 and 21 to the consolidated financial statements respectively.

The business review of the Group and the discussion and analysis of the Group’s performance for the year ended 31 March 2019 are set out in the sections “Chairman’s Statement” and “Management Discussion and Analysis” on pages 4 to 7 and pages 8 to 20 of this annual report respectively.

A discussion on the Group’s environmental policies and performance, and information about laws and regulations affecting the businesses of the Group and their compliance are included in the Environmental, Social and Governance Report on pages 43 to 59 of this annual report. Furthermore, financial risk management and capital management of the Group are set out in notes 41 and 42 to the consolidated financial statements.

The above discussions and information form part of this report.

### RESULTS AND DIVIDEND

The results of the Group for the year ended 31 March 2019 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 80 to 81.

The directors do not recommend the payment of dividend in respect of the year after taking into account factors including the Group’s financial performance, operating and capital requirements and market conditions. Currently, no formal dividend policy is adopted by the Company.

董事會謹此提呈精優藥業控股有限公司（「本公司」）及其附屬公司（統稱「本集團」）截至二零一九年三月三十一日止年度之年報及經審核綜合財務報表。

### 主要業務及業務回顧

本公司之主要業務為投資控股，其主要附屬公司及一間聯營公司之業務分別載於綜合財務報表附註39及21。

本集團截至二零一九年三月三十一日止年度之業務回顧及本集團表現之討論及分析分別載於本年報第4至7頁及第8至20頁之「主席報告」及「管理層討論及分析」各節。

有關本集團環境政策及表現之討論以及有關影響本集團業務及其合規性之法律及法規之資料載於本年報第43至59頁之環境、社會及管治報告。此外，本集團之財務風險管理及資本管理載於綜合財務報表附註41及42。

上述討論及資料組成本報告之一部分。

### 業績及股息

本集團截至二零一九年三月三十一日止年度之業績載於第80至81頁之綜合損益及其他全面收益表。

經考慮多項因素（包括本集團財務表現、營運及資本需求以及市況）後，董事並不建議就本年度派發股息。本集團目前並無採納正式股息政策。

## **FIVE YEARS' FINANCIAL SUMMARY**

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years is set out on page 208.

## **五年財務概要**

本集團過去五個財政年度之業績、資產、負債及非控股權益概要載於第208頁。

## **INVESTMENT PROPERTIES**

Details of movements in the investment properties of the Group during the year are set out in note 15 to the consolidated financial statements.

## **投資物業**

本集團之投資物業於年內之變動詳情載於綜合財務報表附註15。

## **PROPERTY, PLANT AND EQUIPMENT**

Details of movements in property, plant and equipment of the Group during the year are set out in note 16 to the consolidated financial statements.

## **物業、廠房及設備**

本集團之物業、廠房及設備於年內之變動詳情載於綜合財務報表附註16。

## **SHARE CAPITAL**

Details of movements in the share capital of the Company during the year are set out in note 33 to the consolidated financial statements.

## **股本**

本公司股本於年內之變動詳情載於綜合財務報表附註33。

## **EQUITY-LINKED ARRANGEMENT**

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

## **股票掛鈎安排**

於本年度並無訂立可能導致本公司發行股份之股票掛鈎安排。

Details of the convertible bonds of the Company with principal amount of HK\$577,170,000 outstanding are disclosed in note 31 to the consolidated financial statements.

有關本公司未償還本金額為577,170,000港元之可換股債券之詳情於綜合財務報表附註31內披露。



## REPORT OF THE DIRECTORS (Continued) 董事會報告(續)

### SHARE OPTION SCHEME

On 24 August 2012, the shareholders of the Company approved the adoption of a new share option scheme (the "Scheme"), as the share option scheme adopted by the Company on 8 August 2002 expired on 14 August 2012. The Scheme became effective on 29 August 2012 after obtaining approval from the Listing Committee of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. Information about the Scheme is set out in note 11 to the consolidated financial statements.

### DISTRIBUTABLE RESERVES

As at 31 March 2019, the reserves of the Company available for cash distribution and/or distribution in specie amounted to HK\$147,430,000 which was computed in accordance with the Bermuda Companies Act. In addition, the Company's share premium account with a balance of HK\$191,738,000 as at 31 March 2019 may be distributed in the form of fully paid bonus shares.

### RELATIONSHIP WITH EMPLOYEES

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

### MAJOR CUSTOMERS AND SUPPLIERS

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

For the year ended 31 March 2019, revenue attributable to the Group's five largest customers accounted for approximately 28% of the Group's revenue, and revenue attributable to the Group's largest customer accounted for approximately 15% of the Group's revenue.

### 購股權計劃

由於本公司於二零零二年八月八日採納之購股權計劃於二零一二年八月十四日屆滿，於二零一二年八月二十四日，本公司股東批准採納新購股權計劃(「該計劃」)。於獲得香港聯合交易所有限公司(「聯交所」)上市委員會批准後，該計劃已於二零一二年八月二十九日生效，除非以其他方式取消或修訂，否則將自該日期起計十年內一直有效。有關該計劃之資料載於綜合財務報表附註11。

### 可供分派儲備

於二零一九年三月三十一日，依據百慕達公司法計算，本公司可供作現金分派及／或實物分派之儲備金額為147,430,000港元。此外，於二零一九年三月三十一日，本公司可供以繳足股本之紅股方式作分派之股份溢價賬餘額為191,738,000港元。

### 與僱員之關係

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

### 主要客戶及供應商

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

截至二零一九年三月三十一日止年度，本集團五大客戶應佔之收益額佔本集團收益額約28%，而本集團最大客戶應佔之收益額佔本集團收益額約15%。

## MAJOR CUSTOMERS AND SUPPLIERS (Continued)

For the year ended 31 March 2019, purchases attributable to the Group's five largest suppliers accounted for approximately 71% of the Group's purchases and purchases attributable to the Group's largest supplier accounted for approximately 21% of the Group's purchases.

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

## DIRECTORS

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

### Executive directors:

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

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

### Independent non-executive directors:

Fang Lin Hu  
Xue Jing Lun  
Jin Song

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

## 主要客戶及供應商(續)

截至二零一九年三月三十一日止年度，本集團五大供應商應佔之採購額佔本集團採購額約71%，而本集團最大供應商應佔之採購額佔本集團採購額約21%。

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

## 董事

本年度及截至本報告日期在任之本公司董事如下：

### 執行董事：

謝毅  
樓屹  
程勇  
王秀娟  
廖國華  
盧志強

謝毅博士、樓屹博士、王秀娟女士及廖國華先生亦為本公司若干附屬公司之董事。

### 獨立非執行董事：

方林虎  
薛京倫  
金松

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

## REPORT OF THE DIRECTORS (Continued) 董事會報告(續)

### DIRECTORS (Continued)

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

### DIRECTORS' SERVICE CONTRACTS

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

### DIRECTORS' REMUNERATION

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

### DIRECTORS' INTERESTS IN CONTRACTS

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

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

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

### 董事(續)

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

### 董事之服務合約

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

### 董事薪酬

董事袍金須於股東大會上獲得股東批准。其他酬金乃由本公司董事會參考董事之職務、職責及表現以及本集團之業績並根據薪酬委員會所作推薦意見而釐定。

### 董事之合約利益

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

### 董事於競爭業務之權益

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



## PERMITTED INDEMNITY

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

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

At 31 March 2019, the interests and short positions of the directors in the shares, underlying shares or debentures of the Company or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

### Long positions in the ordinary shares of the Company

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

## 獲准許彌償

根據本公司之公司細則，本公司各董事或其他高級人員有權就履行其職務或在其他有關方面而可能蒙受或產生或相關之所有損失或負債自本公司之資產中獲得彌償。此外，本公司已為本集團董事及高級人員投保適當的董事及高級人員責任保險。

## 董事於股份、相關股份及債權證之權益及淡倉

於二零一九年三月三十一日，董事於本公司或其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份或債權證中，擁有登記於本公司根據證券及期貨條例第352條須存置之登記冊之權益及淡倉，或根據上市發行人董事進行證券交易之標準守則(「標準守則」)須知會本公司及聯交所之權益及淡倉如下：

### 於本公司普通股之好倉

## REPORT OF THE DIRECTORS (Continued) 董事會報告(續)

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

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

Notes:

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

Save as disclosed above, as at 31 March 2019, none of the directors had registered an interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

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

### 董事於股份、相關股份及債權證之權益及淡倉(續)

#### 於本公司普通股之好倉(續)

附註：

- (a) JNJ Investments Ltd之全部已發行股本由香港博德基因開發有限公司(「香港博德」)擁有，而香港博德之全部已發行股本由United Gene Group Ltd(一間於英屬處女群島註冊成立之公司)擁有。United Gene Group Ltd之已發行股本由謝毅博士全資擁有之Ease Gold Investments Limited擁有33%。
- (b) 該等股份由Merchandise Holdings Limited(一間於英屬處女群島註冊成立之公司)持有，該公司由程勇先生全資擁有。

除上文所披露者外，於二零一九年三月三十一日，概無任何董事於本公司或其任何相聯法團之股份、相關股份及債權證中，登記擁有根據證券及期貨條例第352條須予記錄之權益或淡倉，或根據標準守則須知會本公司及聯交所之權益或淡倉。

### 董事購入股份及債權證之權利

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

**SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES**

**主要股東及其他人士於股份、相關股份及債權證之權益及淡倉**

At 31 March 2019, the following interests and short positions of 5% or more of the shares and underlying shares of the Company were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

於二零一九年三月三十一日，根據本公司按照證券及期貨條例第336條須予保存之登記冊所記錄，登記擁有本公司股份及相關股份5%或以上權益及淡倉之人士如下。

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

Note: Innovative Pharm is a listed company on the Main Board of the Stock Exchange and its interest in 1,357,510,000 shares of the Company represents (i) 457,510,000 shares or 19.14% of the Company's shares in issue and (ii) 900,000,000 conversion shares to be allotted and issued to Innovative Pharm upon exercise in full by Innovative Pharm of the conversion rights at conversion price of HK\$0.6413 per share under the Company's 20-year zero coupon convertible bonds issued on 16 July 2013 with principal amount of HK\$577,170,000 outstanding. At 31 March 2019, there was a total of 2,390,000,000 shares issued by the Company, and assuming the exercise in full of the conversion rights attaching to the Company's convertible bonds, Innovative Pharm will hold approximately 41.26% of the enlarged share capital of the Company.

附註：領航醫藥為一間於聯交所主板上市之公司，而其於本公司1,357,510,000股股份之權益相當於(i)457,510,000股或19.14%之本公司已發行股份及(ii)根據本公司於二零一三年七月十六日發行之20年零息可換股債券(尚未償還之本金額為577,170,000港元)，於領航醫藥按換股價每股股份0.6413港元悉數行使換股權後，將向領航醫藥配發及發行之900,000,000股換股股份。於二零一九年三月三十一日，本公司已發行股份合共為2,390,000,000股。假設悉數行使附於本公司之可換股債券之換股權，領航醫藥將持有本公司經擴大股本約41.26%。

Save as disclosed above, as at 31 March 2019, the register as maintained by the Company pursuant to Section 336 of the SFO recorded no other interests or short positions in the shares or underlying shares of the Company.

除上文所披露者外，於二零一九年三月三十一日，本公司根據證券及期貨條例第336條存置之登記冊並無記錄於本公司股份或相關股份中之其他權益或淡倉。



## REPORT OF THE DIRECTORS (Continued) 董事會報告(續)

### CONNECTED AND RELATED PARTY TRANSACTIONS

The following connected and related party transaction was recorded during the year and up to the date of this report:

#### Provision of shareholders' loan to Smart Ascent Limited ("Smart Ascent"), an associate of the Company

On 27 July 2018, the Company and Innovative Pharmaceutical Biotech Limited (together with its subsidiaries, the "Innovative Pharm Group") through their respective wholly-owned subsidiaries namely Extrawell (BVI) Limited and Clear Rich International Limited holding 49% and 51% shareholdings in Smart Ascent, as lenders and Smart Ascent as borrower, entered into a shareholders' loan agreement (the "Loan Agreement") for a loan to Smart Ascent amounting to HK\$30,000,000 in total (the "Loan"), to be contributed as to 49% i.e. HK\$14,700,000 by the Group and as to 51% i.e. HK\$15,300,000 by Innovative Pharm Group, for the purpose of financing the working capital requirements of Smart Ascent and its subsidiaries for the oral insulin project. The Loan is unsecured, interest bearing at 5% per annum and has a repayment term fixed at 60 months after each drawdown of the Loan.

Innovative Pharm is a substantial shareholder of the Company that the entering into of the Loan Agreement constitutes a connected transaction of the Company. As the Loan Agreement was entered into on normal commercial terms and the provision of the Loan is in proportion to the equity interest held by the Group and Innovative Pharm Group in Smart Ascent, this connected transaction is fully exempted from the reporting, announcement and shareholders' approval requirements in accordance with rule 14A.89 of the Listing Rules. In addition, the applicable percentage ratios in respect of this connected transaction are less than 5%, it does not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

On 20 September 2018, Smart Ascent made a drawdown requisition amounting to HK\$10,000,000 of the Loan and accordingly, the Group and Innovative Pharm Group made contribution in the sum of HK\$4,900,000 and HK\$5,100,000 respectively to Smart Ascent.

### 關連及關聯方交易

下列為本年度及直至本報告日期所錄得之關連及關聯方交易：

#### 向本公司聯營公司進生有限公司 ("進生")提供股東貸款

於二零一八年七月二十七日，本公司及領航醫藥及生物科技有限公司(連同其附屬公司統稱「領航醫藥集團」)透過其各自全資擁有附屬公司(即Extrawell (BVI) Limited及Clear Rich International Limited，分別於進生持有49%及51%權益，作為貸款方)與進生(作為借款方)訂立一份股東貸款協議(「貸款協議」)，向進生提供總額為30,000,000港元之貸款(「該貸款」)，由本集團提供49%款項(即14,700,000港元)及由領航醫藥集團提供51%款項(即15,300,000港元)，以為進生及其附屬公司就口服胰島素項目之營運資金需求提供融資。該貸款為無抵押、年利率為5%及須於每次提取該貸款後60個月內償還。

由於領航醫藥為本公司主要股東，其所訂立之貸款協議構成本公司之關連交易。由於貸款協議按一般商業條款訂立，而該貸款按本集團及領航醫藥集團於進生所持有之權益比例提供，故此關連交易獲全面豁免遵守上市規則第14A.89條項下申報、公告及股東批准之規定。另外，由於有關此關連交易項下之適用百分比率低於5%，故不構成上市規則第14章項下之須予公佈交易。

於二零一八年九月二十日，進生要求提取該貸款內10,000,000港元之款項，因此，本集團及領航醫藥集團分別向進生提供4,900,000港元及5,100,000港元。

## CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

### Provision of shareholders' loan to Smart Ascent Limited ("Smart Ascent"), an associate of the Company (Continued)

As at 31 March 2019, the utilised and unutilised balances of the Loan Agreement were HK\$10,000,000 and HK\$20,000,000 respectively. Further details are set out in note 22 to the consolidated financial statements.

Details of the material related party transactions entered into by the Group which do not constitute connected transactions under the Listing Rules for the year are set out in note 37 to the consolidated financial statements.

## CONTRACTS OF SIGNIFICANCE

Save as disclosed in "Connected and Related Party Transactions" above, no contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

## EVENTS AFTER THE REPORTING PERIOD

There is no material subsequent event occurred after 31 March 2019 and up to the date of this report.

## SUFFICIENCY OF PUBLIC FLOAT

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

## 關連及關聯方交易(續)

### 向本公司聯營公司進生有限公司 (「進生」)提供股東貸款(續)

於二零一九年三月三十一日，貸款協議之已動用及未動用結餘分別為10,000,000港元及20,000,000港元。進一步詳情載於綜合財務報表附註22。

有關本集團於本年度訂立而根據上市規則並不構成關連交易之重大關聯方交易詳情載於綜合財務報表附註37。

## 重大合約

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

## 報告期後事項

於二零一九年三月三十一日後及直至本報告日期，本集團並無發生重大期後事項。

## 充足公眾持股量

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

## REPORT OF THE DIRECTORS (Continued) 董事會報告(續)

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the Company's code of conduct for dealings in securities of the Company by the directors. Based on specific enquiry of the directors, the directors have complied with the required standard set out in the Model Code throughout the year ended 31 March 2019.

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

### PRE-EMPTIVE RIGHTS

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

### AUDIT COMMITTEE

The Company has established an Audit Committee (the "Committee"), with written terms of reference, in compliance with Rule 3.21 of the Listing Rules, for the purpose of reviewing and providing supervision over the financial reporting process and risk management and internal control systems of the Group. The Committee comprises three INEDs. The Group's consolidated financial statements for the year ended 31 March 2019 have been reviewed by the Committee. The Committee is of the opinion that such consolidated financial statements comply with the applicable accounting standards, and Stock Exchange's and legal requirements, and that adequate disclosures have been made.

### 董事之證券交易標準守則

本公司已採納上市規則附錄十所載之標準守則作為本公司董事買賣本公司證券之操守守則。經向董事作出特定查詢後確認，董事於截至二零一九年三月三十一日止年度一直遵照標準守則所載之規定準則。

### 購買、出售或贖回本公司上市證券

本公司或其任何附屬公司於年內概無購買、出售或贖回本公司任何上市證券。

### 優先購股權

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

### 審核委員會

為檢討及監察本集團之財務匯報程序及風險管理及內部監控制度，本公司已遵照上市規則第3.21條成立審核委員會(「委員會」)，並以書面列出其職權範圍。委員會由三名獨立非執董組成。本集團截至二零一九年三月三十一日止年度之綜合財務報表已由委員會審閱。委員會認為該等綜合財務報表已符合適用之會計準則及聯交所及法例規定，並已提供足夠披露。



## AUDITOR

Elite Partners CPA Limited was appointed as the auditor of the Company for the year ended 31 March 2019 in succession to BDO Limited who resigned as auditor with effect from 17 April 2019. BDO Limited and East Asia Sentinel Limited were the auditor of the Company for the years ended 31 March 2018 and 2017, respectively.

The Company's consolidated financial statements for the year were audited by Elite Partners CPA Limited, who will retire and, being eligible, offer themselves for re-appointment as auditor of the Company at the forthcoming annual general meeting.

**Dr. Xie Yi**  
*Chairman*

Hong Kong, 28 June 2019

## 核數師

截至二零一九年三月三十一日止年度，開元信德會計師事務所有限公司獲委聘為本公司核數師，以接任於二零一九年四月十七日辭任之核數師香港立信德豪會計師事務所有限公司。香港立信德豪會計師事務所有限公司及衛亞會計師事務所有限公司分別為本公司截至二零一八年及二零一七年三月三十一日止年度之核數師。

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

主席  
**謝毅博士**

香港，二零一九年六月二十八日

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告



To The Shareholders of  
**Extrawell Pharmaceutical Holdings Limited**  
*(incorporated in Bermuda with limited liability)*

### QUALIFIED OPINION

We have audited the consolidated financial statements of Extrawell Pharmaceutical Holdings Limited (the “Company”) and its subsidiaries (together referred to as the “Group”) set out on pages 80 to 207, which comprise the consolidated statement of financial position as at 31 March 2019, 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2019, 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.

致精優藥業控股有限公司全體股東

(於百慕達註冊成立之有限公司)

### 保留意見

吾等已審核第80頁至第207頁所載精優藥業控股有限公司(「貴公司」)及其附屬公司(以下統稱「貴集團」)之綜合財務報表，包括於二零一九年三月三十一日之綜合財務狀況表、截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註(包括主要會計政策概要)。

吾等認為，除本報告內保留意見之基準一節所述事宜的影響外，綜合財務報表已遵照香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)真實公平地反映 貴集團於二零一九年三月三十一日之綜合財務狀況以及其於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。

## BASIS FOR QUALIFIED OPINION

### Prior year's audit scope limitation affecting opening balances and comparative figures

The auditor's report on the consolidated financial statements of the Group for the year ended 31 March 2018 contained a disclaimer of opinion on the limitation on the audit scope in relation to the interest in an associate. Details of which had been set out in the auditor's report dated 29 June 2018.

As the consolidated financial statements of the Group for the year ended 31 March 2018 formed the basis for the comparative figures presented in the current year's consolidated financial statements, any adjustments found to be necessary in respect of the carrying amount of the interest in an associate would have a significant effect on the comparative figures and the opening balances and the related disclosures thereof for the year ended 31 March 2019.

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") 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 qualified opinion.

## 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 for the year ended 31 March 2019. 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.

## 保留意見之基準

### 影響期初結餘及比較數字之上一年度審核範圍限制

就 貴集團截至二零一八年三月三十一日止年度之綜合財務報表之核數師報告中，載述就於一間聯營公司之權益之審核範圍限制無法表示意見。有關詳情載於日期為二零一八年六月二十九日之核數師報告。

由於 貴集團截至二零一八年三月三十一日止年度之綜合財務報表構成本年度綜合財務報表所呈列相關數字之基礎，就於一間聯營公司之權益賬面值發現之任何須作出之調整將對期初結餘造成重大影響及對截至二零一九年三月三十一日止年度之業績及相關披露事項產生重大影響。

吾等已根據香港會計師公會頒佈之香港審計準則(「香港審計準則」)進行審核。吾等在該等準則下之責任已在本報告「核數師就審核綜合財務報表須承擔之責任」一節中進一步闡述。根據香港會計師公會頒佈之專業會計師道德守則(「守則」)，吾等獨立於 貴集團，且已根據守則履行其他道德責任。吾等相信所獲取之審核憑證為充足，且適當地為吾等之審核意見提供基礎。

## 關鍵審核事項

關鍵審核事項為根據吾等之專業判斷，認為對截至二零一九年三月三十一日止年度綜合財務報表之審核最為重要的事項。該等事項為在吾等審核整體綜合財務報表及出具吾等之意見時進行處理，且吾等不會對該等事項提供單獨意見。



## INDEPENDENT AUDITOR'S REPORT (Continued) 獨立核數師報告(續)

### KEY AUDIT MATTERS (Continued)

#### 1. Impairment assessment of an associate

##### Key audit matters 關鍵審核事項

As at 31 March 2019, the Group has interest in an associate of approximately HK\$330,062,000 representing 49% equity interests in Smart Ascent Limited (see note 21 of the consolidated financial statements).

於二零一九年三月三十一日，貴集團於一間聯營公司之權益約為330,062,000港元，乃指於進生有限公司之49%權益(見綜合財務報表附註21)。

For the purpose of impairment assessment, the Group appointed an independent external valuer to assess the recoverable amount of the interest in an associate.

就評估減值而言，貴集團已委任獨立外部估值師評估於一間聯營公司權益之可收回金額。

We had identified the impairment assessment of interest in an associate as a key audit matter because significant management judgement was required to determine the recoverable amount for the interest in an associate.

吾等已識別於一間聯營公司權益之減值評估為關鍵審核事項，原因為管理層須作出重大判斷以釐定於一間聯營公司權益之可收回金額。

### 關鍵審核事項(續)

#### 1. 於一間聯營公司之減值評估

##### How the matter was addressed in our audit 吾等如何就審計處理該事項

Our major audit procedures to address this matter included the following:

吾等處理該事項之主要審核程序包括如下：

- We obtained financial information of the associate and assessed whether the accounting policy of the associate was consistent with the Group, if different, adjustments were provided to uniform with the Group's accounting policy;
- 吾等已獲得聯營公司之財務資料，並評估聯營公司之會計政策是否與貴集團之會計政策一致，倘有差異，則作出調整以與貴集團之會計政策達成一致；
- We discussed with management whether any impairment indicator exists and basis for the impairment recognised;
- 吾等已與管理層討論是否存在任何減值跡象及確認減值的基準；
- We discussed with management and relevant professionals about the In-process R&D of oral insulin product;
- 吾等已與管理層及相關專業人士討論有關口服胰島素產品進行中之研發；
- We obtained and assessed the fair value calculations methodology provided by the management including but not limited to the reasonableness of key assumptions applied (e.g. operating margins, terminal growth rates and discount rates), the accuracy and reliance of the input data used; and
- 吾等已獲取並評估管理層所提供之公平值計算方法，包括但不限於所應用主要假設(例如營運溢利、永久增長率及貼現率)之合理性、所使用輸入數據之準確性及可靠性；及
- We evaluated the competency of the independent external valuer taking account its experience and qualifications.
- 吾等已評估獨立外部估值師之能力，並考慮其經驗及資格。

KEY AUDIT MATTERS (Continued)

關鍵審核事項(續)

2. Impairment assessment of property, plant and equipment

2. 物業、廠房及設備之減值評估

Key audit matters  
關鍵審核事項

How the matter was addressed in our audit  
吾等如何就審計處理該事項

As at 31 March 2019, the Group has property, plant and equipment of approximately HK\$140,740,000. 於二零一九年三月三十一日，貴集團有物業、廠房及設備約140,740,000港元。

For the impairment assessment, the Group appointed an independent external valuer to assess the recoverable amount of property, plant and equipment.

就評估減值而言，貴集團已委任獨立外部估值師評估物業、廠房及設備之可收回金額。

We had identified the impairment assessment of property, plant and equipment as key audit matter due to the significant judgement involved by the management in impairment assessment.

吾等已識別物業、廠房及設備之減值評估為關鍵審核事項，原因為管理層須就減值評估作出重大判斷。

Our major audit procedures to address this matter included the following:

吾等處理該事項之主要審核程序包括如下：

- We assessed the fair value calculations methodology used and the appropriateness of the key assumptions adopted in the fair value less cost of disposal;
- 吾等已評估所使用之公平值計算方法及公平值減出售成本所採納之主要假設之合適性；
- We discussed with management whether any impairment indicator exists and basis for the impairment recognised;
- 吾等已與管理層討論是否存在任何減值跡象及確認減值的基準；
- We challenged the reasonableness of key assumptions based on our knowledge of the business and industry; and
- 吾等已根據本身對業務及行業的知識，質詢主要假設之合理性；及
- We checked on sampling basis, the accounting and relevance of the input data used.
- 吾等已以抽查方式檢查所使用輸入數據之會計處理及相關性。
- We evaluated the competency of the independent external valuer taking account its experience and qualifications.
- 吾等已評估獨立外部估值師之能力，並考慮其經驗及資格。

## INDEPENDENT AUDITOR'S REPORT (Continued) 獨立核數師報告(續)

### INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

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

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

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

### 綜合財務報表及核數師報告以外 之資料

董事須對其他資料負責。其他資料包括年報所載資料，惟不包括綜合財務報表及核數師報告。吾等對綜合財務報表之意見並不涵蓋其他資料，且吾等亦不會就其發表任何形式的鑒證結論。

就審核綜合財務報表而言，吾等之責任為閱讀其他資料，並在此過程中，考慮其他資料是否與綜合財務報表或吾等在審核過程中所瞭解的情況有重大不符，或者似乎有重大錯誤陳述。基於吾等已執行之工作，倘吾等認為其他資料有重大錯誤陳述，吾等需要報告有關事實。就此而言，吾等毋須報告任何事項。

### 董事及管理層就綜合財務報表須 承擔之責任

董事負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定，編製真實且公平意見之綜合財務報表，以及維持董事認為必要之有關內部控制，以確保編製綜合財務報表時不存在由於欺詐或錯誤而導致之重大錯誤陳述。

在編製綜合財務報表時，董事負責評估貴集團持續經營之能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或除此之外別無其他實際的替代方案。

管理層負責監督貴集團的財務報告流程。



## 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. This report is made solely to you, as a body, in accordance with section 90 of Bermuda Companies Act 1981, 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 skepticism throughout the audit. We also:

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

## 核數師就審核綜合財務報表須承 擔之責任

吾等之目標為對綜合財務報表整體是否存在由於欺詐或錯誤而導致之任何重大錯誤陳述取得合理保證，並出具包括吾等意見之核數師報告。吾等根據百慕達《一九八一年公司法》第90條僅向閣下(作為整體)報告，除此之外本報告別無其他目的。吾等不會就本報告之內容向任何其他人士負上或承擔任何責任。合理保證為高水平保證，但不能保證按香港審計準則進行的審核總能發現重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，倘按合理預期而錯誤陳述個別或匯總起來可能影響綜合財務報表使用者所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據香港審計準則進行審核的過程中，吾等運用了專業判斷，並於審核過程中保持專業懷疑態度。吾等亦：

- 識別及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之風險、設計及執行審核程序以應對該等風險、以及取得充足及適當的審核憑證，作為吾等意見之基礎。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較因錯誤而導致的重大錯誤陳述的風險為高。
- 了解與審核相關之內部控制，以設計適當之審核程序，但並非旨在對貴集團內部控制之有效性發表意見。
- 評估董事所採用會計政策之合適性以及作出會計估計及相關披露資料之合理性。

## INDEPENDENT AUDITOR'S REPORT (Continued) 獨立核數師報告(續)

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- 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.

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

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

### 核數師就審核綜合財務報表須承 擔之責任(續)

- 對董事採用持續經營會計基礎之合適性作出結論，並根據所得之審核憑證決定是否存在與事件或情況有關之重大不確定性，而可能對貴集團持續經營之能力構成重大疑慮。倘吾等認為存在重大不確定性，則吾等須在核數師報告中提請注意綜合財務報表中之相關披露資料，或倘有關披露資料不足，則修訂吾等之意見。吾等之結論乃基於截至核數師報告日止所取得之審核憑證。然而，未來事件或情況可能導致貴集團不能繼續持續經營。
- 評估綜合財務報表(包括披露資料)之整體呈報方式、結構及內容，以及綜合財務報表是否公平反映相關交易及事項。
- 就貴集團內實體或業務活動之財務資料獲取充足、適當之審核憑證，以就綜合財務報表發表意見。吾等負責指導、監督及執行集團審核工作。吾等對審核意見承擔全部責任。

吾等就(其中包括)審核之計劃範圍及時間以及重大審核發現(包括吾等在審核過程中識別出內部監控之任何重大缺陷)與管理層進行溝通。

吾等亦向管理層提交聲明，表明吾等已符合有關獨立性之相關道德要求，並與彼等溝通可能合理被認為會影響吾等獨立性之所有關係及其他事項，以及(倘適用)相關防範措施。

**AUDITOR'S RESPONSIBILITIES FOR THE  
AUDIT OF THE CONSOLIDATED FINANCIAL  
STATEMENTS (Continued)**

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

The engagement partner on the audit resulting in the independent auditor's report is Yip Kai Yin with Practising Certificate number P05131.

**Elite Partners CPA Limited**  
*Certified Public Accountants*

10th Floor,  
8 Observatory Road,  
Tsim Sha Tsui,  
Kowloon, Hong Kong

28 June 2019

**核數師就審核綜合財務報表須承  
擔之責任(續)**

從與管理層溝通之事項中，吾等釐定對本期間綜合財務報表之審核最為重要之事項，因而構成關鍵審核事項。除非法律或法規禁止公開披露該等事項，否則吾等會於核數師報告中描述該等事項，或在極端罕見之情況下，倘合理預期在吾等之報告中溝通某事項造成之不利後果超過所產生之公眾利益，吾等會釐定不應在報告中描述該事項。

出具本獨立核數師報告之審核項目合夥人為葉啟賢，其執業證書編號為P05131。

**開元信德會計師事務所有限公司**  
執業會計師

香港九龍  
尖沙咀  
天文臺道8號  
10樓

二零一九年六月二十八日



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## 綜合損益及其他全面收益表

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	收益	6	89,218	85,762
Cost of sales	銷售成本		(39,618)	(43,713)
Gross profit	毛利		49,600	42,049
Other income	其他收入	7	10,214	90,514
Other gains and losses, net	其他收益及虧損淨額	8	78,863	(37,522)
Selling and distribution expenses	銷售及分銷費用		(40,170)	(32,259)
Administrative expenses	行政費用		(26,402)	(27,007)
Share of results of an associate	應佔一間聯營公司業績	21	(908)	1
Effective interest expense on convertible bonds	可換股債券之實際利息開支	31	(7,823)	(6,590)
Profit before income tax	除所得稅前溢利	9	63,374	29,186
Income tax (expense)/credit	所得稅(支出)/抵免	12	(50)	86
<b>Profit for the year</b>	<b>本年度溢利</b>		<b>63,324</b>	29,272
<b>Other comprehensive (expense)/ income</b>	<b>其他全面(開支)/收益</b>			
<i>Item that may be reclassified subsequently to profit or loss</i>	<i>其後可能重新分類至損益的項目</i>			
Exchange differences on translation of foreign operations	換算海外業務之匯兌差額		(6,881)	11,956
<i>Item that will not be reclassified subsequently to profit or loss</i>	<i>其後將不會重新分類至損益的項目</i>			
Change in fair value on financial assets through other comprehensive income	計入其他全面收益之金融資產公平值變動		(59,047)	—
Other comprehensive (expense)/income for the year	本年度其他全面(開支)/收益		(65,928)	11,956
<b>Total comprehensive (expense)/ income for the year</b>	<b>本年度全面(開支)/收益總額</b>		<b>(2,604)</b>	41,228

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued) 綜合損益及其他全面收益表(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

		2019 二零一九年	2018 二零一八年
		Notes 附註	HK\$'000 千港元
		HK\$'000 千港元	HK\$'000 千港元
<b>Profit/(Loss) for the year attributable to:</b>	以下人士應佔本年度溢利／(虧損)：		
Owners of the Company	本公司擁有人	64,030	29,930
Non-controlling interests	非控股權益	(706)	(658)
		<b>63,324</b>	29,272
<b>Total comprehensive (expense)/ income for the year attributable to:</b>	以下人士應佔本年度全面(開支)／收益總額：		
Owners of the Company	本公司擁有人	(2,042)	41,881
Non-controlling interests	非控股權益	(562)	(653)
		<b>(2,604)</b>	41,228
<b>Earnings per share for profit attributable to owners of the Company:</b>	本公司擁有人應佔溢利之每股盈利：	<b>HK cents</b> 港仙	HK cents 港仙
— Basic	— 基本	13 <b>2.68</b>	1.25
— Diluted	— 攤薄	13 <b>2.18</b>	1.11

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

As at 31 March 2019 於二零一九年三月三十一日

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>Non-current assets</b>	<b>非流動資產</b>			
Investment properties	投資物業	15	1,378	1,437
Property, plant and equipment	物業、廠房及設備	16	140,740	155,469
Prepaid lease payments	預付租賃付款	17	9,236	10,017
Intangible assets	無形資產	18	1,807	1,807
Investments in convertible bonds	可換股債券投資	19	—	417,783
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	19	469,737	—
Available-for-sale investments	可供出售投資	20	—	59,047
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收益之金融資產	20	—	—
Interest in an associate	於一間聯營公司之權益	21	330,062	330,970
Amount due from an associate	應收一間聯營公司款項	22	29,388	22,505
Loan to an associate	貸款予一間聯營公司	22	5,027	—
Deferred tax assets	遞延稅項資產	30	69	69
			<b>987,444</b>	999,104
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	23	5,824	4,100
Trade and bills receivables	貿易應收賬款及應收票據	24	20,047	21,076
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	25	11,106	8,361
Available-for-sale investments	可供出售投資	20	—	1,875
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	20	1,769	—
Pledged bank deposits	已抵押銀行存款	26	20,994	20,502
Cash and bank balances	現金及銀行結餘	27	148,902	161,765
			<b>208,642</b>	217,679
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and bills payables	貿易應付賬款及應付票據	28	8,125	6,916
Accruals, other payables and contract liabilities	預提費用、其他應付款項及合約負債		56,201	60,721
Amount due to an associate	應付一間聯營公司款項	29	—	19,780
Deferred income on government grants	政府補助之遞延收入	32	125	98
Tax payable	應付稅項		15,287	16,255
			<b>79,738</b>	103,770
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>128,904</b>	113,909
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>1,116,348</b>	1,113,013



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued) 綜合財務狀況表(續)

As at 31 March 2019 於二零一九年三月三十一日

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Convertible bonds	可換股債券	31	49,635	41,812
Deferred income on government grants	政府補助之遞延收入	32	5,142	4,122
			54,777	45,934
<b>Net assets</b>	<b>資產淨值</b>		<b>1,061,571</b>	1,067,079
<b>Equity</b>	<b>權益</b>			
Share capital	股本	33	23,900	23,900
Reserves	儲備	35	1,042,752	1,047,673
<b>Equity attributable to owners of the Company</b>	<b>本公司擁有人應佔權益</b>		<b>1,066,652</b>	1,071,573
<b>Non-controlling interests</b>	<b>非控股權益</b>	39	<b>(5,081)</b>	(4,494)
<b>Total equity</b>	<b>權益總額</b>		<b>1,061,571</b>	1,067,079

On behalf of the board

代表董事會

**Xie Yi**  
謝毅  
Director  
董事

**Wong Sau Kuen**  
王秀娟  
Director  
董事

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

Attributable to owners of the Company

本公司擁有人應佔

		Share capital	Share premium	Capital reserve	Contributed surplus	Foreign currency	Convertible bonds	FVTOCI reserve	Retained earnings	Sub-total	Non-controlling interests	Total
						translation reserve	equity reserve				Non-controlling interests	
		股本	股份溢價	資本儲備	繳入盈餘	外幣匯兌儲備	可換股債券權益儲備	全面收益之儲備	保留盈利	小計	非控股權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2017	於二零一七年四月一日	23,900	191,738	6,542	4,839	23,019	512,359	—	267,295	1,029,692	(3,841)	1,025,851
Profit for the year	本年度溢利	—	—	—	—	—	—	—	29,930	29,930	(658)	29,272
Exchange differences on translation of foreign operations	換算海外業務產生之匯兌差額	—	—	—	—	11,951	—	—	—	11,951	5	11,956
Total comprehensive income	全面收益總額	—	—	—	—	11,951	—	—	29,930	41,881	(653)	41,228
At 31 March 2018 and 1 April 2018	於二零一八年三月三十一日及二零一八年四月一日	23,900	191,738	6,542	4,839	34,970	512,359	—	297,225	1,071,573	(4,494)	1,067,079
Initial application of HKFRS 9 (note 2)	首次應用香港財務報告準則第9號(附註2)	—	—	—	—	—	—	(24,039)	21,160	(2,879)	(25)	(2,904)
Restated balance as at 1 April 2018	於二零一八年四月一日經重列之結餘	23,900	191,738	6,542	4,839	34,970	512,359	(24,039)	318,385	1,068,694	(4,519)	1,064,175
Profit for the year	本年度溢利	—	—	—	—	—	—	—	64,030	64,030	(706)	63,324
Change in fair value on financial assets through other comprehensive income	計入其他全面收益之金融資產公平值變動	—	—	—	—	—	—	(59,047)	—	(59,047)	—	(59,047)
Exchange differences on translation of foreign operations	換算海外業務產生之匯兌差額	—	—	—	—	(7,025)	—	—	—	(7,025)	144	(6,881)
Total comprehensive (expenses)/ income	全面(開支)/收益總額	—	—	—	—	(7,025)	—	(59,047)	64,030	(2,042)	(562)	(2,604)
Balance at 31 March 2019	於二零一九年三月三十一日之結餘	23,900	191,738	6,542	4,839	27,945	512,359	(83,086)	382,415	1,066,652	(5,081)	1,061,571

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>Cash flows from operating activities</b>	<b>經營活動之現金流量</b>		
Profit before income tax	除所得稅前溢利	63,374	29,186
Adjustment for:	調整以下項目：		
Amortisation of prepaid lease payment	預付租賃付款之攤銷	234	233
Depreciation of investment properties	投資物業之折舊	59	60
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	6,237	6,327
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	734	—
Provision for impairment loss on trade receivables, net	貿易應收賬款減值虧損撥備淨額	255	3,218
(Reversal of)/Provision for impairment loss on inventories, net	存貨減值虧損(撥回)/撥備淨額	(44)	85
Change in fair value on financial assets at FVTPL – investments in convertible bonds	按公平值計入損益之金融資產公平值變動-可換股債券投資	(79,789)	—
Change in fair value on financial assets at FVTPL – bank structured product	按公平值計入損益之金融資產公平值變動-銀行結構性產品	(61)	—
Impairment loss on available-for-sale investments	可供出售投資減值虧損	—	20,953
Share of results of an associate	應佔一間聯營公司業績	908	(1)
Change in fair value of derivative component of investments in convertible bonds	可換股債券投資之衍生工具部分之公平值變動	—	16,782
Effective interest income from investments in convertible bonds	可換股債券投資之實際利息收入	—	(83,266)
Effective interest expense on convertible bonds	可換股債券之實際利息開支	7,823	6,590
Imputed interest income from amount due from an associate	應收一間聯營公司款項之估算利息收入	(6,883)	(5,270)
Interest income	利息收入	(2,947)	(1,806)
Amortisation of deferred income	遞延收入攤銷	(257)	(172)
Loan interest income from an associate	來自一間聯營公司之貸款利息收入	(127)	—
Reversal of impairment loss on other receivables	其他應收款項減值虧損撥回	(2)	—
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	(10,486)	(7,081)
(Increase)/Decrease in inventories	存貨(增加)/減少	(1,680)	3,422
Decrease in trade and bills receivables	貿易應收賬款及應收票據減少	3,169	8,990
Increase in deposits, prepayments and other receivables	按金、預付款項及其他應收款項增加	(2,743)	(3,389)
Increase/(Decrease) in trade and bills payables	貿易應付賬款及應付票據增加/(減少)	1,209	(7,943)
(Decrease)/Increase in accruals, other payables and contract liabilities	預提費用、其他應付款項及合約負債(減少)/增加	(4,520)	1,220



## CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

### 綜合現金流量表(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

<b>2019</b>	2018
二零一九年	二零一八年
<b>HK\$'000</b>	HK\$'000
千港元	千港元

<b>Cash used in operations</b>	<b>營運所用之現金</b>	<b>(15,051)</b>	(4,781)
Income tax paid	已付所得稅	(38)	(102)
<b>Net cash used in operating activities</b>	<b>經營活動所用之現金淨額</b>	<b>(15,089)</b>	(4,883)
<b>Cash flows from investing activities</b>	<b>投資活動所產生之現金流量</b>		
Interest income received from investments in convertible bonds	可換股債券投資之已收利息收入	25,025	25,025
Interest income received	已收利息收入	2,947	1,806
Government grant received	已收政府補助	1,553	1,325
Purchase of available-for-sale financial assets	可供出售金融資產之購置	—	(80,000)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項	118	—
Purchase of property, plant and equipment	購置物業、廠房及設備	(1,414)	(124)
Short term investment's return received	已收短期投資回報	57	—
Repayment of the amount due to an associate	償還應付一間聯營公司之款項	(19,780)	—
Loan made to an associate	貸款予一間聯營公司	(4,900)	—
Increase in pledged bank deposits	已抵押銀行存款增加	(492)	(287)
<b>Net cash generated from/(used in) investing activities</b>	<b>投資活動所產生/(所用)之現金淨額</b>	<b>3,114</b>	(52,255)
<b>Net decrease in cash and cash equivalents</b>	<b>現金及現金等值項目減少淨額</b>	<b>(11,975)</b>	(57,138)
<b>Effect of foreign exchange rate change</b>	<b>外幣匯率變動之影響</b>	<b>(888)</b>	1,100
<b>Cash and cash equivalents at beginning of year</b>	<b>年初之現金及現金等值項目</b>	<b>161,765</b>	217,803
<b>Cash and cash equivalents at end of year</b>	<b>年終之現金及現金等值項目</b>	<b>148,902</b>	161,765
<b>Analysis of the balances of cash and cash equivalents</b>	<b>現金及現金等值項目之結餘分析</b>		
Cash and bank balances	現金及銀行結餘	148,902	161,765

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 1. GENERAL

The Company is a limited liability company incorporated in Bermuda whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The address of its principal place of business is suites 2206-08, 22/F., Devon House, Taikoo Place, 979 King’s Road, Quarry Bay, Hong Kong.

The Company is an investment holding company (together with the subsidiaries referred as the “Group”). The principal activities of its subsidiaries and an associate are set out in notes 39 and 21 respectively to the consolidated financial statements.

### 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

#### (a) Adoption of new/revised HKFRSs – effective 1 April 2018

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers

#### (A) HKFRS 9 – Financial Instruments

HKFRS 9 replaces HKAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: (1) classification and measurement; (2) impairment and (3) hedge accounting. The adoption of HKFRS 9 from 1 April 2018 has resulted in changes in accounting policies of the Group and the amounts recognised in the consolidated financial statements.

### 1. 一般資料

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

本公司為一間投資控股公司（連同其附屬公司統稱為「本集團」）。本公司旗下附屬公司及一間聯營公司之主要業務分別載於綜合財務報表附註39及21。

### 2. 採納香港財務報告準則（「香港財務報告準則」）

#### (a) 採納新訂／經修訂香港財務報告準則 – 於二零一八年四月一日生效

香港財務報告準則第9號	金融工具
香港財務報告準則第15號	客戶合約收益

#### (A) 香港財務報告準則第9號 – 金融工具

香港財務報告準則第9號於二零一八年一月一日或之後開始之年度期間取代香港會計準則第39號金融工具：確認及計量，合併金融工具會計處理之所有三個方面：(1)分類及計量；(2)減值；及(3)對沖會計處理。自二零一八年四月一日起採納香港財務報告準則第9號後已導致本集團會計政策及綜合財務報表所確認的金額產生變動。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

#### (a) Adoption of new/revised HKFRSs – effective 1 April 2018 (Continued)

##### (A) HKFRS 9 – Financial Instruments (Continued)

##### (i) Classification and measurement of financial instruments

The following tables summarise the impact, net of tax, of transition to HKFRS 9 on the opening balance of reserves, retained earnings and non-controlling interests as of 1 April 2018 as follows (increase/(decrease)):

### 2. 採納香港財務報告準則(「香港財務報告準則」)(續)

#### (a) 採納新訂／經修訂香港財務報告準則－於二零一八年四月一日生效(續)

##### (A) 香港財務報告準則第9號－金融工具(續)

##### (i) 金融資產分類及計量

下表概述過渡至香港財務報告準則第9號對截至二零一八年四月一日之儲備期初結餘、保留盈利及非控股權益(除稅後)之影響(增加／(減少)):

		HK\$'000 千港元
<b>Retained earnings</b>	<b>保留盈利</b>	
Retained earnings as at 31 March 2018	於二零一八年三月三十一日之保留盈利	297,225
Combined effects to reclassify available-for-sale investments at fair value to fair value through other comprehensive income (“FVTOCI”) and measure investments in convertible bonds in its entirety (notes I to III below)	按公平值計量之可供出售之投資重新分類至按公平值計入其他全面收益(「按公平值計入其他全面收益」)及計量全部可換股債券投資之綜合影響(下文附註I至III)	21,229
Increase in expected credit losses (“ECLs”) in trade receivables (note (ii) below)	貿易應收賬款之預期信貸損失(「預期信貸損失」)增加(下文附註(ii))	(69)
Restated retained earnings as at 1 April 2018	於二零一八年四月一日之經重列保留盈利	318,385
<b>Non-controlling interests</b>	<b>非控股權益</b>	
Non-controlling interests as at 31 March 2018	於二零一八年三月三十一日之非控股權益	(4,494)
Increase in ECLs in trade receivables (note (ii) below)	貿易應收賬款之預期信貸損失增加(下文附註(ii))	(25)
Restated non-controlling interests as at 1 April 2018	於二零一八年四月一日之經重列非控股權益	(4,519)
<b>FVTOCI reserve</b>	<b>按公平值計入其他全面收益之儲備</b>	
FVTOCI reserves as at 31 March 2018	於二零一八年三月三十一日之按公平值計入其他全面收益之儲備	—
Reclassify available-for-sale investments to FVTOCI (note I below)	可供出售投資重新分類至按公平值計入其他全面收益(下文附註I)	(24,039)
Restated FVTOCI reserves as at 1 April 2018	於二零一八年四月一日之經重列按公平值計入其他全面收益之儲備	(24,039)



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

#### (a) Adoption of new/revised HKFRSs — effective 1 April 2018 (Continued)

##### (A) HKFRS 9 — Financial Instruments (Continued)

##### (i) Classification and measurement of financial instruments (Continued)

Notes:

- (i) As of 1 April 2018, certain available-for-sale investments were reclassified from available-for-sale financial assets to FVTOCI. The Group intends to hold these equity investments for long term strategic purposes. Under HKFRS 9, the Group has designated these equity investments at the date of initial application as measured at FVTOCI. As a result, financial assets with a fair value of HK\$59,047,000 were reclassified from available-for-sale financial assets at fair value to financial assets at FVTOCI and fair value loss of HK\$24,039,000 were reclassified from the retained earnings to the FVTOCI reserve on 1 April 2018.
- (ii) As at 1 April 2018, the bank structured product was reclassified from available-for-sale financial assets measured at cost less impairment to financial assets at fair value through profit or loss (“FVTPL”). The non-determinable return rate causes the financial assets to fail to meet the solely payments of principal and interest (“SPPI”) criterion. This is because the non-determinable return rate do not give rise solely to payments of principal and interest on the principal amount outstanding of the financial assets. As a result, that bank structured product is classified as at FVTPL. As at 1 April 2018, there is no difference between the previous carrying amount and the fair value of HK\$1,875,000.
- (iii) As at 1 April 2018, the entire of debt component and derivative component of the investments in convertible bonds were reclassified to financial assets at FVTPL. The derivative component causes the financial assets to fail to meet the SPPI criterion. This is because the embedded feature cannot be separated and the contractual terms of that convertible loan receivable as a whole do not give rise solely to payments of principal and interest on the principal amount outstanding of the bonds. As a result, that investments in convertible bonds in its entirety are classified as at FVTPL. As at 1 April 2018, the difference between the previous carrying amount and the fair value of HK\$2,810,000 has been included in the opening retained earnings.

### 2. 採納香港財務報告準則(「香港財務報告準則」)(續)

#### (a) 採納新訂／經修訂香港財務報告準則 — 於二零一八年四月一日生效(續)

##### (A) 香港財務報告準則第9號 — 金融工具(續)

##### (i) 金融資產分類及計量(續)

附註：

- (i) 截至二零一八年四月一日，若干可供出售投資已自可供出售金融資產重新分類至按公平值計入其他全面收益。本集團擬持有該等股本投資以配合長期策略目標。根據香港財務報告準則第9號，本集團於首次應用日期已指定該等股本投資按公平值計入其他全面收益計量。因此，公平值為59,047,000港元之金融資產自按公平值計量之可供出售金融資產重新分類至按公平值計入其他全面收益之金融資產，而公平值虧損24,039,000港元於二零一八年四月一日自保留盈利重新分類至按公平值計入其他全面收益儲備。
- (ii) 於二零一八年四月一日，銀行結構性產品已自按成本減去減值計量之可供出售金融資產重新分類至按公平值計入損益(「按公平值計入損益」)之金融資產。其不可釐定之回報率導致金融資產未能符合純粹為支付本金及利息(「純粹為支付本金及利息」)準則，原因為不可釐定之回報率不會導致純粹為支付金融資產之本金及未償還本金金額之利息。因此，銀行結構性產品分類為按公平值計入損益。於二零一八年四月一日，先前賬面值與公平值1,875,000港元之間並無差額。
- (iii) 於二零一八年四月一日，可換股債券投資之全部債務部分及衍生工具部分已重新分類至按公平值計入損益之金融資產。衍生工具部分導致金融資產未能符合純粹為支付本金及利息準則，原因為嵌入式特徵不可分割，而該項應收可換股貸款之整體合約條款不會導致純粹為支付該等債券之本金及未償還本金金額之利息。因此，該項可換股債券投資全部分類為按公平值計入損益。於二零一八年四月一日，先前賬面值與公平值之間的差額2,810,000港元已計入期初保留盈利。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

#### (a) Adoption of new/revised HKFRSs – effective 1 April 2018 (Continued)

##### (A) HKFRS 9 – Financial Instruments (Continued)

##### (i) Classification and measurement of financial instruments (Continued)

The following table summarises the original measurement categories under HKAS 39 and the new measurement categories under HKFRS 9 for each class of the Group’s financial assets as at 1 April 2018:

Financial assets	Original classification under HKAS 39	New classification under HKFRS 9	Carrying amount as at 1 April 2018 under HKAS 39 根據香港會計準則第39號於二零一八年四月一日之賬面值 HK\$’000 千港元	Remeasurement	Carrying amount as at 1 April 2018 under HKFRS 9 根據香港財務報告準則第9號於二零一八年四月一日之賬面值 HK\$’000 千港元
金融資產	根據香港會計準則第39號之原有分類	根據香港財務報告準則第9號之新分類		重新計量 HK\$’000 千港元	
Unlisted investment funds 非上市投資基金	Available-for-sale (at fair value) (note (I) above) 可供出售(按公平值) (上文附註(I))	FVTOCI 按公平值計入其他 全面收益	59,047	—	59,047
Unlisted equity investment 非上市股本投資	Available-for-sale (note (I) above) 可供出售(上文附註(I))	FVTOCI 按公平值計入其他 全面收益	—	—	—
Bank structured product 銀行結構性產品	Available-for-sale (at amortised cost) (note (II) above) 可供出售(按攤銷成本) (上文附註(II))	FVTPL 按公平值計入損益	1,875	—	1,875
Investments in convertible bonds 可換股債券投資	Debt component: amortised cost (note (III) above) Derivative component: FVTPL 債務部分：攤銷成本 (上文附註(III)) 衍生工具部分：按公平值 計入損益	As a whole: FVTPL 整體而言： 按公平值計入 損益	417,783	(2,810)	414,973

### 2. 採納香港財務報告準則(「香港財務報告準則」)(續)

#### (a) 採納新訂／經修訂香港財務報告準則 — 於二零一八年四月一日生效(續)

##### (A) 香港財務報告準則第9號 — 金融工具(續)

##### (i) 金融資產分類及計量(續)

下表概述本集團於二零一八年四月一日各類金融資產根據香港會計準則第39號原有計量類別及根據香港財務報告準則第9號之新計量類別：

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

#### (a) Adoption of new/revised HKFRSs – effective 1 April 2018 (Continued)

##### (A) HKFRS 9 – Financial Instruments (Continued)

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

The adoption of HKFRS 9 has changed the Group’s impairment model by replacing the HKAS 39 “incurred loss model” to the “expected credit losses (“ECLs”) model”. HKFRS 9 requires the Group to recognise ECLs for trade and bills receivables and financial assets at amortised costs earlier than HKAS 39. Cash and cash equivalents are subject to ECLs model but the impairment is immaterial for the current period.

Under HKFRS 9, the losses allowances are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

##### Measurement of ECLs

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets’ original effective interest rate.

The Group has elected to measure loss allowances for trade and bills receivables using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group’s historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

### 2. 採納香港財務報告準則(「香港財務報告準則」)(續)

#### (a) 採納新訂／經修訂香港財務報告準則 – 於二零一八年四月一日生效(續)

##### (A) 香港財務報告準則第9號 – 金融工具(續)

##### (ii) 金融資產減值

採納香港財務報告準則第9號改變了本集團之減值模式，由香港會計準則第39號「已產生虧損模式」改為「預期信貸損失(「預期信貸損失」)模式」。香港財務報告準則第9號規定本集團早於香港會計準則第39號規定的時間就貿易應收賬款及應收票據及按攤銷成本計量之金融資產確認預期信貸損失。現金及現金等值項目受預期信貸損失模式規限，惟本期間之減值並不重大。

根據香港財務報告準則第9號，虧損撥備按以下其中一項基準計量：(1)12個月預期信貸損失：其為於報告日期後12個月內發生的可能違約事件導致之預期信貸損失；及(2)全期預期信貸損失：其為於金融工具預計年期內所有可能發生之違約事件產生之預期信貸損失。

##### 預期信貸損失之計量

預期信貸損失基於根據合約應付之合約現金流量與本集團預期收取之所有現金流量之間的差額。該差額其後按資產原實際利率相近之比率貼現。

本集團已選擇採用香港財務報告準則第9號之簡化方法計量貿易應收賬款及應收票據之虧損撥備，並已根據全期預期信貸損失計算預期信貸損失。本集團已根據其過往信貸虧損經驗制定撥備矩陣，有關矩陣已就應收賬款特定的前瞻性因素及經濟環境予以調整。



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

#### (a) Adoption of new/revised HKFRSs – effective 1 April 2018 (Continued)

##### (A) HKFRS 9 – Financial Instruments (Continued)

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

##### Measurement of ECLs (Continued)

For other debt financial assets, the ECLs are based on the 12-months ECLs. The 12-months ECLs is the portion of the lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due.

The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

### 2. 採納香港財務報告準則(「香港財務報告準則」)(續)

#### (a) 採納新訂／經修訂香港財務報告準則 – 於二零一八年四月一日生效(續)

##### (A) 香港財務報告準則第9號 – 金融工具(續)

##### (ii) 金融資產減值(續)

##### 預期信貸損失之計量(續)

就其他債務金融資產而言，預期信貸損失以12個月預期信貸損失為基準。12個月預期信貸損失為全期預期信貸損失之一部分，其因在報告日期後12個月內可能發生之金融工具違約事件而產生。然而，當信貸風險自產生起顯著增加時，撥備將以全期預期信貸損失為基準。當釐定金融資產之信貸風險自初步確認後是否顯著增加及於估計預期信貸損失時，本集團會考慮相關及毋須付出過多成本或精力即可獲得之合理及有理據之資料。此包括根據本集團之過往經驗及已知信貸評估得出之定量及定性資料及分析，並包括前瞻性資料。

本集團假設，倘金融資產逾期超過30日，其信貸風險會顯著增加。

本集團認為金融資產於下列情況下屬違約：(1) 借款人不太可能在本集團無採取行動追索(例如：變現抵押品(如持有))的情況下向本集團悉數履行其信貸義務；或(2) 該金融資產逾期超過90日。

於估計預期信貸損失時所考慮之最長期間為本集團面臨信貸風險之最長合約期間。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

#### (a) Adoption of new/revised HKFRSs — effective 1 April 2018 (Continued)

##### (A) HKFRS 9 — Financial Instruments (Continued)

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

###### Presentation of ECLs

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

###### Impact of the ECLs model

###### Impairment of trade receivables

As mentioned above, the Group applies the HKFRS 9 simplified approach to measure ECLs which recognises lifetime ECLs for all trade receivables. The loss allowance for trade and bills receivables as at 1 April 2018 were determined as follows:

1 April 2018 二零一八年四月一日	Current 即期	More than 90 days past due 逾期超過 90日	More than 120 days past due 逾期超過 120日	More than 12 months past due 逾期超過 12個月	Total 總計
Expected credit loss rate (%) 預期信貸損失率(%)	1.34	1.34	1.34	1.34	1.34
Gross carrying amount (HK\$'000) 賬面總值(千港元)	10,410	5,133	3,510	2,023	21,076
Loss allowance (HK\$'000) 虧損撥備(千港元)					(94)

The increase in loss allowance for trade and bills receivables upon the transition to HKFRS 9 as of 1 April 2018 were approximately HK\$94,000. The loss allowances further increased for approximately HK\$3,000 for trade receivables during the year ended 31 March 2019.

### 2. 採納香港財務報告準則(「香港財務報告準則」)(續)

#### (a) 採納新訂／經修訂香港財務報告準則 — 於二零一八年四月一日生效(續)

##### (A) 香港財務報告準則第9號 — 金融工具(續)

##### (ii) 金融資產減值(續)

###### 預期信貸損失之呈列

以攤銷成本計量之金融資產虧損撥備從資產賬面總值中扣除。

###### 預期信貸損失模式

###### 貿易應收賬款之減值

誠如上文所述，本集團應用香港財務報告準則第9號之簡化方法計量預期信貸損失，其確認所有貿易應收賬款及應收票據之全期信貸損失。於二零一八年四月一日，所釐定貿易應收賬款之虧損撥備如下：

截至二零一八年四月一日，在過渡至香港財務報告準則第9號後，貿易應收賬款及應收票據之虧損撥備增加約為94,000港元。截至二零一九年三月三十一日止年度，貿易應收賬款之虧損撥備進一步增加約3,000港元。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

#### (a) Adoption of new/revised HKFRSs – effective 1 April 2018 (Continued)

##### (A) HKFRS 9 – Financial Instruments (Continued)

##### (iii) Hedge accounting

Hedge accounting under HKFRS 9 has no impact on the Group as the Group does not apply hedge accounting in its hedging relationships.

##### (iv) Transition

The Group has applied the transitional provision in HKFRS 9 such that HKFRS 9 was generally adopted without restating comparative information. The reclassifications and the adjustments arising from the new ECLs rules are therefore not reflected in the consolidated statement of financial position as at 31 March 2018, but are recognised in the consolidated statement of financial position on 1 April 2018. This means that differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of HKFRS 9 are recognised in retained earnings and reserves as at 1 April 2018. Accordingly, the information presented for 2018 does not reflect the requirements of HKFRS 9 but rather those of HKAS 39.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application (the “DIA”) of HKFRS 9:

- The determination of the business model within which a financial asset is held;
- The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL; and

### 2. 採納香港財務報告準則(「香港財務報告準則」)(續)

#### (a) 採納新訂／經修訂香港財務報告準則 – 於二零一八年四月一日生效(續)

##### (A) 香港財務報告準則第9號 – 金融工具(續)

##### (iii) 對沖會計處理

由於本集團並無就其對沖關係應用任何對沖會計處理，故根據香港財務報告準則第9號之對沖會計處理對本集團並無影響。

##### (iv) 過渡安排

本集團已應用香港財務報告準則第9號之過渡性條文，以使香港財務報告準則第9號全面獲採納而毋須重列可資比較資料。因此，新預期信貸損失規則所產生之重新分類及調整並無於二零一八年三月三十一日之綜合財務狀況表中反映，惟於二零一八年四月一日之綜合財務狀況表中確認。此舉指採納香港財務報告準則第9號所產生之金融資產與金融負債之賬面值差異在二零一八年四月一日於保留盈利及儲備中確認。因此，二零一八年呈列之資料並不反映香港財務報告準則第9號之規定，惟反映香港會計準則第39號之規定。

以下評估乃根據香港財務報告準則第9號首次應用日期(「首次應用日期」)存在之事實及情況而作出：

- 釐定持有金融資產之業務模型；
- 指定及撤銷原先指定之若干金融資產及金融負債為按公平值計入損益計量；及



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

#### (a) Adoption of new/revised HKFRSs — effective 1 April 2018 (Continued)

##### (A) HKFRS 9 — Financial Instruments (Continued)

##### (iv) Transition (Continued)

- The designation of certain investments in equity investments not held for trading as at FVTOCI.

If an investment in a debt investment had low credit risk at the DIA, then the Group has assumed that the credit risk on the asset had not increased significantly since its initial recognition.

##### (B) HKFRS 15 — Revenue from Contracts with Customers

HKFRS 15 supersedes HKAS 11 Construction Contracts, HKAS 18 Revenue and related interpretations. HKFRS 15 has established a five-steps model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at the amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group has adopted HKFRS 15 using the cumulative effect method without practical expedients. The Group has recognised the cumulative effect of initially applying HKFRS 15 as an adjustment to the opening balance of retained earnings at the date of initial application (that is, 1 April 2018). As a result, the financial information presented for 2018 has not been restated.

### 2. 採納香港財務報告準則(「香港財務報告準則」)(續)

#### (a) 採納新訂／經修訂香港財務報告準則 — 於二零一八年四月一日生效(續)

##### (A) 香港財務報告準則第9號 — 金融工具(續)

##### (iv) 過渡安排(續)

- 指定並非持作買賣之股本投資的若干投資為按公平值計入其他全面收益。

倘於債務投資之投資在首次應用日期具有低信貸風險，則本集團假設該資產之信貸風險自其初始確認起並無顯著增加。

##### (B) 香港財務報告準則第15號 — 客戶合約收益

香港財務報告準則第15號取代香港會計準則第11號建築合約、香港會計準則第18號收益及相關詮釋。香港財務報告準則第15號已建立一個五步模式，以將來自客戶合約之收益入賬。根據香港財務報告準則第15號，收益以能反映實體預期就向客戶轉讓貨物或服務而有權在交換中獲取之代價金額進行確認。

本集團在無可行權宜方法下已採用累計影響法採納香港財務報告準則第15號。本集團已將首次應用香港財務報告準則第15號之累計影響確認為於首次應用日期(即二零一八年四月一日)對保留盈利期初結餘之調整。因此，並無重列二零一八年已呈列之財務資料。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

#### (a) Adoption of new/revised HKFRSs – effective 1 April 2018 (Continued)

#### (B) HKFRS 15 – Revenue from Contracts with Customers (Continued)

The amendments to HKFRS 15 included clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

The adoption of these amendments has no impact on these consolidated financial statements as the Group had not previously adopted HKFRS 15 and took up the clarifications in this, its first, year.

### 2. 採納香港財務報告準則(「香港財務報告準則」)(續)

#### (a) 採納新訂／經修訂香港財務報告準則 – 於二零一八年四月一日生效(續)

#### (B) 香港財務報告準則第15號 – 客戶合約收益(續)

香港財務報告準則第15號之修訂本包括澄清對履行義務之辨別；應用委託人及代理人；知識產權許可；及過渡規定。

由於本集團先前並無採納香港財務報告準則第15號，並於本年度首次作出澄清，故採納該等修訂本對該等綜合財務報表並無影響。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

#### (b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group’s consolidated financial statements, have been issued but are not yet effective and have not been early adopted by the Group. The Group’s current intention is to apply these changes on the date they become effective.

HKFRS 16	Leases <sup>1</sup>
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments <sup>1</sup>
Amendments to HKFRS 9	Prepayment Features with Negative Compensation <sup>1</sup>
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures <sup>1</sup>
Annual Improvements to HKFRSs 2015–2017 Cycle	Amendments to HKFRS 3, Business Combinations <sup>1</sup>
Annual Improvements to HKFRSs 2015–2017 Cycle	Amendments to HKFRS 11, Joint Arrangements <sup>1</sup>
Annual Improvements to HKFRSs 2015–2017 Cycle	Amendments to HKAS 12, Income Taxes <sup>1</sup>
Annual Improvements to HKFRSs 2015–2017 Cycle	Amendments to HKAS 23, Borrowing Costs <sup>1</sup>
HKFRS 17	Insurance Contracts <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>

- <sup>1</sup> Effective for annual periods beginning on or after 1 January 2019
- <sup>2</sup> Effective for annual periods beginning on or after 1 January 2021
- <sup>3</sup> The amendments were originally intended to be effective for periods beginning on or after 1 January 2017. The effective date has now been deferred/removed. Early application of the amendments continue to be permitted.

### 2. 採納香港財務報告準則(「香港財務報告準則」)(續)

#### (b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則

以下為可能與本集團綜合財務報表相關之已頒佈但尚未生效且並未獲本集團提早採納之新訂／經修訂香港財務報告準則。本集團目前有意在該等準則生效之日應用該等變動。

香港財務報告準則第16號	租賃 <sup>1</sup>
香港(國際財務報告詮釋委員會)–詮釋第23號	所得稅處理之不確定性 <sup>1</sup>
香港財務報告準則第9號(修訂本)	附帶負補償之預付款項特點 <sup>1</sup>
香港會計準則第28號(修訂本)	於聯營公司及合營企業之長期利息 <sup>1</sup>
香港財務報告準則二零一五年至二零一七年年度的改進	香港財務報告準則第3號業務合併的修訂 <sup>1</sup>
香港財務報告準則二零一五年至二零一七年年度的改進	香港財務報告準則第11號合營安排的修訂 <sup>1</sup>
香港財務報告準則二零一五年至二零一七年年度的改進	香港會計準則第12號所得稅的修訂 <sup>1</sup>
香港財務報告準則二零一五年至二零一七年年度的改進	香港會計準則第23號借款成本的修訂 <sup>1</sup>
香港財務報告準則第17號	保險合約 <sup>2</sup>
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合營企業間出售或注入資產 <sup>3</sup>

- <sup>1</sup> 於二零一九年一月一日或之後開始的年度期間生效
- <sup>2</sup> 於二零二一年一月一日或之後開始的年度期間生效
- <sup>3</sup> 該等修訂原定於二零一七年一月一日或之後開始的期間生效。生效日期現已被遞延／移除。提早應用該等修訂仍獲准許。



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

#### (b) New/revised HKFRSs that have been issued but are not yet effective (Continued)

##### *HKFRS 16 – Leases*

HKFRS 16, which upon the effective date will supersede HKAS 17 “Leases” and related interpretations, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

### 2. 採納香港財務報告準則(「香港財務報告準則」)(續)

#### (b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則(續)

##### *香港財務報告準則第16號 – 租賃*

香港財務報告準則第16號由生效當日起將取代香港會計準則第17號「租賃」及相關詮釋，其引入單一承租人會計處理模式，並規定承租人就為期超過十二個月之所有租賃確認資產及負債，除非相關資產為低價值資產則另作別論。具體而言，根據香港財務報告準則第16號，承租人須確認使用權資產(表示其有權使用相關租賃資產)及租賃負債(表示其有責任支付租賃款項)。因此，承租人應確認使用權資產折舊及租賃負債利息，並將租賃負債之現金還款分類為本金部分及利息部分，並於現金流量表內呈列。此外，使用權資產及租賃負債初步按現值基準計量。計量包括不可撤銷租賃付款，亦包括承租人合理地肯定將行使選擇權延續租賃或行使選擇權終止租賃之情況下，將於選擇權期間內作出之付款。此會計處理方法與承租人根據原準則即香港會計準則第17號分類為經營租賃之租賃會計法顯著不同。

就出租人會計處理而言，香港財務報告準則第16號大致繼承了香港會計準則第17號之出租人會計處理規定。因此，出租人繼續將其租賃分類為經營租賃或融資租賃，並且對兩類租賃進行不同之會計處理。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 3. BASIS OF PREPARATION

#### 3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “HKFRSs”) and the provisions of the Hong Kong Companies Ordinance which concern the preparation of financial statements. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

#### 3.2 Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments, which are measured at fair values as explained in the accounting policies set out below.

#### 3.3 Functional and presentation currency

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Company. The amounts stated are rounded to the nearest HK\$1,000 unless otherwise stated.

### 3. 編製基準

#### 3.1 合規聲明

綜合財務報表乃根據所有適用香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋(以下統稱「香港財務報告準則」)以及香港公司條例有關編製財務報表之條文而編製。此外，綜合財務報表載有香港聯合交易所有限公司證券上市規則規定之適用披露。

#### 3.2 計量基準

如下文會計政策所披露，除若干金融工具按公平值計量外，綜合財務報表乃根據歷史成本基準編製。

#### 3.3 功能及呈列貨幣

綜合財務報表乃以港元(「港元」)呈列，港元亦為本公司之功能貨幣。除另有所指外，所示金額約整至最接近千港元。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES

#### 4.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (“the Group”). Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest’s share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

### 4. 重大會計政策概要

#### 4.1 綜合基準

綜合財務報表包括本公司及其附屬公司(「本集團」)之財務報表。集團各成員公司間之公司間交易與結餘連同未變現溢利乃於編製綜合財務報表時全數對銷。未變現虧損亦可對銷，惟於有關交易可提供所轉讓資產之減值證明則除外，在此情況下，虧損可於損益中確認。

倘本集團喪失對附屬公司之控制權，則出售產生之損益乃根據(i)已收代價公平值與任何保留權益公平值之總額及(ii)該附屬公司之資產(包括商譽)及負債以及任何非控股權益之過往賬面值兩者間之差額計算。先前於其他全面收益內確認與該附屬公司有關之任何金額按猶如本集團已出售相關資產或負債之方式入賬。

收購後，代表目前於附屬公司擁有權益之非控股權益之賬面值為該等權益於初步確認時之金額另加有關非控股權益應佔之其後權益變動。即使會導致非控股權益出現虧絀結餘，全面收益總額仍歸屬於非控股權益。



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.2 Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for the Company on the basis of dividend received and receivable.

#### 4.3 Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

Associates are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amounts are adjusted for the Group's share of the post-acquisition change in the associates' net assets except that losses in excess of the Group's interest in the associates are not recognised unless there is an obligation to make good those losses.

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate. Where unrealised losses provide evidence of impairment of the asset transferred they are recognised immediately in profit or loss.

### 4. 重大會計政策概要(續)

#### 4.2 附屬公司

附屬公司指本公司有能力對其行使控制權之被投資公司。倘具備以下全部三項元素，本公司即對被投資公司擁有控制權：對被投資公司擁有權力、就被投資方可變回報承受風險或享有權利，及其行使權力影響有關可變回報之能力。倘有事實及情況顯示任何該等控制權元素可能有變，將會重新評估有關控制權。

於本公司財務狀況表內，於附屬公司之投資按成本扣除減值虧損(如有)列值。本公司按已收及應收股息基準將附屬公司業績入賬。

#### 4.3 聯營公司

聯營公司指本集團對其擁有重大影響力而非屬於附屬公司或合營安排之實體。重大影響力指有權參與被投資方之財務及營運決策，而非對該等政策擁有控制或共同控制權。

聯營公司採用權益法入賬，據此，聯營公司初步按成本確認，此後其賬面金額會因應本集團所佔之聯營公司資產淨值收購後變動調整，惟超出本集團於聯營公司之權益之虧損不會被確認，除非有責任妥善處理該等虧損。

本集團與其聯營公司進行交易所產生之溢利及虧損，僅會就聯營公司之無相關投資者權益確認。該等交易產生之投資者所佔聯營公司之溢利及虧損，與聯營公司之賬面值對銷。如未變現虧損提供所轉讓資產減值證據，其即時於損益確認。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.3 Associates (Continued)

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

#### 4.4 Goodwill

Where the fair value of identifiable assets and liabilities exceed the aggregate of the fair value of consideration paid, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of the acquirer's previously held equity interest in the acquiree, the excess is recognised in profit or loss on the acquisition date, after re-assessment.

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units that are expected to benefit from the synergies of the acquisition. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, by comparing its carrying amount with its recoverable amount (see note 4.15), and whenever there is an indication that the unit may be impaired.

### 4. 重大會計政策概要(續)

#### 4.3 聯營公司(續)

就聯營公司已付之任何溢價超出本集團所佔已收購可識別資產、負債及或然負債之公平值之金額會撥充資本，並計入聯營公司之賬面值。如於聯營公司之投資出現已減值之客觀證據，投資之賬面值按其他非金融資產之相同方式測試減值。

#### 4.4 商譽

倘可識別資產及負債公平值超出已付代價之公平值、於被收購方之任何非控股權益金額及收購方過往於被收購方所持權益於收購當日之公平值之總額，則有關差額在重估後於收購日期於損益賬確認。

商譽以成本扣除減值虧損計量。就減值測試而言，收購產生之商譽會分配至預期受惠於收購所帶來協同效益之相關各現金產生單位。現金產生單位是最小可識別之資產組別，其產生之現金流入大致上獨立於其他資產或資產組別之現金流入。獲分配商譽之現金產生單位每年均透過其賬面值與其可收回金額作比較檢測減值(見附註4.15)，及凡有跡象顯示單位可能出現減值，則檢測減值。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.4 Goodwill (Continued)

For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro-rata on the basis of the carrying amount to each asset in the unit. However, the loss allocated to each asset will not reduce the individual asset's carrying amount to below its fair value less cost of disposal (if measurable) or its value in use (if determinable), whichever is the higher. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

#### 4.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as an expense in profit or loss during the financial period in which they are incurred.

### 4. 重大會計政策概要(續)

#### 4.4 商譽(續)

就於財政年度收購產生之商譽而言，獲分配商譽之現金產生單位於該財政年度結束之前測試減值。當現金產生單位之可收回款額少於其賬面值，則減值虧損首先分配以減少分配至單位之商譽賬面值，然後再根據有關單位各項資產之賬面值按比例分配至單位之其他資產。然而，分配至各資產之虧損將不會減少個別資產之賬面值至低於其公平價值減出售成本(倘可計量)或其使用價值(倘可釐定)(以較高者為準)。商譽之任何減值虧損於損益賬確認且不會於其後期間撥回。

#### 4.5 物業、廠房及設備

物業、廠房及設備乃以成本減累計折舊及任何減值虧損呈列。物業、廠房及設備成本包括其購買價及收購該項目之直接應佔成本。

其後成本計入資產賬面值或於適當時確認為獨立資產，惟以有關該項目之日後經濟利益很可能流入本集團及該項目之成本能可靠計量為限。已取代部分之賬面值乃終止確認。所有其他維修及保養均於產生之財政期間於損益賬內支銷。



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Property, plant and equipment are depreciated so as to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The annual rates/useful lives are as follows:

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

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

### 4. 重大會計政策概要(續)

#### 4.5 物業、廠房及設備(續)

物業、廠房及設備予以折舊，以按物業、廠房及設備之估計可使用年期以直線法撇銷其成本值扣除預期剩餘價值。於各報告期末，會審閱可使用年期、剩餘價值及折舊方法，並在適當時作出調整。年率／可使用年期如下：

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

倘資產之賬面值高於其估計可收回金額，資產即時撇減至其可收回金額。

出售物業、廠房及設備項目之收益或虧損，為銷售所得款項淨額與其賬面值兩者間之差額，於出售時在損益賬中予以確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.6 Investment property

Investment property is property held either to earn rentals or for capital appreciation or for both, but not held for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

The land component of leasehold investment property is accounted for as a prepaid land lease payment.

The building component of investment property is measured at cost on initial recognition and subsequently carried at cost less accumulated depreciation and accumulated impairment (if any). Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives of 30.25 years.

The residual values and useful lives of investment property are reviewed, and adjusted as appropriate, at each financial year end. The effects of any revision are included in the statement of profit or loss when the changes arise.

#### 4.7 Leases

##### *The Group as lessor*

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

### 4. 重大會計政策概要(續)

#### 4.6 投資物業

投資物業為持有作賺取租金或資本升值或作該兩種用途而非在日常業務過程中持作出售、用作生產或供應貨品或服務或作行政用途之物業。

租賃投資物業之土地部分按預付土地租賃付款入賬。

投資物業之樓宇部分初始確認按成本計量，其後按成本減累計折舊及累計減值(如有)列賬。折舊使用直線法計算，於估計可使用年期30.25年內將可折舊金額分攤。

於各財政年度結算日就投資物業之剩餘價值及可使用年期檢討，並作出適當調整。任何修訂之影響於發生變動時計入損益表內。

#### 4.7 租賃

##### *本集團為出租人*

經營租賃之租金收入在相關租賃期內按直線法於損益內確認。於經營租賃之磋商及安排中產生之初始直接成本計入租賃資產之賬面值，並於租賃期內按直線法確認為開支。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.7 Leases (Continued)

##### *The Group as lessee*

The total rentals payable under the operating leases are recognised in profit or loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integrated part of the total rental expense, over the term of the lease.

##### *Lease of land and building*

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

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

### 4. 重大會計政策概要(續)

#### 4.7 租賃(續)

##### *本集團為承租人*

經營租賃下之應付租金總額於租賃期內以直線法於損益內確認。已收到之租金優惠於租賃期內確認為支出總額之組成部分。

##### *租賃土地及樓宇*

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

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



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.8 Intangible assets (other than goodwill)

(i) *Intangible assets acquired separately*

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

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses (see note 4.8(iii)).

(ii) *Internally generated intangible assets (research and development costs)*

Expenditure on internally developed products is capitalised if it can be demonstrated that:

- it is technically feasible to develop the product for it to be sold;
- adequate resources are available to complete the development;
- there is an intention to complete and sell the product;
- the Group is able to sell the product;
- sale of the product will generate future economic benefits; and expenditure on the project can be measured reliably.

### 4. 重大會計政策概要(續)

#### 4.8 無形資產(商譽除外)

(i) *個別收購之無形資產*

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

個別收購之具無限可使用年期之無形資產乃按成本減任何其後累計減值虧損列賬(見附註4.8(iii))。

(ii) *內部產生無形資產(研發成本)*

內部開發產品支出在出現下列情況時可被撥充資本：

- 在技術上可開發產品以供銷售；
- 有足夠資源完成開發；
- 有意完成及銷售產品；
- 本集團有能力銷售產品；
- 銷售產品會產生未來經濟利益；及可靠計量項目支出。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.8 Intangible assets (other than goodwill) (Continued)

(ii) *Internally generated intangible assets (research and development costs) (Continued)*

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

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

Intangible assets, which comprise rights to commercially exploit certain gene inventions, are stated at cost less accumulated amortisation and impairment losses. The category of intangible asset is summarised as follows:

(a) *Gene invention rights*

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

### 4. 重大會計政策概要(續)

#### 4.8 無形資產(商譽除外)(續)

(ii) *內部產生無形資產(研發成本)(續)*

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

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

無形資產包括以商業形式利用若干基因發明之權利，乃按成本減累計攤銷及減值虧損列賬。無形資產之類別概述如下：

(a) *基因發明權*

開發基因發明權之成本，乃自授出基因發明權起，最長分二十年攤銷。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.8 Intangible assets (other than goodwill) (Continued)

##### (iii) Impairment

Intangible assets with finite lives are tested for impairment when there is an indication that an asset may be impaired. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that they may be impaired. Intangible assets are tested for impairment by comparing their carrying amounts with their recoverable amounts (see note 4.15).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as revaluation decrease to the extent of its revaluation surplus.

### 4. 重大會計政策概要(續)

#### 4.8 無形資產(商譽除外)(續)

##### (iii) 減值

如有跡象顯示資產可能減值，則具有限使用年期之無形資產作減值測試。無限使用年期之無形資產及尚未能使用之無形資產每年進行減值測試，而不管有否任何跡象顯示其可能減值。無形資產按比較其賬面值與其可收回金額之方式進行減值測試(見附註4.15)。

當某資產之可收回金額估計低於其賬面值時，資產賬面值乃調低至其可收回金額。

減值虧損即時確認為開支，除非有關資產乃以重估金額列賬，在此情況下，減值虧損視為重估減值，減值以重估盈餘為限。



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.9 Financial Instruments

A. *Accounting policies applied from 1 April 2018*

(i) *Financial assets*

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

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 market place.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

*Debt instruments*

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

### 4. 重大會計政策概要(續)

#### 4.9 金融工具

A. *自二零一八年四月一日起應用之會計政策*

(i) *金融資產*

金融資產(除並無重大融資組成部分之貿易應收賬款外)初步按公平值加(就並非按公平值計入損益(「按公平值計入損益」)之項目而言)其收購或發行直接應佔之交易成本計量。並無重大融資組成部分之貿易應收賬款初步按交易價格計量。

以正常途徑收購及出售之所有金融資產均於交易日確認，即本集團承諾收購或出售資產當日。正常買賣指一般由市場法規或慣例設定要求於指定期間內交付買賣金融資產。

於釐定具有嵌入衍生工具之金融資產之現金流量是否純粹為支付本金及利息時，應整體考慮該等金融資產。

*債務工具*

債務工具之其後計量取決於本集團管理資產之業務模式及資產之現金流量特點。本集團將其債務工具分為三種計量類別：

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.9 Financial Instruments (Continued)

A. *Accounting policies applied from 1 April 2018 (Continued)*

(i) *Financial assets (Continued)*  
*Debt instruments (Continued)*

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

Fair value through other comprehensive income ("FVTOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Debt investments at fair value through other comprehensive income are subsequently measured at fair value. Interest income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

### 4. 重大會計政策概要(續)

#### 4.9 金融工具(續)

A. *自二零一八年四月一日起應用之會計政策(續)*

(i) *金融資產(續)*  
*債務工具(續)*

攤銷成本：就持作收取合約現金流量之資產而言，倘有關資產之現金流量純粹為支付本金及利息，則按攤銷成本計量。按攤銷成本計量之金融資產其後採用實際利率法計量。利息收入、匯兌收益及虧損以及減值於損益確認。終止確認之任何收益於損益確認。

按公平值計入其他全面收益(「按公平值計入其他全面收益」)：就持作收取合約現金流量及出售金融資產之資產而言，倘有關資產之現金流量純粹為支付本金及利息，則按公平值計入其他全面收益計量。按公平值計入其他全面收益之債務投資其後按公平值計量。採用實際利率法計算之利息收入、匯兌收益及虧損以及減值於損益確認。其他收益及虧損淨額於其他全面收益確認。於其他全面收益累計之收益及虧損在終止確認時重新分類至損益。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.9 Financial Instruments (Continued)

A. *Accounting policies applied from 1 April 2018 (Continued)*

(i) *Financial assets (Continued)*  
*Debt instruments (Continued)*

Fair value through profit or loss ("FVTPL"): Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

### 4. 重大會計政策概要(續)

#### 4.9 金融工具(續)

A. *自二零一八年四月一日起應用之會計政策(續)*

(i) *金融資產(續)*  
*債務工具(續)*

按公平值計入損益(「按公平值計入損益」): 按公平值計入損益之金融資產包括持作買賣金融資產、於初步確認時指定為按公平值計入損益之金融資產, 或強制要求按公平值計量之金融資產。倘收購金融資產之目的為作短期出售或購回用途, 則該等金融資產分類為持作買賣。衍生工具(包括獨立嵌入式衍生工具)亦分類為持作買賣, 惟被指定為有效對沖工具則除外。現金流量並非純粹為支付本金及利息之金融資產均按公平值計入損益分類及計量(不論其業務模式)。儘管如上文所述債務工具可按攤銷成本或按公平值計入其他全面收益分類, 惟債務工具可於初步確認時指定為按公平值計入損益(倘此舉可消除或大幅減少會計錯配)。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.9 Financial Instruments (Continued)

A. *Accounting policies applied from 1 April 2018 (Continued)*

(i) *Financial assets (Continued)*

*Equity instruments*

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Equity investments at fair value through other comprehensive income are measured at fair value. Dividend income are recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss. All other equity instruments are classified as FVTPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

(ii) *Impairment loss on financial assets*

The Group recognises loss allowances for expected credit loss ("ECL") on trade and bills receivables and financial assets measured at amortised cost. The ECLs are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

### 4. 重大會計政策概要(續)

#### 4.9 金融工具(續)

A. *自二零一八年四月一日起應用之會計政策(續)*

(i) *金融資產(續)*

*股本工具*

於初步確認並非持作買賣股本投資時，本集團可不可撤回地選擇於其他全面收益中呈列投資公平值之其後變動。該選擇按每項投資基準作出。按公平值計入其他全面收益之股本投資按公平值計量。股息收入於損益內確認，除非股息收入明確列為收回部分投資成本。其他收益及虧損淨額於其他全面收益確認，而非重新分類至損益。所有其他股本工具乃分類為按公平值計入損益，其中公平值變動、股息及利息收入均於損益中確認。

(ii) *金融資產之減值虧損*

本集團就貿易應收賬款及應收票據以及按攤銷成本計量之金融資產之預期信貸損失(「預期信貸損失」)確認虧損撥備。預期信貸損失將採用以下基準計量：(1)12個月預期信貸損失：其為於報告日期後12個月內發生之可能違約事件導致之預期信貸損失；及(2)全期預期信貸損失：其為於金融工具之預計年期內所有可能發生之違約事件產生之預期信貸損失。於估計預期信貸損失時考慮之最長期間為本集團面臨信貸風險之最長合約期間。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.9 Financial Instruments (Continued)

A. *Accounting policies applied from 1 April 2018 (Continued)*

(ii) *Impairment loss on financial assets (Continued)*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group has elected to measure loss allowances for trade and bills receivables using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are based on the 12-months ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

### 4. 重大會計政策概要(續)

#### 4.9 金融工具(續)

A. *自二零一八年四月一日起應用之會計政策(續)*

(ii) *金融資產之減值虧損(續)*

預期信貸損失為按概率加權估計之信貸損失。信貸損失以本集團按合約應收之所有合約現金流量與本集團預期收取之所有現金流量之間之差額計量。該差額其後按資產原有實際利率相近之比率貼現。

本集團已選擇採用香港財務報告準則第9號之簡化法計量貿易應收賬款及應收票據之虧損撥備，並已根據全期預期信貸損失計算預期信貸損失。本集團已根據其過往信貸虧損經驗制定撥備矩陣，並按債務人特定之前瞻性因素及經濟環境予以調整。

就其他債務金融資產而言，預期信貸損失以12個月預期信貸損失為基準。然而，當信貸風險自產生起顯著增加時，撥備將以全期預期信貸損失為基準。

當釐定金融資產之信貸風險自初步確認起後是否顯著增加及於估計預期信貸損失時，本集團會考慮相關及毋須付出過多成本或精力即可獲得之合理及有理據之資料。此包括根據本集團之過往經驗及已知信貸評估得出之定量及定性資料及分析，並包括前瞻性資料。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.9 Financial Instruments (Continued)

A. *Accounting policies applied from 1 April 2018 (Continued)*

(ii) *Impairment loss on financial assets (Continued)*

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be credit-impaired when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets interest income is calculated based on the gross carrying amount.

(iii) *Financial liabilities*

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at fair value through profit or loss are initially measured at fair value and financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

### 4. 重大會計政策概要(續)

#### 4.9 金融工具(續)

A. *自二零一八年四月一日起應用之會計政策(續)*

(ii) *金融資產之減值虧損(續)*

本集團假設，倘金融資產逾期超過30日，其信貸風險會顯著增加。

本集團認為金融資產於下列情況出現信貸減值：(1)借款人不太可能在本集團無採取行動追索(例如：變現抵押品(如持有))之情況下向本集團悉數履行其信貸義務；或(2)該金融資產逾期超過90日。

信貸減值金融資產之利息收入乃根據金融資產之攤銷成本(即賬面總值減虧損撥備)計算。非信貸減值金融資產之利息收入乃根據賬面總值計算。

(iii) *金融負債*

本集團視乎負債產生之目的將其金融負債分類。按公平值計入損益之金融負債初步按公平值計量，而按攤銷成本計量之金融負債初步按公平值減所產生之直接應佔成本計量。



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.9 Financial Instruments (Continued)

A. *Accounting policies applied from 1 April 2018 (Continued)*

(iii) *Financial liabilities (Continued)*

*Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities 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. Gains or losses on liabilities held for trading are recognised in profit or loss.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial liability at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

### 4. 重大會計政策概要(續)

#### 4.9 金融工具(續)

A. *自二零一八年四月一日起應用之會計政策(續)*

(iii) *金融負債(續)*

*按公平值計入損益之金融負債*

按公平值計入損益之金融負債包括持作買賣金融負債及於初步確認時指定為按公平值計入損益之金融負債。

倘收購金融負債之目的為於短期內出售，則有關金融資產則分類為持作買賣。衍生工具(包括獨立嵌入式衍生工具)亦分類為持作買賣，除非其獲指定為有效對沖工具。持作買賣負債之收益或虧損於損益內確認。

倘一項合約包括一項或多項嵌入式衍生工具，則整份合約可指定為按公平值計入損益之金融負債，除非該嵌入式衍生工具不會令現金流量出現重大變動，或明確禁止單獨處理嵌入式衍生工具。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.9 Financial Instruments (Continued)

A. *Accounting policies applied from 1 April 2018 (Continued)*

(iii) *Financial liabilities (Continued)*

*Financial liabilities at fair value through profit or loss (Continued)*

Financial liabilities may be designated upon initial recognition as at fair value through profit or loss if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the liabilities or recognising gains or losses on them on a different basis; (ii) the liabilities are part of a group of financial liabilities which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial liability contains an embedded derivative that would need to be separately recorded.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise, except for the gains and losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

### 4. 重大會計政策概要(續)

#### 4.9 金融工具(續)

A. *自二零一八年四月一日起應用之會計政策(續)*

(iii) *金融負債(續)*

*按公平值計入損益之金融負債(續)*

倘符合下列條件，金融負債可於初步確認時指定為按公平值計入損益：(i)分類將消除或顯著減少因按不同基準計量負債或確認收益或虧損而造成之處理方法不一致；(ii)根據明文訂立之風險管理策略，有關負債乃一類受管理而其表現乃按公平值評估之金融負債其中部分；或(iii)有關金融負債包括須獨立入賬之嵌入式衍生工具。

於初步確認後，按公平值計入損益之金融負債乃按公平值計量，而公平值變動則於產生期間在損益中確認，惟本集團於其他全面收益呈列且隨後並無重新分類至損益表之自有信貸風險產生之收益及虧損除外。於損益表確認之公平值收益或虧損淨額不包括就該等金融負債收取之任何利息。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.9 Financial Instruments (Continued)

A. *Accounting policies applied from 1 April 2018 (Continued)*

(iii) *Financial liabilities (Continued)*

*Financial liabilities at amortised cost*

Financial liabilities at amortised cost including trade and other payables, amount due to an associate and the liability component of convertible bonds issued by the Company are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iv) *Convertible bonds*

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

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

### 4. 重大會計政策概要(續)

#### 4.9 金融工具(續)

A. *自二零一八年四月一日起應用之會計政策(續)*

(iii) *金融負債(續)*

*按攤銷成本列賬之金融負債*

按攤銷成本列賬之金融負債包括貿易應付賬款及其他應付款項、應付一間聯營公司款項及本公司發行之可換股債券之負債部分，其後使用實際利率法按攤銷成本計量。有關利息開支於損益內確認。

收益或虧損於終止確認負債時透過攤銷於損益確認。

(iv) *可換股債券*

本集團所發行包含負債及換股權部分之可換股債券，乃於初步確認時獨立分類為相關項目。將以固定金額現金或另一項金融資產交換本公司本身固定數目之股本工具方式結清之換股權乃分類為股本工具。

於初步確認時，負債部分之公平值乃按類似不可轉換債務之現行市場利率釐定。發行可換股債券之所得款項與撥往負債部分之公平值之差額(指讓持有人將債券轉換為權益之轉換權)列入權益(可換股債券權益儲備)內。



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.9 Financial Instruments (Continued)

A. *Accounting policies applied from 1 April 2018 (Continued)*

(iv) *Convertible bonds (Continued)*

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

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

### 4. 重大會計政策概要(續)

#### 4.9 金融工具(續)

A. *自二零一八年四月一日起應用之會計政策(續)*

(iv) *可換股債券(續)*

於隨後期間，可換股債券之負債部分乃按實際利率法以攤銷成本列賬。權益部分(指可將負債部分轉換為本公司普通股之換股權)將保留於可換股債券權益儲備內，直至該嵌入式換股權獲行使為止(於此情況下，可換股債券權益儲備之結餘將轉撥至股本及股份溢價)。倘換股權於到期日尚未行使，可換股債券權益儲備之結餘將解除至保留盈利。換股權獲轉換或到期後不會確認任何收益或虧損。

發行可換股債券有關之交易成本，按所得款項總額分配比例撥往負債及權益部分。與權益部分有關之交易成本於權益中直接扣除。與負債部分有關之交易成本計入負債部分之賬面值，並按實際利率法於已發行可換股債券期限內攤銷。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.9 Financial Instruments (Continued)

A. *Accounting policies applied from 1 April 2018 (Continued)*

(v) *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(vi) *Equity instruments*

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(vii) *Derecognition*

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

### 4. 重大會計政策概要(續)

#### 4.9 金融工具(續)

A. *自二零一八年四月一日起應用之會計政策(續)*

(v) *實際利率法*

實際利率法為計算金融資產或金融負債攤銷成本及就有關期間分配利息收入或利息開支之方法。實際利率為透過金融資產或負債預計年期或(如適用)較短期間準確貼現估計未來現金收款或付款之利率。

(vi) *股本工具*

本公司發行之股本工具按收取之所得款項扣除直接發行成本入賬。

(vii) *終止確認*

本集團在與金融資產有關之未來現金流量合約權利屆滿，或金融資產已轉讓，且該轉讓根據香港財務報告準則第9號符合終止確認標準時，終止確認金融資產。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.9 Financial Instruments (Continued)

A. *Accounting policies applied from 1 April 2018 (Continued)*

(vii) *Derecognition (Continued)*

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

Where the Group issues its own equity instruments to a creditor to settle a financial liability in whole or in part as a result of renegotiating the terms of that liability, the equity instruments issued are the consideration paid and are recognised initially and measured at their fair value on the date the financial liability or part thereof is extinguished. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the year.

### 4. 重大會計政策概要(續)

#### 4.9 金融工具(續)

A. *自二零一八年四月一日起應用之會計政策(續)*

(vii) *終止確認(續)*

金融負債於有關合約所訂明責任解除、註銷或屆滿時終止確認。

倘本集團向債權人發行自有股本工具，以全部或部分結清重新磋商金融負債條款產生的金融負債，則已發行股本工具為已付代價，並於該金融負債或其一部分終止之日按公平值初步確認及計量。倘已發行股本工具的公平值無法可靠計量，則股本工具的計量應反映已終止金融負債的公平值。金融負債或其中一部分的賬面金額與已付代價之間的差額於年內損益中確認。



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.9 Financial Instruments (Continued)

*B. Accounting policies applied until 31 March 2018*

The Group has applied HKFRS 9 retrospectively, but has elected not to restate comparative information. Accordingly, the comparative financial information provided continues to be accounted for in accordance with the Group's previous accounting policy.

*(i) Financial assets*

The Group classifies its financial assets at initial recognition, depending on the purpose for which the asset was acquired. Financial assets at fair value through profit or loss are initially measured at fair value and all other financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. Regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

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

### 4. 重大會計政策概要(續)

#### 4.9 金融工具(續)

*B. 截至二零一八年三月三十一日採納之會計政策*

本集團已追溯應用香港財務報告準則第9號，但選擇不重列比較資料。因此，比較資料將繼續按照與本集團以往一致之會計政策資料進行會計處理。

*(i) 金融資產*

本集團於初步確認時按收購資產之目的分類其金融資產。按公平值計入損益之金融資產初步按公平值計量，所有其他金融資產初步則按公平值加收購該金融資產直接應佔交易成本計量。以正常途徑收購或出售之金融資產乃按交易日確認及終止確認。正常買賣指按附帶條款要求於指定時間內交付資產之合約買賣金融資產，有關指定時間一般乃由相關市場法規或慣例設定。

除分類為按公平值計入損益之金融資產之利息收入計入「其他收益或虧損」項下外，債務工具之利息收入按實際利率基準確認。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.9 Financial Instruments (Continued)

B. *Accounting policies applied until 31 March 2018 (Continued)*

(i) *Financial assets (Continued)*

*Financial assets at fair value through profit or loss*

These assets include financial assets held for trading. 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 or financial guarantee contracts.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise.

*Embedded derivatives*

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

### 4. 重大會計政策概要(續)

#### 4.9 金融工具(續)

B. 截至二零一八年三月三十一日採納之會計政策(續)

(i) 金融資產(續)

按公平值計入損益之金融資產

該等資產包括持作買賣金融資產。倘購買金融資產旨在於近期內出售，則該等資產分類為持作買賣。衍生工具(包括獨立嵌入式衍生工具)亦分類為持作買賣，惟被指定為有效對沖工具或財務擔保合約者則除外。

於初步確認後，按公平值計入損益之金融資產乃按公平值計量，而公平值變動則於其產生期間於損益中確認。

*嵌入式衍生工具*

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

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.9 Financial Instruments (Continued)

B. *Accounting policies applied until 31 March 2018 (Continued)*

(i) *Financial assets (Continued)*

*Loans and receivables*

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade debtors), and also incorporate other types of contractual monetary asset. Subsequent to initial recognition, they are carried at amortised cost using the effective interest method, less any identified impairment losses.

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

*Available-for-sale financial assets*

These assets are non-derivative financial assets that are designated as available-for-sale or are not included in other categories of financial assets. Subsequent to initial recognition, these assets are carried at fair value with changes in fair value recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary instruments, which are recognised in profit or loss.

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

### 4. 重大會計政策概要(續)

#### 4.9 金融工具(續)

B. 截至二零一八年三月三十一日採納之會計政策(續)

(i) 金融資產(續)

*貸款及應收款項*

該等資產乃並無於活躍市場報價之固定或可釐定付款之非衍生金融資產。該等資產主要來自向客戶(貿易債務人)提供貨品及服務，亦包括其他類型之合約貨幣資產。於初步確認後，其採用實際利率法按攤銷成本扣除任何已識別之減值虧損入賬。

利息收入透過使用實際利率確認，惟利息確認並不重大的短期應收款項除外。

*可供出售金融資產*

該等資產指被指定為可供出售或未歸類於其他金融資產類別之非衍生金融資產。於初步確認後，該等資產按公平值列賬，其公平值變動於其他全面收益確認，惟減值虧損及貨幣工具之匯兌收益及虧損乃於損益內確認除外。

可供出售股本投資之股息於本集團建立收取股息權利時於損益內確認。



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.9 Financial Instruments (Continued)

B. *Accounting policies applied until 31 March 2018 (Continued)*

(i) *Financial assets (Continued)*

*Available-for-sale financial assets (Continued)*

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses.

*Investments in convertible bonds*

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

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

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

### 4. 重大會計政策概要(續)

#### 4.9 金融工具(續)

B. 截至二零一八年三月三十一日採納之會計政策(續)

(i) 金融資產(續)

*可供出售金融資產(續)*

於活躍市場中並無報價且其公平值無法可靠計量之可供出售股本投資，及與該等未報價股本工具掛鈎且必須通過交付該等股本工具結算之衍生工具，按成本減任何已識別減值虧損計量。

*可換股債券投資*

可換股債券之組成部分單獨分類為債務部分及換股權衍生工具。

於收購可換股債券之日期，債務及衍生工具部分均按公平值確認。於隨後期間，可換股債券之債務部分乃以實際利率法按攤銷成本列賬。換股權衍生工具乃按公平值計量，而公平值之變動乃於損益內確認。

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

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.9 Financial Instruments (Continued)

B. *Accounting policies applied until 31 March 2018 (Continued)*

(ii) *Impairment loss on financial assets*

The Group assesses, at the end of each reporting period, whether there is any objective evidence that financial asset is impaired. Financial asset is impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- granting concession to a debtor because of debtor's financial difficulty;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

### 4. 重大會計政策概要(續)

#### 4.9 金融工具(續)

B. 截至二零一八年三月三十一日採納之會計政策(續)

(ii) *金融資產之減值虧損*

本集團會於各報告期末評估金融資產有否出現減值之客觀跡象。倘有客觀減值跡象顯示於金融資產初步確認後發生之一項或多項事件對金融資產之估計未來現金流量造成能夠可靠估計之影響，則金融資產出現減值。減值之跡象可包括：

- 債務人出現重大財務困難；
- 違反合約，如拖欠或欠付利息或本金付款；
- 因債務人有財務困難而授予寬免；
- 債務人很可能破產或進行其他財務重組。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.9 Financial Instruments (Continued)

B. *Accounting policies applied until 31 March 2018 (Continued)*

(ii) *Impairment loss on financial assets (Continued)*  
*For Loans and receivables*

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of financial asset is reduced through the use of an allowance account. When any part of financial asset is determined as uncollectible, it is written off against the allowance account for the relevant financial asset.

*For Available-for-sale financial assets*

Where a decline in the fair value constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognised in profit or loss.

Any impairment losses on available-for-sale debt investments are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For available-for-sale equity investment, any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

### 4. 重大會計政策概要(續)

#### 4.9 金融工具(續)

B. 截至二零一八年三月三十一日採納之會計政策(續)

(ii) 金融資產之減值虧損(續)  
貸款及應收款項

倘有客觀跡象顯示資產出現減值，則減值虧損會於損益內確認，並按資產賬面值與按原本實際利率貼現之估計未來現金流量之現值之間之差額計量。金融資產之賬面值通過使用撥備賬減少。倘金融資產之任何部分被確定為無法收回時，則於相關金融資產之撥備賬撇銷。

*可供出售金融資產*

倘公平值減少構成減值之客觀證據，虧損金額於權益中扣除並於損益內確認。

倘投資公平值之增加客觀上與確認減值虧損後發生之事件相關，則可供出售債務投資之任何減值虧損其後會於損益中撥回。

就可供出售股本投資而言，減值虧損後之任何公平值增加乃於其他全面收益內確認。



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.9 Financial Instruments (Continued)

B. *Accounting policies applied until 31 March 2018 (Continued)*

(ii) *Impairment loss on financial assets (Continued)*  
*For Available-for-sale financial assets (Continued)*

For available-for-sale equity investment that is carried at cost, the amount of impairment loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss is not reversed.

(iii) *Financial liabilities*

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

##### *Financial liabilities at amortised cost*

Financial liabilities at amortised cost including trade and other payables, amount due to an associate and the liability component of convertible bonds issued by the Company are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

### 4. 重大會計政策概要(續)

#### 4.9 金融工具(續)

B. 截至二零一八年三月三十一日採納之會計政策(續)

(ii) 金融資產之減值虧損(續)  
可供出售金融資產(續)

就按成本列賬之可供出售股本投資而言，減值虧損金額乃按資產賬面值與經按類似金融資產之現行市場回報率貼現之估計未來現金流量現值兩者之差額計量。該等減值虧損不予撥回。

(iii) 金融負債

本集團視乎負債產生之目的將其金融負債分類。按攤銷成本計量之金融負債初步按公平值減所產生之直接應佔成本計量。

##### *按攤銷成本計量之金融負債*

按攤銷成本計量之金融負債包括貿易應付賬款及其他應付款項、應付一間聯營公司款項及本公司可換股債券之負債部分，其後使用實際利率法按攤銷成本計量。有關利息開支於損益內確認。

收益或虧損於終止確認負債時透過攤銷於損益內確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.9 Financial Instruments (Continued)

B. *Accounting policies applied until 31 March 2018 (Continued)*

(iv) *Convertible bonds*

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

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

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

### 4. 重大會計政策概要(續)

#### 4.9 金融工具(續)

B. 截至二零一八年三月三十一日採納之會計政策(續)

(iv) 可換股債券

本集團所發行包含負債及換股權部分之可換股債券，乃於初始確認時，獨立分類為相關項目。將以固定金額現金或另一項金融資產交換本公司本身固定數目之股本工具方式結清之換股權乃分類為股本工具。

於初始確認本公司發行之可換股債券時，負債部分之公平值乃按類似不可轉換債務之現行市場利率釐定。發行可換股債券之所得款項與撥往負債部分之公平值之差額(指讓持有人將債券轉換為權益之換股權)列入權益(可換股債券權益儲備)內。

於隨後期間，可換股債券之負債部分乃按實際利率法以攤銷成本列賬。權益部分(指可將負債部分轉換為本公司普通股之換股權)將保留於可換股債券權益儲備內，直至該嵌入式換股權獲行使為止(於此情況下，可換股債券權益儲備之結餘將轉撥至股份溢價)。倘換股權於到期日尚未行使，可換股債券權益儲備之結餘將解除至保留盈利。換股權獲轉換或到期後不會確認任何收益或虧損。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.9 Financial Instruments (Continued)

B. *Accounting policies applied until 31 March 2018 (Continued)*

(iv) *Convertible bonds (Continued)*

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

(v) *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(vi) *Equity instruments*

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

### 4. 重大會計政策概要(續)

#### 4.9 金融工具(續)

B. 截至二零一八年三月三十一日採納之會計政策(續)

(iv) *可換股債券(續)*

發行可換股債券有關之交易成本，按所得款項分配比例撥往負債及權益部分。與權益部分有關之交易成本於權益中直接扣除。與負債部分有關之交易成本計入負債部分之賬面值，並按實際利率法於可換股債券期限內攤銷。

(v) *實際利率法*

實際利率法為計算金融資產或金融負債攤銷成本及就有關期間分配利息收入或利息開支之方法。實際利率為透過金融資產或負債預計年期或(如適用)較短期間準確貼現估計未來現金收款或付款之利率。

(vi) *股本工具*

本公司發行之股本工具按收取之所得款項扣除直接發行成本入賬。



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.9 Financial Instruments (Continued)

B. *Accounting policies applied until 31 March 2018 (Continued)*

(vii) *Derecognition*

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKAS 39.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

#### 4.10 Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### 4. 重大會計政策概要(續)

#### 4.9 金融工具(續)

B. 截至二零一八年三月三十一日採納之會計政策(續)

(vii) 終止確認

本集團在與金融資產有關之未來現金流量合約權利屆滿，或金融資產已轉讓，且該轉讓根據香港會計準則第39號符合終止確認標準時，終止確認金融資產。

金融負債於有關合約所訂明責任解除、註銷或屆滿時終止確認。

#### 4.10 存貨

存貨初始按成本確認，其後按成本及可變現淨值之較低者確認。成本包括所有採購成本、轉移成本及將存貨達致其目前地點及狀況所產生之其他成本。成本按加權平均法計算。可變現淨值相當於一般業務過程中之估計售價減去達致完成之估計成本及作出銷售所需之估計成本。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.11 Revenue recognition

A. *Accounting policies applied from 1 April 2018*

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service.

### 4. 重大會計政策概要(續)

#### 4.11 收益確認

A. *自二零一八年四月一日起應用之會計政策*

客戶合約收益於貨品或服務之控制權轉移至客戶時確認，有關金額反映本集團預期就該等貨品或服務而有權獲得之代價，不包括代表第三方收取之金額。收益不包括增值稅或其他銷售稅項，並扣除任何貿易折扣。

視乎合約條款及合約適用之法律，貨品或服務之控制權可在一段時間內或某一時間點轉移。倘本集團之履約符合下列條件，則貨品或服務之控制權會在一段時間內轉移：

- 提供了由客戶同步收取及消耗之所有利益；
- 隨著本集團履約，創建或改良客戶所控制之資產；或
- 並無創建對本集團而言具有其他用途之資產，而本集團有權強制收取迄今已完成之履約部分之款項。

倘貨品或服務之控制權在一段時間內轉移，收益將參考在完全履行該履約責任上之進度而於合約期間確認。否則，收益於客戶取得貨品或服務之控制權時於某一時間點確認。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.12 Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

### 4. 重大會計政策概要(續)

#### 4.12 所得稅

本年度之所得稅包括即期稅項及遞延稅項。

即期稅項乃日常業務所得損益(已就毋須繳納所得稅或不獲寬減所得稅之項目作出調整)，按於報告期末已頒佈或實質上已頒佈之稅率計算。

遞延稅項乃因就財務報告而言資產及負債之賬面值與就稅務而言之相關金額之暫時差額而確認。除商譽及不影響會計或應課稅溢利之已確認資產及負債之外，所有應課稅暫時差額均被確認為遞延稅項負債。倘可動用可扣稅之暫時差額抵銷應課稅溢利時，遞延稅項資產方會確認。遞延稅項乃按預期於有關資產變現或有關負債結算之期間適用之稅率，根據報告期末時已頒佈或實際已頒佈之稅率計算。

遞延稅項負債乃按於附屬公司、聯營公司及共同控制實體之投資而產生之應課稅暫時差額確認入賬，惟倘本集團可控制暫時差額之撥回並預期該暫時差額將不會在可見將來撥回者則除外。

所得稅乃於損益確認，除非該等稅項與於其他全面收益確認之項目有關，在此情況下該等稅項亦於其他全面收益內確認，或該等稅項與於權益直接確認之項目相關，在此情況下該等稅項亦於權益內直接確認。



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.13 Foreign currency

Transactions entered into by the Company/group entities in currencies other than the currency of the primary economic environment in which it/they operate(s) (the “functional currency”) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

### 4. 重大會計政策概要(續)

#### 4.13 外幣

本公司／集團實體以其經營業務所在主要經濟環境貨幣(「功能貨幣」)以外之貨幣進行之交易，按交易發生時之適用匯率入賬。外幣貨幣資產及負債則以報告期末之適用匯率換算。按公平值入賬並以外幣計值之非貨幣項目重新按公平值釐定當日之現行匯率換算。以外幣歷史成本計量之非貨幣項目毋須重新換算。

結算與換算貨幣項目產生之匯兌差額於其產生期間於損益內確認。重新換算按公平值列賬之非貨幣項目產生之匯兌差額計入期內損益，惟重新換算有關收益及虧損於其他全面收益內確認之非貨幣項目產生之差額除外，在此情況下，匯兌差額亦於其他全面收益內確認。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.13 Foreign currency (Continued)

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as foreign exchange reserve (attributed to minority interests as appropriate). Exchange differences recognised in profit or loss of group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as foreign exchange reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of reporting period. Exchange differences arising are recognised in the foreign exchange reserve.

### 4. 重大會計政策概要(續)

#### 4.13 外幣(續)

綜合賬目時，海外業務之收支項目以年內平均匯率換算為本集團之呈報貨幣(即港元)，除非期內匯率大幅波動，則按進行該等交易時之相若匯率換算。所有海外業務之資產及負債均以報告期末之匯率換算。所產生之匯兌差額(如有)，於其他全面收益確認，並累計至權益入賬為外匯儲備(歸屬於少數權益(如適用))。於換算構成本集團所涉海外業務之部分投資淨額之長期貨幣項目時，在集團實體之獨立財務報表之損益內確認之匯兌差額則重新分類至其他全面收益，並累計至權益入賬為外匯儲備。

出售海外業務時，外匯儲備內確認該業務截至出售日期止之累計匯兌差額將重新分類至損益，作為出售溢利或虧損之一部分。

於二零零五年一月一日或以後，收購海外業務產生之有關所收購可識別資產之商譽及公平價值調整乃視為該海外業務之資產及負債，並按於報告期末之現行匯率進行換算。產生之匯兌差額乃於外匯儲備內確認。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.14 Employee benefits

- (i) *Short term employee benefits*  
Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related service.
- (ii) *Retirement benefit costs*  
Payments to state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme are recognised as an expenses when employees have rendered service entitling them to the contributions.
- (iii) *Termination benefits*  
Termination benefits are recognised on the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

### 4. 重大會計政策概要(續)

#### 4.14 僱員福利

- (i) *短期僱員福利*  
短期僱員福利為預期於僱員提供相關服務之年度報告期末後十二個月之前悉數結清之僱員福利(終止福利除外)。短期僱員福利於僱員提供相關服務之年度內確認。
- (ii) *退休福利成本*  
於員工提供服務且有權獲得供款時，向國家管理之退休福利計劃及強積金計劃之供款被確認為開支。
- (iii) *終止福利*  
終止福利於本集團不能取消提供該等福利時及本集團確認重組成本(涉及支付終止福利)時(以較早日期為準)確認。



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.15 Impairment of assets (other than financial assets)

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- intangible assets; and
- investments in subsidiaries and an associate

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the impairment loss is treated as a revaluation decrease under that HKFRS.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the reversal of the impairment loss is treated as a revaluation increase under that HKFRS.

Value in use is based on the estimated future cash flows expected to be derived from the asset, 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 or cash generating unit.

### 4. 重大會計政策概要(續)

#### 4.15 資產減值(金融資產除外)

於各報告期末，本集團檢討下列資產之賬面值，以釐定是否有任何跡象顯示該等資產已出現減值虧損或過往確認之減值虧損不再存在或可能已經減少：

- 物業、廠房及設備；
- 無形資產；及
- 於附屬公司及一間聯營公司之投資

倘資產之可收回金額(即公平值減出售成本與使用價值之較大者)估計少於其賬面值，該資產之賬面值將減至其可收回金額。減值虧損即時確認為開支，除非相關資產根據另一條香港財務報告準則按重估金額入賬，在此情況下，減值虧損則根據該條香港財務報告準則被視為重估減值。

倘其後撥回減值虧損，則該項資產之賬面值回升至經修訂後之估計可收回金額，惟增加後之賬面值不能超過倘該資產於過往年度並無確認減值虧損而原應釐定之賬面值。減值虧損撥回即時確認為收入，除非相關資產根據另一條香港財務報告準則按重估金額入賬，在此情況下，減值虧損撥回則根據該條香港財務報告準則被視為重估增值。

使用價值乃根據預期自資產產生之估計日後現金流量，並使用反映當前市場對金錢時間價值之評估及該資產或現金產生單位獨有之風險之稅前折現率將其折現至現值。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.16 Borrowing costs

Borrowing costs that are directly attributable to the acquisition or production of a qualifying asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

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

##### 4.17 Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reliably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

#### 4. 重大會計政策概要(續)

##### 4.16 借款成本

直接源於收購或生產合資格資產之借款成本乃資本化為資產成本之一部分，直至籌備資產作其擬定用途或銷售之絕大部分所需活動已完成為止，此後，有關開支於損益扣除。合資格資產為必需長時間準備方能用作擬定用途或銷售之資產。借款成本資本化於自主開發中斷之較長期間暫停。

合資格資本化之借款成本金額為期內就借款產生之實際借款成本減暫時投資借款之任何投資收入。

所有其他借款成本於其產生期間於損益內確認。

##### 4.17 撥備及或然負債

當本集團因過往事件須負上法律或推定責任而可能導致流出經濟利益，且該經濟利益能夠合理估計時，則會就未能確定時間或金額之負債確認撥備。

倘不太可能需要流出經濟利益，或該金額未能可靠估計，則該責任將披露為或然負債，惟流出經濟利益之機會極微則除外。僅以發生或無發生一項或多項日後事件方可確定是否存在之可能責任，亦會披露為或然負債，惟流出經濟利益之機會極微則除外。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.18 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statement of profit or loss and other comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred income on government grants and are credited to the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the expected lives of the related assets.

#### 4.19 Dividend distribution

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

#### 4.20 Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of key management personnel of the Group or the Company's parent.

### 4. 重大會計政策概要(續)

#### 4.18 政府補助

當能合理確定將收到政府之補助，而本集團將遵守所有附帶條件時，補助按其公平值確認。

有關成本之政府補助將被遞延，並於將有關補助與其擬定補償之成本配對所需之期間內在綜合損益及其他全面收益表予以確認。

有關物業、廠房及設備之政府補助被納入非流動負債列為有關政府補助之遞延收入，並於有關資產之預期年限內按直線基準計入綜合損益及其他全面收益表。

#### 4.19 股息分派

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

#### 4.20 關聯方

- (a) 倘屬以下人士，則該人士或該人士之近親與本集團有關：
- (i) 控制或共同控制本集團；
  - (ii) 對本集團有重大影響；或
  - (iii) 為本集團或本公司母公司之主要管理層成員。



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.20 Related parties (Continued)

- (b) An entity is related to the Group if any of the following conditions apply:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of the employees of 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 key management personnel of the entity (or of a parent of the entity).
  - (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 Company's parent.

### 4. 重大會計政策概要(續)

#### 4.20 關聯方(續)

- (b) 倘符合下列任何條件，則該實體與本集團有關：
- (i) 該實體與本集團屬同一集團之成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關)。
  - (ii) 一間實體為另一實體之聯營公司或合營企業(或另一實體為集團旗下成員公司之聯營公司或合營企業之成員公司)。
  - (iii) 兩間實體均為同一第三方之合營企業。
  - (iv) 一間實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司。
  - (v) 實體為本集團或與本集團有關之實體就僱員利益設立之離職福利計劃。
  - (vi) 實體受(a)內識別人士控制或共同控制。
  - (vii) (a)(i)內識別人士對實體有重大影響力或屬該實體(或該實體之母公司)之主要管理層成員。
  - (viii) 向本集團或向本公司之母公司提供主要管理人員服務之實體或其所屬集團之任何成員公司。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.20 Related parties (Continued)

(b) (Continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

### 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

### 4. 重大會計政策概要(續)

#### 4.20 關聯方(續)

(b) (續)

任何人士之近親是指與該實體交易時預期可影響該名人士或受該人士影響之家庭成員，包括：

- (i) 該人士之子女及配偶或同住伴侶；
- (ii) 該人士之配偶或同住伴侶之子女；及
- (iii) 該人士或該人士之配偶或同住伴侶之受養人。

### 5. 重大會計判斷及估計不明朗因素之主要來源

在應用本集團會計政策時，董事須對未能輕易地從其他來源確定之資產及負債賬面值作出判斷、估計及假設。該等估計及相關假設是根據過往經驗及被認為相關之其他因素而作出。實際結果或會與該等估計有所不同。

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

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

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

#### Impairment of interest in an associate

The Group's interest in an associate represents interest in Smart Ascent Limited and its subsidiaries (the "Smart Ascent Group"). The major asset held by the Smart Ascent Group is an intangible asset in relation to an in-process research and development project (the "In-process R&D") involving an oral insulin product (the "Product"). As at 31 March 2019, the carrying amount of the Group's interest in an associate amounted to HK\$330,062,000 (2018: HK\$330,970,000). The directors of the Company have performed an impairment assessment on the Group's interest in an associate as at 31 March 2019, with reference to a valuation report prepared by an independent qualified valuer and are of the view that no impairment provision is required.

In making the assessment, key assumptions adopted by the management include that Smart Ascent Group would be successful in completing the clinical trials, obtaining the regulatory approvals from the relevant government bodies and launching the Product.

### 5. 重大會計判斷及估計不明朗因素之主要來源(續)

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

#### 於一間聯營公司之權益減值

本集團於一間聯營公司之權益指於進生有限公司及其附屬公司(「進生集團」)之權益。進生集團所持之主要資產為有關進行之研究及開發項目(「進行之研發」)之無形資產，當中涉及口服胰島素產品(「產品」)。於二零一九年三月三十一日，本集團於一間聯營公司之權益賬面值為330,062,000港元(二零一八年：330,970,000港元)。本公司董事已經參考獨立合資格估值師編製之估值報告，就本集團於二零一九年三月三十一日於一間聯營公司之權益進行減值評估，並認為毋須作出減值撥備。

在進行評估時，管理層所應用之主要假設包括進生集團將成功完成臨床試驗、取得有關政府監管部門批准並推出產品。



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

#### Impairment loss on trade receivables

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

#### Impairment of prepaid lease payments and buildings

As at 31 March 2019, the prepaid lease payments and buildings are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amounts have been determined based on value-in-use calculations or market valuations. These valuations require the use of judgements and estimates.

Management's judgement is required in the area of assets impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related assets value may not be recoverable; and (ii) whether the carrying amounts of assets can be supported by the recoverable amount, being the higher of fair value less costs of disposal or net present amounts future cash flows which are estimated based upon the continued use of the assets in the business. The management performed an impairment assessment on its prepaid lease payments and buildings as at 31 March 2019, with reference to the valuation report prepared by an independent qualified valuer using the depreciate replacement cost approach. The fair values of these assets were higher than their carrying amounts. Accordingly, no impairment loss is recognised for prepaid lease payments and buildings based on the impairment assessment performed by the management as at 31 March 2019 (2018: nil).

### 5. 重大會計判斷及估計不明朗因素之主要來源(續)

#### 貿易應收賬款之減值虧損

本集團之貿易應收賬款之減值虧損乃基於管理層作出之個別貿易債務之可收回性評估及賬齡分析而估計。於評估該等應收款項最終變現價值時，須作出大量判斷，包括各客戶現時之信譽及過往還款記錄。倘本集團客戶之財務狀況惡化，導致其還款能力下降，則或須作出額外撥備。

#### 預付租賃付款及樓宇之減值

於二零一九年三月三十一日，預付租賃付款及樓宇於發生事件或環境出現改變，顯示該等資產之賬面值超過其可收回金額時，檢討是否有減值。可收回金額乃按使用價值計算或市場估值釐定。該等估值須使用判斷及估計。

管理層須於評估資產減值時作出判斷，尤其是評估：(i) 是否已出現任何事件顯示有關資產價值可能無法收回；及(ii) 資產可收回金額(即公平值減出售成本或估計繼續在業務中使用資產所帶來之未來現金流量現值淨額兩者中之較高者)是否足以支持賬面值。於二零一九年三月三十一日，管理層經參考獨立合資格估價師使用折舊置換成本法編製之估值報告就其預付租賃付款及樓宇進行減值評估。該等資產之公平值高於其賬面值。因此，根據管理層於二零一九年三月三十一日進行之減值評估，概無就預付租賃付款及樓宇確認減值虧損(二零一八年：無)。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

#### Impairment of prepaid lease payments and buildings (Continued)

As at 31 March 2019, the carrying amounts of prepaid lease payments and buildings are approximately HK\$9,236,000 (2018: HK\$10,017,000) and HK\$116,570,000 (2018: HK\$126,776,000) respectively.

#### Impairment loss on slow-moving and obsolete inventories

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

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

#### Fair value of investments in convertible bonds

The fair value of convertible bonds invested by the Group is calculated using valuation techniques. Valuation techniques are certified by independent qualified valuers before being implemented for valuation and are calibrated to ensure that outputs reflect market conditions. Valuation models established by valuers make the maximum use of market inputs and rely as little as possible on the Group's specific data. The model involves estimates on time to expiration, risk free rate, share price, volatility, discount rate and others. As at 31 March 2019, the carrying amount of the convertible bonds as a whole invested by the Group is HK\$469,737,000 (2018: the carrying amount of the embedded conversion option is HK\$4,296,000).

### 5. 重大會計判斷及估計不明朗因素之主要來源(續)

#### 預付租賃付款及樓宇之減值(續)

於二零一九年三月三十一日，預付租賃付款及樓宇之賬面值分別約為9,236,000港元(二零一八年：10,017,000港元)及116,570,000港元(二零一八年：126,776,000港元)。

#### 滯銷及過期存貨減值虧損

滯銷及過期存貨乃根據存貨之賬齡及估計可變現淨值作出減值虧損。評估撥備數額涉及判斷及估計。倘日後實際結果與原先估計不同，則有關差額將影響在有關估計變動之期間存貨賬面值及撥備扣除/撥回。

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

#### 可換股債券投資之公平值

本集團投資之可換股債券之公平值乃採用估值法計算。估值法經獨立合資格估值師於估值前核實並予以調整，以確保得出之數據反映市況。估值師確定之估值模式會充分利用市場輸入數據而盡量少依賴本集團之特定數據。該模式涉及對到期時間、無風險利率、股價、波動、貼現率及其他因素之估計。於二零一九年三月三十一日，本集團投資之可換股債券之整體賬面值為469,737,000港元(二零一八年：嵌入式換股權之賬面值為4,296,000港元)。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

#### Fair value of conversion option of the convertible bonds issued by the Company

On initial recognition of convertible bonds issued by the Company, the fair value of the conversion option of the convertible bonds was calculated using the valuation techniques. Valuation techniques were certified by an independent qualified valuer before being implemented for valuation and were calibrated to ensure that outputs reflect market conditions. Valuation models established by the valuer make the maximum use of market inputs and rely as little as possible on the Group's specific data. The model involved estimates on time to expiration, risk free rate, share price, volatility, discount rate and others.

#### Income taxes

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

### 5. 重大會計判斷及估計不明朗因素之主要來源(續)

#### 本公司發行之可換股債券換股權之公平值

初始確認本公司發行之可換股債券時，可換股債券換股權之公平值乃採用估值法計算。估值法經獨立合資格估值師於估值前核實並予以調整，以確保得出之數據反映市況。估值師確定之估值模式會充分利用市場輸入數據而盡量少依賴本集團之特定數據。該模式涉及對到期時間、無風險利率、股價、波動、貼現率及其他因素之估計。

#### 所得稅

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



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 6. REVENUE AND SEGMENT INFORMATION

Revenue for the year represents the fair value of amounts received and receivable for goods sold to external customers, less discounts and sales-related taxes for the year, and is analysed as follows:

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Manufacturing of pharmaceutical products 製造藥品	75,821	60,176
Trading of pharmaceutical products 藥品貿易	13,397	25,586
	<b>89,218</b>	85,762

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that makes strategic decisions.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products they provide. Each of the Group's operating segments represents a strategic business unit that offers products which are subject to risks and returns that are different from those of the other business segments. Summarised details of the reportable and operating segments are as follows:

- (a) the manufacturing segment engages in the development, manufacture and sales of pharmaceutical products ("Manufacturing");
- (b) the trading segment engages in the marketing and distribution of imported pharmaceutical products ("Trading"); and
- (c) the gene development segment engages in the commercial exploitation and development of genome-related technology ("Gene Development").

### 6. 收益及分類資料

年內收益指向外間客戶出售貨品而已收及應收款項之公平值扣除年內之折扣及銷售相關稅項，分析如下：

營運分類按照向首席營運決策者提供之內部報告貫徹一致之方式報告。負責分配資源及評估營運分類表現的首席營運決策者已被識別為作出戰略決策的董事會。

本集團之經營業務乃按照其業務性質及所提供之產品獨立分類及管理。本集團各經營分類乃提供產品之策略性業務單位，各業務分類之風險及回報不盡相同。可呈報經營分類之概要詳情如下：

- (a) 製造分類從事開發、製造及銷售藥品(「製造」)；
- (b) 貿易分類從事推廣及經銷進口藥品(「貿易」)；及
- (c) 基因開發分類從事基因相關技術之商業開發及研發(「基因開發」)。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 6. REVENUE AND SEGMENT INFORMATION (Continued)

#### Segment revenue and results

The following is the Group's revenue and results from operation by reportable and operating segment.

### 6. 收益及分類資料(續)

#### 分類收益及業績

以下為按可呈報經營分類劃分之來自經營業務之本集團收益及業績。

	Manufacturing 製造		Trading 貿易		Gene Development 基因開發		Total 總計	
	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue Sales to external customers	75,821	60,176	13,397	25,586	—	—	89,218	85,762
Segment results	(3,633)	(3,695)	(6,624)	(6,009)	(85)	(83)	(10,342)	(9,787)
Unallocated other income							10,214	90,514
Unallocated other gains and losses, net							79,789	(37,735)
Corporate expenses							(7,556)	(7,217)
Effective interest expense on convertible bonds							(7,823)	(6,590)
Share of results of an associate							(908)	1
Profit before income tax							63,374	29,186
Income tax (expense)/ credit							(50)	86
Profit for the year							63,324	29,272

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 4 to the consolidated financial statements. Segment profit/(loss) represents the profit earned by/(loss from) each segment without allocation of interest income, effective interest income from investments in convertible bonds, other gains and losses, net, corporate expenses, share of results of an associate and effective interest expense on convertible bonds. This is the measure reported to the chief operating decision maker, being the board of directors, for the purposes of resource allocation and performance assessment.

經營分類之會計政策與綜合財務報表附註4所述本集團之會計政策相同。分類溢利/(虧損)指在並無分配利息收入、可換股債券投資之實際利息收入、其他收益及虧損淨額、企業開支、應佔一間聯營公司業績及可換股債券之實際利息開支之情況下，各分類賺取之溢利/(產生之虧損)。此計量為向首席營運決策者(即董事會)呈報以用作資源分配及表現評估。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 6. REVENUE AND SEGMENT INFORMATION (Continued)

#### Segment assets and liabilities

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

### 6. 收益及分類資料(續)

#### 分類資產及負債

以下為按可呈報經營分類劃分之本集團資產及負債。

		Manufacturing 製造		Trading 貿易		Gene Development 基因開發		Total 總計	
		2019	2018	2019	2018	2019	2018	2019	2018
		二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	
<b>Segment assets</b>	<b>分類資產</b>								
Segment assets	分類資產	184,818	201,454	86,162	90,707	6	6	270,986	292,167
Investments in convertible bonds	可換股債券投資							469,737	417,783
Interest in an associate	於一間聯營公司之權益							330,062	330,970
Corporate and other assets	企業及其他資產							125,301	175,863
Total assets	總資產							1,196,086	1,216,783
<b>Segment liabilities</b>	<b>分類負債</b>								
Segment liabilities	分類負債	75,390	82,269	8,293	4,700	64	64	83,747	87,033
Convertible bonds	可換股債券							49,635	41,812
Corporate and other liabilities	企業及其他負債							1,133	20,859
Total liabilities	總負債							134,515	149,704

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

- all assets are allocated to operating segments other than investments in convertible bonds, interest in an associate and corporate and other assets; and
- all liabilities are allocated to operating segments other than convertible bonds and corporate and other liabilities

就監察分類表現及於分類間分配資源而言：

- 除可換股債券投資、於一間聯營公司之權益以及企業及其他資產外，所有資產均分配至經營分類；及
- 除可換股債券以及企業及其他負債外，所有負債均分配至經營分類



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 6. REVENUE AND SEGMENT INFORMATION (Continued)

### 6. 收益及分類資料(續)

#### Other segment information

#### 其他分類資料

		Manufacturing		Trading		Gene Development		Total	
		製造		貿易		基因開發		總計	
		2019	2018	2019	2018	2019	2018	2019	2018
		二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Amounts included in the measure of segment profit or loss:	計入分類溢利或虧損計量之數額：								
Depreciation and amortisation	折舊及攤銷	6,312	6,393	86	94	—	—	6,398	6,487
Unallocated depreciation and amortisation	未分配折舊及攤銷							132	133
								6,530	6,620
Provision for impairment loss on trade receivables, net	貿易應收賬款減值虧損撥備淨額	255	3,218	—	—	—	—	255	3,218
Bad debts recovered	已收回壞賬	—	(3,431)	—	—	—	—	—	(3,431)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	734	—	—	—	—	—	734	—
(Reversal of)/Provision for impairment loss on inventories, net	存貨減值虧損(撥回)/撥備淨額	(44)	85	—	—	—	—	(44)	85

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 6. REVENUE AND SEGMENT INFORMATION (Continued)

#### Geographical information

The Group's operations are located in the People's Republic of China (the "PRC") and Malaysia.

Information about the Group's revenue from external customers is presented based on the location of the customers and distributors. Information about the Group's non-current assets is presented based on the geographical location of the assets.

### 6. 收益及分類資料(續)

#### 地理資料

本集團之業務位於中華人民共和國(「中國」)及馬來西亞。

有關來自外間客戶之本集團收益之資料乃按客戶及經銷商所在地呈列。有關本集團非流動資產之資料乃按資產所在地呈列。

		Revenue from external customers 來自外間客戶之收益		Non-current assets 非流動資產	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Hong Kong	香港	—	—	402	475
The PRC	中國	89,162	83,233	517,236	521,730
Macau	澳門	56	2,529	—	—
		<b>89,218</b>	85,762	<b>517,638</b>	522,205

Note: Non-current assets exclude financial instruments and deferred tax assets.

附註：非流動資產不包括金融工具及遞延稅項資產。

#### Information about major customers

Revenue from customers contributing over 10% of the total revenue are as follows:

#### 主要客戶資料

佔總收益超過10%之客戶之收益如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Customer A	客戶甲	<b>13,341</b>	23,058

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 7. OTHER INCOME

### 7. 其他收入

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest income	利息收入	2,947	1,806
Government grants	政府補助	257	172
Effective interest income from investments in convertible bonds (note 19)	可換股債券投資之實際利息收入(附註19)	—	83,266
Imputed interest income from amount due from an associate (note 22)	應收一間聯營公司款項之估算利息收入(附註22)	6,883	5,270
Loan interest income from an associate (note 22)	來自一間聯營公司之貸款利息收入(附註22)	127	—
		<b>10,214</b>	90,514

### 8. OTHER GAINS AND LOSSES, NET

### 8. 其他收益及虧損淨額

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	(734)	—
Change in fair value of derivative component of investments in convertible bonds (note 19)	可換股債券投資之衍生工具部分之公平值變動(附註19)	—	(16,782)
Change in fair value on financial assets at FVTPL — investments in convertible bonds	按公平值計入損益之金融資產公平值變動 — 可換股債券投資	79,789	—
Change in fair value on financial assets at FVTPL — bank structured product	按公平值計入損益之金融資產公平值變動 — 銀行結構性產品	61	—
Impairment loss on available-for-sale investments (note 20)	可供出售投資減值虧損(附註20)	—	(20,953)
Reversal of impairment loss on other receivables	撥回其他應收款項減值虧損	2	—
Provision for impairment loss on trade receivables, net (note 24)	貿易應收賬款減值虧損撥備淨額(附註24)	(255)	(3,218)
Bad debts recovered	已收回壞賬	—	3,431
		<b>78,863</b>	(37,522)



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 9. PROFIT BEFORE INCOME TAX

### 9. 除所得稅前溢利

	Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit before income tax is arrived at after charging:	除所得稅前溢利 已扣除下列各項：		
Auditor's remuneration	核數師酬金	700	798
Amortisation of prepaid lease payments	預付租賃付款攤銷	234	233
Depreciation of investment properties	投資物業折舊	59	60
Depreciation of property, plant and equipment	物業、廠房及設備折舊	6,237	6,327
Cost of inventories recognised as expenses	確認為費用之存貨成本	39,618	43,713
Operating lease charges in respect of land and buildings	有關土地及樓宇之經營租賃費用	1,826	1,826
(Reversal of)/Provision for impairment loss on inventories, net*	存貨減值虧損(撥回)/撥備淨額*	(44)	85
Staff costs (including directors' emoluments)	員工成本(包括董事薪酬)		
Salaries, bonus and allowances	薪金、花紅及津貼	21,038	23,362
Retirement benefits scheme contributions	退休福利計劃供款	2,705	2,484

\* included in cost of sales

\* 計入銷售成本

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

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

Details of emoluments paid and payable to the directors of the Company, which include the Chief Executive Officer ("CEO") for the year are as follows:

### 10. 董事及最高行政人員酬金

本年度已付及應付予本公司董事(包括行政總裁(「行政總裁」))之酬金詳情如下：

Name of director 董事姓名	Fees 袍金		Salaries, and other allowances 薪金及其他津貼		Contributions to retirement benefits scheme 退休福利計劃供款		Total 總計	
	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Xie Yi 謝毅	70	70	1,316	1,316	—	—	1,386	1,386
Lou Yi 樓屹	70	70	487	487	—	—	557	557
Cheng Yong 程勇	70	70	487	487	—	—	557	557
Wong Sau Kuen 王秀娟	70	70	787	787	18	18	875	875
Liu Kwok Wah 廖國華	70	70	995	995	18	18	1,083	1,083
Lu Zhiqiang 盧志強	70	12	650	647	—	—	720	659
Fang Lin Hu 方林虎	70	70	—	—	—	—	70	70
Xue Jing Lun 薛京倫	70	70	—	—	—	—	70	70
Jin Song 金松	70	70	—	—	—	—	70	70
	630	572	4,722	4,719	36	36	5,388	5,327

Xie Yi is also the CEO of the Company and his emoluments disclosed above include those for services rendered by him as the CEO.

謝毅亦為本公司行政總裁，其上述披露酬金包括其作為行政總裁所提供服務之酬金。

No emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office for both years. None of the directors has waived or agreed to waive any emoluments for both years.

於該兩個年度內，本集團並無向任何董事支付酬金，作為加入本集團或入職時之獎勵或作為離職補償。於該兩個年度內，概無任何董事放棄或同意放棄收取任何酬金。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 11. FIVE HIGHEST PAID INDIVIDUALS, SENIOR MANAGEMENT'S EMOLUMENTS AND EMPLOYEES' BENEFITS

#### (a) The five highest paid individuals

Of the five individuals with the highest emoluments in the Group, four (2018: four) were directors of the Company whose emoluments are included in the disclosures in note 10 above. The emoluments of the remaining one (2018: one) individual was as follows:

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salaries and allowance 薪金及津貼	758	761
Retirement benefit scheme contributions 退休福利計劃供款	8	7
	<b>766</b>	768

The emoluments of each of the above highest paid individuals (excluding the directors of the Company) were all within the following bands:

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Nil to HK\$1,000,000 零至1,000,000港元	1	1

During both years, no emoluments were paid by the Group to the five highest paid individuals and directors as an inducement to join or upon joining the Group or as compensation for loss of office, and no highest paid individual has waived or, agreed to waive any emoluments.

### 11. 五位最高薪酬人士、高層管理人員酬金及僱員福利

#### (a) 五位最高薪酬人士

本集團五位最高薪酬人士中四名(二零一八年：四名)為本公司董事，彼等之酬金於上文附註10內披露。其餘一名(二零一八年：一名)人士之酬金如下：

上述各最高薪酬人士(不包括本公司董事)之酬金介乎下列範圍內：

於該兩個年度內，本集團並無向五位最高薪酬人士及董事支付酬金，作為加入本集團或入職時之獎勵或離職補償，及概無最高薪酬人士放棄或同意放棄任何酬金。



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 11. FIVE HIGHEST PAID INDIVIDUALS, SENIOR MANAGEMENT'S EMOLUMENTS AND EMPLOYEES' BENEFITS (Continued)

#### (b) Share option scheme

On 24 August 2012, the shareholders of the Company approved the adoption of a new share option scheme (the "Scheme"), as the share option scheme adopted by the Company on 8 August 2002 expired on 14 August 2012. The Scheme became effective on 29 August 2012 after obtaining approval from the Listing Committee of the Stock Exchange and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The Scheme provides incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the Company's directors (including independent non-executive directors), other employees of the Group, suppliers of goods or services to the Group, customers of the Group, and any non-controlling interests in the Company's subsidiaries.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

### 11. 五位最高薪酬人士、高層管理人員酬金及僱員福利(續)

#### (b) 購股權計劃

於二零一二年八月二十四日，本公司股東批准採納新購股權計劃（「該計劃」），原因為本公司於二零零二年八月八日採納之購股權計劃已於二零一二年八月十四日屆滿。該計劃在取得聯交所上市委員會批准後於二零一二年八月二十九日生效，除非以其他方式取消或修訂，否則該計劃將自該日起計十年內一直有效。

該計劃為對本集團營運成功作出貢獻之合資格參與者提供獎勵及回報。該計劃之合資格參與者包括本公司董事（包括獨立非執行董事）、本集團之其他僱員、本集團之貨品或服務供應商、本集團客戶及本公司附屬公司之任何非控股權益。

向本公司董事、最高行政人員或主要股東或彼等之任何聯繫人授出購股權，須事先取得獨立非執行董事批准。此外，倘於任何12個月期間向本公司主要股東或獨立非執行董事或彼等之任何聯繫人授出之任何購股權，涉及超過本公司於任何時間已發行股份之0.1%，或總值（按照本公司股份於授出日期之價格計算）超過5,000,000港元，則須事先於股東大會上獲股東批准。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 11. FIVE HIGHEST PAID INDIVIDUALS, SENIOR MANAGEMENT'S EMOLUMENTS AND EMPLOYEES' BENEFITS (Continued)

#### (b) Share option scheme (Continued)

The offer of a grant of share options may be accepted in writing within 21 days from the date of the offer, upon payment of nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted shall be determined by the directors at their absolute discretion, but in any event shall not be more than 10 years from the date of the offer of the share options. The directors of the Company may at their absolute discretion impose any vesting period at the date of grant.

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheet on the date of grant; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's shares on the date of grant.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meeting.

From the effective date of the Scheme to 31 March 2019, no share options have been granted, exercised, cancelled or lapsed under the Scheme.

### 11. 五位最高薪酬人士、高層管理人員酬金及僱員福利(續)

#### (b) 購股權計劃(續)

承授人可於建議日期起計21日內，於支付合共1港元之象徵式代價後，以書面接納授出購股權之建議。所授出購股權之行使期由董事全權酌情決定，惟無論如何不得遲於購股權建議日期起計10年。本公司董事可於授出日期全權酌情規定任何歸屬期。

購股權之行使價可由董事釐定，惟不得低於以下三者中之最高者：(i)本公司股份於授出日期在聯交所日報表所報之收市價；(ii)本公司股份於緊接授出日期前五個營業日在聯交所日報表所報之平均收市價；及(iii)本公司股份於授出日期之面值。

購股權並不賦予持有人獲分派股息或於股東大會投票之權利。

自該計劃生效日期至二零一九年三月三十一日止期間，概無購股權根據該計劃獲授出、行使、註銷或失效。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 11. FIVE HIGHEST PAID INDIVIDUALS, SENIOR MANAGEMENT'S EMOLUMENTS AND EMPLOYEES' BENEFITS (Continued)

#### (c) Retirement benefits schemes

The Group has joined a mandatory provident fund scheme (the "MPF Scheme") for all qualifying employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Scheme Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme.

The retirement benefits cost of the MPF Scheme charged to the consolidated statement of profit or loss and other comprehensive income represents contributions payable to the fund by the Group at rates specified in the rules of the scheme.

The employees of the Group's subsidiaries in the PRC are members of the state-sponsored retirement benefit scheme organised by the relevant local government authority in the PRC. The subsidiaries are required to contribute, based on a certain percentage of the salaries of its employees, to the retirement benefit scheme and have no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions.

### 11. 五位最高薪酬人士、高層管理人員酬金及僱員福利(續)

#### (c) 退休福利計劃

本集團已參加為所有香港合資格僱員而設之強制性公積金計劃(「強積金計劃」)。強積金計劃乃根據強制性公積金計劃條例於強制性公積金計劃管理局登記。強積金計劃之資產與本集團之資產分開持有，於基金之資產由獨立受託人控制。根據強積金計劃之規則，僱主及其僱員分別須向計劃作出按規則指定之比率計算之供款。本集團有關強積金計劃之唯一責任為根據計劃作出規定供款。

於綜合損益及其他全面收益表中扣除之強積金計劃退休福利成本指本集團按計劃規則指定比率應付基金之供款。

本集團之中國附屬公司僱員為由中國有關地方政府機關組織之國家管理退休福利計劃成員。附屬公司須按其僱員薪金之若干百分比向退休福利計劃供款，除每年供款外，並無任何實際支付退休金或退休後福利之進一步責任。



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 12. INCOME TAX

The amount of income tax expense/(credit) in the consolidated statements of profit or loss and other comprehensive income represents:

### 12. 所得稅

綜合損益及其他全面收益表中之所得稅支出/(抵免)款項指：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current tax	即期稅項		
— Hong Kong	— 香港	12	45
— PRC Enterprise Income Tax	— 中國企業所得稅	—	—
— Other jurisdictions	— 其他司法權區	40	40
		52	85
Overprovision in prior years	過往年度超額撥備		
— Hong Kong	— 香港	—	—
— Other jurisdictions	— 其他司法權區	(2)	—
		(2)	—
		50	85
Deferred tax	遞延稅項		
— current year	— 本年度	—	(171)
		—	(171)
Income tax expense/(credit)	所得稅支出/(抵免)	50	(86)

Hong Kong Profits Tax has been provided at the rate of 8.25% (2018: 16.5%) of the estimated assessable profits for the first HK\$2 million under the two-tiered profits tax rates regime effective on 1 April 2018.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% (2018: 25%).

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

根據自二零一八年四月一日起生效之兩級利得稅稅率制度，香港利得稅乃按首2,000,000港元估計應課稅溢利以稅率8.25% (二零一八年：16.5%) 作出撥備。

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司之稅率為25% (二零一八年：25%)。

於其他司法權區產生之稅項乃按有關司法權區現行稅率計算。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 12. INCOME TAX (Continued)

The income tax expense/(credit) for the year can be reconciled to the profit before income tax expense in the consolidated statements of profit or loss and other comprehensive income as follows:

### 12. 所得稅(續)

本年度所得稅支出/(抵免)與綜合損益及其他全面收益表所列之除所得稅支出前溢利對賬如下：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit before income tax expense 除所得稅支出前溢利	63,374	29,186
Tax calculated at domestic income tax rates applicable to profit or loss in the jurisdictions concerned 按適用於有關司法權區損益之本地所得稅稅率計算之稅項	9,190	(5,682)
Tax effect of expenses not deductible 不可扣稅之開支之稅務影響	1,242	6,997
Tax effect of income not taxable 不應課稅之收入之稅務影響	(13,652)	(1,233)
Tax effect of temporary differences not recognised 未確認暫時差額之稅務影響	(14)	(1,525)
Tax effect of tax losses not recognised 未確認稅項虧損之稅務影響	3,284	1,357
Income tax expense/(credit) 所得稅支出/(抵免)	50	(86)

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 13. EARNINGS PER SHARE

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

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>Earnings</b>	<b>盈利</b>		
Earnings for the purpose of basic earnings per share (Profit for the year attributable to owners of the Company)	用於計算每股基本盈利之盈利 (本公司擁有人應佔本年度溢利)	<b>64,030</b>	29,930
Effect of potential ordinary shares: Interest on convertible bonds (note 31)	潛在普通股之影響： 可換股債券利息 (附註31)	<b>7,823</b>	6,590
Earnings for the purpose of diluted earnings per share	用於計算每股攤薄盈利之盈利	<b>71,853</b>	36,520

		2019 二零一九年 '000 千股	2018 二零一八年 '000 千股
<b>Number of shares</b>	<b>股份數目</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	用於計算每股基本盈利之普通股 加權平均數	<b>2,390,000</b>	2,390,000
Effect of potential ordinary shares: Convertible bonds	潛在普通股之影響： 可換股債券	<b>900,000</b>	900,000
Weighted average number of ordinary shares for the purpose of diluted earnings per share	用於計算每股攤薄盈利之普通股 加權平均數	<b>3,290,000</b>	3,290,000

### 14. DIVIDEND

No dividend was paid or declared by the board of directors during the year ended 31 March 2019 (2018: nil), nor has any dividend been proposed since the end of reporting period.

### 13. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃按下列數據計算：

### 14. 股息

截至二零一九年三月三十一日止年度，董事會並未派付或宣派任何股息（二零一八年：無），而自報告期末以來並無建議派付任何股息。



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 15. INVESTMENT PROPERTIES

### 15. 投資物業

HK\$'000  
千港元

<b>COST</b>	<b>成本</b>	
At 1 April 2017, 31 March 2018, 1 April 2018 and 31 March 2019	於二零一七年四月一日、二零一八年三月三十一日、 二零一八年四月一日及二零一九年三月三十一日	8,057
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT</b>	<b>累計折舊及減值</b>	
At 1 April 2017	於二零一七年四月一日	6,560
Charge for the year	本年度列支	60
At 31 March 2018 and 1 April 2018	於二零一八年三月三十一日及二零一八年四月一日	6,620
Charge for the year	本年度列支	59
At 31 March 2019	於二零一九年三月三十一日	6,679
<b>NET CARRYING AMOUNT</b>	<b>賬面淨值</b>	
At 31 March 2019	於二零一九年三月三十一日	1,378
At 31 March 2018	於二零一八年三月三十一日	1,437

The above investment properties are depreciated using the straight-line method, after taking into account their estimated residual value, over the lease terms of the leasehold land.

上述投資物業經考慮其估計剩餘價值後，於租賃土地之租期內以直線法折舊。

The Group's investment properties are located on land in the PRC with land use period from 1992 to 2042.

本集團之投資物業位於中國，其土地使用期自一九九二年起至二零四二年為止。

The fair value of the Group's investment properties at 31 March 2019 amounting to RMB3,200,000 (2018: RMB3,200,000) has been arrived at on the basis of valuation carried out for that date by Roma Appraisals Limited, an independent qualified valuer not connected with the Group. The valuation was arrived at by direct comparison approach with reference to market evidence of comparable transaction prices for similar properties as available in the relevant market.

於二零一九年三月三十一日，本集團之投資物業公平值為人民幣3,200,000元(二零一八年：人民幣3,200,000元)，金額乃按與本集團並無關連之獨立合資格估值師羅馬國際評估有限公司於該日進行之估值基準達致。估值乃經參考相關市場中可得之類似物業可資比較交易價格之市場憑證後按直接比較法達致。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 15. INVESTMENT PROPERTIES (Continued)

The fair value of the Group's investment properties as at 31 March 2019 is a level 3 recurring fair value measurement and based on the properties highest and best use, which does not differ from their actual use. The following table presents the fair value hierarchy into which the fair value measurement of these properties are categorised (Level 3), based on the degree to which the inputs to the fair value is unobservable. The valuation takes account of the condition and location of the buildings in the valuation of the property.

### 15. 投資物業(續)

於二零一九年三月三十一日，本集團之投資物業之公平值按第三級經常性公平值計量並基於物業得到完全充分使用(與其實際用途相同)。下表呈列根據公平值計量輸入數據之不可觀察程度將該等物業之公平值計量分類之公平值層級(第三級)。在對物業進行估值時，該估值會計及樓宇之狀況及位置。

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Fair value hierarchy Level 3	公平值層級 第三級	<b>3,200</b>	3,200

There was no transfer among the categories in the hierarchy and no changes to the valuation techniques during the years ended 31 March 2019 and 2018.

截至二零一九年及二零一八年三月三十一日止年度，該層級內各類別之間並無進行轉換，估值方法亦無變動。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 16. PROPERTY, PLANT AND EQUIPMENT

### 16. 物業、廠房及設備

		Buildings 樓宇 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、固定 裝置及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>COST</b>	<b>成本</b>					
At 1 April 2017	於二零一七年四月一日	130,166	35,308	6,799	4,408	176,681
Additions	添置	24	76	24	—	124
Exchange realignment	匯兌調整	13,972	3,972	265	433	18,642
At 31 March 2018 and 1 April 2018	於二零一八年三月三十一日 及二零一八年四月一日	144,162	39,356	7,088	4,841	195,447
Additions	添置	—	1,202	26	186	1,414
Disposals	出售	—	(1,212)	—	(235)	(1,447)
Exchange realignment	匯兌調整	(8,128)	(2,316)	(156)	(252)	(10,852)
At 31 March 2019	於二零一九年三月三十一日	136,034	37,030	6,958	4,540	184,562
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT</b>	<b>累計折舊及減值</b>					
At 1 April 2017	於二零一七年四月一日	13,438	7,781	5,673	3,950	30,842
Charge for the year	本年度列支	2,811	2,932	388	196	6,327
Exchange realignment	匯兌調整	1,137	1,059	221	392	2,809
At 31 March 2018 and 1 April 2018	於二零一八年三月三十一日 及二零一八年四月一日	17,386	11,772	6,282	4,538	39,978
Charge for the year	本年度列支	2,812	2,931	294	200	6,237
Write-back	撥回	—	(360)	—	(235)	(595)
Exchange realignment	匯兌調整	(734)	(692)	(138)	(234)	(1,798)
At 31 March 2019	於二零一九年三月三十一日	19,464	13,651	6,438	4,269	43,822
<b>NET CARRYING AMOUNT</b>	<b>賬面淨值</b>					
At 31 March 2019	於二零一九年三月三十一日	116,570	23,379	520	271	140,740
At 31 March 2018	於二零一八年三月三十一日	126,776	27,584	806	303	155,469

Depreciation expenses of HK\$1,098,000 (2018: HK\$1,180,000) and HK\$5,139,000 (2018: HK\$5,147,000) have been charged in administrative expenses and cost of sales respectively.

折舊費用1,098,000港元(二零一八年: 1,180,000港元)及5,139,000港元(二零一八年: 5,147,000港元)已分別於行政費用及銷售成本中列支。

The Group reported segmental loss of HK\$3,633,000 (2018: HK\$3,695,000) for the Manufacturing segment during the year.

年內, 本集團報告製造分類之分類虧損為3,633,000港元(二零一八年: 3,695,000港元)。



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 16. PROPERTY, PLANT AND EQUIPMENT (Continued)

As set out in note 5, management has made reference to the independent valuation of the buildings for the estimation of the recoverable amount. In addition, management conducted an impairment assessment on the segment as a whole and the recoverable amount of the segment, which is determined on the basis of fair value calculation, is higher than the carrying value of the segment's non-current assets. The directors are of the opinion that no impairment provision is required.

### 16. 物業、廠房及設備(續)

如附註5所載，管理層已參考樓宇之獨立估值，以估計可收回金額。此外，管理層對整體分類進行減值評估，而分類之可收回金額(根據公平值計算釐定)高於分類非流動資產之賬面值。董事認為毋須作出減值撥備。

### 17. PREPAID LEASE PAYMENTS

### 17. 預付租賃付款

		HK\$'000 千港元
<b>COST</b>	<b>成本</b>	
At 1 April 2017	於二零一七年四月一日	13,704
Exchange realignment	匯兌調整	1,094
At 31 March 2018 and 1 April 2018	於二零一八年三月三十一日及二零一八年四月一日	14,798
Exchange realignment	匯兌調整	(636)
At 31 March 2019	於二零一九年三月三十一日	14,162
<b>ACCUMULATED AMORTISATION AND IMPAIRMENT</b>	<b>累計攤銷及減值</b>	
At 1 April 2017	於二零一七年四月一日	4,405
Charge for the year	本年度列支	233
Exchange realignment	匯兌調整	143
At 31 March 2018 and 1 April 2018	於二零一八年三月三十一日及二零一八年四月一日	4,781
Charge for the year	本年度列支	234
Exchange realignment	匯兌調整	(89)
At 31 March 2019	於二零一九年三月三十一日	4,926
<b>NET CARRYING AMOUNT</b>	<b>賬面淨值</b>	
At 31 March 2019	於二零一九年三月三十一日	9,236
At 31 March 2018	於二零一八年三月三十一日	10,017

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 17. PREPAID LEASE PAYMENTS (Continued)

All land in the PRC is state-owned and no individual land ownership rights exist. The Group acquires the right to use certain land and the considerations paid for such right are recorded as prepaid lease payments, which are amortised over the lease terms of 40 to 50 years using the straight-line method.

Impairment assessment was conducted by management as mentioned in notes 5 and 16. Management concluded that no impairment is required after the assessment.

### 17. 預付租賃付款(續)

中國所有土地均為國有及不存在個人土地所有權。本集團收購若干土地使用權及支付有關權利之代價入賬列為預付租賃付款，按租期40至50年使用直線法攤銷。

如附註5和16所述，由管理層進行減值評估。管理層評估後認為毋須作出減值。

### 18. INTANGIBLE ASSETS

### 18. 無形資產

		Gene invention rights 基因發明權 HK\$'000 千港元	Goodwill 商譽 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>COST</b>	<b>成本</b>			
At 1 April 2017, 31 March 2018, 1 April 2018 and 31 March 2019	於二零一七年四月一日、 二零一八年三月三十一日、 二零一八年四月一日及 二零一九年三月三十一日	95,000	1,807	96,807
<b>ACCUMULATED AMORTISATION AND IMPAIRMENT</b>	<b>累計攤銷及減值</b>			
At 1 April 2017, 31 March 2018, 1 April 2018 and 31 March 2019	於二零一七年四月一日、 二零一八年三月三十一日、 二零一八年四月一日及 二零一九年三月三十一日	95,000	—	95,000
<b>NET CARRYING AMOUNT</b>	<b>賬面淨值</b>			
At 31 March 2019	於二零一九年三月三十一日	—	1,807	1,807
At 31 March 2018	於二零一八年三月三十一日	—	1,807	1,807

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/ INVESTMENTS IN CONVERTIBLE BONDS

On 28 July 2014, the Group completed the disposal of 51% equity interest in Smart Ascent Limited and received consideration with fair value of HK\$435,193,000 comprising (i) cash payment of HK\$65,000,000; and (ii) convertible bonds issued by Innovative Pharmaceutical Biotech Limited (“Innovative Pharm”) on 28 July 2014 with principal amount of HK\$715,000,000 (the “Innovative Pharm Bonds”) and fair value of HK\$370,193,000.

The Innovative Pharm Bonds bear interest at 3.5% per annum payable in arrears annually with maturity on the 7th anniversary of the date of issue of the Innovative Pharm Bonds (the “Maturity Date”). The Group has the right to convert the Innovative Pharm Bonds into shares of Innovative Pharm at any time from the date of issue to the Maturity Date at an initial conversion price of HK\$2.5 per share.

### 19. 按公平值計入損益之金融資產／可換股債券投資

於二零一四年七月二十八日，本集團完成出售進生有限公司之51%股權，並收取公平值為435,193,000港元之代價，當中包括(i)現金付款65,000,000港元；及(ii)於二零一四年七月二十八日由領航醫藥及生物科技有限公司(「領航醫藥」)發行本金額為715,000,000港元之可換股債券(「領航醫藥債券」)，而公平值為370,193,000港元。

領航醫藥債券附帶年利率3.5%每年支付之利息，到期日為領航醫藥債券發行日期後第7個週年日(「到期日」)。本集團擁有於發行日期至到期日之任何時候將領航醫藥債券按初步換股價每股2.5港元轉換為領航醫藥股份之權利。



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/INVESTMENTS IN CONVERTIBLE BONDS (Continued)

The fair values of the Innovative Pharm Bonds components on initial recognition and as at 31 March 2019 (2018: derivative component) are determined based on the valuation conducted by an independent qualified valuer. The methods and assumptions applied for the valuation of the Innovative Pharm Bonds and its components are set out as below:

### 19. 按公平值計入損益之金融資產／可換股債券投資(續)

領航醫藥債券於初始確認時及於二零一九年三月三十一日之組成部分(二零一八年：衍生工具部分)之公平值乃基於獨立合資格估值師進行之估值而釐定。對領航醫藥債券及其組成部分進行估值所應用之方法及假設載列如下：

		Debt component	Derivative component	Total
		債務部分	衍生工具部分	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At 1 April 2017	於二零一七年四月一日	355,246	21,078	376,324
Effective interest income	實際利息收入	83,266	—	83,266
Interest income received	已收利息收入	(25,025)	—	(25,025)
Change in fair value	公平值變動	—	(16,782)	(16,782)
At 31 March 2018 under HKAS 39	根據香港會計準則第39號於二零一八年三月三十一日	413,487	4,296	417,783
Effect on adoption of HKFRS 9	採納香港財務報告準則第9號之影響		(Note below) (下文附註)	(2,810)
At 1 April 2018, as restated	於二零一八年四月一日，經重列			414,973
Interest received	已收利息			(25,025)
Change in fair value	公平值變動			79,789
At 31 March 2019	於二零一九年三月三十一日			469,737

Note: Investments in convertible bonds were previously split into two components — debt component and derivative component which were measured at amortised cost and at fair value through profit or loss ("FVTPL") respectively under HKAS 39.

附註：可換股債券投資先前被拆分為兩部分——債務部分及衍生工具部分，其根據香港會計準則第39號分別按攤銷成本及按公平值計入損益(「按公平值計入損益」)計量。

Under HKFRS 9, these investments are classified in its entirety as financial assets measured at FVTPL. The difference between the carrying amount of these investments and its fair value as at 1 April 2018 amounting to about HK2.8 million is recognised in retained earnings. Subsequent changes in fair value of these investments are recognised in profit or loss.

根據香港財務報告準則第9號，該等投資整體分類為按公平值計入損益計量之金融資產。於二零一八年四月一日，該等投資之賬面值與其公平值之差額約為2,800,000港元於保留盈利中確認。該等投資之公平值其後變動於損益中確認。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/INVESTMENTS IN CONVERTIBLE BONDS (Continued)

During the year ended 31 March 2019, the Company received interest of HK\$25,025,000 (2018: HK\$25,025,000) from the Innovative Pharm Bonds.

At 31 March 2019, the fair value of the Innovative Pharm Bonds as a whole is calculated using the Binomial Model.

At 31 March 2018, the fair value of debt component of the Innovative Pharm Bonds on initial recognition was determined using the prevailing market interest rate of similar non-convertible debts and is carried at amortised cost subsequently. The effective interest rate is 24.67%. The fair value of the derivative component, which is the embedded conversion option in the Innovative Pharm Bonds is calculated using the Binomial Model.

The inputs into the model at the respective dates are as follows:

### 19. 按公平值計入損益之金融資產／可換股債券投資(續)

截至二零一九年三月三十一日止年度，本公司收取領航醫藥債券利息25,025,000港元(二零一八年：25,025,000港元)。

於二零一九年三月三十一日，領航醫藥債券之整體公平值以二項式模式計算。

於二零一八年三月三十一日，領航醫藥債券債務部分於初始確認時之公平值乃按類似不可轉換債務之現行市場利率釐定並隨後按攤銷成本列賬。實際利率為24.67%。衍生工具部分(領航醫藥債券之嵌入換股權)之公平值以二項式模式計算。

該模式於各日期所用輸入數據如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Stock price (HK\$)	股份價格(港元)	0.40	0.495
Conversion price (HK\$)	轉換價(港元)	2.50	2.50
Discount rate	貼現率	23.494%	22.185%
Risk free rate (Note a)	無風險利率(附註a)	1.367%	1.626%
Expected volatility (Note b)	預期波幅(附註b)	27.450%	47.415%
Expected dividend yield (Note c)	預期股息率(附註c)	0%	0%
Option life (Years)	期權期限(年期)	2.3	3.3

Notes:

- (a) The rate was determined with reference to the yields of Hong Kong government bonds and treasury bills as at the date of valuation.
- (b) Based on the historical price volatility of Innovative Pharm for the period from 18 July 2008, the date on which its shares were resumed trading after suspension, up to the end of the reporting date.
- (c) Estimated with reference to the historical dividend payout of Innovative Pharm.

附註：

- (a) 該利率乃參考香港政府債券及庫券於估值日期之孳息率釐定。
- (b) 基於領航醫藥於二零零八年七月十八日(其股份於停牌後復牌之日期)直至報告日期結束止期間之過往價格波幅得出。
- (c) 參考領航醫藥之過往股息派付估計。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 20. FINANCIAL INSTRUMENTS AT FAIR VALUE/ AVAILABLE-FOR-SALE INVESTMENTS

Except for investments in convertible bonds classified as financial assets at FVTPL as disclosed in note 19, other financial instruments at fair value are shown as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Unlisted investment fund (note a)	非上市投資基金(附註a)	—	59,047
Unlisted shares (note b)	非上市股份(附註b)	—	—
Bank structured product (note c)	銀行結構性產品(附註c)	1,769	1,875
At 31 March	於三月三十一日	1,769	60,922
Analysed as:	分析為:		
Non-current assets	非流動資產	—	59,047
Current assets	流動資產	1,769	1,875
At 31 March	於三月三十一日	1,769	60,922

Unlisted investment fund and shares were previously classified as available-for-sale investments, which were measured at either fair value through other comprehensive income ("FVTOCI") or at cost less impairment under HKAS 39. Under HKFRS 9, these investments are all classified as financial assets measured at FVTOCI. The impairment loss in aggregate of about HK\$24.0 million previously recognised in profit or loss is reclassified from retained earnings to fair value through other comprehensive income reserve ("FVTOCI Reserve") as at 1 April 2018. Subsequent changes in fair value of these investments are recognised in FVTOCI Reserve and the cumulative gains or loss on disposals are recognised in retained earnings.

Bank structured product was previously classified as available-for-sale investment, which is measured at cost less impairment under HKAS 39. Under HKFRS 9, this investment is classified as financial assets measured at fair value through profit or loss.

The above financial assets were denominated in HK\$ and Renminbi ("RMB").

### 20. 按公平值計量之金融工具/ 可供出售投資

除於附註19所披露分類為按公平值計入損益之金融資產之可換股債券投資外，其他按公平值計量之金融工具載列如下：

非上市投資基金及股份先前分類為可供出售投資，其根據香港會計準則第39號分類為按公平值計入其他全面收益（「按公平值計入其他全面收益」）或按成本扣除減值計量。根據香港財務報告準則第9號，該等投資全部分類為按公平值計入其他全面收益計量之金融資產。先前於損益中確認之減值虧損總額約24,000,000港元於二零一八年四月一日自保留盈利重新分類至按公平值計入其他全面收益儲備（「按公平值計入其他全面收益儲備」）。該等投資之公平值其後變動於按公平值計入其他全面收益儲備中確認，而出售產生之累計損益於保留盈利中確認。

銀行結構性產品先前分類為可供出售投資，其根據香港會計準則第39號按成本減去減值計量。根據香港財務報告準則第9號，該投資分類為按公平值計入損益計量之金融資產。

上述金融資產以港元及人民幣（「人民幣」）計值。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

## 20. FINANCIAL INSTRUMENTS AT FAIR VALUE/ AVAILABLE-FOR-SALE INVESTMENTS (Continued)

Notes:

- (a) On 2 June and 11 May 2017, Extrawell Enterprises Limited (the "Subscriber"), an indirect wholly-owned subsidiary of the Company, entered into subscription agreements with KKC Capital SPC, a segregated portfolio company incorporated in the Cayman Islands (the "Fund"), and pursuant to which the Subscriber agreed to subscribe for 30,000 and 50,000 participating shares in the Fund attributable to the segregated portfolio at aggregate consideration of HK\$30,000,000 and HK\$50,000,000 respectively on the respective dates (the "Investments"). The total cost of the Investments of HK\$80,000,000 was funded by the internal resources of the Group.

During the year, the Group had recognised the fair value changes in other comprehensive income in accordance with the Group's accounting policy. However, since there was a significant decline in the fair value of the Investments noted at the reporting date, a fair value loss of HK\$59,047,000 (2018: an impairment loss of HK\$20,953,000) was recognised in the other comprehensive income (2018: profit or loss) for the year in accordance with the Group's policy.

- (b) On 13 January 2012, Jilin Extrawell Changbaishan Pharmaceutical Co., Ltd. ("JIECP"), a wholly-owned subsidiary of the Company subscribed for RMB2,500,000 of the registered capital of 龍脈(上海)健康管理服務有限公司 ("Shanghai Longmark") by way of capital injection. Shanghai Longmark is a company incorporated in the PRC and engaged in provision of health care management services. The subscription was completed in April 2012, and the enlarged registered capital of RMB12,500,000 of Shanghai Longmark was owned as to 20% by JIECP and 80% by United Gene HealthCare Limited, Shanghai ("Shanghai United Gene"), which subsequently transferred its 80% interest in Shanghai Longmark to 東龍脈(上海)健康管理服務有限公司 ("東龍脈") in December 2012. Both Shanghai United Gene and 東龍脈 are indirect wholly-owned subsidiaries of Innovative Pharm. Shanghai Longmark was accounted for as an associate of the Group upon the completion of subscription.

On 25 April 2013, JIECP entered into a capital injection and subscription agreement with 東龍脈 and Xie Yi, a shareholder and director of the Company, in which Xie Yi agreed to subscribe for RMB7,490,000 (the "Subscription") of the registered capital of Shanghai Longmark. The Subscription was completed in August 2013, and the registered capital of Shanghai Longmark increased from RMB12,500,000 to RMB19,990,000. Accordingly, the Group's equity interest of Shanghai Longmark was diluted from 20% to 12.51%, and the respective shareholding of 東龍脈 and Xie Yi in Shanghai Longmark was 50.02% and 37.47% respectively. As a result of dilution, the Group considered it was no longer in a position to exercise significant influence over Shanghai Longmark and Shanghai Longmark ceased to be an associate of the Group. Shanghai Longmark is accounted for as unlisted available-for-sale investments as the Group has the intention to hold the investment for a continuing strategic and long-term purpose and is measured at cost less impairment. The investment cost was reduced to zero in prior years by share of loss of Shanghai Longmark.

## 20. 按公平值計量之金融工具/ 可供出售投資(續)

附註:

- (a) 於二零一七年六月二日及五月十一日，精優企業有限公司(「認購方」)(本公司之間接全資附屬公司)與KKC Capital SPC(一間於開曼群島註冊成立之隔離投資組合公司)(「該基金」)訂立認購協議，據此，認購方已同意於各日期分別認購該基金之隔離投資組合之30,000股及50,000股參與股份，總代價分別為30,000,000港元及50,000,000港元(「該等投資」)。該等投資成本合共80,000,000港元，由本集團內部資源撥付。

年內，本集團已根據本集團之會計政策於其他全面收益內確認公平值變動。然而，由於於報告日期該等投資之公平值大幅下跌，故公平值虧損59,047,000港元(二零一八年：減值虧損20,953,000港元)根據本集團之政策於本年度於其他全面收益中確認(二零一八年：損益)。

- (b) 於二零一二年一月十三日，本公司之全資附屬公司吉林精優長白山藥業有限公司(「吉林精優」)以注資方式認購人民幣2,500,000元之龍脈(上海)健康管理服務有限公司(「上海龍脈」)之註冊資本。上海龍脈為一家於中國註冊成立並從事提供健康管理服務之公司。該認購事項於二零一二年四月完成，而上海龍脈之經擴大註冊資本人民幣12,500,000元分別由吉林精優擁有20%及聯合基因(上海)健康管理服務有限公司(「上海聯合基因」)擁有80%，上海聯合基因其後於二零一二年十二月轉讓其於上海龍脈80%權益予東龍脈(上海)健康管理服務有限公司(「東龍脈」)。上海聯合基因及東龍脈均為領航醫藥之間接全資附屬公司。於認購事項完成後，上海龍脈作為本集團聯營公司入賬。

於二零一三年四月二十五日，吉林精優與東龍脈及本公司股東兼董事謝毅訂立注資及認購協議，據此，謝毅同意認購上海龍脈之註冊資本人民幣7,490,000元(「認購事項」)。認購事項已於二零一三年八月完成，故上海龍脈之註冊資本由人民幣12,500,000元增加至人民幣19,990,000元。因此，本集團於上海龍脈之股權由20%攤薄至12.51%，而東龍脈及謝毅於上海龍脈之各自股權分別為50.02%及37.47%。由於股權攤薄，本集團認為其對上海龍脈不再具有重大影響力，而上海龍脈不再為本集團聯營公司。上海龍脈入賬為非上市可供出售投資，原因是本集團擬以持續策略及長期目的而持有該投資，且該投資乃按成本減去減值計算。投資成本因分攤上海龍脈之虧損而於過往年度調減至零。

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

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### 20. FINANCIAL INSTRUMENTS AT FAIR VALUE/ AVAILABLE-FOR-SALE INVESTMENTS (Continued)

Notes: (Continued)

- (c) The amount represents short-term highly liquid investments placed in a PRC state-owned financial institution, which are readily convertible to cash. These investments are all denominated in Renminbi with non-determinable return rate. The fair value of these investments is based on estimated return of 2.6% (2018: 3.2%), and the credit quality of these investments can be assessed by reference to historical information or external credit ratings, if any. As at 31 March 2019, none of these investments is either past due or impaired and the Group's maximum exposure to credit risk as at that date is the carrying value of these investments.

The fair value of these investments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

### 20. 按公平值計量之金融工具/ 可供出售投資(續)

附註：(續)

- (c) 該款項指存放於一間中國國有金融機構並可即時轉換為現金之短期高流通量投資。該等投資全部均以人民幣計值，而其回報率乃屬不可釐定。該等投資之公平值乃按2.6%（二零一八年：3.2%）之估計回報得出，而該等投資之信貸質素可經參考過往資料或外部信貸評級（如有）予以評估。於二零一九年三月三十一日，該等投資概未逾期或減值，而本集團於該日所面臨之最高信貸風險為該等投資之賬面值。

該等投資並非在活躍市場買賣，而其公平值乃使用估值方法釐定。於存在可觀察市場數據時，該等估值方法盡量運用有關數據，並盡可能減少依賴實體之特定估計。

### 21. INTEREST IN AN ASSOCIATE

### 21. 於一間聯營公司之權益

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cost of investment in an associate, unlisted (Note)	於一間聯營公司之投資成本，非上市(附註)	337,000	337,000
Share of post-acquisition losses and other comprehensive expense	應佔收購後虧損及其他全面開支	(6,938)	(6,030)
		<b>330,062</b>	330,970

Note: This represents the fair value as at 28 July 2014 of the 49% equity interest in Smart Ascent as retained by the Group upon completion of the Disposal.

The Group's associate, Smart Ascent Limited ("Smart Ascent") is a private company with no quoted market price available for its shares. The major asset held by Smart Ascent and its subsidiaries (the "Smart Ascent Group") is the intangible asset in relation to an in-process research and development project ("In-process R&D") involving an oral insulin product ("Product"). As at 31 March 2019, the Group has engaged an independent qualified valuer, Roma Appraisals Limited to conduct a valuation of the fair value of the interest in the associate for impairment assessment.

附註：此指於出售事項完成後，本集團所保留進生49%權益於二零一四年七月二十八日之公平值。

本集團之聯營公司進生有限公司（「進生」）為一間私營公司，其股份並無市場報價。進生及其附屬公司（「進生集團」）所持之主要資產為有關進行中之研發項目（「進行中之研發」）之無形資產，當中涉及口服胰島素產品（「產品」）。於二零一九年三月三十一日，本集團已委聘一名獨立合資格估值師羅馬國際評估有限公司就於聯營公司之權益之公平值進行估值，以評估是否減值。



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 21. INTEREST IN AN ASSOCIATE (Continued)

The asset-based approach was adopted in the valuation of the fair value of the Group's interest in the associate. In doing so, various assumptions about the cash flow projections of the In-process R&D and the Product were adopted. These assumptions include the successful completion of the clinical trials, obtaining of the regulatory approvals from the relevant government bodies (in particular, the granting of the certificate of new medicine and pharmaceutical manufacturing permit for the Product by China Food and Drug Administration, now known as National Medical Products Administration of the PRC), and launching of the Product by January of 2022. The recoverable amount of the interest in the associate is determined based on the Group's share of the estimated fair value of the In-process R&D after taking into account the lack of control discount.

Particulars of the Smart Ascent Group at the end of the reporting period are as follows:

### 21. 於一間聯營公司之權益(續)

就本集團於聯營公司之權益之公平值進行估值時採納資產法。在此過程中，應用進行之研發及產品之現金流量預測相關之各種假設。該等假設包括於二零二二年一月前成功完成臨床試驗、取得有關政府監管部門批准(尤其是中國食品藥品監督管理總局(現稱國家藥品監督管理局)就產品授出新藥證書及藥品生產許可證)及推出產品。於聯營公司之權益之可收回金額乃經計及並無控制權之折讓後根據本集團應佔進行之研發之估計公平值釐定。

進生集團於報告期末之詳情如下：

Name of associate 聯營公司名稱	Place of incorporation/ operations 註冊成立/營運地點	Class of shares held 所持股份類別	Effective interest held by the Group/ Smart Ascent 本集團/進生 所持實際權益		Principal activities 主要業務	Measurement method 計量方式
Smart Ascent 進生	Hong Kong 香港	Ordinary 普通	49%		Investment holding 投資控股	Equity 股權
<b>Subsidiaries of Smart Ascent</b> 進生之附屬公司						
Fosse Bio-Engineering Development Limited 福仕生物工程(有限)公司	Hong Kong/ China 香港/中國	Ordinary 普通	51%		Development and commercialisation of oral insulin products 開發及商品化口服胰島 素產品	Equity 股權
Welly Surplus Development Limited 瑞盈發展(有限)公司	Hong Kong 香港	Ordinary 普通	51%		Inactive 暫無業務	Equity 股權
Nation Joy Industries Limited 國悅實業(有限)公司	British Virgin Islands ("BVI") 英屬處女群島 (「英屬處女群島」)	Ordinary 普通	100%		Inactive 暫無業務	Equity 股權



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 21. INTEREST IN AN ASSOCIATE (Continued)

The summarised financial information of the associate, adjusted for any differences in accounting policies and a reconciliation to the carrying amount in the consolidated financial statements, are as follows:

### 21. 於一間聯營公司之權益(續)

聯營公司之財務資料概要(已就任何會計政策差異作出調整)及於綜合財務報表內與賬面值之對賬如下:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Non-current assets	非流動資產	298,967	296,369
Current assets	流動資產	4	2,136
Current liabilities	流動負債	(74,466)	(65,796)
Non-current liabilities	非流動負債	(9,116)	(13,587)
Non-controlling interests	非控股權益	(117,115)	(113,708)
Non-current assets include the following: Intangible assets — In-process R&D	非流動資產包括以下項目: 無形資產 — 進行中之研發	284,260	284,260

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	收益	—	—
(Loss)/profit and total comprehensive (expense)/income	(虧損)/溢利及全面(開支)/收益總額	(908)	1

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 21. INTEREST IN AN ASSOCIATE (Continued)

### 21. 於一間聯營公司之權益(續)

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Net assets of the Smart Ascent Group attributable to owners of Smart Ascent 進生擁有人應佔進生集團資產淨值	103,561	105,414
Proportion of the Group's ownership interest in Smart Ascent 本集團於進生之所有權權益比例	49%	49%
Carrying amount of the Group's interest in Smart Ascent as an associate 本集團於進生(作為一間聯營公司)之權益之賬面值	50,745	51,653
Adjustment for remeasurement to fair value of the assets of the Smart Ascent Group on initial recognition 進生集團資產公平值於初始確認時之重新計量調整	279,317	279,317
	<b>330,062</b>	330,970

### 22. AMOUNT DUE FROM AN ASSOCIATE/ LOAN TO AN ASSOCIATE

### 22. 應收一間聯營公司款項/貸款予一間聯營公司

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Amount due from an associate Smart Ascent (Note a) 應收一間聯營公司款項進生(附註a)	29,388	22,505
Loan to an associate Smart Ascent (Note b) 貸款予一間聯營公司進生(附註b)	5,027	—

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 22. AMOUNT DUE FROM AN ASSOCIATE/ LOAN TO AN ASSOCIATE (Continued)

Notes:

(a) As at 31 March 2019, amount due from an associate is unsecured and interest-free. Principal amount of HK\$41,941,000 (2018: HK\$41,941,000) is expected to be repaid after 6 years from 28 July 2014. Accordingly, the balance is classified as non-current. Such non-current interest-free amount due from an associate is recognised at its fair value of HK\$8,455,000 upon the disposal of Smart Ascent at an effective interest rate of 26.99% per annum. During the reporting period, imputed interest income of HK\$6,883,000 (2018: HK\$5,270,000) is credited to profit or loss.

(b) On 27 July 2018, the Company and Innovative Pharm through their respective wholly-owned subsidiaries as lenders and Smart Ascent as borrower entered into a shareholders' loan agreement for a loan to Smart Ascent amounting to HK\$30 million in total (the "Loan"), to be contributed as to 49% i.e. HK\$14.7 million by the Group and as to 51% i.e. HK\$15.3 million by the wholly-owned subsidiary of Innovative Pharm, which would be used to finance the working capital requirements of Smart Ascent Group for the oral insulin project. The Loan is unsecured, interest bearing at 5% per annum and has a repayment term fixed at 60 months after each drawdown of the Loan.

In September 2018, Smart Ascent had drawn down HK\$10 million of the Loan, and the balance as at 31 March 2019 represented the Group's 49% contribution to the Loan and the interest receivables.

As the provision of the Loan was made in proportion to the equity interest of the shareholders in Smart Ascent and on normal commercial terms, this connected transaction is fully exempted from the reporting, announcement and shareholders' approval requirements under Rule 14A.89 of the Listing Rules. Also, the applicable percentage ratios in respect of this connected transaction are less than 5%, it therefore does not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

As at 31 March 2019, loan to an associate is unsecured, carried interest at 5% per annum, and repayable in 5 years from 24 September 2018. During the reporting period, interest income of HK\$127,000 is credited to profit or loss.

### 22. 應收一間聯營公司款項／貸 款予一間聯營公司(續)

附註：

(a) 於二零一九年三月三十一日，應收一間聯營公司款項為無抵押及免息。本金額41,941,000港元(二零一八年：41,941,000港元)預期將於二零一四年七月二十八日起計六年後償還。因此，有關結餘被分類為非流動。有關應收一間聯營公司之非流動免息款項於出售進生時按其公平值8,455,000港元確認，實際年利率為26.99%。於報告期內，估算利息收入6,883,000港元(二零一八年：5,270,000港元)已計入損益。

(b) 於二零一八年七月二十七日，本公司及領航醫藥透過彼等各自之全資附屬公司(作為貸款方)及進生(作為借款方)訂立一份股東貸款協議，向進生提供總額為30,000,000港元之貸款(「該貸款」)，由本集團提供49%款項(即14,700,000港元)及由領航醫藥提供51%款項(即15,300,000港元)，以為進生集團就口服胰島素項目之營運資金需求提供融資。該貸款為無抵押、年利率為5%及須於每次提取該貸款後60個月內償還。

於二零一八年九月，進生提取該貸款內10,000,000港元之款項，而於二零一九年三月三十一日之結餘指本集團就該貸款所提供之49%出資及應收利息。

由於該貸款按於進生所持有之權益比例提供並按一般商業條款訂立，故此項關連交易獲全面豁免遵守上市規則第14A.89條項下申報、公告及股東批准之規定。另外，由於有關此項關連交易之適用百分比率低於5%，故不構成上市規則第14章項下之本公司須予披露交易。

於二零一九年三月三十一日，貸款予一間聯營公司為無抵押、按年利率5%計息，並須自二零一八年九月二十四日起計5年內償還。於報告期內，利息收入127,000港元已計入損益。

### 23. INVENTORIES

### 23. 存貨

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Raw materials	原材料	2,685	2,075
Work-in-progress	在製品	1,211	781
Finished goods	製成品	1,928	1,244
		<b>5,824</b>	<b>4,100</b>



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 24. TRADE AND BILLS RECEIVABLES

### 24. 貿易應收賬款及應收票據

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Bills receivables	應收票據	1,490	2,063
Trade receivables	貿易應收賬款	58,722	61,318
Less: Provision for impairment loss on trade receivables	減：貿易應收賬款減值虧損撥備	(40,165)	(42,305)
		<b>20,047</b>	21,076

The Group's trading terms with its customers are mainly based on credit, except for new customers, where payment in advance is normally required. The credit period is generally ranging from 120 to 180 days, extending up to one year for some major customers.

本集團與其客戶之貿易條款主要為賒銷，惟新客戶一般需要預先付款。一般情況下，客戶可獲得為期120日至180日之信貸期，而若干主要客戶可延期至最多一年。

The ageing analysis of trade and bills receivables (net of provision of impairment loss on trade receivables), based on invoice dates are as follows:

貿易應收賬款及應收票據(扣除貿易應收賬款減值虧損撥備)基於發票日期之賬齡分析如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within 90 days	90日內	10,932	10,410
91 to 180 days	91至180日	5,170	5,133
181 to 365 days	181至365日	3,945	5,533
		<b>20,047</b>	21,076

The ageing analysis of trade and bills receivables which are past due but not impaired are as follows:

已逾期但未減值之貿易應收賬款及應收票據之賬齡分析如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Neither past due nor impaired	未逾期亦未減值	16,102	15,543
Past due but not impaired — Within 180 days	已逾期但未減值 — 180日內	3,945	5,533
Total	總計	<b>20,047</b>	21,076

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 24. TRADE AND BILLS RECEIVABLES (Continued)

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

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK\$3,945,000 (2018: HK\$5,533,000) which are past due as at the reporting date for which the Group has not provided for impairment loss.

The movements in provision for impairment on trade receivables are as follows:

### 24. 貿易應收賬款及應收票據 (續)

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

未逾期亦未減值之貿易應收賬款為信用可靠之債務人，於本集團有良好付款記錄。

本集團貿易應收賬款結餘中賬面值合共為3,945,000港元(二零一八年：5,533,000港元)之應收賬款於報告日期已逾期，而本集團尚未就此作出減值虧損撥備。

貿易應收賬款減值撥備變動如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At 1 April	於四月一日	42,305	34,953
Increase in loss allowance upon the transition to HKFRS 9 on 1 April 2018	於二零一八年四月一日過渡至香港財務報告準則第9號後之虧損撥備增加	94	—
Provision for impairment on trade receivables, net	貿易應收賬款減值撥備淨額	255	3,218
Exchange realignment	匯兌調整	(2,489)	4,134
At 31 March	於三月三十一日	40,165	42,305

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 25. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

### 25. 按金、預付款項及其他應收款項

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Deposits	按金	793	915
Other receivables	其他應收款項	6,186	4,722
Prepayments	預付款項	636	593
Trade deposits	貿易按金	3,491	2,131
		<b>11,106</b>	8,361

### 26. PLEDGED BANK DEPOSITS

Pledged bank deposits represent deposits pledged to a bank to secure short-term banking facilities granted to the Group and are therefore classified as current assets. The pledged bank deposits carry variable interest rates ranging from 1.3% to 2.7% (2018: 0.58% to 2.0%) per annum.

### 26. 已抵押銀行存款

已抵押銀行存款指抵押予銀行以作為本集團獲授之短期銀行授信額度之擔保之存款，故分類為流動資產。已抵押銀行存款按浮動利率介乎每年1.3%至2.7%（二零一八年：0.58%至2.0%）計息。



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 27. CASH AND BANK BALANCES

Bank balances carry variable interest rates of 0.001% to 3.25% (2018: 0.001% to 3.75%) per annum. Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

The carrying amounts of cash and cash equivalents are denominated in the following currencies:

### 27. 現金及銀行結餘

銀行結餘按浮動利率每年0.001%至3.25% (二零一八年：0.001%至3.75%) 計息。人民幣兌換為外幣須遵守中國之外匯管理條例以及結匯、售匯及付匯管理規定。

現金及現金等值項目之賬面值乃按以下貨幣計值：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Euros ("Euro")	歐元(「歐元」)	3,870	2,135
Hong Kong dollars ("HK\$")	港元(「港元」)	74,021	80,250
RMB	人民幣	9,238	9,710
United States dollars ("US\$")	美元(「美元」)	61,773	69,670
		<b>148,902</b>	161,765

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 28. TRADE AND BILLS PAYABLES

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from two to three months from the date of invoice.

The ageing analysis of trade and bills payables, based on invoice dates are as follows:

### 28. 貿易應付賬款及應付票據

貿易應付賬款為不計息，而本集團獲授之一般貿易信貸期介乎發票日期起計兩至三個月。

根據發票日期之貿易應付賬款及應付票據之賬齡分析如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within 90 days	90日內	3,202	4,714
91 to 180 days	91至180日	4,186	1,186
181 to 365 days	181至365日	44	96
1 to 2 years	1至2年	176	371
Over 2 years	2年以上	517	549
		<b>8,125</b>	6,916

### 29. AMOUNT DUE TO AN ASSOCIATE

The amount is unsecured, interest-free and repayable on demand. In October 2018, the Group had fully settled the amount due to Smart Ascent.

### 29. 應付一間聯營公司款項

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Amount due to an associate Smart Ascent	應付一間聯營公司款項 進生	—	19,780

該款項為無抵押、免息及須按要償還。於二零一八年十月，本集團已悉數償付應付進生之款項。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 30. DEFERRED TAX ASSETS

Details of the deferred tax assets recognised and movements during the current and prior years are as follows:

### 30. 遞延稅項資產

本年度及過往年度確認之遞延稅項資產及變動詳情如下：

		<b>Decelerated/ (accelerated) tax depreciation 減速/(加速) 稅項折舊 HK\$'000 千港元</b>
At 1 April 2017	於二零一七年四月一日	(102)
Credited to profit or loss for the year (note 12)	於本年度損益抵免(附註12)	171
At 31 March 2018 and 1 April 2018	於二零一八年三月三十一日及 二零一八年四月一日	69
Charged to profit or loss for the year (note 12)	於本年度損益列支(附註12)	—
At 31 March 2019	於二零一九年三月三十一日	69

As at 31 March 2019, the Group had unused tax losses arising in Hong Kong and the PRC of approximately HK\$6,223,000 (2018: HK\$21,485,000) and HK\$16,619,000 (2018: HK\$24,065,000) respectively available to offset against future taxable profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams, except for that of one subsidiary in Hong Kong of which management considered its deferred tax assets would be crystallised in the foreseeable future. Tax losses arising in Hong Kong may be carried forward indefinitely. Tax losses arising in the PRC will expire in 5 years from the year of origination since 2015.

於二零一九年三月三十一日，本集團於香港及中國產生並可供抵銷未來應課稅溢利之未動用稅務虧損分別為約6,223,000港元(二零一八年：21,485,000港元)及16,619,000港元(二零一八年：24,065,000港元)。由於未來溢利趨勢不可預測，因此除管理層認為其在香港之一間附屬公司於可見之未來可能產生遞延稅項資產外，並無確認遞延稅項資產。於香港產生之稅務虧損可無限期結轉。自二零一五年起，於中國產生之稅務虧損將自產生之年計5年內到期。



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 31. CONVERTIBLE BONDS

On 16 July 2013, the Company issued zero-coupon convertible bonds (the “Convertible Bonds”) with principal amount in aggregate of HK\$641,300,000 at the conversion price of HK\$0.6413 for each new share of the Company, which, if fully converted, is equivalent to 1,000,000,000 new shares of the Company to Mr. Ong Cheng Heang (“Mr. Ong”) and Mr. Mao Yumin (“Mr. Mao”), each of principal amount of HK\$320,650,000. Mr. Ong was the non-controlling shareholder and director of Smart Ascent prior to the completion of acquisition of the remaining 49% interest in Smart Ascent by the Group and Mr. Mao was a director of the Company until 5 December 2013, and is a shareholder of the Company in the current year and the prior years.

The Convertible Bonds are convertible at the option of the bondholders into ordinary shares of the Company at a conversion price of HK\$0.6413 per ordinary share on or before the seventh business day prior to the maturity date of 16 July 2033, subject to anti-dilutive clauses.

The Convertible Bonds are issued in HK\$. The fair value of the liability component of the Convertible Bonds was HK\$20,712,000, which has been determined by the discounted cashflow approach using the prevailing market interest rate of similar non-convertible bonds and taking into account the credit risk of the Company. The effective interest rate is 18.72%. The fair value of the conversion option of HK\$569,288,000 classified as equity component for the Convertible Bonds was calculated using the Binomial Model. The inputs into the model were as follows:

Stock price (HK\$)	股價(港元)	0.59
Exercise price (HK\$)	行使價(港元)	0.6413
Discount rate	貼現率	18.72%
Risk free rate (Note a)	無風險利率(附註a)	2.63%
Expected volatility (Note b)	預期波幅(附註b)	66.55%
Expected dividend yield (Note c)	預期股息收益率(附註c)	0%
Option life (Years)	期權期限(年期)	20

Notes:

- (a) The rate was determined with reference to the yields of Hong Kong government bonds and treasury bills as at the date of valuation.
- (b) Based on the historical price volatility of the Company for the period from 24 December 2009 up to the date of issuance of the Convertible Bonds.
- (c) Estimated with reference to the historical dividend payout of the Company.

### 31. 可換股債券

於二零一三年七月十六日，本公司發行本金總額641,300,000港元之零息可換股債券(「可換股債券」)，換股價為每股本公司新股份0.6413港元，於悉數兌換後相當於1,000,000,000股本公司新股份，可換股債券乃分別發行予Ong Cheng Heang先生(「Ong先生」)及毛裕民先生(「毛先生」)，各人分別獲發行本金額320,650,000港元。於本集團完成收購進生之剩餘49%權益前，Ong先生為進生之非控股股東及董事，而毛先生曾擔任本公司董事直至二零一三年十二月五日為止，並於本年度及過往年度為本公司股東。

債券持有人可選擇於到期日二零一三年七月十六日前第七個營業日或之前按換股價每股普通股0.6413港元將可換股債券兌換為本公司之普通股，惟須受反攤薄條款規限。

可換股債券乃以港元發行。可換股債券負債部分之公平值為20,712,000港元，其乃採用類似非可換股債券之現行市場利率並經考慮本公司之信貸風險以貼現現金流量法釐定。實際利率為18.72%。分類為可換股債券權益部分之換股權之公平值569,288,000港元乃採用二項式模式計算。該模式之輸入數據如下：

Date of issuance

16 July 2013

發行日期

二零一三年

七月十六日

附註：

- (a) 該利率乃參考香港政府債券及庫券於估值日期之孳息率釐定。
- (b) 基於本公司於二零零九年十二月二十四日至可換股債券發行日期期間之過往價格波幅得出。
- (c) 參考本公司的過往股息派付而估計。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 31. CONVERTIBLE BONDS (Continued)

Movements of the liability component of the Convertible Bonds are set out below:

### 31. 可換股債券(續)

可換股債券負債部分之變動載列如下：

		<b>Principal amount (Note) 本金額 (附註) HK\$'000 千港元</b>	<b>Carrying amount 賬面值 HK\$'000 千港元</b>
At 1 April 2017	於二零一七年四月一日	577,170	35,222
Interest charge	利息支出	—	6,590
At 31 March 2018 and 1 April 2018	於二零一八年三月三十一日及 二零一八年四月一日	577,170	41,812
Interest charge	利息支出	—	7,823
At 31 March 2019	於二零一九年三月三十一日	577,170	49,635

Note: At the date of issuance, the principal amount of the Convertible Bonds was HK\$641,300,000, and thereafter the following events have taken place:

On 5 August 2013, the Convertible Bonds with principal amount of HK\$64,130,000 was converted into 100,000,000 ordinary shares of the Company at the conversion price of HK\$0.6413 per ordinary share.

On 25 October 2013, 24 April 2014, 30 August 2014, 31 December 2014 and 30 April 2015, the Convertible Bonds with principal amount of HK\$320,650,000, HK\$64,130,000, HK\$64,130,000, HK\$64,130,000 and HK\$64,130,000 were acquired by Innovative Pharm from Mr. Mao respectively.

附註：於發行日期，可換股債券之本金額為641,300,000港元，而其後發生下列事項：

於二零一三年八月五日，本金額為64,130,000港元之可換股債券轉換為100,000,000股本公司普通股，轉換價為每股普通股0.6413港元。

於二零一三年十月二十五日、二零一四年四月二十四日、二零一四年八月三十日、二零一四年十二月三十一日及二零一五年四月三十日，本金額分別為320,650,000港元、64,130,000港元、64,130,000港元、64,130,000港元及64,130,000港元之可換股債券已由領航醫藥向毛先生購買。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 32. DEFERRED INCOME ON GOVERNMENT GRANTS

The amount represented receipt of grants by a subsidiary from local government authority in the PRC. The movements in deferred income on government grants are as follows:

### 32. 政府補助之遞延收入

有關款項指一間附屬公司獲取中國當地政府部門之補助。政府補助之遞延收入變動如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At 1 April	於四月一日	4,220	2,767
Receipt of grants	已收補助	1,553	1,325
Recognised in profit or loss (note)	於損益確認(附註)	(257)	(172)
Exchange realignment	匯兌調整	(249)	300
At 31 March	於三月三十一日	5,267	4,220
Analysed as:	分析為：		
Current liabilities	流動負債	125	98
Non-current liabilities	非流動負債	5,142	4,122
		5,267	4,220

Note: Government grants relating to property, plant and equipment are included in non-current liabilities as deferred income on government grants and are credited to the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the expected lives of the related assets.

附註：有關物業、廠房及設備之政府補助計入非流動負債列作政府補助之遞延收入並於有關資產之預期年內按直線法計入綜合損益及其他全面收益表。



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 33. SHARE CAPITAL

### 33. 股本

		Number of shares 股份數目		Share capital 股本	
		2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年
		'000 千股	'000 千股	HK\$'000 千港元	HK\$'000 千港元
Ordinary shares of HK\$0.01 each	每股面值0.01港元之 普通股				
Authorised	法定	20,000,000	20,000,000	200,000	200,000
Issued and fully paid At the beginning and end of the financial year	已發行及繳足 於財政年度開始 及結束	2,390,000	2,390,000	23,900	23,900

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 34. HOLDING COMPANY STATEMENT OF FINANCIAL POSITION

### 34. 控股公司財務狀況表

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>Non-current assets</b>	<b>非流動資產</b>			
Interests in subsidiaries	於附屬公司之權益			
— unlisted	— 非上市	39	629,927	629,927
Amounts due from subsidiaries	應收附屬公司款項		296,872	289,834
			926,799	919,761
<b>Current assets</b>	<b>流動資產</b>			
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項		222	222
Cash and bank balances	現金及銀行結餘		85,279	88,619
			85,501	88,841
<b>Total assets</b>	<b>總資產</b>		1,012,300	1,008,602
<b>Current liabilities</b>	<b>流動負債</b>			
Accruals and other payables	預提費用及其他應付款項		826	746
Amounts due to subsidiaries	應付附屬公司款項		86,412	76,776
			87,238	77,522
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Convertible bonds	可換股債券	31	49,635	41,812
<b>Total liabilities</b>	<b>總負債</b>		136,873	119,334
<b>Equity</b>	<b>權益</b>			
Share capital	股本	33	23,900	23,900
Reserves	儲備	35	851,527	865,368
			875,427	889,268
<b>Total liabilities and equity</b>	<b>總負債及權益</b>		1,012,300	1,008,602

On behalf of the Board

**Xie Yi**  
謝毅  
Director  
董事

代表董事會

**Wong Sau Kuen**  
王秀娟  
Director  
董事

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 35. RESERVES

#### The Group

Details of the movements in the Group's reserves are as set out in the consolidated statement of changes in equity in these consolidated financial statements. The natures and purposes of reserves within equity are as follows:

- (a) The share premium account represents the amount subscribed for share capital in excess of nominal value.
- (b) In accordance with the relevant regulations in the PRC, all of the Company's subsidiaries registered in the PRC are required to transfer part of their profit after tax to the capital reserve. Subject to certain restrictions set out in the relevant PRC regulations and the articles of association of these PRC subsidiaries, the capital reserve may be used to offset losses or for capitalisation as paid-up capital.
- (c) The contributed surplus of the Group represents the difference between the nominal value of the share capital of the subsidiaries acquired pursuant to the group reorganisation in 1999, over the nominal value of the share capital of the Company issued in exchange thereof.
- (d) Foreign currency translation reserve represents gains/losses arising on retranslating the net assets/liabilities of foreign operations into presentation currency.
- (e) Convertible bonds equity reserve represents the amount allocated to the equity component of convertible bonds issued by the Company recognised in accordance with the accounting policy adopted for convertible bonds in note 4 to the consolidated financial statements.
- (f) FVTOCI reserve represents fair value reserve comprises the cumulative net change in the fair value of equity investment designated at FVTOCI under HKFRS 9 that are held at the end of the reporting period.

### 35. 儲備

#### 本集團

本集團儲備之變動詳情載列於該等綜合財務報表之綜合權益變動表內。權益內儲備之性質及目的如下：

- (a) 股份溢價賬指認購股本金額超出面值之款項。
- (b) 根據中國有關法例，本公司旗下所有於中國註冊之附屬公司須將其部分除稅後溢利轉撥至資本儲備。資本儲備可用作抵銷虧損或用作資本化為繳足股本，惟須受中國有關法例所載若干限制及該等中國附屬公司章程細則之規限。
- (c) 本集團之繳入盈餘為根據本集團於一九九九年進行重組而收購附屬公司股本之面值超過本公司作交換用途之已發行股本面值之差額。
- (d) 匯兌儲備指因海外業務之資產／負債淨值重新換算為呈列貨幣而產生之收益／虧損。
- (e) 可換股債券權益儲備指根據綜合財務報表附註4內就可換股債券所採納之會計政策確認之本公司發行可換股債券權益部分所獲分配之款項。
- (f) 按公平值計入其他全面收益儲備指包括於報告期末持有根據香港財務報告準則第9號指定為按公平值計入其他全面收益之股本投資公平值之累計變動淨額的公平值儲備。



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 35. RESERVES (Continued)

The Company

		Share premium	Contributed surplus	Foreign currency translation reserve	Convertible bonds equity reserve	Retained earnings	Total
		股份溢價 HK\$'000 千港元	繳入盈餘 HK\$'000 千港元	匯兌儲備 HK\$'000 千港元	可換股債券 權益儲備 HK\$'000 千港元	保留盈利 HK\$'000 千港元	總計 HK\$'000 千港元
At 1 April 2017	於二零一七年 四月一日	191,738	64,636	3,862	512,359	55,631	828,226
Profit for the year	本年度溢利	—	—	(3,862)	—	41,004	37,142
At 31 March 2018 and 1 April 2018	於二零一八年 三月三十一日 及二零一八年 四月一日	191,738	64,636	—	512,359	96,635	865,368
Loss for the year	本年度虧損	—	—	—	—	(13,841)	(13,841)
At 31 March 2019	於二零一九年 三月三十一日	191,738	64,636	—	512,359	82,794	851,527

### 35. 儲備(續)

本公司

### 36. OPERATING LEASES – LESSEE

The Group had operating lease commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Not later than one year	不遲於一年	1,601	1,826
Later than one year and not later than five years	遲於一年及不遲於五年	—	1,601
		1,601	3,427

The Group's operating lease commitment represents rental of its office with initial period of three (2018: three) years. Rentals are fixed over the lease terms and none of the leases included contingent rentals.

### 36. 經營租賃－承租人

本集團就不可撤銷經營租賃項下未來最低租賃付款具有經營租賃承擔，其到期情況如下：

本集團之經營租賃承擔指其辦公室租金，最初期限為三年(二零一八年：三年)。租金於租約期內固定，且概無租賃包括或然租金。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 37. RELATED PARTY TRANSACTIONS

- (a) Save as the transactions and balances detailed elsewhere in the consolidated financial statements, the Group had no other transactions with related parties during the year.
- (b) Compensation of key management  
The remuneration of directors and other members of key management for the year are set out in notes 10 and 11.

### 37. 關聯方交易

- (a) 除綜合財務報表其他部分所詳述之交易及結餘外，本集團於年內並無其他關聯方交易。
- (b) 主要管理層之報酬  
年內董事及其他主要管理層人員之酬金載於附註10及11。

### 38. CONTINGENT LIABILITIES

As at 31 March 2019, the Group did not have any significant contingent liabilities (2018: Nil).

### 38. 或然負債

於二零一九年三月三十一日，本集團並無任何重大或然負債(二零一八年：無)。

### 39. INTEREST IN SUBSIDIARIES

### 39. 於附屬公司之權益

Name 名稱	Place of incorporation/ registration/ operation 註冊成立/登記/ 經營之地點	Registered/issued and fully paid share capital 註冊/已發行 及繳足股本	Effective interest held by the Company 本公司所持 實際權益		Principal activities 主要業務
			2019 二零一九年	2018 二零一八年	
<b>Directly held</b> 直接持有					
Extrawell (BVI) Limited	BVI 英屬處女群島	US\$10,000 ordinary shares 10,000美元普通股	100%	100%	Investment holding 投資控股
Jilin Extrawell Changbaishan Pharmaceutical Co., Ltd.	China 中國	RMB33,000,000 registered capital 人民幣33,000,000元 註冊資本	100%	100%	Development, manufacture and sales of pharmaceutical products 開發、製造及 銷售藥品

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 39. INTEREST IN SUBSIDIARIES (Continued)

### 39. 於附屬公司之權益(續)

Name 名稱	Place of incorporation/ registration/ operation 註冊成立/登記/ 經營之地點	Registered/issued and fully paid share capital 註冊/已發行 及繳足股本	Effective interest held by the Company 本公司所持 實際權益		Principal activities 主要業務
			2019 二零一九年	2018 二零一八年	
<b>Indirectly held</b> 間接持有					
Extrawell Enterprises Limited 精優企業有限公司	Hong Kong 香港	HK\$20 ordinary shares HK\$1,000,000 non-voting deferred shares 20港元普通股 1,000,000港元 無投票權遞延股份	100%	100%	Investment holding and property investment 投資控股及物業 投資
Extrawell Pharmaceutical (HK) Limited 精優藥業(香港)有限公司	Hong Kong 香港	HK\$2 ordinary shares 2港元普通股	100%	100%	Provision of agency services 提供代理服務
South Asia Pharmaceutical (China) Limited	Malaysia 馬來西亞	US\$1 ordinary share 1美元普通股	100%	100%	Marketing and distribution of pharmaceutical products 推廣及經銷藥品
Mega Asia Pharmaceutical Limited 兆盈藥業有限公司	Hong Kong/China 香港/中國	HK\$10,000 ordinary shares 10,000港元普通股	100%	100%	Provision of agency services 提供代理服務
Changchun Extrawell Pharmaceutical Co., Ltd. ("CEP") 長春精優藥業股份有限 公司(「長春精優」)	China 中國	RMB50,000,000 registered capital 人民幣50,000,000元 註冊資本	73%	73%	Development, manufacture and sales of pharmaceutical products 開發、製造及 銷售藥品
Best-Bio Developments Limited	BVI/China 英屬處女群島/ 中國	US\$1 ordinary share 1美元普通股	100%	100%	Investment holding 投資控股
Right & Rise Limited	BVI/China 英屬處女群島/ 中國	US\$50,000 ordinary share 50,000美元普通股	100%	100%	Holding of gene invention rights and investment holding 持有基因發明權 及投資控股

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affect the financial results of the year or form a substantial portion of the net assets of the Group.

上表所列之本公司附屬公司為本公司董事認為主要影響本年度財務業績或構成本集團資產淨值重大部分之附屬公司。



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 39. INTEREST IN SUBSIDIARIES (Continued)

None of the subsidiaries had issued any debt securities at the end of the year or any time during the year.

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

### 39. 於附屬公司之權益(續)

於年末或年內任何時間，概無附屬公司發行任何債務證券。

下表列示本集團擁有重大非控股權益之非全資附屬公司之詳情：

Name of subsidiary 附屬公司名稱	Place/country of registration/ incorporation/ operations 登記／註冊成立／ 經營之地點／國家	Proportion of ownership interests /voting rights held by non-controlling interests 非控股權益所持之 所有權權益／投票權比例		Loss allocated to non- controlling interests 分配至非控股權益 之虧損		Accumulated non-controlling interests 累計非控股權益	
		2019	2018	2019	2018	2019	2018
		二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年
CEP 長春精優	PRC 中國	27%	27%	(706)	(643)	(5,066)	(4,479)
Individually immaterial subsidiary with non- controlling interests 持有非控股權益之個別 不重大附屬公司				—	(15)	(15)	(15)
				(706)	(658)	(5,081)	(4,494)

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 39. INTEREST IN SUBSIDIARIES (Continued)

Summarised financial information in respect of CEP is set out below. The summarised financial information below represents amounts before intragroup eliminations.

#### CEP

### 39. 於附屬公司之權益(續)

有關長春精優之財務資料概要載列如下。下列財務資料概要為集團內公司間對銷前之金額。

#### 長春精優

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current assets	流動資產	31,386	32,240
Non-current assets	非流動資產	147,867	163,153
Current liabilities	流動負債	(180,526)	(195,430)
Non-current liabilities	非流動負債	(9,972)	(9,122)
Equity attributable to owners of the Company	本公司擁有人應佔權益	(5,747)	(4,680)
Non-controlling interests	非控股權益	(5,498)	(4,479)

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 39. INTEREST IN SUBSIDIARIES (Continued)

### 39. 於附屬公司之權益(續)

CEP (Continued)

長春精優(續)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	收益	75,820	60,176
Expenses	開支	(78,450)	(62,624)
Loss for the year	本年度虧損	(2,630)	(2,448)
Loss attributable to owners of the Company	本公司擁有人應佔虧損	(1,924)	(1,805)
Loss attributable to non-controlling interests	非控股權益應佔虧損	(706)	(643)
Loss for the year	本年度虧損	(2,630)	(2,448)
Other comprehensive income/(expense) attributable to owners of the Company	本公司擁有人應佔其他全面收益/(開支)	393	(597)
Other comprehensive income/(expense) attributable to non-controlling interests	非控股權益應佔其他全面收益/(開支)	145	(219)
Other comprehensive income/(expense) for the year	本年度其他全面收益/(開支)	538	(816)
Total comprehensive expense attributable to owners of the Company	本公司擁有人應佔全面開支總額	(1,531)	(2,402)
Total comprehensive expense attributable to non-controlling interests	非控股權益應佔全面開支總額	(561)	(862)
Total comprehensive expense for the year	本年度全面開支總額	(2,092)	(3,264)
Net cash generated from operating activities	經營活動產生之現金淨額	386	2,831
Net cash generated from investing activities	投資活動產生之現金淨額	269	1,206
Net cash used in financing activities	融資活動所用之現金淨額	—	—



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 40. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The following table shows the carrying amount of financial assets and liabilities:

### 40. 按類別劃分之金融資產及金融負債概要

下表列明金融資產及負債之賬面值：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>Financial assets</b>	<b>金融資產</b>		
Financial assets at FVTPL	按公平值計入損益之金融資產		
Investments in convertible bonds as a whole	可換股債券投資之整個部分	469,737	—
Derivative component of investments in convertible bonds	可換股債券投資之衍生工具部分	—	4,296
Bank structured product	銀行結構性產品	1,769	—
Available-for-sale investments	可供出售投資		
Unlisted investment fund, at fair value	非上市投資基金，按公平值	—	59,047
Bank structured product	銀行結構性產品	—	1,875
Financial assets at amortised cost (2018: Loans and receivables)	按攤銷成本計量之金融資產 (二零一八年：貸款及應收款項)		
Debt component of investments in convertible bonds	可換股債券投資之債務部分	—	413,487
Loan to an associate	貸款予一間聯營公司	5,027	—
Amount due from an associate	應收一間聯營公司款項	29,388	22,505
Trade and bills receivables	貿易應收賬款及應收票據	20,047	21,076
Deposits and other receivables	按金及其他應收款項	10,470	7,768
Pledged bank deposits	已抵押銀行存款	20,994	20,502
Cash and bank balances	現金及銀行結餘	148,902	161,765
		<b>706,334</b>	<b>712,321</b>

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>Financial liabilities</b>	<b>金融負債</b>		
Financial liabilities measured at amortised cost	按攤銷成本計量之金融負債		
Trade and bills payables	貿易應付賬款及應付票據	8,125	6,916
Accruals and other payables	預提費用及其他應付款項	43,886	48,328
Amount due to an associate	應付一間聯營公司款項	—	19,780
Convertible bonds	可換股債券	49,635	41,812
		<b>101,646</b>	<b>116,836</b>

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 40. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY (Continued)

#### (a) Financial instruments not measured at fair value

Due to short term nature, the carrying values of the loans and receivables, excluding debt component of investments in convertible bonds, approximate fair value.

At 31 March 2018, in respect of the debt component of investments in convertible bonds, the fair value has been determined using discounted cash flow model and the carrying value approximates fair value.

#### (b) Financial instruments measured at fair value

*Financial assets at fair value through other comprehensive income (2018: Available-for-sale investments) – Unlisted investment fund, at fair value*

The fair value hierarchy is level 2.

The market value, which approximates fair value, of this fund is primarily calculated based on the quoted prices of the underlying listed investments in active markets with certain adjustments made to reflect the interest of the fund holder.

*Financial assets at fair value through profit or loss (2018: Available-for-sale investments) – Bank structured product, at fair value*

The fair value hierarchy is level 2.

The fair value of the bank structured product is determined based on estimated return of 2.6% (2018: 3.2%) and the credit quality of these investments which can be assessed by reference to historical information or external credit ratings, if any, provided by the bank.

### 40. 按類別劃分之金融資產及金融負債概要(續)

#### (a) 並非按公平值計量之金融工具

由於短期性質，貸款及應收款項（不包括可換股債券投資之債務部分）之賬面值與公平值相若。

於二零一八年三月三十一日，就可換股債券投資之債務部分而言，公平值利用貼現現金流量模型釐定且賬面值與公平值相若。

#### (b) 按公平值計量之金融工具

按公平值計入其他全面收益之金融資產（二零一八年：可供出售投資）－非上市投資基金，按公平值  
公平值層級為第二級。

該基金之市值（與公平值相若）主要是根據活躍市場之相關上市投資之報價計算，並作出若干調整以反映基金持有人之權益。

按公平值計入損益之金融資產（二零一八年：可供出售投資）－銀行結構性產品，按公平值  
公平值層級為第二級。

銀行結構性產品之公平值乃按2.6%（二零一八年：3.2%）之估計回報釐定，而該等投資之信貸質素可經參考過往資料或銀行提供之外部信貸評級（如有）予以評估。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 40. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY (Continued)

#### (b) Financial instruments measured at fair value (Continued)

*Financial assets at fair value through profit or loss – Investments in convertible bonds (2018: derivative component of investments in convertible bonds)*

The fair value hierarchy is level 3.

The fair value of investments in convertible bonds (2018: conversion options embedded in investments in convertible bonds) is determined based on the risk-free rate for the life of the option and share price (from observable market data), expected volatility of the share price of Innovative Pharm and expected dividend yield on the shares and exercise price.

#### *Significant unobservable inputs*

Expected volatility of the share price of Innovative Pharm, determined by reference to historical share price of Innovative Pharm. The higher the volatility of the share price of Innovative Pharm, the higher the fair value.

There were no changes in valuation techniques for the years ended 31 March 2019 and 2018.

The following table provides an analysis of the Group's financial instruments measured at fair value, on a recurring basis, by level of fair value hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### 40. 按類別劃分之金融資產及金融負債概要(續)

#### (b) 按公平值計量之金融工具 (續)

按公平值計入損益之金融資產 – 可換股債券投資(二零一八年: 可換股債券投資之衍生工具部分)

公平值層級為第三級。

可換股債券投資(二零一八年: 可換股債券投資有關嵌入之換股權)之公平值乃基於期權年期之無風險利率及股價(來自可觀察市場數據)、領航醫藥股價預期波幅及股份預期股息收益率及行使價釐定。

#### *重大不可觀察輸入數據*

領航醫藥之股價預期波幅乃經參考領航醫藥過往股價釐定。領航醫藥股價波幅越大, 公平值越高。

截至二零一九年及二零一八年三月三十一日止年度, 估值方法並無變動。

下表根據經常性基準按公平值層級提供本集團按公平值計量之金融工具之分析:

第一級: 活躍市場上相同資產或負債之報價(不作調整);

第二級: 第一級所包括報價以外, 就資產或負債可直接(即價格)或間接(即源自價格)可觀察之輸入數據; 及

第三級: 並非基於可觀察市場數據之資產或負債之輸入數據(不可觀察輸入數據)。



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 40. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY (Continued)

#### (b) Financial instruments measured at fair value (Continued)

There was no transfer between different levels of the fair value hierarchy during the year ended 31 March 2019, and there was no change in valuation techniques for the following Group's financial assets that are measured at fair value on a recurring basis at the end of the reporting period:

		2019 二零一九年			
		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Financial asset at fair value through other comprehensive income	按公平值計入其他全面收益之金融資產	—	—	—	—
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	—	1,769	469,737	471,506
		—	1,769	469,737	471,506

		2018 二零一八年			
		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Available-for-sale financial assets	可供出售金融資產	—	60,922	—	60,922
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	—	—	4,296	4,296
		—	60,922	4,296	65,218

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 40. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY (Continued)

#### (b) Financial instruments measured at fair value (Continued)

Reconciliation for financial instruments carried at fair value based on significant unobservable inputs (Level 3) are as follows:

### 40. 按類別劃分之金融資產及金融負債概要(續)

#### (b) 按公平值計量之金融工具(續)

根據重大不可觀察輸入數據(第三級)按公平值計量之金融工具之對賬如下:

		Unlisted investments in convertible bonds 非上市可換股 債券投資 HK\$'000 千港元	Derivative component of unlisted investments in convertible bonds 非上市可換股 債券投資的 衍生工具部分 HK\$'000 千港元
At 1 April 2017	於二零一七年四月一日	—	21,078
Change in fair value in profit or loss (included in other gains and losses)	於損益確認之公平值變動 (計入其他收益及虧損)	—	(16,782)
At 31 March 2018	於二零一八年三月三十一日	—	4,296
Effect on adoption of HKFRS 9	採納香港財務報告準則第9號之 影響	414,973	(4,296)
At 1 April 2018, restated	經重列於二零一八年四月一日	414,973	—
Interest received	已收利息	(25,025)	—
Change in fair value in profit or loss (included in other gains and losses)	損益內公平值變動 (計入其他收益及虧損)	79,789	—
At 31 March 2019	於二零一九年三月三十一日	469,737	—

### 41. FINANCIAL RISK MANAGEMENT

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

### 41. 財務風險管理

本集團之主要金融工具包括可換股債券投資、貿易應收賬款及應收票據、按金及其他應收款項、已抵押銀行存款、銀行結餘、貿易應付賬款及應付票據、預提費用及其他應付款項、貸款予一間聯營公司、應收/應付一間聯營公司款項及可換股債券。該等金融工具之詳情於相關附註披露。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 41. FINANCIAL RISK MANAGEMENT (Continued)

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

#### (a) Foreign currency risk

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

The carrying amounts of the foreign currency denominated monetary assets and liabilities in net position as at 31 March 2019 and 2018 are as follows:

### 41. 財務風險管理(續)

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

#### (a) 外幣風險

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

於二零一九年及二零一八年三月三十一日，按外幣計值之貨幣資產及負債淨值之賬面值如下：

		Euro 歐元 HK\$'000 千港元	RMB 人民幣 HK\$'000 千港元	US\$ 美元 HK\$'000 千港元
<b>31 March 2019</b>	<b>於二零一九年三月三十一日</b>			
Pledged bank deposits	已抵押銀行存款	—	—	18,687
Cash and bank balances	現金及銀行結餘	3,870	1,876	13,065
Trade and bills payables	貿易應付賬款及應付票據	(2,580)	—	—
Overall net exposure	全面風險淨額	1,290	1,876	31,752
<b>31 March 2018</b>	<b>於二零一八年三月三十一日</b>			
Pledged bank deposits	已抵押銀行存款	—	—	18,229
Cash and bank balances	現金及銀行結餘	2,135	1,953	13,553
Trade and bills payables	貿易應付賬款及應付票據	(1,264)	—	—
Overall net exposure	全面風險淨額	871	1,953	31,782



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 41. FINANCIAL RISK MANAGEMENT (Continued)

#### (a) Foreign currency risk (Continued)

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

The following table illustrates the approximate change in the Group's profit for the year and retained profits in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of each of the following years:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Euro appreciated by 5%	歐元升值5%	(65)	(36)
RMB appreciated by 5%	人民幣升值5%	(94)	(81)

The change in exchange rates do not affect the Group's other component of equity. The same percentage depreciation in the foreign currencies against the functional currency of the respective group companies would have the same magnitude on profit and retained profits but of opposite effect.

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of each of the reporting period and had been applied to each of the group entities; exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant. The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next reporting date.

### 41. 財務風險管理(續)

#### (a) 外幣風險(續)

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

下表說明本集團年內溢利及保留溢利之概約變動以回應本集團於以下各年度末面對重大風險之外匯匯率的合理可能變動：

匯率變動不會影響本集團其他權益部分。外幣兌各集團公司之功能貨幣之同一百分比貶值對溢利及保留溢利構成相同幅度但反面之影響。

敏感度分析乃假設外匯匯率於各報告期末已發生變動而釐定，並應用於各集團實體，就金融工具所承受之貨幣風險於該日已存在，以及所有其他變數(特別是利率)維持不變。所述變動代表管理層對外匯匯率於直至下個報告日期前期間之合理可能變動之評估。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 41. FINANCIAL RISK MANAGEMENT (Continued)

#### (b) Interest rate risk

The Group's cash flow interest rate risk primarily relates to variable-rate pledged bank deposits and bank balances (see notes 26 and 27 respectively for details). The Group currently does not have interest rate hedging policy. However, the management of the Group will consider hedging significant interest rate exposure should the need arise. The management considers the Group's exposure to future cash flow interest rate risk is minimal taking into account the minimal fluctuation on market interest rate. Accordingly, no sensitivity analysis is presented.

#### (c) Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. The liquidity risk management strategy adopted by the Group is to measure and forecast its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the Group's activities.

#### *Analysis of financial instruments by remaining contractual maturities.*

The table below summaries the maturity profile of the Group's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations (including interest payments computed using contractual rates, or if floating, based on rates current at the reporting date).

### 41. 財務風險管理(續)

#### (b) 利率風險

本集團之現金流量利率風險主要與以浮動利率計息之已抵押銀行存款及銀行結餘(詳情分別見附註26及27)有關。本集團現時並無利率對沖政策。然而，本集團管理層將於必要時考慮對沖重大利率風險。鑒於市場利率之波動甚微，管理層認為本集團承受未來現金流量利率之風險甚微。因此，概無呈列敏感度分析。

#### (c) 流動資金風險

本集團積極管理其債務到期情況、經營現金流量及可動用資金，以確保可應付所有經營、投資及融資需要。本集團採納之流動資金風險管理策略為計量及預測其現金承擔及將現金及現金等值項目維持於被視為足以撥付本集團活動之水平。

#### *按剩餘合約到期日劃分之金融工具分析。*

下表根據合約未貼現償還責任(包括使用合約利率或倘屬浮動，則根據報告日期之當前利率計算的利息付款)，概述本集團於報告期末負債之到期情況。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 41. FINANCIAL RISK MANAGEMENT (Continued)

### 41. 財務風險管理(續)

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

#### (c) 流動資金風險(續)

	Weighted average effective interest rate	Carrying amount	Total contractual undiscounted cash flows	Within 1 year or repayable on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
	加權平均實際利率	賬面值	合約未貼現金流量總額	一年內或按要 求償還	超過一年 但少於 兩年	超過兩年 但少於 五年	超過五年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>31 March 2019</b>	於二零一九年 三月三十一日						
Trade and bills payables	貿易應付賬款及 應付票據	8,125	8,125	8,125	—	—	—
Accruals and other payables	預提費用及其他 應付款項	50,651	50,651	50,651	—	—	—
Convertible bonds	可換股債券	18.72% 49,635	577,170	—	—	—	577,170
		108,411	635,946	58,776	—	—	577,170
<b>31 March 2018</b>	二零一八年 三月三十一日						
Trade and bills payables	貿易應付賬款及 應付票據	6,916	6,916	6,916	—	—	—
Accruals and other payables	預提費用及其他 應付款項	47,381	47,381	47,381	—	—	—
Amount due to an associate	應付一間聯營 公司款項	19,780	19,780	19,780	—	—	—
Convertible bonds	可換股債券	18.72% 41,812	577,170	—	—	—	577,170
		115,889	651,247	74,077	—	—	577,170



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 41. FINANCIAL RISK MANAGEMENT (Continued)

#### (d) Credit risk

The Group's credit risk is primarily attributable to investments in convertible bonds, trade and other receivables, amount due from an associate, loan to an associate, pledged bank deposits and bank balances.

As at 31 March 2019, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is the carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position.

The investments in convertible bonds as at 31 March 2019 expose the Group to concentration of credit risk. At the end of the reporting period, the Group assessed the financial position and performance of the issuer of the convertible bonds of carrying amount HK\$469,737,000 (2018: HK\$417,783,000) and in view of the net assets of the issuer, the management considers the default risk on the investments in convertible bonds is not significant.

### 41. 財務風險管理(續)

#### (d) 信貸風險

本集團之信貸風險主要來自可換股債券投資、貿易應收賬款及其他應收款項、應收一間聯營公司款項、貸款予一間聯營公司、已抵押銀行存款及銀行結餘。

於二零一九年三月三十一日，本集團所面對之最大信貸風險(會因交易對手未能履行責任而令本集團承擔財政損失)為綜合財務狀況表列載之各項已確認之金融資產之賬面值。

於二零一九年三月三十一日之可換股債券投資令本集團信貸風險集中。於報告期末，本集團評估賬面值為469,737,000港元(二零一八年：417,783,000港元)之可換股債券發行人之財務狀況及表現，鑒於發行人擁有之資產淨值，管理層認為可換股債券投資之違約風險並不重大。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 41. FINANCIAL RISK MANAGEMENT (Continued)

#### (d) Credit risk (Continued)

The Group also has concentration of credit risk as 25% (2018: 11%) of the total trade receivables were due from the Group's major customers, which are privately owned PRC and Macau companies engaged in trading of pharmaceutical products. The directors of the Company considered that the credit risk of trade receivables is insignificant after considering the credit quality and financial ability of these customers. In respect of trade receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. The Group has policies in place to ensure that sales are made to customers with an appropriate credit history. These credit evaluations focus on the customers' past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. The Group will make specific provision for those balances which cannot be recovered. Normally, the Group does not obtain collateral from customers. In the opinion of the directors, the default risk of the Group is considered to be low.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

### 41. 財務風險管理(續)

#### (d) 信貸風險(續)

本集團信貸風險集中，因為貿易應收賬款總額中25%(二零一八年：11%)乃應收本集團之主要客戶款項，該等客戶為從事藥品貿易之中國及澳門私人公司。經考慮該等客戶之信貸質素及財政能力，本公司董事認為貿易應收賬款之信貸風險並不重大。就貿易應收賬款而言，對所有要求超過若干金額信貸之客戶進行獨立信貸評估。本集團訂有適當政策可確保銷售對象為信貸記錄良好之客戶。該等信貸評估著重評核客戶支付到期款項之過往記錄，以及目前之支付能力，並考慮客戶特定資料及有關客戶經營所在經濟環境之資料。本集團將會為該等不能收回之結餘作出特定撥備。一般而言，本集團並無向客戶收取抵押品。董事認為，本集團面對之違約風險為低。

本集團使用撥備矩陣並按與全期預期信貸損失等額之方式計量貿易應收賬款之虧損撥備。由於本集團過往信貸損失經驗並無顯示不同客戶分類有重大不同損失模式，按逾期狀態之虧損撥備不會進一步於本集團不同客戶群之間區分。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 41. FINANCIAL RISK MANAGEMENT (Continued)

#### (d) Credit risk (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade and bills receivables as at 31 March 2019:

		Current	Past due but not impaired — Within 180 days 已逾期但 未減值— 180日內	Total
		即期		總計
Expected credit loss (%)	預期信貸損失(%)	1.34	1.34	1.34
Gross carrying amount (HK\$'000)	賬面總值(千港元)	16,102	3,945	20,047
Loss allowance (HK\$'000)	虧損撥備(千港元)			(97)

Expected loss rates are based on actual loss experience over the past 1 year. These rates are adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

預期虧損率乃根據過往一年之實際虧損經驗計算。該等比率乃經調整，以反映收集歷史數據期間之經濟狀況、現時狀況及本集團對應收款項之預計年期之經濟狀況看法之差異。

### 41. 財務風險管理(續)

#### (d) 信貸風險(續)

下表載列於二零一九年三月三十一日本集團就貿易應收賬款及應收票據所面臨之信貸風險及預期信貸損失之資料：



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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 41. FINANCIAL RISK MANAGEMENT (Continued)

#### (d) Credit risk (Continued)

Prior to 1 April 2018, an impairment loss was recognised only when there was objective evidence of impairment. At 1 April 2018, trade and bills receivables of HK\$42,305,000 was determined to be impaired. The ageing analysis of trade debtors that were not considered to be impaired was as follows:

		2018 二零一八年 HK\$'000 千港元
Neither past due nor impaired	未逾期亦未減值	15,543
Past due but not impaired — Within 180 days	已逾期但未減值 — 180日內	5,533
		21,076

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

Receivables that were past due but not impaired related to a number of independent customers that had a good track record with the Group. Based on past experience, management believed that no impairment allowance was necessary in respect of these balances as there had been no significant change in credit quality and the balances were still considered fully recoverable.

With respect to credit risk arising from other receivables, loan to and amount due from an associate, in the opinion of the directors, no significant credit risk is expected as there is no default repayment history.

The credit risk on the Group's pledged bank deposits and bank balances is limited because the counterparties are reputable and creditworthy banks with high credit ratings assigned by international credit-rating agencies.

### 41. 財務風險管理(續)

#### (d) 信貸風險(續)

於二零一八年四月一日前，本集團僅在出現客觀減值證據之情況下確認減值虧損。於二零一八年四月一日，貿易應收賬款及應收票據42,305,000港元確認為已減值。未被視為減值之貿易應收賬款之賬齡分析如下：

未逾期亦未減值之應收款項與多名近期並無拖欠還款記錄之客戶有關。

已逾期但未減值之應收款項與本集團具有良好往績記錄之多名獨立客戶有關。根據過往經驗，由於信貸質素並無重大變動，而該等結餘仍被視為可悉數收回，故管理層認為毋須就該等結餘作出減值撥備。

就因其他應收款項、貸款予一間聯營公司及應收一間聯營公司款項而產生之信貸風險，董事認為由於並無拖欠還款記錄，因而預期並無重大信貸風險。

由於交易對手為國際評級機構給予高信用評級之聲譽及信譽良好之銀行，故本集團已抵押銀行存款及銀行結餘之信貸風險有限。

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

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

### 41. FINANCIAL RISK MANAGEMENT (Continued)

#### (d) Credit risk (Continued)

The maximum exposure to credit risk is represented by the carrying amount of each financial asset at the end of the reporting period.

### 42. CAPITAL MANAGEMENT

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

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

### 41. 財務風險管理(續)

#### (d) 信貸風險(續)

最大信貸風險來自報告期末每項金融資產之賬面值。

### 42. 資本管理

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

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

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Debts	債務	49,635	61,592
Total equity	權益總額	1,061,571	1,067,079
Gearing ratio	資產負債比率	4.7%	5.8%

### 43. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the directors on 28 June 2019.

### 43. 批准財務報表

董事於二零一九年六月二十八日批准及授權刊登財務報表。

# FIVE YEARS' FINANCIAL SUMMARY

## 五年財務概要

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, is set out below: 本集團過去五個財政年度之業績，以及資產、負債及非控股權益概要如下：

### For the year ended 31 March

截至三月三十一日止年度

		2019	2018	2017	2016	2015
		二零一九年	二零一八年	二零一七年	二零一六年	二零一五年
		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
<b>RESULTS</b>	<b>業績</b>					
Revenue	收益	<b>89,218</b>	85,762	107,903	142,201	128,833
Profit before income tax	除所得稅前溢利	<b>63,374</b>	29,186	18,927	27,490	555,397
Income tax credit/ (expense)	所得稅抵免/ (支出)	<b>(50)</b>	86	(616)	(90)	(92)
Profit for the year	年內溢利	<b>63,324</b>	29,272	18,311	27,400	555,305
Attributable to:	以下人士應佔：					
— Owners of the Company	— 本公司 擁有人	<b>64,030</b>	29,930	20,796	32,781	565,457
— Non-controlling interests	— 非控股 權益	<b>(706)</b>	(658)	(2,485)	(5,381)	(10,152)
		<b>63,324</b>	29,272	18,311	27,400	555,305

### As at 31 March

於三月三十一日止年度

		2019	2018	2017	2016	2015
		二零一九年	二零一八年	二零一七年	二零一六年	二零一五年
		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
<b>ASSETS, LIABILITIES AND NON- CONTROLLING INTERESTS</b>	<b>資產、負債及 非控股權益</b>					
Total assets	總資產	<b>1,196,086</b>	1,216,783	1,172,669	1,160,853	1,138,643
Total liabilities	總負債	<b>(134,515)</b>	(149,704)	(146,818)	(144,954)	(142,264)
Total equity	權益總額	<b>1,061,571</b>	1,067,079	1,025,851	1,015,899	996,379
Non-controlling interests	非控股權益	<b>5,081</b>	4,494	3,841	1,350	(4,489)
Equity attributable to owners of the Company	本公司擁有人 應佔權益	<b>1,066,652</b>	1,071,573	1,029,692	1,017,249	991,890





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

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock code 股份代號：858



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