



INNOVATIVE PHARMACEUTICAL BIOTECH LIMITED

領航醫藥及生物科技有限公司

(formerly known as United Gene High-Tech Group Limited 聯合基因科技集團有限公司)

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(於開曼群島註冊成立並於百慕達存續之有限公司)

(Stock Code 股份代號：399)



2016

Annual Report 年報

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Gao Yuan Xing (appointed on 4 January 2016)

Tang Rong

Non-executive Directors

Jiang Nian (*Chairman*)

Xiao Yan

Wu Yanmin

Independent non-executive Directors

Chen Weijun

Zhang Zhihong

Wang Rongliang

Audit Committee

Chen Weijun (*Chairman*)

Zhang Zhihong

Wang Rongliang

Remuneration Committee

Zhang Zhihong (*Chairman*)

Jiang Nian

Wang Rongliang

Nomination Committee

Zhang Zhihong (*Chairman*)

Jiang Nian

Wang Rongliang

HONORARY CHAIRMAN

Mao Yumin

COMPANY SECRETARY

Poon Hon Yin

LEGAL ADVISERS

Sidley Austin

39/F, Two International Finance Centre

Central, Hong Kong

董事會

執行董事

高源興(於二零一六年一月四日獲委任)

唐榕

非執行董事

蔣年(*主席*)

肖焱

鄒燕敏

獨立非執行董事

陳偉君

張志鴻

王榮樑

審核委員會

陳偉君(*主席*)

張志鴻

王榮樑

薪酬委員會

張志鴻(*主席*)

蔣年

王榮樑

提名委員會

張志鴻(*主席*)

蔣年

王榮樑

名譽主席

毛裕民

公司秘書

潘漢彥

法律顧問

盛德律師事務所

香港中環

國際金融中心二期三十九樓

CORPORATE INFORMATION

公司資料

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11, Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit No. 2111, 21/F.
West Tower Shun Tak Centre
168-200 Connaught Road Central
Sheung Wan, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

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

BRANCH SHARE REGISTRAR AND TRANSFER AGENT IN HONG KONG

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

AUDITORS

East Asia Sentinel Limited
22/F, Tai Yau Building
181 Johnston Road
Wanchai, Hong Kong

PRINCIPAL BANKER

Bank of Communications Co., Ltd.

STOCK CODE

399

COMPANY WEBSITE

www.ipb.asia
www.irasia.com/listco/hk/ipb

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11, Bermuda

香港主要營業地點

香港上環
干諾道中168-200號
信德中心西座21樓2111室

股份登記總處及過戶代理處

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

香港股份登記分處及 過戶代理處

卓佳登捷時有限公司
香港
皇后大道東183號
合和中心22樓

核數師

衛亞會計師事務所有限公司
香港灣仔莊士敦道
181號大有大廈22字樓

主要往來銀行

交通銀行

股份代號

399

公司網站

www.ipb.asia
www.irasia.com/listco/hk/ipb

CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "directors") of Innovative Pharmaceutical Biotech Limited, formerly known as United Gene High-Tech Group Limited until the change of name on 29 September 2015, (the "Company", together with its subsidiaries, the "Group"), I hereby present to all shareholders of the Company (the "Shareholders") the audited consolidated financial results of the Group for the year ended 31 March 2016 (the "Financial Year") with comparative figures for the year ended 31 March 2015 (the "Previous Financial Year").

For the Financial Year, the Group recorded revenue of approximately HK\$19.9 million, a decrease of approximately 41.41% in revenue from approximately HK\$34.0 million as recorded in the Previous Financial Year. The decrease in revenue was largely due to the decrease of business activity in the Group's trading of beauty equipment and products segment during the second half of the Financial Year as the Group focused were of its resources on numerous potential joint-ventures domestically and abroad and developing new business.

For the Financial Year, the loss attributable to the owners of the Company amounted to approximately HK\$236.9 million, representing a decrease of approximately 47.59% from the loss attributable to owners of the Company in the amount of approximately HK\$451.7 million recorded in the Previous Financial Year. The comparative reduction in loss of HK\$214.8 million was primarily due to a lesser amount of loss on initial recognition of investments in convertible bonds acquired that were issued by Extrawell Pharmaceutical Holdings Limited ("Extrawell"), a company of which shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") that is principally engaged in the marketing and distribution of pharmaceutical products to customers in the People's Republic of China (the "PRC" or "China"), the development, manufacture and sales of pharmaceutical products in the PRC and the business of commercial exploitation and development of genome related technology that were acquired in the Financial Year as compared to the Previous Financial Year and the corresponding difference of loss amounted to HK\$215.7 million.

各位股東：

本人謹代表領航醫藥及生物科技有限公司(直至二零一五年九月二十九日更改名稱，前稱為聯合基因科技集團有限公司)(「本公司」，連同其附屬公司統稱「本集團」)之董事(「董事」)會(「董事會」)向本公司所有股東(「股東」)提呈予有關本集團截至二零一六年三月三十一日止年度(「本財政年度」)之經審核綜合財務業績與截至二零一五年三月三十一日止年度(「上一財政年度」)之可比較數字。

本集團於本財政年度之收益為約19,900,000港元，較上一財政年度錄得之收益約34,000,000港元減少約41.41%。收益減少主要是由於本集團美容設備及產品貿易分部於本財政年度下半年的業務活動減少所致，因為本集團將其資源投放於國內外眾多潛在合資企業及開發新業務。

於本財政年度，本公司擁有人應佔虧損為約236,900,000港元，較上一財政年度錄得之本公司擁有人應佔虧損約451,700,000港元減少約47.59%。虧損相對減少214,800,000港元乃主要由於本財政年度初步確認精優藥業控股有限公司(「精優」)發行之已收購可換股債券投資之虧損較上一財政年度減少及相應之虧損差額為215,700,000港元所致。精優是一間股份於香港聯合交易所有限公司(「聯交所」)主板上市之公司，主要於中華人民共和國(「中國」)從事向客戶推廣及分銷醫藥產品、於中國開發、製造及銷售醫藥產品以及基因相關技術的商業開發及研發之業務。

CHAIRMAN'S STATEMENT

主席報告

OUTLOOK

Pursuant to the conditional sale and purchase agreement dated 27 April 2013 between the Company and Dr. Mao Yumin ("Dr. Mao"), the Company acquired convertible bonds issued by Extrawell in April, August, and December of 2014 and April 2015 and upon acquisition of each convertible bond, the Company's effective ownership in Extrawell increased accordingly. This conditional sale and purchase agreement between the Company and Dr. Mao was fully completed on 30 April 2015.

For further information on this conditional sale and purchase agreement, please also refer to the announcements of the Company dated 15 May 2013, 30 August 2013, 20 November 2013, 31 December 2013, 28 January 2014, 24 April 2014, 1 September 2014, 31 December 2014, and 30 April 2015, as well as the circular of the Company dated 27 September 2013 for further details.

The Company continues to actively pursue and review cooperation, joint ventures, and investments with suitable partners and will continue to focus on improving the Group's attractiveness and profitability as necessary to enhance shareholder returns and the sustainable long-term development of the Group as a whole.

APPRECIATION

On behalf of all the members of the Board, I would like to take this opportunity to express my gratitude to the Shareholders and business partners of the Group for their continued support and trust during the past years, and my most sincere appreciation to the directors, management, and staff at all levels for their dedication, hard work, and contributions to the Group.

Jiang Nian

Chairman

Shanghai, 29 June 2016

展望

根據本公司與毛裕民博士(「毛博士」)於二零一三年四月二十七日訂立之有條件買賣協議，本公司於二零一四年四月、八月及十二月以及二零一五年四月收購由精優發行之可換股債券，及於收購各有關可換股債券後，本公司於精優之實際所有權已相應增加。本公司與毛博士訂立之此有條件買賣協議已於二零一五年四月三十日悉數完成。

有關此有條件買賣協議之進一步詳情，亦請參閱本公司日期為二零一三年五月十五日、二零一三年八月三十日、二零一三年十一月二十日、二零一三年十二月三十一日、二零一四年一月二十八日、二零一四年四月二十四日、二零一四年九月一日、二零一四年十二月三十一日及二零一五年四月三十日之公告以及本公司日期為二零一三年九月二十七日之通函。

本公司繼續積極物色及檢討潛在合作、合資企業及投資合適之夥伴並將繼續致力提高本集團之吸引力及盈利能力(於必要時)，以增加股東回報及本集團整體之可持續長期發展。

致謝

本人謹藉此機會代表全體董事會成員，對股東及本集團業務夥伴過去一年的恆久支持及信任表達謝意，本人亦謹此對董事、管理層與各級員工專心致志、勤勉工作及為本集團作出的貢獻，致以最真誠的謝意。

蔣年

主席

上海，二零一六年六月二十九日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

GROUP RESULTS

Revenue of the Group for the Financial Year amounted to approximately HK\$19.9 million, representing a decrease of approximately 41.41% as compared with the total revenue of approximately HK\$34.0 million that was recorded in the Previous Financial Year. The decrease was mainly attributable to a decrease in business of the trading of beauty equipment and products segment during the Financial Year. Loss attributable to the owners of the Company fell to HK\$236.9 million for the Financial Year, an improvement from the loss of HK\$451.7 million that was recorded in the Previous Financial Year. The reduction of loss was primarily due to the lesser amount of loss on initial recognition of investments in convertible bonds acquired being recognized on the Group's acquisition of investment in convertible bonds that were issued by Extrawell, a company listed on the main board of the Stock Exchange for the Financial Year as compared with the Previous Financial Year.

BUSINESS REVIEW

Provision of genetic testing services

Since 2010, the Group has held the permanent and exclusive distribution rights for genetic testing services in the regions of the PRC, Hong Kong, and Macau, permanent non-exclusive distribution rights for genetic testing services in other regions, and the right to use certain logos on genetic testing products and for genetic testing services that are distributed by the Group. The Group has franchised the distribution rights of the genetic testing products and services. The provision of genetic testing services did not generate any revenue for the Financial Year. Compared to HK\$191,000 in the Previous Financial Year, the revenue is declining.

Distribution of bio-industrial products

The Group has held the exclusive distribution rights for the distribution of bone chips and fat in the PRC since 1 January 2010 for an initial term of 5 years, the terms of which was automatically extended by an additional 10 years upon the expiry of the initial term. There was no revenue arising from the distribution of bio-industrial products during both the Financial Year and Previous Financial Year.

集團業績

於本財政年度，本集團之收益約為19,900,000港元，較上一財政年度錄得之總收益約34,000,000港元減少約41.41%。有關減少主要由於本財政年度美容設備及產品貿易分部之業務減少。於本財政年度，本公司擁有人應佔虧損減少至236,900,000港元，較上一財政年度之虧損451,700,000港元有所改善。虧損減少乃主要由於本財政年度初步確認本集團收購精優發行之可換股債券投資之所收購可換股債券投資之虧損較上一財政年度減少所致。精優是一間聯交所主板上市之公司。

業務回顧

提供基因測試服務

從二零一零年起，本集團擁有在中國、香港及澳門地區永久獨家分銷基因測試服務之權利、在其他地區之永久非獨家分銷基因測試服務之權利及就本集團分銷基因測試產品及基因測試服務使用若干標誌之使用權。本集團已授出基因測試產品及服務之分銷權。本財政年度提供基因測試服務並無產生任何收益，較上一財政年度之191,000港元有所下降。

分銷生物產業產品

本集團已擁有自二零一零年一月一日起初步為期五年在中國分銷骨粒及骨油之獨家分銷權利。於初始期限屆滿後，權利期限獲自動延長額外十年。於本財政年度及上一財政年度，分銷生物產業產品並無產生收益。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Trading of beauty equipment and products

The Group commenced the trading of beauty equipment and products since June 2013. During the Financial Year, revenue arising from the trading of beauty equipment and products amounted to approximately HK\$19.9 million, representing a decrease of approximately 41.07% from the revenue in the amount of approximately HK\$34 million that was recorded in the Previous Financial Year.

Investments in Extrawell

Since 2013 the Company has acquired shares and convertible bonds issued by Extrawell and Extrawell became an associate company of the Group. The Group's investments in Extrawell are recorded in the Company's statement of financial position under investment in associates and investments in convertible bonds, and these balances are sensitive to share price fluctuations of Extrawell's publicly traded shares, as well as being subject to impairment assessment in accordance with Hong Kong Accounting Standards.

Research and development

The Group currently has one group of companies in its research and development portfolio. The Company acquired a majority stake in Smart Ascent Limited ("Smart Ascent" together with its subsidiaries, the "SAL Group"), whereby Smart Ascent became 51% owned by the company and the companies of the SAL Group became non-wholly owned subsidiaries of the Company. SAL Group is principally engaged in the development of a technology that would allow insulin to be administered orally. The Group will inject resources into clinical trials continuously in order to facilitate the development of it. The Group will make further announcements depending on situation and in accordance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") if there is any material development.

Thus far, the Group has financed the research and development segment with the Group's internal resources but remains active and open to other fund-raising and partnership activities to further develop the Company's portfolio and development.

美容設備及美容產品貿易

本集團自二零一三年六月起開展美容設備及美容產品貿易業務。於本財政年度，美容設備及美容產品貿易所得收益為約19,900,000港元，較上一財政年度錄得之收益約34,000,000港元減少約41.07%。

於精優之投資

自二零一三年起，本公司已收購精優發行之股份及可換股債券，及精優已成為本集團之聯營公司。本集團於精優之投資於本公司之財務狀況表內列作於聯營公司之投資及於可換股債券之投資，該等結餘對於精優公開交易股份之股價波動較為敏感，並須受限於根據香港會計準則作出之減值評估。

研發

本集團於其研發資產組合中有一組公司。本公司已收購進生有限公司（「進生」，連同其附屬公司統稱「進生集團」）大部分股權，藉此，進生由本公司擁有51%股權及進生集團旗下之公司成為本公司之非全資附屬公司。進生集團主要從事開發令胰島素可透過口服方式服用之技術。本集團將持續地投入資源以推進臨床測試的工作。本集團將視乎情況並於有任何重大發展時根據香港聯合交易所有限公司證券上市規則（「上市規則」）另行刊發公告。

到目前為止，本集團已調配內部資源撥付研發分部所需資金，但對其他集資及合夥活動仍抱積極及開放之態度，以進一步開發本公司之資產組合及促進本公司之發展。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

PROSPECTS

Provision of genetic testing services

In October 2014, the Group franchised the genetic testing distribution rights to two related parties which began providing genetic testing services and selling genetic testing products in the PRC. The Group holds a cautious view regarding the business given the uncertainty of the policy and regulatory environment of genetic testing in the PRC and does not anticipate a recovery of the industry in the near-term. The Group is actively seeking partners or potential investors to work with or acquire the Group's genetic testing subsidiaries.

Distribution of bio-industrial products

CNL (Pinghu) Biotech Co. Ltd. ("CNL (Pinghu)"), a non-wholly owned subsidiary of the Company, commenced the construction of the production plant, research and development workshop and office in 2010. Since 2012, CNL (Pinghu) has been a defendant to a civil litigation suit in the PRC regarding construction costs of the production plant. A verdict on the civil litigation suit was reached in April 2014 pursuant to which it was ruled that the Group is liable to pay RMB4.2 million to the plaintiffs. Payments were made in respect of the litigation in accordance with the directions of the court. The court has delayed payments to the plaintiff at this time and further announcements will be made by the Company as and when appropriate pursuant to the requirements of the Listing Rules.

Trading of beauty equipment and products

The major trading products of the Group are beauty equipment and beauty products, and sales of these beauty equipment and beauty products represent the major component that contributes to the Group's revenues.

Revenues and profit margins of the Group from the trading segment have been relatively stable in the past and trading volume is the key determiner of the profitability of the segment. The Group competes by offering trading terms that are more favourable to its suppliers and vendors compared to the Group's competitors, and trades products that are in high demand given the development of Asian economies.

During the second half of the Financial Year, trading business activity fell as the Group reallocated personnel to focus on other activities. The Group intends to maintain the segment and will gradually increase the trading business activity in the upcoming future.

前景

提供基因測試服務

於二零一四年十月，本集團向開始於中國提供基因測試服務及銷售基因測試產品的兩名關連方授出基因測試分銷權。鑒於中國基因測試之政策及監管環境不明朗，本集團對該項業務持謹慎態度，且預期業界近期不會出現復甦。本集團正在積極物色夥伴或潛在投資者與本集團之基因測試附屬公司合作或收購本集團之基因測試附屬公司。

分銷生物產業產品

本公司之非全資附屬公司中荷(平湖)生物技術有限公司(「中荷(平湖)」)於二零一零年開始建設生產廠房、研發實驗室及辦公室。自二零一二年，中荷(平湖)(作為被告方)一直於中國牽涉有關廠房建造成本的民事訴訟案。該民事訴訟案之裁決已於二零一四年四月達成，據此，本集團被裁定有責任向原告支付人民幣4,200,000元。有關訴訟之付款已跟據法庭的指示作出。法庭現時已延遲向原告付款，及本公司將於適當時候根據上市規則之規定另行刊發公告。

美容設備及美容產品貿易

本集團的主要貿易產品為美容設備及美容產品，及銷售該等美容設備及美容產品為本集團貢獻大部分收益。

過往，本集團來自貿易分部之收益及利潤一直保持相對穩定，及貿易量為該分部盈利能力之主要決定因素。本集團透過向供應商及賣方提供比本集團競爭對手更優越之貿易條件進行競爭並推出高需求之產品，以及在亞洲經濟發展的情況下買賣需求龐大之產品。

於本財政年度下半年，由於本集團重新分配人員專注於其他活動，貿易業務活動有所減少。本集團計劃維持該分部並將於未來逐漸增加有關貿易業務活動。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Securities investment

During the second half of the Financial Year, the PRC and Hong Kong stock markets deteriorated significantly. Whilst the management of the Group is optimistic on the long-term recovery of the markets but they also remain cautious on the direction of the market in the near-term. The Group continues to manage a diverse portfolio of Asian stocks and bonds.

Research and development

Through the SAL Group, the Group has been developing the technology that would allow insulin to be administered orally. During the Financial Year, the Group explored potential opportunities with investors and potential partners but as at the date of this annual report the Group has yet to encounter a suitable business partner. The Group continues to evaluate potential products that would be used to bolster the Group's pipeline.

FINANCIAL REVIEW

Capital structure

證券投資

於本財政年度下半年，中國及香港股市大幅下滑。儘管本集團管理層對該等股市將在長期內復甦持正面態度，但同時仍對該等股市於近期的發展方向持謹慎態度。本集團繼續管理由亞洲股份及債券組成的多元化投資組合。

研發

本集團透過進生集團一直在開發令胰島素可透過口服方式服用之技術。於本財政年度，本集團物色與投資者及潛在夥伴的潛在機遇，但於本年報日期，本集團尚未見得合適的業務夥伴。本集團將繼續評估用於支持本集團產品組合之潛在產品。

財務回顧

資本架構

		31.3.2016 二零一六年 三月三十一日 HK\$'000 千港元 (audited) (經審核)	31.3.2015 二零一五年 三月三十一日 HK\$'000 千港元 (audited) (經審核)
Authorized 50,000,000,000 ordinary shares of HK\$0.01 each (the "Shares")	法定： 50,000,000,000股每股面值 0.01港元之普通股(「股份」)	500,000	500,000
Issued and fully paid: 1,464,193,024 Shares: (As at 31 March 2015: 1,304,193,024 Shares)	已發行及已繳足： 1,464,193,024股股份 (於二零一五年三月三十一日： 1,304,193,024股股份)	14,642	13,042

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

		Number of shares issued 已發行股份數目	Share Capital 股本 HK\$'000 千港元
As at 31 March 2015	於二零一五年三月三十一日	1,304,193,024	13,042
Conversion of Convertible Bonds I (note)	轉換可換股債券一(附註)	160,000,000	1,600
As at 31 March 2016	於二零一六年三月三十一日	1,464,193,024	14,642

Note: During the Financial Year, 160,000,000 new shares were issued by the Company upon the conversion of its convertible bonds in an aggregate principal amount of HK\$64,000,000 (the "Convertible Bonds I") at a conversion price of HK\$0.4 per Share.

附註：於本財政年度，本公司於轉換其本金總額為64,000,000港元之可換股債券（「可換股債券一」）後發行160,000,000股新股份，轉換價為每股股份0.4港元。

Liquidity and financial resources

As at 31 March 2016, the Group had bank and cash balances of approximately HK\$32.4 million (31 March 2015: approximately HK\$191.2 million).

As at 30 March 2016, the group and other parties entered into a capital injection agreement ("the Capital Injection Agreement") regarding a proposed capital injection into a joint venture, an amount to HK\$150,000,000 (2015: Nil) was paid to an Escrow Agent as an Escrow Fund. Subsequently to the end of the reporting period on 6 June 2016, the Capital Injection Agreement was lapsed. The Escrow Fund deposited was fully refunded to the Group on 7 June 2016.

As at 31 March 2016, total borrowings of the Group were approximately HK\$473.4 million (31 March 2015: approximately HK\$420.6 million) which reflected the debt value of the Company's unconverted convertible bonds, amounts due to non-controlling interests, amounts due to former non-controlling interests, amounts due to the subsidiary of an associate, and loan from a non-controlling interest.

流動資金及財務資源

於二零一六年三月三十一日，本集團之銀行及現金結餘約為32,400,000港元（二零一五年三月三十一日：約191,200,000港元）。

於二零一六年三月三十日，本集團與其他人士就建議向合營企業注資訂立注資協議（「注資協議」），並已向託管代理支付150,000,000港元（二零一五年：無），作為託管基金。於報告期末後，於二零一六年六月六日，注資協議已失效。存入的託管基金已於二零一六年六月七日全數退回本集團。

於二零一六年三月三十一日，本集團之總借貸約為473,400,000港元（二零一五年三月三十一日：約420,600,000港元），反映本公司之未轉換可換股債券之債務價值、應付非控股權益款項、應付前非控股權益款項、應付聯營公司之附屬公司款項及來自一非控股權益貸款。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The ratio of current assets to current liabilities of the Group was 1.54 as at 31 March 2016 as compared to the 2.55 as at 31 March 2015. The Group's gearing ratio as at 31 March 2016 was 0.26 (31 March 2015: 0.22) which is calculated based on the Group's total liabilities of approximately HK\$531.1 million (31 March 2015: approximately HK\$439.1 million) and the Group's total assets of approximately HK\$2,010.2 million (31 March 2015: approximately HK\$2,040.6 million).

The Group places importance on security, short-term commitment, and availability of the surplus cash and cash equivalents.

Significant acquisition and investments

During the Financial Year, the Group completed the acquisition of the final tranche in its acquisition of four tranches of convertible bonds that were issued by Extrawell and in consideration the Company issued a convertible bond with a principal amount of HK\$64 million to Dr. Mao. The Group acquired the convertible bonds from Dr. Mao pursuant to the conditional sale and purchase agreement entered into between, among others, the Company and Dr. Mao dated 27 April 2013.

Dr. Mao was a controlling shareholder of the Company when the conditional sale and purchase agreement was signed. Accordingly, Dr. Mao was considered as a connected person of the Company and Extrawell under Chapter 14A of the Listing Rules. As such, the above transactions constitute connected transactions of the Company under Chapter 14A of the Listing Rules and shall be aggregated pursuant to Rule 14A.81 of the Listing Rules.

Save the above, the Group had no other significant investments, nor had it made any material acquisition or disposal of the Group's subsidiaries or associated companies during the Financial Year.

Significant loss on acquisition of convertible bonds

During the Financial Year, the Group acquired the final tranche of convertible bonds issued by Extrawell with a principal amount of HK\$64 million. The difference between the fair value of the consideration exchange was recognised during the Financial Year and the Group booked an accounting loss of approximately HK\$62.2 million. Details of the loss are set out in note 18 of the consolidated financial statements.

本集團於二零一六年三月三十一日之流動資產對流動負債之比率為1.54，而於二零一五年三月三十一日則2.55。本集團於二零一六年三月三十一日之資本負債比率為0.26（二零一五年三月三十一日：0.22），乃根據本集團之負債總額約531,100,000港元（二零一五年三月三十一日：約439,100,000港元）及本集團之資產總額約2,010,200,000港元（二零一五年三月三十一日：約2,040,600,000港元）計算。

本集團重視盈餘現金及現金等價物之安全、短期承諾和可用性。

重大收購及投資

於本財政年度，本集團已完成其對精優所發行之四批可換股債券最後一批之收購，而作為代價，本公司已向毛博士發行本金額為64,000,000港元之可換股債券。本集團根據由（其中包括）本公司與毛博士訂立日期為二零一三年四月二十七日之有條件買賣協議自毛博士收購可換股債券。

毛博士於簽訂有條件買賣協議時為本公司控股股東。據此，根據上市規則第14A章，毛博士被視為本公司及精優之關連人士。因此，上述交易根據上市規則第14A章構成本公司之關連交易，及須根據上市規則第14A.81條合併計算。

除上文所述，於本財政年度，本集團並無其他重大投資、作出任何重大收購或出售本集團附屬公司或聯營公司之行為。

收購可換股債券之重大虧損

於本財政年度，本集團收購由精優發行之最後一批本金額為64,000,000港元之可換股債券。於本財政年度確認交換代價公平值差額及本集團錄得會計虧損約62,200,000港元。虧損詳情載於綜合財務報表附註18。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Issue of Convertible Bonds

On 24 March 2016 (after trading hours), the Company entered into a subscription agreement with Fu Chuang Limited (the “Subscriber”), pursuant to which the Company has conditionally agreed to issue and the Subscriber has conditionally agreed to subscribe for the convertible bonds (the “Convertible Bonds”) in the aggregate principal amount of HK\$50,000,000 (the “Subscription”). The maturity of the Convertible Bonds will be the date falling on the third anniversary from the date of issue of the Convertible Bonds. The Convertible Bonds will be converted into conversion shares, being ordinary shares of the Company of HK\$0.01 each, at the conversion price of HK\$1.00 (subject to adjustments) per conversion share. The completion of the subscription of the Convertible Bonds by the Subscriber was completed on 13 April 2016.

The directors are of the view that the Subscription represents a good opportunity for the Company to raise additional funds for the Company without an immediate dilution effect on the shareholding of the existing Shareholders and strengthen the Group’s financial position to better equip the Group with financial flexibility for any potential acquisition opportunities as and when appropriate. If the conversion rights attaching to the Convertible Bonds are exercised in full, it will enlarge the Shareholder and capital bases of the Company. It is intended that the net proceeds from the issue of Convertible Bonds will be used to finance potential acquisition opportunities of the Group.

Charges on the Group’s assets

As at 31 March 2016, the Group and the Company did not have any charges on their assets (31 March 2015: nil).

Litigation and contingent liabilities

Details of litigation and contingent liabilities are set out in note 32 of the consolidated financial statements.

發行可換股債券

於二零一六年三月二十四日(交易時段後)，本公司與富創有限公司(「認購人」)訂立認購協議，據此本公司有條件同意發行，而認購人有條件同意認購，本金總額為50,000,000港元的可換股債券(「可換股債券」)(「認購事項」)。可換股債券的到期日將於發行可換股債券日期起計滿三週年當日。可換股債券將按每股轉換股份1.00港元(可予調整)的兌換價轉換為轉換股份(即本公司每股面值0.01港元的普通股)。認購人已於二零一六年四月十三日完成認購可換股債券。

董事認為認購事項實屬難得良機，可為本公司在不對現有股東所持股權產生即時攤薄效應的情況下籌集更多資金，加強本集團之財務狀況，為本集團提供更大財政靈活性，於適當時間把握任何潛在收購機會。倘可換股債券所附之轉換權獲悉數行使，將擴大大公司之股東及股本基礎。發行可換股債券之所得款項淨額擬用作撥付本集團潛在收購機會所需資金。

本集團資產抵押

於二零一六年三月三十一日，本集團及本公司並無任何資產抵押(二零一五年三月三十一日：無)。

訴訟及或然負債

訴訟及或然負債詳情載於綜合財務報表附註32。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Commitments

Commitments of the Group and the Company as at 31 March 2016 are set out in note 33 of the consolidated financial statements.

Foreign exchange exposure

The monetary assets and liabilities and businesses of the Group are mainly conducted in Hong Kong Dollars, Renminbi, and United States Dollars. The Group maintains a prudent strategy in its foreign exchange risk management, with the foreign exchange risk being minimized through balancing the foreign currency monetary assets against foreign currency monetary liabilities, and foreign currency revenue against foreign currency expenditure. The Group did not use any financial instruments to hedge against foreign currency risk during the Financial Year. The Group will continue to monitor its foreign currency exposure closely and consider hedging foreign currency exposure should the need arise.

Number and numeration of employees

As at 31 March 2016, the Group had 29 full time employees (31 March 2015: 48), most of whom work in the Company's subsidiaries in the PRC. The decrease in staff is due to a reduction in the business activity of certain segments and the subsequent redundancies. It is the Group's policy that the remuneration of employees and directors are in line with the market and commensurate with their responsibilities. Discretionary year-end bonuses are payable to the employees based on individual performance. Other employee benefits include medical insurance, retirement schemes, training programmes, and education subsidies.

Total staff costs including the directors' remuneration for the Financial Year amounts to approximately HK\$6.3 million (Previous Financial Year: approximately HK\$8.2 million).

Segment information

Details of the segment information are set out in note 7 to the consolidated financial statements.

承擔

本集團及本公司截至二零一六年三月三十一日之承擔載於綜合財務報表附註33。

外匯風險

本集團之貨幣資產及負債以及業務主要以港元、人民幣及美元進行。本集團對其外匯風險管理維持審慎策略，並透過對沖外幣資產與外幣負債以及外幣收益與外幣開支減低外匯風險。於本財政年度，本集團並無使用任何金融工具對沖外幣風險。本集團將繼續密切監察外幣風險，並將於有需要時考慮對沖外幣風險。

僱員人數及薪酬

於二零一六年三月三十一日，本集團有29名(二零一五年三月三十一日：48名)全職僱員，大部分均任職本公司於中國之附屬公司。員工減少的原因為減少若干分部之業務活動及隨後裁減員工。本集團之政策乃僱員及董事之薪酬須與市場一致，並與彼等職責相符。酌情年末花紅乃根據個人表現而向僱員支付。其他僱員福利包括醫療保險、退休計劃、培訓課程及教育資助。

於本財政年度之員工總成本(包括董事酬金)約為6,300,000港元(上一財政年度：約8,200,000港元)。

分部資料

分部資料之詳情載於綜合財務報表附註7。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

MATERIAL ACQUISITION AND DISPOSAL

Saved as disclosed in note 31 to the consolidated financial statements, the Group did not have any material acquisition and disposals during the year.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted and complied with all the code provisions as set out in Appendix 14 to the Listing Rules (the “Code”) during the Financial Year, except for the deviations discussed section headed “Corporate Governance Report” of this annual report.

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 code of conduct regarding directors’ securities transactions. All directors have confirmed that they have fully complied with the Model Code throughout the Financial Year. No incident of non-compliance was noted by the Company in the Financial Year.

Tang Rong

Executive Director

Hong Kong, 29 June 2016

重大收購及出售

除綜合財務報表附註31所披露者外，本集團於本年度並無任何重大收購及出售。

遵守企業管治守則

於本財政年度內，本公司已採納及遵守上市規則附錄十四所載之一切守則條文(「守則」)，惟本年報「企業管治報告」一節所述之偏離情況除外。

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之標準守則(「標準守則」)作為董事進行證券交易之行為守則。全體董事已確認，彼等於整個本財政年度已完全遵守標準守則。於本財政年度，本公司沒有注意到有任何不遵守此守則。

唐榕

執行董事

香港，二零一六年六月二十九日

MANAGEMENT PROFILE

管理層履歷

EXECUTIVE DIRECTORS

Mr. Gao Yuan Xing, aged 61, has been appointed as an executive director with effect from 4 January 2016. From 15 March 2011 to 4 January 2016, Mr. Gao was the chairman and executive director of North Mining Shares Company Limited, a company listed on the Main Board of the Stock Exchange. Mr. Gao previously worked in the foreign affairs office of the Shanghai Municipal Government, and has had senior management roles in numerous international, PRC investment, and commercial companies.

Mr. Tang Rong, aged 49, has been appointed as an executive director with effect from 29 September 2014. Mr. Tang graduated from Fudan University in the People's Republic of China in July 1989 with a bachelor's degree in science, majoring in genetics and genetic engineering. He has been an engineer of The Institute of Genetics of Fudan University from November 1989 and has extensive experience in genetics related technology development, commercialization and market development. Mr. Tang successfully filed several patents in China and published papers in many science magazines in genetics related subjects. He was invited as the member of the Committee of Experts of 上海聯眾基因科技研究院 (Shanghai Lianzhong Institute of Gene Technology) in 2000. Starting from November 2010, Mr. Tang was appointed as the director of Gene Testing Research and Development Department of Longmark (Shanghai) Healthcare Limited and he has professional expertise in gene testing and research and development.

NON-EXECUTIVE DIRECTORS

Ms. Jiang Nian, aged 62, has been appointed as a non-executive director and chairman of the Company with effect from 21 December 2010 and 10 June 2011 respectively. Ms. Jiang graduated from 安徽廣播電視大學省直分校專科 (Junior College, Provincial Campus of Anhui Radio and Television University) in August 1986, majoring in Chinese Language and Literature. Ms. Jiang was the Associate Dean of the School of Life Sciences of Fudan University from June 2003 to April 2010. She also serves as an authorized representative of 聯合基因生物醫藥有限公司 (United Gene Biomedical Limited). She has extensive experience in general administrative management particularly in the field of genomic research.

執行董事

高源興先生，61歲，自二零一六年一月四日起獲委任為執行董事。自二零一一年三月十五日至二零一六年一月四日，高先生於香港聯交所主板上市之公司北方礦業股份有限公司擔任主席兼執行董事。高先生曾在上海市人民政府對外經濟外事部門工作，並曾先後擔任多家國際及國內的投資及實業公司的高層管理人員。

唐榕先生，49歲，自二零一四年九月二十九日起獲委任為執行董事。一九八九年七月唐先生畢業於中華人民共和國復旦大學並取得理學士學位，主修遺傳及遺傳工程學。彼自一九八九年十一月起出任復旦大學遺傳學研究所之遺傳學工程師，並於遺傳學相關技術開發、商業化及市場開發方面擁有廣泛經驗。唐先生成功於中國申請數項專利，並曾就遺傳學相關議題於多份科學雜誌發表文章。彼於二零零零年獲邀出任上海聯眾基因科技研究院專家委員會成員。自二零一零年十一月起，唐先生獲委任為龍脈(上海)健康管理服務有限公司健康管理相關基因檢測產品研發部主任，對基因檢測和研發方面非常熟悉。

非執行董事

蔣年女士，62歲，分別自二零一零年十二月二十一日起及自二零一一年六月十日起已獲委任為非執行董事及本公司之主席。蔣女士於一九八六年八月畢業於安徽廣播電視大學省直分校漢語語言文學專科。蔣女士從二零零三年六月至二零一零年四月曾任復旦大學生命科學學院副院長。彼亦擔任聯合基因生物醫藥有限公司之授權代表。彼於一般行政管理方面擁有豐富經驗，特別是在基因組學研究領域上。

MANAGEMENT PROFILE

管理層履歷

Ms. Xiao Yan, aged 36, has been appointed as a non-executive director with effect from 22 May 2012. Ms. Xiao graduated from the Shanghai University of Finance and Economics with a bachelor's degree in Accounting in 2007. Ms. Xiao has served as an administrative manager of the chief executive, Dr. Xie, in 聯合基因科技有限公司 (United Gene Technology Holdings Limited) since 2002. Ms. Xiao has extensive experience in medical services and general administration. From December 2011 to November 2012, she served as the finance manager of CNL (Pinghu), which is an indirectly owned subsidiary of the Company.

Ms. Wu Yanmin, aged 39, has been appointed as a non-executive director with effect from 8 June 2011. Ms. Wu graduated from the School of Life Sciences, Shanghai University in 1999 with a bachelor's degree in biochemistry. Ms. Wu joined 聯合基因科技有限公司 (United Gene Technology Holdings Limited), a genetic engineering company substantially owned by Dr. Mao indirectly, in 2001 and was responsible for general administrative duties. Since 2006, Ms. Wu has served as an assistant to the chairman of United Gene Holdings Limited, and is responsible for assisting the chairman in handling various investment projects. Ms. Wu has extensive experience in general administrative and investment management. Starting from December 2012, she was appointed as the finance manager of CNL (Pinghu).

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Chen Weijun, aged 58, has been appointed as an independent non-executive director with effect from 6 November 2009 and is the chairman of the audit committee of the Company. Ms. Chen is currently the manager in the business department of Shanghai Ruihe Certified Public Accountants Co., Ltd.. She was formerly the finance supervisor of the companies indirectly owned by Dr. Mao from April 2001 to June 2003. She graduated from the Chinese Communist Party Central Party College and has been a registered accountant in the PRC since 2005. She has more than 30 years of experience in accounting, finance and audit services.

肖焱女士，36歲，自二零一二年五月二十二日起已獲委任為非執行董事。肖女士於二零零七年畢業於上海財經大學，取得會計學士學位。肖女士於二零零二年至今，擔任聯合基因科技有限公司行政總裁謝博士之行政經理。肖女士於醫療服務及一般行政方面擁有廣泛經驗。自二零一一年十二月至二零一二年十一月，彼擔任本公司之間接附屬公司中荷(平湖)之財務經理。

鄒燕敏女士，39歲，自二零一一年六月八日起已獲委任為非執行董事。鄒女士於一九九九年畢業於上海大學生命科學學院，取得生物化學學士學位。鄒女士於二零零一年加入聯合基因科技有限公司負責一般行政工作，此公司為一間基因科技公司，其股權主要由毛博士間接擁有。從二零零六年開始，鄒女士擔任聯合基因科技有限公司之董事長助理及負責協助董事長處理各類投資項目。鄒女士於一般行政及投資管理方面擁有廣泛經驗。自二零一二年十二月起，彼獲委任為中荷(平湖)之財務經理。

獨立非執行董事

陳偉君女士，58歲，自二零零九年十一月六日起已獲委任為獨立非執行董事，兼為本公司審核委員會主席。陳女士現為上海瑞和會計師事務所有限公司業務部經理。彼於二零零一年四月至二零零三年六月曾為毛博士間接擁有之公司之前任財務主管。彼畢業於中國共產黨中央黨校並自二零零五年起為中國註冊會計師。彼於會計、財務及核數服務方面擁有逾30年經驗。

MANAGEMENT PROFILE

管理層履歷

Dr. Zhang Zhihong, aged 76, has been appointed as an independent non-executive director and is a member of the audit committee of the Company with effect from 8 June 2011. Dr. Zhang graduated from Fudan University majoring in biophysics in 1963 and obtained a doctorate degree in science from Kyoto University, Japan in 1988. From 1990 to 1991, Dr. Zhang was a senior visiting fellow at the medical school of Harvard University in the United States of America. From 1986 to 2000, Dr. Zhang undertook various senior positions at Fudan University, including the officer of the Department of Physiology and Biophysics and the associate dean of the School of Life Sciences. Dr. Zhang was the deputy chairman of the Biophysical Society of China from 1994 to 2002 and the chairman of the Shanghai Society of Biophysics from 2000 to 2008. Dr. Zhang has extensive knowledge and is highly regarded in the field of biophysics and physiology in China.

Mr. Wang Rongliang, aged 67, has been appointed as an independent non-executive director with effect from 8 June 2011 and is a member of the audit committee of the Company. Mr. Wang graduated from 上海市商業一局職工大學 (Shanghai First Commercial Bureau Staff College) majoring in business and economics. He acted as a deputy manager of 上海七百集團廣告有限公司 (Shanghai 700 Group Advertising Company Limited) from 1996 to 2005. Mr. Wang has extensive experience in operation and administrative management.

Save as otherwise disclosed, there is no relationship between any members of the Board, and no information relating to the directors which is required to be disclosed pursuant to Rules 13.51(2) and 13.51(B)(1) of the Listing Rules.

MANAGEMENT

Mr. Poon Hon Yin, aged 50, has been appointed as the company secretary, financial controller and an authorised representative of the Company with effect from 14 May 2013. Mr. Poon is qualified as a Certified Public Accountant registered with the Hong Kong Institute of Certified Public Accountants and is also a fellow member of the Association of Chartered Certified Accountants. Mr. Poon has been a managing director of Probiz CPA Limited since 2006.

張志鴻博士，76歲，自二零一一年六月八日起已獲委任為獨立非執行董事及本公司審核委員會成員。張博士於一九六三年畢業於復旦大學，主修生物物理學，並於一九八八年取得日本京都大學理學博士學位。從一九九零年至一九九一年，張博士為美國哈佛醫學院高級訪問學者。張博士從一九八六年至二零零零年期間為復旦大學擔任不同高級職位，包括生理學與生物物理系主任及生命科學學院副院長。張博士於一九九四年至二零零二年曾為中國生物物理學會副理事長，及於二零零零年至二零零八年曾為上海生物物理學會理事長。張博士於中國生物物理學和生理學界擁有豐富知識，並受到很高的評價。

王榮樑先生，67歲，自二零一一年六月八日起已獲委任為獨立非執行董事，並為本公司審核委員會成員。王先生畢業於上海市商業一局職工大學，主修商業及經濟。彼從一九九六年至二零零五年曾為上海七百集團廣告有限公司之常務副經理。王先生於營運及行政管理方面擁有廣泛經驗。

除上文所披露以外，根據上市規則13.51(2)及13.51(B)(1)，並無任何董事會成員之關係及有關董事之資料需要被披露。

管理層

潘漢彥先生，50歲，自二零一三年五月十四日起已獲委任為本公司之公司秘書、財務總監及授權代表。潘先生為香港會計師公會註冊執業會計，亦為英國特許公認會計師公會之資深會員。潘先生自二零零六年起為溥思執業會計師有限公司之董事總經理。

EXTERNAL CONSULTANT PROFILE

外聘顧問履歷

RESEARCH AND DEVELOPMENT

Dr. Mao Yumin, aged 64, has been engaged as the chief scientific adviser and honorary chairman of the Company since 1 September 2010, responsible for providing advisory and consultancy services to the Group in relation to the research and development of its genetic testing products and other scientific technologies. Dr. Mao is a substantial shareholder of the Company. He was a member of the Consultant Committee of Fudan University, the dean of the School of Life Sciences and Institute of Genetics of Fudan University, and the director of State Key Laboratory of Genetic Engineering in Fudan University. Dr. Mao's main area of research focuses on biological and genetic engineering. Dr. Mao has accumulated extensive experiences in operations in the genomic research based industry.

研發

毛裕民博士，64歲，自二零一零年九月一日起已獲聘任為本公司之首席科學顧問及名譽主席，負責向本集團提供與其基因檢測產品及其他科學技術的研究及開發有關之諮詢及顧問服務。毛博士是本公司之主要股東。彼曾任復旦大學校務委員會委員、復旦大學生命科學學院及遺傳學研究所院長、復旦大學遺傳工程國家重點實驗室主任。毛博士的主要研究領域集中於生物及遺傳基因工程上。毛博士在研究基因工程產業的營運上積累廣泛經驗。

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

During the Financial Year, the Company adopted and has complied with all the code provisions as set out in the Corporate Governance Code as set out in Appendix 14 to the Listing Rules (the “Code”) except for the deviations discussed below.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct regarding directors’ securities transactions. All directors have confirmed that they have fully complied with the Model Code throughout the Financial Year. No incident of non-compliance was noted by the Company in the Financial Year. Relevant employees who are likely to be in possession of unpublished inside information of the Group are also subject to compliance with written guidance on no less exacting terms than the Model Code throughout the Financial Year.

BOARD OF DIRECTORS

The composition of the Board during the Financial Year are set out below:

Executive directors

Mr. Gao Yuan Xing (appointed on 4 January 2016)
Mr. Tang Rong
Ms. Lee Nga Yan (resigned on 29 December 2015)
Dr. Guo Yi (resigned on 14 December 2015)

Non-executive directors

Ms. Jiang Nian (*Chairman*)
Ms. Xiao Yan
Ms. Wu Yanmin

Independent non-executive directors

Ms. Chen Weijun
Dr. Zhang Zhihong
Mr. Wang Rongliang

Further details of the composition of the Board are set out in the section headed “Management Profile” on pages 15 to 17.

企業管治常規

於本財政年度，本公司已採納及遵守上市規則附錄十四所載之企業管治守則所載之一切守則條文（「守則」），惟下文所述之偏離情況除外。

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標準守則作為其董事進行證券交易之行為守則。全體董事已確認，彼等於整個本財政年度已完全遵守標準守則。於本財政年度，本公司沒有注意到有任何不遵守此守則之事件。有關可能持有本集團未公佈之內幕資料之僱員亦必須於財政年度內遵守不低於標準守則所訂之書面標準。

董事會

於本財政年度，董事會組成載列如下：

執行董事

高源興先生（於二零一六年一月四日獲委任）
唐榕先生
李雅欣小姐（於二零一五年十二月二十九日辭任）
郭懿博士（於二零一五年十二月十四日辭任）

非執行董事

蔣年女士（主席）
肖焱女士
鄔燕敏女士

獨立非執行董事

陳偉君女士
張志鴻博士
王榮樑先生

董事會組成之更多詳情載於第15頁至第17頁「管理層履歷」一節。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board considers the balance between executive directors and non-executive directors is adequate to safeguard the Shareholders' interests. Independent non-executive directors can also provide the Group with diversified expertise and valuable experience. Their independent advice can bring independent judgment to the decision making of the Board and bring new ideas to the formulation of corporate strategy.

The directors oversee the financial performance and formulate business strategies and determine the corporate governance policy of the Group, as well as discuss on any significant matters relating to the Group at the Board meetings. Daily operational matters are delegated to the management of the Group. The Board meets regularly to renew the financial and operating performance of the Company and considers and approves the overall strategies and policies of the Group. During the Financial Year, the Board held nine meetings. The attendance of each member at the Board meeting is set out as follows:

董事會認為執行董事及非執行董事之平衡足以保障股東之利益。獨立非執行董事亦可為本集團提供多樣化之專業知識及寶貴經驗。彼等之獨立建議有助於董事會決策時作出獨立判斷，為企業策略之制定帶來新思路。

董事負責監察本集團之財務業績及制定業務策略及釐訂企業管治政策，並於董事會會議上商討任何有關本集團之重大事宜。日常經營事務則委派予本集團管理層負責。董事會定期就更新本公司財政及營運表現舉行會議以考慮及通過本集團之整體策略及政策。於本財政年度，董事會曾舉行九次會議。各成員於董事會會議之出席記錄載列如下：

Directors 董事		Meetings attended/ Total meetings as directors 出席會議次數／ 作為董事之會議總數	
		Board meeting 董事會會議	General meeting 股東大會
Executive directors	執行董事		
Mr. Gao Yuan Xing (note 1)	高源興先生(附註1)	5/5	0/0
Ms. Lee Nga Yan (note 2)	李雅欣小姐(附註2)	3/3	1/1
Dr. Guo Yi (note 3)	郭懿博士(附註3)	2/3	0/1
Mr. Tang Rong	唐榕先生	9/9	1/1
Non-executive directors	非執行董事		
Ms. Jiang Nian (Chairman)	蔣年女士(主席)	9/9	0/1
Ms. Xiao Yan	肖焱女士	9/9	0/1
Ms. Wu Yanmin	鄒燕敏女士	9/9	0/1
Independent non-executive directors	獨立非執行董事		
Ms. Chen Weijun	陳偉君女士	9/9	1/1
Dr. Zhang Zhihong	張志鴻博士	9/9	1/1
Mr. Wang Rongliang	王榮樑先生	9/9	1/1

Note 1: Mr. Gao was appointed on 4 January 2016, his attendance shall be pro-rated to the period during which he was a director only (see note 2, I(C) of Appendix 14 of the Listing Rules).

附註1：高先生於二零一六年一月四日獲委任，其出席率只按其任為董事之期間計算(詳見上市規則附錄十四，I(C)註2部分)。

Note 2: Ms. Lee resigned on 29 December 2015.

附註2：李小姐於二零一五年十二月二十九日辭任。

Note 3: Dr. Guo resigned on 14 December 2015.

附註3：郭博士於二零一五年十二月十四日辭任。

All directors, including independent non-executive directors, have given sufficient time and effort to the affairs of the Group.

所有董事，包括獨立非執行董事，已就本集團之事務付出足夠之時間及進行足夠之工作。

CORPORATE GOVERNANCE REPORT

企業管治報告

Code provision A.2.1

Code provision A2.1 stipulate that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Ms. Jiang Nian is the chairman of the Group. As at the date of this annual report, no suitable candidate for the role of chief executive officer has been identified and the role remains vacant. The Company is continually looking for a suitable person to assume this role.

INDUCTION AND PROFESSIONAL DEVELOPMENT Directors' training

All directors must keep abreast of their collective responsibilities as directors and of the business and activities of the Group. As such, briefings are provided and organised to ensure that newly appointed directors are familiar with the role of the Board, their legal and other duties and responsibilities as director as well as the business and corporate governance practices of the Group.

Pursuant to Code A.6.5 of the Code, directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. For the period from 1 April 2015 to 31 March 2016, all directors have participated in appropriate continuous professional development activities by ways of attending training or reading material relevant to the Company's business or to the directors' duties and responsibilities.

For the year ended 31 March 2016, trainings received by each director are summarised as follows:

守則條文第A.2.1條

守則條文第A.2.1條訂明，主席及行政總裁之職責應有所區分，及不應由同一人兼任。

蔣年女士為本集團主席。於本年報日期，行政總裁之職位因未有適合人選而保持空置。本公司正繼續物色合適人選擔任此職位。

入職培訓及專業發展 董事培訓

全體董事須不時了解彼等作為董事之集體責任，以及本集團之業務及活動。因此，本公司提供及安排簡介，以確保新委任董事了解董事會之角色、彼等作為董事之法律及其他職務及責任以及本集團之業務及企業管治常規。

根據守則第A.6.5條，董事應參與持續專業發展，發展並更新彼等的知識及技能，以確保彼等繼續向董事會作出知情及相關之貢獻。自二零一五年四月一日起至二零一六年三月三十一日止期間內，全體董事已參與合適之持續專業發展活動，當中包括出席與本公司業務或與董事職務及職責相關之培訓或閱讀相關之材料。

於截至二零一六年三月三十一日止年度，各董事已接受之培訓綜合如下：

		Attending training relevant to the Company's business or to the directors' duties and responsibilities 參與有關公司 業務或董事職務及 責任之培訓	Reading material relevant to the Company's business or to the directors' duties and responsibilities 閱讀有關公司 業務或董事職務及 責任之材料
Mr. Gao Yuan Xing	高源興先生	✓	✓
Mr. Tang Rong	唐榕先生	✓	✓
Ms. Lee Nga Yan (resigned on 29 December 2015)	李雅欣小姐 (於二零一五年十二月 二十九日辭任)	✓	✓
Dr. Guo Yi (resigned on 14 December 2015)	郭懿博士 (於二零一五年十二月 十四日辭任)	✓	✓
Ms. Jiang Nian	蔣年女士	✓	✓
Ms. Xiao Yan	肖焱女士	✓	✓
Ms. Wu Yanmin	鄒燕敏女士	✓	✓
Ms. Chen Weijun	陳偉君女士	✓	✓
Dr. Zhang Zhihong	張志鴻博士	✓	✓
Mr. Wang Rongliang	王榮樑先生	✓	✓

CORPORATE GOVERNANCE REPORT

企業管治報告

NON-EXECUTIVE DIRECTORS

Code provision A.4.1

Code provision A.4.1 of the CG Code stipulates that non-executive directors should be appointed for specific term and should be subject to re-election.

The Company has deviated from the code provision A.4.1. The non-executive directors and independent non-executive directors were not appointed for specific term but are subject to retirement by rotation and re-election at least once every three years in accordance with the provision of the Company's bye-laws. As such, the Company considers that sufficient measures have been taken to serve the purpose and objective of this Code provision.

The directors believe that, despite the absence of specified term of non-executive directors, the directors are committed to representing the long-term interests of the Company and its shareholders as a whole.

REMUNERATION COMMITTEE

The Company formulated written terms of reference for the remuneration committee of the Company (the "Remuneration Committee") in accordance with the requirements of the Listing Rules. The Remuneration Committee was set up on 30 June 2008. The majority of the members of the Remuneration Committee shall be independent non-executive directors.

The primary functions of the Remuneration Committee are as follows:

- (a) to advise the Shareholders on whether the terms of service contracts that require the Shareholder's approval are fair and reasonable;
- (b) to make recommendation to the Board on the Group's remuneration policy and structure;
- (c) to establish guidelines for recruitment of members of the senior management;
- (d) to determine the remuneration of members of the senior management; and
- (e) to formulate remuneration policy and make recommendations to the Board on annual remuneration review.

非執行董事

守則條文第A.4.1條

企業管治守則之守則條文第A.4.1條規定，非執行董事之委任應有特定任期，並須接受重選。

本公司已偏離守則條文第A.4.1條。非執行董事及獨立非執行董事之委任並無特定任期，惟須根據本公司之公司細則條文，至少每三年輪值告退一次並膺選連任。因此，本公司認為已採取足夠措施以符合該項守則條文之宗旨及目標。

董事相信，儘管非執行董事之委任並無指定任期，董事承諾致力代表本公司及其股東之整體長遠利益。

薪酬委員會

本公司根據上市規則之規定以書面方式擬定本公司薪酬委員會（「薪酬委員會」）之職權範圍。薪酬委員會於二零零八年六月三十日成立，薪酬委員會之大部分成員應為獨立非執行董事。

薪酬委員會之主要職能如下：

- (a) 就須獲股東批准之服務合約條款是否屬公平合理向股東提供意見；
- (b) 就本集團之薪酬政策及架構向董事會提供推薦建議；
- (c) 就聘請高級管理層成員制訂指引；
- (d) 釐定高級管理層成員之薪酬；及
- (e) 制定薪酬政策及就年度薪酬檢討向董事會提供推薦建議。

CORPORATE GOVERNANCE REPORT

企業管治報告

Remuneration of the directors and senior management is reviewed and fixed by the Remuneration Committee, with reference to the market benchmarks and industry norms, and their duties and responsibilities in the Group, having regard to the expertise, performance and experience possessed by individual directors.

董事及高級管理層之薪酬由薪酬委員會進行檢討，並經參考市場基準及業內標準，及彼等於本集團之職務及職責以及各董事之專業知識、表現及經驗後釐定。

During the Financial Year, the Remuneration Committee held three meetings. The attendance of each member at the committee meeting is set out as follows:

於本財政年度，薪酬委員會已舉行三次會議。各成員於委員會會議之出席記錄載列如下：

		Meetings attended/ Total meetings held during the Financial Year 本財政年度出席會議次數／ 舉行之會議總數
Directors		
董事		
Non-executive director	非執行董事	
Ms. Jiang Nian	蔣年女士	3/3
Independent non-executive directors	獨立非執行董事	
Dr. Zhang Zhihong	張志鴻博士	3/3
(Chairman of the Remuneration Committee)	(薪酬委員會主席)	
Mr. Wang Rongliang	王榮樑先生	3/3

NOMINATION COMMITTEE

The Company has established a nomination committee of the Company (the "Nomination Committee") on 16 March 2012. During the Financial Year, the Nomination Committee held two meetings. The attendance of each member of the committee meeting is set out as follows:

提名委員會

本公司已於二零一二年三月十六日成立本公司之提名委員會(「提名委員會」)。於本財政年度，提名委員會曾舉行兩次會議，各成員於委員會會議之出席記錄載列如下：

		Meetings attended/ Total meetings held during the Financial Year 本財政年度出席會議次數／ 舉行之會議總數
Directors		
董事		
Non-executive director	非執行董事	
Ms. Jiang Nian	蔣年女士	2/2
Independent non-executive directors	獨立非執行董事	
Dr. Zhang Zhihong	張志鴻博士	2/2
(Chairman of the Nomination Committee)	(提名委員會主席)	
Mr. Wang Rongliang	王榮樑先生	2/2

CORPORATE GOVERNANCE REPORT

企業管治報告

The Nomination Committee adopted a board diversity policy that set out the Group's approach to diversify members of the Board and the Group holds the view that this board diversity policy will lead to a Board with diverse perspectives. Factors that will be considered in the assessment of the diversity of a director's perspective include, but are not limited to, gender, age, culture, skill, knowledge, educational background and professional experience. Presently, the Board comprises of eight directors, of which three are independent non-executive directors, with significant diversity in gender, age, professional experience, educational and cultural background, skills, knowledge and length of service.

DIRECTORS' AND AUDITOR'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors acknowledge their responsibility for preparing the consolidated financial statements of the Group. The auditors of the Company acknowledges their reporting responsibilities in the auditors' report on the consolidated financial statements for the Financial Year.

The directors confirm that the preparation of the consolidated financial statements of the Group is in accordance with statutory requirements and applicable accounting standards. The directors also confirm that the consolidated financial statements of the Group have been published in a timely manner.

The directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubts upon the Company's ability to continue as a going concern.

AUDITORS' REMUNERATION

The Group's external auditors are East Asia Sentinel Limited. For the Financial Year, the auditors of the Company had performed audit services and their remuneration in respect of audit services was HK\$1,000,000. The Group's former external auditors were Deloitte Touche Tohmatsu and the audit and non-audit service fees of the Previous Financial Year were HK\$1,200,000 and HK\$5,000, respectively.

提名委員會採納載有本集團董事會成員多元化方針之董事會成員多元化政策且本集團相信，董事會成員多元化政策將達致董事會多元化觀點。於評核董事觀點之多元化時考慮之因素，包括但不限於性別、年齡、文化、技能、知識、教育背景及專業經驗。目前，董事會由八名董事組成，其中三名為於性別、年齡、專業經驗、教育及文化背景、技能、知識及年資方面具明顯多元化之獨立非執行董事。

董事及核數師對財務報表負有之責任

董事深知彼等有責任編製本集團之綜合財務報表。本公司核數師深知其於本財政年度綜合財務報表之核數師報告中負有申報責任。

董事確認本集團之綜合財務報表乃按照法定規定及適用會計準則編製。董事亦確認本集團已按時刊發綜合財務報表。

董事確認，於作出一切合理查詢後，就彼等所深知、盡悉及確信，彼等並不知悉任何存在重大不確定因素之事件或情況或會對本公司之持續經營能力造成重大疑慮。

核數師酬金

本集團之外聘核數師為衛亞會計師事務所有限公司。於本財政年度，本公司之核數師已進行審核服務，彼等就審核服務之酬金為1,000,000港元。於上一財政年度，本集團之外聘核數師為德勤•關黃陳方會計師行，以及審核及非審核服務之酬金分別為1,200,000港元及5,000港元。

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the following corporate governance duties as required under the Code:

- (a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the board;
- (b) to review and monitor the training and continuous professional development of directors and senior management;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
- (e) to review the Company's compliance with the code and disclosure in the corporate governance report (the "Corporate Governance Report").

AUDIT COMMITTEE

The Company formulated written terms of reference for the audit committee of the Company (the "Audit Committee") in accordance with the requirements of the Listing Rules. The Audit Committee is composed of three independent non-executive directors. At least one of the members of the Audit Committee has appropriate professional qualifications or accounting or related financial management expertise as required under the Listing Rules.

The primary functions of the Audit Committee are as follows:

- (a) to serve as a focal point for communication between the directors and external auditors;
- (b) to assist the Board in fulfilling its responsibility by providing an independent review with the management of the accounting policies and practices adopted by the Group, and supervision of financial reporting, and monitoring and reviewing the effectiveness of the Group's internal control and the adequacy of the external audit;

企業管治職能

董事會負責根據守則之規定履行下列企業管治職務：

- (a) 制訂及檢討本公司之企業管治政策及常規，並向董事會提供推薦建議；
- (b) 檢討及監察董事及高級管理層之培訓及持續專業發展；
- (c) 檢討及監察本公司在遵守法律及監管規定方面之政策及常規；
- (d) 制訂、檢討及監察適用於僱員及董事之行為守則及合規手冊(如有)；及
- (e) 檢討本公司遵守守則之情況及審閱企業管治報告(「企業管治報告」)內之披露事項。

審核委員會

本公司根據上市規則之規定以書面方式擬定本公司審核委員會(「審核委員會」)之職權範圍。審核委員會由三名獨立非執行董事組成。審核委員會中至少一名成員具備上市規則所規定之合適專業資格或會計或相關財務管理專業知識。

審核委員會之主要職能如下：

- (a) 擔當董事與外聘核數師之間之重要溝通橋樑；
- (b) 與管理層一起就本集團採納之會計政策及常規提供獨立審閱、監督財務匯報，並監察及檢討本集團之內部監控成效以及外聘審核是否足夠，從而協助董事會履行其職責；

CORPORATE GOVERNANCE REPORT

企業管治報告

- | | |
|--|---|
| (c) to review the appointment of external auditors on an annual basis as well as to ensure continuing auditors independence; | (c) 每年審閱外聘核數師之委任，並確保核數師保持一貫獨立立場； |
| (d) to develop and monitor the applications of the policies on the engagement of the external auditors to perform other professional services (other than tax-related services); and | (d) 倘聘用外聘核數師提供其他專業服務(稅務相關服務除外)，制訂及監察政策之應用；及 |
| (e) to oversee the Company's financial reporting system, risk management and internal control procedures. | (e) 監察本公司之財務報告系統、風險管理及內部監控程序。 |

The Group's audited consolidated financial statements for the Financial Year were reviewed by the Audit Committee.

審核委員會已審閱本集團於本財政年度之經審核綜合財務報表。

The Audit Committee held four meetings during the Financial Year.

審核委員會於本財政年度舉行四次會議。

Independent non-executive directors

Meetings attended/ Total meetings held during the Financial Year

本財政年度出席會議次數／
舉行之會議總數

獨立非執行董事

Ms. Chen Weijun (Chairman of the Audit Committee)	陳偉君女士 (審核委員會主席)	4/4
Dr. Zhang Zhihong	張志鴻博士	4/4
Mr. Wang Rongliang	王榮樑先生	3/4

RISK MANAGEMENT AND INTERNAL CONTROL

風險管理及內部監控

The Board has the overall responsibility for maintaining a sound and effective risk management and internal control systems to safeguard the Shareholders' interests, and to review the effectiveness of such systems regularly. The risk management and internal control systems includes defined management structure with limits of authority set at various levels, which is designed to safeguard assets, ensure the maintenance of proper records, provide reliable financial information for internal use or publication, and ensure compliance with regulations. During the Financial Year, the Board has reviewed the internal control procedures of the Group and consider the risk management and internal control systems to be adequate and effective.

董事會須就維持健全有效之風險管理及內部監控系統負全責，以保障股東之利益，並定期檢討該系統之成效。該風險管理及內部監控系統包括釐清管理層架構，訂明各級權限，以保障資產、確保保留良好記錄、提供可靠財務資料供內部使用或刊發，並確保符合有關規例。於本財政年度，董事會已審閱本集團之內部監控程序，並認為風險管理及內部監控系統為足夠及有效。

CORPORATE GOVERNANCE REPORT

企業管治報告

COMMUNICATION WITH SHAREHOLDERS

(i) Procedures for convening of an extraordinary general meeting and putting forward proposals at shareholders' meeting

Shareholders are encouraged to attend all general meetings. Pursuant to the bye-laws of the Company, any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition (the "Written Requisition") to the Board or the Secretary of the Company at the principal place of business in Hong Kong of the Company (at Unit No. 2111, 21/F, West Tower Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong), to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition.

Pursuant to the bye-laws of the Company, an annual general meeting shall be called by a written notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days and any special general meeting at which the passing of a special resolution is to be considered shall be called by a written notice of not less than twenty-one (21) clear days and not less than ten (10) clear business days. Business day under the Listing Rules means any day on which the Stock Exchange is open for business of dealing in securities.

If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in accordance with the provision of Section 74(3) of the Companies Act 1981 of Bermuda.

股東通訊

(i) 召開股東特別大會及於股東大會上提呈建議之程序

建議股東出席所有股東大會。根據本公司之公司細則，於提交請求當日持有不少於十分之一有權於本公司股東大會上投票之本公司繳足股本之任何一名或多名股東，將隨時有權向董事會或公司秘書提交書面請求（「書面請求」）（本公司之香港主要營業地點，地址為香港上環干諾道中168-200號信德中心西座21樓2111室）要求董事會召開股東特別大會，以處理有關請求所指定之任何事項，而有關大會須於提交有關請求後兩(2)個月內舉行。

根據本公司之公司細則，股東週年大會須以不少於二十一(21)個完整日及不少於二十(20)個完整營業日之書面通知召開，而任何考慮通過特別決議案之股東特別大會須以不少於二十一(21)個完整日及不少於十(10)個完整營業日之書面通知召開。根據上市規則，營業日為聯交所開放進行證券交易業務之任何日子。

倘董事會未能於提交請求起計二十一(21)日內著手召開有關大會，該(該等)請求人本身可根據百慕達一九八一年公司法第74(3)條召開大會。

CORPORATE GOVERNANCE REPORT

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(ii) Procedures for directing enquiries to the Company

To direct enquiries to the Board, Shareholders should submit his/her/its enquires in writing with contact details (including, your registered name, address and telephone number, etc.) to the Company Secretary at the following:

By post to the head office and principal place of business in Hong Kong at Unit No. 2111, 21/F, West Tower Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong.

Tel: (852) 2598 6818
Fax: (852) 2598 6628

(iii) Matters relating to share registration

For share registration related matters, such as share transfer and registration, change of name and address of Shareholders, loss of share certificates or dividend warrants, Shareholders can contact the Hong Kong branch share registrar and transfer office at the following:

Tricor Tengis Limited
Level 22, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
Tel: (852) 2810 8185
Fax: (852) 2980 1333

(iv) Procedures for a shareholder to propose a person for election as a director

Subject to the provisions of the Company's bye-laws, the Shareholders may from time to time in general meeting by Ordinary Resolution elect any person to be a director either to fill a casual vacancy or as an additional director.

Shareholder(s) may propose a person other than an existing director of the Company for election as a director at a general meeting. The Shareholder(s) must deposit a written notice (the "Notice") to the principal office of the Company in Hong Kong for the attention of the Company Secretary.

(ii) 向本公司作出查詢之程序

如欲向董事會作出查詢，股東應以書面方式向公司秘書提交查詢，並註明聯絡資料（包括閣下之登記姓名、地址及電話號碼等），提交查詢之方法如下：

郵寄至本公司之香港總辦事處及主要營業地點，地址為香港上環干諾道中168-200號信德中心西座21樓2111室。

電話：(852) 2598 6818
傳真：(852) 2598 6628

(iii) 有關股份登記之事宜

就股份過戶及登記、更改股東名稱及地址、遺失股票或股息單等股份登記之相關事宜而言，股東可聯絡香港股份登記及過戶分處，地址如下：

卓佳登捷時有限公司
香港灣仔
皇后大道東183號
合和中心22樓
電話：(852) 2810 8185
傳真：(852) 2980 1333

(iv) 股東提名人士參選董事之程序

根據本公司之公司細則之條文，股東可不時於股東大會上以普通決議案推選任何人士成為董事，以填補臨時空缺或作為新增董事。

股東可於股東大會上提名本公司現有董事以外之人士參選董事。股東必須將書面通知（「通知」）送交本公司之香港總辦事處，註明由公司秘書接收。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Shareholder(s) must prove his/her/their shareholding in the Company.

股東必須證明其於本公司之持股量。

The Notice must be signed by the Shareholder(s) (other than a person to be proposed) and shall be accompanied by the following of information and documents:

通知必須由股東(獲提名之人士除外)簽署, 並須附上以下資料及文件:

- the full name and the contact information of the Shareholder(s);
- the contact details, age and the full name of the person proposed for election as a director of the Company;
- biographical details of the person proposed for election as required by Rule 13.51(2) of the Listing Rules;
- letter of consent signed by the person proposed to be elected that he or she consents to be director of the Company, if elected.

- 股東之全名及聯絡資料;
- 獲提名參選本公司董事人士之聯絡資料、年齡及全名;
- 上市規則第13.51(2)條所規定獲提名參選人士之履歷詳情;
- 獲提名參選人士所簽署之同意書, 同意出任本公司董事(倘獲選)。

The Notice and the abovementioned information and documents must be lodged with the Company commencing from the day after despatch of the notice of the general meeting and ending no later than seven (7) days prior to the date of such general meeting.

通知及上述資料及文件須於寄發股東大會通告當日起直至召開有關股東大會日期前不少於七(7)日止期間內送交本公司。

INVESTOR RELATIONS

The Company endeavours to uphold a high level of corporate transparency. Keeping Shareholders, investors, analysts, bankers and other stakeholders informed of our corporate strategies and business operations has been one of the key objectives of our investor relations team.

投資者關係

本公司致力維持高企業透明度。讓股東、投資者、分析師、銀行家及其他持份者了解本公司之企業策略及商業運作一直是我們的投資者關係小組的主要目的。

REPORT OF THE DIRECTORS

董事會報告

The directors hereby submit their report with the audited consolidated financial statements for the Financial Year.

PLACE OF INCORPORATION

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (as revised) of the Cayman Islands and continued in Bermuda as an exempted company with limited liability in accordance with the Companies Act 1981 (as amended) of Bermuda. The address of its registered office is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business in Hong Kong is Unit No. 2111, 21/F, West Tower Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 37 to the consolidated financial statements.

BUSINESS REVIEW

A review of the businesses of the Group during the year and a discussion on the Group's future business development is provided in the section headed "Management Discussion and Analysis" in this annual report.

An analysis of the Group's performance during the year ended 31 March 2016 using financial performance indicators is provided in the section headed "Management Discussion and Analysis" on pages 6 to 14 of this annual report.

In addition, more details regarding the Group's performance by reference to environmental and social-related key performance indicators and policies, as well as compliance with relevant laws and regulations which have a significant impact on the Company are provided in the paragraph headed "Environmental, Social and Governance" of the report of the directors on pages 44 to 46 of this annual report.

董事謹此提呈本財政年度之報告及經審核綜合財務報表。

註冊成立地點

本公司根據開曼群島公司法（經修訂）於開曼群島註冊成立為獲豁免有限公司，並根據百慕達一九八一年公司法（經修訂）於百慕達作為獲豁免有限公司存續。其註冊辦事處之地址為 Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda，而其香港主要營業地點為香港上環干諾道中168-200號信德中心西座21樓2111室。

主要業務

本公司為一間投資控股公司。其附屬公司之主要業務載於綜合財務報表附註37。

業務回顧

本集團於本年度之業務回顧及有關本集團未來業務發展的討論，載於本年報「管理層討論及分析」一節。

有關採用財務表現指標對本集團於截至二零一六年三月三十一日止年度之表現所作的分析，載於本年報第6頁至第14頁「管理層討論及分析」一節。

此外，更多有關本集團參考環境及社會相關主要表現指標及政策以及遵守對本公司有重大影響之相關法律法規的表現之詳情，載於本年報第44頁至第46頁董事會報告之「環境、社會及管治」一段。

REPORT OF THE DIRECTORS

董事會報告

Principal Risks and Uncertainties

The Group's financial condition, results of operations, businesses and prospects may be affected by a number of risks and uncertainties. The followings are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

Business Risk

Certain of the business segments to which the Group operates are subject to the overall economic growth of the PRC, which is subject to ever-changing economic policy changes of the PRC government. Any adverse changes in economic policies of the PRC government could materially and adversely affect the Group's business.

The valuation of the intangible assets of the Group is tied to the Group's ability to successfully complete the development and commercialization of the related product and the policy of medical examination and the medical policy. A delay or failure in the Group's ability to do so may adversely affect the Group's business.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Responsibility for managing operational risks basically rests with every function at divisional and departmental levels. The Group recognises that operational risks cannot be eliminated completely and that it may not always be cost effective to do so.

Key functions in the Group are guided by their operating procedures, limits of authority and reporting framework. The Group will identify and assess key operational exposures from time to time and report such risk issues to senior management as early as possible so that appropriate risk response can be taken.

Financial Risk

The financial risk management of the Group are set out in note 6 to the consolidated financial statements.

主要風險及不確定因素

本集團之財務狀況、營運業績、業務及前景可能受到若干風險及不確定因素的影響。以下為本集團知悉的主要風險及不確定因素。除下文所列者外，或會存在本集團並不知悉或目前可能並不重大但日後可能重大的其他風險及不確定因素。

業務風險

本集團營運之若干業務分部須受中國整體經濟增長限制，而整體經濟增長受限於中國政府不斷變化的經濟政策變動。中國政府經濟政策的任何不利變動可能對本集團業務造成重大不利影響。

本集團無形資產之估值乃與本集團成功完成有關產品之開發及商業化的能力和中國的藥物審評及醫療的政策息息相關。本集團有關產品之開發及商業化的延遲或失敗可能對本集團業務造成不利影響。

營運風險

營運風險指因內部程序、人員或制度不足或缺失，或因外部事件導致之損失風險。管理營運風險之責任基本上由各個功能之分部及部門肩負。本集團確認，營運風險不能完全消除，且消除風險的工作未必會達致成本效益。

本集團之主要功能均以本身之營運程序、權限及匯報框架為指引。本集團將不時識別及評估主要營運風險，並盡早向高級管理層匯報該等風險問題，以便採取適當風險應對措施。

財務風險

本集團財務風險管理載於綜合財務報表附註6。

REPORT OF THE DIRECTORS

董事會報告

RESULTS AND FINANCIAL POSITION

The results of the Group for the Financial Year are set out in the consolidated statement of profit and loss and other comprehensive income on pages 51 and 52. The directors do not recommend the payment of a final dividend for the Financial Year. There is no arrangement that a shareholder of the Company has waived or agreed to waive any dividend.

The state of affairs of the Group as at 31 March 2016 are set out in the consolidated statement of financial position on pages 53 and 54.

PROPERTY, PLANT AND EQUIPMENT

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

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

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

SHARE CAPITAL

Details of the movements during the Financial Year in the share capital of the Company are set out in note 30 to the consolidated financial statements.

RESERVES

Details of the movements in the reserves of the Group during the Financial Year are set out in the consolidated statement of changes in equity on page 55. There were no distributable reserves of the Company at 31 March 2016 (31 March 2015: nil).

CONVERTIBLE BONDS

Details of the convertible bonds issued by the Group are set out in note 29 to consolidated financial statements.

業績及財務狀況

本集團於本財政年度之業績載於第51頁至第52頁之綜合損益及其他全面收益表。董事不建議派付於本財政年度之末期股息。現無就本公司之股東已豁免或已同意豁免任何股息之安排。

本集團於二零一六年三月三十一日之財務狀況載於第53頁至第54頁之綜合財務狀況表。

物業、廠房及設備

本集團之物業、廠房及設備於本財政年度內之變動詳情載於綜合財務報表附註16。

購買、出售或贖回本公司之上市證券

於本財政年度，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

股本

本公司於本財政年度之股本變動詳情載於綜合財務報表附註30。

儲備

本集團於本財政年度之儲備變動詳情載於第55頁之綜合權益變動表。於二零一六年三月三十一日，本公司概無可分派儲備（二零一五年三月三十一日：無）。

可換股債券

本集團已發行之可換股債券之詳情載於綜合財務報表附註29。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS

The Directors who held office during the Financial Year and up to the date of this annual report were:

Executive Directors

Mr. Gao Yuan Xing (appointed on 4 January 2016)
Mr. Tang Rong
Ms. Lee Nga Yan (resigned on 29 December 2015)
Dr. Guo Yi (resigned on 14 December 2015)

Non-executive Directors

Ms. Jiang Nian (*Chairman*)
Ms. Xiao Yan
Ms. Wu Yanmin

Mr. Gao Yuan Xing, Mr. Tang Rong and Ms. Jiang Nian are also directors in certain subsidiaries of the Company.

Independent non-executive Directors

Ms. Chen Weijun
Dr. Zhang Zhihong
Mr. Wang Rongliang

In accordance with the bye-laws of the Company, Mr. Gao Yuan Xing who was appointed subsequent to the annual general meeting of the Company held on 25 August 2015, shall hold office only until the forthcoming annual general meeting ("2016 AGM") and, being eligible, will offer themselves for re-election at the 2016 AGM.

In accordance with the bye-laws of the Company, one third of the directors for the time being shall be subject to retirement by rotation at least once every three years. Accordingly, Ms. Xiao Yan, Ms. Wu Yanmin and Ms. Chen Weijun shall retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the forthcoming annual general meeting had a service contract that was not determinable by the Group within one year without payment of compensation (other than statutory compensation).

董事

於本財政年度及截至本年報日期之在任董事如下：

執行董事

高源興先生(於二零一六年一月四日獲委任)
唐榕先生
李雅欣小姐(於二零一五年十二月二十九日辭任)
郭懿博士(於二零一五年十二月十四日辭任)

非執行董事

蔣年女士(主席)
肖焱女士
鄒燕敏女士

高源興先生、唐榕先生及蔣年女士亦為本公司若干附屬公司之董事。

獨立非執行董事

陳偉君女士
張志鴻博士
王榮樑先生

根據本公司之公司細則，於二零一五年八月二十五日舉行之本公司股東週年大會後獲委任之高源興先生之任期僅直至應屆股東週年大會(「二零一六年股東週年大會」)為止，彼等符合資格且願意於二零一六年股東週年大會上膺選連任。

根據本公司之公司細則，三分之一之董事須輪值退任，每名董事須最少每三年輪值告退一次。據此，肖焱女士、鄒燕敏女士及陳偉君女士將於應屆股東週年大會上退任，惟彼等符合資格，故將提呈膺選連任。

董事服務合約

於應屆股東週年大會建議重選連任之董事概無訂有本集團不可於一年內不作賠償(法定賠償除外)而終止之服務合約。

REPORT OF THE DIRECTORS

董事會報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of the directors and senior management are set out on pages 15 to 17 of this annual report.

DIRECTORS' INTERESTS IN SHARES

As at 31 March 2016, the interests or short positions of the directors, chief executive of the Company or their associates in any Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or which is otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Name of director	Capacity	Number of shares/ underlying shares held 持有之股份／ 相關股份數目	Percentage of the issued share capital of the Company 佔本公司已發行股本百分比
董事姓名	身份		
Tang Rong 唐榕	Beneficial owner 實益擁有人	396,200	0.03%

Save as disclosed above, as at 31 March 2016, none of the directors, chief executive of the Company nor their associates had any interests or short positions in any Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be recorded in the register by the Company required to be kept under Section 352 of the SFO or which is otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

董事及高級管理層之履歷詳情

董事及高級管理層之簡要履歷詳情載於本年報第15至第17頁。

董事於股份之權益

於二零一六年三月三十一日，本公司董事、高級行政人員或彼等聯繫人士於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之任何股份、相關股份或債券中擁有須根據證券及期貨條例第352條記錄於本公司存置之登記冊或須根據標準守則以其他方式知會本公司及聯交所之權益及或淡倉如下：

除上文所述者外，於二零一六年三月三十一日，概無本公司董事、高級行政人員或彼等之聯繫人士於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之任何股份、相關股份或債券中擁有須根據證券及期貨條例第352條記錄於本公司存置之登記冊或根據標準守則以其他方式知會本公司及聯交所之任何權益或淡倉。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 35 to the consolidated financial statements, no other contract of significance, to which the Company or any of its subsidiaries was a party and in which a director had a material interest, whether directly or indirectly, subsisted at the end of the Financial Year or at any time during the Financial Year, nor was there any other contract of significance in relation to the Group's business between the Company or any of the Company's subsidiaries and a controlling Shareholder or any of its subsidiaries.

MANAGEMENT CONTRACT

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or in existence during the Financial Year.

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

As at 31 March 2016, the register of interests and short positions in the shares and underlying shares of the Company kept under Section 336 of the SFO showed that, the following entities had an interest or deemed interest of 5% or more in the issued share capital of the Company:

Long positions in the issued share capital of the Company

Name of Shareholder	Capacity	Number of shares/ underlying shares held	Percentage of the issued share capital of the Company
股東姓名	身份	持有之股份／相關股份數目	佔本公司已發行股本百分比
Dr. Mao Yumin (note 1)	Beneficial owner	54,700,000	3.74%
毛裕民博士(附註1)	實益擁有人		
	Interest of a controlled Corporation	322,351,350	22.02%
	受控制法團之權益		

董事及控股股東於重大合約之權益

除綜合財務報表附註35所披露者外，本公司或其任何附屬公司均並非在本財政年度終結時或本財政年度任何時間生效且董事於當中直接或間接擁有重大權益之其他重大合約之訂約方，本公司或本公司之任何附屬公司亦無與控股股東或其任何附屬公司訂立與本集團業務有關之任何其他重大合約。

管理合約

於本財政年度，並無訂立或存續有關本公司之整體或任何主要部分業務之管理及行政之合約。

主要股東及其他人士於股份及相關股份之權益及淡倉

於二零一六年三月三十一日，根據證券及期貨條例第336條存置之本公司股份及相關股份之權益及淡倉登記冊所載，下列實體於本公司已發行股本中擁有或被視為擁有5%或以上權益：

於本公司已發行股本之好倉

REPORT OF THE DIRECTORS

董事會報告

Name of Shareholder	Capacity	Number of shares/ underlying shares held 持有之股份／ 相關股份數目	Percentage of the issued share capital of the Company 佔本公司已發行 股本百分比
股東姓名	身份		
United Gene Holdings Limited (note 1) 聯合基因控股有限公司(附註1)	Beneficial owner 實益擁有人	84,500,000	5.77%
	Interest of a controlled Corporation 受控制法團之權益	237,851,350	16.24%
Dr. Xie Yi (note 2) 謝毅博士(附註2)	Interest of a controlled Corporation 受控制法團之權益	237,851,350	16.24%
Ease Gold Investments Limited (note 2) (附註2)	Interest of a controlled Corporation 受控制法團之權益	237,851,350	16.24%
Good Links Limited (note 3) (附註3)	Interest of a controlled Corporation 受控制法團之權益	237,851,350	16.24%
Victory Trend Limited (note 3) (附註3)	Interest of a controlled Corporation 受控制法團之權益	237,851,350	16.24%
Best Champion Holdings Limited (note 4) 凱佳控股有限公司(附註4)	Beneficial owner 實益擁有人	61,650,000	4.21%
	Interest of a controlled Corporation 受控制法團之權益	176,201,350	12.03%
China United Gene Investment Holdings Limited (note 5) (附註5)	Beneficial owner 實益擁有人	176,201,350	12.03%
Chau Yiu Ting 周耀庭	Beneficial owner 實益擁有人	307,600,000	21.01%

REPORT OF THE DIRECTORS

董事會報告

Notes:

1. United Gene Holdings Limited is wholly-owned by Dr. Mao, which owns 33.50% equity interests of Best Champion Holdings Limited.
2. Ease Gold Investments Limited, is wholly-owned by Dr. Xie Yi ("Dr. Xie"), which owns 33.50% equity interests of Best Champion Holdings Limited.
3. Victory Trend Limited is wholly-owned by Good Links Limited, which is in turn owned as to 50% by Dr. Mao and as to 50% by Dr. Xie. Victory Trend Limited owns 33.00% equity interests of Best Champion Holdings Limited.
4. The equity interest of Best Champion Holdings Limited is owned as to 33.50%, 33.50% and 33.00% by United Gene Holdings Limited, Ease Gold Investments Limited and Victory Trend Limited, respectively.
5. China United Gene Investment Holdings Limited is owned as to 60% by Best Champion Holdings Limited.

Save as disclosed above, the directors were not aware of any other relevant interests or short positions of 5% or more in the issued share capital of the Company as at 31 March 2016.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation from each independent non-executive director confirming his/her independence pursuant to rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors to be independent.

CONNECTED TRANSACTIONS

A summary of the related parties transactions entered into by the Group during the Financial Year is contained in note 35 to the consolidated financial statements.

The following transactions between certain connected parties (as defined in the Listing Rules) and the Group have been entered into during the Financial Year and/or are ongoing for which relevant announcements, if necessary, had been made by the Company in accordance with Chapter 14A of the Listing Rules.

附註：

1. 聯合基因控股有限公司(由毛博士全資擁有)擁有凱佳控股有限公司之33.50%股權。
2. Ease Gold Investments Limited(由謝毅博士(「謝博士」)全資擁有)擁有凱佳控股有限公司之33.50%股權。
3. Victory Trend Limited由GoodLinks Limited全資擁有，而Good Links Limited由毛博士及謝博士分別擁有50%及50%，而Victory Trend Limited擁有凱佳控股有限公司之33.00%股權。
4. 凱佳控股有限公司分別由聯合基因控股有限公司、Ease Gold Investments Limited及Victory Trend Limited擁有33.50%、33.50%及33.00%股權。
5. China United Gene Investment Holdings Limited由凱佳控股有限公司擁有60%股權。

除上文披露者外，於二零一六年三月三十一日，董事並不知悉佔本公司已發行股本5%或以上之任何其他相關權益或淡倉。

獨立非執行董事

本公司已接獲各獨立非執行董事根據上市規則第3.13條作出之年度確認書，確認其獨立性。本公司認為全體獨立非執行董事均為獨立人士。

關連交易

本財政年度，本集團簽訂之關連人士交易摘要載於綜合財務報表附註35。

以下為若干關連人士(定義見上市規則)於本財政年度與本集團已訂立及／或正在進行的交易，如有需要，本公司已根據上市規則第14A章作出相關公告。

REPORT OF THE DIRECTORS

董事會報告

(1) Connected transactions

On 27 April 2013, the Company, as purchaser, and Dr. Mao and JNJ Investment Limited ("JNJ"), as vendors, entered into a conditional sale and purchase agreement dated 27 April 2013 (as supplemented and amended by a supplemental agreement dated 7 May 2013, a second supplemental agreement dated 30 August 2013 and a third supplement agreement dated 28 January 2014), pursuant to which the Company has conditionally agreed to acquire, and (i) Dr. Mao and JNJ have conditionally agreed to sell the convertible bonds issued by Extrawell in an aggregate principal amount of HK\$320,650,000 and 450,000,000 shares of Extrawell respectively, at an aggregate consideration of HK\$608,000,000; and (ii) Dr. Mao has conditionally agreed to sell the convertible bonds issued by Extrawell in an aggregate principal amount up to approximately HK\$257 million, at an aggregate consideration up to a maximum HK\$256,000,000, in four batches.

Dr. Mao was a connected person of the Company by virtue of being a controlling shareholder of the Company at the dates of transactions. JNJ is a connected person of the Company by virtue of its beneficial owner, being Dr. Mao. As such, the transactions constitute connected transactions of the Company under rule 14A.13(1)(a) of the Listing Rules and shall be aggregated pursuant to Rule 14A.25 of the Listing Rules.

On 31 December 2013, all the completion of Transaction I took place with (i) an aggregate sum of HK\$120 million was paid in cash by the Company to Dr. Mao upon Completion I; (ii) the Convertible Bonds I, of a principal amount of HK\$200 million, were issued to Dr. Mao; and (iii) the Convertible Bonds I, of a principal amount of HK\$288 million, were issued to JNJ.

On 24 April 2014, all the conditions precedent for Transaction II took place and the Sale CB II – First batch of convertible bonds, of a principal amount of HK\$64.13 million was received by the Company and the Company issued Convertible Bonds II, of a principal amount of HK\$64 million, to Dr. Mao.

On 30 August 2014, all the conditions precedent for Transaction II took place and the Sale CB II – Second batch of convertible bonds, of a principal amount of HK\$64 million was received by the Company and the Company issued Convertible Bonds II, of a principal amount of HK\$64 million, to Dr. Mao.

(1) 關連交易

於二零一三年四月二十七日，本公司（為買方）、毛博士及JNJ Investment Limited（「JNJ」）（為賣方）訂立日期為二零一三年四月二十七日之有條件買賣協議（經日期為二零一三年五月七日之補充協議、二零一三年八月三十日之第二份補充協議及二零一四年一月二十八日之第三份補充協議所補充及修訂），據此，本公司已有條件地同意收購，及(i)毛博士及JNJ已有條件地同意分別出售精優發行之可換股債券，本金總額為320,650,000港元，以及450,000,000股精優股份，總代價為608,000,000港元；及(ii)毛博士已有條件地同意出售精優發行之可換股債券，本金總額最多約257,000,000港元，總代價最高為256,000,000港元，而出售將分四批進行。

於交易日期時，毛博士為本公司控股股東，故彼為本公司之關連人士。JNJ為毛博士實益擁有，故為本公司之關連人士。因此，根據上市規則第14A.13(1)(a)條，該等交易構成本公司之關連交易，並根據上市規則第14A.25條彙總計算。

於二零一三年十二月三十一日，交易一已全面完成，其中(i)總金額120,000,000港元已於完成一後由本公司以現金支付予毛博士；(ii)本金額為200,000,000港元之可換股債券一已獲發行予毛博士；及(iii)本金額為288,000,000港元之可換股債券一已獲發行予JNJ。

於二零一四年四月二十四日，交易二之所有先決條件已作實及本公司已收取本金額64,130,000港元待售可換股債券二一第一批可換股債券，及本公司已向毛博士發行本金額為64,000,000港元之可換股債券二。

於二零一四年八月三十日，交易二之所有先決條件已作實及本公司已收取本金額64,000,000港元待售可換股債券二一第二批可換股債券，及本公司已向毛博士發行本金額為64,000,000港元之可換股債券二。

REPORT OF THE DIRECTORS

董事會報告

On 31 December 2014, all the conditions precedent for Transaction II took place and the Sale CB II – Third batch of convertible bonds, of a principal amount of HK\$64 million was received by the Company and the Company issued Convertible Bonds II, of a principal amount of HK\$64 million, to Dr. Mao.

On 30 April 2015, all the conditions precedent for Transaction II took place and the Sale CB II – Fourth batch of convertible bonds, of a principal amount of HK\$64 million was received by the Company and the Company issued Convertible Bonds II, of a principal amount of HK\$64 million, to Dr. Mao.

(2) Continuing connected transactions

Since 31 August 2010, the Company has engaged Dr. Mao to provide advisory and consultancy services to the Group in relation to research and development of the Group's genetic testing products, and other scientific technologies. In this role, Dr. Mao is the Company's chief scientific adviser and currently receives a monthly service fee of HK\$56,000. The previous agreement with Dr. Mao commenced 1 September 2010, for a period of three years, and was renewed 1 September 2013 for an additional period of three years, unless terminated earlier in accordance with the agreement.

On 17 March 2014, the Company and Extrawell entered into a conditional sale and purchase agreement where the Company agreed to purchase 51% of the equity interest in Smart Ascent from Extrawell for a consideration of HK\$780 million (the "Acquisition"), which will be paid with cash of HK\$65 million and convertible bonds issued by the Company of HK\$715 million. As part of the agreement, the Group has agreed to cover the entirety of Smart Ascent's expenditures related to the furthering of its oral insulin medicine up to the amount of HK\$600 million from 2015 to 2017 (the "Coverage of Smart Ascent's expenditures"). Conditions of this agreement have been disclosed in the Company's circular dated 26 June 2014 and the acquisition is conditional, among other conditions, to the special general meetings held by Extrawell and the Company on 15 and 16 July 2014, respectively. The relevant shareholders' resolutions approving the entering of such sale and purchase agreement (including the Coverage of Smart Ascent's expenditures) were passed on 16 July 2014.

Upon the completion of the Acquisition which took place on 28 July 2014, Smart Ascent is owned as to 51% by the Company and 49% by Extrawell and Extrawell thereby become a connected person of the Company, and accordingly the Coverage of Smart Ascent's expenditures became a continuing connected transaction for the Company since 28 July 2014.

於二零一四年十二月三十一日，交易二之所有先決條件已作實及本公司已收取本金額64,000,000港元待售可換股債券二一第三批可換股債券，及本公司已向毛博士發行本金額為64,000,000港元之可換股債券二。

於二零一五年四月三十日，交易二之所有先決條件已作實及本公司已收取本金額64,000,000港元待售可換股債券二一第四批可換股債券，及本公司已向毛博士發行本金額為64,000,000港元之可換股債券二。

(2) 持續關連交易

自二零一零年八月三十一日起，本公司委聘毛博士向本集團提供與其基因檢測產品及其他科學技術的研究及開發有關之諮詢及顧問服務。就該角色而言，毛博士為本公司之首席科研顧問，及目前收取服務酬勞每月56,000港元。與毛博士訂立之先前協議自二零一零年九月一日開始生效，任期為三年，並於二零一三年九月一日獲重續，任期額外延長三年，惟根據協議被提早終止則除外。

於二零一四年三月十七日，本公司與精優訂立有條件買賣協議，本公司同意向精優購買進生51%的股權（「收購事項」），代價為780,000,000港元，將以現金65,000,000港元及本公司發行之715,000,000港元之可換股債券支付。作為協議之一部分，本集團同意承擔進生自二零一五年至二零一七年進一步發展其口服胰島素藥品有關之全部開支，最高金額為600,000,000港元（「承擔進生開支」）。該協議之條件已於本公司日期為二零一四年六月二十六日之通函內披露而收購須待（其中包括）精優及本公司分別於二零一四年七月十五日及十六日舉行股東特別大會後作實。批准訂立有關買賣協議（包括承擔進生開支）之有關股東決議案已於二零一四年七月十六日通過。

於收購事項於二零一四年七月二十八日完成後，進生由本公司及精優分別擁有51%及49%，藉此，精優成為本公司的關連人士，因此，承擔進生開支自二零一四年七月二十八日起成為本公司的持續關連交易。

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The following table sets forth the annual caps in relation to the Coverage of Smart Ascent's expenditures for the periods below:

For the year ended/ending 31 March

截至三月三十一日止年度

Aggregate Annual Caps

總年度上限

HK\$ (approximate)

港元(約)

2015	200,000,000
2016	300,000,000
2017	100,000,000

During the Financial Year, the Group contributed approximately HK\$1 million to the SAL Group and the Group's contributions to the SAL Group did not exceed the proposed annual cap for the year ended 31 March 2016.

於本財政年度，本集團向進生集團供款約1,000,000港元，及於截至二零一六年三月三十一日止年度，本集團向進生集團之供款並無超過建議年度上限。

The aforesaid continuing connected transactions have been reviewed by the independent non-executive directors. The independent non-executive directors confirmed that the continuing connected transactions were entered into:

上述持續關連交易已由獨立非執行董事審閱。獨立非執行董事確認持續關連交易之訂立乃：

- (a) in the ordinary and usual course of business of the Group;
- (b) on normal commercial terms and no less favourable to the Group than terms available from independent third parties; and
- (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

- (a) 在本集團的日常和一般業務過程中進行；
- (b) 按一般商業條款及不遜於本集團從獨立第三方獲得之條款進行；及
- (c) 根據規管相關交易之有關協議，按公平合理及符合本公司及股東整體利益之條款進行。

The independent non-executive directors have further confirmed that certain related party transactions, which constituted connected transactions under the Listing Rules for the Financial Year, are exempted from the disclosure requirements in accordance with rule 14A.31 of the Listing Rules.

獨立非執行董事進一步確認，根據上市規則，本財政年度之若干關連人士交易構成關連交易，根據上市規則第14A.31條，該等交易獲豁免遵守披露規定。

Pursuant to Rule 14A.56 of the Listing Rules, the Board engaged the auditors' of the Company for the year ended 31 March 2016 to perform certain agreed upon procedures in respect of the continuing connected transactions of the Group. The auditors' have reported their factual findings on these procedures to the Board that:

根據上市規則第14A.56條，董事會委聘本公司截至二零一六年三月三十一日止年度之核數師就本集團之持續關連交易進行若干協定程序。核數師已向董事會匯報有關該等程序之實際調查結果：

- (a) nothing has come to the auditors' attention that causes the auditors to believe that the disclosed continuing connected transactions have not been approved by the Board;

- (a) 核數師並無發現任何事宜導致其認為已披露之持續關連交易未獲董事會批准；

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- (b) nothing has come to the auditors' attention that causes the auditors to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Company;
- (c) nothing has come to the auditor's attention that causes the auditors to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (d) the actual transaction amount in respect of the Coverage of Smart Ascent's expenditures have not exceeded the proposed annual cap for the year ended 31 March 2016.

To the best knowledge of the directors, there were no other connected transactions or continuing connected transactions subsisting during the Financial Year.

- (b) 核數師並無發現任何事宜導致其認為有關交易在所有重大方面並無遵守本公司之定價政策；
- (c) 核數師並無發現任何事宜導致其認為有關交易在所有重大方面並無根據規管該等交易之有關協議訂立；及
- (d) 於截至二零一六年三月三十一日止年度，有關承擔進生開支之實際交易金額並無超過建議年度上限。

就董事所深知，於本財政年度，概無存在其他關連交易或持續關連交易。

INTERESTS IN COMPETITORS

During the Financial Year and up to the date of this report, other than those businesses of which the directors were appointed as directors to represent the interests of such businesses, no director is considered to have had an interest in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, pursuant to the Listing Rules.

EMOLUMENT POLICY

The emolument policy for the employees of the Group is set up by the management on the basis of their merit, qualifications and competence.

The emoluments of the directors for the Financial Year are decided by the Board, having regard to the Group's operating results, their duties and responsibilities in the Group, individual performance and comparable market statistics, and have been reviewed by the Remuneration Committee during the Financial Year.

SHARE OPTION SCHEME

On 6 November 2009 (the "Adoption Date"), the Company adopted a share option scheme (the "Share Option Scheme") for the purpose of recognising and motivating the contributions of the Group's eligible employees, non-executive directors, shareholders, customers, and suppliers to the Group which, unless otherwise cancelled or amended, will remain in force for 10 years from the Adoption Date. The Share Option Scheme was refreshed on 3 November 2010 to increase the maximum number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme (the "Shares") to the amount in aggregate not exceeding 1,216,450,806 Shares being 10% of the Shares in issue of the Company as at 3 November 2010.

於競爭業務之權益

本財政年度及截至本報告日期，根據上市規則，除董事獲委任為董事以代表業務權益之業務外，概無董事被視為於與本集團業務直接或間接構成競爭或可能構成競爭之業務中擁有權益。

薪酬政策

管理層會按本集團僱員之表現、資歷及能力制訂彼等之薪酬政策。

董事會經考慮本集團之經營業績、董事於本集團之職務及職責、彼等之個人表現及可資比較市場數據後釐定本財政年度之董事薪酬，並已由薪酬委員會於本財政年度審閱。

購股權計劃

於二零零九年十一月六日（「採納日期」），本公司採納購股權計劃（「購股權計劃」）以確認及鼓勵本集團之合資格僱員、非執行董事、股東、客戶及供應商對本集團之貢獻，除非以其他方式註銷或修訂，否則，購股權計劃將於採納日期起計十年有效。購股權計劃於二零一零年十一月三日獲更新，以將因行使根據購股權計劃將予授出之所有購股權而可予發行之最高股份（「股份」）數目增加至合共不得超過1,216,450,806股，即於二零一零年十一月三日本公司已發行股份之10%。

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As at the date of this annual report, the maximum number of Options available to be issued is 79,069,302 Shares, being approximately 5.4% of the Shares in issue currently.

The exercise price of the share options granted under the Share Option Scheme is determined by the Board, but shall not be less than the highest of (i) the nominal value of the Shares; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; or (iii) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the grant. No option may be granted to any individual in any 12-month period if the total number of Shares issued and to be issued upon exercise of the option granted to an individual in any 12-month period exceeds 1% of the share capital of the Company in issue unless approval by shareholders is obtained.

As at 31 March 2016, the Company had not granted any options to eligible persons of the Share Option Scheme and there were no outstanding share options under the Share Option Scheme.

Apart from the aforesaid, at no time during the Financial Year was the Company or any of its subsidiaries a party to any arrangement to enable the directors and substantial Shareholders or any of their associates to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

PRE-EMPTIVE RIGHTS

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

EQUITY-LINKED AGREEMENTS

Other than the Share Option Scheme and the subscription agreement dated 24 March 2016 for the issue of the Convertible Bonds as disclosed in this annual report, no equity-linked agreements that will or may result in the Company issuing Shares, or that require the Company to enter into any agreements that will or may result in the Company issuing Shares, were entered into by the Company during the year or subsisted at the end of the year.

於本年報日期，可供發行之購股權最高數目為 79,069,302 份，即現有已發行股份約 5.4%。

根據購股權計劃授出購股權之行使價由董事會釐定，惟不得低於以下最高者：(i) 股份之面值；(ii) 股份於緊接授出日期前五個營業日在聯交所每日報價表之平均收市價；或 (iii) 股份於授出日期在聯交所每日報價表之收市價。除非獲得股東批准，否則，倘已發行股份及於行使於任何十二個月期間內授予個別人士之購股權後將予發出之股份之總數超過本公司已發行股本之 1%，則於十二個月期間內不得向任何個別人士授出購股權。

於二零一六年三月三十一日，本公司並無向購股權計劃之合資格人士授出任何購股權，亦無根據購股權計劃尚未行使之購股權。

除上述者外，於本財政年度任何時間，本公司或其任何附屬公司並無訂立任何安排，致使董事及主要股東或任何彼等之聯繫人士可透過收購本公司或任何其他法人團體之股份或債券而獲得利益。

優先購買權

本公司之公司細則或百慕達法例均無優先購買權條文，致使本公司有責任向現有股東按比例基準發售新股份。

股票掛鈎協議

除本年報所披露之購股權計劃及為發行可換股債券而於二零一六年三月二十四日訂立之認購協議外，本公司於年內並無訂立或於年結時仍然存續之將會或可能導致本公司發行股份之股票掛鈎協議，或要求本公司訂立任何將會或可能導致本公司發行股份之協議。

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PERMITTED INDEMNITY PROVISION

Pursuant to the Company's bye-laws, every director or other officers of the Company acting in relation to any of the affairs of the Company shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices, or trusts. The Company has arranged appropriate insurance coverage for the directors and officers of the Group.

CHARITABLE DONATIONS

During the Financial Year, the Group did not make any charitable donation (2015: Nil).

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's total purchases and sales attributable to the Group's major suppliers and customers respectively during the Financial Year is as follows:

獲准許之彌償條文

根據本公司細則，就本公司任何事務行事之本公司各董事或其他行政人員，將可就由於彼等或彼等各自之繼承人、遺囑執行人或遺產管理人因彼等於各自職位職責或建議職責或信託而作出、應允或遺漏的行為而將或可能引致或蒙受的所有訴訟、成本、費用、損失、損害及開支從本公司資產及溢利當中獲得彌償保證及不受傷害。本公司已為本集團董事及行政人員安排合適的保險保障。

慈善捐款

於本財政年度，本集團並無作出任何慈善捐款（二零一五年：無）。

主要客戶及供應商

本財政年度，本集團主要供應商及客戶分別應佔本集團之採購總額及銷售總額之資料如下：

		Percentage of the Group's total 應佔本集團總額之 百分比
Purchases	採購	
– The largest supplier	– 最大供應商	100%
– Five largest suppliers combined	– 五大供應商合計	100%
Sales	銷售	
– The largest customer	– 最大客戶	69%
– Five largest customers combined	– 五大客戶合計	100%

At no time during the Financial Year had any of the directors, their close associates or any Shareholder (which to the knowledge of the directors owned more than 5% of the Company's issued share capital) an interest in any of the Group's five largest suppliers or customers.

本財政年度任何時間，任何董事、彼等之緊密聯繫人士或任何股東（據董事所知，擁有本公司已發行股本5%以上之權益者）概無於本集團任何五大供應商或客戶中擁有權益。

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董事會報告

RELATIONSHIPS WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

The Group understands that employees are valuable assets. The Group provides competitive remuneration package to attract and motivate the employees. The Group regularly reviews the remuneration package of employees and makes necessary adjustments to conform to the market standard.

The Group's business is built on a customer-oriented culture. The Group also understands that it is important to maintain good relationship with its suppliers and customers to fulfil its immediate and long-term goals. To maintain its market competitiveness within the industry, the Group aims at delivering constantly high standards and high quality products to its customers. During the year under review, there was no material and significant dispute between the Group and its suppliers and/or customers.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Environmental Protection

Environmental conservation remains a key focus for the Group. The conscientious use of resources and adoption of best practices across the Group's businesses underlie its commitment to safeguarding the environment. The Group encourages environmental protection and comply with environmental legislation and promote awareness towards environmental protection to the employees.

The Group puts great emphasis in environmental protection and sustainable development. Through the establishment of an ever-improving management system, enhancement on procedure monitoring, energy conservation and environment protection were strongly promoted, leading to the remarkable achievement of environmental management. Several measures have been implemented by the Group in order to promote environmental protection.

與僱員、供應商及客戶之關係

本集團深明僱員乃寶貴資產。本集團提供具有競爭力之薪酬待遇以吸引及激勵僱員。本集團定期檢討僱員之薪酬待遇並作出必要調整以符合市場標準。

本集團業務植根於以客為本之文化。本集團亦深信與其供應商及客戶維持良好關係對實現其當前及長遠目標至關重要。為保持於行業內之市場競爭力，本集團致力於不斷為客戶提供高標準優質產品。於回顧年度內，本集團與其供應商及／或客戶並無重大及嚴重分歧。

環境、社會及管治

環境保護

環境保護仍然為本集團之一大工作重點。本集團在業務營運中審慎利用資源，並採納最佳常規，以達到其保護環境之承諾。本集團鼓勵環保、遵守環保規例並致力提升僱員之環保意識。

本集團注重環境保護及可持續發展，通過建立並不斷優化環境管理體系，持續加強過程監控，大力推進節能及環保使得環境管理工作卓有成效。本集團已實施多項措施以促進環境保護。

REPORT OF THE DIRECTORS

董事會報告

Compliance with Laws and Regulations

Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations in particular, those have significant impact on the Group. The audit committee of the Company is delegated by the Board to monitor the Group's practices on compliance with legal and regulatory requirements. Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time.

As far as the Company is aware, it has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Company.

Workplace Quality

The Group is an equal opportunity employer and does not discriminate on the basis of personal characteristics. The Group establishes and implements policies that promote a harmony and respectful workplace.

The Group believes that employees are the valuable assets of an enterprise and regards human resources as its corporate wealth. The Group provides on-the-job training and development opportunities to enhance its employees' career progression. Through different training, staff's professional knowledge in corporate operations, occupational and management skills are enhanced.

Health and Safety

The Group prides itself on providing a safe, effective and congenial work environment. Adequate arrangements, training and guidelines are implemented to ensure the working environment is healthy and safe. The Group provides health and safety communications for employees to present the relevant information and raise awareness of occupational health and safety issues.

The Group values the health and well-being of staff. In order to provide employees with health coverage, staff are entitled to medical insurance benefits.

遵守法律及法規

已制定合規程序，以確保本集團遵守(尤其是)對其產生重大影響之該等適用法律、規則及法規。本公司審核委員會由董事會委派監察有關本集團遵守法律及監管規定之常規。相關僱員及相關經營單位會不時獲知悉適用法律、規則及法規之任何變動。

據本公司所知，其已於重大方面遵守對本公司之業務及營運有重大影響之相關法律及法規。

工作環境質素

本集團為僱員提供平等機會，不會歧視任何僱員。本集團制定及實施促進和諧及相互尊重之工作環境之政策。

本集團認為僱員乃企業之寶貴資產，並視人力資源為其企業財富。本集團提供在職培訓及發展機會以提升其僱員之職業發展。通過不同培訓，員工增強有關企業營運之專業知識、職業及管理技能。

健康及安全

本集團提供一個安全、有效及舒適之工作環境。落實合適安排、培訓及指引以確保工作環境健康及安全。本集團為僱員提供健康及安全通訊，以展示相關資訊並提升對職業健康及安全方面之意識。

本集團重視員工之健康及福祉。為了向僱員提供健康保障，彼等享有醫療保險福利。

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董事會報告

Training and Development

The Group is committed to the professional and personal development and growth of all employees and considers training and development a continual process. In-house training is provided to help employees develop and maintain consistency, proficiency and professionalism.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors as at the date of this report, the directors believe that the number of securities of the Company which are in the hands of the public is above the relevant prescribed minimum percentage under the Listing Rules.

COMMITMENTS

Details of commitments of the Group are set out in note 33 to the consolidated financial statements.

LITIGATIONS AND CONTINGENT LIABILITIES

Details of the litigation and contingent liabilities are set out in note 32 to the consolidated financial statements.

EVENTS AFTER THE REPORTING PERIOD

Details of significant event occurring after the reporting period are set out in note 36 to the consolidated financial statements.

CORPORATE GOVERNANCE

Details of the Corporate Governance Report of the Company are set out on pages 19 to 29 of this report.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the five years ended 31 March 2016 is set out on page 180 of this report.

培訓及發展

本集團致力於全體僱員之專業及個人發展及進步，並將培訓及發展視為一個持續過程。提供內部培訓，以幫助僱員發展及維持堅定性、熟練度及專業性。

充足公眾持股量

根據本公司可公開獲得之資料及據董事所知，於本報告日期，董事相信由公眾人士持有之本公司證券數目高於上市規則相關規定之最低百分比。

承擔

本集團承擔之詳情載於綜合財務報表附註33。

訴訟及或然負債

訴訟及或然負債之詳情載於綜合財務報表附註32。

報告期後事項

報告期後發生之重大事項詳情載於綜合財務報表附註36。

企業管治

本公司之企業管治報告詳情載於本報告第19頁至第29頁。

財務概要

本集團截至二零一六年三月三十一日止五個年度之業績及資產與負債概要載於本報告第180頁。

REPORT OF THE DIRECTORS

董事會報告

AUDITORS

The auditor of the Company was previously Deloitte Touche Tohmatsu for the years ended 30 June 2013, 31 March 2014, and 31 March 2015.

On 22 March 2016, the Board resolved to appoint East Asia Sentinel Limited as the new auditors of the Group with effect from 22 March 2016 following the resignation of Deloitte Touche Tohmatsu as the Company and Deloitte Touche Tohmatsu could not reach a consensus on the fee level proposed by Deloitte Touche Tohmatsu for the year ending 31 March 2016. East Asia Sentinel Limited shall hold office as the auditors of the Group until the conclusion of the next annual general meeting of the Company.

The consolidated financial statements for the Financial Year have been audited by East Asia Sentinel Limited, who will retire and, being eligible, offer themselves for re-appointment in the forthcoming annual general meeting.

On behalf of the Board

Jiang Nian

Chairman

Shanghai, 29 June 2016

核數師

本公司先前之核數師為德勤•關黃陳方會計師行，其任期為截至二零一三年六月三十日、二零一四年三月三十一日及二零一五年三月三十一日止年度。

於二零一六年三月二十二日，董事會決議在德勤•關黃陳方會計師行辭任後委任衛亞會計師事務所有限公司為本公司之新任核數師，由二零一六年三月二十二日生效，因為，本公司與德勤•關黃陳方會計師行未能對德勤•關黃陳方就截至二零一六年三月三十一日止年度建議之核數師酬金達成一致共識。衛亞會計師事務所有限公司將擔任本集團之核數師，任期直至本公司下屆股東週年大會結束時止。

本財政年度之綜合財務報表已由衛亞會計師事務所有限公司審核，而其將於應屆股東週年大會上退任，惟符合資格，將提呈膺選連任。

代表董事會

蔣年

主席

上海，二零一六年六月二十九日

INDEPENDENT AUDITORS' REPORT

獨立核數師報告



East Asia Sentinel Limited

衛亞會計師事務所有限公司

Certified Public Accountants

22/F, Tai Yau Building
181 Johnston Road
Wanchai, Hong Kong

Tel : +852 2521 2328

Fax : +852 2525 9890

Email : letters@EastAsiaSentinel.com

www.EastAsiaSentinel.com

TO THE MEMBERS OF INNOVATIVE PHARMACEUTICAL BIOTECH LIMITED

*(Formerly known as UNITED GENE HIGH-TECH GROUP LIMITED)
(incorporated in the Cayman Islands and registered in Bermuda with
limited liability)*

We have audited the consolidated financial statements of Innovative Pharmaceutical Biotech Limited (formerly known as United Gene High-Tech Group Limited) (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 51 to 179, which comprise the consolidated statement of financial position as at 31 March 2016, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

致領航醫藥及生物科技有限公司 全體股東

*(前稱為聯合基因科技集團有限公司)
(於開曼群島註冊成立及於百慕達註冊之有限公司)*

本行已審核第51頁至第179頁所載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)(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，其內容涵蓋於二零一六年三月三十一日之綜合財務狀況表、該年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表；以及重大會計政策概要及其他說明資料。

董事就綜合財務報表須承擔之責任

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

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

AUDITORS' RESPONSIBILITY

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

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

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

OPINION

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

核數師之責任

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

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

本行相信，本行所獲得之審核憑證充分，並就本行之審核意見提供合理依據。

意見

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

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

EMPHASIS OF MATTER

As explained in note 19 to the consolidated financial statements, the major asset held by the Group is the intangible assets in relation to an in-process research and development project (the "In-process R&D") involving an oral insulin product (the "Product") with the carrying amount of HK\$1,373,224,000 as at 31 March 2016. This carrying amount is highly dependent upon further research and development work required to be carried out, results of the clinical trials, successful launching of the Product and key assumptions to be applied in preparing cash flow projection from the Product. Should the outcome of the clinical trials and the launching of the Product be unsuccessful, or the key assumptions applied in preparing the cash flow projection from the Product turn out to be unrealised, material adjustments may be required and consequently have an adverse effect on the net assets and the results of the Group.

OTHER MATTER

The consolidated financial statements of the Company for the year ended 31 March 2015 were audited by another auditor who expressed an unqualified opinion on those statements on 30 June 2015 with an emphasis of matter paragraph in relation to the uncertainty of the successful launching of the Product which may materially affect the carrying amount of the In-process R&D held by the Group.

強調事項

按綜合財務報表附註19所闡述，由貴集團持有之主要資產為有關一個現正進行之研發項目（「研發過程」）之無形資產，當中涉及一口服胰島素產品（「產品」），於二零一六年三月三十一日，其賬面值為1,373,224,000港元。該研發過程之賬面價值高度視乎須進行之進一步研發工作、臨床實驗結果、產品的成功推出及編製產品之現金流量預測時將應用之主要假設。若產品之臨床實驗結果及推出不成功，或編製產品現金流量預測時將應用之主要假設並無實現，可能須作出重大調整，並因此對貴集團之資產淨值及業績構成不利影響。

其他事項

貴公司截至二零一五年三月三十一日止年度之綜合財務報表乃由另一名核數師審核，該核數師於二零一五年六月三十日對該等報表發表無保留意見，惟當中載有一段有關成功推出產品之不確定性可能對貴集團持有之研發過程的賬面值構成重大影響之強調事項。

East Asia Sentinel Limited

Yim Wing Yee

Director

Practising Certificate No. P05906

Hong Kong

29 June 2016

衛亞會計師事務所有限公司

嚴詠怡

董事

執業證書號碼P05906

香港

二零一六年六月二十九日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

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

			Year ended 31 March 截至三月三十一日止年度	
			2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
		Notes 附註		
Revenue	收益	7	19,908	33,976
Cost of sales and services	銷售及服務成本		(19,319)	(33,058)
Gross profit	毛利		589	918
Other income	其他收入	8	13,112	4,138
Other gains and losses, net	其他收益及虧損淨額	8	(146,263)	(365,578)
Selling expenses	銷售開支		(248)	–
Administrative expenses	行政開支		(30,011)	(27,890)
Research and development expenses	研發開支		(1,347)	(5,304)
Other expenses	其他開支		(5,162)	(10,556)
Share of results of associates	分佔聯營公司業績		7,945	295
Finance costs	財務費用	9	(79,562)	(52,937)
Loss before tax	稅前虧損		(240,947)	(456,914)
Income tax expense	所得稅開支	10	–	–
Loss for the year	年內虧損		(240,947)	(456,914)
Other comprehensive (expense)/income:	其他全面(開支)/收益：			
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益之項目：			
Fair value changes of available-for-sale financial assets	可供出售金融資產之公平值變動		(475)	231
Reclassification adjustments upon disposal of available-for-sale financial assets	出售可供出售金融資產後作出重新分類調整		–	(1,269)
Exchange differences on translation of foreign operation	換算海外業務之匯率差額		(702)	(10)
			(1,177)	(1,048)
Items that will not be reclassified subsequently to profit or loss:	其後將不會重新分類至損益之項目：			
Gain on revaluation on land and buildings	土地及樓宇重估收益		1,082	948
Deferred taxation arising on revaluation of land and buildings	土地及樓宇重估產生之遞延稅項		(271)	(237)
			811	711

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

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

			Year ended 31 March 截至三月三十一日止年度	
			2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
		Note 附註		
Other comprehensive expense for the year	年內其他全面開支		(366)	(337)
Total comprehensive expense for the year	年內全面開支總額		(241,313)	(457,251)
Loss for the year attributable to:	以下人士應佔年內虧損：			
Owners of the Company	本公司擁有人		(236,865)	(451,684)
Non-controlling interests	非控股權益		(4,082)	(5,230)
			(240,947)	(456,914)
Total comprehensive expense for the year attributable to:	以下人士應佔年內全面開支總額：			
Owners of the Company	本公司擁有人		(237,231)	(452,021)
Non-controlling interests	非控股權益		(4,082)	(5,230)
			(241,313)	(457,251)
			HK cents 港仙	HK cents 港仙
Loss per share	每股虧損	15		
Basic	基本		(16.85)	(35.77)
Diluted	攤薄		(16.85)	(35.77)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 March 2016 於二零一六年三月三十一日

		Notes	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
		附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	16	35,833	36,346
Interests in associates	於聯營公司的權益	17	128,103	143,634
Investments in convertible bonds	於可換股債券的投資	18	259,555	257,368
Intangible assets	無形資產	19	1,373,224	1,373,224
Available-for-sale financial assets	可供出售金融資產	22	6,921	6,887
Loan to a non-controlling interest	向非控股權益貸款	26	4,646	3,557
Amount due from the subsidiary of an associate	應收聯營公司之附屬公司款項	26	16,192	10,378
			1,824,474	1,831,394
Current assets	流動資產			
Trade receivables	貿易應收賬款	20	–	9,992
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	21	153,259	7,975
Bank balances and cash	銀行結餘及現金	23	32,459	191,191
			185,718	209,158
Current liabilities	流動負債			
Trade payables	貿易應付賬款	24	8	7,099
Funds received in advance	預收資金	25	50,000	–
Accruals and other payables	應計費用及其他應付款項		5,291	9,217
Amounts due to non-controlling interests	應付非控股權益款項	27	22,871	22,871
Amounts due to former non-controlling interests	應付前非控股權益款項	27	823	823
Amount due to the subsidiary of an associate	應付聯營公司之附屬公司款項	27	41,947	41,947
			120,940	81,957
Net current assets	流動資產淨額		64,778	127,201

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 March 2016 於二零一六年三月三十一日

		Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Total assets less current liabilities	總資產減流動負債		1,889,252	1,958,595
Non-current liabilities	非流動負債			
Convertible bonds	可換股債券	29	403,146	351,400
Deferred tax liabilities	遞延稅項負債	28	2,444	2,174
Loan from a non-controlling interest	來自非控股權益貸款	27	4,646	3,557
			410,236	357,131
NET ASSETS	資產淨額		1,479,016	1,601,464
Capital and reserves	資本及儲備			
Share capital	股本	30	14,642	13,042
Reserves	儲備		584,870	704,836
Equity attributable to owners of the Company	本公司擁有人應佔權益		599,512	717,878
Non-controlling interests	非控股權益		879,504	883,586
TOTAL EQUITY	權益總額		1,479,016	1,601,464

The consolidated financial statements on pages 51 to 179 were approved by the Board of directors on 29 June 2016 and are signed on its behalf by:

載於第51頁至第179頁之綜合財務報表已由董事會於二零一六年六月二十九日批准，並由以下董事代表簽署：

Jiang Nian
蔣年
DIRECTOR
董事

Tang Rong
唐榕
DIRECTOR
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

		Share capital	Share premium account	Convertible bonds equity reserve	Investment revaluation reserve	Property revaluation reserve	Others reserve	Statutory reserve	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
		股本 HK\$000 千港元	股份溢價賬 HK\$000 千港元	可換股債券權益儲備 HK\$'000 千港元	投資重估儲備 HK\$000 千港元	物業重估儲備 HK\$000 千港元	其他儲備 HK\$000 千港元	法定儲備 HK\$000 千港元 (Note a) (附註a)	外幣兌換儲備 HK\$000 千港元	累計虧損 HK\$000 千港元 (Note b) (附註b)	總計 HK\$000 千港元	非控股權益 HK\$000 千港元	權益總額 HK\$000 千港元
At 1 April 2014	於二零一四年四月一日	11,362	901,488	747,556	1,111	4,412	4,140	347	2,726	(1,010,770)	662,372	9,849	672,221
Loss for the year	年內虧損	-	-	-	-	-	-	-	-	(451,684)	(451,684)	(5,230)	(456,914)
Other comprehensive (expense) income for the year	年內其他全面(開支)收益	-	-	-	(1,038)	711	-	-	(10)	-	(337)	-	(337)
Total comprehensive (expense) income for the year	年內全面(開支)收益總額	-	-	-	(1,038)	711	-	-	(10)	(451,684)	(452,021)	(5,230)	(457,251)
Acquisition of subsidiaries	收購附屬公司	-	-	136,646	-	-	-	-	-	-	136,646	978,689	1,115,335
Reclassification from interests in associates (note 18(c))	於聯營公司之權益重新分類 (附註18(c))	-	-	-	-	-	-	-	-	-	-	(99,722)	(99,722)
Recognition of equity component of convertible bonds	確認可換股債券之權益部分	-	-	363,034	-	-	-	-	-	-	363,034	-	363,034
Issue of shares upon conversion of convertible bonds	可換股債券轉換時發行股份	1,680	111,558	(105,391)	-	-	-	-	-	-	7,847	-	7,847
At 31 March 2015	於二零一五年三月三十一日	13,042	1,013,046	1,141,845	73	5,123	4,140	347	2,716	(1,462,454)	717,878	883,586	1,601,464
Loss for the year	年內虧損	-	-	-	-	-	-	-	-	(236,865)	(236,865)	(4,082)	(240,947)
Other comprehensive (expense) income for the year	年內其他全面(開支)收益	-	-	-	(475)	811	-	-	(702)	-	(366)	-	(366)
Total comprehensive (expense) income for the year	年內全面(開支)收益總額	-	-	-	(475)	811	-	-	(702)	(236,865)	(237,231)	(4,082)	(241,313)
Recognition of equity component of convertible bonds	確認可換股債券之權益部分	-	-	109,371	-	-	-	-	-	-	109,371	-	109,371
Issue of shares upon conversion of convertible bonds	可換股債券轉換時發行股份	1,600	106,248	(98,354)	-	-	-	-	-	-	9,494	-	9,494
At 31 March 2016	於二零一六年三月三十一日	14,642	1,119,294	1,152,862	(402)	5,934	4,140	347	2,014	(1,699,319)	599,512	879,504	1,479,016

Notes:

- (a) As stipulated by the relevant laws and regulations of the PRC before distribution of the net profit each year, the Group's subsidiaries established in the PRC shall set aside 10% of its net profit after taxation to the statutory reserve. The reserve can only be used, upon approval by the board of directors of these PRC established subsidiaries and by the relevant authority, to offset accumulated losses or increase capital. During the years ended 31 March 2016 and 2015, there were no transfer from retained profits to the statutory reserve since the Group's PRC subsidiaries incurred net loss in those year ends.
- (b) Remittance outside the PRC of retained profits of the subsidiaries established in the PRC is subject to approval of the local authorities and the availability of foreign currencies generated and retained by these subsidiaries.

附註：

- (a) 按照中國的相關法律及法規所訂明，每年分派淨利潤前，在中國設立之本集團附屬公司須自其稅後純利撥出10%至法定儲備。法定儲備僅可用於抵銷累計虧損或增資，並須得到此等在中國設立之附屬公司之董事會及有關政府當局核准後方可使用。於截至二零一六年及二零一五年三月三十一日止年度，由於本集團之中國附屬公司均錄得虧損淨額，故並無任何金額從保留溢利轉撥至法定儲備。
- (b) 於中國成立之附屬公司之保留溢利之境外股款須經當地政府批准及視乎此等附屬公司能否產生及保留之外幣可能性。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

As at 31 March 2016 於二零一六年三月三十一日

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
OPERATING ACTIVITIES	經營活動		
Loss before tax	稅前虧損	(240,947)	(456,914)
Adjustments for:	調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,164	1,286
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	(11)	(1,329)
Impairment loss on interest in an associate	於聯營公司權益之減值虧損	23,476	29,218
Impairment loss on other receivable	其他應收款項之減值虧損	1,852	–
Loss on initial recognition of investments in convertible bonds acquired during the period	期內收購可換股債券投資之初始確認虧損	62,161	277,821
Change in fair value of derivative components of investments in convertible bonds	可換股債券投資之衍生部分之公平值變動	58,509	60,953
Gain on disposal of subsidiaries	出售附屬公司之收益	(10)	–
Share of results of associates	分佔聯營公司業績	(7,945)	(295)
Imputed interest income on loan to a non-controlling interest	非控股權益貸款之估算利息收入	(1,088)	(580)
Imputed interest income on loan to a subsidiary of the associate	聯營公司之附屬公司貸款之估算利息收入	(5,814)	–
Dividend income from available-for-sale financial assets	可供出售金融資產之股息收入	(163)	–
Interest income from banks	銀行利息收入	(163)	(400)
Interest income of available-for-sale financial assets	可供出售金融資產之利息收入	(97)	(36)
Net loss/(gain) on disposal of available-for-sale financial assets	出售可供出售金融資產之虧損/(收益)淨額	286	(1,269)
Effective interest income on investments in convertible bonds	可換股債券投資實際利息收入	(5,696)	(3,053)
Interest expenses paid to a convertible bond holder	已付可換股債券持有人利息開支	25,025	–
Effective interest expense on convertible bonds	可換股債券實際利息開支	53,449	52,357
Imputed interest expense on loan from a non-controlling interest	非控股權益貸款之估算利息開支	1,088	580
Operating cash flows before changes in working capital	營運資本變動前之經營現金流量	(34,924)	(41,661)
Decrease in inventories	存貨減少	–	61
Decrease in trade receivables	貿易應收賬款減少	9,992	1,419
(Increase)/decrease in prepayment, deposits and other receivables	預付款項、按金及其他應收款項(增加)/減少	(147,136)	6,714
(Decrease)/increase in trade payables	貿易應付賬款(減少)/增加	(7,091)	2,282
Increase in funds received in advance	預收資金增加	50,000	–
Decrease in accruals and other payables and receipt in advance from customer	應計費用及其他應付款項及預收客戶款項減少	(3,926)	(4,386)
NET CASH USED IN OPERATING ACTIVITIES	經營活動所用之現金淨額	(133,085)	(35,571)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

As at 31 March 2016 於二零一六年三月三十一日

		Note 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
INVESTING ACTIVITIES	投資活動			
Dividend received from available-for-sale financial assets	可供出售金融資產產生之已收股息		163	—
Interest received from available-for-sale financial assets	可供出售金融資產產生之已收利息		97	36
Interest received from banks	已收銀行利息		163	400
Purchases of property, plant and equipment	購買物業、廠房及設備		(300)	—
Purchases of available-for-sale financial assets	購買可供出售金融資產		(5,198)	(7,220)
Addition of interest in an associate	聯營公司額外權益		—	(2,539)
Net cash outflow from acquisition of subsidiaries	收購附屬公司產生之現金流出淨額		—	(64,647)
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備之所得款項		76	1,646
Proceeds on disposal of available-for-sale financial assets	出售可供出售金融資產之所得款項		4,402	106,458
Net cash inflow upon disposal of subsidiaries	出售附屬公司之現金流入淨額	31	10	—
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	投資活動(所用)/所得現金淨額		(587)	34,134
FINANCING ACTIVITIES	融資活動			
Interest expenses paid to a convertible bond holder	已付可換股債券持有人利息開支		(25,025)	—
Advance from the subsidiary of an associate	來自聯營公司之附屬公司之墊款		—	6
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	融資活動(所用)/所得現金淨額		(25,025)	6
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物減少淨額		(158,697)	(1,431)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	年初現金及現金等價物		191,191	192,351
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	外幣匯率變動影響		(35)	271
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash	年末現金及現金等價物，指銀行結餘及現金		32,459	191,191

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

1. GENERAL INFORMATION

Innovative Pharmaceutical Biotech Limited ("the Company") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. On 1 March 2013, the Company has been deregistered in the Cayman Islands and continued in Bermuda as an exempted company with limited liability under the laws of Bermuda. The Company's shares are listed on the Main Board of the Stock Exchange. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business in Hong Kong is situated at Unit No. 2111, 21/F, West Tower Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong.

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 37 to the consolidated financial statements.

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

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

1. 一般資料

領航醫藥及生物科技有限公司(「本公司」)根據開曼群島公司法於開曼群島註冊成立為獲豁免有限責任公司。於二零一三年三月一日，本公司撤銷於開曼群島之註冊地位，並根據百慕達法例以獲豁免有限責任公司之形式於百慕達存續。本公司股份於聯交所主板上市。其註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。其香港主要營業地點位於香港上環干諾道中168-200號信德中心西座21樓2111室。

本公司為投資控股公司。其附屬公司之主要業務載於綜合財務報表附註37。

本公司之功能貨幣為港元(「港元」)，即綜合財務報表之呈報貨幣。

該等綜合財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈之所有適用香港財務報告準則(「香港財務報告準則」，包括所有適用之個別香港財務報告準則、香港會計準則(「香港會計準則」及詮釋)、香港公認會計原則及香港公司條例之適用披露規定編製。該等綜合財務報表亦遵守聯交所證券上市規則之適用披露規定。該等綜合財務報表乃根據歷史成本法編製，經重估租賃物業、無形資產、可供出售金融資產及可換股債券投資(誠如下文所載會計政策所述，均按公平值列賬)修訂。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

1. GENERAL INFORMATION (Continued)

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

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

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

1. 一般資料(續)

公平值為於計量日期在市場參與者之間在有序交易中出售一項資產而將收取或轉讓一項負債而將支付之價格(無論該價格為直接可觀察或採用另一估值技巧估計而得出)。在估計一項資產或負債之公平值時，本集團考慮資產或負債之特徵(倘市場參與者會於計量日期在為資產或負債定價時考慮該等特徵)。於該等綜合財務報表中就計量及／或披露而言之公平值乃按此基準釐定，惟香港財務報告準則第2號「股份付款」範圍內之股份付款交易、香港會計準則第17號「租賃」範圍內之租賃交易及與公平值有部分類似但並非公平值之計量，如香港會計準則第2號「存貨」之可變現淨值或香港會計準則第36號「資產減值」之使用價值除外。

此外，就財務報告而言，公平值計量乃根據公平值計量之輸入數據之可觀察程度及輸入數據對公平值計量整體之重要性而分為第一、二及三級，詳情如下：

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

1. GENERAL INFORMATION (Continued)

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) New and amended standards adopted by the Group

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

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

1. 一般資料(續)

編製符合香港財務報告財務準則之綜合財務報表須運用若干重要會計估計，亦需要管理層在採用本集團會計政策之過程中作出判斷。綜合財務報表中涉及高度判斷或比較複雜，或有重要假設及估計之範疇將於附註4披露。

2. 採納新訂及經修訂之香港財務報告準則

(a) 本集團採納之新訂及經修訂準則

本集團已於二零一五年四月一日或之後開始的財政年度首次採納下列準則修訂：

香港會計準則第19號(修訂本)有關由僱員或第三方向設定福利計劃供款。此項修訂區分了僅與即期服務相關的供款以及與超過一段期間服務相關的供款。該項修訂允許與服務相關但並不根據服務期限的長短而變動的供款，可自該項服務提供期間所得福利的成本中抵減。與服務相關並根據服務期限的長短而變動的供款，必須在服務期間內，按照與適用於福利的相同分配方法進行分攤。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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

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

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

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

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

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

2. 採納新訂及經修訂之香港財務報告準則(續)

(a) 本集團採納之新訂及經修訂準則(續)

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

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

採納二零一零年至二零一二年週期之改進要求在分部附註中作額外披露。除此之外，於本年度應用香港財務報告準則之該等修訂對本集團於本年度及過往年度之財務表現及狀況及／或該等綜合財務報表所載之披露並無重大影響。

於二零一五年一月一日開始之財政年度生效之其他準則、修訂及詮釋對本集團並無重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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

(b) New standards and interpretations not yet adopted

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

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

2. 採納新訂及經修訂之香港財務報告準則(續)

(b) 尚未採納之新訂準則及詮釋

以下新訂準則、準則之修訂及詮釋已頒發並於二零一六年一月一日或之後開始之會計期間生效，惟於編製該等綜合財務報表時尚未應用。該準則及詮釋包括下列可能與本集團有關的新訂準則。

	於下列日期或 其後開始之會 計期間生效
香港會計準則第1號 (修訂本)「披露計劃」	二零一六年 一月一日
香港會計準則第16號 及香港會計準則第 38號(修訂本)「折 舊及攤銷可接納方 式之澄清」	二零一六年 一月一日
二零一二年至二零 一四年週期之年度 改進「多項香港財 務報告準則之修 訂」	二零一六年 一月一日
香港會計準則第27 號(修訂本)「獨立 財務報表內之權益 法」	二零一六年 一月一日
香港財務報告準則第 15號「合約客戶收 益」	二零一八年 一月一日
香港財務報告準則第 9號「金融工具」	二零一八年 一月一日
香港財務報告準則第 16號「租賃」	二零一九年 一月一日

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綜合財務報表附註

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

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

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

Amendments to HKAS 1 “Disclosure Initiative”

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

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

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

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

Annual Improvements to HKFRSs 2012–2014 Cycle

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

2. 採納新訂及經修訂之香港財務報告準則(續)

(b) 尚未採納之新訂準則及詮釋(續)

香港會計準則第1號(修訂本)「披露計劃」

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

香港會計準則第1號(修訂本)於二零一六年一月一日或以後開始之年度期間生效。本公司董事預期，應用香港會計準則第1號(修訂本)不會對本公司財務報表之已確認金額產生重大影響。

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

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

香港財務報告準則二零一二年至二零一四年週期之年度改進

香港財務報告準則二零一二年至二零一四年週期之年度改進包括對不同香港財務報告準則之多項修訂，概述如下。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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

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

Annual Improvements to HKFRSs 2012–2014 Cycle (Continued)

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

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

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

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

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

2. 採納新訂及經修訂之香港財務報告準則(續)

(b) 尚未採納之新訂準則及詮釋(續)

香港財務報告準則二零一二年至二零一四年週期之年度改進(續)

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

有關修訂亦澄清終止使用持作分派會計方法之指引。

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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

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

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

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

HKFRS 15 “Revenue from Contracts with Customers”

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

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

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

2. 採納新訂及經修訂之香港財務報告準則(續)

(b) 尚未採納之新訂準則及詮釋(續)

香港會計準則第27號「個別財務報表之權益法」修訂本

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

香港財務報告準則第15號「合約客戶收益」

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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

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

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

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

HKFRS 9 “Financial Instruments”

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

2. 採納新訂及經修訂之香港財務報告準則(續)

(b) 尚未採納之新訂準則及詮釋(續)

香港財務報告準則第15號「合約客戶收益」(續)

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

香港財務報告準則第9號「金融工具」

於二零零九年頒佈之香港財務報告準則第9號引入金融資產分類及計量之新規定。香港財務報告準則第9號其後於二零一零年修訂，以包括金融負債分類及計量以及終止確認之規定，並於二零一三年進一步修訂，以包括對沖會計處理方法之新規定。香港財務報告準則第9號另一修訂版本乃於二零一四年頒佈主要包含a)金融資產之減值要求及b)對於某些簡單的債務工具，透過引入「按公允值計量且其變動計入其他全面收益」對其分類及計量作出有限的修訂。

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綜合財務報表附註

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

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

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

HKFRS 9 “Financial Instruments” (Continued)

Key requirements of HKFRS 9:

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

2. 採納新訂及經修訂之香港財務報告準則(續)

(b) 尚未採納之新訂準則及詮釋(續)

香港財務報告準則第9號「金融工具」(續)

香港財務報告準則第9號之主要規定描述如下：

- 符合香港會計準則第39號「金融工具：確認及計量」範圍內之所有已確認金融資產其後均須按攤銷成本或公平值計量。具體而言，為收集合約現金流量之業務模式內所持有，以及合約現金流量僅為償還本金及尚未償還本金所產生利息為目的之債務投資，一般於其後會計期間結束時按攤銷成本計量。目的皆以收集合同現金流量及銷售金融資產而達成且按其業務模式內持有的債務工具，及金融資產在合同條款中於指定日期而產生的現金流僅為支付尚未償還欠款的本金和利息，其計量乃按公允值計量且其變動計入其他全面收益中。所有其他債務投資及股本投資均於其後報告期間結束時按公平值計量。此外，根據香港財務報告準則第9號，實體可作出不可撤回選擇以於其他全面收益呈列股本投資（並非持作買賣）之其後公平值變動，而一般僅於損益內確認股息收入。

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綜合財務報表附註

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

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

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

HKFRS 9 "Financial Instruments" (Continued)

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

2. 採納新訂及經修訂之香港財務報告準則(續)

(b) 尚未採納之新訂準則及詮釋(續)

香港財務報告準則第9號「金融工具」(續)

- 就指定為按公平值計入損益之金融負債之計量而言，香港財務報告準則第9號規定金融負債信貸風險變動導致該負債公平值變動之金額於其他全面收益呈列，除非於其他全面收益確認該負債之信貸風險變動影響會導致或擴大於損益之會計錯配。
- 金融負債信貸風險導致公平值變動其後不會重新分類至損益。根據香港會計準則第39號，指定為按公平值計入損益之金融負債公平值變動全部金額於損益呈列。
- 關於金融資產減值，香港財務報告準則第9號規定按一項預期信用損失模型，而非根據香港會計準則第39號按一項已發生的信用損失模型。該預期信用損失模型規定一個實體須計算其預期信用損失及在每個期末的預期信用損失之變動以反映自初始確認時所產生的信用風險。換句話說，現已不再須要對信用事件已發生之前的信用損失予以確認。

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

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

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

HKFRS 9 “Financial Instruments” (Continued)

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

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

2. 採納新訂及經修訂之香港財務報告準則(續)

(b) 尚未採納之新訂準則及詮釋(續)

香港財務報告準則第9號「金融工具」(續)

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

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

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綜合財務報表附註

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

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

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

HKFRS 16 “Leases”

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

2. 採納新訂及經修訂之香港財務報告準則(續)

(b) 尚未採納之新訂準則及詮釋(續)

香港財務報告準則第16號「租賃」

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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

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

HKFRS 16 “Leases” (Continued)

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

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

2. 採納新訂及經修訂之香港財務報告準則(續)

(b) 尚未採納之新訂準則及詮釋(續)

香港財務報告準則第16號「租賃」(續)

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Consolidation

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

(i) *Subsidiaries*

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

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

3. 重大會計政策概要

編製此等綜合財務報表所應用之重大會計政策載列如下。除非另有說明，否則此等政策已於所有呈報年度一致應用。

(a) 綜合

綜合財務報表包括本公司及其附屬公司及聯營公司截至三月三十一日止之財務報表。

(i) 附屬公司

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Consolidation (Continued)

(i) Subsidiaries (Continued)

Acquisition-related costs are expensed as incurred.

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

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

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

In the Company's statement of financial position disclosed in the note to these consolidated financial statements, the investments in subsidiaries are stated at cost less provision for impairment losses. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the company on the basis of dividend received and receivable.

3. 重大會計政策概要(續)

(a) 綜合(續)

(i) 附屬公司(續)

收購相關成本於產生時支銷。

倘業務合併為分階段實現，收購人先前持有的被收購人的股本權益於收購日的公平值，應按收購日的公平值重新計算，並計入損益。

本集團所轉讓的任何或有對價將在購買當日按公平值確認。被視為一項資產或負債的或有對價公平值後續變動，將按照香港會計準則第39號的規定，確認為損益或其他全面收益變動。分類為權益的或有對價毋須重新計量，而其後結算於權益入賬。

集團內公司間之交易、結餘及集團內公司間交易之未變現收益或虧損將予以抵銷。於資產確認之集團內公司間之交易所產生之盈虧亦將予以抵銷。附屬公司之會計政策已於必要時作出變更，以確保與本集團所採納之政策一致。

在該等綜合財務報表附註所披露之本公司之財務狀況表內，於附屬公司之投資按成本扣除減值虧損撥備列賬。成本包括投資的直接歸屬成本。附屬公司之業績由本公司按已收及應收股息入賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Consolidation (Continued)

(i) Subsidiaries (Continued)

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

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

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

(iii) Disposal of subsidiaries

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

3. 重大會計政策概要(續)

(a) 綜合(續)

(i) 附屬公司(續)

就於附屬公司之投資而言，當自該等投資收取股息而其股息高於附屬公司宣派股息期間之全面收益總額，或倘獨立財務報表之投資之賬面值高於被投資公司之資產淨值(包括商譽)於綜合財務報表之賬面值時，則需進行減值測試。

(ii) 控制權並無變動之附屬公司擁有權益變動

如非控股權益的交易不會導致失去控制權，則作為權益交易入賬，即作為與擁有人以其作為擁有人之身份交易。任何已付代價之公平值與附屬公司資產淨值相關已收購部分之賬面值之差額已計入權益。向非控股權益出售的收益或虧損亦計入權益。

(iii) 出售附屬公司

當本集團失去控制權或重大影響力時，於實體的任何保留權益按公平值重新計量，有關賬面值的變動則於損益確認。就其後入賬列作聯營公司、合營企業或金融資產的保留權益而言，其公平值為初始賬面值。此外，先前於其他全面收益確認與該實體有關之任何金額按猶如本集團已直接出售有關資產或負債的方式入賬。此可能意味先前於其他全面收益確認之金額重新分類至損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Associates

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

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

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

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

3. 重大會計政策概要(續)

(b) 聯營公司

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

倘於一間聯營公司之擁有者權益減少，但仍保留重大影響力，在適當情況下，只有以往在其他全面收益中確認的金額的比例份額被重新分類至損益。

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

本集團於每個報告日期釐定是否有客觀證據證明於聯營公司之投資已減值。如投資已減值，本集團計算減值的金額乃聯營公司可收回金額與其賬面值的差額，並於綜合損益及其他全面收益表內確認及列示於「分佔聯營公司業績」旁。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Associates (Continued)

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

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

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the operating committee (comprising the CEO and the CEO office) that makes strategic decisions.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

3. 重大會計政策概要(續)

(b) 聯營公司(續)

本集團與其聯營公司之間的上游和下游交易的溢利和虧損乃於本集團的財務報表確認，但僅限於無關連投資者於聯營公司權益的金額。除非交易提供證據顯示所轉讓之資產已減值，否則未實現虧損亦予以對銷。聯營公司的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。

於聯營公司的股權攤薄盈利和虧損於綜合損益及其他全面收益表確認。

(c) 分部報告

營運分部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部表現的首席營運決策者已被識別為作出戰略決策的營運委員會(包括行政總裁及行政總裁辦公室)。

(d) 外幣換算

(i) 功能和呈列貨幣

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

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綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Foreign currency translation (Continued)

(ii) Transactions and balances

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

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

(iii) Group entities

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

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

3. 重大會計政策概要(續)

(d) 外幣換算(續)

(ii) 交易及結餘

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

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

(iii) 集團實體

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

- 於各申報期間呈列之資產和負債按該申報期間日期之收市匯率換算；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Foreign currency translation (Continued)

(iii) Group entities (Continued)

- income and expenses for each consolidated statement of profit or loss and other comprehensive income presented are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(iv) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

3. 重大會計政策概要(續)

(d) 外幣換算(續)

(iii) 集團實體(續)

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

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

(iv) 出售海外業務及部分出售

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

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綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged in the consolidated statement of profit or loss and other comprehensive income during the period in which they are incurred.

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

Any revaluation increase arising from revaluation of leasehold land and buildings is recognised in other comprehensive income and accumulated in property revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on revaluation of an asset is recognised in profit or loss to the extent that it exceeds the balance, if any, on the property revaluation reserve relating to a previous revaluation of that asset. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus remaining in the property revaluation reserve is transferred directly to accumulated losses.

3. 重大會計政策概要(續)

(e) 物業、廠房及設備

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

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

重估租賃土地及樓宇產生的任何重估增值會於其他全面收益確認及累計至物業重估儲備，惟撥回同一資產先前已於損益確認之重估減值情況則除外。在此情況下，有關增值將計入損益內，惟以先前扣除之減值為限。重估資產產生之賬面值減少會於損益確認，惟以其超出該資產先前所作重估之物業重估儲備餘額（如有）為限。其後出售或報廢該經重估資產時，物業重估儲備中剩餘之應佔重估盈餘會轉撥至累計虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Property, plant and equipment (Continued)

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

Leasehold land and buildings	The shorter of the lease terms and 30 years
Plant and machinery	3 – 10 years
Motor vehicles	3 – 8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

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

(f) Intangible assets

Intangible assets acquired separately

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

3. 重大會計政策概要(續)

(e) 物業、廠房及設備(續)

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

租賃土地及樓宇	租期及三十年 (以較短者為準)
廠房及機器	三至十年
汽車	三至八年

於各報告期末就資產的剩餘價值和可使用年期檢討，並作出適當的調整。

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

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

(f) 無形資產

個別收購的無形資產

個別收購且具有限可使用年期的無形資產乃按成本減累計攤銷及任何累計減值虧損列賬。具有限可使用年期的無形資產之攤銷乃按直線法於其估計可使用年期内確認。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。

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綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Intangible assets (Continued)

Intangible assets acquired separately (Continued)

Intangible assets, which comprise the in-process research and development ("Inprocess R&D") which represents an in-process research and development project involving an oral insulin product (the "Product"). The Inprocess R&D is not amortised as it is not yet available for use.

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

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

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

3. 重大會計政策概要(續)

(f) 無形資產(續)

個別收購的無形資產(續)

無形資產包括進行之研發(「研發過程」)，指涉及口服胰島素產品(「產品」)的進行之研究及開發項目。由於尚未可供使用，研發過程不會予以攤銷。

(g) 有形及無形資產(商譽除外)之減值虧損

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

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

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately in profit or loss, unless the relevant asset is carried at a revalued amount under other standard, in which case the impairment loss is treated as a revaluation decrease under that standard.

When allocating an impairment loss to individual assets within a CGU, the carrying amount of an individual asset should not be reduced below the highest of its fair value less cost of disposal (if measurable), its value in use (if determinable), and zero. If this results in an amount being allocated to an asset which is less than its pro rata share of the impairment loss, the excess is allocated to the remaining assets within the CGU on a pro rata basis.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU) in prior years. A reversal of an impairment loss is recognised as immediately in profit or loss, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that standard.

3. 重大會計政策概要(續)

(g) 有形及無形資產(商譽除外)之減值虧損(續)

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

倘估計資產(或現金產生單位)之可收回金額少於其賬面值，資產(或現金產生單位)之賬面值被削減至其可收回金額。減值虧損即時於損益確認為開支，惟有關資產以另一準則按重估金額列賬則除外，於此情況下，減值虧損作為於該準則下之重估減幅處理。

當減值虧損被分配至現金產生單位內個別資產時，個別資產的賬面值不能減少至低於公平值減出售成本(如可計量)、使用價值(如可釐訂)與零三者間之較高者。如被分配至個別資產的金額低於其按比例作出分配之減值虧損時，超出之金額會按比例被分配至現金產生單位內的其他資產。

倘其後撥回減值虧損，則將資產(或現金產生單位)之賬面值上調至其經修訂之估計可收回金額，惟經上調後之賬面值不得超過假設該資產(或現金產生單位)於過往年度並無確認減值虧損而釐定之賬面值。撥回之減值虧損可即時於損益中確認，惟有關資產以另一準則按重估金額列賬則除外，於此情況下，減值虧損撥回作為於該準則下之重估增幅處理。

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial instruments

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

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

(i) Financial assets

Financial assets are classified into the following categories: financial assets at fair value through profit or loss ("FVTPL"), available-for-sale financial assets ("AFS"), and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3. 重大會計政策概要(續)

(h) 金融工具

當集團實體成為工具合約條文之訂約方時，則確認金融資產及金融負債。

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

(i) 金融資產

金融資產乃分為以下具體類別：按公平值計入損益(「按公平值計入損益」)的金融資產、可供出售(「可供出售」)金融資產以及貸款及應收款項。分類取決於金融資產之性質及目的，並於初始確認時釐定。所有日常買賣之金融資產以交易日基礎確認及終止確認。日常買賣指須根據市場規則或慣例訂立之時間內交收資產之金融資產買賣。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

(i) Financial assets (Continued)

Effective interest method

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

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

Financial assets at FVTPL

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

A financial asset is classified as held for trading if:

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

3. 重大會計政策概要(續)

(h) 金融工具(續)

(i) 金融資產(續)

實際利率法

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

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

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

倘屬以下情況，金融資產被分類為持作買賣：

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

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

(i) Financial assets (Continued)

Financial assets at FVTPL (Continued)

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

Embedded derivatives

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

Investments in convertible bonds

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

At the date of acquisition of investments in convertible bonds, the fair value of the debt and derivative components are recognised at fair value. In subsequent periods, the debt component of the convertible instruments 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.

3. 重大會計政策概要(續)

(h) 金融工具(續)

(i) 金融資產(續)

按公平值計入損益的金融資產(續)

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

嵌入式衍生工具

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

於可換股債券的投資

可換股工具的組成部分單獨分類為債務部分及換股權衍生工具。

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

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

(i) Financial assets (Continued)

Investments in convertible bonds (Continued)

Transaction costs that relate to the acquisition of the convertible investments 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 period of the convertible instruments using the effective interest method.

Loans and receivables

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

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at FVTPL, loans and receivables or held-to-maturity investments. The Group designated investments in bonds and equity securities as available-for-sale financial assets on initial recognition of those items.

3. 重大會計政策概要(續)

(h) 金融工具(續)

(i) 金融資產(續)

於可換股債券的投資(續)

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

貸款及應收款項

貸款及應收款項為無活躍市場報價而附帶固定或可釐定付款之非衍生金融資產，於初步確認後，貸款及應收款項(包括向非控股權益貸款、貿易應收賬款、其他應收款項、應收聯營公司之附屬公司款項及銀行結餘)採用實際利息法，以攤銷成本減任何已識別減值虧損計量(見下文有關金融資產減值之會計政策)。

可供出售金融資產

可供出售金融資產乃指定或未有劃分為透過損益按公平值計算之金融資產、貸款及應收款項或持至到期投資之非衍生工具。於初步確認該等項目時，本集團將債券投資指定為可供出售金融資產。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

(i) Financial assets (Continued)

Available-for-sale financial assets (Continued)

Equity and debt securities held by the Group that are classified as available-for-sale and are traded in an active market are measured at fair value at the end of each reporting period. Changes in the carrying amount of available-for-sale monetary financial assets relating to interest income calculated using the effective interest method. Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss (see the accounting policy in respect of impairment loss on financial assets below).

(ii) Impairment of financial assets

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

For available-for-sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

3. 重大會計政策概要(續)

(h) 金融工具(續)

(i) 金融資產(續)

可供出售金融資產(續)

由本集團持有分類為可供出售並在活躍市場內買賣之股權和債務證券，於各報告期末按公平值計量。有關使用實際利率法計算的利息收入之可供出售貨幣金融資產之賬面值變動。可供出售金融資產之賬面值的其他變動於其他全面收益內確認，並於投資重估儲備欄目下累計。當投資被出售或確認出現減值時，過往於投資重估儲備中累積之累計盈虧會重新分類至損益（見下文有關金融資產減值虧損之會計政策）。

(ii) 金融資產減值

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

就可供出售債務投資而言，證券之公平值出現重大或持續下至低於其成本會被視為減值之客觀證據。

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

(ii) Impairment of financial assets (Continued)

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

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

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

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

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

3. 重大會計政策概要(續)

(h) 金融工具(續)

(ii) 金融資產減值(續)

就所有其他金融資產而言，減值之客觀證據可包括：

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

(ii) Impairment of financial assets (Continued)

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

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period in which the impairment takes place.

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

3. 重大會計政策概要(續)

(h) 金融工具(續)

(ii) 金融資產減值(續)

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

當可供出售金融資產被視作減值時，之前於其他全面收益中確認之累計盈虧，將於該期間作出減值時重新分類到損益。

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

(ii) Impairment of financial assets (Continued)

In respect of AFS equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the investment revaluation reserve. For available-for-sale debt investments, impairment losses are subsequently reversed through 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.

(iii) Financial liabilities and equity instruments

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

Equity instruments

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

Effective interest method

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

3. 重大會計政策概要(續)

(h) 金融工具(續)

(ii) 金融資產減值(續)

就可供出售股權投資而言，減值虧損已在較早前於損益賬確認並未於損益賬予以撥回。於減值虧損後之任何公平值增加已於其他綜合收益被確認並已中累計於投資重估儲備之中。就可供出售債務投資而言，倘投資公平值之增加在客觀上與確認減值虧損後發生之事件有關，則減值虧損可於其後透過損益予以撥回。

(iii) 金融負債及股本工具

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

股本工具

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

實際利率法

實際利率法乃計算金融負債之攤銷成本及按有關期間攤分利息支出之方法。實際利率乃將估計日後現金付款(包括構成實際利率、交易成本及其他溢價或折讓的不可分割部分之所有已付或已收費用)按金融負債之預期年限或較短期間(倘合適)準確折現至初步確認時的賬面淨值之利率。利息支出按實際利率基準確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

(iii) Financial liabilities and equity instruments (Continued)

Financial liabilities

Financial liabilities including trade payables, accruals and other payables, amounts due to the subsidiary of an associate, non-controlling interests and former non-controlling interests and loan from a non-controlling interest are subsequently measured at amortised cost, using the effective interest method.

Convertible bonds containing liability and equity components, and early redemption option, if applicable

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

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

3. 重大會計政策概要(續)

(h) 金融工具(續)

(iii) 金融負債及股本工具(續)

金融負債

金融負債(包括貿易應付賬款、預提款項及其他應付款項、應付聯營公司之附屬公司、非控股權益及前非控股權益款項及來自非控股權益之貸款)其後使用實際利率法按攤銷成本計算。

可換股債券包括負債及權益部分及提前贖回權(倘適用)

本集團所發行包含負債(連同與主負債部分關係緊密之提早贖回期權, 倘適用)及換股權部分的可換股債券, 乃於初步確認時根據所訂立合約安排內容以及金融負債及股本工具的定義, 獨立分類為相關項目。將以固定金額現金或另一項金融資產交換本公司本身固定數目的股本工具方式結清的換股權乃股本工具。

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

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

(iii) Financial liabilities and equity instruments (Continued)

Convertible bonds containing liability and equity components, and early redemption option, if applicable (Continued)

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

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

3. 重大會計政策概要(續)

(h) 金融工具(續)

(iii) 金融負債及股本工具(續)

可換股債券包括負債及權益部分及提前贖回權(倘適用)(續)

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

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

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

(iv) Derecognition

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

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

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

(i) Cash and cash equivalents

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

3. 重大會計政策概要(續)

(h) 金融工具(續)

(iv) 終止確認

僅在獲取金融資產所產生現金流量的合同權利到期，或在將金融資產及該資產所有權上幾乎所有的風險和報酬轉讓給另一個實體的情況下，本集團才終止確認一項金融資產。

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

僅在本集團的義務已經履行、解除或到期時，本集團才終止確認金融負債。終止確認的金融負債的賬面值與支付及應付的代價之間的差額會在損益中確認。

(i) 現金及現金等值項目

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

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Provisions

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

(k) Borrowings

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

Fee paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting period.

3. 重大會計政策概要(續)

(j) 撥備

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

(k) 借款

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

在貸款融資很有可能部分或全部提取的情況下，就設立貸款融資支付的費用乃確認為貸款交易成本。在此情況下，該費用將遞延至提取貸款發生時。倘有撥充資本作為流動資金服務的預付款項，並於其相關融資期間內予以攤銷。

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Borrowing costs

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

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

(m) Taxation

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

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

3. 重大會計政策概要(續)

(l) 借貸成本

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

所有其他借貸成本乃於其產生期間於損益中確認。

(m) 稅項

所得稅支出指即期應付稅項及遞延稅項總額。

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Taxation (Continued)

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

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

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

3. 重大會計政策概要(續)

(m) 稅項(續)

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Taxation (Continued)

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

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

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

(n) Retirement benefit costs and termination benefits

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

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

3. 重大會計政策概要(續)

(m) 稅項(續)

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

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

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

(n) 退休福利成本及離職福利

國家管理退休福利計劃及強制性公積金計劃之供款，於僱員提供服務而有權獲得有關供款時確認為開支。

離職福利於及僅於本集團明確承諾終止僱用或因具詳細正式計劃之自願遣散作出補償，且無撤回的實際可能性時方予確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts and sales related taxes.

(i) Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

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

(ii) Revenue from the provision of genetic testing services and the provision of health care management services is recognised when the related services have been provided to the customers.

3. 重大會計政策概要(續)

(o) 收益確認

收益按已收或應收代價之公平值計量，乃於正常業務過程中就已售貨品及已提供服務所應收取之款項(扣除折扣及銷售相關稅項)。

(i) 銷售貨品之收益於貨品交付及擁有權移交，並且已符合下列所有條件時確認：

- 本集團已將貨品擁有權之重大風險及回報轉移予買方；
- 本集團並無保留一般與擁有權有關之銷售貨品持續管理權或實際控制權；
- 銷售收益金額能夠可靠地計量；
- 與交易相關之經濟利益很可能流入本集團；及
- 有關交易產生或將產生之成本能夠可靠地計量。

(ii) 來自提供基因測試服務及提供健康管理服務之收益於提供相關服務予客戶時予以確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Revenue recognition (Continued)

- (iii) Revenue from the distribution of bio-industrial products and trading of beauty equipment and products is recognised when the goods are delivered and titles have passed to the customers.
- (iv) Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- (v) Dividends income on equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

(p) Leases

(i) Operating leases (As a lessee)

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

3. 重大會計政策概要(續)

(o) 收益確認(續)

- (iii) 來自分銷生物產業產品及美容設備及美容產品貿易之收益於向客戶交付貨物及轉讓所有權時予以確認。
- (iv) 金融資產之利息收入於經濟利益將有可能流入本集團及收入金額能可靠地計量時確認。利息收入就未償還本金額及適用實際利率按時間基準累計，有關利率為於金融資產之預計年期將估計日後所收現金準確折算至該資產於初始確認時之賬面淨值之利率。
- (v) 股本工具股息收入在本公司收取股息之權力確立時於損益確認。

(p) 租賃

(i) 經營租約(作為承租人)

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

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Leases (Continued)

(ii) Finance leases

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

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

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

(iii) 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.

3. 重大會計政策概要(續)

(p) 租賃(續)

(ii) 融資租賃

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

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

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

(iii) 租賃土地及樓宇

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Dividend distribution

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

(r) Related parties

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

- (a) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of the parent of the Group.

3. 重大會計政策概要(續)

(q) 股息分派

向本公司股東分派的股息於本公司股東批准股息之年度之本公司財務報表內確認為負債。

(r) 關連方

關連方為與本集團有關連之人士或實體：

- (a) 倘屬以下人士，即該人士或該人士的近親為本集團的關連方：
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司主要管理人員的其中一名成員。

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Related parties (Continued)

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. 重大會計政策概要(續)

(r) 關連方(續)

(b) 倘符合下列任何條件，即該實體與本集團有關連：

- (i) 該實體與本集團屬同一集團的成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關連)。
- (ii) 一間實體為另一實體的聯營公司或合營企業(或另一實體為成員公司的集團旗下成員公司的聯營公司或合營企業)。
- (iii) 兩間實體均為同一第三方的合營企業。
- (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。
- (v) 實體為報告實體或與報告實體有關連的實體就僱員利益設立的離職福利計劃。倘該報告實體自設有關計劃，提供資助的僱主亦與該報告實體有關連。
- (vi) 實體受(a)所識別人士控制或受共同控制。
- (vii) 上文(a)(i)所識別人士對實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

4. 重大會計判斷及估計不確定因素的主要來源

於應用本集團會計政策（見附註3所述）時，當其依據無法從其他渠道獲得時，即本公司董事須就資產和負債之賬面值作出判斷、估計及假設。該等估計及相關假設乃基於過往經驗及其他被視為相關的因素作出，因此，實際結果或會有別於該等估計。

有關估計及相關假設須持續予以檢討。倘會計估計的修訂僅影響作出修訂的期間，則有關修訂會在該期間確認，而倘修訂對現時及未來期間均有影響，則須在作出修訂的期間及未來期間確認。

應用會計政策時之重大判斷

以下為董事於應用本集團會計政策過程中所作出並對綜合財務報表所確認金額有最大影響的關鍵估計，涉及估計的判斷（見下文）除外。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Critical judgements in applying accounting policies (Continued)

Significant influence over Longmark (Shanghai) HealthCare Limited ("Longmark (Shanghai)")

Note 17 describes that Longmark (Shanghai) is an associate of the Group, the Group held from 50.02% to 49.78% ownership interest in Longmark (Shanghai). Pursuant to the changes of memorandum and articles of associations of Longmark (Shanghai) on 29 November 2013, 東龍脈(上海)健康管理服務有限公司 ("East Longmark"), a wholly-owned subsidiary of the Group, can only appoint one out of the three directors in the board of directors of Longmark (Shanghai) and all the shareholders and board of directors' resolutions of Longmark (Shanghai) require 51% votes to pass. The directors of the Company are of the opinion that the Group lost control over Longmark (Shanghai) as a result of these changes effected on 29 November 2013 and only has significant influence over Longmark (Shanghai) by virtue of the contractual right to appoint one out of the three directors in the board of directors of Longmark (Shanghai) and its voting powers/ rights in shareholders' and directors' meetings in which all shareholders and board of directors' resolutions require 51% votes to pass.

Significant influence over Extrawell

Note 17 describes that Extrawell is an associate of the Group although the Group only owns 19.14% ownership interest in Extrawell. The Group has significant influence over Extrawell by virtue of the potential voting right upon full exercise of the conversion rights attaching to the convertible bonds of that company.

4. 重大會計判斷及估計不確定因素的主要來源(續)

應用會計政策時之重大判斷(續)

對龍脈(上海)健康管理服務有限公司(「龍脈(上海)」)之重大影響力

如附註17所述，龍脈(上海)為本集團之聯營公司，及本集團擁有龍脈(上海)由50.02%下調至49.78%的擁有權。根據龍脈(上海)組織章程大綱及細則於二零一三年十一月二十九日之變動，本集團之全資附屬公司東龍脈(上海)健康管理服務有限公司(「東龍脈」)僅能委任龍脈(上海)董事會三名董事中的其中一名且龍脈(上海)之所有股東及董事會議案須獲得超過51%的贊成票方能通過。本公司董事認為，本集團因二零一三年十一月二十九日生效的該等變動而失去龍脈(上海)的控制權且僅透過可委任龍脈(上海)董事會三名董事中的其中一名的合同權利而對龍脈(上海)擁有重大影響力，而所有股東投票權／股東權益和董事會議案須獲得超過51%的贊成票方能通過。

對精優之重大影響力

如附註17所述，儘管本集團僅擁有精優19.14%的所有權，但精優為本集團之聯營公司。由於悉數行使精優可換股債券附帶之轉換權後之潛在投票權，本集團對精優有重大影響力。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty

The following are 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.

Allowance for bad and doubtful debts

The allowance for bad and doubtful debts of the Group is estimated based on the evaluation of collectability and aging analysis of individual trade debts performed by the management. A considerable amount of judgment 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 property, plant and equipment

Property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. An impairment loss is recognised for the amount by which the recoverable amount of property, plant and equipment is lower than its carrying amount. For the year ended 31 March 2016, impairment loss of nil (2015: Nil) was recognised for property, plant and equipment based on the impairment assessment performed by the management. It is possible that actual outcomes may be different from assumptions, having a material impact on the carrying amount of property, plant and equipment in the period when such estimate is revised. As at 31 March 2016, the carrying amount of property, plant and equipment are approximately HK\$35,833,000 (2015: HK\$36,346,000).

4. 重大會計判斷及估計不確定因素的主要來源(續)

估計不確定性之主要來源

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，並具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。

呆壞賬撥備

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

物業、廠房及設備之減值

物業、廠房及設備於發生事件或環境出現改變，反映該等資產之賬面值超過其可收回金額時，檢討是否有減值。倘物業、廠房及設備之可收回金額低於其賬面值，則將差額確認為減值虧損。於截至二零一六年三月三十一日止年度，並無根據管理層進行之減值評估就物業、廠房及設備確認減值虧損(二零一五年：無)。實際結果有可能有別於假設，而倘對有關估計作出修訂，則可能在作出該項修訂期間內對物業、廠房及設備之賬面值造成重大影響。於二零一六年三月三十一日，物業、廠房及設備之賬面值約為35,833,000港元(二零一五年：36,346,000港元)。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Fair value of investments in convertible bonds

The fair values of embedded conversion option of convertible bonds invested by the Group are calculated using valuation techniques. Valuation techniques are certified by an independent qualified valuer before being implemented for valuation and are 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 involves estimates on time to expiration, risk free rate, share price volatility, discount rates and others. As at 31 March 2016, the carrying amount of the embedded conversion option of convertible bonds invested by the Group is HK\$227,027,000 (2015: HK\$233,337,000).

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

Fair value of the embedded option of the convertible bonds issued by the Company

On initial recognition of convertible bonds issued by the Company, the fair value of the embedded option of the convertible bonds was calculated using 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.

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

4. 重大會計判斷及估計不確定因素的主要來源(續)

估計不確定性之主要來源(續)

可換股債券投資之公平值

本集團投資之可換股債券之嵌入式換股權之公平值乃採用估值法計算。估值法經獨立合資格估值師於估值前核實並予以調整，以確保得出數據反映市況。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。該模式涉及到期前之估計、無風險利率、股價波動、貼現率及其他因素。於二零一六年三月三十一日，本集團投資之可換股債券之嵌入式換股權之賬面值227,027,000港元(二零一五年：233,337,000港元)。

任何對該估計進行之修改可能會導致可換股債券投資之公平值出現重大改變。

本公司發行之可換股債券之嵌入式換股權的公平值

於首次確認本公司發行之可換股債券時，可換股債券之嵌入式換股權之公平值乃採用估值法計算。估值法經獨立合資格估值師於估值前核實並予以調整，以確保得出數據反映市況。估值師確定之估值模式會充分利用市場輸入數據而盡量減少依賴本公司之特定數據。該模式涉及到期前之估計、無風險利率、股價波動、貼現率及其他因素。

任何對該估計進行之修改可能會導致本公司發行之可換股債券之公平值出現重大改變。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Impairment of intangible assets

The Group performs annual tests of impairment on intangible assets in relation to an in-process research and development project involving an oral insulin product (the "Product") (the "In-process R&D") which are not yet available for use. Accordingly, the intangible assets relating to the oral insulin product with the carrying amount of approximately HK\$1,373,224,000 as at 31 March 2016 (2015: HK\$1,373,224,000) was tested for impairment. The recoverable amounts of cash-generating units are determined based on fair value calculations, which is highly dependent upon further research and development work required to be carried out, results of the clinical trials, the successful launching of the Product and the appropriate key assumptions to be applied in preparing cash flow projections. Details of the calculation of fair value are disclosed in note 19. These calculations require the use of estimates and assumptions made by management on the future operation of the business, pre-tax discount rates, and other assumptions underlying the fair value calculations. In addition, the management based on the opinion of the legal advisors to assume that the Group will continue to have the exclusive right for commercialisation of the Product after 2018.

Should the actual outcome of the clinical trials and the launching of the Product be unsuccessful, or the key assumptions applied in preparing the cash flow projections from the Product in assessing impairment, including the discount rates or growth rate assumptions applied in the cash flow projections on the In-process R&D is different from the original estimates, such difference could materially affect the carrying value of the intangible assets. It will consequently have an adverse effect on the net assets and the results of the Group.

4. 重大會計判斷及估計不確定因素的主要來源(續)

估計不確定性之主要來源(續)

無形資產減值

本集團就有關涉及一個未可供使用之口服胰島素產品(「產品」)之研發過程(「研發過程」)之無形資產進行減值測試。據此，於二零一六年三月三十一日賬面值約為1,373,224,000港元(二零一五年：1,373,224,000港元)之口服胰島素產品之無形資產已就減值進行測試。現金產生單位之可收回款額按公平值計算釐定，其高度視乎須進行之進一步研發工作、臨床實驗結果、產品成功推出及編製現金流量預測時將應用之主要假設。有關公平值計量方法之詳情於附註19披露。該等計算須採用管理層就日後業務營運所作之估計及假設、除稅前折現率以及其他計算公平值時所作出之相關假設。此外，管理層根據法律顧問的意見假設本集團將於二零一八年後繼續擁有商品化該產品之專有權。

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

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5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of amounts due to the subsidiary of an associate, non-controlling interests and former non-controlling interests, loan from a non-controlling interest and convertible bonds, net of cash and cash equivalents and equity attributable to owners of the Company, comprising share capital and reserves. The directors of the Company review the capital structure on an annual basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

6. FINANCIAL INSTRUMENTS

Categories of financial instruments

5. 資本風險管理

本集團管理資本之目標為保證本集團之實體能夠持續以最佳化債務和股權平衡為股東提供最大回報。本集團之整體策略與過往年度維持不變。

本集團之資本結構包含應付聯營公司之附屬公司、非控股權益及前非控股權益款項、來自非控股權益貸款及可換股債券、現金及現金等價物淨額以及本公司擁有人應佔權益，包括股本及儲備。本公司董事每年均就資本結構進行檢討。作為此檢討之一部分，董事認為資本成本及風險乃與各類資本有關連。根據董事之建議，本集團將會通過發行新股及回購股份以及發新債或贖回現有債務以平衡整體資本結構。

6. 金融工具

金融工具類別

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Financial assets	金融資產		
Financial assets at FVTPL	按公平值計入損益之金融資產	227,027	233,337
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等價物)	183,510	241,208
Available-for-sale financial assets	可供出售金融資產	6,921	6,887
Financial liabilities	金融負債		
Amortised cost	攤銷成本	528,732	436,785

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6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies

The Group's major financial instruments include investments in convertible bonds, available-for-sale financial assets, trade receivables, other receivables, bank balances, loans from/ (to) non-controlling interests, trade payables, other payables, amounts due to non-controlling interests, amounts due to former non-controlling interests and convertible bonds. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include interest rate risk, credit risk and liquidity risk and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Interest rate risk

The Group's fair value interest rate risk primarily relate to debt component of convertible bonds held by the Group, available-for-sale financial assets and the liability component of convertible bonds issued by the Company as set out in notes 18, 22 and 29 respectively.

The Group's available-for-sale financial assets are measured at fair value at the end of the reporting period, which are affected by the market interest rate. Therefore, the fair values of the Group's available-for-sale financial assets are exposed to fair value interest rate risk. The management manages this exposure by maintaining a portfolio of investments with different risk profiles. The management considers the Group's exposure to fair value interest rate risk is minimal taking into account the minimal fluctuation on market interest rate. Accordingly, no sensitivity analysis is presented.

The Group's cash flow interest rate risk primarily relates to variable-rate bank balances (see note 23 for details). 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.

6. 金融工具(續)

財務風險管理目標及政策

本集團之主要金融工具包括可換股債券投資、可供出售金融資產、貿易應收賬款、其他應收款項、銀行結餘、來自／向非控股權益貸款、貿易應付賬款、其他應付款項、應付非控股權益款項、應付前非控股權益款項及可換股債券。該等金融工具之詳情於有關附註披露。與該等金融工具有關之風險包括利率風險、信貸風險及流動資金風險，而有關如何緩減該等風險的政策載列於下文。管理層管理及監察該等風險以確保可適時及有效地制訂合適的措施。

市場風險

利率風險

本集團之公平值利率風險主要與本集團持有之可換股債券之債務部分、可供出售金融資產及本公司已發行之可換股債券之負債部分有關，分別載於附註18、22及29。

本集團之可供出售金融資產按公平值於報告期末計量，受市場利率影響。因此，本集團之可供出售金融資產之公平值面臨公平值利率風險。管理層維持風險程度不一之投資組合，以管理該風險。管理層認為，經考慮市場利率波幅微小，本集團面臨之公平值利率風險並不重大，因此並無呈列敏感度分析。

本集團之現金流量利率風險主要與以浮動利率計息之銀行結餘（詳情見附註23）有關。經考慮市場利率的輕微波動後，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。

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6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Price risk on conversion option embedded in convertible bonds held by the Group

The Group is required to estimate the fair value of the conversion option embedded in the convertible bonds held by the Group at the end of the reporting period with changes in fair value to be recognised in profit or loss as long as the convertible bonds are outstanding. The fair value adjustment will be affected either positively or negatively, amongst others, by the changes in share price and its volatility of the convertible bonds issuer.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to the change of share price and its volatility of the convertible bonds issuer at the reporting date.

If the volatility of share prices of the convertible bonds issuer had been 5% (2015: 5%) higher/lower and all other variables were held constant, the Group's post-tax loss for the year would be decrease/increase by HK\$891,000 (2015: HK\$1,823,000), as a result of changes in fair value of conversion option embedded in the convertible bonds held by the Group.

In management's opinion, the sensitivity analyses are unrepresentative of the inherent market risk as the pricing model used in the fair value valuation of the conversion options embedded in the convertible bonds involves multiple variables and certain variables are interdependent.

6. 金融工具(續)

財務風險管理目標及政策(續)

市場風險(續)

本集團持有之可換股債券有關嵌入之換股權之價格風險

本集團須於報告期末估計本集團持有之可換股債券有關嵌入之換股權的公平值，只要可換股債券尚未兌換，公平值變動將於損益內確認。公平值調整將受(其中包括)可換股債券發行人之股價變動及其波幅的正面或負面影響。

敏感度分析

下述敏感度分析乃根據可換股債券發行人於報告日期所面臨的股價變動及其波幅釐定。

倘可換股債券發行人之股價波幅高於／低於5%(二零一五年：5%)，而所有其他變量保持不變，本集團稅後虧損將減少／增加891,000港元(二零一五年：1,823,000港元)，乃由於嵌入本集團持有的可換股債券之轉換權之公平值變動所致。

管理層認為，由於嵌入可換股債券之轉換權的公平值估值所用的定價模式涉及多項變數而若干變數相互依賴，因此，敏感度分析不能反映固有市場風險。

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6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Price risk on available for sale investments

The Group is exposed to equity price risk through its available-for-sale equity investments.

The management manages this exposure by maintaining a portfolio of investments with different risks. The Group's equity securities price risks are mainly concentrated on equity instruments quoted in the market. In addition, the Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks at the reporting date. If the prices of the respective equity instruments had been 10% (2015: 10%) higher/lower, assuming all other variables were held constant, the investment revaluation reserve would increase/decrease by HK\$497,000 (2015: HK\$442,000) as a result of the changes in fair value of available-for-sale investments.

Credit risk

The Group's credit risk is primarily attributable to investments in convertible bonds, loan to a non-controlling interest, amount due from the subsidiary of an associate, trade and other receivables, available-for-sale financial assets and bank balances for current period and prior year.

As at 31 March 2016, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is the carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position.

6. 金融工具(續)

財務風險管理目標及政策(續)

市場風險(續)

可供出售投資之價格風險

本集團面臨就其可供出售權益投資面臨股票價格風險。

管理層以不同風險之投資組合處理是次風險。本集團之股本證券價格風險主要集中於市場上之股票工具。此外，本集團已委派專門小組負責監察價格變動及將會於有需要時對沖所面臨之風險。

敏感度分析

下述敏感度分析乃根據於報告日期所面臨的股價變動風險釐定。倘各股本工具之價格增加／減少10%(二零一五年：10%)，而所有其他變量保持不變，投資重估儲備將增加／減少497,000港元(二零一五年：442,000港元)，乃由於可供出售投資之公平值變動所致。

信貸風險

本集團之信貸風險主要來自本期間及先前年度之可換股債券投資、向非控股權益之貸款、應收聯營公司之附屬公司款項、貿易及其他應收款項、可供出售金融資產及銀行結餘。

於二零一六年三月三十一日，本集團所面臨之最大信貸風險(會因交易對方未能履行責任而令本集團承擔財政損失)為綜合財務狀況表列載之各項已確認之金融資產之賬面值。

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6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The investments in convertible bonds as at 31 March 2016 expose the Group to concentration of credit risk. At the end of the reporting period, the Group assesses the financial position and performance of the issuer of the convertible bonds of carrying amount of HK\$259,555,000 (2015: HK\$257,368,000) and in view of sufficient net asset and significant bank balance and cash of the issuer, the management consider the default risk on the investments in convertible bonds is not significant.

In order to minimise the credit risk, management of the Group has delegated a team responsible for the determination of credit limits, credit approvals and other monitoring procedures. In addition, management reviews the recoverable amount of each individual trade debt regularly to ensure that adequate impairment losses are recognised for irrecoverable debts. With respect to credit risk arising from amounts due from the subsidiary of an associate and loan to a non-controlling interest, the management would monitor the financial position/performance over the associate and the relevant subsidiary with such non-controlling interest. In this regard, management considers that the Group's credit risk is significantly reduced.

The credit risk on the Group's bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The credit risk on available-for-sale financial assets is limited because the issuers are listed companies in Hong Kong and overseas with high credit ratings assigned by international credit-rating agencies.

6. 金融工具(續)

財務風險管理目標及政策(續)

信貸風險(續)

於二零一六年三月三十一日就可換股債券之投資揭示集團信貸風險之集中。於報告期末，本集團評估了賬面值259,555,000港元(二零一五年：257,368,000港元)之可換股債券之發行人之財務狀況及表現並認為發行人有足夠淨資產及重大銀行結餘及現金，管理層認為投資可換股債券之違約風險並不重大。

為盡量減低信貸風險，本集團管理層已委任專責釐定信貸限額、信貸批核及其他監察程序之團隊。此外，管理層會定期審閱各個別貿易債務之可收回金額，以確保就無法收回債務確認足夠減值虧損。就有關應收聯營公司之附屬公司款項及向非控股權益貸款所產生信貸風險而言，管理層將會監察聯營公司及有關附屬公司非控股權益財務狀況／表現。有鑒於此，管理層認為本集團之信貸風險已大為減低。

由於交易對方為國際信貸評級機構評定為高信貸評級之銀行，故本集團銀行結餘之信貸風險有限。

可供出售金融資產之信貸風險有限，原因是發行人為香港及海外上市公司，具備國際信貸評級機構給予高度信貸評級。

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6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk (Continued)

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group has no significant concentration of credit risk of trade receivables (2015: the Group has concentration of credit risk as 67% and 33% of the trade receivables were due from the Group's two largest customers as at 31 March 2015, which were privately owned offshore trading companies trading beauty equipment and products). Management of the Group considered that no credit risk on trade receivables as at 31 March 2016 as all trade receivables were settled before year end.

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition to issuance of new shares, the Group also relies on convertible bonds as a significant source of liquidity for the years ended 31 March 2016 and 2015.

6. 金融工具(續)

財務風險管理目標及政策(續)

信貸風險(續)

除存於幾家獲高信貸評級之銀行之流動資金面臨集中信貸風險外，本集團並無高度集中之貿易應收賬款信貸風險(二零一五年：於二零一五年三月三十一日貿易應收賬款中分別67%和33%為應收本集團兩大客戶(其為經營美容設備及產品之私營境外貿易公司)的款項)。本集團管理層認為，由於所有貿易應收賬款均已於年末前結清，於二零一六年三月三十一日，貿易應收賬款並無信貸風險。

於管理流動資金風險時，本集團監察及維持一定水平之現金及現金等價物，而管理層視該水平足以為本集團之業務提供資金，以及減少現金流量波動之影響。於截至二零一六年及二零一五年三月三十一日止年度，除發行新股份外，本集團亦倚賴可換股債券作為流動資金之主要來源。

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6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk

The following table details the Group's contractual maturity for its non-derivative financial liabilities based on the agreed repayment dates. The table includes both interest and principal cash flows.

Liquidity risk tables

6. 金融工具(續)

財務風險管理目標及政策(續)

流動資金風險

下表詳述本集團之非衍生金融負債之合約到期日(以協定還款日期為依據)。該表包括利息及本金現金流量。

流動資金風險表

		Weighted average interest rate	On demand or less than 1 month	1-3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Total undiscounted cash flows	Carrying amount at 31.3.2016
		加權平均利率	按要求或 於一個月	一至三個月	三個月至一年	一年至五年	超過五年	未貼現現金 流量總計	於二零一六年 三月三十一日 之賬面值
		%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	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
31 March 2016	二零一六年三月三十一日								
Non-derivative financial liabilities	非衍生金融負債								
Trade payables	貿易應付款項	-	8	-	-	-	-	8	8
Funds received in advance	預收資金	-	50,000	-	-	-	-	50,000	50,000
Other payables	其他應付款項	-	5,291	-	-	-	-	5,291	5,291
Amount due to the subsidiary of an associate	應付聯營公司之附屬公司 款項	-	41,947	-	-	-	-	41,947	41,947
Amount due to a non-controlling interest	應付非控股權益款項	-	22,871	-	-	-	-	22,871	22,871
Amounts due to former non- controlling interests	應付前非控股權益款項	-	823	-	-	-	-	823	823
Loan from a non-controlling interest	來自非控股權益貸款	26.99	-	-	-	4,646	-	4,646	4,646
Convertible bonds	可換股債券	21.97	-	-	25,025	815,100	607,600	1,447,725	403,146
			120,940	-	25,025	819,746	607,600	1,573,311	528,732

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6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity risk tables (Continued)

6. 金融工具(續)

財務風險管理目標及政策(續)

流動資金風險(續)

流動資金風險表(續)

		Weighted average interest rate	On demand or less than 1 month	1 – 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Total undiscounted cash flows	Carrying amount at 31.3.2015
			按要求或少					未貼現現金	於二零一五年
		加權平均利率	於一個月	一至三個月	三個月至一年	一年至五年	超過五年	流量總計	三月三十一日
		%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	之賬面值
		%	千港元	千港元	千港元	千港元	千港元	千港元	千港元
31 March 2015	二零一五年三月三十一日								
Non-derivative financial liabilities	非衍生金融負債								
Trade payables	貿易應付賬款	-	2,541	4,558	-	-	-	7,099	7,099
Other payables	其他應付款項	-	9,088	-	-	-	-	9,088	9,088
Amount due to the subsidiary of an associate	應付聯營公司之附屬公司 款項	-	41,947	-	-	-	-	41,947	41,947
Amount due to a non-controlling interest	應付非控股權益款項	-	22,871	-	-	-	-	22,871	22,871
Amounts due to former non-controlling interests	應付前非控股權益款項	-	823	-	-	-	-	823	823
Loan from a non-controlling interest	來自非控股權益貸款	26.99	-	-	-	10,579	-	10,579	3,557
Convertible bonds	可換股債券	22.59	-	-	25,025	100,100	1,372,650	1,497,775	351,400
			77,270	4,558	25,025	110,679	1,372,650	1,590,182	436,785

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

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

6. 金融工具(續)

財務風險管理目標及政策(續)

根據經常性基準按公平值計量之本集團金融資產之公平值

本集團之若干金融資產乃於報告期末按公平值計量。下表列載有關釐定該等金融工具公平值之方法(尤其是所使用之估值技巧及輸入數據),以及根據公平值計量輸入值之可觀察程度將公平值計量分類之公平值架構級別(第一至第三級)之資料。

Financial assets 金融資產	Fair value as at 31 March 2016 於二零一六年三月三十一日 之公平值	Fair value hierarchy 公平值 架構級別	Valuation technique and key inputs 估值技巧及主要輸入數據	Significant unobservable inputs 重大不可觀察 輸入數據	Relationship of unobservable inputs to fair value 不可觀察輸入數據與 公平值之關係
Available-for-sale financial assets 可供出售金融資產	Listed bonds and equity investments – HK\$6,921,000 (2015: listed bonds HK\$6,887,000) 上市債券和股權投資— 6,921,000港元(二零一五年: 上市債券6,887,000港元)	Level 1 第一級	Quoted bid prices in an active market 於活躍市場所報的買入價	N/A 不適用	N/A 不適用
Conversion options embedded in Sale CB-I and Sale CB-II (as defined in note 18) classified as financial asset at FVTPL in the consolidated statement of financial position 嵌入於綜合財務狀況表內分類為按 公平值計入損益金融資產之待售 可換股債券一及待售可換股債券 二(定義見附註18)之換股權。	Assets – HK\$227,027,000 (2015: HK\$233,337,000) 資產—227,027,000港元 (二零一五年: 233,337,000港元)	Level 3 第三級	Binomial Model The fair value is estimated based on risk free rate for the life of the option and share price (from observable market data), expected volatility of the share price of Extrawell and expected dividend yield on the shares and exercise price. 二項式模式 公平值乃基於無風險利率、股價 (來自可觀察市場數據)、精優股價 波幅、股息收益率及行使價估計。	Expected volatility of the share price of Extrawell, determined by reference to the historical share price of Extrawell. 精優之股價波幅乃經參考精優 歷史股價釐定。	The higher the volatility of the share price of Extrawell, the higher the fair value. (Note) 精優股價波幅越大, 公平值 越高。(附註)

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6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

There is no transfer between different levels of the fair value hierarchy for the year ended 31 March 2016 and 2015.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

Reconciliation of Level 3 fair value measurements of derivative financial instruments included in investments in convertible bonds

6. 金融工具(續)

財務風險管理目標及政策(續)

根據經常性基準按公平值計量之本集團金融資產之公平值(續)

截至二零一六年及二零一五年三月三十一日止年度，不同公平值架構等級之間概無任何轉移。

本公司董事認為，按攤銷成本於綜合財務報表記賬之金融資產及金融負債之賬面值與其公平值相若。

計入可換股債券投資之衍生金融工具之第三級公平值計量之對賬表

		HK\$'000 千港元
At 1 April 2014	於二零一四年四月一日	195,695
Fair value recognised upon acquisition	收購後已確認之公平值	98,595
Change in fair value loss in profit or loss (Note)	公平值變動於損益中之虧損(附註)	(60,953)
At 31 March 2015	於二零一五年三月三十一日	233,337
Fair value recognised upon acquisition	於收購已確認之公平值	52,199
Change in fair value loss in profit or loss (Note)	公平值變動於損益中之虧損(附註)	(58,509)
At 31 March 2016	於二零一六年三月三十一日	227,027

Note: All the loss from change in fair value recognised in profit or loss relates to the conversion options embedded in Sale CB-I and Sale CB-II (as defined in note 18) held at the end of the current reporting period which is included in "other gains and losses, net".

附註：所有於損益賬確認之虧損總額與嵌入本報告期間結束時持有之待售可換股債券一及可換股債券二(定義見附註18)之換股權有關，同時計入「其他收益及虧損淨額」。

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7. REVENUE AND SEGMENT INFORMATION

Revenue for the year represents the fair value of amounts received and receivable for goods sold or services rendered by the Group to outside customers, less discounts and related taxes for the year, is analysed as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Trading of beauty equipment and products	美容設備及產品貿易	19,908	33,785
Provision of genetic testing services	提供基因測試服務	—	191
		19,908	33,976

The Group has five reportable and operating segments as follows:

- (a) provision of genetic testing services in the PRC and Hong Kong ("Provision of genetic testing services")
- (b) distribution of bio-industrial products in the PRC ("Distribution of bio-industrial products")
- (c) trading of beauty equipment and products in Hong Kong ("Trading of beauty equipment and products")
- (d) securities investment in Hong Kong and outside Hong Kong ("Securities investment")
- (e) research, development and commercialisation of the oral insulin product ("Research and development")

The Group's reportable and operating segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

7. 收益及分部資料

年內收益指就本集團向外界客戶售出貨品或提供服務之已收及應收款項之公平值，已扣除年內之折扣及相關稅項，分析如下：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
於中國及香港提供基因測試服務 （「提供基因測試服務」）	19,908	33,785
於中國分銷生物產業產品（「分銷生物產業產品」）	—	191
於香港美容設備及產品貿易（「美容設備及產品貿易」）	19,908	33,976

本集團有以下五個呈報及營運分部：

- (a) 於中國及香港提供基因測試服務（「提供基因測試服務」）
- (b) 於中國分銷生物產業產品（「分銷生物產業產品」）
- (c) 於香港美容設備及產品貿易（「美容設備及產品貿易」）
- (d) 於香港及香港境外之證券投資（「證券投資」）
- (e) 研發及商品化口服胰島素產品（「研發」）

本集團的呈報及營運分部是提供不同產品及服務的策略性業務單位。該等分部受個別管理，因各業務所需的技術及市場策略不同。

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7. REVENUE AND SEGMENT INFORMATION

(Continued)

The accounting policies of the operating segments are the same as those described in the consolidated financial statements. Segment (loss)/profit represents the loss incurred by or profit earned from each segment without allocation of corporate and other expenses and other income, gains and losses, net. All assets are allocated to segments other than corporate assets, interests in associates, investments in convertible bonds, amount due from the subsidiary of an associate, loan to a non-controlling interest and bank balances and cash. All liabilities are allocated to segments other than corporate liabilities, amounts due to the subsidiary of an associate, non-controlling interests and former non-controlling interests, loan from a non-controlling interest and convertible bonds.

7. 收益及分部資料(續)

經營分部之會計政策與綜合財務報表所述者相同。分部(虧損)/溢利指在並無分配企業與其他開支及其他收入、收益及虧損淨額之情況下，各分部產生之虧損或賺取之溢利。分配所有資產予分部時並無計及企業資產、於聯營公司之權益、可換股債券投資、應付聯營公司之附屬公司款項、向非控股權益貸款及銀行結餘與現金；而分配所有負債予分部時並無計及企業負債、應付聯營公司之附屬公司款項、非控股權益及前非控股權益、來自非控股權益貸款及可換股債券。

		Provision of genetic testing services 提供基因測試服務		Distribution of bio-industrial products 分銷生物產業產品		Trading of beauty equipment and products 美容設備及美容產品貿易		Securities investment 證券投資		Research and development 研發		Total 總計	
		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
		二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	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	千港元
Revenue from external customers	來自外部客戶之收益	-	191	-	-	19,908	33,785	-	-	-	-	19,908	33,976
Segment (loss)/profit	分部(虧損)/溢利	(295)	(4,584)	(2,413)	(2,752)	580	742	(138)	1,205	(5,661)	(6,124)	(7,927)	(11,513)
Additional disclosures for operating segments:													
Interest income received from available-for-sale investments	從可供出售投資收取之利息收入	-	-	-	-	-	-	97	36	-	-	97	36
Depreciation of property, plant and equipment	物業、廠房及設備折舊	16	6	1,114	1,079	-	-	-	-	-	-	1,130	1,085
At 31 March 2016 and 31 March 2015	於二零一六年三月三十一日及二零一五年三月三十一日												
Segment assets	分部資產	516	374	38,171	36,391	-	9,992	7,448	6,887	1,441,572	1,394,085	1,487,707	1,447,729
Segment liabilities	分部負債	303	157	5,809	5,719	-	9,060	-	-	74,040	69,352	80,152	84,288

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7. REVENUE AND SEGMENT INFORMATION 7. 收益及分部資料(續)

(Continued)

Reconciliation of reportable segment loss, assets and liabilities:

呈報分部虧損、資產及負債對賬：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Segment loss	分部虧損		
Total segment loss	分部虧損總額	(7,927)	(11,513)
Corporate and other expenses	企業及其他開支	(103,893)	(77,920)
Share of results of associates	分佔聯營公司業績	7,945	295
Unallocated other income, gains and losses, net	未分配其他收入、收益及虧損淨額	(137,072)	(367,776)
Consolidated loss for the year	年內綜合虧損	(240,947)	(456,914)
Assets	資產		
Total segment assets	分部資產總額	1,487,707	1,447,729
Interests in associates	於聯營公司之權益	128,103	143,634
Investments in convertible bonds	於可換股債券的投資	259,555	257,368
Corporate and other assets	企業及其他資產	134,827	191,821
Consolidated total assets	綜合資產總額	2,010,192	2,040,552
Liabilities	負債		
Total segment liabilities	分部負債總額	80,152	84,288
Convertible bonds	可換股債券	403,146	351,400
Corporate and other liabilities	企業及其他負債	47,878	3,400
Consolidated total liabilities	綜合負債總額	531,176	439,088

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7. REVENUE AND SEGMENT INFORMATION

(Continued)

Geographical information

The Group's operations are principally located in Hong Kong and the PRC. The Group's revenue from continuing operations from external customers based on location of operations and information about its non-current assets (excluding financial instruments, intangible assets and interests in associates) by geographical location of the assets are as follows:

		Revenue		Non-current assets (excluding financial instruments, intangible assets, and interests in associates) 非流動資產(不包括金融 工具、無形資產及 於聯營公司之權益)	
		收入			
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Hong Kong	香港	19,908	33,785	313	75
The PRC	中國	—	191	35,520	36,271
		19,908	33,976	35,833	36,346

Interests in associates were excluded from geographical information disclosure as the Group's major associate, Extrawell, has several principal places of operations and businesses.

7. 收益及分部資料(續)

地理資料

本集團之業務主要位於香港及中國。本集團按經營所在地劃分之來自外界客戶之持續經營業務收入以及其按資產所在地位置分類之非流動資產(不包括金融工具及於聯營公司之權益)及添置物業、廠房及設備資料如下:

由於本集團主要聯營公司精優擁有多個主要營業地點及業務，故地理資料披露中並未計及於聯營公司之權益。

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7. REVENUE AND SEGMENT INFORMATION

(Continued)

Information about major customers

Revenue from customers of the corresponding year contributing over 10% of the total revenue are as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Customer A ¹	客戶甲 ¹	13,746	22,797
Customer B ¹	客戶乙 ¹	6,162	10,988

¹ Revenue from trading of beauty equipment and products.

7. 收益及分部資料(續)

有關主要客戶資料

相關年度貢獻超過總收益10%客戶之收益如下：

¹ 產生自美容設備及產品貿易之收益。

8. OTHER INCOME/OTHER GAINS AND LOSSES, NET

8. 其他收入／其他收益及虧損淨額

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Other income	其他收入		
Interest income from banks	銀行利息收入	163	400
Interest income from available-for-sale financial assets	可供出售金融資產之利息收入	97	36
Dividend income	股息收入	163	—
Sundry income	雜項收入	91	69
Effective interest income from investment in convertible bonds	來自可換股債券投資之實際利息收入	5,696	3,053
Imputed interest income from loan to a subsidiary of the associate	向聯營公司之附屬公司貸款估算之利息收入	5,814	—
Imputed interest income from loan to a non-controlling interest	向非控股權益貸款估算之利息開支	1,088	580
		13,112	4,138

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8. OTHER INCOME/OTHER GAINS AND LOSSES, NET (Continued) 8. 其他收入／其他收益及虧損淨額(續)

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Other gains and losses, net	其他收益及虧損淨額		
Gain/(loss) on disposal of subsidiaries	出售附屬公司之收益／(虧損)	10	(184)
Change in fair value of derivative components of investments in convertible bonds	可換股債券投資之衍生部分之公平值變動	(58,509)	(60,953)
Loss on initial recognition of investments in convertible bonds acquired during the period	期內收購可換股債券投資之初始確認虧損	(62,161)	(277,821)
Impairment loss on interest in an associate	於聯營公司權益之減值虧損	(23,476)	(29,218)
Net (loss)/gain on disposal of available-for-sale financial assets	出售可供出售金融資產之(虧損)／收益淨額	(286)	1,269
Gain on disposals of property, plant and equipment	出售物業、廠房及設備之收益	11	1,329
Impairment loss on other receivable	其他應收款項之減值虧損	(1,852)	—
		(146,263)	(365,578)

9. FINANCE COSTS

9. 財務費用

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Effective interest expense on convertible bonds (note 29)	可換股債券實際利息開支(附註29)	53,449	52,357
Interest expense on convertible bonds	可換股債券利息開支	25,025	—
Imputed interest expense on loan from a non-controlling interest (note 27(c))	來自非控股權益貸款估算之利息開支(附註27(c))	1,088	580
		79,562	52,937

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

10. INCOME TAX EXPENSE

Hong Kong Profits Tax is provided at the rate of 16.5% (2015: 16.5%) of the estimated assessable profits for both years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and the Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% (2015: 25%).

No Hong Kong Profits Tax and PRC income tax have been made for the year as the group companies operating in Hong Kong and the PRC did not generate assessable profits for the year.

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

10. 所得稅開支

香港利得稅乃根據兩個年度之估計應課溢利之16.5%(二零一五年: 16.5%)支付。

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%(二零一五年: 25%)。

由於香港營運之集團公司及於在中國營運的集團公司並無產生應課稅利潤,因此本年度並無繳納利得稅。

年內所得稅開支與綜合損益及其他全面收益表之除稅前虧損對賬如下:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Loss before tax	除稅前虧損	(240,947)	(456,914)
Tax at the domestic income tax rate of 25%	按本地所得稅稅率25%計算之稅項	(60,236)	(114,228)
Tax effect of expense not deductible for tax purpose	就稅務不可扣減之開支之稅務影響	58,250	113,647
Tax effect of income not taxable for tax purpose	就稅務不應課稅之收入之稅務影響	(1)	(1,017)
Tax effect of tax loss not recognised	未確認稅務虧損之稅務影響	—	1,671
Tax effect of share of results of an associate	分佔聯營公司業績之稅務影響	1,987	(73)
Income tax expense	所得稅開支	—	—

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綜合財務報表附註

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

11. LOSS FOR THE YEAR

11. 年內虧損

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Loss for the year has been arrived at after charging the following:	年內虧損乃扣除下列各項後達致：		
Auditors' remuneration	核數師酬金		
Provision for the year	年內撥備	1,000	1,200
(Over)-provision for the prior year	過往年度(超額)撥備	(120)	—
		880	1,200
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,164	1,286
Rental expense for premises under operating leases	經營租賃下之物業租金支出	2,625	1,378
Cost of inventories recognised as an expense	確認為開支之存貨成本	19,319	32,801
Staff costs exclusive of directors' emoluments	不包括董事酬金在內之員工成本		
Salaries, bonus and other benefits	薪金、花紅及其他福利	4,235	7,079
Retirement benefits scheme contributions	退休福利計劃供款	297	1,136
		4,532	8,215

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綜合財務報表附註

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

12. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the ten (2015: nine) directors were as follows:

12. 董事酬金

已付或應付十名(二零一五年：九名)董事之酬金如下：

Name of Directors		Directors' fee	Salaries and other benefits	Retirement benefit scheme contributions	Total
董事姓名		董事袍金	薪金及其他福利	退休福利計劃供款	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Lee Nga Yan (Note 1)	李雅欣(附註1)	60	484	14	558
Guo Yi (Note 2)	郭懿(附註2)	57	—	—	57
Tong Rang	唐榕	60	487	—	547
Chen Weijun	陳偉君	80	—	—	80
Xiao Yan	肖焱	60	—	—	60
Jiang Nian	蔣年	60	—	—	60
Zhang Zhihong	張志鴻	60	—	—	60
Wang Rongliang	王榮樑	60	—	—	60
Wu Yanmin	鄔燕敏	60	—	—	60
Gao Yuan Xing	高源興	—	190	4	194
Total for the year ended 31 March 2016	截至二零一六年三月三十一日止年度之總額	557	1,161	18	1,736
Lee Nga Yan (Note 1)	李雅欣(附註1)	60	726	18	804
Guo Yi (Note 2)	郭懿(附註2)	60	—	—	60
Tong Rang	唐榕	30	230	—	260
Chen Weijun	陳偉君	60	—	—	60
Xiao Yan	肖焱	60	83	2	145
Jiang Nian	蔣年	60	287	—	347
Zhang Zhihong	張志鴻	60	—	—	60
Wang Rongliang	王榮樑	60	—	—	60
Wu Yanmin	鄔燕敏	60	89	2	151
Total for the year ended 31 March 2015	截至二零一五年三月三十一日止年度之總額	510	1,415	22	1,947

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

12. DIRECTORS' EMOLUMENTS (Continued)

Note 1: Ms. Lee Nga Yan resigned as a director of the Company on 29 December 2015

Note 2: Mr. Guo Yi resigned as a director of the Company on 14 December 2015

No directors waived any emoluments in current and prior year.

During current year and prior year, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group.

13. EMPLOYEES' EMOLUMENTS

The five highest paid individuals in the Group during the year included three (2015: two) directors whose emoluments are reflected in the analysis presented above. The emoluments of the remaining two (2015: three) individuals are set out below:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Basic salaries and other benefits	基本薪金及其他福利	602	829
Retirement benefit scheme contributions	退休福利計劃供款	29	35
		631	864

The emoluments fell within the following band:

		Number of individuals 人數	
		2016 二零一六年	2015 二零一五年
Nil – HK\$1,000,000	零–1,000,000港元	2	3

12. 董事酬金 (續)

附註1：李雅欣女士於二零一五年十二月二十九日辭任本公司董事

附註2：郭懿先生於二零一五年十二月十四日辭任本公司董事

於本及先前年度，概無董事放棄酬金。

於本年度及先前年度，本集團並無向任何董事支付酬金，作為彼等加入或於加入本集團時之獎勵。

13. 僱員酬金

年內，本集團五名最高薪人士包括三名(二零一五年：兩名)董事，彼等之酬金於上表分析中反映。其餘兩名(二零一五年：三名)人士之酬金載列如下：

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14. DIVIDENDS

The directors do not recommend the payment of dividends for the year ended 31 March 2016 (2015: Nil).

14. 股息

董事並不建議派發截至二零一六年三月三十一日止年度之股息(二零一五年：無)。

15. LOSS PER SHARE

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

15. 每股虧損

本公司擁有人應佔每股基本及攤薄虧損乃以下數據為基準計算：

Loss

虧損

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Loss for the purposes of basic and diluted loss per share (Loss for the year attributable to owners of the Company)	就計算每股基本及攤薄虧損之虧損(本公司擁有人應佔年內虧損)	(236,865)	(451,684)

Number of shares

股份數目

		2016 二零一六年 '000 千股	2015 二零一五年 '000 千股
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	就計算每股基本及攤薄虧損之普通股加權平均數	1,406,106	1,262,525

The computation of diluted loss per share does not assume the conversion of the Company's outstanding convertible bonds as their assumed conversion would decrease the loss per share for the current year and prior year.

計算每股攤薄虧損時，並無假設本公司之未轉換可換股債券被轉換，因為假如該等可換股債券被轉換，會減少本年度及先前年度之每股虧損。

For the year ended 31 March 2016, basic and diluted loss per share was HK\$0.1685 (2015: HK\$0.3577) per share, which is based on the loss for the year of approximately HK\$236,865,000 (2015: HK\$451,684,000) and the denominators detailed above for both basic and diluted loss per share.

根據年內虧損約236,865,000港元(二零一五年：451,684,000港元)及上文詳述之用作每股基本及攤薄虧損之分母，截至二零一六年三月三十一日止年度，每股基本及攤薄虧損為每股0.1685港元(二零一五年：0.3577港元)。

No diluted loss per share has been presented as the exercise of the outstanding convertible bonds issued by the Company would result in a decrease in loss per share (i.e. anti-dilutive).

由於行使本公司發行之尚未行使可換股債券將導致每股虧損減少(即反攤薄)，故並無呈列每股攤薄虧損。

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16. PROPERTY, PLANT AND EQUIPMENT

16. 物業、廠房及設備

		Leasehold land and buildings 租賃土地及 樓宇 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總額 HK\$'000 千港元
COST OR VALUATION	成本或估值				
At 1 April 2014	於二零一四年四月一日	36,371	3,944	1,114	41,429
Revaluation surplus	重估盈餘	(247)	—	—	(247)
Written off/disposal	撇銷／出售	—	(2,508)	(784)	(3,292)
Exchange differences	匯兌差額	40	(27)	(2)	11
At 31 March 2015	於二零一五年三月三十一日	36,164	1,409	328	37,901
Additions	添置	—	300	—	300
Revaluation surplus	重估盈餘	35	—	—	35
Written off/disposal	撇銷／出售	—	(29)	—	(29)
Exchange differences	匯兌差額	(738)	(6)	(16)	(760)
At 31 March 2016	於二零一六年三月三十一日	35,461	1,674	312	37,447
ACCUMULATED DEPRECIATION AND IMPAIRMENT	累計折舊及減值				
At 1 April 2014	於二零一四年四月一日	—	3,190	980	4,170
Charge for the year	年內支出	1,195	48	43	1,286
Eliminated on revaluation	重估對銷	(1,195)	—	—	(1,195)
Eliminated on written off/disposal	撇銷／出售時對銷	—	(1,995)	(980)	(2,975)
Exchange differences	匯兌差額	—	79	190	269
At 31 March 2015	於二零一五年三月三十一日	—	1,322	233	1,555
Charge for the year	年內支出	1,047	80	37	1,164
Eliminated on revaluation	重估對銷	(1,047)	—	—	(1,047)
Eliminated on written off/disposal	撇銷／出售時對銷	—	(30)	—	(30)
Exchange differences	匯兌差額	—	(17)	(11)	(28)
At 31 March 2016	於二零一六年三月三十一日	—	1,355	259	1,614
CARRYING AMOUNTS	賬面值				
At 31 March 2016	於二零一六年三月三十一日	35,461	319	53	35,833
At 31 March 2015	於二零一五年三月三十一日	36,164	87	95	36,346

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16. PROPERTY, PLANT AND EQUIPMENT

(Continued)

The analysis of the cost or valuation of the above assets is as follows:

16. 物業、廠房及設備(續)

上述資產之成本或估值分析如下：

		Leasehold land and buildings 租賃土地及 樓宇 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總額 HK\$'000 千港元
As at 31 March 2016	於二零一六年三月三十一日				
At cost	成本	—	1,674	312	1,986
At valuation	估值	35,461	—	—	35,461
		35,461	1,674	312	37,447
As at 31 March 2015	於二零一五年三月三十一日				
At cost	成本	—	1,409	328	1,737
At valuation	估值	36,164	—	—	36,164
		36,164	1,409	328	37,901

The leasehold land and buildings of the Group were revalued on 31 March 2016 and 2015 by Roma Appraisals Limited, an independent qualified professional valuer not connected with the Group, at approximately HK\$35,461,000 (2015: HK\$36,164,000).

The fair value of the leasehold land and buildings were determined based on the depreciated replacement costs approach. The value of the leasehold land and buildings are based on an estimate of the market value for existing use of the land, plus current cost of replacement of the existing structures less deductions for physical deterioration and all relevant forms of obsolescence and optimisation. There has been no change to the valuation technique during the year.

本集團之租賃土地及樓宇於二零一六年及二零一五年三月三十一日由羅馬國際評估有限公司(為與本集團並無關連之獨立專業合資格估值師)重估，估值約為35,461,000港元(二零一五年：36,164,000港元)。

租賃土地及樓宇之公平值根據折舊重置成本法釐定。租賃土地及樓宇之價值乃基於土地現時用途之估計市值，加上現有構築物之當前置換成本，再減去物質損耗扣減及所有相關形式之報廢及優化。年內，估值技巧並未發生變動。

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16. PROPERTY, PLANT AND EQUIPMENT

(Continued)

One of the key unobservable inputs used in valuing the building was the replacement costs of HK\$2,290 (2015: HK\$2,390) per square meter.

The fair value measurement of leasehold land and building is grouped into Level 3 and there were no transfers into or out of level during the year.

If the leasehold land and buildings had not been revalued, they would have been included in the consolidated financial statements at historical cost less accumulated depreciation of HK\$26,837,000 (2015: HK\$27,884,000).

The leasehold land and buildings were located in the PRC under medium-term lease.

17. INTERESTS IN ASSOCIATES

On 27 April 2013, the Company entered into the conditional sale and purchase agreement to acquire 450,000,000 ordinary shares of Extrawell, a listed company in Hong Kong, of par value HK\$0.01 each from JNJ (a company in which 33.33% equity interest is beneficially owned by each of Dr. Mao and Dr. Xie – see note 35), at a consideration of HK\$288,000,000, which was satisfied by issuance of convertible bonds in the principal amount of HK\$288,000,000 by the Company. On 25 October 2013, since all conditions precedent to the abovementioned acquisition were fulfilled, the acquisition of the Extrawell's shares was completed on 25 October 2013, of which 370,000,000 ordinary shares of Extrawell was acquired by issuance of convertible bonds (Convertible Bonds I – see Note 29) in the principal amount of HK\$236,800,000, and the remaining 80,000,000 ordinary shares of Extrawell were acquired on 27 December 2013 by issuance of Convertible Bonds I in the principal amount of HK\$51,200,000.

16. 物業、廠房及設備(續)

重置成本每平方米2,290港元(二零一五年: 2,390港元)為對樓宇進行估值時採用之不可觀察關鍵輸入數據之一。

租賃土地及樓宇之公平值計量屬第三級，且於年內各級別並無轉入或轉出。

倘租賃土地及樓宇並無重估，則按歷史成本減累計折舊26,837,000港元(二零一五年: 27,884,000港元)計入綜合財務報表。

租賃土地及樓宇位於中國，根據中期租賃持有。

17. 於聯營公司的權益

於二零一三年四月二十七日，本公司訂立有條件買賣協議，自JNJ（一間分別由本公司股東毛博士及謝博士各實益擁有33.33%及33.33%權益之公司－見附註35）收購精優（一間香港上市公司）450,000,000股每股面值0.01港元之普通股，代價為288,000,000港元。該款項由本公司發行本金額為288,000,000港元之可換股債券支付。於二零一三年十月二十五日，由於上文所述收購的先決條件均獲達成，收購精優已於二零一三年十月二十五日完成，其中370,000,000股精優普通股乃透過發行本金額為236,800,000港元之可換股債券（可換股債券－見附註29）購得，而餘下80,000,000股精優普通股乃透過發行本金額為51,200,000港元之可換股債券於二零一三年十二月二十七日購得。

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17. INTERESTS IN ASSOCIATES (Continued)

As a result of the change in the composition of the board of directors and the percentage of voting rights in shareholders' and board of directors' meetings on 29 November 2013, the Group was no longer in a position to exercise control over Longmark (Shanghai). Since then, Longmark (Shanghai) ceased to be subsidiaries of the Group and became an associate of the Group.

17. 於聯營公司的權益(續)

由於於二零一三年十一月二十九日之董事會組成及股東大會及董事會會議之投票比例發生變動，本集團不再對龍脈(上海)行使控制權。自此，龍脈(上海)已不再為本集團附屬公司，而成為本集團之聯營公司。

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Cost of investment in associates	聯營公司投資成本		
– Listed in Hong Kong (Note a)	– 於香港上市(附註a)	476,841	476,841
Share of post-acquisition losses and other comprehensive expense	應佔收購後虧損及其他全面開支	89,493	81,548
Impairment loss on interest in associates (Note b)	於聯營公司權益之減值虧損(附註b)	(338,509)	(315,033)
Adjustment against non-controlling interests (Note c)	對非控股權益之調整(附註c)	(99,722)	(99,722)
		128,103	143,634
Fair value of listed investments (Note d)	上市投資之公平值(附註d)	128,103	146,403

Notes:

(a) The cost of investment in Extrawell represents the aggregate of (i) the fair value of the Convertible Bonds I with principal amount of HK\$236,800,000 issued by the Company on 25 October 2013 for the acquisition of 370,000,000 ordinary shares of Extrawell amounted to HK\$387,160,000; (ii) the fair value of the Convertible Bonds I with principal amount of HK\$51,200,000 issued by the Company on 27 December 2013 for the acquisition of 80,000,000 ordinary shares of Extrawell amounted to HK\$87,142,000; and (iii) further acquisition of 7,510,000 ordinary shares of Extrawell at cost of HK\$2,539,000 during the year ended 31 March 2015.

附註：

(a) 精優投資成本指(i)本公司為收購精優370,000,000股普通股(作價387,160,000港元)而於二零一三年十月二十五日所發行本金額為236,800,000港元的可換股債券一的公平值；(ii)本公司為收購精優80,000,000股普通股(作價87,142,000港元)而於二零一三年十二月二十七日所發行本金額為51,200,000港元的可換股債券一的公平值的總額；及(iii)於截至二零一五年三月三十一日止年度進一步以2,539,000港元收購精優7,510,000股普通股。

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

17. INTERESTS IN ASSOCIATES (Continued)

Notes: (Continued)

- (b) On 28 July 2014, when the Group purchased 51% equity interest in Smart Ascent from Extrawell (BVI), a wholly-owned subsidiary of Extrawell the Group recognised impairment loss of approximately HK\$29,218,000 in profit or loss which represented the difference between the fair value of the shares of Extrawell based on the share price of Extrawell and the carrying amount of interests in associates (including the interests in Smart Ascent held by Extrawell) before adjustment against non-controlling interests.

As at 31 March 2015, the directors of the Company have performed impairment assessment of the carrying amount of the interest in the associate. The recoverable amount of the interest in Extrawell (excluding the interest in Smart Ascent held by Extrawell) was determined based on the Group's share of present value of the estimated future cash flows expected to be generated by the associate. Accordingly, no further impairment loss was recognised in the profit or loss during the year ended 31 March 2015.

As at 31 March 2016, the Group recognised impairment loss of approximately HK\$23,476,000 in profit or loss which represented the difference between the fair value of the shares of Extrawell based on the share price of Extrawell and the carrying amount of interest in associate (including the interest in Smart Ascent held by Extrawell) before adjustment against non-controlling interests at the end of the reporting period.

- (c) During the year ended 31 March 2015, the Group has purchased 51% equity interest in Smart Ascent from Extrawell (BVI). Since Smart Ascent has become a non-wholly owned subsidiary of the Group and consequently Smart Ascent and its subsidiaries have been consolidated by the Group commencing from 28 July 2014, the amount of equity in SAL Group that is attributable to the remaining 49% interest in Smart Ascent held by Extrawell and included in the carrying amount of interest in Extrawell prior to the acquisition of Smart Ascent by the Group has been reclassified out of non-controlling interest (and interest in associate) and treated as part of equity attributable to owners of the Company to the extent of the Company's attributable equity interest in Extrawell which represented the share of equity in SAL Group attributable to the Company's ownership interest in Extrawell.
- (d) The fair value of listed investments is based on the quoted market bid price of the shares of Extrawell and hence include the value attributable to Extrawell's equity interest in the SAL Group; whereas the carrying amount of the Group's interest in Extrawell as an associate does not include that equity interest due to the adjustment against non-controlling interests (see note c above) and therefore is not directly comparable.

17. 於聯營公司的權益(續)

附註：(續)

- (b) 於二零一四年七月二十八日，於本集團自精優之全資附屬公司Extrawell (BVI)購入進生51%股權時，本集團於損益內確認減值損失約29,218,000港元，這代表根據精優股價釐定之股份公平值與於聯營公司之權益(包括由精優持有的進生之權益)在對非控股權益進行調整前之賬面值兩者間之差異。

於二零一五年三月三十一日，本公司董事已就聯營公司之權益之賬面值進行減值評估。精優權益之可收回款項(由精優持有之進生權益除外)乃根據預計由聯營公司產生之估計未來現金流之本集團應佔現值。據此，截至二零一五年三月三十一日止年度，並無進一步減值虧損之損益賬確認。

於二零一六年三月三十一日，本集團於損益內確認減值損失約23,476,000港元，指根據精優股價釐定之精優股份公平值與於聯營公司之權益(包括由精優持有的進生之權益)在於報告期間末對非控股權益進行調整前之賬面值兩者間之差異。

- (c) 於截至二零一五年三月三十一日止年度，本集團已自Extrawell (BVI)購買進生51%之股權。由於進生已成為本集團之非全資附屬公司，而隨後進生及其附屬公司已於二零一四年七月二十八日起綜合計入本集團，由精優所持有進生餘下49%權益應佔，且於本集團收購進生前計入精優權益賬面值之進生集團權益金額已由非控股權益(及於聯營公司的權益)中重新分類，按本公司應佔精優股權(即本公司於精優之擁有權益應佔之進生集團股權)為限，以本公司擁有人應佔權益處理。
- (d) 上市投資之公平值是根據精優股份的市場買入報價計算，因此包括此包括精優於進生集團權益應佔之價值，而本集團於精優作為聯營公司之權益之賬面值並未包括應付對非控股權益之調整之股本權益(見上文附註c)，因此不可直接進行比較。

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17. INTERESTS IN ASSOCIATES (Continued)

Details of each of the Group's associates at the end of the reporting period are as follows:

Name of associates 聯營公司名稱	Place of incorporation/ operation 註冊成立/ 經營地點	Principal place of operation 主要營業地點	Class of shares held 所持股份類別	Proportion of voting power held by the Company 本公司所持表決權比例		Proportion of nominal value of issued capital held by the Company 本公司所持已發行股本面值比例		Principal activity 主要業務
				2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年	
Extrawell	Bermuda	PRC	Ordinary shares	19.14%	19.14%	19.14%	18.83%	Development, manufacture and sale of pharmaceutical products
精優	百慕達	中國	普通股	19.14%	19.14%	19.14%	18.83%	開發、製造及銷售醫藥產品
Longmark (Shanghai)	PRC	PRC	Registered capital	33.33%	33.33%	49.78%	49.78%	Provision of health care management services
龍脈(上海)	中國	中國	註冊資本	33.33%	33.33%	49.78%	49.78%	提供健康管理服務

Summarised consolidated financial information in respect of the Group's material associate, Extrawell and its subsidiaries ("Extrawell Group"), is set out below. The summarised financial information below represents amounts shown in the Extrawell's consolidated financial statements prepared in accordance with HKFRSs.

17. 於聯營公司的權益(續)

本集團各聯營公司於報告期末的詳情如下：

有關本集團主要聯營公司精優及其附屬公司(「精優集團」)之財務資料概要載列如下。下文所載財務資料概要指根據香港財務報告準則編製之精優之綜合財務報表所列款項。

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17. INTERESTS IN ASSOCIATES (Continued)

17. 於聯營公司的權益(續)

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Current assets	流動資產	275,399	253,618
Non-current assets	非流動資產	885,454	885,025
Current liabilities	流動負債	115,182	117,180
Non-current liabilities	非流動負債	29,772	25,084
Non-controlling interests	非控股權益	(1,350)	4,489
Non-current assets include the following:	非流動資產包括下列項目：		
Property, plant and equipment	物業、廠房及設備	161,911	175,930
Intangible assets	無形資產	1,807	1,807
Investments in convertible bonds	可換股債券投資	362,960	349,220
Interest in an associate	聯營公司權益	333,866	335,466
Current assets include the following:	流動資產包括下列項目：		
Trade receivables	貿易應收賬款	57,019	57,568
Pledged bank deposits	已抵押銀行存款	20,053	19,971
Bank balances and cash	銀行結餘及現金	180,998	152,227
Current liabilities include the following:	流動負債包括下列項目：		
Accruals and other payables	應計費用及其他應付款項	68,614	66,134
Non-current liabilities include the following:	非流動負債包括下列項目：		
Convertible bonds	可換股債券	29,670	24,982

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17. INTERESTS IN ASSOCIATES (Continued)

17. 於聯營公司的權益(續)

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Revenue	收入	142,201	128,833
Profit/(loss) profit for the year	年內溢利／(虧損)		
– from continuing operations	– 來自持續經營業務	27,400	(52,238)
– from discontinued operation	– 來自已終止經營業務	–	607,543
Other comprehensive (expenses)/income	其他全面(開支)／收益	27,400 (7,880)	555,305 4,521
Profit and total comprehensive income for the year	年內溢利及全面收益	19,520	559,826
Fair value and other equity accounting adjustments	公平值及其他權益之會計調整	21,989	(112,935)
Proportion of the Group' ownership interest in Extrawell	本集團於精優之擁有權權益比例	41,509 19.14%	446,841 19.14%
Share of post-acquisition profits/(losses) and other comprehensive income/(expense) for the year	年內應佔收購後溢利／(虧損)及其他全面收益／(開支)	7,945	85,535
Unrealised gain on disposal of the SAL Group to the Group	向本集團出售進生集團之未變現收益	–	(85,240)
Share of results of associates	分佔聯營公司業績	7,945	295

The above profit for the year includes the following:

上述之年內溢利包括以下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	68	–
Gain on disposal of subsidiaries	出售附屬公司之收益	–	611,867

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17. INTERESTS IN ASSOCIATES (Continued)

Reconciliation of the above summarised consolidated financial information to the carrying amount of the interest in Extrawell recognised in the consolidated financial statements.

17. 於聯營公司的權益(續)

上文所載綜合財務資料概要與於綜合財務報表確認之精優權益賬面值之對賬。

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Net assets of Extrawell Group	精優集團之資產淨值	1,015,899	991,890
Less: Equity component of the convertible bonds issued by Extrawell	減：精優發行之可換股債券之權益部分	(512,359)	(512,359)
		503,540	479,531
Proportion of the Group's ownership interest in Extrawell	本集團於精優之擁有權權益比例	19.14%	19.14%
The Group's share of net assets of Extrawell	本集團應佔精優資產淨值	96,378	91,782
Goodwill	商譽	156,258	156,258
Adjustment against non-controlling interests	對非控股權益之調整	(99,722)	(99,722)
Impairment loss on interest in an associate	於聯營公司權益之減值虧損	(84,707)	(61,231)
Fair value and other equity accounting adjustments	公平值及其他權益之會計調整	59,896	56,547
Carrying amount of the Group's interest in Extrawell as an associate	本集團於聯營公司精優之權益之賬面值	128,103	143,634

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17. INTERESTS IN ASSOCIATES (Continued)

Information of associates that are not individually material

17. 於聯營公司的權益(續)

個別而言並不重大之聯營公司之資料

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
The Group's share of loss and total comprehensive expense for the year	本集團應佔年內虧損及全面開支總額	—	—
Carrying amount of the Group's interests in these associates	本集團於該等聯營公司權益之賬面值	—	—
The unrecognised share of loss of an associate for the year	年內未確認之應佔聯營公司虧損	(5,938)	(4,287)
Cumulative unrecognised share of loss of an associate	累計未確認之應佔聯營公司虧損	(10,567)	(4,629)

18. INVESTMENTS IN CONVERTIBLE BONDS

On 27 April 2013, the Company entered into the conditional sale and purchase agreement to acquire (i) convertible bonds issued by Extrawell in an aggregate principal amount of HK\$320,650,000 ("Sale CB-I") from Dr. Mao at an aggregate consideration of HK\$320,000,000 ("Consideration I"); and (ii) convertible bonds issued by Extrawell in an aggregate principal amount up to HK\$256,520,000 ("Sale CB-II"), from Dr. Mao at an aggregate consideration up to a maximum amount of HK\$256,000,000 ("Consideration II"). Consideration I was satisfied by the payment of cash amounting to HK\$120,000,000 and issuance of convertible bonds in the principal amount of HK\$200,000,000 by the Company. Consideration II will be satisfied by the issuance of convertible bonds in the principal amount of HK\$256,000,000 in four batches by the Company.

18. 於可換股債券的投資

於二零一三年四月二十七日，本公司訂立有條件買賣協議，以(i)自毛博士收購精優發行本金總額為320,650,000港元的可換股債券(「待售可換股債券一」)，總代價為320,000,000港元(「代價一」)；及(ii)自毛博士收購由精優發行本金總額最高為256,520,000港元的可換股債券(「待售可換股債券二」)，總代價最高為256,000,000港元(「代價二」)。代價一由本公司通過現金代價120,000,000港元及發行本金額為200,000,000港元之可換股債券支付。代價二將由本公司通過分四批發行本金額為256,000,000港元之可換股債券支付。

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18. INVESTMENTS IN CONVERTIBLE BONDS

(Continued)

The Sale CB-I and Sale CB-II (collectively referred to as the "Sale CBs") are zero coupon convertible bonds, with a maturity date of the twentieth anniversary of the issue date and are denominated in HK\$. The Sale CBs entitle the bond holders to convert them into shares of Extrawell at any time during the period commencing from the date of issuance up to the seventh business day prior to the maturity of the Sale CBs, at the conversion price per share of HK\$0.6413, subject to anti-dilutive clauses.

The fair values of the Sale CBs and its components on initial recognition and of the derivative component as at 31 March 2016 and 2015 are determined based on the valuation conducted by an independent professional valuer. The movements of the debt components and derivative components of Sale CBs for the year are set out as below:

18. 於可換股債券的投資(續)

待售可換股債券一及待售可換股債券二(統稱「待售可換股債券」)為零息可換股債券，到期日為發行日期起計二十週年當日，以港元計值。待售可換股債券賦予債券持有人權利，自發行日期起直至待售可換股債券到期日前第七個營業日內，隨時將可換股債券兌換為精優股份，轉換價為每股股份0.6413港元，惟須受反攤薄條款限制。

待售可換股債券及其初步確認及衍生部分於二零一六年及二零一五年三月三十一日之公平值乃基於獨立專業估值師進行之估值而釐定。年內待售可換股債券債務部分及衍生部分之變動載列如下：

		Debt component 債務部分 HK\$'000 千港元	Derivative component 衍生部分 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 1 April 2014	於二零一四年四月一日	13,245	195,695	208,940
Acquisition of Sale CB-II – first batch	收購待售可換股債券二 – 第一批	2,572	37,571	40,143
Acquisition of Sale CB-II – second batch	收購待售可換股債券二 – 第二批	2,628	31,010	33,638
Acquisition of Sale CB-II – third batch	收購待售可換股債券二 – 第三批	2,533	30,014	32,547
Effective interest income (note 8)	實際利息收入(附註8)	3,053	–	3,053
Change in fair value (note 8)	公平值變動(附註8)	–	(60,953)	(60,953)
At 31 March 2015	於二零一五年三月三十一日	24,031	233,337	257,368
Acquisition of Sale CB-II – forth batch	收購待售可換股債券二 – 第四批	2,801	52,199	55,000
Effective interest income (note 8)	實際利息收入(附註8)	5,696	–	5,696
Change in fair value (note 8)	公平值變動(附註8)	–	(58,509)	(58,509)
As at 31 March 2016	於二零一六年三月三十一日	32,528	227,027	259,555

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18. INVESTMENTS IN CONVERTIBLE BONDS

(Continued)

The acquisition of Sale CB-I was completed on 25 October 2013. The acquisitions of the first, second and third batches of Sale CB-II, each batch having a principal amount of HK\$64,130,000, were completed on 24 April 2014, 30 August 2014 and 31 December 2014, respectively. The acquisition of the fourth batch of Sale CB-II was completed on 30 April 2015.

During the year ended 31 March 2016, the Group recognised (i) loss on acquisition of investments in convertible bonds of approximately HK\$62,161,000 in profit or loss which is resulted from the difference between the fair value of Consideration II of HK\$117,161,000 satisfied by the issuance of convertible bonds in the aggregate principal amount of HK\$64,000,000 by the Company and the aggregate fair value of investments in convertible bonds of HK\$55,000,000 as at acquisition date; and (ii) subsequent decrease in fair value of the derivative component of investments in convertible bonds of HK\$58,509,000 as at 31 March 2016.

During the year ended 31 March 2015, the Group recognised (i) a loss on acquisition of investments in convertible bonds of approximately HK\$277,821,000 in profit or loss which is resulted from the difference between the fair value of Consideration II of HK\$384,149,000 satisfied by the issuance of convertible bonds in the aggregate principal amount of HK\$192,000,000 in three batches by the Company and the aggregate fair value of investments in convertible bonds of HK\$106,328,000 as at the respective acquisition dates; and (ii) subsequent decrease in fair value of the derivative component of investments in convertible bonds of HK\$60,953,000 as at 31 March 2015.

18. 於可換股債券的投資(續)

收購待售可換股債券一已於二零一三年十月二十五日完成。收購本金總額各為64,130,000港元之第一批、第二批及第三批之待售可換股債券二，分別於二零一四年四月二十四日、二零一四年八月三十日及二零一四年十二月三十一日完成。第四批之待售可換股債券二已於二零一五年四月三十日完成。

截至二零一六年三月三十一日止年度，本集團於損益賬(i)確認收購可換股債券投資之虧損約62,161,000港元，乃由於本公司透過發行本金總額為64,000,000港元之可換股債券支付的代價二之公平值117,161,000港元與於收購日期可換股債券投資之公平值總額55,000,000港元之差額產生；及(ii)可換股債券投資之衍生部分之公平值於二零一六年三月三十一日進一步減少58,509,000港元。

截至二零一五年三月三十一日止年度，本集團於損益賬(i)確認收購可換股債券投資之虧損約277,821,000港元，乃由於本公司透過發行本金總額為192,000,000港元之第三批可換股債券支付的代價二之公平值384,149,000港元與於各收購日期可換股債券投資之公平值總額106,328,000港元之差額產生；及(ii)確認於可換股債券投資之衍生部分之公平值於二零一五年三月三十一日進一步減少60,953,000港元。

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18. INVESTMENTS IN CONVERTIBLE BONDS

(Continued)

As at 31 March 2016, the carrying amounts of the debt and the derivative components of the investments in convertible bonds are HK\$32,528,000 (2015: HK\$24,031,000) and HK\$227,027,000 (2015: HK\$233,337,000) respectively.

At 31 March 2016

		25.10.2013 二零一四年 十月二十五日	24.04.2014 二零一四年 四月二十四日	30.08.2014 二零一四年 八月三十日	31.12.2014 二零一四年 十二月三十一日	30.4.2015 二零一五年 四月三十日	31.03.2016 二零一六年 三月三十一日
Stock price	股價	HK\$0.485港元	HK\$0.4港元	HK\$0.335港元	HK\$0.325港元	HK\$0.55港元	HK\$0.28港元
Exercise price	行使價	HK\$0.6413港元	HK\$0.6413港元	HK\$0.6413港元	HK\$0.6413港元	HK\$0.6413港元	HK\$0.6413港元
Discount rate	貼現率	17.98%	18.21%	18.44%	19.04%	18.76%	19.92%
Risk-free rate (note a)	無風險利率(附註a)	2.42%	2.7%	2.28%	2.24%	1.81%	1.62%
Expected volatility (note b)	預期波幅(附註b)	53.00%	63.71%	62.61%	61.73%	58.62%	59.44%
Expected dividend yield (note c)	預期股息收益率(附註c)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

At 31 March 2015

		25.10.2013 二零一三年 十月二十五日	24.04.2014 二零一四年 四月二十四日	30.08.2014 二零一四年 八月三十日	31.12.2014 二零一四年 十二月三十一日	31.03.2015 二零一五年 三月三十一日
Stock price	股價	HK\$0.485港元	HK\$0.4港元	HK\$0.335港元	HK\$0.325港元	HK\$0.32港元
Exercise price	行使價	HK\$0.6413港元	HK\$0.6413港元	HK\$0.6413港元	HK\$0.6413港元	HK\$0.6413港元
Discount rate	貼現率	17.98%	18.21%	18.44%	19.04%	18.52%
Risk-free rate (note a)	無風險利率(附註a)	2.42%	2.7%	2.28%	2.24%	1.72%
Expected volatility (note b)	預期波幅(附註b)	53.00%	63.71%	62.61%	61.73%	60.46%
Expected dividend yield (note c)	預期股息收益率(附註c)	0.00%	0.00%	0.00%	0.00%	0.00%

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 Extrawell over the bond period.
- (c) Estimated by reference to the historical dividend payout of Extrawell.

18. 於可換股債券的投資(續)

於二零一六年三月三十一日，債務及可換股債券投資衍生部分之賬面值分別為32,528,000港元(二零一五年：24,031,000港元)及227,027,000港元(二零一五年：233,337,000港元)。

截至二零一六年三月三十一日

截至二零一五年三月三十一日

附註：

- (a) 該利率乃參考於估值日期香港政府債券及庫券的孳息率釐定。
- (b) 基於債券期間精優的過往股價波幅。
- (c) 就精優的過往股息派付估計。

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19. INTANGIBLE ASSETS

19. 無形資產

**In-process
R & D**
研發過程
HK\$'000
千港元

COST AND CARRYING VALUES

At 1 April 2015 and 31 March 2016

成本及賬面值

於二零一五年四月一日及

二零一六年三月三十一日

1,373,224

The in-process research and development project (the "In-process R&D") represented an in-process research and development project involving an oral insulin product ("the Product"). The patents of an invention "a method of production of oil-phase preparation of oral insulin (一種製備口服胰島素油相製劑的方法)" in relation to the Product are registered under the joint names of Fosse Bio-Engineering Development Limited ("Fosse Bio") and Tsinghua University, Beijing ("THU") granted by State Intellectual Property Office of the PRC and United States Patent and Trademark Office of the United States of America granted on 4 August 2004 and 28 March 2006 respectively and will be expired on 20 April 2021 and 12 April 2022 respectively. Fosse Bio is a subsidiary of Smart Ascent, which became a subsidiary of the Company upon completion of the acquisition on 28 July 2014. In addition, Fosse Bio and THU have entered into the agreements in 1998 (the "THU Collaboration Arrangement") in connection with the research and development of the Product. Pursuant to the THU Collaboration Arrangement, which expires in 2018, Fosse Bio would be entitled to commercialise the relevant technologies of the Product and to manufacture and sell the Product on an exclusive basis, and THU is entitled to 1.5% of Fosse Bio's annual sales upon commercialisation of the Product. Accordingly, Fosse Bio has the exclusive right for the commercialisation of the Product for the duration of the unexpired term of the THU Collaboration Agreement.

現正進行之研發項目(「研發過程」)指涉及口服胰島素產品(「產品」)正在進行的研發項目。一項有關該產品之「一種製備口服胰島素油相製劑的方法」之專利以福仕生物工程(「福仕」)及北京清華大學(「清華大學」)共同名義登記，並由中國國家知識產權局及美國國家專利及商標局分別於二零零四年八月四日及二零零六年三月二十八日授出，並將分別於二零二一年四月二十日及二零二二年四月十二日到期。福仕是進生之附屬公司，並於本公司在二零一四年七月二十八日完成收購後成為本公司之附屬公司。此外，福仕及清華大學於一九九八年簽訂多項有關研發該產品之協議(「合作研發協議」)。根據該將於二零一八年到期之合作研發協議，福仕有權商品化該產品之有關技術及獨家生產及銷售該產品，而清華大學有權於該產品商品化完成後享有福仕1.5%之年銷售額。據此，福仕在合作研發協議中未屆滿年期內擁有商品化該產品之專有權。

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19. INTANGIBLE ASSETS (Continued)

The recoverable amount of the In-process R&D is determined based on fair value calculations. The fair value calculations used cash flow projections prepared by the management using certain key assumptions, which were selected by the management on assumption that any reasonably possible change in any of these assumptions would not cause the carrying amount of the In-process R&D to exceed the recoverable amount. The expected future economic benefits attributable to the In-process R&D approved by the management cover a 10-year period and a discount rate of 23.10% (2015: 27.99%) was used. Key assumptions for the fair value calculations were based on estimated cash inflows derived from budgeted sales and gross margins which were estimated based on management's expectations for the market development.

Furthermore, legal advisors of the Company have informed that if the THU collaboration agreement is early terminated or expired, Fosse Bio will no longer have the exclusive right of the commercialisation of the Product. Any of Fosse Bio or THU will have the right to independently commercialise the patented product without the consent of each other. However, given that THU is an educational unit and does not engage in commercialisation of the Product, the directors of the Company have prepared the cash flow projections for the 10-year period using the assumption that Fosse Bio will continue to have the exclusive right for commercialisation of the Product after 2018.

As at 31 March 2016, the directors of the Company have performed impairment assessments on the intangible assets by reference to the valuation conducted by Roma Appraisals Limited, an independent qualified valuer. The recoverable amount of the intangible assets is determined based on the estimated fair value of the In-process R&D. Based on the assessment, the recoverable amount of the Group's intangible assets is estimated to be higher than the carrying amount and therefore the directors of the Company considered that no impairment is necessary as at 31 March 2016 (2015: nil).

19. 無形資產(續)

研發過程之可收回金額乃按公平值計算法釐定。公平值計算法使用管理層使用若干主要假設編製之現金流量預測，而該等主要假設由管理層按任何該等假設之任何合理可能變化將不會導致研發過程之賬面值超出可收回金額之假設選擇。由管理層批准之研發過程應佔之預期未來經濟利益涵蓋10年期，並採用23.10%（二零一五年：27.99%）之貼現率。公平值計算法之主要假設基於由估算之銷售預算及毛利率得出之估計現金流入乃根據管理層對市場發展之預期作出。

此外，本公司之法律顧問已表示，假若合作研發協議提早終止或屆滿，福仕將不再擁有商品化該產品之專有權。福仕或清華大學任何一方將可獨立就該已申請專利之產品進行商品化，而毋須對方同意。然而，鑒於清華大學是一教育機構而並無參予該產品之商品化，本公司董事已就假設福仕將於二零一八年後繼續擁有商品化該產品之專有權，編製十年期之現金流量預測。

於二零一六年三月三十一日，本公司董事已經參考一名獨立合資格估值師－羅馬國際評估有限公司進行之估值對無形資產進行減值評估。無形資產之可收回金額乃根據研發過程的估計公平值釐定。根據有關評估，於二零一六年三月三十一日，鑑於本集團之無形資產的可收回金額估計高於有關賬面值，本公司董事認為毋須為本集團之無形資產作出減值準備（二零一五年：無）。

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20. TRADE RECEIVABLES

The Group's trading terms with customers are mainly on credit. The credit terms generally range from 30 to 180 days. Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management.

The following is an aged analysis of trade receivables as at 31 March 2016 and 2015, presented based on the invoice dates, which approximated the respective revenue recognition dates at the end of the reporting period.

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
30 days or less	30日或以下	—	2,610
31 to 60 days	31至60日	—	1,765
61 to 90 days	61至90日	—	2,929
91 to 180 days	91至180日	—	2,688
		—	9,992

The Group did not have trade debtor as at 31 March 2016 (2015: The Group's trade debtor was an aggregate carrying amount of HK\$2,688,000 which was past due and for which the Group did not make a provision for impairment).

The Group did not hold any collateral over these balances.

Ageing of trade receivables which were past due but not impaired:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
30 days or less	30日或以下	—	2,688

20. 貿易應收賬款

本集團與客戶之交易條款大部分以信貸方式進行，信貸期通常介乎30至180日不等。每名客戶均設有最高信貸限額。新客戶一般須預先付款。本集團致力嚴格控制未收回之應收款項，高級管理層會定期審閱逾期餘款。

於二零一六年及二零一五年三月三十一日，根據發票日期（與有關收入於報告期末之確認日期相若）呈列之貿易應收賬款之賬齡分析如下。

於二零一六年三月三十一日，本集團並無貿易債務（二零一五年：本集團貿易債務之總賬面值為2,688,000港元，已逾期且本集團並未就此作出減值撥備）。

本集團並無就該等結餘持有任何抵押品。

已逾期但未減值之貿易應收賬款之賬齡：

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21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

21. 預付款項、按金及其他應收款項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Rental, management fee and other deposits	租金、管理費及其他按金	2,208	613
Deposits paid (Note)	已付按金(附註)	150,832	1,898
Others	其他	219	5,464
Total	總計	153,259	7,975

Note: Included in deposits paid was an amount of HK\$150,000,000 (2015: Nil) which was paid to an Escrow Agent as an Escrow Fund in connection with a proposed capital injection into a joint venture pursuant to a capital injection agreement entered into by the Group with other parties on 30 March 2016 ("the Capital Injection Agreement"). Subsequent to the end of the reporting period on 6 June 2016, the Capital Injection Agreement was lapsed as certain conditions pursuant to the Capital Injection Agreement were not fulfilled up to that date. The Escrow Fund deposited was fully refunded to the Group on 7 June 2016.

附註：已付按金中，150,000,000港元（二零一五年：無）已付予託管代理作為有關根據本集團與其他人士於二零一六年三月三十日訂立之注資協議（「注資協議」）建議向合營企業注資之託管基金。於報告期末後，於二零一六年六月六日，注資協議已失效，因為由於根據注資協議的若干條件截至該日未達成。存入的託管基金已於二零一六年六月七日全數退回本集團。

22. AVAILABLE-FOR-SALE FINANCIAL ASSETS

22. 可供出售金融資產

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Listed investments	上市投資		
Bonds listed outside Hong Kong	於香港以外上市之債券	1,957	2,467
Equity securities listed in Hong Kong	於香港上市之股票證券	1,892	2,051
Equity securities listed outside Hong Kong	於香港以外上市之股票證券	3,072	2,369
		6,921	6,887
Analysed as	按以下分析		
Current	流動	—	—
Non-current	非流動	6,921	6,887
Total	總計	6,921	6,887

The fair values of these listed bonds and shares are based on market bid prices at the end of each reporting period.

此等上市債券的公平值是根據各報告期末的市場買盤價釐定。

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23. BANK BALANCES AND CASH

Bank balances and cash comprise cash and bank balances held by the Group with original maturity of three months or less and carry interest at prevailing deposit rates which range from 0.01% to 0.72% (2015: 0.01% to 0.72%) per annum.

24. TRADE PAYABLES

The aging analysis of trade payables, based on the invoice date at the end of the reporting period, is as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
30 days or less	30日或以下	—	2,541
31 to 60 days	31至60日	—	1,714
61 to 180 days	61至180日	8	2,844
		8	7,099

The average credit period on purchase of goods normally range from 60 days to 90 days.

23. 銀行結餘及現金

銀行結餘及現金包括本集團持有之現金及銀行結餘，原到期日為三個月或更短時間，按現有存款利率計息，利率介乎每年0.01%至0.72%（二零一五年：0.01%至0.72%）。

24. 貿易應付賬款

於報告期末，貿易應付賬款按發票日期呈列之賬齡分析如下：

購買貨品之平均信貸期通常介乎60日至90日。

25. FUNDS RECEIVED IN ADVANCE

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Deposits for Convertible Bond	可換股債券之按金	50,000	—

The deposits were received by the Company from a subscriber in relation to the Convertible Bonds to be issued by the Company in an aggregate principal amount of HK\$50,000,000. The Convertible Bonds were issued by the Company subsequent to the end of the reporting period on 13 April 2016 (note 36).

25. 預收資金

本公司就其將發行之本金總額為50,000,000港元的可換股債券自認購人收取該按金。可換股債券由本公司於報告期末後於二零一六年四月十三日發行（附註36）。

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26. LOAN TO A NON-CONTROLLING INTEREST AND AMOUNT DUE FROM THE SUBSIDIARY OF AN ASSOCIATE

26. 向非控股權益貸款及應收聯營公司之附屬公司款項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Loan to a non-controlling interest Fordnew (Note a)	向非控股權益貸款 福聯(附註a)	4,646	3,557
Amount due from the subsidiary of an associate Extrawell (BVI) (Note b)	應收聯營公司之附屬公司款項 精優(BVI)(附註b)	16,192	10,378

Notes:

- (a) This represents a loan made by Smart Ascent to Fordnew Industrial Limited ("Fordnew") pursuant to the loan agreement dated 25 May 2011. The loan is unsecured and non-interest bearing. Details of the loan are disclosed in note 27(c) to these consolidated financial statements.

On 7 April 2014, Fordnew made a drawdown notice amounting to about HK\$2,789,000, and prior to the completion of Acquisition on 28 July 2014, the aggregate utilised and unutilised balances were HK\$10,579,000 and HK\$19,421,000 respectively.

As at 31 March 2015, principal amounts of HK\$4,807,000, HK\$1,190,000 and HK\$4,582,000 were required to be repaid after 8 years from April 2011, April 2012 and April 2014 respectively. Accordingly, the balance is classified as non-current. Such non-current interest-free loan to a non-controlling interest is recognised at its fair value of HK\$2,977,000 upon the acquisition of Smart Ascent with an effective interest rate of 26.99% per annum. During the year ended 31 March 2016, imputed interest income of HK\$1,089,000 (2015: HK\$580,000) has been credited to profit or loss.

- (b) As at 31 March 2016, the directors of the Company expect that they will not demand for repayment within one year from the end of the reporting period. Accordingly, the balance is classified as non-current. Such non-current interest-free amount due from the subsidiary of an associate is recognised at its fair value of HK\$16,192,000 (2015: HK\$10,378,000) with an effective interest rate of 26.99% per annum. During the year ended 31 March 2016, imputed interest income of HK\$5,814,000 (2015: Nil) has been credited to consolidated statement of profit or loss and other comprehensive income.

附註：

- (a) 指進生根據日期為二零一一年五月二十五日之貸款協議向福聯實業有限公司(「福聯」)授出之貸款。該貸款為無抵押及無利息。貸款詳情於綜合財務報表附註27(c)內披露。

於二零一四年四月七日，福聯發出一金額約為2,789,000港元之提款通知書，而於二零一四年七月二十八日之收購完成前，已使用及未使用之款項總額分別為10,579,000港元及19,421,000港元。

於二零一五年三月三十一日，本金金額4,807,000港元、1,190,000港元及4,582,000港元分別需於二零一一年四月、二零一二年四月及二零一四年四月起計八年後償還。據此，該款項會被分類為非即期。在以實際年利率26.99%收購進生後，該借予非控股權益之非即期無利息貸款2,977,000港元之公平值已被確認。截至二零一六年三月三十一日止年度，1,089,000港元(二零一五年：580,000港元)之估算利息收入已被記錄於損益。

- (b) 於二零一六年三月三十一日，本公司董事預期彼等不會於報告期末起計一年內償還。因此，該結餘分類為非即期。該應收聯營公司附屬公司之非即期無息款項已按其公平值16,192,000港元(二零一五年：10,378,000港元)確認，實際年利率為26.99%。截至二零一六年三月三十一日止年度，5,814,000港元(二零一五年：無)之估算利息收入已被記錄於綜合損益及其他全面收益表。

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27. AMOUNTS DUE TO NON-CONTROLLING INTERESTS AND FORMER NON-CONTROLLING INTERESTS, AMOUNT DUE TO THE SUBSIDIARY OF AN ASSOCIATE AND LOAN FROM A NON-CONTROLLING INTEREST

27. 應付非控股權益及前非控股權益款項，應付聯營公司之附屬公司款項及來自非控股權益的貸款

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Amounts due to non-controlling interests	應付非控股權益款項		
Fordnew (Notes a and b)	福聯(附註a及b)	22,351	22,351
Groupmark Investment Group Limited (Notes a and b)	Groupmark Investment Group Limited(附註a及b)	520	520
		22,871	22,871
Amounts due to former non-controlling interests	應付前非控股權益款項		
Zheng Chang Xue (Notes a and b)	鄭昌學(附註a及b)	559	559
Hou Shi Chang (Notes a and b)	侯世昌(附註a及b)	165	165
Feel So Good Limited (Notes a and b)	Feel So Good Limited (附註a及b)	99	99
		823	823
Amount due to the subsidiary of an associate	應付聯營公司之附屬公司款項		
Extrawell (BVI) (Note a)	精優(BVI)(附註a)	41,947	41,947
Loan to a non-controlling interest	向非控股權益貸款		
Fordnew (Note c)	福聯(附註c)	4,646	3,557

Notes:

- (a) The amounts are unsecured, interest-free and have no fixed terms of repayment.
- (b) The amounts represent contributions made by non-controlling interests of Fosse Bio in respect of working capital and operation funds for the further clinical trials of the oral insulin project. The amounts due to non-controlling interests and former non-controlling interests were respectively HK\$22,871,000 and HK\$823,000 at the date of Acquisition on 28 July 2014.
- (c) This represents a loan made by Fordnew to Fosse Bio pursuant to the loan agreement entered into between Smart Ascent and Fordnew on 25 May 2011. The loan is unsecured and non-interest bearing. Details of the loan are disclosed in note 26(a) to these consolidated financial statements.

附註：

- (a) 該款項為無抵押，免息及具有無固定償還條款。
- (b) 該款項指非控股權益為福仕就該營運資金及口服胰島素項目的進一步臨床試驗的經營資金之供款。於收購日期二零一四年七月二十八日，該應付非控股權益款項及非控股權益款項分別為22,871,000港元及823,000港元。
- (c) 這表示福聯根據於二零一一年五月二十五日進生與福聯簽訂債權協議借予福仕之貸款為無抵押及無利息。貸款內容詳見綜合財務報表附註26(a)。

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28. DEFERRED TAX LIABILITIES

The following are the major deferred tax liabilities recognised by the Group and the movement thereon during the current year and prior year.

28. 遞延稅項負債

以下為本集團確認之主要遞延稅項負債及其於本年度及先前年度之變動。

		Intangible assets and revaluation of leasehold land and buildings 無形資產及重估租賃土地及樓宇 HK\$'000 千港元
At 1 July 2014	於二零一四年七月一日	1,934
Charged to other comprehensive income	於其他全面收益扣除	237
Exchange differences	匯兌差額	3
At 31 March 2015	於二零一五年三月三十一日	2,174
Charged to other comprehensive income	於其他全面收益扣除	271
Exchange differences	匯兌差額	(1)
At 31 March 2016	於二零一六年三月三十一日	2,444

At 31 March 2016, the Group had estimated unused tax losses of HK\$48,559,000 (2015: HK\$48,559,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams. These tax losses have not been agreed by the relevant authorities.

於二零一六年三月三十一日，本集團估計有未動用稅項虧損48,559,000港元（二零一五年：48,559,000港元），可用作抵銷日後溢利。由於未能預測日後溢利流量，故並無就有關稅項虧損確認遞延稅項資產。有關當局尚未議定稅項虧損。

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29. CONVERTIBLE BONDS

The movement of liability component of Convertible Bonds issued by the Company is set out below:

		Convertible Bonds	Convertible Bonds I	Convertible Bonds II	Convertible Bonds III	Convertible Bonds IV	Total
		可換股債券	可換股債券一	可換股債券二	可換股債券三	可換股債券四	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2014	於二零一四年四月一日	853	51,375	-	-	-	52,228
Issuance of Convertible Bonds	發行可換股債券	-	-	21,115	233,547	-	254,662
Interest charges	利息開支	64	12,102	2,946	37,245	-	52,357
Conversion to ordinary shares	轉換為普通股	(917)	(6,930)	-	-	-	(7,847)
At 31 March 2015	於二零一五年三月三十一日	-	56,547	24,061	270,792	-	351,400
Issuance of Convertible Bonds	發行可換股債券	-	-	-	-	7,790	7,790
Interest charges	利息開支	-	13,251	5,941	32,593	1,664	53,449
Conversion to ordinary shares	轉換為普通股	-	(9,494)	-	-	-	(9,494)
At 31 March 2016	於二零一六年三月三十一日	-	60,305	30,002	303,385	9,454	403,146

Convertible Bonds

Pursuant to the placing agreement and subscription agreement entered on 18 February 2013, the Company issued convertible bonds ("Convertible Bonds") with coupon rate of 0.1% per annum and an aggregate principal amount of HK\$133,000,000 at par on 11 June 2013. The Convertible Bonds mature on the tenth anniversary of the date of issue.

The Convertible Bonds entitle the bond holders to convert them into shares of the Company at any time within 10 years from the date of issue of the convertible bonds, at the Conversion price per share of HK\$0.4, subject to anti-dilutive clauses.

During the year ended 31 March 2015, Convertible Bonds of an aggregate principal amounts of HK\$6,800,000 were converted into ordinary shares of the Company.

29. 可換股債券

本公司發行之可換股債券之負債部分變動載列如下：

可換股債券

根據二零一三年二月十八日訂立之配售協議及認購協議，本公司於二零一三年六月十一日按面值發行票面年息率0.1%之可換股債券（「可換股債券」），本金總額為133,000,000港元。可換股債券於發行日期起計十週年當日到期。

可換股債券賦予債券持有人權利，於發行可換股債券日期後十年內隨時將可換股債券兌換為本公司股份，轉換價為每股股份0.4港元，須受反攤薄條款限制。

截至二零一五年三月三十一日止年度，本金總額為6,800,000港元之可換股債券已轉換為本公司普通股。

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29. CONVERTIBLE BONDS (Continued)

The movement of liability component of the Convertible Bonds for the year is set out below:

		Principal amount 本金額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
As at 1 April 2014	於二零一四年四月一日	6,800	853
Interest charge	利息開支	–	64
Conversion to ordinary shares	轉換為普通股	(6,800)	(917)
31 March 2015	於二零一五年三月三十一日	–	–
31 March 2016	於二零一六年三月三十一日	–	–

Convertible Bonds I

The Company issued convertible bonds in an aggregate principal amount of HK\$436,800,000 and HK\$51,200,000 respectively on 25 October 2013 and 27 December 2013 (collectively referred to as “Convertible Bonds I”) for the acquisition of Sale CB-I and 450,000,000 ordinary shares of Extrawell. The Convertible Bonds I with a zero coupon rate mature on the tenth anniversary of the date of issue.

The Convertible Bonds I entitle the bond holders to convert them into shares of the Company at any time within 10 years from the date of issue of the Convertible Bonds I, at the conversion price per share of HK\$0.4, subject to anti-dilution clauses.

If the Convertible Bonds I have not been converted, they will be redeemed at par on the tenth anniversary of the date of issue.

29. 可換股債券(續)

年內可換股債券之負債部分之變動列載如下：

		Principal amount 本金額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
As at 1 April 2014	於二零一四年四月一日	6,800	853
Interest charge	利息開支	–	64
Conversion to ordinary shares	轉換為普通股	(6,800)	(917)
31 March 2015	於二零一五年三月三十一日	–	–
31 March 2016	於二零一六年三月三十一日	–	–

可換股債券一

本公司已於二零一三年十月二十五日及二零一三年十二月二十七日發行本金總額分別為436,800,000港元及51,200,000港元的可換股債券(統稱「可換股債券一」)，以收購待售可換股債券一及450,000,000股精優普通股。可換股債券一之票面息率為零，於發行日期起計十週年當日到期。

可換股債券一賦予債券持有人權利，於發行可換股債券日期後十年內隨時將可換股債券一轉換為本公司股份，轉換價為每股股份0.4港元，須受反攤薄條款限制。

倘可換股債券一未獲轉換，則將於發行日期起計十週年當日按面值予以贖回。

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29. CONVERTIBLE BONDS (Continued)

Convertible Bonds I (Continued)

The Convertible Bonds I are issued in HK\$. The fair values of the liability component were HK\$42,886,000 and HK\$4,981,000 for the Convertible Bonds I issued by the Company at 25 October 2013 and 27 December 2013 respectively, 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 fair values of the conversion option of HK\$671,267,000 and HK\$82,161,000 classified as equity component for the Convertible Bonds I issued by the Company at 25 October 2013 and 27 December 2013 respectively are calculated using the Binomial Model. The inputs into the model were as follows:

		25 October 2013 二零一三年 十月二十五日 Principal amount of HK\$436,800,000 本金額 436,800,000港元	27 December 2013 二零一三年 十二月二十七日 Principal amount of HK\$51,200,000 本金額 51,200,000港元
Stock price	股價	HK\$0.91	HK\$0.99
Exercise price	行使價	HK\$0.40	HK\$0.40
Discount rate	貼現率	26.12%	26.24%
Risk-free rate (note a)	無風險利率(附註a)	1.83%	2.32%
Expected volatility (note b)	預期波幅(附註b)	86.71%	85.53%
Expected dividend yield (note c)	預期股息收益率(附註c)	0.00%	0.00%

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 over the past bond period.
- (c) Estimated by reference to the historical dividend payout of the Company.

附註：

- (a) 該利率乃參考於估值日期香港政府債券及庫券的孳息率釐定。
- (b) 基於債券期間本公司的過往價格波幅。
- (c) 根據本公司的過往股息派付估計得出。

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29. CONVERTIBLE BONDS (Continued)

During the year ended 31 March 2016, Convertible Bonds I with aggregate principal amounts of HK\$64,000,000 (2015: HK\$60,400,000) were converted into ordinary shares of the Company.

The movement of liability component of Convertible Bonds I for the year is set out below:

		Principal amount 本金額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
As at 1 April 2014	於二零一四年四月一日	476,000	51,375
Interest charge	利息開支	–	12,166
Conversion to ordinary shares	轉換為普通股	(60,400)	(6,994)
31 March 2015	於二零一五年三月三十一日	415,600	56,547
Interest charge	利息開支	–	13,251
Conversion to ordinary shares	轉換為普通股	(64,000)	(9,493)
31 March 2016	於二零一六年三月三十一日	351,600	60,305

Convertible Bonds II

The Company issued convertible bonds in an aggregate principal amount of HK\$64,000,000, HK\$64,000,000 and HK\$64,000,000 respectively on 24 April 2014, 30 August 2014 and 31 December 2014 (collectively referred to as "Convertible Bonds II") for the acquisition of Sale CB-II first batch, second batch and third batch respectively. The Convertible Bonds II with zero coupon rate will mature on the tenth anniversary of the date of issue.

The Convertible Bonds II entitle the bond holders to convert them into shares of the Company at any time within 10 years from the date of issue of the Convertible Bonds II, at the initial conversion price per share of HK\$0.4, subject to anti-dilution clauses.

29. 可換股債券 (續)

截至二零一六年三月三十一日止年度，本金總額為64,000,000港元(二零一五年：60,400,000港元)之可換股債券一被轉換為本公司普通股。

年內可換股債券一之負債部分之變動列載如下：

	Principal amount 本金額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
As at 1 April 2014	476,000	51,375
Interest charge	–	12,166
Conversion to ordinary shares	(60,400)	(6,994)
31 March 2015	415,600	56,547
Interest charge	–	13,251
Conversion to ordinary shares	(64,000)	(9,493)
31 March 2016	351,600	60,305

可換股債券二

本公司已於二零一四年四月二十四日、二零一四年八月三十日及二零一四年十二月三十一日發行本金總額分別為64,000,000港元、64,000,000港元及64,000,000港元的可換股債券(統稱「可換股債券二」)，以分別收購第一批、第二批及第三批待售可換股債券二。可換股債券二之票面息率為零，於發行日期起計十週年當日到期。

可換股債券二賦予債券持有人權利，於發行可換股債券二日期後十年內隨時將可換股債券二轉換為本公司股份，初始轉換價為每股股份0.4港元，須受反攤薄條款限制。

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29. CONVERTIBLE BONDS (Continued)

Convertible Bonds II (Continued)

If the Convertible Bonds II have not been converted, they will be redeemed at par on the tenth anniversary of the date of issue.

The Convertible Bonds II are issued in HK\$. The fair values of the liability component were HK\$6,622,000, HK\$6,916,000 and HK\$7,577,000 for the Convertible Bonds II issued by the Company at 24 April 2014, 30 August 2014 and 31 December 2014 respectively, which has been determined by the discounted cash flow approach using the prevailing market interest rate of similar non-convertible bonds and taking into account the credit risk of the Company. The fair values of the conversion option of HK\$131,454,000, HK\$118,983,000 and HK\$112,597,000 classified as equity component for the Convertible Bonds II issued by the Company at 24 April 2014, 30 August 2014 and 31 December 2014 respectively are calculated using Binomial Model. The inputs into the model were as follows:

		24 April 2014 二零一四年 四月二十四日	30 August 2014 二零一四年 八月三十日	31 December 2014 二零一四年 十二月三十一日
	Principal amount of HK\$64,000,000 本金額	Principal amount of HK\$64,000,000 本金額	Principal amount of HK\$64,000,000 本金額	Principal amount of HK\$64,000,000 本金額
		64,000,000港元	64,000,000港元	64,000,000港元
Stock price	股價	HK\$1.42	HK\$1.19	HK\$1.16
Exercise price	行使價	HK\$0.40	HK\$0.40	HK\$0.40
Discount rate	貼現率	25.46%	24.92%	23.78%
Risk-free rate (note a)	無風險利率(附註a)	2.20%	1.84%	1.85%
Expected volatility (note b)	預期波幅(附註b)	84.57%	82.53%	80.79%
Expected dividend yield (note c)	預期股息收益率(附註c)	0.00%	0.00%	0.00%

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 over the past bond period.
- (c) Estimated by reference to the historical dividend payout of the Company.

附註：

- (a) 該利率乃參考於估值日期香港政府債券及庫券的孳息率釐定。
- (b) 基於債券期間本公司的過往價格波幅。
- (c) 根據本公司的過往股息派付估計得出。

29. 可換股債券(續)

可換股債券二(續)

倘可換股債券二未獲轉換，則將於發行日期起計十週年當日按面值予以贖回。

可換股債券二以港元發行。本公司分別於二零一四年四月二十四日、二零一四年八月三十日及二零一四年十二月三十一日發行之可換股債券二的負債組成部分的公平值為6,622,000港元、6,916,000港元及7,577,000港元，乃採用類似非可換股債券的現行市場利率按貼現現金流量法釐定，並已計及本公司的信貸風險。本公司分別於二零一四年四月二十四日、二零一四年八月三十日及二零一四年十二月三十一日發行的可換股債券二的轉換權的公平值為131,454,000港元、118,983,000港元及112,597,000港元(分類為權益部分)，乃採用二項式模式計算。輸入模式之數據如下：

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29. CONVERTIBLE BONDS (Continued)

Convertible Bonds II (Continued)

During the year ended 31 March 2016, none of the Convertible Bonds II was converted into ordinary shares of the Company.

The movement of liability component of Convertible Bond II for the year is set out below:

		Principal amount 本金額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
As at 1 April 2014	於二零一四年四月一日	—	—
Issuance of Convertible Bonds II	發行可換股債券二	192,000	21,115
Interest charge	利息開支	—	2,946
31 March 2015	二零一五年三月三十一日	192,000	24,061
Interest charge	利息開支	—	5,941
31 March 2016	於二零一六年三月三十一日	192,000	30,002

Convertible Bonds III

The Company issued convertible bonds to its associate, Extrawell, in an aggregate principle amount of HK\$715,000,000 on 28 July 2014 (collectively referred to as "Convertible Bonds III") as part of the consideration paid to acquire of 51% equity interest in Smart Ascent. The Convertible Bonds III with coupon rate of 3.5% per annum will mature on the seventh anniversary of the date of issue.

The Convertible Bonds III entitle the bond holders to convert them into shares of the Company at any time within 7 years from the date of issue of the Convertible Bonds III, at the initial conversion price per share of HK\$2.5, subject to anti-dilution clauses.

If the Convertible Bonds III have not been converted, they will be redeemed at par on the seventh anniversary of the date of issue.

29. 可換股債券(續)

可換股債券二(續)

截至二零一六年三月三十一日止年度，並無可換股債券二被轉換為本公司普通股。

年內可換股債券二之負債部分之變動列載如下：

	Principal amount 本金額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
As at 1 April 2014	—	—
Issuance of Convertible Bonds II	192,000	21,115
Interest charge	—	2,946
31 March 2015	192,000	24,061
Interest charge	—	5,941
31 March 2016	192,000	30,002

可換股債券三

本公司已於二零一四年七月二十八日發行本金總額為715,000,000港元之可換股債券(合稱「可換股債券三」)予其聯營公司精優，作為部分支付收購進生51%股權之代價。可換股債券三之票面年息率為3.5%，並將於發行日期起計七週年當日到期。

可換股債券三賦予債券持有人權利，於發行可換股債券三日期後七年內隨時將可換股債券三轉換為本公司股份，初始轉換價為每股股份2.5港元，須受反攤薄條款限制。

倘可換股債券三未獲轉換，則將於發行日期起計七週年當日按面值予以贖回。

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29. CONVERTIBLE BONDS (Continued)

Convertible Bonds III (Continued)

The Convertible Bonds III are issued in HK\$. The fair values of the liability component was HK\$233,547,000 for the Convertible Bonds III issued by the Company at 28 July 2014, which have been determined by the discounted cash flow approach using the prevailing market interest rate of similar non-convertible bonds and taking into account the credit risk of the Company. The fair values of the conversion option of HK\$136,646,000 classified as equity component for the Convertible Bonds III issued by the Company at 28 July 2014 is calculated using Binomial Model. The inputs into the model were as follows:

29. 可換股債券 (續)

可換股債券三 (續)

可換股債券三以港元發行。本公司於二零一四年七月二十八日發行之可換股債券三的負債組成部分的公平值為233,547,000港元，乃採用類似非可換股債券的現行市場利率按貼現現金流量法釐定，並已計及本公司的信貸風險。本公司於二零一四年七月二十八日發行的可換股債券三的轉換權的公平值為136,646,000港元（分類為權益部分），乃採用二項式模式計算。輸入模式之數據如下：

		28 July 2014
		Principal
		amount of
		HK\$715,000,000
		二零一四年七月
		二十八日
		本金額
		715,000,000港元
Stock price	股價	HK\$1.27
Exercise price	行使價	HK\$2.5
Discount rate	貼現率	24.67%
Risk-free rate (note a)	無風險利率(附註a)	1.63%
Expected volatility (note b)	預期波幅(附註b)	80.04%
Expected dividend yield (note c)	預期股息收益率(附註c)	0.00%

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 over the past bond period.
- (c) Estimated by reference to the historical dividend payout of the Company.

附註：

- (a) 該利率乃參考於估值日期香港政府債券及庫券的孳息率釐定。
- (b) 基於債券期間本公司的過往價格波幅。
- (c) 根據本公司的過往股息派付估計得出。

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29. CONVERTIBLE BONDS (Continued)

Convertible Bonds III (Continued)

During the year ended 31 March 2016, none of the Convertible Bonds III was converted into ordinary shares of the Company.

The movement of liability component of Convertible Bond III for the year is set out below:

		Principal amount 本金額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
As at 1 April 2014	於二零一四年四月一日	—	—
Issuance of Convertible Bonds III	發行可換股債券三	715,000	233,547
Interest charge	利息開支	—	37,245
31 March 2015	於二零一五年三月三十一日	715,000	270,792
Interest charge	利息開支	—	32,593
31 March 2016	於二零一六年三月三十一日	715,000	303,385

Convertible Bonds IV

During the year ended 31 March 2016, the Company issued convertible bonds in an aggregate principal amount of HK\$64,000,000 on 30 April 2015 (collectively referred to as "Convertible Bonds IV") for the acquisition of Sale CB-II forth batch. The Convertible Bonds IV with zero coupon rate will mature on the tenth anniversary of the date of issue.

The Convertible Bonds IV entitle the bond holders to convert them into shares of the Company at any time within 10 years from the date of issue of the Convertible Bonds IV, at the initial conversion price per share of HK\$0.4, subject to anti-dilution clauses.

If the Convertible Bonds IV have not been converted, they will be redeemed at par on the tenth anniversary of the date of issue.

29. 可換股債券(續)

可換股債券三(續)

截至二零一六年三月三十一日止年度，並無可換股債券三被轉換為本公司普通股。

年內可換股債券三之負債部分之變動列載如下：

	Principal amount 本金額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
As at 1 April 2014	—	—
Issuance of Convertible Bonds III	715,000	233,547
Interest charge	—	37,245
31 March 2015	715,000	270,792
Interest charge	—	32,593
31 March 2016	715,000	303,385

可換股債券四

截至二零一六年三月三十一日止年度，本公司已於二零一五年四月三十日發行本金總額為64,000,000港元之可換股債券(合稱「可換股債券四」)，以收購第四批待售可換股債券二。可換股債券四之票面年息率為零，將於發行日期起計十週年當日到期。

可換股債券四賦予債券持有人權利，於發行可換股債券四日期後十年內隨時將可換股債券兌換為本公司股份，初始轉換價為每股股份0.4港元，須受反攤薄條款限制。

倘可換股債券四未獲轉換，則將於發行日期起計十週年當日按票面值予以贖回。

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29. CONVERTIBLE BONDS (Continued)

Convertible Bonds IV (Continued)

The Convertible Bonds IV are issued in HK\$. The fair values of the liability component were HK\$7,790,000 for the Convertible Bonds IV issued by the Company at 30 April 2015, which has been determined by the discounted cash flow approach using the prevailing market interest rate of similar non-convertible bonds and taking into account the credit risk of the Company. The fair values of the conversion option of HK\$109,371,000 classified as equity component for the Convertible Bonds IV issued by the Company at 30 April 2015 are calculated using Binomial Model.

The inputs into the model were as follows:

29. 可換股債券(續)

可換股債券四(續)

可換股債券四以港元發行。本公司於二零一五年四月三十日發行之可換股債券四的負債組成部分的公平值為7,790,000港元，乃採用類似非可換股債券的現行市場利率按貼現現金流量法釐定，並已計及本公司的信貸風險。本公司於二零一五年四月三十日發行的可換股債券四的轉換權的公平值為109,371,000港元(分類為權益部分)，乃採用二項式模式計算。

輸入模式之數據如下：

		30 April 2015
		Principal
		amount of
		HK\$64,000,000
		二零一五年
		四月三十日
		本金額
		64,000,000港元
Stock price	股價	HK\$1.16
Exercise price	行使價	HK\$0.4
Discount rate	貼現率	23.44%
Risk-free rate (note a)	無風險利率(附註a)	1.48%
Expected volatility (note b)	預期波幅(附註b)	79.49%
Expected dividend yield (note c)	預期股息收益率(附註c)	0.00%

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 over the past bond period.
- (c) Estimated by reference to the historical dividend payout of the Company.

During the year ended 31 March 2016, none of the Convertible Bonds IV was converted into ordinary shares of the Company.

附註：

- (a) 該利率乃參考於估值日期香港政府債券及庫券的孳息率釐定。
- (b) 基於債券期間本公司的過往價格波幅。
- (c) 根據本公司的過往股息派付估計得出。

截至二零一六年三月三十一日止年度，並無可換股債券四被轉換為本公司普通股。

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29. CONVERTIBLE BONDS (Continued)

Convertible Bonds IV (Continued)

The movement of liability component of Convertible Bond IV for the year is set out below:

		Principal amount 本金額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
As at 1 April 2015	於二零一五年四月一日	—	—
Issuance of Convertible Bonds IV	發行可換股債券四	64,000	7,790
Interest charge	利息開支	—	1,664
31 March 2016	於二零一六年三月三十一日	64,000	9,454

The effective interest rates of all the liability component of all the convertible bonds ranged from: 23.44% to 25.46% per annum (2015: 23.78% to 25.46% per annum).

29. 可換股債券 (續)

可換股債券四 (續)

年內可換股債券四之負債部分之變動列載如下：

所有可換股債券之所有負債部分的實際年利率介乎23.44%至25.46%（二零一五年：實際年利率介乎23.78%至25.46%）。

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30. SHARE CAPITAL

30. 股本

		Number of shares 股數 '000 千股	Share capital 股本 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：		
At 1 April 2014, 31 March 2015 and 31 March 2016	於二零一四年四月一日、 二零一五年三月三十一日及 二零一六年三月三十一日	50,000,000	500,000
Issued:	已發行：		
At 1 April 2014	於二零一四年四月一日	1,136,193	11,362
Conversion of convertible bonds (Note a)	轉換可換股債券(附註a)	168,000	1,680
At 31 March 2015	於二零一五年三月三十一日	1,304,193	13,042
Conversion of convertible bonds (Note b)	轉換可換股債券(附註b)	160,000	1,600
At 31 March 2016	於二零一六年三月三十一日	1,464,193	14,642

Notes:

附註：

- (a) On 27 June 2014 and 22 July 2014, 151,000,000 and 17,000,000 new ordinary shares of the Company of HK\$0.01 each were issued respectively upon the conversion of convertible bonds. Convertible bonds and Convertible Bonds I with aggregate principal amount of HK\$6,800,000 and HK\$60,400,000 were converted into 17,000,000 and 151,000,000 ordinary shares of the Company at a conversion price of HK\$0.4 per share respectively, during the year ended 31 March 2015.
- (b) During the year ended 31 March 2016, 160,000,000 new ordinary shares of the Company of HK\$0.01 each were issued upon the conversion of Convertible Bonds I. Convertible Bonds I with aggregate principal amount of HK\$64,000,000 were converted into 160,000,000 ordinary shares of the Company at a conversion price of HK\$0.4 per share.

- (a) 於二零一四年六月二十七日及二零一四年七月二十二日，於轉換可換股債券後，已分別發行151,000,000股及17,000,000股本公司每股面值0.01港元之新普通股。截至二零一五年三月三十一日止年度，可換股債券及可換股債券一之本金總額分別為6,800,000港元及60,400,000港元，並已分別轉換為本公司17,000,000股及151,000,000股普通股，轉換價為每股0.4港元。
- (b) 截至二零一六年三月三十一日止年度，於轉換可換股債券一後，已發行160,000,000股本公司每股面值0.01港元之新普通股。可換股債券一之本金總額為64,000,000港元，並已轉換為本公司160,000,000股普通股，轉換價為每股0.4港元。

As at 31 March 2016, the maximum number of shares issuable upon conversion of all outstanding convertible bonds issued by the Company is 1,805,000,000 (2015: 1,805,000,000).

於二零一六年三月三十一日，在轉換所有由本公司發行之未行使之可換股債券後之可予發行最高股份數目為1,805,000,000 (二零一五年：1,805,000,000)。

All the shares issued during the year ended 31 March 2016 and 2015 rank pari passu with the issued shares of the Company in all respect.

於截至二零一六年及二零一五年三月三十一日止年度發行之所有股份在所有方面與已發行之股份具有相同地位。

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31. DISPOSAL OF SUBSIDIARIES

(i) Disposal of subsidiaries during the year ended 31 March 2016

On 23 December 2015, the Group entered into a sale agreement with a connected person to dispose of the entire equity interest held by the Group in Winluck Legend Limited ("Winluck"), a wholly owned subsidiary of the Company, at a consideration of HK\$10,000. The disposal was completed on 30 December 2015. The financial position of Winluck and its subsidiary (the "WinluckGroup") at the date of disposal were as follows:

31. 出售附屬公司

(i) 於截至二零一六年三月三十一日止年度出售附屬公司

於二零一五年十二月二十三日，本集團與關連人士訂立銷售協議，以代價10,000港元出售本集團所持本公司全資附屬公司Winluck Legend Limited (「Winluck」)之全部權益。出售已於二零一五年十二月三十日完成。於出售日期，Winluck及其附屬公司(「Winluck集團」)之財務狀況如下：

		HK\$'000 千港元
Consideration received	已收代價	
Cash consideration received by the Group	本集團已收現金代價	10
Gain on disposal of subsidiaries	出售附屬公司之收益	
Consideration received	已收代價	10
Net assets disposed of	出售之資產淨額	—
Gain on disposal of subsidiaries	出售附屬公司之收益	10
Net cash inflow on disposal of subsidiaries	出售附屬公司之現金流入淨額	
Net cash inflow arising from disposal:	出售產生之現金流入淨額：	
Consideration received in cash	已收現金代價	10
Less: bank balances and cash disposed of	減：已出售之銀行結餘及現金	—
		10

The Winluck Group is inactive as of the date of disposal and contributed insignificant cash flows to the Group.

截至出售日Winluck集團並沒有業務及為本集團貢獻之現金流量並不重大。

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32. CONTINGENT LIABILITIES AND LITIGATION

Litigation concerning CNL (Pinghu) in the PRC

On 17 April 2012, a writ of summons was issued by 江蘇瑞峰建設集團有限公司 (Jiangsu Ruifeng Construction Group Co., Limited) ("Jiangsu Ruifeng") in the PRC as the plaintiff against CNL (Pinghu), an indirect non-wholly owned subsidiary of the Company, as the defendant in relation to the disputes arising from the consideration and completion of construction services under the construction contracting services agreement dated 8 October 2010, the construction agreement dated 17 December 2010 and the supplemental agreement dated 8 March 2011 (collectively referred to as the "Construction Agreements") entered into between CNL (Pinghu) and Jiangsu Ruifeng, to claim the outstanding construction cost of RMB13,150,000, the related interests and litigation costs of the case. Pursuant to the Construction Agreements, the total construction costs was RMB16,675,000. Jiangsu Ruifeng had issued invoices amounting to RMB29,126,000 in relation to the construction work they performed. The aggregated invoice amount was substantially different from the contracted amount. CNL (Pinghu) only settled the amount of RMB16,601,000 and was recorded as the cost of buildings as at 30 June 2012. On 24 April 2012, Jiangsu Ruifeng obtained a civil ruling against CNL (Pinghu), pursuant to which a bank deposit of RMB15,000,000 or equivalent amount of assets of CNL (Pinghu) were to be frozen, but the actual amount frozen was HK\$222,000 as at 30 June 2012, which was significantly lower than the amount stated in the civil ruling. The frozen balance was released during the year ended 30 June 2013. On 14 January 2013, an independent construction consulting company, which was appointed by Pinghu District Court, issued a statement certifying the total construction cost incurred would be in a range between RMB15,093,000 (equivalent to approximately HK\$19,142,000) and RMB18,766,000 (equivalent to HK\$23,801,000). According to the relevant legal opinion dated on 29 July 2013, the possibility for Pinghu District Court for adopting the construction cost of RMB18,766,000 is higher. On 20 December 2013, the 浙江省平湖市人民法院 (People's Court of Pinghu City, Zhejiang Province) delivered a further civil ruling, pursuant to which, CNL (Pinghu) shall, after the said civil ruling came into force, pay to Jiangsu Ruifeng, among other things, a fee of RMB3,309,000 (equivalent to approximately HK\$4,197,000) for the construction services rendered. CNL (Pinghu) filed an application to appeal to 浙江省嘉興市中級人民法院 (the Intermediate People's Court of Jiaxing City, Zhejiang Province). On 25 April 2014, 浙江省嘉興市中級人民法院 upheld the original ruling of 浙江省平湖市人民法院 and the Company was required to pay approximately RMB4,223,000 (equivalent to approximately HK\$5,333,000) to Jiangsu Ruifeng. Total provision has been made by the Group in this regard since 31 March 2014.

32. 或然負債及訴訟

於中國有關中荷(平湖)之訴訟

於二零一二年四月十七日，江蘇瑞峰建設集團有限公司(「江蘇瑞峰」)(作為原告)於中國向本公司之間接非全資附屬公司中荷(平湖)(作為被告)發出傳票令狀，內容有關由中荷(平湖)與江蘇瑞峰於二零一零年十月八日訂立之建造承包服務協議、於二零一零年十二月十七日訂立之建造協議及於二零一一年三月八日訂立之補充協議(統稱「建造協議」)項下之代價及完成建造服務所引起之爭議，江蘇瑞峰向中荷(平湖)索償人民幣13,150,000元之未支付建造款項、相關利息及案件之訴訟成本。根據建造協議，建造總成本為人民幣16,675,000元。江蘇瑞峰就其進行之建造工程發出發票，金額為人民幣29,126,000元。發票總額與合約金額出現重大差異。中荷(平湖)僅支付人民幣16,601,000元，並於二零一二年六月三十日記錄作建築成本。於二零一二年四月二十四日，江蘇瑞峰已取得針對中荷(平湖)之民事裁定，據此，中荷(平湖)之銀行存款人民幣15,000,000元或等同金額之資產將被凍結，惟於二零一二年六月三十日，被凍結之實際金額為222,000港元，其大幅低於民事裁定所列之金額。被凍結結餘於截至二零一三年六月三十日止年度解凍。於二零一三年一月十四日，一間獨立建築顧問公司獲平湖區法院委任，發出一份聲明，證明建築總成本介乎人民幣15,093,000元(相當於約19,142,000港元)與人民幣18,766,000元(相當於23,801,000港元)之間。根據法律顧問於二零一三年七月二十九日的意見，平湖區法院採納建築總成本人民幣18,766,000元的可能性較高。於二零一三年十二月二十日，浙江省平湖市人民法院發出進一步民事裁定，據此，中荷(平湖)須於民事裁定生效後向江蘇瑞峰支付(其中包括)就所提供的建造服務之費用人民幣3,309,000元(相當於約4,197,000港元)。中荷(平湖)向浙江省嘉興市中級人民法院申請上訴。於二零一四年四月二十五日，浙江省嘉興市中級人民法院維持浙江省平湖市人民法院之原來判決，而本公司須向江蘇瑞峰支付約人民幣4,223,000元(相當於約5,333,000港元)。本集團已於二零一四年三月三十一日起就此計提撥備總額。

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32. CONTINGENT LIABILITIES AND LITIGATION

(Continued)

Litigation concerning CNL (Pinghu) in the PRC (Continued)

During the year ended 31 March 2015, the Company has received a payment notice from Jiangsu Ruifeng of approximately RMB2,897,000 (equivalent to approximately HK\$3,660,000) and settled accordingly.

The Company did not receive any payment notice from Jiangsu Ruifeng during the year ended 31 March 2016 and therefore no payment was made by the Company during the year.

Litigation concerning Longmark (Shanghai) in the PRC

The Company's associate, Longmark (Shanghai) entered into a tenancy agreement with 上海向膳樂緣餐飲有限公司 ("the tenant") for the use of premises located in 上海市長寧區臨虹路128弄2號地下一層 ("the Premises") on 9 August 2011.

On 2 November 2015, the tenant filed a writ of summons in PRC against Longmark (Shanghai) claiming the sum of RMB213,610 (equivalent to HK\$256,778) being compensation for the loss resulted from the suspension of electric power supply on the Premises.

The directors believe that the above legal claim will not have a material adverse effect on the results of the operations, cash flow or financial positions of the Group. As there is no certainty of the outcome of this legal case, the potential losses, if any, which may arise from this claim has not been reflected in the consolidated financial statements.

The legal case has not been concluded up to the date of this consolidated financial statements.

32. 或然負債及訴訟(續)

於中國有關中荷(平湖)之訴訟(續)

於截至二零一五年三月三十一日止年度，本公司已接獲江蘇瑞峰要求支付約人民幣2,897,000元(相當於約3,660,000港元)的付款通知並已結清有關款項。

於截至二零一六年三月三十一日止年度，本公司並無接獲江蘇瑞峰的付款通知，故本公司於年內並無付款。

於中國有關龍脈(上海)之訴訟

本公司的聯營公司龍脈(上海)於二零一一年八月九日與上海向膳樂緣餐飲有限公司(「租戶」)就使用位於上海市長寧區臨虹路128弄2號地下一層的物業(「物業」)訂立租賃協議。

於二零一五年十一月二日，租戶於中國向龍脈(上海)發出傳票令狀，索償人民幣213,610元(相當於256,778港元)，作為物業中斷電力供應產生的虧損的賠償。

董事認為，上述法律索償不會對本集團的經營業績、現金流量或財務狀況產生重大影響。由於此法律案件的結果尚不能確定，此索償或會產生的潛在虧損(如有)未於綜合財務報表內反映。

截至本綜合財務報表日期，該法律案件尚未宣判。

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33. COMMITMENTS

Operating lease commitments

As at 31 March 2016, the total future minimum lease payments of the Group under non-cancellable operating leases are payable as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Future aggregate minimum lease payments under operating leases in respect of leasehold land and buildings	根據租賃土地及樓宇之經營租賃支付之未來最低租賃款項總額		
– within one year	— 一年內	1,057	2,267
– in the second to fifth years inclusive	— 第二至第五年 (包括首尾兩年)	–	2,223
		1,057	4,490

Operating lease payments represent rentals payable by the Group for certain of its offices, laboratory and staff quarter.

Capital commitments

As at 31 March 2016 and 31 March 2015, the Group has no capital commitment contracted but not provided for.

Other commitments

- (i) The Group had other commitments of RMB4,500,000 (equivalent to approximately HK\$5,409,000) at 31 March 2016 (2015: RMB4,500,000 (equivalent to approximately HK\$5,690,000)) in relation to the obligations and responsibility for the prize and administration cost of the Tan Jia Zhen Life Sciences Prize undertaken by the Shanghai Biopharmaceutical Industry Association (the “SBIA”), the administrator of the Tan Jia Zhen Life Sciences Prize, pursuant to the Tan Jia Zhen Life Sciences Prize Sponsorship agreement.

33. 承擔

經營租賃承擔

於二零一六年三月三十一日，本集團根據不可撤銷經營租賃而須支付之未來最低租賃款項總額如下：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Future aggregate minimum lease payments under operating leases in respect of leasehold land and buildings		
– within one year	1,057	2,267
– in the second to fifth years inclusive	–	2,223
	1,057	4,490

經營租賃款項指本集團就其若干辦公室、實驗室及員工宿舍須支付之租金。

資本承擔

於二零一六年三月三十一日及二零一五年三月三十一日，本集團概無已訂約但未撥備之資本承擔。

其他承擔

- (i) 於二零一六年三月三十一日，本集團的其他承擔為人民幣4,500,000元（相當於約5,409,000港元）（二零一五年：人民幣4,500,000元（相當於約5,690,000港元）），該款項涉及上海市生物醫藥行業協會（「SBIA」，為談家楨生命科學獎之承辦單位）根據談家楨生命科學獎設獎單位協議，就談家楨生命科學獎之獎項及行政成本承擔之負債及責任。

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33. COMMITMENTS (Continued)

Other commitments (Continued)

- (ii) On 25 May 2011, Smart Ascent has entered into a loan agreement with Fordnew pursuant to which Smart Ascent has conditionally agreed to grant an unsecured, non-interest bearing loan in the aggregate amount of up to HK\$30,000,000 to Fordnew for its onward lending to Fosse Bio, a 51% owned subsidiary of Smart Ascent, for payment of expenses relating to the clinical trial of oral insulin product.

As at the date of acquisition of Smart Ascent and 31 March 2016, the aggregate balance utilised by and unutilised balances available for Fordnew were approximately HK\$10,579,000 (2015: HK\$10,579,000) and HK\$19,421,000 (2015: HK\$19,421,000) respectively.

- (iii) On 19 October 2006, Sea Ascent Investment Limited ("Sea Ascent"), Welly Surplus and Fosse Bio entered into a cooperation agreement (the "Cooperation Agreement") in connection with the cooperation (the "Cooperation") between Sea Ascent and Welly Surplus in respect of the following:

- (1) Sea Ascent shall procure its wholly-owned subsidiary, Joy Kingdom Industrial Limited ("Joy Kingdom"), to establish a wholly foreign owned enterprise in the PRC in the name of 江蘇派樂施藥業有限公司 (Jiangsu Prevalence Pharmaceutical Limited) ("Jiangsu Prevalence");

33. 承擔(續)

其他承擔(續)

- (ii) 於二零一一年五月二十五日，進生與福聯簽訂債權協議，進生有條件同意借出無抵押無利息之本金上限為30,000,000港元之貸款予福聯作為其轉借予福仕（一間進生持有其51%股份之附屬公司）用作繳交有關口服胰島素產品臨床實驗之費用。

於收購進生之日期及於二零一六年三月三十一日，福聯已使用之款項總數及福聯可使用而未使用之款項總數分別約為10,579,000港元（二零一五年：10,579,000港元）及19,421,000港元（二零一五年：19,421,000港元）。

- (iii) 於二零零六年十月十九日，振海投資有限公司（「振海」）、瑞盈及福仕已就下列事項簽訂有關與振海及瑞盈之合作（「合作」）之合作協議書（「合作協議書」）：

- (1) 振海將促使其全資附屬公司京悅實業有限公司（「京悅」）於中國成立外商獨資企業，並命名為江蘇派樂施藥業有限公司（「江蘇派樂施」）；

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33. COMMITMENTS (Continued)

Other commitments (Continued)

(iii) (Continued)

- (2) Sea Ascent shall advance a sum equivalent to RMB40 million to Joy Kingdom by way of an unsecured, non-interest bearing shareholder's loan ("Shareholder's Loan") for the payment of the registered capital of Jiangsu Prevalence and the acquisition of land and construction of a factory (the "Plant") at Pi Zhou City, Jiangsu, the PRC for the production of the Group's Oral Insulin Enteric-Coated Soft Capsules (the "Medicine");

Subject to Sea Ascent's performance of its obligations as aforesaid and completion of the acquisition of Joy Kingdom by Welly Surplus as mentioned below, Welly Surplus shall procure Joy Kingdom or Jiangsu Prevalence, if so agreed, to pay to Sea Ascent, during a period of six years from the date on which the Medicine is launched for sales in open market (the "Initial Operating Period"), a fee at RMB6 cents for each capsule of the Medicine produced (subject to a maximum fee of RMB180 million for each year and deduction as specified in the Cooperation Agreement); and

- (3) Unless the New Medicine Certificate in respect of the Medicine has not been granted by the relevant PRC authorities, Welly Surplus shall procure Fosse Bio to allow the manufacturing of the Medicine by Jiangsu Prevalence and to assist Jiangsu Prevalence to obtain the relevant Pharmaceutical Manufacturing Permit (藥品生產許可證) for the manufacture of the Medicine during the Initial Operating Period.

Under the Cooperation Agreement, Fosse Bio has agreed to guarantee the due performance by Welly Surplus of its obligations and liabilities ("Secured Liabilities") as mentioned in the above paragraphs, provided that the maximum liability of Fosse Bio under such guarantee shall not exceed 51% of the Secured Liabilities. The Cooperation Agreement became effective upon the shareholders' approval in the special general meeting of the Company held on 3 January 2007, until the expiry of the Initial Operating Period.

33. 承擔(續)

其他承擔(續)

(iii) (續)

- (2) 振海將透過無抵押、免息股東貸款(「股東貸款」)形式向京悅墊付總額相當於人民幣40,000,000元之款項,用作支付江蘇派樂施之註冊資本以及支付於中國江蘇邳州市收購土地及興建一間廠房(「廠房」)所需資金,該廠房用於生產本集團之口服胰島素腸溶膠丸(「藥品」);

若振海履行上述責任及瑞盈完成下述收購京悅,瑞盈將促使京悅或江蘇派樂施(倘就此同意)於自藥品推出於公開市場銷售日期起計六年期間(「初步營運期間」),向振海支付按每生產一膠囊之藥品人民幣6分計算之費用(每年最高為人民幣180,000,000元且可按合作協議規定予以削減);及

- (3) 除非中國有關當局並無就有關藥品授出新藥證書,瑞盈將促使福仕准許江蘇派樂施製造藥品,並協助江蘇派樂施獲取相關藥品生產許可證,以於初步營運期間內製造藥品。

根據合作協議,福仕同意擔保瑞盈切實履行就上段所述之義務及責任(「擔保責任」),惟福仕於有關擔保項下之責任上限不得超過擔保責任之51%。合作協議於二零零七年一月三日在本公司舉行之股東特別大會獲股東批准時生效,直至初步營運期間屆滿。

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33. COMMITMENTS (Continued)

Other commitments (Continued)

(iii) (Continued)

(3) (Continued)

On 19 October 2006, Sea Ascent and Welly Surplus also entered into a sale and purchase agreement (the "SP Agreement") pursuant to which Sea Ascent agreed to sell and Welly Surplus agreed to acquire (i) the entire share capital (the "Sale Share") in Joy Kingdom; and (ii) the Shareholder's Loan at considerations of RMB40 million and HK\$1 respectively (the "Considerations"). The completion of the SP Agreement was subject to, among other conditions, approval of the SP Agreement by the Company's shareholders, the Cooperation Agreement becoming effective and the completion of the construction of the Plant by Jiangsu Prevalence in accordance with the terms of the Cooperation Agreement. The SP Agreement was approved in the special general meeting of Extrawell held on 3 January 2007. On 8 April 2009, Welly Surplus and Sea Ascent signed a confirmation whereby both parties agreed to extend the long stop date of the SP Agreement from 30 November 2007 to 30 June 2010. In light of the progress of the further clinical trial, Welly Surplus and Sea Ascent have not yet concluded the revised completion timetable in relation to the construction of the Plant by 30 June 2010, and therefore the extension of the long stop date of SP Agreement is yet to be concluded. The SP Agreement has not yet become unconditional and the Consideration has not yet been due and paid up to the date of approval of these consolidated financial statements.

- (iv) Pursuant to clinical trial of the oral insulin project, Fosse Bio has entered into service contracts with 瀋陽鑫泰格爾醫藥科技開發有限公司 (the "Project Administrator") dated 16 December 2009 and 24 March 2014 with value in total of RMB12,080,000 and RMB10,400,000 respectively for provision of clinical trial management services and the related clinical studies.

33. 承擔(續)

其他承擔(續)

(iii) (續)

(3) (續)

於二零零六年十月十九日，振海與瑞盈亦訂立一份買賣協議（「買賣協議」），據此，振海同意出售及瑞盈同意收購：(i)京悅之全部股本（「出售股份」）；及(ii)股東貸款，代價分別為人民幣40,000,000元及1港元（「代價」）。買賣協議須待（其中包括其他條件）本公司股東批准買賣協議、合作協議生效及江蘇派樂施根據合作協議之條款完成興建廠房後，方告完成。買賣協議已於二零零七年一月三日舉行之本公司股東特別大會上獲批准。於二零零九年四月八日，瑞盈與振海訂立確認書，據此，雙方同意將買賣協議之最後完成日期由二零零七年十一月三十日延至二零一零年六月三十日。鑒於進一步臨床測試之進度，截至二零一零年六月三十日瑞盈與振海尚未達成及修訂完成興建廠房之時間表，而買賣協議之最後完成日期尚待延期。截至該等綜合財務報表獲批准日期，買賣協議尚未成為無條件以及代價仍未到期及支付。

- (iv) 福仕與瀋陽鑫泰格爾醫藥科技開發有限公司（「項目管理人」）就口服胰島素項目之臨床測試於二零零九年十二月十六日及二零一四年三月二十四日訂立服務合約，總值分別為人民幣12,080,000元及人民幣10,400,000元，為有關提供臨床測試管理服務及相關臨床研究。

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34. RETIREMENT BENEFIT SCHEMES

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. The Group and each employee employed in Hong Kong are required to make a contribution of 5% on the employees' monthly relevant income with a maximum monthly contribution of HK\$1,500 per person.

The PRC employees of the Group are members of a state-managed retirement benefit scheme operated by the local government. The Group is required to contribute a specific percentage of their payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

35. RELATED PARTY TRANSACTIONS

Dr. Mao and Dr. Xie have beneficial non-controlling interest in the shares of the Company. In addition, they have joint control of a company which has shareholding of the Company giving it significant influence over the Company. Save as those disclosed elsewhere in the consolidated financial statements, the Group has entered into the following related party transactions:

34. 退休福利計劃

本集團為全體香港合資格僱員設立強制性公積金計劃。該計劃之資產透過受信託人控制之基金與本集團之資產分開持有。本集團及每名香港合資格僱員均須按僱員每月有關收入之5%供款，每月供款上限為每人1,500港元。

本集團中國僱員為地區政府營運之國營退休福利計劃之成員。本集團須按僱員之薪金成本的指定百分比比率向該退休福利計劃供款，作該等福利之資金。本集團於該退休福利計劃下之唯一責任為作出特定供款。

35. 關連人士交易

毛博士及謝博士於本公司股份中擁有實益非控股權益。此外，彼等共同控制一間擁有本公司股權並對本公司擁有重大影響力之公司。除綜合財務狀況表某位置披露，本集團已進行以下關連人士交易：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Service fee expense paid and payable to Dr. Mao, a shareholder of the Company	已付及應付予本公司股東毛博士之服務費開支	672	672
Key management compensation:	主要管理層之報酬：		
Short-term employee benefits	短期僱員之福利	1,779	1,930
Post-employment benefits	離職後福利	27	23
		1,806	1,953

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36. EVENTS AFTER THE REPORTING PERIOD

On 24 March 2016, the Company entered into subscription agreements ("the Subscription Agreements") with three subscribers, pursuant to which the Company has conditionally agreed to issue and the subscribers have conditionally agreed to subscribe for the Convertible Bonds in the aggregate principal amount of HK\$280,000,000. The maturity of the Convertible Bonds will be the date falling on the third anniversary from the date of issue of the Convertible Bonds. The Convertible Bonds will be converted into Conversion Shares at the Conversion Price of HK\$1.00 (subject to adjustments) per Conversion Share. As at 31 March 2016, the Company has received HK\$50,000,000 from Fu Chuang Limited, who is one of the three subscribers (as disclosed in note 25).

On 13 April 2016, the Company was informed by two subscribers that they would not be able to perform their payment obligation under the respective Subscription Agreements. Accordingly, the Company has exercised its rights, and issued a notice to these two subscribers to terminate the Subscription Agreement with effect from 13 April 2016 with these two subscribers pursuant to the terms of the respective Subscription Agreement. Upon termination, all antecedent obligations and liabilities of the Company and these two subscribers under their respective Subscription Agreements were discharged and released in all aspects and no parties shall have any claim of any nature whatsoever against the other parties under their respective Subscription Agreement.

Notwithstanding the termination of the respective Subscription Agreements with the abovementioned subscribers, the completion of the Subscription Agreement entered into between the Company and Fu Chuang Limited, being one of the three subscribers, was taken place on 13 April 2016. The Convertible Bonds was issued in an aggregate principal amount of HK\$50,000,000 and its fair value on the same date was HK\$57,975,000.

36. 報告期後事項

於二零一六年三月二十四日，本公司與三名認購人訂立認購協議（「認購協議」），據此本公司有條件同意發行，而認購人有條件同意認購，本金總額為280,000,000港元的可換股債券。可換股債券的到期日將於發行可換股債券日期起計滿三週年當日。可換股債券將按每股轉換股份1.00港元（可予調整）的兌換價轉換為轉換股份。於二零一六年三月三十一日，本公司已自富創有限公司收取50,000,000港元，富創有限公司為三名認購人之一（誠如附註25所披露）。

於二零一六年四月十三日，本公司收到兩名認購人通知，他們將不能履行相關認購協議下的付款責任。據此，本公司根據相關認購協議條款行使其權利，分別向兩名認購人發出通知，終止與兩名認購人的認購協議，自二零一六年四月十三日起生效。當終止時，本公司與該兩名認購人於相關認購協議項下之所有先前責任及義務將於所有方面獲解除及免除，且各訂約方不得向相關認購協議項下之其他訂約方提出任何性質之任何索償。

儘管終止與上述認購人訂立的相關認購協議，本公司與三名認購人之一富創有限公司訂立的認購協議已於二零一六年四月十三日完成。可換股債券以本金總額50,000,000港元獲發行，及其於同日之公平值為57,975,000港元。

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37. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY 37. 本公司附屬公司詳情

Name	Place of incorporation/ registration	Place of operation	Registered/ issued paid-up capital	Percentage of ownership interest voting power/profit sharing held by the Group 本集團所持有之擁有權權益/投票權/ 攤佔利潤之百分比				Principal activities
名稱	註冊成立/註冊地點	營運地點	註冊/已發行繳足股本	31.3.2016 二零一六年 三月三十一日 31.3.2015 二零一五年 三月三十一日				主要業務
				Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	
Lucky Full Holdings Limited	British Virgin Islands	British Virgin Islands	US\$1 ordinary share	100%	–	100%	–	Investment holding
福滿控股有限公司	英屬維爾京群島	英屬維爾京群島	1美元普通股					投資控股
Clear Rich International Limited	British Virgin Islands	British Virgin Islands	US\$1 ordinary share	–	100%	–	100%	Investment holding
晴富國際有限公司	英屬維爾京群島	英屬維爾京群島	1美元普通股					投資控股
China United Gene Health Limited	Hong Kong	Hong Kong	HK\$1 ordinary share	–	100%	–	100%	Trading of beauty equipment and products and securities investment
華夏聯合基因健康產業有限公司	香港	香港	1港元普通股					美容設備及產品貿易及證券投資
CNL (Pinghu) (Note a)	PRC	PRC	US\$20 million registered capital	–	70%	–	70%	Distribution of bio-industrial products
中荷(平湖)(附註a)	中國	中國	20,000,000美元註冊資本					分銷生物產業產品
Mega Cedar Group Limited	British Virgin Islands	British Virgin Islands	US\$1 ordinary share	–	100%	–	100%	Investment holding
Mega Cedar Group Limited	英屬維爾京群島	英屬維爾京群島	1美元普通股					投資控股

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37. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY (Continued) 37. 本公司附屬公司詳情(續)

Name	Place of incorporation/ registration	Place of operation	Registered/ issued paid-up capital	Percentage of ownership interest voting power/profit sharing held by the Group 本集團所持有之擁有權權益/投票權/ 攤佔利潤之百分比				Principal activities
名稱	註冊成立/註冊地點	營運地點	註冊/已發行繳足股本	31.3.2016 二零一六年 三月三十一日 31.3.2015 二零一五年 三月三十一日				主要業務
				Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	
Perfect Net Limited	British Virgin Islands	British Virgin Islands	US\$1 ordinary share	-	100%	-	100%	Investment holding
Perfect Net Limited	英屬維爾京群島	英屬維爾京群島	1美元普通股					投資控股
New Wonder Limited	British Virgin Islands	British Virgin Islands	US\$1 ordinary share	-	100%	-	100%	Investment holding
New Wonder Limited	英屬維爾京群島	英屬維爾京群島	1美元普通股					投資控股
Rankup Holdings Limited	British Virgin Islands	British Virgin Islands	US\$1 ordinary share	-	100%	-	100%	Investment holding
Rankup Holdings Limited	英屬維爾京群島	英屬維爾京群島	1美元普通股					投資控股
East Longmark (Note b)	PRC	PRC	HK\$15 million registered capital	-	100%	-	100%	Provision of genetic testing services
東龍脈(附註b)	中國	中國	15,000,000港元註冊資本					提供基因測試服務
Shanghai Honglian Investment Advisory Limited (Note c)	PRC	PRC	HK\$3 million registered capital	-	100%	-	-	Inactive
上海弘連投資諮詢有限公司(附註c)	中國	中國	3,000,000港元註冊資本					非活躍
Shanghai Xizhen International Trading Limited (Note d)	PRC	PRC	HK\$3 million registered capital	-	100%	-	-	Inactive
上海熙貞國際貿易有限公司(附註d)	中國	中國	3,000,000港元註冊資本					非活躍

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37. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY (Continued)

37. 本公司附屬公司詳情(續)

Name	Place of incorporation/ registration	Place of operation	Registered/ issued paid-up capital	Percentage of ownership interest voting power/profit sharing held by the Group 本集團所持有之擁有權權益/投票權/ 攤佔利潤之百分比				Principal activities
名稱	註冊成立/註冊地點	營運地點	註冊/已發行繳足股本	31.3.2016 二零一六年 三月三十一日 31.3.2015 二零一五年 三月三十一日				主要業務
				Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	
Smart Ascent (Note e)	Hong Kong	Hong Kong	HK\$10,000 ordinary shares	-	51%	-	51%	Investment holding
進生 (附註e)	香港	香港	10,000港元普通股					投資控股
Fossie Bio (Note e)	Hong Kong	PRC	HK\$100,000 ordinary shares	-	30.79%	-	30.79%	Development and commercialisation of oval insulin products
福仕 (附註e)	香港	中國	100,000港元普通股					研發及商品化 口服胰島素產品
Welly Surplus (Note e)	Hong Kong	PRC	HK\$100 ordinary shares	-	30.79%	-	30.79%	Inactive
瑞盈 (附註e)	香港	中國	100港元普通股					非活躍
Nation Joy Industrial Limited (Note e)	British Virgin Islands	British Virgin Islands	US\$10,000 ordinary shares	-	60.38%	-	60.38%	Inactive
國悅實業有限公司 (附註e)	英屬維爾京群島	英屬維爾京群島	10,000美元普通股					非活躍

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37. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY (Continued)

Notes:

- (a) CNL (Pinghu) is a wholly foreign-owned enterprise established in the PRC on 2 April 2008 for a period of fifty years.
- (b) East Longmark is a wholly domestic limited company established in the PRC on 24 November 2011 for a period of thirty years.
- (c) Shanghai Honglian Investment Advisory Limited is a wholly domestic limited company established in the PRC on 26 January 2015 for a period of thirty years.
- (d) Shanghai Xizhen International Trading Limited is a wholly domestic limited company established in the PRC on 26 December 2014 for a period of thirty years.
- (e) These companies became subsidiaries of the Company upon completion of Acquisition on 28 July 2014.

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 formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had any debt securities outstanding at the end of the year or any time during the year.

37. 本公司附屬公司詳情(續)

附註：

- (a) 中荷(平湖)為於二零零八年四月二日在中國成立之外商全資企業，為期五十年。
- (b) 東龍脈為於二零一一年十一月二十四日在中國成立之全內資有限責任公司，為期三十年。
- (c) 上海弘連投資諮詢有限公司為於二零一五年一月二十六日在中國成立之全內資有限責任公司，為期三十年。
- (d) 上海熙貞國際貿易有限公司為於二零一四年十二月二十六日在中國成立之全內資有限責任公司，為期三十年。
- (e) 此等公司已於二零一四年七月二十八日之收購完成後成為本公司之附屬公司。

本公司董事認為，上表已包括對本集團本年度之業績有重大影響或構成資產淨值主要部分之附屬公司。而倘提供其他附屬公司之詳情，董事則認為會使篇幅過於冗長。

於本年度完結時或年內任何時間上述附屬公司概無任何未償還之債務證券。

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37. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY (Continued)

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

37. 本公司附屬公司詳情(續)

下表詳列本集團擁有重大非控股權益之非全資附屬公司：

Name of subsidiary 附屬公司名稱	Place of incorporation and principal place of business 註冊成立及 主要經營地點	Proportion of ownership interests held by non-controlling interests 非控股權益所持有 之權益擁有權之比例		Proportion of voting rights in board of directors' meeting held by non-controlling interests 非控股權益所持有 之於董事會之投票權之比例		(Loss) profit allocated to non-controlling interests 分配予非控股權益 之(虧損)收益		Accumulated non-controlling interests 累計非控股權益	
		2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Smart Ascent (Note) 進生(附註)	Hong Kong 香港	49%	49%	49%	49%	(735)	226	(509)	226
Fosse Bio (Note) 福仕(附註)	Hong Kong/PRC 香港/中國	69.21%	69.21%	69.21%	69.21%	(2,628)	(4,628)	871,775	874,403
CNL (Pinghu) 中荷(平湖)	PRC 中國	30%	30%	30%	30%	(715)	(824)	8,310	9,025
Individually immaterial subsidiaries with non-controlling interests 擁有非控股權益之獨立非主要附屬公司						(4)	(4)	(72)	(68)
						(4,082)	(5,230)	879,504	883,586

Note: SAL Group become the subsidiaries of the Group upon the completion of Acquisition on 28 July 2014.

附註：進生集團於二零一四年七月二十八日之收購完成後成為本集團之附屬公司。

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綜合財務報表附註

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37. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY (Continued)

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

SAL Group

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Current assets	流動資產	2,639	11,717
Non-current assets	非流動資產	1,394,062	1,387,159
Current liabilities	流動負債	(65,794)	(69,683)
Non-current liabilities	非流動負債	(8,234)	(3,557)
Equity attributable to owners of the Company	本公司擁有人應佔權益	448,781	451,075
Non-controlling interests	非控股權益	871,194	874,561

37. 本公司附屬公司詳情(續)

有關對本集團有重大非控股權益之每間附屬公司之財務資料概要如下。下述財務資料概要顯示集團內部抵銷前之金額。

進生集團

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37. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY (Continued)

37. 本公司附屬公司詳情(續)

SAL Group (Continued) 進生集團(續)

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Revenue	收入	—	—
Expenses	開支	(5,661)	(6,124)
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	(5,661)	(6,124)
Loss and total comprehensive expense attributable to	虧損及全面開支總額歸屬		
Owners of the Company	本公司擁有人	(2,294)	(1,179)
Non-controlling interests	非控股權益	(3,367)	(4,405)
		(5,661)	(5,584)
Net cash outflow from operating activities	於經營活動之現金流出淨額	(1)	(1,383)
Net cash inflow from investing activities	於投資活動之現金流入淨額	—	1,383

There is no net cash flow from financing activities.

沒有現金流於融資活動。

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綜合財務報表附註

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

37. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY (Continued)

37. 本公司附屬公司詳情(續)

CNL (Pinghu)

中荷(平湖)

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Current assets	流動資產	794	2,168
Non-current assets	非流動資產	35,516	36,081
Current liabilities	流動負債	(3,635)	(3,545)
Non-current liabilities	非流動負債	(2,443)	(2,174)
Equity attributable to owners of the Company	本公司擁有人應佔權益	21,920	23,505
Non-controlling interests	非控股權益	8,310	9,025
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Other income	其他收入	95	72
Expenses	開支	(2,479)	(2,819)
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	(2,384)	(2,747)
Loss and total comprehensive expense attributable to	虧損及全面開支總額歸屬		
Owners of the Company	本公司擁有人	(1,669)	(1,923)
Non-controlling interests	非控股權益	(715)	(824)
		(2,384)	(2,747)
Net cash outflow from operating activities	於經營活動之現金流出淨額	(1,198)	(5,240)

There are no cash flows from investing and financing activities.

沒有現金流於投資及融資活動。

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綜合財務報表附註

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

38. FINANCIAL INFORMATION OF THE COMPANY 38. 本公司之財務資料

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	313	75
Interests in associates	於聯營公司的權益	128,103	143,634
Investment in subsidiary	於附屬公司的投資	1	1
Investments in convertible bonds	於可換股債券的投資	259,555	257,368
		387,972	401,078
Current assets	流動資產		
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	550	555
Amounts due from group companies	應收集團公司之款項	521,686	397,940
Bank balances and cash	銀行結餘及現金	13,599	131,975
		535,835	530,470
Current liabilities	流動負債		
Accruals and other payables	應計費用及其他應付款項	1,192	3,401
Funds received in advance	預收資金	50,000	—
		51,192	3,401
Net current assets	流動資產淨額	484,643	527,069
Non-current liabilities	非流動負債		
Convertible bonds	可換股債券	403,146	351,400
NET ASSETS	資產淨額	469,469	576,747
Capital and reserves	資本及儲備		
Share capital	股本	14,642	13,042
Reserves	儲備	454,827	563,705
TOTAL EQUITY	權益總額	469,469	576,747

The financial statements were approved by the Board of Directors on 29 June 2016 and are signed on its behalf by:

財務報表已由董事會於二零一六年六月二十九日批准，並由以下董事代表簽署：

Jiang Nian
蔣年
DIRECTOR
董事

Tang Rong
唐榕
DIRECTOR
董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

38. FINANCIAL INFORMATION OF THE COMPANY (Continued)

38. 本公司之財務資料(續)

Reserve of the Company 本公司之儲備

		Share premium 股份溢價 HK\$ 港元	Convertible note equity reserve 可換股票據 權益儲備 HK\$ 港元	Accumulated losses 累計虧損 HK\$ 港元	Total 總計 HK\$ 港元
As at 1 April 2014	於二零一四年四月一日	901,488	747,556	(1,139,393)	509,651
Loss for the year	年內虧損	–	–	(451,793)	(451,793)
Acquisition of subsidiaries	收購附屬公司	–	136,646	–	136,646
Recognition of equity component of convertible bonds	確認可換股債券之權益部分	–	363,034	–	363,034
Issue of shares upon conversion of convertible bonds	可換股債券轉換時發行股份	111,558	(105,391)	–	6,167
As at 31 March 2015	於二零一五年三月三十一日	1,013,046	1,141,845	(1,591,186)	563,705
Loss for the year	年內虧損	–	–	(226,143)	(226,143)
Recognition of equity component of convertible bonds	確認可換股債券之權益部分	–	109,371	–	109,371
Issue of shares upon conversion of convertible bonds	可換股債券轉換時發行股份	106,248	(98,354)	–	7,894
As at 31 March 2016	於二零一六年三月三十一日	1,119,294	1,152,862	(1,817,329)	454,827

FINANCIAL SUMMARY

財務概要

RESULTS

業績

		For the twelve months ended 31 March 截至 三月三十一日止 十二個月	For the twelve months ended 31 March 截至 三月三十一日止 十二個月	For the nine months ended 2014 截至 二零一四年止 九個月	For the twelve months ended 30 June 截至六月三十日止十二個月	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Revenue	收入	19,908	33,976	29,744	10,050	25,475
(Loss)/profit for the year/period from continuing operations	來自持續經營業務之 年／期內(虧損)溢利	(240,947)	(456,914)	(557,338)	(38,538)	(106,274)
Profit/(loss) for the year/period from discontinuing operation	來自已終止經營業務之 年／期內溢利(虧損)	-	-	140	(51,119)	(23,423)
(Loss)/profit for the year/period	年／期內(虧損)溢利	(240,947)	(456,914)	(557,198)	(89,657)	(129,697)
Attributable to:	歸屬：					
Owners of the Company	本公司擁有人	(236,865)	(451,684)	(550,347)	(72,839)	(123,882)
Non-controlling interests	非控股權益	(4,082)	(5,230)	(6,851)	(16,818)	(5,815)
		(240,947)	(456,914)	(557,198)	(89,657)	(129,697)

ASSETS AND LIABILITIES

資產及負債

		As at 31 March 於三月三十一日		As at 30 June 於六月三十日		
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Non-current assets	非流動資產	1,824,474	1,831,394	430,699	143,038	69,879
Current assets	流動資產	185,718	209,158	310,819	365,000	286,119
Current liabilities	流動負債	(120,940)	(81,957)	(15,135)	(47,128)	(18,178)
Non-current liabilities	非流動負債	(410,236)	(357,131)	(54,162)	(16,548)	(7,253)
Net assets	資產淨額	1,479,016	1,601,464	672,221	444,362	330,567
Attributable to:	歸屬：					
Owners of the Company	本公司擁有人	599,512	717,878	662,372	453,337	319,248
Non-controlling interests	非控股權益	879,504	883,586	9,849	(8,975)	11,319
Total equity	權益總額	1,479,106	1,601,464	672,221	444,362	330,567



INNOVATIVE PHARMACEUTICAL BIOTECH LIMITED

領航醫藥及生物科技有限公司

(formerly known as United Gene High-Tech Group Limited 聯合基因科技集團有限公司)

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(於開曼群島註冊成立並於百慕達存續之有限公司)

(Stock Code 股份代號 : 399)