



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)



2017
Annual Report 年報

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Gao Yuan Xing
Tang Rong
Huang He (appointed on 10 January 2017)

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
唐榕
黃鶴(於二零一七年一月十日獲委任)

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

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

Conyers Corporate Services (Bermuda) 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

Conyers Corporate Services (Bermuda) 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, (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 2017 (the "Financial Year") with comparative figures for the year ended 31 March 2016 (the "Previous Financial Year").

For the Financial Year, the Group recorded revenue of approximately HK\$9.2 million, a decrease of approximately 53.9% in revenue from approximately HK\$19.9 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 more 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\$169.8 million, representing an improvement of approximately 28.3% from the loss attributable to owners of the Company in the amount of approximately HK\$236.9 million recorded in the Previous Financial Year. The comparative reduction in loss for the Financial Year of HK\$67.1 million was primarily due to no impairment loss for the Financial Year 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.

各位股東：

本人謹代表領航醫藥及生物科技有限公司(「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」)提呈本集團截至二零一七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二零一六年三月三十一日止年度(「上一財政年度」)之比較數字。

本集團於本財政年度之收益為約9,200,000港元，較上一財政年度錄得之收益約19,900,000港元減少約53.9%。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，因為本集團更多地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169,800,000港元，較上一財政年度錄得之本公司擁有人應佔虧損約236,900,000港元減少約28.3%。本財政年度虧損相對減少67,100,000港元主要由於本財政年度並沒有因收購精優藥業控股有限公司(「精優」)發行之可換股債券投資的初步確認減值虧損所致。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。

OUTLOOK

The Group is continuing to develop its trading of beauty equipment and products business. Although there was keen competition in the market, the Group will allocate more resources to boost up the business.

The Group also engages in development of a technology that would allow insulin to be administered orally. The technology is still in the research and development stage. The Group is planning the part B, Phase III of the clinical trial which is typically considered as the final stage of clinical trial before commercialization. The Group will use its best endeavours to commercialise the product by the end of 2019.

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 2017

展望

本集團持續發展其美容設備及美容產品貿易業務。儘管市場存在激烈競爭，本集團將分配更多資源以加強業務。

本集團亦致力於開發一種令胰島素可透過口服方式服用之技術。該技術仍處於研發階段。本集團正計劃之臨床試驗第三期B段，其通常被視為商業化臨床試驗之最後階段。本集團將盡最大努力於二零一九年底將該產品商業化。

本公司繼續積極物色及檢討合作、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，二零一七年六月二十九日

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\$9.2 million, representing a decrease of approximately 53.9% as compared with the total revenue of approximately HK\$19.9 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\$169.8 million for the Financial Year, an improvement by HK\$67.1 million from the loss of HK\$ 236.9 million that was recorded in the Previous Financial Year. The reduction of loss was primarily due to no impairment loss being recognised on the Group's acquisition of investments in convertible bonds that were issued by Extrawell Pharmaceutical Holdings Limited ("Extrawell"), a company listed on the main board of The Stock Exchange of Hong Kong Limited, 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 this year and in the Previous Financial Year.

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 term 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.

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\$9.2 million, representing a decrease of approximately 53.9% from the revenue in the amount of approximately HK\$19.9 million that was recorded in the Previous Financial Year.

集團業績

於本財政年度，本集團之收益約為9,200,000港元，較上一財政年度錄得之總收益約19,900,000港元減少約53.9%。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169,800,000港元，較上一財政年度虧損236,900,000港元改善67,100,000港元。虧損較上一財政年度減少乃主要由於本財政年度就本集團並無收購精優藥業控股有限公司（「精優」）（一間於香港聯合交易所有限公司主板上市之公司）發行之可換股債券之投資確認減值虧損所致。

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。本年度及上一財政年度提供基因測試服務並無產生收益。

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，權利期限獲自動額外延長十年。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。

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9,200,000港元，較上一財政年度錄得之收益約19,900,000港元減少約53.9%。

BUSINESS REVIEW *(Continued)*

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 Group's consolidated statement of financial position under interests 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 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 Group will inject additional resources into clinical trial of the In-process R&D and consolidate the effort of the project team in order to facilitate the development of it.

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 Group's portfolio and development.

The In-process R&D was recorded as intangible asset in Group's consolidated statement of financial position with carrying value of HK\$1,373 million. The management performs the impairment assessment at the end of each reporting period.

The recoverable amount of the intangible asset is determined based on fair value calculations which used cash flow projections prepared by the management of the Group using certain key assumptions. Key assumptions for the fair value calculations were based on estimated cash inflows derived from budgeted sales and gross margin which estimates are based on the expectations for the market development.

業務回顧 *(續)*

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集團之綜合財務狀況表內列作於聯營公司之權益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

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。本集團將向研發過程的臨床試驗注入額外資源並綜合項目團隊的努力以促進其發展。

目前為止，本集團已使用本集團內部資源為研發分部提供資金但仍積極接受其他集資及合夥活動，以進一步推動本集團之資產組合及促進本集團之發展。

研發過程於本集團綜合財務狀況表入賬列作無形資產，賬面值為1,373,000,000港元。管理層於各報告期末進行減值評估。

無形資產之可收回款項基於公平值計算法釐定，公平值計算法是採用本集團管理層使用若干主要假設編製的現金流量預測。公平值計算法的主要假設乃基於根據市場預期發展估計的銷售預算及毛利率產生的估計現金流量。

BUSINESS REVIEW *(Continued)*

Research and development *(Continued)*

At the end of the Financial Year, the Directors of the Company have performed impairment assessment on the intangible asset by reference to the valuation conducted by Roma Appraisals Limited, an independent qualified valuer (the “Valuer”). The recoverable amount of the intangible asset 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 asset 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 2017.

As disclosed in sections headed “Basis for Disclaimer of Opinion” and “Disclaimer of Opinion” in the independent auditors report contained on pages 53 to 56 of this annual report, the auditors of the Company expressed a disclaimer of opinion on the consolidated financial statements of the Group for the year ended 31 March 2017 on a basis that the carrying amount of the In-process R&D is determined based on the management’s key assumptions which are made with high degree of estimation uncertainties. The carrying amount is highly dependent upon further research and development work that is required to be carried out, results of clinical trials, successful launching of the Product by the end of 2019 and key assumptions to be applied in preparing a cash flow projection for the sales of the Product.

業務回顧 *(續)*

研發 *(續)*

於財政年度末，本公司董事已參考獨立合資格估值師羅馬國際評估有限公司（「估值師」）進行的評估對無形資產作出減值評估。無形資產的可收回款項基於研發過程的估計公平值釐定。根據該評估，估計本集團無形資產的可收回款項將高於其賬面值，因此，本公司董事認為無需於二零一七年三月三十一日作出減值。

誠如本年報第53頁至56頁所載之獨立審核報告中「不發表意見之基準」及「不發表意見」章節所披露，本公司核數師對本集團截至二零一七年三月三十一日止年度止綜合財務報表並未發表意見，乃基於根據管理層作出之具有較高估計不確定性的主要假設釐定之研發過程的賬面值。賬面值高度依賴於須進行的進一步研發工作、臨床試驗結果、二零一九年底之前順利推出該產品以及編製該產品銷售現金流量預測採用的主要假設。

As at the date of this report, the Product is still in the research and development stage. Accordingly, uncertainty as to when the Product can be launched exists. To address the audit qualification, the Group will use its best endeavors to commercialise the Product by the end of 2019:

The Group has accounted for reasonable amount of time for each process until commercialisation of the Product. The Group will use its best endeavours to commercialise the Product by the end of 2019. Nonetheless, commercialisation of the Product is subject to uncertainties and risks arising from the results of the clinical trial of the Product and the assessment of China Food and Drug Administration (“CFDA”). These factors may be beyond the control of the Group and may lead to further delay in the timetable. To the best knowledge, information and belief of the Directors, other than the uncertainties and risks arising from the results of the clinical trial of the Product and the assessment of CFDA, there are no other foreseeable obstacles/issues leading to further delay in the timetable.

Under normal circumstances, part B, Phase III of the clinical trial is typically considered as the final stage of clinical trial before commercialisation in the PRC. Accordingly, once the Group has commenced part B, Phase III of the clinical trial of the Product, the Group will be in a better position to ascertain the expected launch progress of the Product, and by that time the Group will be able to provide additional supporting evidence, for example, research and development results and status updates to the Group’s auditors to support the management’s assumptions on the timing and probability of success in launching the Product. The Board will, as appropriate in the circumstances, engage the auditors at an early stage to discuss the audit plan and how to address the issues, in particular once the Group has commenced part B of Phase III of the clinical trial of the Product.

於本報告日期，該產品仍處於研發階段。因此，該產品何時推出仍存在不確定性。為了符合審計條件，本集團將盡最大努力於二零一九年年底之前將產品商品化。

本集團在該產品商品化之前，已經考慮各流程的合理時間。本集團將盡最大努力於二零一九年年底之前將該產品商品化。然而，該產品的商品化受到該產品臨床試驗及國家食藥監總局評估結果造成的不確定性及風險的影響。該等因素可能超出了本集團的控制範圍，並可能導致時間表進一步延遲。就董事所深知、盡悉及確信，除該產品臨床試驗做成的不確定性及風險和國家食藥監總局評估外，概無其他可預見之困難／問題會導致時間表進一步延遲。

一般情況下，臨床試驗第三期B段通常被視為在中國商品化前臨床試驗的最後階段。因此，一旦本集團開始該產品臨床試驗第三期B段，本集團將能夠更好地確定該產品的預期推出進度，且屆時本集團將能夠向本集團核數師提供研發結果及狀態更新等額外支持證據，以支持管理層有關順利推出該產品的時機及可能性的假設。董事會將在適當情況下儘早聘請核數師討論審核計劃商討及商討如何解決問題，尤其是一旦本集團開始該產品臨床試驗第三期B段。

Reference is made to the circular of the Group dated 26 June 2014 (the “Circular”). There is delay in the timetable set out in the Circular. The reasons for delay are as follows:

1. The Group spent time on revisiting the feasibility, the cost and benefit for starting the research and development in the United States of America (“USA”) and the European Union (“EU”). As set out in the Circular, it was contemplated that clinical trials would be conducted in the USA and Europe (in addition to the PRC) and that the breakdown of the Capital Commitment (as defined in the Circular) included research and development costs in the USA and the EU. The Board was then of the view that if a new drug is first approved by the U.S. Food and Drug Administration the said drug will have a higher possibility of obtaining earlier approval from the CFDA. Therefore, the Group committed resources and time to study the feasibility and pros and cons of commencing research and development in the USA and the EU and applying to the authorities in the USA and the EU for approval. However, after further analysis and consideration taking into account the results of the feasibility study and the time and costs involved, the management decided in the end of 2015 to suspend the pursuit of such route of having the Product approved in the USA and the EU first, but rather, the management would commence part B of Phase III of the clinical trial of the Product in the PRC and apply for the Certificate and Permit from the CFDA directly.
2. Due to the substantial funding required for the research and development and the commercialisation of the Product and with a view to explore synergies with potential business partners, the Group had been exploring and discussing collaboration or cooperation opportunities with potential investors and partners in the joint development of the Product. The Group did not make a deal with any such investors or partners.
3. Before the commencement of part B of Phase III of the clinical trials, the Group had spent efforts on and had completed the multi-centred, randomised crossover and self-controlled clinical trial of its oral insulin enteric-coated soft capsules on type-2 diabetes as part of the planning and preparation stage for part B of Phase III of the clinical trials.

Taking into consideration the work done by the Group in pursuing the feasibility study for the USA/EU route and the preparation for the commencement of part B of Phase III of the clinical trials, the Board considers the time and effort of the feasibility study which was intended to speed up the approval process and the revised timetable in relation to the development of the Product reasonable.

茲提述本集團於二零一四年六月二十六日的通函(「該通函」)。該通函內所載時間表存在延遲。延遲原因如下：

1. 本集團花時間重新審視在美國及歐盟開展研發的可行性、成本及效益。誠如該通函所載，擬於美國及歐洲(加上中國)進行臨床試驗並且在資本承擔明細(定義見該通函)中包括美國及歐盟的研發成本。董事會當時認為，倘美國食品藥品監督管理局批准一款新藥，該藥物將很有可能加快獲得國家食藥監總局的批准。因此，本集團承諾花費資源及時間研究在美國及歐盟開展研發的可行性及優缺點，並向美國及歐盟當局申請批准。然而，經過進一步分析及考慮到可行性研究的結果以及涉及的時間及成本，管理層決定於二零一五年年底暫停首先在美國及歐盟取得該產品批准的途徑，同時管理層將於中國開展該產品臨床試驗第三期B段及直接向國家食藥監總局申請證書及許可證。
2. 由於該產品的研發及商品化需要大量資金及為了探索與潛在業務夥伴的協同效應，本集團一直在與潛在投資者及合作夥伴共同尋求及討論共同開發該產品的協作或合作機會。本集團尚未與任何該等投資者或合作夥伴達成交易。
3. 在臨床試驗第三期B段開始之前，作為臨床試驗第三期B段規劃及準備階段的一部分，本集團已完成就口服胰島素腸溶膠丸對治療二型糖尿病的多中心、隨機、交叉及自身對照臨床試驗。

經考慮本集團在探尋美國／歐洲路線之可行性所作之工作以及臨床試驗第三期B段開始所作之籌備工作，董事會認為，為加速審批程序而進行之可行性研究的時間及精力以及有關開發產品之經修訂時間表屬合理。

To further ensure that the Product will be able to commercialise by end of 2019, the Group will also allocate more human resources to the project and strengthen its project team so that relevant personnel of the project team will regularly monitor the progress and make regular reports to the management of the Company so as to ensure the In-process R&D can be completed according to the Group's schedule to commercialise the Product. The Group will also engage appropriate number of hospitals to carry out the clinical trials so that part B, phase III of the clinical trial of the Product can be completed on or before the first quarter of 2019.

As set out in the Circular, on 17 March 2014, the Group and the Extrawell Group entered into a conditional sale and purchase agreement where the Company agreed to purchase 51% of the equity interest in Smart Ascent Limited ("Smart Ascent" together with its subsidiaries, the "SAL Group") from the Extrawell Group. As part of the agreement, the Group has undertaken to the Extrawell Group that for a period of 3 years from completion, the Group would, on a best endeavor basis, solely assume the future capital and operational expenditures of Smart Ascent by way of unsecured interest-free shareholder's loans up to the amount of HK\$600 million from July 2014 to July 2017. The undertaking shall cease to be valid upon expiry in July 2017 unless otherwise extended by the parties thereto. It is currently expected that the Group will discuss with Extrawell regarding the arrangement after the expiry of the undertaking. Prior to reaching an agreement with Extrawell, the Group shall undertake the provision of funding to the development of the Product in the PRC by internal resources upon expiry of the undertaking.

Further, the Group will continue to conduct impairment assessment in each reporting period-end for the Product. If there is any indication that the Product has suffered any impairment loss, the recoverable amount of the Product will be estimated in order to determine the extent of the impairment loss, if any.

The In-process R&D is subject to inherent uncertainties and risks which may be beyond the control of the Group. Certain evidence and information may not be available and cannot be obtained in forming the auditors' opinions. The Group would use its best efforts to commercialise the Product and provide the evidence and information to the auditors as and when available.

The Audit Committee concurs with the Group's view that the time schedule for the commercialisation of the Product by the end of 2019 is feasible and reasonable upon discussion with the management of the Group and having taken into consideration that the project team will exert additional efforts in monitoring the progress of the In-process R&D so as to complete the research and development and to commercialise the Product as soon as practicable.

為進一步確保該產品能夠在二零一九年底實現商品化，本集團還將為項目配置更多人力資源及加強項目組，使項目組的有關人員定期監測進度及定期向本公司管理層報告，確保按照本集團的時間表完成研發過程，以實現該產品的商品化。本集團還將聘請適當數量的醫院進行臨床試驗，以便該產品臨床試驗第三期B段可在二零一九年第一季度或之前完成。

如通函所載，於二零一四年三月十七日，本集團與精優集團訂立有條件買賣協議，據此，本公司同意向精優集團收購進生有限公司（「進生」）及其附屬公司（「進生集團」）之51%權益。作為協議的部分，本集團已向精優集團承諾，自完成日期起三年內，本集團當盡力為本，僅假設於二零一四年七月至二零一七年七月進生以無擔保免息股東貸款形式之未來資本及營運開支最多為600百萬港元。於二零一七年七月屆滿後，有關承諾將不再有效，惟有關各方另行延長者除外。現預計，本集團擬將就承諾屆滿後之安排與精優討論。於與精優達成協議之前，本集團須承諾在該承諾屆滿之後，以內部資源為該產品在中國開發提供資金。

此外，本集團將於該產品各報告期末繼續進行減值評估。倘有跡象表明該產品存在減值損失，將估計該產品的可收回金額，以確定減值損失的程度（如有）。本集團認為，在確定審計保留意見時，核數師將考慮該減值損失評估。

研發過程受到本集團無法控制的固有不确定性及風險的限制。若干證據及資料可能無法獲得及於核數師提供意見時無法取得。本集團將盡最大努力將該產品商品化，並在可獲得時向核數師提供證據及資料。

經與本集團管理層討論及考慮項目組將進一步加大研發過程進度監督力度，以在實際可行情況下儘快完成該產品的研發及商品化，審核委員會同意本集團觀點，認為該產品在二零一九年底之前商品化的時間表屬可行及合理。

The recoverable amount of the In-process R&D is determined based on fair value calculations using the income approach method, with reference to the professional valuation performed by Roma Appraisal Limited, an independent firm of professional qualified valuers. The fair value calculation used the cash flow projections prepared by the management based on certain key assumptions, in which the estimated cash inflows derived from budgeted sales and expected gross margin were based on the expectations for the market development. In addition, the fundamental assumptions included the regulatory approvals from the relevant government bodies (in particular, the granting of the certificate of new medicine and pharmaceutical manufacturing permit for the Product by CFDA) to launch the Product by the end of 2019.

The expected future economic benefits attributable to the In-process R&D approved by the management cover a 10-year period. The calculation used in the cash flow projections with certain key parameters are as below:

| | | 2017 二零一七年 | 2016 二零一六年 |
|--------------------------|---------|---------------|---------------|
| Discount rate (post-tax) | 貼現率(稅後) | 24.82% | 27.99% |
| Growth rate | 增長率 | 3% | 3% |
| Gross profit ratio | 總利潤率 | 57.97% | 56.25% |

Based on the impairment review assessment, the recoverable amount of the Group's intangible asset is estimated to be higher than the carrying amount after taking into account the lack of control discount. The Board has conducted market research and evaluated the underlying assumptions with reference to available market resources and are of the view that they are fair and reasonable assumptions. Therefore the Board is in the opinion that no impairment on the carrying amount of the In-process R&D has to be recognised for the year (2016: Nil).

研發過程之可收回金額乃經參考獨立專業合資格估值師羅馬國際評估有限公司進行的專業估值，使用收入法按公平值計算法釐定。公平值計算法使用管理層基於若干主要假設編製之現金流量預測，管理層所編製現金流量預測所用公平值計算乃基於若干關鍵假設，其中估計現金流入來源於預計銷量而預期毛利率乃基於對市場發展的預期。此外，基本假設包括相關政府機構於二零一九年底前授出有關發佈產品的監管批准(具體而言，須由中國國家食品藥品監督管理總局頒發新藥及製藥許可證書)。

管理層審批的研發過程應佔預期未來經濟利益涵蓋10年期間。現金流量預測所用計算及若干關鍵參數如下所示：

根據減值檢討評估，經考慮缺少控制性折現，本集團估計無形資產的可收回款項將高於其賬面值。董事會已進行市場研究並參考可供使用市場資源後對相關假設進行評估，並認為其為公平合理之假設。因此，董事會認為，毋須就年內研發過程之賬面值確認任何減值(二零一六年：無)。

The Audit Committee reviewed the reasonableness of the key assumptions on the cash flow projections for the preparation of valuation and the valuation report which was conducted by the Valuer. The Audit Committee found no indication that the In-process R&D had suffered any impairment loss as the value prepared by the Valuer is higher than its carrying value. The Audit Committee noted that the key assumptions of the cash flow projections involved high degree of estimations and judgements. The Audit Committee's view and conclusion after reviewing the key assumptions is that they are fair and reasonable on the basis that the estimation and judgment have been consistently applied throughout the previous years.

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.

PROSPECTS

Provision of genetic testing services

In October 2014, the Group franchised the genetic testing distribution rights to two related parties who 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.

審核委員會審查了估值師就估值及估值報告作出的現金流量預測主要假設的合理性。審核委員會並無發現研發過程存在減值損失，因估值師編製的價值高於其賬面價值。審核委員會留意到，現金流量預測的主要假設涉及很多估計及判斷。審核委員會於審查主要假設後的觀點及結論為，該等估計及判斷屬公平合理，因為在過去幾年中該等估計及判斷一直得以採用。

倘出現任何重大進展，本集團將根據情況按照香港聯合交易所有限公司證券上市規則（「上市規則」）作出進一步公告。

前景

提供基因測試服務

於二零一四年十月，本集團開始向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。自二零一二年起，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。有關訴訟之付款已根據法庭的指示作出。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。

PROSPECTS *(Continued)*

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 revenue.

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 there was keen competition in the market. The Group intends to maintain the segment and the management will allocate more resources to boost up the trading business activity.

Securities investment

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

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 report the Group has yet to encounter a suitable business partner. The Group will continue to evaluate potential products that would be used to bolster the Group's pipeline.

前景 *(續)*

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，由於市場競爭激烈，因此貿易業務活動有所減少。本集團計劃維持該分部及管理層將分配更多資源以增強貿易業務活動。

證券投資

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，但於本報告日期，本集團尚未覓得合適的業務夥伴。本集團將繼續評估用於支持本集團產品組合之潛在產品。

FINANCIAL REVIEW

Capital structure

財務回顧

資本架構

| | | 31.3.2017 二零一七年 三月三十一日 HK\$'000 千港元 | 31.3.2016 二零一六年 三月三十一日 HK\$'000 千港元 |
|---|---|---|---|
| Authorised: | 法定： | | |
| 50,000,000,000 ordinary shares of HK\$0.01 each (the "Shares") | 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: | 已發行及已繳足： | | |
| 1,464,193,024 Shares | 1,464,193,024股股份 | 14,642 | 14,642 |

Liquidity and financial resources

As at 31 March 2017, the Group had bank and cash balances of approximately HK\$61.3 million (31 March 2016: approximately HK\$32.4 million).

As at 31 March 2017, total borrowings of the Group were approximately HK\$542.4 million (31 March 2016: approximately HK\$473.4 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, amount due to the subsidiary of an associate, and loan from a non-controlling interest.

The ratio of current assets to current liabilities of the Group was 1.03 as at 31 March 2017 as compared to the 1.54 as at 31 March 2016. The Group's gearing ratio as at 31 March 2017 was 0.30 (31 March 2016: 0.26) which is calculated based on the Group's total liabilities of approximately HK\$552.6 million (31 March 2016: approximately HK\$531.1 million) and the Group's total assets of approximately HK\$1,851.0 million (31 March 2016: approximately HK\$2,010.2 million).

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

流動資金及財務資源

於二零一七年三月三十一日，本集團之銀行及現金結餘約61,300,000港元(二零一六年三月三十一日：約32,400,000港元)。

於二零一七年三月三十一日，本集團之總借貸約542,400,000港元(二零一六年三月三十一日：約473,400,000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。

本集團於二零一七年三月三十一日之流動資產對流動負債之比率為1.03，而於二零一六年三月三十一日則為1.54。本集團於二零一七年三月三十一日之資本負債比率為0.30(二零一六年三月三十一日：0.26)，乃根據本集團之負債總額約552,600,000港元(二零一六年三月三十一日：約531,100,000港元)及本集團之資產總額約1,851,000,000港元(二零一六年三月三十一日：約2,010,200,000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。

FINANCIAL REVIEW *(Continued)*

Significant acquisition and investments

On 29 March 2016, an indirectly wholly-owned subsidiary of the Company, Top Nice Holdings Limited (“Top Nice”) and other parties entered in to the Capital Injection Agreement. Pursuant to Capital Injection Agreement, Top Nice would inject capital in the amount of RMB224.75 million cash in a joint venture entity (“Joint Venture”). Upon completion of the capital injection, the Joint Venture would be owned by as to 29% by Top Nice.

According to the Capital Injection Agreement, the Joint Venture will acquire certain entities which are principally engaged in the business of online travel business, reservation and sales of air tickets, hotels accommodation and travel related products.

On 6 June 2016, certain conditions precedent to the Capital Injection Agreement were not fulfilled. The Capital Injection Agreement therefore lapsed. Top Nice shall be treated as being discharged and released from the Capital Injection Agreement.

On 11 March 2017, the Company and a seller entered into a Memorandum of Understanding, pursuant to which the Company intended to acquire the controlling interest in three companies which are principally engaged in the provision of one-stop accredited medical consultation and health examination services in Hong Kong.

At the end of the Financial Year, no definitive agreement was finalised and entered into between the Company and the seller for the acquisition.

Save as mentioned 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.

Issue of Convertible Bonds and early redemption

On 24 March 2016, 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 took place on 13 April 2016.

財務回顧 *(續)*

重大收購及投資

於二零一六年三月二十九日，本公司間接全資附屬公司麗高集團有限公司(「麗高」)及其他訂約方訂立注資協議。根據注資協議，麗高將向一間合營實體(「合營企業」)以現金注資人民幣224,750,000元。注資完成後，麗高擁有合營企業29%之權益。

根據注資協議，合營企業將收購若干主要從事線上旅遊業務、預訂及銷售或機票、旅館住宿及旅遊相關產品的實體。

於二零一六年六月六日，注資協議的若干先決條件未達成，注資協議因此失效。麗高應被視作釋放及解除注資協議。

於二零一七年三月十一日，本公司與賣方訂立諒解備忘錄，據此，本公司打算收購於三間公司(於香港主要從事提供一站式公認醫學諮詢及健康檢查服務)之控股權益。

於財政年度末，本公司與賣方並無就收購敲定最終協議。

除上述者外，本集團於本財政年度並無任何重大投資，亦無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。

發行可換股債券及提早贖回

於二零一六年三月二十四日，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及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」)。可換股債券將於可換股債券發行日期起計滿三週年當日到期。可換股債券將轉換成換股股份，即本公司每股0.01港元之普通股，轉換價為每股換股股份1.00港元(可予以調整)。認購人於二零一六年四月十三日完成認購可換股債券。

FINANCIAL REVIEW *(Continued)*

Issue of Convertible Bonds and early redemption *(Continued)*

On 6 July 2016, the Company and the Subscriber entered into a supplemental deed (the “Supplemental Deed”), pursuant to which the Company and the Subscriber agreed to amend a term of the Convertible Bonds such that the Company may, at any time prior to the maturity of the Convertible Bonds and by giving the holder(s) of the Convertible Bonds not less than seven (7) working days’ notice, redeem the outstanding Convertible Bonds, in whole or in part, at a price to be agreed between the holder(s) of the Convertible Bonds (the “Redemption Price”) and the Company or any of its subsidiaries from time to time (the “Proposed Amendment”). Save and except for the aforesaid, all other terms of the Convertible Bonds remained unchanged.

By a notice of redemption given on 6 July 2016, the Company has elected to redeem the outstanding Convertible Bonds in the aggregate principal amount of HK\$50,000,000 prior to their maturity date of 13 April 2019 at the Redemption Price of HK\$51,003,472 (the “Early Redemption”). In this regard, the Subscriber has agreed to waive the seven (7) working days’ notice period required under the terms of the Convertible Bonds (as amended and supplemented by the Supplemental Deed), and the Early Redemption was fixed and carried out on 6 July 2016 and the Convertible Bonds redeemed were cancelled by the Company.

The Redemption Price was agreed between the Company and the Subscriber pursuant to the terms of the Convertible Bonds (as amended and supplemented by the Supplemental Deed) and is equivalent to 100% of the principal amount of the Convertible Bonds together with the unpaid interest accrued to 6 July 2016, being the date fixed for the Early Redemption.

Charges on the Group’s assets

As at 31 March 2017, the Group and the Company did not have any charges on their assets (31 March 2016: Nil).

Contingent liabilities

Details of litigation and contingent liabilities are set out in note 31 to the consolidated financial statements.

財務回顧 *(續)*

發行可換股債券及提早贖回 *(續)*

於二零一六年七月六日，本公司及認購人訂立一份補充契據（「補充契據」），據此，本公司及認購人同意修訂可換股債券之條款，即本公司可於可換股債券到期日前隨時透過向可換股債券持有人發出不少於七(7)個工作天之通知，按可換股債券持有人與本公司或其任何附屬公司不時協定的價格（「贖回價」）贖回全部或部分尚未行使之可換股債券（「建議修訂」）。除上述者外，可換股債券之其他條款維持不變。

通過於二零一六年七月六日發出贖回通知，本公司已選擇於到期日（即二零一九年四月十三日）之前將本金總額為50,000,000港元的尚未行使之可換股債券贖回，贖回價為51,003,472港元（「提早贖回」）。就此而言，認購人已同意豁免可換股債券條款項下規定之七(7)個工作天通知期（經補充契據修訂及補充），及釐定提早贖回於二零一六年七月六日進行及已贖回可換股債券由本公司註銷。

贖回價由本公司及認購人根據可換股債券之條款（經補充契據修訂及補充）協定，相當於可換股債券100%的本金金額連同累計至二零一六年七月六日（即釐定為提早贖回的日期）之未付應計利息。

本集團資產抵押

於二零一七年三月三十一日，本集團及本公司並無任何資產抵押（二零一六年三月三十一日：無）。

或然負債

訴訟及或然負債詳情載於綜合財務報表附註31。

FINANCIAL REVIEW *(Continued)*

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 minimised 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 2017, the Group had 24 full time employees (31 March 2016: 29), 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\$6.48 million (Previous Financial Year: approximately HK\$6.7 million).

Segment information

Details of the segment information are set out in note 7 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.

財務回顧 *(續)*

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

於二零一七年三月三十一日，本集團有24名(二零一六年三月三十一日：29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6,480,000港元(上一財政年度：約6,700,000港元)。

分部資料

分部資料之詳情載於綜合財務報表附註7。

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。

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 below.

Code provision A.2.1

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

Code provision A.4.1

Code provision A.4.1 stipulates that non-executive Directors should be appointed for a 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 of this Code provision.

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

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 2017

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」），惟下文所述之偏離情況除外。

守則條文第A.2.1條

蔣年女士為本集團之主席。於本報告日期，由於並未有合適人選故行政總裁一職維持懸空。本公司正物色合適人選擔任此職位。

守則條文第A.4.1條

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之條文，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是項守則條文目的。

董事相信，儘管非執行董事並無指定任期，董事承諾致力為本公司及其股東之整體創造長遠利益。

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，彼等於整個財政年度已完全遵守標準守則。於財政年度內，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，二零一七年六月二十九日

Management Profile

管理層履歷

EXECUTIVE DIRECTORS

Mr. Gao Yuan Xing, aged 62, 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 50, 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.

Ms. Huang He, aged 35, has been appointed as an executive director with effect from 10 January 2017. Ms. Huang has over 10 years of experience in corporate and investment management as well as mergers and acquisitions in the PRC. From 13 October 2016 to 20 December 2016, Ms. Huang was the executive director of Kong Shum Union Property Management (Holding) Limited, a company listed on the Growth Enterprise Market of the Stock Exchange. Ms. Huang is currently the legal representative and chairman of several companies that were incorporated in the PRC. From 7 August 2015 to 20 February 2017, Ms. Huang was also the executive director of China Ocean Fishing Holdings Limited whose shares are listed on the Growth Enterprise Market of the Stock Exchange.

執行董事

高源興先生，62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，50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。

黃鶴女士，35歲，自二零一七年一月十日起獲委任為執行董事。黃女士於中國從事企業及投資管理和在併購方面累積逾10年經驗。於2016年10月13日至2016年12月20日，黃女士曾於港深聯合物業管理(控股)有限公司(一間在聯交所創業板上市的公司)擔任執行董事。黃女士現為多家在中國註冊成立的公司的法人代表及主席。於2015年8月7日至2017年2月20日，黃女士曾於中國海洋捕撈控股有限公司(該公司的股份在聯交所創業板上市)的執行董事。

NON-EXECUTIVE DIRECTORS

Ms. Jiang Nian, aged 63, 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 is a member of the remuneration Committee and the nomination committee of the Company. 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 authorised representative of 聯合基因生物醫葯有限公司 (United Gene Biomedical Limited). She has extensive experience in general administrative management particularly in the field of genomic research.

Ms. Xiao Yan, aged 37, 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 40, 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 Yumin ("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 59, 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.

非執行董事

蔣年女士，63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。蔣女士為本公司薪酬委員會及提名委員會之成員。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葯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。

肖焱女士，37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，40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，其股權主要由毛裕民博士(「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，59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。

Dr. Zhang Zhihong, aged 77, has been appointed as an independent non-executive director with effect from 8 June 2011 and is a member of the audit committee, the remuneration committee and the nomination committee of the Company. 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 68, has been appointed as an independent non-executive director with effect from 8 June 2011 and is a member of the audit committee, the remuneration committee and the nomination 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 51, 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，77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、薪酬委員會及提名委員會之成員。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，68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、薪酬委員會及提名委員會之成員。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，51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 65, 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，65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
Mr. Tang Rong
Ms. Huang He (appointed on 10 January 2017)

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 20 to 22.

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.

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
唐榕先生
黃鶴女士（於二零一七年一月十日獲委任）

非執行董事

蔣年女士（主席）
肖焱女士
鄒燕敏女士

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20頁至第22頁「管理層履歷」一節。

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。

The directors oversee the financial performance and formulate business strategies and determine the corporate governance policy of the Group, as well as discuss 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 review 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 8 meetings. The attendance of each member at the Board meeting is set out as follows:

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。董事會定期就檢討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8次會議。各成員於董事會會議之出席記錄載列如下：

| | | Meetings attended/ Total meetings as directors | |
|--|---------------------------|---|----------------------------|
| | | 出席會議次數/ 作為董事之會議總數 | General meeting 股東大會 |
| | Board meeting 董事會會議 | | |
| Executive directors | 執行董事 | | |
| Mr. Gao Yuan Xing | 高源興先生 | 8/8 | 1/1 |
| Mr. Tang Rong | 唐榕先生 | 7/8 | 1/1 |
| Ms. Huang He (Note) | 黃鶴女士(附註) | 3/3 | 0/0 |
| Non-executive directors | 非執行董事 | | |
| Ms. Jiang Nian (<i>Chairman</i>) | 蔣年女士(主席) | 8/8 | 0/1 |
| Ms. Xiao Yan | 肖焱女士 | 6/8 | 0/1 |
| Ms. Wu Yanmin | 鄒燕敏女士 | 8/8 | 0/1 |
| Independent non-executive directors | 獨立非執行董事 | | |
| Ms. Chen Weijun | 陳偉君女士 | 8/8 | 1/1 |
| Dr. Zhang Zhihong | 張志鴻博士 | 8/8 | 1/1 |
| Mr. Wang Rongliang | 王榮樑先生 | 7/8 | 1/1 |

Note: Ms. Huang was appointed on 10 January 2017, her attendance shall be prorated to the period during which she was a director only (see note 2, I (C) of Appendix 14 of the Listing Rules).

附註：黃女士於二零一七年一月十日獲委任，其出席率只按其在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)。

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。

Code provision A.2.1

Code provision A.2.1 stipulate that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

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。

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.

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。

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 2016 to 31 March 2017, 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 2017, trainings received by each director are summarised as follows:

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。自二零一六年四月一日起至二零一七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。

於截至二零一七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義務及責任之培訓 | 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義務及責任之材料 |
|--------------------|-------|---|---|
| Mr. Gao Yuan Xing | 高源興先生 | ✓ | ✓ |
| Mr. Tang Rong | 唐榕先生 | ✓ | ✓ |
| Ms. Huang He | 黃鶴女士 | ✓ | ✓ |
| Ms. Jiang Nian | 蔣年女士 | ✓ | ✓ |
| Ms. Xiao Yan | 肖焱女士 | ✓ | ✓ |
| Ms. Wu Yanmin | 鄔燕敏女士 | ✓ | ✓ |
| Ms. Chen Weijun | 陳偉君女士 | ✓ | ✓ |
| Dr. Zhang Zhihong | 張志鴻博士 | ✓ | ✓ |
| Mr. Wang Rongliang | 王榮樑先生 | ✓ | ✓ |

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.

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.

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。

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 2 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2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 |
|---|--------------------|--|
| 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 (Chairman of the Remuneration Committee) | 張志鴻博士 (薪酬委員會主席) | 2/2 |
| Mr. Wang Rongliang | 王榮樑先生 | 2/2 |

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 1 meeting. The attendance of each member at 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1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 |
|---|--------------------|--|
| Non-executive director | 非執行董事 | |
| Ms. Jiang Nian | 蔣年女士 | 1/1 |
| Independent non-executive directors | 獨立非執行董事 | |
| Dr. Zhang Zhihong (Chairman of the Nomination Committee) | 張志鴻博士 (提名委員會主席) | 1/1 |
| Mr. Wang Rongliang | 王榮樑先生 | 1/1 |

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 nine 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 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.

A statement by the auditors of the Company about their reporting responsibilities is set out in the "Independent Auditors' Report" on pages 53 to 56 of this annual report.

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\$1,090,000.

There was no non-audit services provided by the auditors of the Company.

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，董事會由九名董事組成，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。

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。

本公司核數師作出有關其報告責任的聲明載於本年報第53至56頁的「獨立核數師報告」。

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1,090,000港元。

本公司之核數師並無提供非審核之服務。

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;
- (c) to review the appointment of external auditors on an annual basis as well as to ensure continuing auditors independence;
- (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
- (e) to oversee the Company's financial reporting system, risk management and internal control procedures.

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；
- (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) 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) 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 2 meetings during the Financial Year.

審核委員會於本財政年度舉行2次會議。

| | | 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 |
|--|--------------------|--|
| Ms. Chen Weijun (Chairman of the Audit Committee) | 陳偉君女士 (審核委員會主席) | 2/2 |
| Dr. Zhang Zhihong | 張志鴻博士 | 2/2 |
| Mr. Wang Rongliang | 王榮樑先生 | 1/2 |

RISK MANAGEMENT AND INTERNAL CONTROL

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 include 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.

The Group's internal audit function is performed by an outsourced internal audit team, which reports directly to the Audit Committee.

The report provided internal audit findings and any action to be taken by management as a result. These findings and recommendations for improvement will be communicated to the respective management for their responses and corrective actions. The Group's management team monitors the implementation of its recommendations and reports the outcome to the Audit Committee.

風險管理及內部監控

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。

本集團內部審計職能由外包內部審計組執行，直接向審核委員會報告。

報告提供了內部審計結果及管理層採取之任何行動。各自管理層對該等結果及改進建議做出回應及改正。本集團管理團隊監督建議之執行，並將結果報告給審核委員會。

COMMUNICATION WITH SHAREHOLDERS

(i) Procedures for convening of a special 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.

(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, 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

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。

(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) 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
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.

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

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

- 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.

(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
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。

股東必須證明其於本公司之持股量。

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：

- 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.

INVESTOR RELATIONS

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

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。

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其企業策略及商業運作一直是其投資者關係小組的主要目的。

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

董事謹此提呈本財政年度之報告及經審核綜合財務報表。

PLACE OF INCORPORATION

The Company was 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.

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。

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 35 to the consolidated financial statements.

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35。

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.

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。

An analysis of the Group's performance during the year ended 31 March 2017 using financial performance indicators is provided in the section headed "Management Discussion and Analysis" on pages 6 to 19 of this annual report.

有關採用財務表現指標對本集團於截至二零一七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19頁「管理層討論及分析」一節。

In addition, more details regarding the Group's performance with 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 49 to 52 of this annual report.

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49頁至第52頁董事會報告之「環境、社會及管治」一段。

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.

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。

Business Risk

Certain of the business segments in 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 asset of the Group is tied to the Group's ability to successfully complete the development and commercialisation of the Product and the policy of medical examination and the medical policy. As at the date of this report, the Product is still in the research and development stage, uncertainty as to when the product can be launched exists. In addition, commercialisation is subject to uncertainty and risks arising from the results of the clinical trial of the Product and the assessment of the CFDA. These factors may be beyond the control of the Group. Any delay or failure in the Group's ability to do so may adversely affect the Group's business and financial performance.

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.

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 57 to 58. 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 2017 are set out in the consolidated statement of financial position on pages 59 to 60.

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。於本報告日期，產品仍處於研發階段，產品推出之時間尚不確定。此外，產品的商品化受到該產品臨床試驗及國家食藥監總局評估結果造成的不確定性及風險的影響。有關因素可能並非本集團可控制。本集團有關產品之開發及商業化的任何延遲或失敗可能對本集團業務及財務表現造成不利影響。

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。

業績及財務狀況

本集團於本財政年度之業績載於第57頁至第58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。

本集團於二零一七年三月三十一日之財務狀況載於第59頁至第60頁之綜合財務狀況表。

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 61. There were no distributable reserves of the Company at 31 March 2017 (31 March 2016: Nil).

CONVERTIBLE BONDS

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

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
Mr. Tang Rong
Ms. Huang He (appointed on 10 January 2017)

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

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61頁之綜合權益變動表。於二零一七年三月三十一日，本公司概無可分派儲備(二零一六年三月三十一日：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。

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
唐榕先生
黃鶴女士(於二零一七年一月十日獲委任)

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

In accordance with the bye-laws of the Company, Ms. Huang He who was appointed subsequent to the annual general meeting of the Company held on 25 August 2016, shall hold office only until the forthcoming annual general meeting (“2017 AGM”) and, being eligible, will offer herself for re-election at the 2017 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. Jiang Nian, Mr. Tang Rong and Dr. Zhang Zhihong shall retire and, being eligible, offer themselves for re-election at the 2017 AGM.

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).

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of the directors and senior management are set out on pages 20 to 22 of this annual report.

DIRECTORS' INTERESTS IN SHARES

As at 31 March 2017, 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:

根據本公司之公司細則，於二零一六年八月二十五日舉行之本公司股東週年大會後獲委任之黃鶴女士之任期僅直至應屆股東週年大會（「二零一七年股東週年大會」）為止，彼符合資格且願意於二零一七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，蔣年女士、唐榕先生及張志鴻博士將於二零一七年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。

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20至第22頁。

董事於股份之權益

於二零一七年三月三十一日，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：

| Name of director 董事姓名 | Capacity 身份 | 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 |
|--------------------------|---------------------------|---|--|
| Tang Rong 唐榕 | Beneficial owner 實益擁有人 | 396,200 | 0.03% |

Save as disclosed above, as at 31 March 2017, 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.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 34 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.

除上文所述者外，於二零一七年三月三十一日，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。

董事及控股股東於重大合約之權益

除綜合財務報表附註34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。

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

As at 31 March 2017, 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/Short positions in the issued share capital of the Company

主要股東及其他人士於股份及相關股份之權益及淡倉

於二零一七年三月三十一日，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／淡倉

| Name of shareholders | Capacity | Number of shares/ underlying shares held | Long (L) or Short (S) position | Percentage of the issued share capital of the Company |
|---|--|--|--------------------------------|---|
| 股東名稱 | 身份 | 持有之股份／相關股份數目 | 好倉(L)或淡倉(S) | 佔本公司已發行股本百分比 |
| Dr. Mao Yumin (note 1) 毛裕民博士(附註1) | Beneficial owner 實益擁有人 | 1,092,700,000 | L | 74.63% |
| | Beneficial owner 實益擁有人 | 1,700,000,000 | S | 116.10% |
| | Interest of a controlled corporation 受控制法團之權益 | 709,451,350 | L | 48.45% |
| 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 | 55,500,000 | L | 3.79% |
| | Interest of a controlled corporation 受控制法團之權益 | 653,951,350 | L | 44.66% |
| 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 | 13,951,350 | L | 0.95% |
| Ease Gold Investments Limited (note 2)(附註2) | Interest of a controlled corporation 受控制法團之權益 | 13,951,350 | L | 0.95% |
| Good Links Limited (note 3)(附註3) | Interest of a controlled corporation 受控制法團之權益 | 13,951,350 | L | 0.95% |
| Victory Trend Limited (note 3)(附註3) | Interest of a controlled corporation 受控制法團之權益 | 13,951,350 | L | 0.95% |
| Best Champion Holdings Limited (note 4) 凱佳控股有限公司(附註4) | Interest of a controlled corporation 受控制法團之權益 | 13,951,350 | L | 0.95% |

| Name of shareholders | Capacity | Number of shares/ underlying shares held | Long (L) or Short (S) position | Percentage of the issued share capital of the Company |
|----------------------|----------|--|--------------------------------|---|
| 股東名稱 | 身份 | 持有之股份／相關股份數目 | 好倉(L)或淡倉(S) | 佔本公司已發行股本百分比 |

| | | | | |
|--|---------------------------|-------------|---|--------|
| China United Gene Investment Holdings Limited (note 5) (附註5) | Beneficial owner 實益擁有人 | 13,951,350 | L | 0.95% |
| Chau Yiu Ting 周耀庭 | Beneficial owner 實益擁有人 | 302,600,000 | L | 20.67% |

Notes:

附註：

- These include (i) 213,700,000 ordinary shares held by Dr. Mao directly; (ii) 879,000,000 and 640,000,000 derivative shares held by Dr. Mao and JNJ Investments Limited ("JNJ") respectively, which shall be issued by the Company upon exercise of the conversion rights attached to the convertible bonds in an aggregate principal amount of HK\$607,600,000 issued by the Company. JNJ is an indirect wholly-owned subsidiary of United Gene Group Limited, which is in turn wholly owned by United Gene Holdings Limited; (iii) 55,500,000 ordinary shares held through United Gene Holdings Limited and (iv) 13,951,350 ordinary shares held through China United Gene Investment Holdings Limited, which is held as to 60% by Best Champion Holdings Limited, and which is in turn held as to 33.5% and 33% by United Gene Holdings Limited and Victory Trend Limited respectively. Victory Trend Limited is wholly owned by Good Links Limited. United Gene Holdings Limited and Good Links Limited are 100% and 50% held by Dr. Mao respectively.
- Ease Gold Investments Limited, is wholly-owned by Dr. Xie Yi ("Dr. Xie"), which owns 33.50% equity interests of Best Champion Holdings Limited.
- 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.
- 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.
- China United Gene Investment Holdings Limited is owned as to 60% by Best Champion Holdings Limited.

- 彼等包括(i)由毛博士直接持有的213,700,000股普通股；(ii)於行使可換股債券附帶之轉換權後，由本公司發行之衍生股份—本金總額為607,600,000港元之可換股債券，乃分別由毛博士持有879,000,000股及JNJ Investments Limited(「JNJ」)持有640,000,000股。JNJ為一間United Gene Group Limited間接全資擁有的附屬公司而由聯合基因控股有限公司全資擁有；(iii)由聯合基因控股有限公司持有的55,500,000股普通股及(iv)由凱佳控股有限公司擁有60%股權的China United Gene Investment Holdings Limited持有之13,951,350股普通股，聯合基因控股有限公司及Victory Trend Limited分別持有33.5%及33%凱佳控股有限公司股份。Victory Trend Limited由Good Links Limited全資擁有。毛博士分別持有聯合基因控股有限公司的100%權益及Good Links Limited的50%權益。
- 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。
- Victory Trend Limited由Good Links 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。
- 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。
- China United Gene Investment Holdings Limited由凱佳控股有限公司擁有60%股權。

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 2017.

除上文披露者外，於二零一七年三月三十一日，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。

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.

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。

CONNECTED TRANSACTIONS

A summary of the related parties transactions entered into by the Group during the Financial Year is contained in note 34 to the consolidated financial statements.

The following transactions between certain connected persons (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.

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 on 1 September 2013, for a period of three years, and was renewed on 1 September 2016 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 Limited ("Smart Ascent" together with its subsidiaries, the "SAL Group") 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 was conditional, among other conditions, on the relevant Shareholders' resolutions being passed at 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 became 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.

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34。

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。

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二零一三年九月一日開始生效，任期為三年，並於二零一六年九月一日獲重續，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，本公司同意向進生有限公司(「進生」)，連同其附屬公司，統稱(「進生集團」)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)相關股東決議案於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通過。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。

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

下表詳述期內有關承擔進支之年度上限：

| For the year ended 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 2017.

於本財政年度，本集團向進生集團供款約1,000,000港元，及於截至二零一七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 2017 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二零一七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;
- (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;

- (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；
- (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) 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 2017.

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

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 "Options") 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.

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.

- (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) 於截至二零一七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。

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（「購股權」）而可予發行之最高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%。

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%。

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 2017, 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.

The Share Option Scheme will expire in approximately 2.25 years.

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 Convertible bonds issued 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.

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。

於二零一七年三月三十一日，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。

該購股權計劃將於約2.25年內到期。

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已發行之可換股債券外，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。

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 (2016: 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:

| | | 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 | 100% |
| – 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) held an interest in any of the Group's five largest suppliers or customers.

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(二零一六年：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：

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。

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 complies with environmental legislation and promotes awareness towards environmental protection to the employees.

The Group puts great emphasis on 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.

For further information, please refer to the Environmental, Social and Governance Report on pages 49 to 52 of this report.

Compliance with Laws and Regulations

Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations, in particular, those that 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.

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。

有關進一步資料，請參閱本報告第49至52頁之環境、社會及管治報告。

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。

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.

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 32 to the consolidated financial statements.

LITIGATIONS AND CONTINGENT LIABILITIES

Details of the litigation and contingent liabilities are set out in note 31 to the consolidated financial statements.

CORPORATE GOVERNANCE

Details of the Corporate Governance Report of the Company are set out on pages 24 to 34 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 2017 is set out on page 176 of this report.

AUDITORS

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 2017

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。

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32。

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31。

企業管治

本公司之企業管治報告詳情載於本報告第24頁至第34頁。

財務概要

本集團截至二零一七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176頁。

核數師

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，二零一七年六月二十九日

Environmental, Social and Governance Report

環境、社會及管治報告

This is the first Environmental, Social and Governance Report (the “ESG report”) of the Group. The ESG report elaborates on the various work of the Group in fully implementing the principle of sustainable development and its performance of environmental, social and governance from 1 April 2016 to 31 March 2017. For information on the Group’s corporate governance, please refer to the “Corporate Governance Report” on pages 24 to 34 of this report.

Scope of ESG Report

The ESG report presents the Group’s sustainability approach and performance in the environmental and social aspects of during the Financial Year. The Group will continue its efforts in collecting information from different business areas for better environmental and social performance and disclosure of relevant information in sustainable development.

Reporting Guidelines

The ESG report has been prepared in accordance with the “Environmental, Social and Governance Reporting Guide”, as set out in Appendix 27 to the Listing Rules.

Environmental protection

Although the Group’s principal businesses have no significant impact on the environment, the Group recognises importance of environmental sustainability and endeavours to minimize the impact of business on environment through adopting numerous energy-saving and conservation initiatives. The Group’s policy is to ensure compliance with applicable environmental laws and regulations and minimize its environmental footprint through efficient use of resources and adoption of pro-environmental management. The Group’s operation is mainly office-based and its eco-friendly measures at the office are as follows:

- staff is reminded to switch off lights and air-conditioning in the meeting rooms and computers at workstations when not in use;
 - whenever possible, documents are handled electronically other than physical papers;
 - staff is reminded to save water;
 - staff is encouraged to reuse paper printed on one side and duplex printing and copying. Data on printing and copying is regularly reviewed to assess efficiency of paper usage;
 - office supplies are recycled whenever possible; and
 - conference calls instead of face-to-face meetings are arranged where possible.
- 提醒員工在不使用時關閉會議室的燈光及空調以及工作站的電腦；
 - 盡可能以電子方式處理文件，減少用紙；
 - 提醒員工節約用水；
 - 鼓勵員工重新使用已打印紙張的背面及雙面打印及複印。定期審查打印及複印數據，評估紙張的使用效率；
 - 盡可能回收利用辦公用品；及
 - 盡可能安排電話會議，減少面對面會議。

本報告乃本集團的第一份環境、社會及管治報告（「環境、社會及管治報告」）。於環境、社會及管治報告中詳述本集團自二零一六年四月一日起至二零一七年三月三十一日止期間全面落實可持續發展原則的各項工作及其環境、社會及管治表現。有關本集團企業管治的資料，請參閱本報告第24頁至第34頁的「企業管治報告」。

環境、社會及管治報告範圍

環境、社會及管治報告指本集團於財政年度於環境及社會方面的可持續發展方法及表現。本集團將繼續致力於從不同業務領域收集資料以改善其於環境及社會方面的表現及披露可持續發展的有關資料。

報告指引

環境、社會及管治報告乃根據上市規則附錄27所載「環境、社會及管治報告指引」編製而成。

環境保護

儘管本集團的主營業務對環境並無重大影響，但本集團認識到環境可持續發展的重要性，並努力通過採用多項節能減排措施，儘量減少業務對環境的影響。本集團的政策是要確保遵守適用的環境法律法規，並通過資源的高效利用及採納有利於環境的管理儘量減少對環境的影響。本集團的經營主要在辦公室進行及辦公室的環保措施如下：

Emissions, Environmental and Natural Resources

As the Group's principal businesses do not currently involve any direct production procedure, there is no direct emission of exhaust gas and greenhouse gas, discharge of wastewater and discharges into land, production of hazardous and non hazardous waste, etc.. The main contributor to the Group's carbon footprint is the indirect greenhouse gas (GHG) emissions from electricity consumption, which is mainly attributed to the use of lighting system, air-conditioning and office equipment.

Taking into account the nature of the Group's businesses, the Board believes that its business operations have minimal direct impact on the environment and natural resources. The Group is not aware of any material non-compliance with the relevant laws and regulations that have a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste during the reporting period.

The Group will continue to put more effort on resources saving and strive for better protection of our environment.

Employment

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 harmonious 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.

The Group is not aware of any material non-compliance with any relevant laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare during the reporting period.

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.

排放物、環境及自然資源

本集團目前並無涉及任何生產程序的主要業務，並無直接排放廢氣及溫室氣體、排放廢水及排入土地、生產有害及無害廢棄物等。本集團碳足跡的主要為用電所得的溫室氣體排放物，乃主要由於使用照明系統、空調及辦公設備。

考慮到本集團業務的性質，董事會認為，其業務運營對環境及自然資源達到最低直接程度的影響。於報告期內，本集團並無知悉任何與氣體及溫室氣體排放物、排放廢水及排入土地、生產有害及無害廢棄物有關，對本集團產生重大影響之任何不遵守相關法律及法規事宜。

本集團將繼續在節約資源及力爭更好保護環境方面作出更多努力。

僱傭

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。

於報告期間，本集團並無知悉存在未遵守有關賠償及解僱、招聘及晉升、工作時長、休息時間、平等機會、多樣化、反歧視以及其他利益及福利而對本集團有重大影響的任何相關法律及法規之情況。

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。

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.

The Group is not aware of any material non-compliance with any relevant laws and regulations that have a significant impact on the Group relating to the provision of a safe working environment and the protection of employees from occupational hazards during the reporting period.

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.

Labour Standards

The Group from time to time reviews its employment practice and the Group's guidelines on staff recruitment to ensure that it is in full compliance with the Employment Ordinance in Hong Kong, the Labour Law in the PRC and other relevant labour laws and regulations in other jurisdictions relating to, among other things, prevention of child labour and forced labour.

The Group is not aware of any material non-compliance with the relevant laws and regulations that have a significant impact on the Group relating to prevention of child and forced labour during the reporting period.

Supply Chain Management

While the Group has established good relationships with its suppliers, the Group also offers equal opportunity to all potential business partners. Selection criteria such as, quality and price of products, supplier's reputation, background and experience are key factors to the Group's procurement decisions. Furthermore, the Group expects its suppliers to strictly comply with relevant laws and regulations.

Product Responsibility

The Group is responsible for its products and services and does not engage in unfair business activities of any kind. Fraud, misleading information, or any acts that destroy customer confidence or infringe customer rights are strictly prohibited. The Group has also strictly complied with relevant products and services related regulations.

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。

於報告期間，在提供安全工作環境及保護僱員免受職業危害方面，本集團並無知悉任何對本集團有重大影響的不遵守相關法律法規的任何嚴重不合規事宜。

培訓與發展

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。

勞工準則

本集團不時審核其員工守則及本集團有關員工招聘的指引，確保全面遵守香港僱傭條例、中國勞動法及其他司法權區有關(其中包括)預防童工及強制性勞工的其他相關勞動法例及法規。

於報告期間，在預防童工及強制性勞工方面，本集團並無知悉任何對本集團有重大影響的不遵守相關法律法規的任何嚴重不合規事宜。

供應鏈管理

由於本集團已與其供應商建立良好關係，故本集團亦向其潛在業務合夥人提供同等機會。挑選標準(如產品質量及價格、供應商的聲譽、背景及經驗)是本集團作出採購決定的重要因素。此外，本集團預期其供應商將嚴格遵守相關法律及法規。

產品責任

本集團對其產品及服務負責，且並無參與任何種類的不公平業務活動。本集團嚴格禁止欺詐、誤導性資料或有損客戶機密或侵害客戶權利的任何行為。本集團亦嚴格遵守與相關產品及服務有關的規範。

All customers' complaints will be considered, with corresponding followup procedures being conducted in accordance with internal procedures and guidelines. Relevant investigation will be taken and settlement may be made if appropriate, and improvement will be made whenever necessary. The Group believes that complaints are a valuable opportunity for it to obtain feedback from the community and customers, so as to identify the need for service and policy improvement.

The Group is not aware of any material non-compliance with the relevant laws and regulations that have a significant impact on the Group relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress during the reporting period.

Anti-corruption

The Group is committed to uphold high standards on anti-corruption. Adequate guidelines are implemented to ensure that all employees (including directors) adhere to high standards of business and professional and ethical conduct. All employees are encouraged to raise any related concerns to the senior management in a strictly confidential manner. Any matters of genuine concern are to be thoroughly investigated and actions will be taken accordingly.

The Group is fully compliant with all relevant anti-money laundering laws. The risk of establishing relationships with individuals or organisations engaged in money laundering or terrorism activities are minimized by its 'know your customer' and assessment processes.

The Group has robust internal control procedures in place to provide reasonable assurance against fraud.

The Group is not aware of any material non-compliance with the relevant laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering during the reporting period.

Community Investment

The Group is fully aware of the importance of interacting with the wider community in fulfilling corporate social responsibility.

The Group would explore the possibility of finding suitable partners and contributing to community and environmental protection programmes which facilitate positive changes. The Group would also from time to time encourage its staff to support community service activities.

本集團將根據內部程序及指引審議所有客戶投訴並採取相應跟進措施。如適用，本集團將進行相關調查並解決，並於需要時作出改進。本集團認為投訴是從社區及客戶取得反饋的大好良機，從而能確定改進服務及改善政策的必要性。

於報告期間，在健康及安全、廣告、標籤及提供產品與服務相關隱私事宜以及賠償方法方面，本集團並無知悉任何對本集團有重大影響的不遵守相關法律法規的任何嚴重不合規事宜。

反貪污

本集團致力於維持高反貪污標準。本集團已制定充足的守則確保所有僱員(包括董事)遵守高標準的業務及專業以及道德規範。我們鼓勵所有僱員以嚴格保密的形式向高級管理層提出任何相關問題。我們將全面調查任何證明屬實的問題並相應採取行動。

本集團全面遵守所有相關反洗錢法律。我們通過「了解客戶」及評估程序最大程度降低與參與洗錢或恐怖主義活動的個人或組織建立關係的風險。

本集團已制定穩健的內部控制程序，以就反欺詐提供合理保障。

於報告期間，在賄賂、敲詐、欺詐及洗錢方面，本集團並無知悉任何對本集團有重大影響的不遵守相關法律法規的任何嚴重不合規事宜。

社區投資

本集團充分意識到與更大範圍社區交流以履行企業社會責任的重要性。

本集團將尋求機會，物色合適的合夥人並向社區及環保項目作出貢獻，從而帶來積極進步。本集團亦將不時鼓勵其員工支持社區服務活動。

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

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TO THE MEMBERS OF INNOVATIVE PHARMACEUTICAL BIOTECH LIMITED

領航醫藥及生物科技有限公司

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

致領航醫藥及生物科技有限公司
全體股東

(於開曼群島註冊成立及於百慕達存續之有限公司)

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of Innovative Pharmaceutical Biotech Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 57 to 175, which comprise the consolidated statement of financial position as at 31 March 2017, 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 the notes to the consolidated financial statements, which include a summary of significant accounting policies.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the "Basis for Disclaimer of Opinion" section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide the basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

不發表意見

本行已獲委聘已審核57至175頁所載領航醫藥及生物科技有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，其內容涵蓋於二零一七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及綜合財務報表附註及重大會計政策概要。

本行並未就 貴集團綜合財務報表發表意見。由於本報告「不發表意見之基準」章節中所描述事件極為重要，本行尚未獲得足夠適當的審核憑證為該等綜合財務報表之審核意見提供基礎。在所有其他方面，本行認為該綜合財務報表已根據香港公司條例的披露規定妥善編製。

BASIS FOR DISCLAIMER OF OPINION

Intangible asset in respect of the in-process research and development project ("In-process R&D")

As detailed in note 19 to the consolidated financial statements, an impairment assessment was carried out by the management of the Group on the Group's intangible asset in respect of 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 2017. The carrying amount of the In-process R&D is determined based on the management's key assumptions which are made with high degree of estimation uncertainties. This carrying amount is highly dependent upon further research and development work that is required to be carried out, results of clinical trials, successful launching of the Product and key assumptions to be applied in preparing a cash flow projection for the sales of the Product.

One of the major assumptions relied on in assessing the carrying amount is the directors' opinion that the Group would be successful in obtaining the regulatory approvals from the relevant government bodies and launching the Product by the end of 2019. These assumptions are the fundamental factors upon which the entire valuation exercise as to the recoverable amount of the Group's intangible asset is based.

However, we are unable to obtain sufficient appropriate audit evidence to support the probability of the Group successfully launching the Product, that is, specifically, the likelihood and timing in obtaining the regulatory approvals from the relevant government bodies to launch the Product by the end of 2019. In the absence of sufficient audit evidence for these fundamental assumptions, we are unable to ascertain the reasonableness of the key assumptions relied on by the management in assessing the recoverable amount of the intangible asset as at 31 March 2017, and to determine whether any impairment on the intangible asset should be recognised.

Any further adjustments to the carrying amount of the intangible asset as described above might have a significant consequential effect on the Group's consolidated financial position as at 31 March 2017 and of its financial performance for the year then ended, and the related disclosures thereof in the consolidated financial statements.

不發表意見之基準

有關正在進行之研發項目(「研發過程」)之無形資產

按綜合財務報表附註19所闡述，貴集團管理層已就有關涉及口服胰島素產品(「產品」)之研發過程的無形資產進行減值評估，於二零一七年三月三十一日，其賬面值為1,373,224,000港元。研發過程之賬面值乃基於管理層所作出之關鍵假設而釐定，該等假設涉及高度之估計之不確定性。該研發過程之賬面值高度視乎須進行之進一步研發工作、產品之臨床試驗結果、產品能否成功推出及編製產品銷售之現金流量預測時將應用之主要假設。

在評估賬面值時所依賴的其中一項主要假設是 貴公司董事認為 貴集團將成功獲得相關政府監管部門的批准並於二零一九年年底前推出產品。該等假設是基於 貴集團無形資產之可收回金額之整項評估過程中所依據的主要因素。

然而，本行並未獲得充足適當的審核憑證以支持 貴集團能成功推出該產品的機率，具體而言，即就於二零一九年年底前取得有關政府監管部門的批准並推出產品的可能性及時間。在未獲得有關該等主要假設充足審核憑證的情況下，本行無法確定管理層於評估無形資產於二零一七年三月三十一日之可收回金額時所依賴之關鍵假設的合理性以及釐定無形資產是否需要作任何減值的確認。

倘對上文所述的無形資產的賬面值作出任何進一步調整，可能會對 貴集團於二零一七年三月三十一日之綜合財務狀況及其截至該日止年度之財務表現以及其於綜合財務報表內相關披露資料造成重大後續影響。

BASIS FOR DISCLAIMER OF OPINION (Continued)

Intangible asset in respect of the in-process research and development project ("In-process R&D") (Continued)

In addition, included in the amounts due from group companies as shown in the Company's statement of financial position set out in note 36 to the consolidated financial statements, the Company has an amount due from its subsidiary, Clear Rich International Limited ("Clear Rich"), amounting to HK\$435,200,000 as at 31 March 2017. In the absence of sufficient audit evidence supporting that the carrying amount of the intangible asset was fairly stated, we are similarly unable to satisfy ourselves as to whether the carrying amount of the amount due from Clear Rich as included in the Company's statement of financial position as at 31 March 2017 can be recoverable, and whether any impairment on the amount due from Clear Rich should be recognised in the Company's loss for the year.

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

不發表意見之基準 (續)

有關正在進行之研發項目(「研發過程」)之無形資產 (續)

此外，於綜合財務表附註36所載的 貴公司財務狀況表所示之應收集團公司款項中，於二零一七年三月三十一日， 貴公司應收其附屬公司晴富國際有限公司(「晴富」)的款項達435,200,000港元。在未獲得充足審核憑證以支持無形資產之賬面值已公平呈列的情況下，本行同樣未能信納 貴公司於二零一七年三月三十一日之財務狀況表內所載 貴公司於晴富的應收款項之賬面值是否為可以收回，及晴富的應收款項之任何減值是否須於 貴公司年度虧損內確認。

董事及審計委員會就綜合財務報表須承擔之責任

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

於編製綜合財務報表時，董事須評估 貴集團的持續經營能力，披露(如適用)與持續經營相關的事宜並採用持續經營基準的會計法，惟董事擬將 貴集團清盤或終止經營或除此之外並無其他切實可行的選擇則除外。

董事須負責監督 貴集團的財務報告程序。審核委員會協助董事履行其於此方面之責任。

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and to issue auditors' report. This report is made 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.

However, because of the matters described in the "Basis for Disclaimer of Opinion" section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

East Asia Sentinel Limited

Yim Wing Yee
Director

Practising Certificate No. P05906

Hong Kong
29 June 2017

核數師對審核綜合財務報表之 責任

本行根據香港會計師公會頒佈的香港審計準則對 貴集團的綜合財務報表進行審核並刊發核數師報告。根據百慕達公司法第90章，本報告僅向 閣下(作為整體)報告，除此之外，本行的報告不作其他用途。本行不會對其他任何人士為此報告之內容承擔任何責任或義務。

然而，由於本行報告「不發表意見之基準」章節所述之事宜，本行未能取得充足適當的審核憑證為該等綜合財務報表之審核意見提供基礎。

根據香港會計師公會的專業會計師道德守則(「守則」)，本行獨立於 貴集團，且本行已根據守則履行其他道德責任。

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
二零一七年六月二十九日

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 2017
截至二零一七年三月三十一日止年度

| | | Notes 附註 | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|---|------------------------------|-------------|----------------------------------|----------------------------------|
| Revenue | 收益 | 7 | 9,187 | 19,908 |
| Cost of sales | 銷售成本 | | (8,460) | (19,319) |
| Gross profit | 毛利 | | 727 | 589 |
| Other income | 其他收入 | 8 | 11,813 | 13,112 |
| Other gains and losses, net | 其他收益及虧損，淨額 | 8 | (69,478) | (146,263) |
| Selling expenses | 銷售開支 | | (195) | (248) |
| Administrative expenses | 行政開支 | | (22,557) | (30,011) |
| Research and development expenses | 研發開支 | | (629) | (1,347) |
| Other expenses | 其他開支 | | — | (5,162) |
| Share of results of associates | 分佔聯營公司業績 | 17 | 10,011 | 7,945 |
| Finance costs | 財務費用 | 9 | (108,034) | (79,562) |
| Loss before tax | 稅前虧損 | | (178,342) | (240,947) |
| Income tax expense | 所得稅開支 | 10 | — | — |
| Loss for the year | 年內虧損 | 11 | (178,342) | (240,947) |
| Other comprehensive income/ (expenses): | 其他全面收入／(開支)： | | | |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | <i>其後可能重新分類至損益 之項目：</i> | | | |
| Available-for-sale financial assets: net movement in the investment revaluation reserve | 可供出售金融資產：投資 重估儲備之變動淨值 | | 442 | (475) |
| Share of other comprehensive expense of associates | 應佔聯營公司其他全面 開支 | | (1,600) | — |
| Exchange differences on translation of foreign operations | 換算海外業務之匯率差額 | | (1,204) | (702) |
| | | | (2,362) | (1,177) |
| <i>Items that will not be reclassified subsequently to profit or loss:</i> | <i>其後將不會重新分類至損 益之項目：</i> | | | |
| (Loss)/gain on revaluation on land and buildings | 土地及樓宇重估(虧損) ／收益 | | (1,128) | 1,082 |
| Deferred taxation arising on revaluation of land and buildings | 土地及樓宇重估產生之遞 延稅項 | | 282 | (271) |
| | | | (846) | 811 |

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 2017

截至二零一七年三月三十一日止年度

| | | Notes 附註 | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|--|-------------------------------|-------------|----------------------------------|----------------------------------|
| Other comprehensive expense for the year | 年內其他全面開支 | | (3,208) | (366) |
| Total comprehensive expense for the year | 年內全面開支總額 | | (181,550) | (241,313) |
| Loss for the year attributable to: Owners of the Company | 以下人士應佔年內虧損： 本公司擁有人 | | (169,788) | (236,865) |
| Non-controlling interests | 非控股權益 | | (8,554) | (4,082) |
| | | | (178,342) | (240,947) |
| Total comprehensive expense for the year attributable to: Owners of the Company | 以下人士應佔年內全面開支 總額： 本公司擁有人 | | (172,397) | (237,231) |
| Non-controlling interests | 非控股權益 | | (9,153) | (4,082) |
| | | | (181,550) | (241,313) |
| | | | HK cents 港仙 | HK cents 港仙 |
| Loss per share | 每股虧損 | 15 | | |
| Basic | 基本 | | (11.60) | (16.85) |
| Diluted | 攤薄 | | (11.60) | (16.85) |

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 March 2017

於二零一七年三月三十一日

| | | Notes 附註 | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|---|--------------------|-------------|----------------------------------|----------------------------------|
| Non-current assets | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 16 | 32,385 | 35,833 |
| Interests in associates | 於聯營公司的權益 | 17 | 113,462 | 128,103 |
| Investments in convertible bonds | 於可換股債券的投資 | 18 | 225,245 | 259,555 |
| Intangible asset | 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 | 22,501 | 6,921 |
| Loan to a non-controlling interest | 向非控股權益貸款 | 26 | — | 4,646 |
| Amount due from the subsidiary of an associate | 應收聯營公司之 附屬公司款項 | 26 | 8,125 | 16,192 |
| | | | 1,774,942 | 1,824,474 |
| Current assets | 流動資產 | | | |
| Trade receivables | 貿易應收賬款 | 20 | 6,375 | — |
| Prepayments, deposits and other receivables | 預付款項、按金及 其他應收款項 | 21 | 8,333 | 153,259 |
| Bank balances and cash | 銀行結餘及現金 | 23 | 61,316 | 32,459 |
| | | | 76,024 | 185,718 |
| Current liabilities | 流動負債 | | | |
| Trade payables | 貿易應付賬款 | 24 | 2,237 | 8 |
| Fund 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 | | 5,863 | 5,291 |
| 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 |
| | | | 73,741 | 120,940 |
| Net current assets | 流動資產淨額 | | 2,283 | 64,778 |
| Total assets less current liabilities | 總資產減流動負債 | | 1,777,225 | 1,889,252 |

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 March 2017

於二零一七年三月三十一日

| | | Notes 附註 | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|--|-------------|-------------|----------------------------------|----------------------------------|
| Non-current liabilities | 非流動負債 | | | |
| Convertible bonds | 可換股債券 | 29 | 470,671 | 403,146 |
| Deferred tax liabilities | 遞延稅項負債 | 28 | 2,162 | 2,444 |
| Loan from a non-controlling interest | 來自非控股權益貸款 | 27 | 6,067 | 4,646 |
| | | | 478,900 | 410,236 |
| NET ASSETS | 資產淨額 | | 1,298,325 | 1,479,016 |
| Capital and reserves | 資本及儲備 | | | |
| Share capital | 股本 | 30 | 14,642 | 14,642 |
| Reserves | 儲備 | | 413,332 | 584,870 |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | | 427,974 | 599,512 |
| Non-controlling interests | 非控股權益 | | 870,351 | 879,504 |
| TOTAL EQUITY | 權益總額 | | 1,298,325 | 1,479,016 |

The consolidated financial statements on pages 57 to 175 were approved by the Board of Directors on 29 June 2017 and are signed on its behalf by:

載於第57頁至第175頁之綜合財務報表已由董事會於二零一七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 2017
截至二零一七年三月三十一日止年度

| | | Attributable to owners of the Company 本公司擁有人應佔 | | | | | | | | | | | |
|--|--------------|---|-----------------------|----------------------------------|--------------------------------|------------------------------|-----------------|-------------------|--------------------------------------|--------------------|-----------------|---------------------------|-----------------|
| | | Share capital | Share premium 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 | 股份溢價賬 | 可換股債券權益儲備 | 投資重估儲備 | 物業重估儲備 | 其他儲備 | 法定儲備 | 外幣兌換儲備 | 累計虧損 | 總計 | 非控股權益 | 權益總額 |
| | | 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 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| | | | (Note a) (附註a) | (Note b) (附註b) | | | | (Note c) (附註c) | (Note d) (附註d) | (Note e) (附註e) | | | |
| 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 |
| Transactions with owners | 與擁有人進行交易 | 1,600 | 106,248 | 11,017 | — | — | — | — | — | — | 118,865 | — | 118,865 |
| 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 |
| Loss for the year | 年內虧損 | — | — | — | — | — | — | — | — | (169,788) | (169,788) | (8,554) | (178,342) |
| Other comprehensive (expense) income for the year | 年內其他全面(開支)收益 | — | — | — | 442 | (592) | (1,600) | — | (859) | — | (2,609) | (599) | (3,208) |
| Total comprehensive (expense) income for the year | 年內全面(開支)收益總額 | — | — | — | 442 | (592) | (1,600) | — | (859) | (169,788) | (172,397) | (9,153) | (181,550) |
| Recognition of equity component of convertible bonds | 確認可換股債券之權益部分 | — | — | 17,813 | — | — | — | — | — | — | 17,813 | — | 17,813 |
| Early redemption on convertible bonds | 提早贖回可換股債券 | — | — | (17,813) | — | — | — | — | — | 859 | (16,954) | — | (16,954) |
| Transactions with owners | 與擁有人進行交易 | — | — | — | — | — | — | — | — | 859 | 859 | — | 859 |
| At 31 March 2017 | 於二零一七年三月三十一日 | 14,642 | 1,119,294 | 1,152,862 | 40 | 5,342 | 2,540 | 347 | 1,155 | (1,868,248) | 427,974 | 870,351 | 1,298,325 |

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 March 2017

截至二零一七年三月三十一日止年度

Notes:

- (a) The share premium account represents the amount subscribed for share capital in excess of nominal value.
- (b) Convertible bonds equity reserve represents the amount allocated to the equity component of convertible bonds issued by the Company recognised in accordance with the accounting policy adopted for convertible bonds in note 3 to the consolidated financial statements.
- (c) 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 2017 and 2016, there were no transfer from retained profits to the statutory reserve since the Group's PRC subsidiaries incurred net loss in those year ends.
- (d) Foreign currency translation reserve represents gains/losses arising on retranslating the net assets/liabilities of foreign operations into presentation currency.
- (e) 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) 股份溢價指認購股本金額超出面值之款項。
- (b) 可換股債券權益儲備指金額分配予本公司發行的可換股債券之權益部份，根據在綜合財務報表附註3中可換股債券採用的會計政策確認。
- (c) 按照中國的相關法律及法規所訂明，每年分派淨利潤前，在中國設立的本集團附屬公司須自其稅後淨利潤撥出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。於截至二零一七年及二零一六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。
- (d) 換算儲備指因海外業務之資產／負債淨額重新換算為呈列貨幣而產生之收益／虧損。
- (e) 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 2017

於二零一七年三月三十一日

| | Notes 附註 | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|--|-------------------------|----------------------------------|----------------------------------|
| OPERATING ACTIVITIES | 經營活動 | | |
| Loss before tax | 稅前虧損 | (178,342) | (240,947) |
| Adjustments for: | 調整： | | |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 1,171 | 1,164 |
| Gain on disposal of property, plant and equipment | 出售物業、廠房及設備之收益 | — | (11) |
| Impairment loss on interest in an associate | 於聯營公司權益之減值虧損 | 23,052 | 23,476 |
| Impairment loss on loan to a non-controlling interest | 非控股權益貸款之減值虧損 | 6,067 | — |
| 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 |
| 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 | 40,186 | 58,509 |
| Gain on disposal of subsidiaries | 出售附屬公司之收益 | — | (10) |
| Gain on early redemption of convertible bonds | 提前贖回可換股債券之收益 | (21) | — |
| Share of results of associates | 分佔聯營公司業績 | (10,011) | (7,945) |
| Imputed interest income from loan to a non-controlling interest | 非控股權益貸款之 估算利息收入 | (1,421) | (1,088) |
| Imputed interest income from 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 | (4,113) | (5,814) |
| Dividend income from available-for-sale financial assets | 可供出售金融資產之 股息收入 | (151) | (163) |
| Interest income from banks | 銀行利息收入 | (6) | (163) |
| Interest income of available-for-sale financial assets | 可供出售金融資產之 利息收入 | (80) | (97) |
| Net loss on disposal of available-for-sale financial assets | 出售可供出售金融資產之 虧損淨額 | 194 | 286 |
| Effective interest income from investment in convertible bonds | 可換股債券投資之 實際利息收入 | (5,876) | (5,696) |
| Effective interest expense on convertible bonds | 可換股債券之實際利息 開支 | 94,433 | 78,474 |
| Imputed interest expense on loan from a non-controlling interest | 向非控股權益貸款 之估算利息開支 | 1,421 | 1,088 |
| Imputed interest expense on amount due from the subsidiary of an associate | 向聯營公司之附屬公司貸款 之估算利息開支 | 12,180 | — |
| Operating cash flows before changes in working capital | 營運資本變動前之 經營現金流量 | (21,317) | (34,924) |

Consolidated Statement of Cash Flows

綜合現金流量表

As at 31 March 2017

於二零一七年三月三十一日

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|---|-----------------------------------|----------------------------------|----------------------------------|
| (Increase)/Decrease in trade receivables | 貿易應收賬款(增加)/減少 | (6,375) | 9,992 |
| Decrease/(Increase) in prepayments, deposits and other receivables | 預付款項、按金及其他 應收款項減少/(增加) | 144,926 | (147,136) |
| Increase/(Decrease) in trade payables | 貿易應付賬款增加/(減少) | 2,229 | (7,091) |
| Increase in fund received in advance | 預收資金增加 | — | 50,000 |
| Increase/(Decrease) in accruals and other payables | 應計費用及其他 應付款項增加/(減少) | 572 | (3,926) |
| NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES | 經營活動所得/(所用)之 現金淨額 | 120,035 | (133,085) |
| INVESTING ACTIVITIES | 投資活動 | | |
| Dividends received from available-for- sale financial assets | 可供出售金融資產產生之 已收股息 | 151 | 163 |
| Interests received from available-for- sale financial assets | 可供出售金融資產產生之 已收利息 | 80 | 97 |
| Interest received from banks | 已收銀行利息 | 6 | 163 |
| 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 | (20,122) | (5,198) |
| Proceeds on disposal of property, plant and equipment | 出售物業、廠房及設備之 所得款項 | — | 76 |
| Proceeds on disposal of available-for-sale financial assets | 出售可供出售金融資產之 所得款項 | 4,790 | 4,402 |
| Net cash inflow upon disposal/loss of control of subsidiaries | 出售附屬公司/失去對 附屬公司的控制權之 現金流入淨額 | — | 10 |
| NET CASH USED IN INVESTING ACTIVITIES | 投資活動所用現金淨額 | (15,095) | (587) |

Consolidated Statement of Cash Flows
 綜合現金流量表
 As at 31 March 2017
 於二零一七年三月三十一日

| | | Notes 附註 | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|---|-------------------------------|-------------|----------------------------------|----------------------------------|
| FINANCING ACTIVITIES | | | | |
| Interest expenses paid to an associate on convertible bonds | 融資活動 就可換股債券已付 聯營公司之利息開支 | 29 | (25,025) | (25,025) |
| Repayment on early redemption of convertible bonds | 提早贖回可換股債券之 還款 | 29 | (51,003) | — |
| NET CASH USED IN FINANCING ACTIVITIES | | | (76,028) | (25,025) |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | | | 28,912 | (158,697) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | | | 32,459 | 191,191 |
| EFFECT OF FOREIGN EXCHANGE RATE CHANGES | | | (55) | (35) |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash | | | 61,316 | 32,459 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

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 of Hong Kong Limited (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 35 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 principle 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 Rule 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, available-for-sale financial assets and investments in convertible bonds, which are measured at fair values, 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。本公司股份於香港聯合交易所有限公司(「聯交所」)主板上市。其註冊辦事處地址為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35。

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，租賃物業、可供出售金融資產及於可換股債券的投資之估值修訂，均按公平值計量。如下列會計政策所述。

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.

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.

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.

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。

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。

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

(i) New and revised HKFRSs adopted by the Group

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

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)

香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號(修訂版)(二零一一年)

HKFRS 14

香港財務報告準則第14號

Amendments to HKAS 1

香港會計準則第1號(修訂版)

Amendments to HKAS 16 and HKAS 38

香港會計準則第16號及

香港會計準則第38號(修訂版)

Amendments to HKAS 27 (2011)

香港會計準則第27號(修訂版)

(二零一一年)

Amendments to a number of HKFRSs

若干香港財務報告準則之修訂

Investment Entities: Applying the Consolidation Exception

投資實體：應用綜合之例外情況

Regulatory Deferral Accounts

監管遞延賬賬戶

Disclosure Initiative

披露動議

Clarification of Acceptable Methods of Depreciation and Amortisation

澄清可接受折舊及攤銷方法

Equity Method in Separate Financial Statements

獨立財務報表之權益法

Annual Improvements 2012–2014 Cycle

二零一二年至二零一四年週期之年度改進

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

(i) 本集團採納之新訂及經修訂香港財務報告準則

本集團已於本年度財務報表中首次採納以下新訂及經修訂香港財務報告準則。

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

(i) New and revised HKFRSs adopted by the Group (Continued)

Except for the amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011), HKFRS 14, amendments to HKAS 16 and HKAS 41, amendments to HKAS 27 (2011), and certain amendments included in the Annual Improvements 2012–2014 Cycle, which are not relevant to the preparation of the Group’s consolidated financial statements, the nature and the impact of the amendments are described below:

(a) Amendments to HKAS 1 include narrow-focus improvements in respect of the presentation and disclosure in consolidated financial statements. The amendments clarify:

- the materiality requirements in HKAS 1;
- that specific line items in the statement of profit or loss and the statement of financial position may be disaggregated;
- that entities have flexibility as to the order in which they present the notes to financial statements; and
- that the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the consolidated statement of financial position and the consolidated statement of profit or loss and other comprehensive income. The amendments have had no significant impact on the Group’s consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）(續)

(i) 本集團採納之新訂及經修訂香港財務報告準則(續)

除香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號(修訂版)(二零一一年)、香港財務報告準則第14號、香港會計準則第16號及香港會計準則第41號(修訂版)、香港會計準則第27號(修訂版)(二零一一年)以及二零一二年至二零一四年週期與本集團綜合財務報表的編製無關之修訂及有關修訂的性質及影響如下：

(a) 香港會計準則第1號修訂本載有就綜合財務報表之呈列方式及披露具針對性的改善。該等修訂釐清：

- 香港會計準則第1號的重大要求；
- 損益表與財務狀況表內之特定項目可予細分；
- 實體就彼等呈列財務報表附註之次序擁有靈活性；及
- 使用權益法入賬之應佔聯營公司及合資公司之其他全面收益必須於單一項目內呈列總額，並區分為將會或不會於其後重新分類至損益的該等項目間進行歸類。

此外，該等修訂釐清在綜合財務狀況表及綜合損益及其他全面收益表呈列額外小計時適用之要求。該等修訂不會對本集團的綜合財務報表產生任何重大影響。

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

(i) New and revised HKFRSs adopted by the Group (Continued)

- (b) 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 applied prospectively. The amendments have had no impact on the financial position or performance of the Group as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.
- (c) Annual Improvements to HKFRSs 2012–2014 Cycle issued in October 2014 sets out amendments to a number of HKFRSs. Details of the amendments are as follows:

HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations: Clarifies that changes to a plan of sale or a plan of distribution to owners should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. Accordingly, there is no change in the application of the requirements in HKFRS 5. The amendments also clarify that changing the disposal method does not change the date of classification of the non-current assets or disposal group held for sale. The amendments are applied prospectively. The amendments have had no impact on the Group as the Group did not have any change in the plan of sale or disposal method in respect of the disposal group held for sale during the year.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(i) 本集團採納之新訂及經修訂香港財務報告準則(續)

- (b) 香港會計準則第16號及香港會計準則第38號修訂本原則上澄清收益反映自經營一項業務(該資產為其一部分)所產生的經濟利益模式，而非通過使用資產所耗用的經濟利益的模式。因此，以收益為基礎的方法不可用於折舊物業、廠房及設備，並且僅在非常有限的情況下可用於攤銷無形資產。該等修訂即將應用。該等修訂不會對本集團的財務狀況或表現產生任何影響，原因是本集團並未使用收入法計算其非流動資產的折舊。
- (c) 於二零一四年十月頒佈的香港財務報告準則二零一二年至二零一四年週期的年度改進載列多項香港財務報告準則的修訂。修訂詳情如下：

香港財務報告準則第5號持作待售之非流動資產及已終止業務：闡明銷售計劃或向所有者分銷計劃之變動不應被視為新出售計劃，相反其只是原計劃之延續。因此，應用香港財務報告準則第5號之規定並無變動。該等修訂亦闡明改變出售方式並不改變非流動資產或持作待售之出售組別之分類日期。該等修訂須應用於未來期間。該等修訂對本集團並無影響，因本集團年內持作待售之出售組別之銷售計劃或出售方式並無任何變動。

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

(ii) New and revised HKFRSs that have been issued but not yet effective

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

Amendments to HKAS 7
香港會計準則第7號(修訂版)
Amendments to HKAS 12
香港會計準則第12號(修訂版)
Amendments to HKFRS 2
香港財務報告準則第2號(修訂版)
Amendments to HKFRS 4
香港財務報告準則第4號(修訂版)
HKFRS 9 (2014)
香港財務報告準則第9號(二零一四年)
HKFRS 15
香港財務報告準則第15號
Amendments to HKFRS 15
香港財務報告準則第15號(修訂版)
Amendments to HKAS 40
香港會計準則第40號(修訂版)
HK (IFRIC)-Int 22
香港(國際財務報告詮釋委員會)
— 詮釋第22號
HKFRS 16
香港財務報告準則第16號
Amendments to HKFRS 10 and HKAS 28
(2011)
香港財務報告準則第10號及香港會計準則第28號(二零一一年)
Amendments to HKFRSs
香港財務報告準則(修訂版)

Disclosure Initiative¹
披露動議¹
Recognition of Deferred Tax Assets for Unrealised Losses¹
就未變現虧損確認遞延稅項資產¹
Classification and Measurement of Share-based Payment Transactions²
以股份為基礎之付款交易之分類及計量²
Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts²
採用香港財務報告準則第4號「保險合約」時
— 併應用香港財務報告準則第9號「金融工具」²
Financial Instruments²
金融工具²
Revenue from Contracts with Customers²
客戶合約之收益²
Clarifications to HKFRS 15 Revenue from Contracts with Customers²
澄清對香港財務報告準則第15號客戶合約之收益²
Transfers to Investment Property²
投資物業之轉移²
Foreign Currency Transactions and Advance Consideration²
外幣交易及墊付代價²
Leases³
租賃³
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture⁴
投資者與其聯營企業或合資企業之間的資產出售或注資⁴
Annual Improvements to HKFRSs 2014–2016 Cycle⁵
二零一四年至二零一六年週期
香港財務報告準則的年度改進⁵

1 Effective for annual periods beginning on or after 1 January 2017
2 Effective for annual periods beginning on or after 1 January 2018
3 Effective for annual periods beginning on or after 1 January 2019
4 No mandatory effective date yet determined but available for adoption
5 Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(ii) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則

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

1 於二零一七年一月一日或之後開始的年度期間生效
2 於二零一八年一月一日或之後開始的年度期間生效
3 於二零一九年一月一日或之後開始的年度期間生效
4 尚未釐定強制生效日期，惟可供採納
5 從二零一七年一月一日或二零一八年一月一日(視乎情況而定)或之後開始的年度期間生效

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

(ii) New and revised HKFRSs that have been issued but not yet effective (Continued)

Further information about those HKFRSs that are expected to be applicable to the Group is as follows:

Amendments to HKAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments will result in additional disclosure to be provided in the financial statements. The Group expects to adopt the amendments from 1 April 2017.

Amendments to HKAS 12 were issued with the purpose of addressing the recognition of deferred tax assets for unrealised losses related to debt instruments measured at fair value, although they also have a broader application for other situations. The amendments clarify that an entity, when assessing whether taxable profits will be available against which it can utilise a deductible temporary difference, needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. The Group expects to adopt the amendments from 1 April 2017.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(ii) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則(續)

關於預期適用於本集團的香港財務報告準則的進一步資料如下：

香港會計準則第7號(修訂版)要求一個實體提供披露，使財務報表使用者能夠評估融資活動產生的負債變動，包括現金流量及非現金變動所產生的變化。此修訂版將導致在財務報表中提供額外的披露。本集團預計將於二零一七年四月一日通過此修訂。

香港會計準則第12號(修訂版)的發行，目的在於解決遞延稅項資產對於以公平值計量的債務工具相關的未實現損失，但對其他情況也有更廣泛的應用。此修訂版澄清，一個實體在評估是否可以利用可抵扣暫時性差異的應納稅所得額時，需要考慮稅法是否限制可抵扣暫時性抵銷的應納稅所得額的來源區別。此外，此修訂版提供了一個實體如何確定未來應稅利潤的指導，並解釋了應納稅所得額可能包括部分資產追回超過其賬面價值的情況。本集團預計將於二零一七年四月一日採納此修訂。

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

(ii) New and revised HKFRSs that have been issued but not yet effective (Continued)

The HKICPA issued amendments to HKFRS 2 in August 2016 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding a certain amount in order to meet the employee's tax obligation associated with the share-based payment; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity settled. The amendments clarify that the approach used to account for vesting conditions when measuring equity-settled share-based payments also applies to cash-settled share-based payments. The amendments introduce an exception so that a share-based payment transaction with net share settlement features for withholding a certain amount in order to meet the employee's tax obligation is classified in its entirety as an equity-settled share-based payment transaction when certain conditions are met. Furthermore, the amendments clarify that if the terms and conditions of a cash-settled share-based payment transaction are modified, with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as an equity-settled transaction from the date of the modification. The Group expects to adopt the amendments from 1 April 2018. The amendments are not expected to have any significant impact on the Group's consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

(ii) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）

香港會計師公會於二零一六年八月發佈香港財務報告準則第2號之修訂，涉及三個主要領域：歸屬條件對現金結算的股份支付交易的計量的影響；以扣除一定金額的淨結算功能進行股份支付交易分類，以符合與股份支付相關的員工的稅務義務；會計處理對股份支付交易條款及條件的修改將其分類從現金結算轉為股權結算。修正案澄清，衡量股權結算的股份支付時用於歸屬條件的方法亦適用於以現金結算的股份支付。修訂引發例外情況，以確定在若干條件達成時為了履行職工的稅務義務而扣除一定金額的淨股份結算功能的股份支付交易，修訂澄清倘現金結算的股份支付交易的條款及條件被修改，結果是成為股權結算的股份支付交易，則交易被視為權益結算交易自修改之日起。本集團預計將於二零一八年四月一日通過修訂。預計修訂將對本集團的綜合財務報表不會產生重大影響。

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

(ii) New and revised HKFRSs that have been issued but not yet effective (Continued)

Amendments to HKFRS 4 address issues arising from the different effective dates of HKFRS 9 and the upcoming new insurance contracts standard. The amendments introduce two alternative options that allow entities issuing contracts within the scope of HKFRS 4 for the adoption of HKFRS 9, notably a temporary exemption and an overlay approach. The temporary exemption enables entities whose activities are predominantly connected with insurance to defer the implementation date of HKFRS 9 until the earlier of the effective date of the new insurance contracts standard and annual reporting periods beginning on or after 1 January 2021. The overlay approach allows entities applying HKFRS 9 from 2018 onwards to remove from profit or loss the effects arising from the adoption of HKFRS 9 and reclassify the amounts to other comprehensive income for designated financial assets. The Group expects to adopt the amendments from 1 April 2018. The amendments are not expected to have any significant impact on the Group’s consolidated financial statements.

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt HKFRS 9 from 1 April 2018. The Group is currently assessing the impact of the standard upon adoption and expects that the adoption of HKFRS 9 will have an impact on the classification and measurement of the Group’s financial assets. The Group is currently assessing the impact of the standard.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(ii) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則(續)

香港財務報告準則第4號的修訂用以處理香港財務報告準則第9號與即將發佈的新保險合同準則生效日期不同而產生的問題。該修訂為簽發保險合同的實體在香港財務報告準則第4號下為了適用《香港財務報告準則第9號》提供了兩種選擇：暫時性豁免和重疊法。暫時性豁免允許主要從事保險業務的實體暫緩適用香港財務報告準則第9號，但不能晚於新保險合同準則的適用日期和二零二一年一月一日及以後開始的會計年度中較早的日期。對於從二零一八年開始採用香港財務報告準則第9號的主體，重疊法允許其對指定金融資產因採用香港財務報告準則第9號時可能產生的波動性在其他綜合收益而非損益中予以確認。本集團將自二零一八年四月一日起採納該修訂。該修訂將不會對本集團之綜合財務報表產生重大影響。

於二零一四年九月，香港會計師公會發行香港財務報告準則第9號的最終版本，彙集了各項金融工具項目的各個階段，以取代香港會計準則第39號及以前版本的香港財務報告準則第9號。該標準引入了分類及計量，減值及對沖會計的新要求。本集團預期將於二零一八年四月一日起採用香港財務報告準則第9號。本集團目前正在評估該準則對於採用的影響，並預期採用香港財務報告準則第9號將對本集團金融資產的分類及計量產生影響。本集團目前正在評估該標準的影響。

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

(ii) New and revised HKFRSs that have been issued but not yet effective (Continued)

HKFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs. In June 2016, the HKICPA issued amendments to HKFRS 15 to address the implementation issues on identifying performance obligations, application guidance on principal versus agent and licenses of intellectual property, and transition. The amendments are also intended to help ensure a more consistent application when entities adopt HKFRS 15 and decrease the cost and complexity of applying the standard. The Group expects to adopt HKFRS 15 on 1 April 2018 and is currently assessing the impact of HKFRS 15 upon adoption.

The amendments to HKAS 40 clarify that, to transfer to or from, investment properties, there must be a change in use. A change in use would involve (a) an assessment of whether a property meets, or has ceased to meet, the definition of investment property; and (b) supporting evidence that a change in use has occurred. The amendments also re-characterised the list of circumstances as a non-exhaustive list of examples to allow for other circumstances to be accounted for as a transfer, as long as that change is supported by appropriate evidence as follows:

- commencement of owner-occupation, or of development with a view to owner-occupation, for a transfer from investment property to owner-occupied property;
- commencement of development with a view to sale, for a transfer from investment property to inventories;

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）(續)

(ii) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則(續)

香港財務報告準則第15號確立了客戶合約所產生的收入進行會計處理的新五步模式。根據香港財務報告準則第15號，所確認的收入金額應能反映向客戶轉讓交換該等貨品或服務有權獲得的代價。香港財務報告準則第15號原則為衡量及確認收入提供了更有條理的方法。該標準還引入了廣泛的定性及定量披露要求，包括總收入分解，績效義務資訊，合同資產變動及期間的負債賬戶餘額以及關鍵判斷及估計。該標準將取代香港財務報告準則下所有目前的收入確認要求。二零一六年六月，香港會計師公會發佈了香港財務報告準則第15號(修訂版)，以解決履約義務的確定問題，主體與代理人的智慧財產權及轉讓許可的應用指導。有關修訂亦旨在說明確保在實體採用香港財務報告準則第15號時更為一致的應用，並降低適用標準的成本及複雜性。本集團預期於二零一八年四月一日採用香港財務報告準則第15號，目前正在評估香港財務報告準則第15號的影響。

香港會計準則第40號(修訂本)澄清投資物業之轉入及轉出都必須存在用途之改變。用途之改變涉及(a)評估物業是否符合或不再符合投資物業之定義；及(b)用途之改變應有證據予以支持。該等修訂本亦重新定下情況清單作為例子之非詳細清單，以允許其他情況計入為轉讓，惟變動須有以下適當證據作支持：

- 就投資物業轉至業主自住物業而言，開始業主自住或以業主自住為目的開始發展；
- 就投資物業轉至存貨而言，以出售為目的開始發展；

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

(ii) New and revised HKFRSs that have been issued but not yet effective (Continued)

- end of owner-occupation, for a transfer from owner-occupied property to investment property; and
- inception of an operating lease to another party, for a transfer from inventories to investment property.

The Group expects to adopt the amendments from 1 April 2018. The amendments are not expected to have any significant impact on the Group's consolidated financial statements.

HK (IFRIC) — Int 22 is set out in accordance with HKAS 21 “The Effect of Changes in Foreign Exchange Rate” requires an entity to record a foreign currency transaction by applying the exchange rate at the date of the transaction. HKAS 21 states that the date of the transaction is the date on which the transaction first qualifies for recognition in accordance with HKFRSs. When an entity pays or receives consideration in advance in a foreign currency, it generally recognises a non-monetary asset or non-monetary liability before the recognition of the related asset, expense or income. HK(IFRIC) — Int 22 addresses how to determine a date of the transaction for the purpose of determining the exchange rate to use an initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency.

The Group expects to adopt HK (IFRIC) — Int 22 from 1 April 2018. The interpretation is not expected to have any significant impact on the Group's consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

(ii) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）

- 就業主自住物業轉至投資物業而言，終止業主自住；及
- 就存貨轉至投資物業而言，向其他人士開啟經營租賃。

本集團將自二零一八年四月一日起採納該修訂。該修訂將不會對本集團之綜合財務報表產生重大影響。

香港（國際財務報告詮釋委員會）— 詮釋第22號根據香港會計準則第21號「匯率變動之影響」要求實體在進行外幣交易時應用交易日期的匯率。香港會計準則第21號聲明交易日期為根據香港財務報告準則確認的第一次交易的日期。當實體支付或收取預付款時，一般於確認相關資產、開支或收入之前確認非現金資產或非現金負債。香港（國際財務報告詮釋委員會）— 詮釋第22號澄清如何釐定交易日期，旨在當實體以外幣代價已收或已付預付款時釐定用於初始確認相關資產、開支或收入之匯率。

本集團將自二零一八年四月一日採納香港（國際財務報告詮釋委員會）— 詮釋第22號。該詮釋將不會對本集團之綜合財務報表產生重大影響。

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

(ii) New and revised HKFRSs that have been issued but not yet effective (Continued)

HKFRS 16 replaces HKAS 17 Leases, HK(IFRIC)-Int 4 Determining Whether an Arrangement Contains a Lease, HK(SIC)-Int 15 Operating Leases – Incentives and HK(SIC)-Int 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in HKAS 40. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under HKFRS 16 is substantially unchanged from the accounting under HKAS 17. Lessors will continue to classify all leases using the same classification principle as in HKAS 17 and distinguish between operating leases and finance leases. The Group expects to adopt HKFRS 16 on 1 April 2019 and is currently assessing the impact of HKFRS 16 upon adoption.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）(續)

(ii) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號取代香港會計準則第17號香港（國際財務報告詮釋委員會）— 詮釋第4號確定一項安排是否包含一項租賃、香港（常務詮釋委員會）第15號經營租賃 — 獎勵與香港（常務詮釋委員會）— 第27號評估涉及法定表格的租賃。該標準規定了租賃確認、計量、呈報及披露的原則，並要求承租人承認大部分租賃的資產及負債。該標準包括承租人的兩項確認豁免 — 低價值資產及短期租賃的租賃。在租賃生效日期，承租人將承認租賃付款的負債（即租賃責任）及代表在租賃期內使用相關資產的權利的資產（即使用權資產）。使用權資產隨後以成本減去累計折舊及減值損失計量，除非使用權資產符合香港會計準則第40號的投資性房地產的定義。隨後將租賃責任增加以反映租賃權益責任及租賃付款減少。承租人將分別確認租賃資產的利息費用及使用權資產的折舊費用。承租人還將需要在發生某些事件時重新計算租賃負債，例如租賃期限的變更及由於用於確定這些付款的指數或利率變化而導致的未來租賃付款變更。承租人一般會將租賃責任重新計量的金額確認為對使用權資產的調整。香港財務報告準則第16號下的出租人會計與香港會計準則第17號下的會計差距大致不變。租賃人將繼續使用與香港會計準則第17號相同的分類原則對所有租賃進行分類，區分經營租賃及融資租賃。本集團預期於二零一九年四月一日採用香港財務報告準則第16號，目前正在評估香港財務報告準則第16號的影響。

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

(ii) New and revised HKFRSs that have been issued but not yet effective (Continued)

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

The Annual Improvements – HKFRSs 2014–2016 Cycle with improvements to standards and interpretations aims to remove inconsistencies and clarify texts. These improvements are:

- HKFRS 1 First-time adoption of Hong Kong Financial Reporting Standards – The improvement delete on short-term exemptions for first-time adopters. The amendment are effective for financial periods beginning on or after 1 January 2018.
- HKAS 28 Investments in Associates and Joint Ventures – The improvements clarify that the election to measure investments at fair value through profit or loss accordance with HKFRS 9. The amendments are effective for financial periods beginning on or after 1 January 2018.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(ii) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則(續)

香港財務報告準則第10號及香港會計準則第28號之修訂(二零一一年)涉及香港財務報告準則第10號及香港會計準則第28號(二零一一年)在處理投資者與其聯營企業或合營企業之間的資產出售或出資時不一致。當投資者與其聯營企業或合營企業之間的資產出售或出資構成業務時，有關修訂需要充分確認損益。對於涉及不構成業務資產的交易，交易產生的利得或損失，僅在投資者無關聯方或合營企業的利益的範圍內確認為投資者的損益。修訂將適用於前瞻性。香港財務報告準則第10號及香港會計準則第28號(二零一一年)之前的強制性生效日期由香港會計師公會於二零一六年一月予以廢除，新的強制性生效日期將在完成對聯營公司及合營企業會計的更廣泛審查後確定。但是，有關修訂現時可予應用。

香港財務報告準則第二二零一四年至二零一六年週期之年度改進，改進了準則及詮釋的不一致及澄清內容。該等改進為：

- 香港財務報告準則第1號首次採納香港財務報告準則 — 改進刪除首次採納者的短期豁免。該修訂將自二零一八年一月一日或之後的財務期間生效。
- 香港會計準則第28號於聯營公司及合資企業的投資，該改進澄清選擇根據香港財務報告準則第9號計量透過損益按公平值計量之投資。該修訂將自二零一八年一月一日或之後的財務期間生效。

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

(ii) New and revised HKFRSs that have been issued but not yet effective (Continued)

- HKFRS 12 Disclosure of Interests in Other Entities: Improvements to HKFRS 12 Disclosure of interests in other entities — The improvements clarify that the disclosure requirements in HKFRS 12, except as described in paragraph B12, apply to interests in subsidiary, joint venture and associate (or a portion of its interest in joint venture and associate) is classified (or included in a disposal group that is classified) as held for sale or discontinued operations in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations. The amendments are effective for financial periods beginning on or after 1 January 2017.

The improvements are not expected to have any significant impact on the Group’s consolidated financial statements.

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.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）(續)

(ii) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則(續)

- 香港財務報告準則第12號在其他主體中權益的披露：該香港財務報告準則第12號之改進在其他主體中權益的披露 — 改進澄清了香港財務報告準則第12號之披露要求除第B12段描述著外適用於依據香港財務報告準則5號被分類為(或分配為匯總出售)持有待售或者終止經營的在附屬公司、合營企業及聯營企業主體中的權益(或合營企業及聯營企業的部分權益)。該修訂將自二零一七年一月一日或之後的財務期間生效。

該變動預期將不會對本集團綜合財務報表產生重大影響。

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。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Consolidation (Continued)

(i) Subsidiaries (Continued)

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.

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.

3. 重大會計政策概要(續)

(a) 綜合(續)

(i) 附屬公司(續)

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。

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。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Consolidation (Continued)

(i) Subsidiaries (Continued)

In the Company's statement of financial position disclosed in the note 36 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.

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)

在該等綜合財務報表附註36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。

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於綜合財務報表之資產淨值(包括商譽)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。

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.

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人權益減少，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。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Associates (Continued)

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.

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 interest 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 board of directors 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。

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董事會。

(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。

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.

Translation differences on non-monetary financial assets and liabilities such as equity investments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gains or losses. Translation differences on non-monetary financial assets such as equities investments classified as available-for-sale investments are included in other comprehensive income.

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。

非貨幣金融資產及負債(如按公平值持有並透過損益記賬之權益)之匯兌差額，乃於損益確認為公平值損益之一部份。非貨幣金融資產(如分類為可供出售金融資產之股權投資)之匯兌差額，乃於其他全面收益內列賬。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(d) Foreign currency translation *(Continued)*

(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 end of the reporting period;
- 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 at the date of that transaction.

(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

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報告期末之收市匯率換算;
- 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,並按交易日期之收市匯率換算。

(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。

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直接轉撥至累計虧損。

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.

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

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內確認。估計可使用年期及攤銷方法於各報告期末檢討，而估計之任何變動影響按預期基準入賬。

無形資產指涉及口服胰島素產品(「產品」)的正在進行之研發項目(「研發過程」)。由於尚未可供使用，研發過程不會予以攤銷。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(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.

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.

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

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。

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。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

(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

The Group's 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)

(g) 有形及無形資產(商譽除外)之減值虧損(續)

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。

(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

本集團之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。

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.

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.

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 to the consolidated financial statements.

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。

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。公平值按綜合財務報表附註6所述之方式釐定。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

(i) Financial assets (Continued)

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.

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 component 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).

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

3. 重大會計政策概要(續)

(h) 金融工具(續)

(i) 金融資產(續)

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。

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)。

利息收入採用實際利率確認，惟權益確認並不屬重大之短期應收款項除外。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

(i) Financial assets (Continued)

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.

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

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。

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。

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。

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.

In respect of available-for-sales 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.

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。

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。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

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

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.

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.

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

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

股本工具乃證明在本集團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。

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。

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

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).

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)

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可換股權乃股本工具。

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。

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。

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 expired. 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.

(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).

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上幾乎所有的風險和報酬所有權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。

(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)。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(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.

(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. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

3. 重大會計政策概要 *(續)*

(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。

(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。在特別借貸尚未用於有關合資格資產的費用而作短暫投資而賺取之投資收入，乃於可作資本化之借貸成本內扣除。

所有其他借貸成本乃於其產生期間於損益中確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(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.

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

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。

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具有足夠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方予以確認。

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

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.

(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。

(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。

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 trading of beauty equipment and products is recognised when the goods are delivered and titles have been passed to the customers.
- (ii) 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.
- (iii) 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.

(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.

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) 來自美容設備及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。
- (ii) 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。
- (iii) 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。

(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。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Leases (Continued)

(ii) Finance leases (Continued)

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.

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

(q) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the year in which the dividends are approved by the Company's shareholders or directors, where appropriate.

3. 重大會計政策概要(續)

(p) 租賃(續)

(ii) 融資租賃(續)

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。

倘租賃付款能可靠分配，以經營租賃入賬的土地租賃權益在綜合財務狀況表中列為「預付租賃付款」，且最初以成本呈列及隨後於租期內按直線法確認。倘若租賃付款無法於土地及樓宇分部間可靠分配時，則將整個租賃款當作物業、廠房及設備的融資租賃，並包括在土地和房屋的成本中。倘兩個部分均屬於經營租賃，則整項租賃被分類為經營租賃。

(q) 股息分派

向本公司股東之股息分派於本集團及本公司之年內財務報表中被確認為負債。其中股息由本公司股東或董事(倘合適)批准。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(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.
- (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).
 - (viii) The entity or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

3. 重大會計政策概要 *(續)*

(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。
- (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該計劃，提供資助的僱主亦與該報告實體有關連。
 - (vi) 實體受(a)所識別人土控制或受共同控制。
 - (vii) 上文(a)(i)所識別人土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。
 - (viii) 該實體或其所屬集團之任何成員公司，向本集團或本集團之母公司提供主要管理人員服務。

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 to the consolidated financial statements, 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 according 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.

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, East Longmark (Shanghai) HealthCare Limited (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.

4. 重大會計判斷及估計不確定因素的主要來源

在應用載述於綜合財務報表附註3的本集團會計政策時，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。

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決議案須獲得超過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/股東權益和董事會決議案須獲得超過51%的贊成票方能通過。

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

Significant influence over Extrawell

Extrawell is a company of which shares are listed on the Main Board of the Stock Exchange.

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.

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 2017, impairment loss of nil (2016: Nil) was recognised for property, plant and equipment based on the impairment assessment performed by the management. The management performed an impairment assessment on the property, plant and equipment, in particular, the leasehold land and buildings of which the carrying amount is HK\$32,132,000 as at 31 March 2017 (2016: HK\$35,461,000), with reference to the valuation report prepared by an independent qualified valuer using depreciated replacement costs approach. 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 2017, the carrying amount of property, plant and equipment was HK\$32,385,000 (2016: HK\$35,833,000).

4. 重大會計判斷及估計不確定因素的主要來源(續)

對精優之重大影響力

精優是一家於聯交所主板上市的公司。

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。

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。於截至二零一七年三月三十一日止年度，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為無(二零一六年：無)。於二零一七年三月三十一日，管理層採用折舊置換成本法經考獨立合資格估值師編製之估值報告就其物業、廠房及設備，尤其是，租賃土地及樓宇的賬面值32,132,000港元(二零一六年三月三十一日：35,461,000港元)進行減值評估。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。於二零一七年三月三十一日，物業、廠房及設備之賬面值為32,385,000港元(二零一六年：35,833,000港元)。

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, share price volatility, discount rates and others. As at 31 March 2017, the carrying amount of the embedded conversion option of convertible bonds invested by the Group is HK\$186,841,000 (2016: HK\$227,027,000).

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, 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減少依賴本集團之特定數據。該模式涉及到到期前之估計、無風險利率、股價、股價波動、貼現率及其他因素。於二零一七年三月三十一日，本集團投資之可換股債券之嵌入式換股權之賬面值186,841,000港元(二零一六年：227,027,000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之公平值

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。該模式涉及到到期前之估計、無風險利率、股價、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。

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 (the “In-process R&D”) involving an oral insulin product (the “Product”) which are not yet available for use. Accordingly, the intangible assets relating to the Product with the carrying amount of approximately HK\$1,373,224,000 as at 31 March 2017 (2016: 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 to the consolidated financial statements. 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 is of the opinion that the Group would be successful in obtaining the regulatory approvals from the relevant government bodies and launching the Product by the end of 2019 in the absence of unforeseeable circumstance. The management also based on the assumption that the Group would continue to have the exclusive right for commercialisation of the Product after the agreement with Tsinghua University, Beijing in connection with the research and development of the Product expires in October 2018.

Should the actual outcome of the clinical trials and the launching of the Product be unsuccessful, the likelihood and timing in obtaining the regulatory approvals from the relevant government bodies to launch the product to be unrealised, 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」)的正在進行之研發項目(「研發過程」)之無形資產進行減值測試。據此，於二零一七年三月三十一日賬面值約為1,373,224,000港元(二零一六年：1,373,224,000港元)與無形資產相關之產品已就減值進行測試。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、臨床試驗結果、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綜合財務報表附註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。加上，管理層認為，在無不可預見的情況下，本集團將能於二零一九年底取得有關政府監管的部門批准並推出該產品。管理層亦基於能於二零一八年十月與北京清華大學就產品研發簽訂之協議屆滿後仍可繼續擁有獨家經營該產品之權利作出相關假設。

倘產品之臨床試驗實際結果及推出不成功，獲得相關政府監管部門的批准並推出產品的可能性及時間未能實現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。

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

Key sources of estimation uncertainty *(Continued)*

Going concern consideration

In the process of applying the Group's accounting policies, apart from those involving estimations, management has prepared the consolidated financial statements on the assumption that the Group will be able to operate as a going concern in the coming year, which is a critical judgement that has the most significant effect on the amounts recognised in the consolidated financial statements.

The directors of the Company are in the opinion that the Group will be successful in obtaining a regulatory approval from the relevant government bodies and launching the oral insulin product by the end of 2019. For this reason, sufficient cash inflows will be obtained by the Group after this product is launched to markets. In addition, the Company will be able to increase its working capital by offering shares for subscription, issuing rights or convertible bonds. After taking into account the Group's business prospects and the available financial resources, the directors of the Company are satisfied that that is appropriate to prepare these consolidated financial statements on a going concern basis.

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.

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) 持續經營考慮

於應用本集團的會計政策時，除涉及作出估計外，管理層已按本集團將能夠於來年持續經營之假設編製綜合財務報表，此乃對綜合財務報表所確認金額會產生最重大影響的重大判斷。

本公司董事認為，於二零一九年末本集團將成功獲相關政府機構監管批准並推出口服胰島素產品。因此，該產品推出後將會令本集團獲得足夠的現金流。此外，本公司將可供股份認購，發行供股或可換股債券，以增加經營資金。經考慮本集團之業務前景及可供的財務資源，本公司董事信納按持續經營基準編製本綜合財務報表屬恰當。

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。

5. CAPITAL RISK MANAGEMENT (Continued)

The Group monitors its capital structure using net debt to equity ratio; whereby net debt comprises convertible bonds less bank balances and cash whilst equity means the total equity of the Group. During the year, the Group's strategy to maintain a healthy net debt to equity ratio has remained unchanged, and the debt to equity ratio is 0.32 as at 31 March 2017 (2016: 0.25).

6. FINANCIAL INSTRUMENTS

Categories of financial instruments

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 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 | 186,841 | 227,027 |
| 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) | 120,356 | 236,876 |
| Available-for-sale financial assets | 可供出售金融資產 | 22,501 | 6,921 |
| Financial liabilities | 金融負債 | | |
| Amortised cost | 攤銷成本 | 550,479 | 528,732 |

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.

5. 資本風險管理(續)

本集團使用淨負債權益比率監管其資本結構；其中淨負債指可換股債券減銀行結餘及現金，權益則指本集團之權益總額。於本年度，本集團維持穩健之負債權益比率之策略仍然不變。於二零一七年三月三十一日，債務對權益比率為0.32(二零一六年：0.25)。

6. 金融工具

金融工具類別

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。

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

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 to the consolidated financial statements 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 to the consolidated financial statements 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.

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.

6. 金融工具 (續)

財務風險管理目標及政策 (續)

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負債部分、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，分別載於綜合財務報表附註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(詳情見綜合財務報表附註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。

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。

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

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 share prices of the convertible bonds issuer had been 5% (2016: 5%) higher/lower and all other variables were held constant, the Groups post-tax loss for the year would be decreased/increased by HK\$10,900,000 (2016: HK\$25,200,000)/HK\$10,860,000 (2016: HK\$25,200,000), as a result of changes in fair value of conversion option embedded in the convertible bonds held by the Group.

If the volatility of share prices of the convertible bonds issuer had been 5% (2016: 5%) higher/lower and all other variables were held constant, the Group's post-tax loss for the year would be decreased/increased by HK\$3,221,000 (2016: HK\$891,000)/HK\$1,599,000 (2016: Nil), 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.

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.

6. 金融工具(續)

財務風險管理目標及政策(續)

市場風險(續)

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的股價上升／下降5%(二零一六年：5%)且所有其他可變因素維持不變，本集團稅後虧損將減少10,900,000港元(二零一六年：25,200,000港元)／增加10,860,000港元(二零一六年：25,200,000港元)，乃由於本集團持有的嵌入可換股債券之轉換權之公平值變動所致。

倘可換股債券發行人之股價波幅高於／低於5%(二零一六年：5%)，而所有其他變量保持不變，於年內，本集團稅後虧損將減少3,221,000港元(二零一六年：891,000港元)／增加1,599,000港元(二零一六年：零)，乃由於本集團持有的嵌入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之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。

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。

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

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 12% (2016: 10%) higher/lower, assuming all other variables were held constant, the investment revaluation reserve would be increased/decreased by HK\$1,800,000 (2016: HK\$497,000) 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 2017, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is the carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position.

The investments in convertible bonds as at 31 March 2017 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\$225,245,000 (2016: HK\$259,555,000) and in view of sufficient net asset and significant bank balance and cash of the issuer, the management considers the default risk on the investments in convertible bonds is not significant.

In order to minimise the credit risk, the 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 interests. In this regard, management considers that the Group's credit risk is significantly reduced.

6. 金融工具 (續)

財務風險管理目標及政策 (續)

市場風險 (續)

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12% (二零一六年：10%)，而所有其他變量保持不變，投資重估儲備將增加／減少1,800,000港元 (二零一六年：497,000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。

於二零一七年三月三十一日，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。

於二零一七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225,245,000港元 (二零一六年：259,555,000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。

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk (Continued)

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.

In respect of trade receivable, all sales made to major customers who have been given short credit terms. These credit evaluations focus on the customers' past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. The average credit period granted to customers ranging from 30 to 90 days (2016: 30 to 180 days). As at 31 March 2017, the carrying amount of trade receivable was concentrated on one customer. The Group will make specific provision for those balances which cannot be recovered. Normally, the Group does not obtain collateral from customers. In the opinion of the directors, the default risk faced by the Group is considered to be low.

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.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. 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 2017 and 2016.

6. 金融工具(續)

財務風險管理目標及政策(續)

信貸風險(續)

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。

就貿易應收款而言，所有銷售給主要客戶皆給予短期信貸期。該等信貸評估客戶支付到期款項之過往記錄，以及目前之支付能力，並考慮客戶以及與客戶運營之經濟環境相關之特定資料。向客戶授出的平均信貸期介乎30至90天(二零一六年：30至180天)。於二零一七年三月三十一日，貿易應收款項之賬面值集中於一名客戶。本集團將為無法收回之應收結餘計提特定撥備。一般而言下，本集團不會向客戶收取抵押品。董事認為，本集團面臨之違約風險為低。

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。

流動資金風險

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。於截至二零一七年及二零一六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。

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

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

| | 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 31.3.2017 |
|---|--------------------------------|--------------------------------|------------|--------------------|-------------------|--------------|-------------------------------|------------------------------|
| | 加權平均利率 | 按要求或少於一個月 | 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 | 於二零一七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 2017 | | | | | | | | |
| Non-derivative financial liabilities | | | | | | | | |
| Trade payables | | 2,237 | | | | | 2,237 | 2,237 |
| Other payables | | 5,863 | | | | | 5,863 | 5,863 |
| Amount due to the subsidiary of an associate | | 41,947 | | | | | 41,947 | 41,947 |
| Amount due to non-controlling interests | | 22,871 | | | | | 22,871 | 22,871 |
| Amounts due to former non-controlling interests | | 823 | | | | | 823 | 823 |
| Loan from a non-controlling interest | 26.99 | | | | 6,067 | | 6,067 | 6,067 |
| Convertible bonds | 21.97 | | | 25,025 | 790,075 | 607,600 | 1,422,700 | 470,671 |
| | | 73,741 | | 25,025 | 796,142 | 607,600 | 1,502,508 | 550,479 |

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)

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

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 31.3.2016 於二零一六年 三月三十一日 之賬面值 |
|--|--------------------------------------|--------------------------------------|-------------------|-----------------------|----------------------|------------------|-------------------------------------|--|
| | 加權 平均利率 % | 按要求或 少於一個月 HK\$'000 | 一至三個月 HK\$'000 | 三個月至一年 HK\$'000 | 一年至五年 HK\$'000 | 超過五年 HK\$'000 | 未貼現現金 流量總計 HK\$'000 | 三月三十一日 之賬面值 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 | | 貿易應付賬款 | 8 | | | | 8 | 8 |
| Funds received in advance | | 預收資金 | 50,000 | | | | 50,000 | 50,000 |
| Other payables | | 其他應付款 | 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 non-controlling interests | | 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 | 26.99 | 來自非控股權益貸款 | | | 4,646 | | 4,646 | 4,646 |
| Convertible bonds | 21.97 | 可換股債券 | | 25,025 | 815,100 | 607,600 | 1,447,725 | 403,146 |
| | | | 120,940 | 25,025 | 819,746 | 607,600 | 1,573,311 | 528,732 |

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 2017 於二零一七年三月三十一日 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 | Listed equity investments — HK\$21,243,000 (2016: listed equity investment HK\$4,964,000) | Level 1 | Quoted bid prices in an active market | N/A | N/A |
| | Listed bonds investments — HK\$1,258,000 (2016: listed bonds investments HK\$1,957,000) | Level 2 | Inputs, other than quoted prices included within Level 1, that are observable for the assets, either directly or indirectly | N/A | N/A |
| 可供出售金融資產 | 上市股權投資 — 21,243,000港 元(二零一六年：上市股權投資 4,964,000港元) | 第一級 | 於活躍市場所報的買入價 | 不適用 | 不適用 |
| | 上市債券投資 — 1,258,000港元(二零一六年： 上市債券投資1,957,000港元) | 第二級 | 輸入數據，除第一級所包括報價外，就 資產可直接或間接觀察之輸入數據 | 不適用 | 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 | Assets — HK\$186,841,000 (2016: HK\$227,027,000) | Level 3 | 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. | Expected volatility of the share price of Extrawell, determined by reference to the historical share price of Extrawell. | The higher the volatility of the share price of Extrawell, the higher the fair value. (Note) |
| 於綜合財務狀況表內分 類為按公平值計入損 益之金融資產之嵌入 式待售可換股債券一 及嵌入式待售可換股 債券二(定義見附註 18)之換股權。 | 資產 — 186,841,000港元 (二零一六年：227,027,000港元) | 第三級 | 二項式模式 公平值乃基於行使權期內無風險利率、 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。 | 精優之股價波幅乃經參 考精優歷史股價釐定。 | 精優股價波幅越大，公平 值越高。(附註) |

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 2017 and 2016.

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

| | | HK\$'000 千港元 |
|--|------------------|-----------------|
| At 1 April 2015 | 於二零一五年四月一日 | 233,337 |
| Fair value recognised upon acquisition | 收購後已確認之公平值 | 52,199 |
| Change in fair value loss in profit or loss (Note) | 公平值虧損於損益中之變動(附註) | (58,509) |
| At 31 March 2016 | 於二零一六年三月三十一日 | 227,027 |
| Change in fair value loss in profit or loss (Note) | 公平虧損於損益中之變動(附註) | (40,186) |
| At 31 March 2017 | 於二零一七年三月三十一日 | 186,841 |

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".

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)

截至二零一七年及二零一六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

附註：

所有於損益賬確認之虧損總額與本報告期間結束時持有之嵌入式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」。

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:

| | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|--|----------------------------------|----------------------------------|
| Trading of beauty equipment and products | 9,187 | 19,908 |

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.

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

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：

| | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|--|----------------------------------|----------------------------------|
| Trading of beauty equipment and products | 9,187 | 19,908 |

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。

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、於可換股債券投資、應收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。

7. REVENUE AND SEGMENT INFORMATION 7. 收益及分部資料(續)

(Continued)

Segment revenues and results

分部收益及業績

| | | Provision of genetic testing services | | Distribution of bio-industrial products | | Trading of beauty equipment and products | | Securities investment | | Research and development | | Total | |
|--|--------------------|---------------------------------------|----------|---|----------|--|----------|-----------------------|----------|--------------------------|----------|-----------|-----------|
| | | 提供基因測試服務 | | 分銷生物產業產品 | | 美容設備及產品貿易 | | 證券投資 | | 研發 | | 總計 | |
| | | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| | | 二零一七年 | 二零一六年 | 二零一七年 | 二零一六年 | 二零一七年 | 二零一六年 | 二零一七年 | 二零一六年 | 二零一七年 | 二零一六年 | 二零一七年 | 二零一六年 |
| | | 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 | - | - | - | - | 9,187 | 19,908 | - | - | - | - | 9,187 | 19,908 |
| Segment (loss)/profit | 分部(虧損)/溢利 | (22) | (295) | (1,985) | (2,413) | 727 | 580 | (33) | (138) | (7,123) | (5,661) | (8,436) | (7,927) |
| Additional disclosures for operating segments: | 經營分部之額外披露事項： | | | | | | | | | | | | |
| Interest income received from available-for-sale investments | 從可供出售金融資產收取之利息收入 | - | - | - | - | - | - | 80 | 97 | - | - | 80 | 97 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | (4) | (16) | (1,091) | (1,114) | - | - | - | - | - | - | (1,095) | (1,130) |
| Unallocated other income, gains and losses, net | 未分配其他收入、收益及虧損淨額 | | | | | | | | | | | 1,614 | 1,281 |
| Corporate and other expenses | 企業與其他開支 | | | | | | | | | | | (123,154) | (102,763) |
| Effective interest income from investment in convertible bonds | 來自可換股債券投資之實際利息收入 | | | | | | | | | | | 5,876 | 5,696 |
| Change in fair value of derivative components of investment in convertible bonds | 可換股債券投資之衍生部分之公平值變動 | | | | | | | | | | | (40,186) | (58,509) |
| Loss on initial recognition of investments in convertible bonds | 收購可換股債券投資之初始確認虧損 | | | | | | | | | | | - | (62,161) |
| Share of results of associates | 分佔聯營公司業績 | | | | | | | | | | | 10,011 | 7,945 |
| Impairment loss on interest in an associate | 投資聯營公司之減值虧損 | | | | | | | | | | | (23,052) | (23,476) |
| Loss before taxation | 除稅前虧損 | | | | | | | | | | | (178,342) | (240,947) |
| Taxation | 稅項 | | | | | | | | | | | - | - |
| Loss for the year | 年內虧損 | | | | | | | | | | | (178,342) | (240,947) |

7. REVENUE AND SEGMENT INFORMATION 7. 收益及分部資料(續)

(Continued)

Segment assets and liabilities

分部資產及負債

| | 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 美容設備及產品貿易 | | Securities investment 證券投資 | | Research and development 研發 | | Total 總計 | |
|---|---|----------------------------------|---|----------------------------------|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
| Assets 資產 | | | | | | | | | | | | |
| Segment assets 分部資產 | 239 | 516 | 32,258 | 38,171 | 6,375 | — | 22,501 | 7,448 | 1,378,476 | 1,441,572 | 1,439,849 | 1,487,707 |
| Investments in convertible bonds 可換股債券投資 | | | | | | | | | | | 225,245 | 259,555 |
| Interests in associates 投資聯營公司 | | | | | | | | | | | 113,462 | 128,103 |
| Corporate and other assets 企業與其他資產 | | | | | | | | | | | 72,410 | 134,827 |
| Total assets 資產總額 | | | | | | | | | | | 1,850,966 | 2,010,192 |
| Liabilities 負債 | | | | | | | | | | | | |
| Segment liabilities 分部負債 | 47 | 303 | 6,556 | 5,809 | 2,230 | — | — | — | 153 | 74,040 | 8,986 | 80,152 |
| Convertible bonds 可換股債券 | | | | | | | | | | | 470,671 | 403,146 |
| Corporate and other liabilities 企業與其他負債 | | | | | | | | | | | 72,984 | 47,878 |
| Total liabilities 負債總額 | | | | | | | | | | | 552,641 | 531,176 |

7. REVENUE AND SEGMENT INFORMATION 7. 收益及分部資料(續)

(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 asset 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) | |
|-----------|----|----------------------------------|----------------------------------|--|----------------------------------|
| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
| Hong Kong | 香港 | 9,187 | 19,908 | 237 | 313 |
| The PRC | 中國 | — | — | 32,148 | 35,520 |
| | | 9,187 | 19,908 | 32,385 | 35,833 |

Interests in associates were excluded from geographical information disclosure as the Group's major associate, Extrawell, has several principal places of operations and businesses.

Information about major customers

Revenue from customers of the corresponding year contributing over 10% of the total revenue are as follows:

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|-------------------------|------------------|----------------------------------|----------------------------------|
| Customer A ¹ | 客戶甲 ¹ | — | 13,746 |
| Customer B ¹ | 客戶乙 ¹ | — | 6,162 |
| Customer C ² | 客戶丙 ² | 9,187 | — |

¹ Revenue from trading of beauty equipment and products.

² Revenue from trading of beauty products.

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及非流動資產(不包括金融工具、無形資產及於聯營公司之權益)按其資產所在地理位置分類之資料如下:

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。

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。

² 產生自美容產品貿易之收益。

8. OTHER INCOME/OTHER GAINS AND LOSSES, NET 8. 其他收入／其他收益及虧損，淨額

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|--|---------------------|----------------------------------|----------------------------------|
| Other income | 其他收入 | | |
| Interest income from banks | 銀行利息收入 | 6 | 163 |
| Interest income from available-for-sale financial assets | 可供出售金融資產之利息收入 | 80 | 97 |
| Dividend income from available-for-sale financial assets | 可供出售金融資產之股息收入 | 151 | 163 |
| Sundry income | 雜項收入 | 166 | 91 |
| Effective interest income from investments in convertible bonds | 來自可換股債券投資之實際利息收入 | 5,876 | 5,696 |
| Imputed interest income from loan to a subsidiary of the associate | 向聯營公司之附屬公司貸款之估算利息收入 | 4,113 | 5,814 |
| Imputed interest income from loan to a non-controlling interest | 向非控股權益貸款之估算利息收入 | 1,421 | 1,088 |
| | | 11,813 | 13,112 |
| Other gains and losses, net | 其他收益及虧損，淨額 | | |
| Gain on disposal of subsidiaries | 出售附屬公司之收益 | — | 10 |
| Gain on early redemption of convertible bonds | 提前贖回可換股債券之收益 | 21 | — |
| 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 | (40,186) | (58,509) |
| Loss on initial recognition of investments in convertible bonds acquired during the year | 年內收購可換股債券投資之初始確認虧損 | — | (62,161) |
| Impairment loss on interest in an associate | 於聯營公司權益之減值虧損 | (23,052) | (23,476) |
| Impairment loss on loan to a non-controlling interest | 貸款予非控股權益之減值虧損 | (6,067) | — |
| Net loss on disposal of available-for-sale financial assets | 出售可供出售金融資產之虧損淨額 | (194) | (286) |
| Gain on disposals of property, plant and equipment | 出售物業、廠房及設備之收益 | — | 11 |
| Impairment loss on other receivables | 其他應收款項之減值虧損 | — | (1,852) |
| | | (69,478) | (146,263) |

9. FINANCE COSTS

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|---|-------------------------------|----------------------------------|----------------------------------|
| Effective interest expense on convertible bonds (note 29) | 可換股債券之實際利息開支 (附註29) | 94,433 | 78,474 |
| Imputed interest expense on amount due from the subsidiary of an associate (note 26(b)) | 向聯營公司之附屬公司貸款之估算利息開支 (附註26(b)) | 12,180 | — |
| Imputed interest expense on loan from a non-controlling interest (note 27(c)) | 向非控股權益貸款之估算利息開支 (附註27(c)) | 1,421 | 1,088 |
| | | 108,034 | 79,562 |

9. 財務費用

10. INCOME TAX EXPENSE

Hong Kong Profits Tax is provided at the rate of 16.5% (2016: 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% (2016: 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 any 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

於該兩個年度香港利得稅乃按估計應課溢利之16.5%(二零一六年: 16.5%)作出撥備。

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例,中國附屬公司之稅率為25%(二零一六年: 25%)。

由於香港營運之集團公司及於在中國營運之集團公司本年度並無產生任何應課稅利潤,因此本年度並無繳納香港利得稅及中國所得稅。

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:

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|--|--------------------------------|----------------------------------|----------------------------------|
| Loss before tax | 除稅前虧損 | (178,342) | (240,947) |
| Tax at the domestic income tax rate of 25% (2016: 25%) | 按本地所得稅稅率25% (二零一六年: 25%) 計算之稅項 | (44,586) | (60,236) |
| Tax effect of expense not deductible for tax purpose | 就稅務不可扣減之開支之稅務影響 | 41,839 | 58,250 |
| 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) |
| Tax effect of tax loss not recognised | 未確認稅務虧損之稅務影響 | 244 | — |
| Tax effect of share of results of associates | 分佔聯營公司業績之稅務影響 | 2,503 | 1,987 |
| Income tax expense | 所得稅開支 | — | — |

11. LOSS FOR THE YEAR

11. 年內虧損

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|---|----------------------|----------------------------------|----------------------------------|
| Loss for the year has been arrived at after charging/(crediting) the following: | 年內虧損乃扣除／(計入)下列各項後達致： | | |
| Auditors' remuneration | 核數師酬金 | | |
| Provision for the year | 年內撥備 | 1,090 | 1,000 |
| Under/(Over)-provision for the prior year | 過往年度不足／(超額)撥備 | 34 | (120) |
| | | 1,124 | 880 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 1,171 | 1,164 |
| Rental expense for premises under operating leases | 經營租賃下之物業租金支出 | 2,335 | 2,625 |
| Cost of inventories recognised as an expense | 確認為開支之存貨成本 | 8,460 | 19,319 |
| 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 | 4,234 | 4,235 |
| Retirement benefits scheme contributions | 退休福利計劃供款 | 274 | 297 |
| | | 4,508 | 4,532 |

12. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the nine (2016: ten) directors were as follows:

12. 董事酬金

已付或應付九名(二零一六年：十名)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 HK\$'000 千港元 | 薪金及其他福利 HK\$'000 千港元 | 退休福利計劃供款 HK\$'000 千港元 | 總額 HK\$'000 千港元 |
| Tang Rong | 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 | 60 | 850 | 18 | 928 |
| Huang He (Note 1) | 黃鶴(附註1) | — | 136 | — | 136 |
| Total for the year ended 31 March 2017 | 截至二零一七年 三月三十一日 止年度之總額 | 500 | 1,473 | 18 | 1,991 |
| Lee Nga Yan (Note 2) | 李雅欣(附註2) | 60 | 484 | 14 | 558 |
| Guo Yi (Note 3) | 郭懿(附註3) | 57 | — | — | 57 |
| Tang Rong | 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 (Note 4) | 高源興(附註4) | — | 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 |

12. DIRECTORS' EMOLUMENTS (Continued)

Note 1: Ms. Huang He was appointed as a director of the Company on 10 January 2017

Note 2: Ms. Lee Nga Yan resigned as a director of the Company on 29 December 2015

Note 3: Mr. Guo Yi resigned as a director of the Company on 14 December 2015

Note 4: Mr. Gao Yuan Xing was appointed as a director of the Company on 4 January 2016

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 two (2016: three) directors whose emoluments are reflected in the analysis presented above. The emoluments of the remaining three (2016: two) individuals are set out below:

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|---|-----------|----------------------------------|----------------------------------|
| Basic salaries and other benefits | 基本薪金及其他福利 | 1,389 | 602 |
| Retirement benefit scheme contributions | 退休福利計劃供款 | 50 | 29 |
| | | 1,439 | 631 |

The emoluments fell within the following band:

| | | Number of individuals 人數 | |
|-------------------|---------------|-----------------------------|---------------|
| | | 2017 二零一七年 | 2016 二零一六年 |
| Nil—HK\$1,000,000 | 零—1,000,000港元 | 3 | 2 |

14. DIVIDEND

The directors do not recommend the payment of dividend for the year ended 31 March 2017 (2016: Nil).

12. 董事酬金 (續)

附註1：黃鶴女士於二零一七年一月十日獲委任為本公司董事

附註2：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3：郭懿先生於二零一五年十二月十四日辭任本公司董事

附註4：高源興先生於二零一六年一月四日獲委任為本公司董事

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兩名(二零一六年：三名)董事，彼等之酬金於上表分析中反映。其餘三名(二零一六年：兩名)人士之酬金載列如下：

14. 股息

董事並不建議派發截至二零一七年三月三十一日止年度之股息(二零一六年：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:

Loss

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 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) | (169,788) | (236,865) |

Number of shares

| | | 2017 二零一七年 '000 千股 | 2016 二零一六年 '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 | 1,464,193 | 1,406,106 |

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.

For the year ended 31 March 2017, basic and diluted loss per share was HK\$0.1160 (2016: HK\$0.1685), which is based on the loss for the year of approximately HK\$169,788,000 (2016: HK\$236,865,000) and the denominators detailed above for both basic and diluted loss per share.

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).

15. 每股虧損

本公司擁有人應佔每股基本及攤薄虧損乃按以下數據為基準計算：

虧損

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 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) | (169,788) | (236,865) |

股份數目

| | | 2017 二零一七年 '000 千股 | 2016 二零一六年 '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 | 1,464,193 | 1,406,106 |

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。

根據年內虧損約169,788,000港元(二零一六年：236,865,000港元)及上文詳述之用作每股基本及攤薄虧損之分母，截至二零一七年三月三十一日止年度，每股基本及攤薄虧損為每股0.1160港元(二零一六年：0.1685港元)。

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。

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 2015 | 於二零一五年 四月一日 | 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 |
| Revaluation surplus | 重估盈餘 | (2,183) | — | — | (2,183) |
| Exchange differences | 匯兌差額 | (1,146) | (7) | (19) | (1,172) |
| At 31 March 2017 | 於二零一七年 三月三十一日 | 32,132 | 1,667 | 293 | 34,092 |
| ACCUMULATED DEPRECIATION AND IMPAIRMENT | 累計折舊及減值 | | | | |
| At 1 April 2015 | 於二零一五年 四月一日 | — | 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 |
| Charge for the year | 年內支出 | 1,055 | 80 | 36 | 1,171 |
| Eliminated on revaluation | 重估對銷 | (1,055) | — | — | (1,055) |
| Exchange differences | 匯兌差額 | — | (7) | (16) | (23) |
| At 31 March 2017 | 於二零一七年 三月三十一日 | — | 1,428 | 279 | 1,707 |
| CARRYING AMOUNTS | 賬面值 | | | | |
| At 31 March 2017 | 於二零一七年 三月三十一日 | 32,132 | 239 | 14 | 32,385 |
| At 31 March 2016 | 於二零一六年 三月三十一日 | 35,461 | 319 | 53 | 35,833 |

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 2017 | 於二零一七年 三月三十一日 | | | | |
| At cost | 成本 | — | 1,667 | 293 | 1,960 |
| At valuation | 估值 | 32,132 | — | — | 32,132 |
| | | 32,132 | 1,667 | 293 | 34,092 |
| 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 |

The leasehold land and buildings of the Group were revalued on 31 March 2017 and 2016 by Roma Appraisals Limited, an independent professional qualified valuer not connected with the Group, at approximately HK\$32,132,000 (2016: HK\$35,461,000).

The fair value of the Group's 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二零一七年及二零一六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32,132,000港元(二零一六年：35,461,000港元)。

本集團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。

16. PROPERTY, PLANT AND EQUIPMENT

(Continued)

One of the key unobservable inputs used in valuing the building was the replacement costs of HK\$2,030 (2016: HK\$2,290) 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\$25,782,000 (2016: HK\$26,837,000).

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 34), 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.

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 subsidiary of the Group and became an associate of the Group.

16. 物業、廠房及設備(續)

重置成本每平方米2,030 港元(二零一六年：2,290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25,782,000 港元(二零一六年：26,837,000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（一間分別由毛博士及謝博士各實益擁有33.33%權益之公司—見附註34）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，收購精優股份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。

由於在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。

17. INTERESTS IN ASSOCIATES (Continued)

17. 於聯營公司的權益(續)

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 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 |
| — Unlisted in PRC | — 未於中國上市 | — | — |
| Share of post-acquisition results and other comprehensive income | 應佔收購後業績及其他全面收入 | 97,904 | 89,493 |
| Impairment loss on interest in an associate (Note b) | 於一間聯營公司權益之減值虧損(附註b) | (361,561) | (338,509) |
| Adjustment against non-controlling interests on initial recognition (Note c) | 對非控股權益於初始確認時之調整(附註c) | (99,722) | (99,722) |
| | | 113,462 | 128,103 |
| Fair value of listed investment (Note d) | 上市投資之公平值(附註d) | 113,462 | 128,103 |

Notes:

附註：

- (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.
- (a) 於精優之投資成本指(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I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I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。
- (b) As at 31 March 2017, the Group recognised impairment loss of approximately HK\$23,052,000 (2016: 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 as at 31 March 2017 and the carrying amount of interest in the associates.
- (b) 於二零一七年三月三十一日，本集團於損益內確認減值虧損約23,052,000港元(二零一六年：23,476,000港元)，這代表根據於二零一七年三月三十一日之精優股價釐定之精優股份公平值與於聯營公司之權益之賬面值兩者間之差異。
- (c) In 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 (collectively referred to as the "SAL Group") 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.
- (c) 於二零一五年，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(統稱「進生集團」)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) The fair value of listed investment is based on the quoted market bid price of the shares of Extrawell as at the end of the reporting period.
- (d) 上市投資之公平值是根據精優股份於報告期末的市場買入報價計算。

17. INTERESTS IN ASSOCIATES (Continued)

Details of each of the Group's associates at the end of the reporting period are as follows:

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：

| 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 |
|------------------------------|---|--|--------------------------------|--|--------|---|--------|--|
| | | | | 2017 | 2016 | 2017 | 2016 | |
| | | | | 二零一七年 | 二零一六年 | 二零一七年 | 二零一六年 | |
| Extrawell | Bermuda | PRC | Ordinary shares | 19.14% | 19.14% | 19.14% | 19.14% | Development, manufacture and sale of pharmaceutical products |
| 精優 | 百慕達 | 中國 | 普通股 | 19.14% | 19.14% | 19.14% | 19.14% | 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.

有關本集團主要聯營公司精優及其附屬公司(「精優集團」)之綜合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。

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|---------------------------|-------|----------------------------------|----------------------------------|
| Current assets | 流動資產 | 289,699 | 275,399 |
| Non-current assets | 非流動資產 | 882,970 | 885,454 |
| Current liabilities | 流動負債 | 108,790 | 115,182 |
| Non-current liabilities | 非流動負債 | 38,028 | 29,772 |
| Non-controlling interests | 非控股權益 | (3,841) | (1,350) |

17. INTERESTS IN ASSOCIATES (Continued)

17. 於聯營公司的權益 (續)

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|--|--------------|----------------------------------|----------------------------------|
| 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 | 145,839 | 161,911 |
| Intangible assets | 無形資產 | 1,807 | 1,807 |
| Investments in convertible bonds | 可換股債券投資 | 376,324 | 362,960 |
| Interest in an associate | 聯營公司權益 | 330,969 | 333,866 |
| Current assets include the following: | 流動資產包括下列項目： | | |
| Trade receivables | 貿易應收賬款 | 37,417 | 57,019 |
| Pledged bank deposits | 已抵押銀行存款 | 20,215 | 20,053 |
| Bank balances and cash | 銀行結餘及現金 | 217,803 | 180,998 |
| 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 | 59,501 | 68,614 |
| Non-current liabilities include the following: | 非流動負債包括下列項目： | | |
| Convertible bonds | 可換股債券 | 35,222 | 29,670 |

17. INTERESTS IN ASSOCIATES (Continued)

17. 於聯營公司的權益 (續)

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|---|------------------|----------------------------------|----------------------------------|
| Revenue | 收入 | 107,903 | 142,201 |
| Profit for the year | 年內溢利 | 18,311 | 27,400 |
| Other comprehensive expenses | 其他全面開支 | (8,359) | (7,880) |
| Profit and total comprehensive income for the year | 年內溢利及全面收益總額 | 9,952 | 19,520 |
| Fair value and other equity accounting adjustments | 公平值及其他權益之會計調整 | 33,993 | 21,989 |
| | | 43,945 | 41,509 |
| Proportion of the Group's ownership interest in Extrawell | 本集團於精優之擁有權益比例 | 19.14% | 19.14% |
| Share of post-acquisition profits and other comprehensive income for the year | 年內應佔收購後溢利及其他全面收益 | 8,411 | 7,945 |
| Share of results of associates | 分佔聯營公司業績 | 8,411 | 7,945 |

The above profit for the year includes the following:

上述之年內溢利包括以下：

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|---|---------------|----------------------------------|----------------------------------|
| Gain on disposal of intangible assets | 出售無形資產之收益 | 2,819 | — |
| Gain on disposal of property, plant and equipment | 出售物業、廠房及設備之收益 | — | 68 |

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。

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|--|-------------------|----------------------------------|----------------------------------|
| Net assets of Extrawell Group | 精優集團之資產淨值 | 1,025,851 | 1,015,899 |
| 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) |
| | | 513,492 | 503,540 |
| Proportion of the Group's ownership interest in Extrawell | 本集團於精優之擁有權益比例 | 19.14% | 19.14% |
| The Group's share of net assets of Extrawell | 本集團應佔精優資產淨值 | 98,282 | 96,378 |
| Goodwill | 商譽 | 156,258 | 156,258 |
| Adjustment against non-controlling interests on initial recognition | 對非控股權益於初始確認時之調整 | (99,722) | (99,722) |
| Impairment loss on interests in associates | 於聯營公司權益之減值虧損 | (107,759) | (84,707) |
| Fair value and other equity accounting adjustments | 公平值及其他權益之會計調整 | 66,403 | 59,896 |
| 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 | 113,462 | 128,103 |

17. INTERESTS IN ASSOCIATES (Continued)

Information of associates that are not individually material

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 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 | (1,891) | (5,938) |
| Cumulative unrecognised share of loss of an associate | 累計未確認之應佔聯營公司虧損 | (12,457) | (10,566) |

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

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 Yumin ("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 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 was satisfied by 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)自毛裕民博士(「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。

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 2017 and 2016 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:

| | | Debt component | Derivative component | Total |
|---|----------------------|---------------------------|---------------------------------|-----------------------|
| | | 債務部分 HK\$'000 千港元 | 衍生部分 HK\$'000 千港元 | 總計 HK\$'000 千港元 |
| As at 1 April 2015 | 於二零一五年 四月一日 | 24,031 | 233,337 | 257,368 |
| Acquisition of Sale CB-II — fourth 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) |
| At 31 March 2016 | 於二零一六年 三月三十一日 | 32,528 | 227,027 | 259,555 |
| Effective interest income (note 8) | 實際利息收入(附註8) | 5,876 | — | 5,876 |
| Change in fair value (note 8) | 公平值變動(附註8) | — | (40,186) | (40,186) |
| As at 31 March 2017 | 於二零一七年 三月三十一日 | 38,404 | 186,841 | 225,245 |

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第二十週年當日，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。

於二零一七年及二零一六年三月三十一日待售可換股債券及衍生部分初步確認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：

18. INVESTMENTS IN CONVERTIBLE BONDS

(Continued)

The acquisition of Sale CB-I was completed on 25 October 2013. The acquisition 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 with principal amount of HK\$64,130,000 was completed on 30 April 2015.

During the year ended 31 March 2017, the Group recognised subsequent decrease in fair value of the derivative component of investments in convertible bonds of HK\$40,186,000 as at 31 March 2017.

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 differences 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 in three batches by the Company and the aggregate fair value of investments in convertible bonds of HK\$55,000,000 as at respective acquisition dates; 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.

As at 31 March 2017, the carrying amounts of the debt and the derivative components of the investments in convertible bonds are HK\$38,404,000 (2016: HK\$32,528,000) and HK\$186,841,000 (2016: HK\$227,027,000) respectively.

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。第四批本金額為64,130,000港元之待售可換股債券二已於二零一五年四月三十日完成。

截至二零一七年三月三十一日止年度，本集團確認可換股債券投資衍生部分之公平值於二零一七年三月三十一日進一步減少40,186,000港元。

截至二零一六年三月三十一日止年度，本集團於損益賬確認(i)收購可換股債券投資之虧損約62,161,000港元，主要由於代價二公平值117,161,000港元通過由本公司發行三批本金額為64,000,000港元之可換股債券，與相關收購日期之可換股債券投資之公平值55,000,000港元間之差額；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。

於二零一七年三月三十一日，可換股債券的債務及投資衍生部分之賬面值分別為38,404,000港元(二零一六年：32,528,000港元)及186,841,000港元(二零一六年：227,027,000港元)。

18. INVESTMENTS IN CONVERTIBLE BONDS 18. 於可換股債券的投資(續)

(Continued)

At 31 March 2017

於二零一七年三月三十一日

| | | 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 | 30.4.2015 二零一五年 四月三十日 | 31.3.2017 二零一七年 三月三十一日 |
|-------------------------------------|----------------------|-------------------------------|-------------------------------|------------------------------|--------------------------------|-----------------------------|--------------------------------|
| Stock price | 股價 | HK\$0.485 0.485港元 | HK\$0.4 0.4港元 | HK\$0.335 0.335港元 | HK\$0.325 0.325港元 | HK\$0.55 0.55港元 | HK\$0.248 0.248港元 |
| Exercise price | 行使價 | HK\$0.6413 0.6413港元 | HK\$0.6413 0.6413港元 | HK\$0.6413 0.6413港元 | HK\$0.6413 0.6413港元 | HK\$0.6413 0.6413港元 | HK\$0.6413 0.6413港元 |
| Discount rate | 貼現率 | 17.98% | 18.21% | 18.44% | 19.04% | 18.76% | 18.18% |
| Risk-free rate (note a) | 無風險利率 (附註a) | 2.42% | 2.70% | 2.28% | 2.24% | 1.81% | 1.70% |
| Expected volatility (note b) | 預期波幅 (附註b) | 53.00% | 63.71% | 62.61% | 61.73% | 58.62% | 56.81% |
| 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 2016

於二零一六年三月三十一日

| | | 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 | 30.04.2015 二零一五年 四月三十日 | 31.3.2016 二零一六年 三月三十一日 |
|-------------------------------------|----------------------|-------------------------------|-------------------------------|------------------------------|--------------------------------|------------------------------|------------------------------|
| Stock price | 股價 | HK\$0.485 0.485港元 | HK\$0.4 0.4港元 | HK\$0.335 0.335港元 | HK\$0.325 0.325港元 | HK\$0.55 0.55港元 | HK\$0.28 0.28港元 |
| Exercise price | 行使價 | HK\$0.6413 0.6413港元 | HK\$0.6413 0.6413港元 | HK\$0.6413 0.6413港元 | HK\$0.6413 0.6413港元 | HK\$0.6413 0.6413港元 | HK\$0.6413 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% | 2.70% | 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% |

Any changes in the major inputs used in the model will result in changes in the fair values of the debt and derivative components.

模式所用的主要輸入數據如發生任何變化將導致負債及衍生部分的公平值發生變化。

Notes:

附註：

- (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.

- (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。

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, 31 March 2016 and
31 March 2017

成本及賬面值

於二零一五年四月一日、
二零一六年三月三十一日及
二零一七年三月三十一日

1,373,224

The In-process R&D represented an in-process research and development project involving 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 will be expired in October 2018, Fosse Bio would be entitled to commercialize 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.

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 rights to independently commercialize the patented product, without the consent from 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 exclusive right for commercialisation of the Product after October 2018.

研發過程指涉及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有限(「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十月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內擁有商品化該產品之專有權。

本公司之中國法律顧問已表示，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十月後繼續擁有商品化該產品之專有權，編製10年期之現金流量預測。

19. INTANGIBLE ASSETS (Continued)

The recoverable amount of the In-process R&D is determined based on fair value calculations using the income approach method, with reference to the professional valuation performed by Roma Appraisal Limited, an independent firm of professional qualified valuers. The fair value calculation used the cash flow projections prepared by the management based on certain key assumptions, in which the estimated cash inflows derived from budgeted sales and expected gross margin were based on the expectations for the market development. In addition, the fundamental assumptions included the regulatory approvals from the relevant government bodies (in particular, the granting of the certificate of new medicine and pharmaceutical manufacturing permit for the Product by China Food and Drug Administration of the PRC) to launch the Product by the end of 2019.

The expected future economic benefits attributable to the In-process R&D approved by the management cover a 10-year period. The calculation used in the cash flow projections with certain key parameters are as below:

| | | 2017 二零一七年 | 2016 二零一六年 |
|--------------------------|----------|---------------|---------------|
| Discount rate (post-tax) | 貼現率 (稅後) | 24.82% | 27.99% |
| Growth rate | 增長率 | 3% | 3% |
| Gross profit ratio | 總利潤率 | 57.97% | 56.25% |

Based on the impairment review assessment, the recoverable amount of the Group's intangible asset is estimated to be higher than the carrying amount after taking into account the lack of control discount. Therefore the directors of the Company are in the opinion that no impairment on the carrying amount of the In-process R&D has to be recognised for the year (2016: Nil).

19. 無形資產 (續)

研發過程之可收回金額乃經參考獨立專業合資格估值師羅馬國際評估有限公司進行的專業估值，使用收入法按公平值計算法釐定。公平值計算法使用管理層基於若干主要假設編製之現金流量預測，其中估計現金流入來源於預計銷量而預期毛利率乃基於對市場發展的預期。此外，基本假設包括相關政府機構於二零一九年底前授出有關發佈產品的監管批准(具體而言，須由中國國家食品藥品監督管理總局頒發新藥及製藥許可證書)。

管理層審批的研發過程應佔預期未來經濟利益涵蓋10年期間。現金流量預測所用計算及若干關鍵參數如下所示：

根據減值檢討評估，經考慮缺少控性折現，本集團估計無形資產的可收回款項將高於其賬面值。因此，本公司董事認為，毋須就年內研發過程之賬面值確認減值(二零一六年：無)。

20. TRADE RECEIVABLES

The Group's trading terms with its customers are mainly based on credit. The credit terms generally range from 30 to 90 days (2016: 30 to 180 days). All sales made to the major customers have short credit terms. These credit evaluations focus on the customers' past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. The Group 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 presented based on the invoice date at the end of the reporting period:

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|-----------------|--------|----------------------------------|----------------------------------|
| 30 days or less | 30日或以下 | 470 | — |
| 31 to 60 days | 31至60日 | 621 | — |
| 61 to 90 days | 61至90日 | 469 | — |
| Over 90 days | 超過90日 | 4,815 | — |
| | | 6,375 | — |

The Group did not hold any collateral over these balances.

20. 貿易應收賬款

本集團客戶之貿易條款主要以賒銷方式進行，客戶可獲得之信貸期通常介乎30至90日(二零一六年：30至180日)不等。向主要客戶作出之所有銷售均為短信貸期。該等信貸評估客戶支付到期款項之過往記錄，以及目前之支付能力，並考慮客戶以及與客戶運營之經濟環境相關之特定資料。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。

根據發票日期呈列之貿易應收賬款之賬齡分析如下：

本集團概無就該等結餘持有任何抵押品。

20. TRADE RECEIVABLES (Continued)

Ageing of trade receivables which were past due but not impaired:

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|-----------------|--------|----------------------------------|----------------------------------|
| 30 days or less | 30日或以下 | 526 | — |
| 31 to 60 days | 31至60日 | 1,055 | — |
| Over 90 days | 超過90日 | 3,234 | — |
| | | 4,815 | — |

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|---|-------------|----------------------------------|----------------------------------|
| Rental, management fee and other deposits | 租金、管理費及其他按金 | 2,197 | 2,208 |
| Deposits paid (Note a) | 已付按金(附註a) | 931 | 150,832 |
| Others (Note b) | 其他(附註b) | 5,205 | 219 |
| Total | 總計 | 8,333 | 153,259 |

Notes:

- (a) On 30 March 2016, an amount of HK\$150,000,000 was paid to an Escrow Agent as an Escrow Fund regarding a proposed capital injection into a joint venture pursuant to a capital injection agreement entered into by the Group with other parties ("the Capital Injection Agreement"). Subsequently on 6 June 2016, the Capital Injection Agreement 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.
- (b) On 11 March 2017, the Company and a third party entered into a Memorandum of Understanding in respect of a possible conditional acquisition of the controlling interest in three privately owned Hong Kong companies which principally engage in provision of one-stop accredited medical consultations and health examination services in Hong Kong. Pursuant to the Memorandum of Understanding, the Company paid an amount to HK\$5,000,000 to a vendor as an earnest money and it is refundable after the proposed acquisition has fallen through.

20. 貿易應收賬款(續)

逾期但並無減值的貿易應收賬款之賬齡分析如下：

21. 預付款項、按金及其他應收款項

附註：

- (a) 於二零一六年三月三十日，根據本集團與其他各方訂立的注資協議(「注資協議」)，就建議向合營企業注資之託管代理人支付150,000,000港元作為代管資金。隨後至二零一六年六月六日，該注資協議因其某些條件於截至該日尚未達成而告失效。存託的代管資金於二零一六年六月七日全額退還予本集團。
- (b) 於二零一七年三月十一日，本公司與第三方就可能性收購三間私人擁有的公司(主要從事在香港提供一站式認可醫療諮詢及健康體檢服務)的控股權益訂立諒解備忘錄。根據諒解備忘錄，本公司已向賣方支付5,000,000港元作為保證金，及該金額於建議收購落實後可退還。

22. AVAILABLE-FOR-SALE FINANCIAL ASSETS 22. 可供出售金融資產

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 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 | 1,258 | 1,957 |
| Equity securities listed in Hong Kong | 於香港上市之股票證券 | 17,861 | 1,892 |
| Equity securities listed outside Hong Kong | 於香港以外上市之股票證券 | 3,382 | 3,072 |
| | | 22,501 | 6,921 |
| Analysed as: | 分析為 | | |
| Current assets | 流動資產 | — | — |
| Non-current assets | 非流動資產 | 22,501 | 6,921 |
| Total | 總計 | 22,501 | 6,921 |

The fair values of these listed bonds and equity securities are based on market bid prices at the end of each reporting period.

此等上市債券及股票證券的公平值是根據各報告期末的市場買盤價釐定。

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% (2016: 0.01% to 0.72%) per annum.

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，按現行存款利率計息，利率介乎每年0.01%至0.72%（二零一六年：0.01%至0.72%）。

24. TRADE PAYABLES

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

24. 貿易應付賬款

於報告期末，根據發票日期呈列之貿易應付賬款之賬齡分析如下：

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|-----------------|--------|----------------------------------|----------------------------------|
| 30 days or less | 30日或以下 | 2,230 | — |
| 31 to 60 days | 31至60日 | — | — |
| Over 60 days | 超過60日 | 7 | 8 |
| | | 2,237 | 8 |

The average credit period on purchase of goods normally range from 60 days to 90 days.

購買貨品之平均信貸期通常介乎60日至90日。

25. FUND RECEIVED IN ADVANCE

25. 預收資金

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 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 on 29 March 2016 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 on 13 April 2016. These Convertible Bonds were early redeemed by the Company on 6 July 2016 at a redemption price of approximately HK\$51,003,000 (Convertible Bond V in note 29).

本公司於二零一六年三月二十九日，向認購人已收取有關本公司將發行的可換股債券本金總額為50,000,000港元之按金。本公司已於二零一六年四月十三日發行該可換股債券。該等可換股債券已被本公司於二零一六年七月六日提前贖回，贖回價約為51,003,000港元(見附註29之可換股債券五)。

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

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 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) | | |
| Carrying value | 賬面值 | 6,067 | 4,646 |
| Less: Impairment loss | 減: 減值虧損 | (6,067) | — |
| | | — | 4,646 |
| 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 Extrawell (BVI)(附註b) | 8,125 | 16,192 |

26. LOAN TO A NON-CONTROLLING INTEREST AND AMOUNT DUE FROM THE SUBSIDIARY OF AN ASSOCIATE

(Continued)

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 are 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 2017, imputed interest income of HK\$1,421,000 (2016: HK\$1,088,000) has been credited to profit or loss.

An impairment loss of HK\$6,067,000 (2016: Nil) on loan to a non-controlling interest was recognised to profit or loss as the directors of the Company considered the recoverability of the loan repayments from the non-controlling interest is remote.

- (b) This represents the amount due from Extrawell (BVI), which is the subsidiary of Extrawell. In December 2016, the directors of the Company revisited the terms and expected that the principal amount of HK\$19,780,000 will be received in July 2020 (2016: within December 2016). Accordingly, the balance is classified as non-current asset. Such non-current interest-free amount due from the subsidiary of an associate is recognised at its fair value of HK\$7,600,000 with an effective interest rate of 26.99% (2016: 26.99%) per annum and imputed interest expense of HK\$12,180,000 has been charged to profit and loss upon revisiting in December 2016.

During the year ended 31 March 2017, imputed interest income of HK\$4,113,000 (2016: HK\$5,814,000) has been credited to profit or loss.

26. 向非控股權益貸款及應收聯營公司之附屬公司款項

(續)

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，福聯發出一份金額約為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息貸款2,977,000港元之公平值已被確認。

截至二零一七年三月三十一日止年度，1,421,000港元(二零一六年：1,088,000港元)之估算利息收入已被記錄於損益。

由於本公司董事認為對非控股權益的貸款償還可收回性尚且遙遠，因此就非控股權益貸款於損益內確認至損益之項目減值虧損6,067,000港元(二零一六年：無)。

- (b) 指應收Extrawell (BVI)(精優之附屬公司)之款項。本公司董事於二零一六年十二月，重新審閱有關條款，預期本金19,780,000港元有望於二零二零年七月收回(二零一六年：於二零一六年十二月收回)。因此，該結餘分類為非流動資產。該應收聯營公司之附屬公司之非即期無息款項已按其公平值7,600,000港元確認，實際利率為26.99%(二零一六年：26.99%)，及估計利息開支12,180,000港元，已於二零一六年十二月經重新審閱後計入損益。

截至二零一七年三月三十一日止年度，估算利息收入為4,113,000港元(二零一六年：5,814,000港元)已計入損益。

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

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 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) | Extrawell (BVI) (附註a) | 41,947 | 41,947 |
| Loan from a non-controlling interest | 來自非控股權益之貸款 | | |
| Fordnew (Note c) | 福聯 (附註c) | 6,067 | 4,646 |

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. During the year ended 31 March 2017, imputed interest expense of HK\$1,421,000 (2016: HK\$1,088,000) has been charged to profit or loss.

附註：

- (a) 該款項為無抵押，免息及無固定償還期。
- (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進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)。截至二零一七年三月三十一日止年度，估算利息開支1,421,000港元(二零一六年：1,088,000港元)已於損益中扣除。

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 2015 | 於二零一五年七月一日 | 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 |
| Credit to other comprehensive income | 計入其他全面收益 | (282) |
| At 31 March 2017 | 於二零一七年三月三十一日 | 2,162 |

At 31 March 2017, the Group had estimated unused tax losses of HK\$48,803,000 (2016: 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. The tax losses have not been agreed by the relevant authorities.

於二零一七年三月三十一日，本集團估計有未動用稅項虧損為48,803,000港元(二零一六年：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。

29. CONVERTIBLE BONDS

The movement of liability component of Convertible Bonds issued by the Company for the year is set out below:

| | | Convertible Bonds I 可換股 債券一 HK\$'000 千港元 | Convertible Bonds II 可換股 債券二 HK\$'000 千港元 | Convertible Bonds III 可換股 債券三 HK\$'000 千港元 | Convertible Bonds IV 可換股 債券四 HK\$'000 千港元 | Convertible Bonds V 可換股 債券五 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|----------------------------------|------------------|---|--|---|--|---|--------------------------------|
| At 1 April 2015 | 於二零一五年 四月一日 | 56,547 | 24,061 | 270,792 | — | — | 351,400 |
| Issuance of Convertible Bonds | 發行可換股債券 | — | — | — | 7,790 | — | 7,790 |
| Effective interest expenses | 實際利息開支 | 13,251 | 5,941 | 57,618 | 1,664 | — | 78,474 |
| Interest expense paid | 已付利息開支 | — | — | (25,025) | — | — | (25,025) |
| Conversion to ordinary shares | 轉為普通股 | (9,493) | — | — | — | — | (9,493) |
| 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 |
| Issuance of Convertible Bonds | 發行可換股債券 | — | — | — | — | 32,187 | 32,187 |
| Effective interest expenses | 實際利息開支 | 15,752 | 7,413 | 67,170 | 2,215 | 1,883 | 94,433 |
| Interest expense paid | 已付利息開支 | — | — | (25,025) | — | — | (25,025) |
| Early redemption | 提早贖回 | — | — | — | — | (34,070) | (34,070) |
| At 31 March 2017 | 於二零一七年 三月三十一日 | 76,057 | 37,415 | 345,530 | 11,669 | — | 470,671 |

The effective interest rates of all the liability component of all the convertible bonds ranged from: 23.44% to 26.24% per annum (2016: 23.44% to 26.24% per annum).

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\$0.40, subject to anti-dilution clauses.

29. 可換股債券

年內本公司發行之可換股債券負債部分之變動載列如下：

所有可換股債券的所有負債部分的實際利率介乎：每年23.44%至26.24%（二零一六年：每年23.44%至26.24%）。

可換股債券一

本公司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可換股債券，合計本金分別為436,800,000港元及51,200,000港元（合稱「可換股債券一」），旨在收購待售可換股債券一以及精優的450,000,000股普通股。零息票率的可換股債券一在發行日期起計第十週年當日期到期。

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公司股份，轉換價為每股股份0.40港元，須受反攤薄條款限制。

29. CONVERTIBLE BONDS (Continued)

Convertible Bonds I (Continued)

If the Convertible Bonds I have not been converted, they will be redeemed at par on the tenth anniversary of the date of issue.

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 on 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 on 25 October 2013 and 27 December 2013 respectively were 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 | 27 December 2013 二零一三年 十二月二十七日 |
|----------------------------------|--------------|--|--|
| | | Principal amount of HK\$436,800,000 本金額 436,800,000港元 | Principal amount of HK\$51,200,000 本金額 51,200,000港元 |
| Stock price | 股價 | HK\$0.91 0.91港元 | HK\$0.99 0.99港元 |
| Exercise price | 行使價 | HK\$0.40 0.40港元 | HK\$0.40 0.40港元 |
| Discount rate | 折扣率 | 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) | 預期波動(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% |

Any changes in the major inputs used in the model will result in changes in the fair value of the liability component. The variables and assumptions used in calculating the fair value of the liability component are based on the directors' best estimate.

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.

29. 可換股債券(續)

可換股債券一(續)

倘可換股債券一未獲轉換，其將於發行日期後第十週年日按面值贖回。

可換股債券一以港元發行。本公司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所發行的可換股債券一的負債部分公平值分別為42,886,000港元及4,981,000港元，乃透過貼現現金流量法，利用類似非可換股債券的現行市場利率釐定，並計及本公司之信貸風險。本公司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之可換股債券一分類為權益部分換股權之公平值分別為671,267,000港元及82,161,000港元，乃透過二項式模式計算。該模式的輸入如下：

主要輸入數據所用之模式發生任何變動，將導致債務部分公平值發生變化。計算負債部分公平值所用變量及假設乃基於董事的最佳估計。

附註：

- (a) 該利率乃參考於估值日期香港政府債券及國庫券的孳息率釐定。
- (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. CONVERTIBLE BONDS (Continued)

Convertible Bonds I (Continued)

During the year ended 31 March 2017, none of the Convertible Bonds I (2016: with aggregate principal amounts of HK\$64,000,000) was 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 2015 | 於二零一五年四月一日 | 415,600 | 56,547 |
| Effective interest expense | 實際利息開支 | — | 13,251 |
| Conversion to ordinary shares | 轉換為普通股 | (64,000) | (9,493) |
| 31 March 2016 | 二零一六年三月三十一日 | 351,600 | 60,305 |
| Effective interest expense | 實際利息開支 | — | 15,752 |
| 31 March 2017 | 二零一七年三月三十一日 | 351,600 | 76,057 |

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\$0.40, subject to anti-dilution clauses.

If the Convertible Bonds II 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)

可換股債券一 (續)

於截至二零一七年三月三十一日止年度期間，並無可換股債券一被轉換為本公司普通股(二零一六年：本金額為64,000,000港元)。

年內可換股債券一之負債部分流動情況如下：

可換股債券二

本公司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分別以本金總額64,000,000港元、64,000,000港元以及64,000,000港元發行可換股債券(合稱為「可換股債券二」)，旨在分別收購待售可換股債券二第一批、第二批及第三批。零息票率的可換股債券二在發行日期起計第十週年當日到期。

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0.40港元，惟須受反攤薄條款限制。

倘可換股債券二未經轉換，將於發行日期起計第十週年當日按面值予以贖回。

29. CONVERTIBLE BONDS (Continued)

Convertible Bonds II (Continued)

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 on 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 on 24 April 2014, 30 August 2014 and 31 December 2014 respectively were 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 64,000,000港元 | Principal amount of HK\$64,000,000 本金額 64,000,000港元 | Principal amount of HK\$64,000,000 本金額 64,000,000港元 |
| Stock price | 股價 | HK\$1.42 1.42港元 | HK\$1.19 1.19港元 | HK\$1.16 1.16港元 |
| Exercise price | 行使價 | HK\$0.40 0.40港元 | HK\$0.40 0.40港元 | HK\$0.40 0.40港元 |
| 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% |

Any changes in the major inputs used in the model will result in changes in the fair value of the liability component. The variables and assumptions used in calculating the fair value of the liability component are based on the directors' best estimate.

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.

29. 可換股債券(續)

可換股債券二(續)

可換股債券二以港元發行。本公司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所發行的可換股債券二的負債部分公平值分別為6,622,000港元、6,916,000港元及7,577,000港元，乃透過貼現現金流量法，利用類似非可換股債券的現行市場利率釐定，並計及本公司之信貸風險。本公司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分類為權益部分換股權之公平值分別為131,454,000港元、118,983,000港元及112,597,000港元，乃透過二項式模式計算。該模式的輸入如下：

主要輸入數據所用之模式發生任何變動，將導致債務部分公平值發生變化。計算負債部分公平值所用變量及假設乃基於董事的最佳估計。

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. CONVERTIBLE BONDS (Continued)

Convertible Bonds II (Continued)

During the years ended 31 March 2017 and 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 2015 | 於二零一五年四月一日 | 192,000 | 24,061 |
| Interest charge | 利息開支 | — | 5,941 |
| 31 March 2016 | 二零一六年三月三十一日 | 192,000 | 30,002 |
| Interest charge | 利息開支 | — | 7,413 |
| 31 March 2017 | 二零一七年三月三十一日 | 192,000 | 37,415 |

Convertible Bonds III

The Company issued convertible bonds to its associate, Extrawell, in an aggregate principal 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\$2.50, subject to anti-dilution clauses.

If the Convertible Bonds III has 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)

截至二零一七年及二零一六年三月三十一日止年度，並無可換股債券二轉換成本公司普通股。

年內可換股債券二之負債部分之變動列載如下：

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第七週年當日到期。

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2.50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第七週年當日按面值予以贖回。

29. CONVERTIBLE BONDS (Continued)

Convertible Bonds III (Continued)

The Convertible Bonds III are issued in HK\$. The fair value of the liability component was HK\$233,547,000 for the Convertible Bonds III issued by the Company on 28 July 2014, 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 value of the conversion option of HK\$136,646,000 classified as equity component for the Convertible Bonds III issued by the Company on 28 July 2014 was calculated using Binomial Model. The inputs into the model were as follows:

| | | 28 July 2014 二零一四年 七月二十八日 Principal amount of HK\$715,000,000 本金額 715,000,000港元 |
|----------------------------------|--------------|--|
| Stock price | 股價 | HK\$1.27 1.27港元 |
| Exercise price | 行使價 | HK\$2.50 2.50港元 |
| 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% |

Any changes in the major inputs used in the model will result in changes in the fair value of the liability component. The variables and assumptions used in calculating the fair value of the liability component are based on the directors' best estimate.

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 years ended 31 March 2017 and 2016, none of the Convertible Bonds III was converted into ordinary shares of the Company.

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之可換股債券三分類為權益部分換股權之公平值分別為136,646,000港元，乃採用二項式模式計算。該模式的輸入如下：

主要輸入數據所用之模式發生任何變動，將導致債務部分公平值發生變化。計算負債部分公平值所用變量及假設乃基於董事的最佳估計。

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。

截至二零一七年及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。

29. CONVERTIBLE BONDS (Continued)

Convertible Bonds III (Continued)

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 2015 | 於二零一五年四月一日 | 715,000 | 270,792 |
| Effective interest expense | 實際利息開支 | — | 57,618 |
| Interest expense paid | 已支付利息開支 | — | (25,025) |
| 31 March 2016 | 於二零一六年三月三十一日 | 715,000 | 303,385 |
| Effective interest expense | 實際利息開支 | — | 67,170 |
| Interest expense paid | 已支付利息開支 | — | (25,025) |
| 31 March 2017 | 於二零一七年三月三十一日 | 715,000 | 345,530 |

Convertible Bonds IV

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 fourth 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\$0.40, 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.

The Convertible Bonds IV are issued in HK\$. The fair value of the liability component was HK\$7,790,000 for the Convertible Bonds IV issued by the Company on 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 value of the conversion option of HK\$109,371,000 classified as equity component for the Convertible Bonds IV issued by the Company on 30 April 2015 was calculated using Binomial Model.

29. 可換股債券 (續)

可換股債券三 (續)

年內可換股債券三之負債部分之變動列載如下：

可換股債券四

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，將於發行日期起計第十週年當日到期。

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0.40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第十週年當日按票面值予以贖回。

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之可換股債券四分類為權益部分換股權之公平值為109,371,000港元，乃採用二項式模式計算。

29. CONVERTIBLE BONDS (Continued)

Convertible Bonds IV (Continued)

The inputs into the model were as follows:

| | | 30 April 2015 二零一五年 四月三十日 Principal amount of HK\$64,000,000 本金額 64,000,000港元 |
|----------------------------------|--------------|--|
| Stock price | 股價 | HK\$1.16 1.16港元 |
| Exercise price | 行使價 | HK\$0.40 0.40港元 |
| 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% |

Any changes in the major inputs used in the model will result in changes in the fair value of the liability component. The variables and assumptions used in calculating the fair value of the liability component are based on the directors' best estimate.

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 years ended 31 March 2017 and 2016, none of the Convertible Bonds IV was converted into ordinary shares of the Company.

29. 可換股債券(續)

可換股債券四(續)

該模式的輸入如下：

主要輸入數據所用之模式發生任何變動，將導致債務部分公平值發生變化。計算負債部分公平值所用變量及假設乃基於董事的最佳估計。

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。

截至二零一七年及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。

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 |
| Effective interest expense | 實際利息開支 | — | 1,664 |
| 31 March 2016 | 於二零一六年三月三十一日 | 64,000 | 9,454 |
| Effective interest expense | 實際利息開支 | — | 2,215 |
| 31 March 2017 | 於二零一七年三月三十一日 | 64,000 | 11,669 |

Convertible Bonds V

The Company issued convertible bonds to in an aggregate principal amount of HK\$50,000,000 on 13 April 2016 (collectively referred to as “Convertible Bonds V”) for financing potential acquisition opportunities as and when appropriate. The Convertible Bonds V with coupon rate of 8.50% per annum will mature on the third anniversary of the date of issue.

The Convertible Bonds V entitle the bond holders to convert them into shares of the Company at any time within 3 years from the date of issue of the Convertible Bonds V, at the initial conversion price per share of HK\$1.00, subject to anti-dilution clauses.

If the Convertible Bonds V have not been converted, they will be redeemed at par on the third anniversary of the date of issue.

On 6 July 2016, the Company and the subscriber entered into a supplemental deed, which both parties agreed to amend a term of the Convertible Bonds V such that the Company may at any time prior to the maturity date of the Convertible Bonds V, by giving the holder of the Convertible Bonds V not less than seven working days notice, redeem the outstanding Convertible Bonds V.

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：

可換股債券五

本公司已於二零一六年四月十三日發行本金總額為50,000,000港元之可換股債券(合稱「可換股債券五」)，以於適當時間把握任何潛在收購機會的融資。可換股債券五之票面年利率為8.50%，並將於發行日期起計第三週年當日到期。

可換股債券五賦予債券持有人權利，於發行可換股債券五日期後三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1.00港元，須受反攤薄條款限制。

如可換股債券五未獲轉換，則將於發行日期起計第三週年當日按票面值予以贖回。

於二零一六年七月六日，本公司及認購人訂立補充契據，根據有關契據，雙方同意修訂可換股債券五之條款，因此，本公司可於可換股債券五到期日之前之任何時間通過向可換股債券五持有人發出不少於七個工作日通知贖回發行在外之可換股債券五。

29. CONVERTIBLE BONDS (Continued)

Convertible Bonds V (Continued)

On 6 July 2016, the Company had elected to redeem the outstanding Convertible Bonds V in the aggregate principal amount of HK\$50,000,000 prior to their maturity date of 13 April 2019 at the Redemption Price of approximately HK\$51,003,000 (the “Early Redemption”). In this regard, the sole bondholder of Convertible Bond V had agreed to waive the seven (7) working days’ notice period required under the terms of the Convertible Bonds V, and the Early Redemption was fixed and carried out on 6 July 2016. The Convertible Bonds V redeemed were cancelled by the Company upon the redemption.

The Convertible Bonds V are issued in HK\$. The fair value of the liability component was HK\$32,187,000 for the Convertible Bonds V issued by the Company on 13 April 2016, 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 value of the conversion option of HK\$17,813,000 classified as equity component for the Convertible Bonds V issued by the Company on 13 April 2016 was calculated using Binomial Model.

The inputs into the model were as follows:

| | | 13 April 2016 二零一六年 四月三十日 Principal amount of HK\$50,000,000 本金額 50,000,000港元 |
|----------------------------------|--------------|--|
| Stock price | 股價 | HK\$0.99 0.99港元 |
| Exercise price | 行使價 | HK\$1.0 1.0港元 |
| Discount rate | 貼現率 | 24.92% |
| Risk-free rate (note a) | 無風險利率(附註a) | 0.78% |
| Expected volatility (note b) | 預期波幅(附註b) | 64.87% |
| Expected dividend yield (note c) | 預期股息收益率(附註c) | 0.00% |

Any changes in the major inputs used in the model will result in changes in the fair value of the liability component. The variables and assumptions used in calculating the fair value of the liability component are based on the directors’ best estimate.

29. 可換股債券(續)

可換股債券五(續)

於二零一六年七月六日，本公司於到期日(即二零一九年四月十二日)前已選擇贖回餘下本金總額為50,000,000港元之尚未行使之可換股債券五，贖回價為51,003,000港元(「提早贖回」)。就此而言，可換股債券五的唯一債券持有人同意豁免可換股債券五的條款規定的七(7)個工作日通知期及提早贖回已確定於二零一六年七月六日進行。贖回的可換股債券五已由本公司註銷。

可換股債券五以港元發行。本公司於二零一六年四月十三日發行之可換股債券五的負債組成部分的公平值為32,187,000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。本公司於二零一六年四月十三日發行之可換股債券五分類為權益部分換股權之公平值分別為17,813,000港元，乃採用二項式模式計算。

該模式的輸入如下：

主要輸入數據所用之模式發生任何變動，將導致債務部分公平值發生變化。計算負債部分公平值所用變量及假設乃基於董事的最佳估計。

29. CONVERTIBLE BONDS (Continued)

Convertible Bonds V (Continued)

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.

A gain on early redemption of the Convertible Bonds V of approximately HK\$21,000 which represented the difference between the redemption price allocated to liability components amounted to approximately HK\$34,049,000 and the total carrying amounts of liability components of Convertible Bonds V amounted to approximately HK\$34,070,000, has been credited to the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2017. Upon the early redemption of the Convertible Bonds V, the difference of approximately HK\$859,000 between the redemption price allocated to equity components amounted to approximately HK\$16,954,000 and the carrying amounts of equity components included in equity component of Convertible Bonds V approximately HK\$17,813,000, was released to accumulated losses.

The movement of liability component of Convertible Bond V for the year is set out below:

| | | Liability Component | Equity Component | Total |
|----------------------------------|--------------|--------------------------------|-----------------------------|-----------------------|
| | | 負債部分 HK\$'000 千港元 | 權益部分 HK\$'000 千港元 | 總計 HK\$'000 千港元 |
| Issuance of Convertible Bonds V | 發行可換股債券五 | 32,187 | 17,813 | 50,000 |
| Effective interest expense | 實際利息開支 | 1,883 | — | 1,883 |
| Early redemption during the year | 年內提早贖回 | (34,070) | (17,813) | (51,883) |
| At 31 March 2017 | 於二零一七年三月三十一日 | — | — | — |

29. 可換股債券 (續)

可換股債券五 (續)

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。

提早贖回可換股債券五收益約21,000港元，即分配予負債部分的金額約34,049,000港元與可換股債券五負債部分總賬面金額約34,070,000港元之間的差額，已經計入截止二零一七年三月三十一日止年度之綜合損益及其他全面收益表。可換股債券五提早贖回後，分配予權益部分的金額約16,954,000港元與計入可換股債券五權益部分總賬面金額約17,813,000港元之間的差額859,000港元已經釋放至累計虧損。

年內可換股債券五之負債部分之變動列載如下：

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 2015, 31 March 2016 and 31 March 2017 | 於二零一五年四月一日、 二零一六年三月三十一日 及二零一七年三月三十一日 | 50,000,000 | 500,000 |
| Issued and fully paid: | 已發行及已繳足： | | |
| At 1 April 2015 | 於二零一五年四月一日 | 1,304,193 | 13,042 |
| Conversion of convertible bonds (Note) | 轉換可換股債券(附註) | 160,000 | 1,600 |
| At 31 March 2016 and 2017 | 於二零一六年三月三十一日及 二零一七年三月三十一日 | 1,464,193 | 14,642 |

Note: On 16 June 2015 and 12 November 2015, 100,000,000 and 60,000,000 new ordinary shares of the Company of HK\$0.01 each were issued upon the conversion of Convertible Bonds and Convertible Bonds I respectively. Convertible Bonds and Convertible Bonds I with aggregate principal amount of HK\$40,000,000 and HK\$24,000,000 were converted into 100,000,000 and 60,000,000 ordinary shares of the Company at a conversion price of HK\$0.4 per share respectively.

附註：於二零一五年六月十六日及二零一五年十一月十二日，於轉換可換股債券及可換股債券一後，已分別發行100,000,000股及60,000,000股本公司每股面值0.01港元之新普通股。可換股債券及可換股債券一之本金總額分別為40,000,000港元及24,000,000港元，並已別轉換為本公司100,000,000股及60,000,000股普通股，轉換價為每股0.4港元。

As at 31 March 2017, the maximum number of shares issuable upon conversion of all outstanding convertible bonds issued by the Company is 1,805,000,000 (2016: 1,805,000,000).

於二零一七年三月三十一日，在轉換所有由本公司已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(二零一六年：1,805,000,000)。

All the shares issued during the year ended 31 March 2017 rank pari passu with the issued shares of the Company in all respect.

於截至二零一七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。

31. 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 (the Intermediate People’s Court of Jiaxing City, Zhejiang Province) upheld the original ruling of 浙江省平湖市人民法院 (People’s Court of Pinghu City, Zhejiang Province) 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.

31. 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。

31. CONTINGENT LIABILITIES AND LITIGATION

(Continued)

Litigation concerning CNL (Pinghu) in the PRC

(Continued)

During the year ended 31 March 2015, the Company has received payment notice 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 years ended 31 March 2016 and 2017 and therefore no payment was made by the Company during the years.

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 (Shanghai Xiangshanleyuan Dining Limited) ("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 first floor, lane 2, 128 Linhong Road, Changning District, Shanghai) ("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.

On 28 October 2016, 上海市長寧區人民法院(People's Court of Shanghai Changning District) rejected the petitions filed by the tenant.

31. 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，本公司已接獲付款通知及結清費用人民幣2,897,000元(相當於約3,660,000港元)。

於截至二零一六年及二零一七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，故本公司於該等年度並無付款。

於中國有關龍脈(上海)健康的訴訟

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，租戶在中國針對龍脈(上海)發出傳訊令狀，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。

於二零一六年十月二十八日，上海市長寧區人民法院拒絕受理該租戶提交之訴訟。

32. COMMITMENTS

Operating lease commitments

As at 31 March 2017, the total future minimum lease payments of the Group under non-cancellable operating leases are payable as follows:

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 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 | 2,140 | 1,057 |
| — in the second to fifth years inclusive | — 第二至第五年 (包括首尾兩年) | 3,453 | — |
| | | 5,593 | 1,057 |

Operating lease payments represent rentals payable by the Group for certain of its offices, laboratory and staff quarter. Leases are negotiated for terms ranging from one to three years (2016: one year) and rentals are fixed over the lease terms and the above amounts do not include contingent rentals.

Capital commitments

As at 31 March 2017 and 31 March 2016, the Group has no capital commitment contracted but not provided for.

Other commitments

- (i) 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 2017, the aggregate balance utilised by and unutilised balances available for Fordnew were approximately HK\$10,579,000 (2016: HK\$10,579,000) and HK\$19,421,000 (2016: HK\$19,421,000) respectively.

32. 承擔

經營租賃承擔

於二零一七年三月三十一日，本集團於不可撤銷經營租賃下之日後最低租賃款項總額如下：

經營租賃付款指本集團就其若干辦公室、實驗室及員工宿舍應付之租金。租賃期限協定為介乎一至三年(二零一六年：一年)，及租金於租賃期限固定，且上述款項不包括或然租金。

資本承擔

於二零一七年三月三十一日及二零一六年三月三十一日，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試驗之費用。

於收購進生之日期及於二零一七年三月三十一日，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(二零一六年：10,579,000港元)及19,421,000港元(二零一六年：19,421,000港元)。

32. COMMITMENTS (Continued)

Other commitments (Continued)

(ii) On 19 October 2006, Sea Ascent Investment Limited (“Sea Ascent”), Welly Surplus Development Limited (“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”);
- (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.

32. 承擔(續)

其他承擔(續)

(ii) 於二零零六年十月十九日，振海投資有限公司(「振海」)、瑞盈發展有限公司(「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」)；
- (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。

32. COMMITMENTS (Continued)

Other commitments (Continued)

(ii) (Continued)

(3) (Continued)

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 Extrawell held on 3 January 2007, until the expiry of the Initial Operating Period.

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.

32. 承擔 (續)

其他承擔 (續)

(ii) (續)

(3) (續)

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精優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。

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。鑒於進一步臨床試驗之進度，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。

32. COMMITMENTS (Continued)

Other commitments (Continued)

- (iii) Pursuant to clinical trial of the oral insulin project, Fosse Bio has entered into service contracts with Shenyang Xin Tai Geer Pharmaceutical Technology Development Limited (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.
- (iv) As at 31 March 2016, the Group had other commitments of RMB4,500,000 (equivalent to approximately HK\$5,409,000) in relation to the obligations and responsibility for the prize and administration costs 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 (“Sponsorship Agreement”).

On 8 November 2016, the Group and the SBIA entered into a termination agreement, pursuant to which the parties mutually agreed to terminate the Sponsorship Agreement with retrospective effect from 1 January 2015. The directors of the Company further confirmed that none of the parties is required to pay to the other party any penalty and/or compensation in respect of the early termination under the Sponsorship Agreement.

32. 承擔(續)

其他承擔(續)

- (iii) 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試驗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，為有關提供臨床試驗管理服務及相關臨床試驗。
- (iv) 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)，該款項涉及上海市生物醫藥行業協會(「上海市生物醫藥行業協會」)(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(「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。

於二零一六年十一月八日，本集團與上海市生物醫藥行業協會訂立終止協議，據此，訂約方相互同意終止設獎單位協議，自二零一五年一月一日起追溯生效。本公司董事進一步確認蓋無任何一方就根據設獎單位協議提早終止被要求支付其他方任何罰款及／賠償。

33. 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.

34. 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:

33. 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。

34. 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：

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|--|--------------------------|----------------------------------|----------------------------------|
| Service fee expense paid and payable to Dr. Mao, a shareholder of the Company (Note) | 已付及應付予本公司股東毛博士之服務費開支(附註) | 672 | 672 |
| Key management compensation: | 主要管理層之報酬： | | |
| Short-term employee benefits | 短期僱員之福利 | 1,973 | 1,779 |
| Post-employment benefits | 離職後福利 | 18 | 27 |
| | | 1,991 | 1,806 |

Note: This transaction constitutes continuing connected transaction under Chapter 14A of the Listing Rules and is exempted from the reporting and disclosure requirement pursuant to Rule 14A.76(1) of the Listing Rules.

附註：此項交易構成上市規則第14A章項下的持續關聯交易且豁免遵守上市規則第14A.76(1)條項下的報告及披露規定。

35. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY 35. 本公司附屬公司詳情

| Name 名稱 | Place of incorporation/ registration 註冊成立/ 註冊地點 | Place of operation 營運地點 | Registered/issued paid-up capital 註冊/已發行繳足股本 | 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 主要業務 |
|---|---|--------------------------------------|--|--|------------------|------------------------------|------------------|---|
| | | | | 31.3.2017 二零一七年 三月三十一日 | | 31.3.2016 二零一六年 三月三十一日 | | |
| | | | | Directly 直接 | Indirectly 間接 | Directly 直接 | Indirectly 間接 | |
| Lucky Full Holdings Limited 福滿控股有限公司 | British Virgin Islands 英屬維爾京群島 | British Virgin Islands 英屬維爾京群島 | US\$1 ordinary share 1美元普通股 | 100% | — | 100% | — | Investment holding 投資控股 |
| Clear Rich 晴富 | British Virgin Islands 英屬維爾京群島 | British Virgin Islands 英屬維爾京群島 | US\$1 ordinary share 1美元普通股 | — | 100% | — | 100% | Investment holding 投資控股 |
| China United Gene Health Limited 華夏聯合基因健康產業有限公司 | Hong Kong 香港 | Hong Kong 香港 | HK\$1 ordinary share 1港元普通股 | — | 100% | — | 100% | Trading of beauty equipment and products 美容設備及產品貿易 |
| Mega Fortune Corporation Limited 麗高集團有限公司 | Hong Kong 香港 | Hong Kong 香港 | HK\$1 ordinary share 1港元普通股 | — | 100% | — | 100% | Investment holding 投資控股 |
| First Team Limited 麗高集團有限公司 | Hong Kong 香港 | Hong Kong 香港 | HK\$1 ordinary share 1港元普通股 | — | 100% | — | 100% | Investment holding 投資控股 |
| Multi-Wealth Investment Limited 盛得投資有限公司 | Hong Kong 香港 | Hong Kong 香港 | HK\$1 ordinary share 1港元普通股 | — | 100% | — | 100% | Investment holding 投資控股 |
| Able Earn Investment Limited 盛得投資有限公司 | Hong Kong 香港 | Hong Kong 香港 | HK\$1 ordinary share 1港元普通股 | — | 100% | — | 100% | Investment holding 投資控股 |
| Top Nice Holdings Limited 麗高集團有限公司 | Hong Kong 香港 | Hong Kong 香港 | HK\$1 ordinary share 1港元普通股 | — | 100% | — | 100% | Securities investment 證券投資 |
| CNL (Pinghu) (Note a) 中荷(平湖)(附註a) | PRC 中國 | PRC 中國 | US\$20 million registered capital 20,000,000美元 註冊資本 | — | 70% | — | 70% | Distribution of bio-industrial products 分銷生物產業產品 |

35. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY (Continued) **35. 本公司附屬公司詳情** (續)

| Name 名稱 | Place of incorporation/ registration 註冊成立/ 註冊地點 | Place of operation 營運地點 | Registered/issued paid-up capital 註冊/已發行繳足股本 | 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 主要業務 | | |
|--|---|--------------------------------------|--|--|------------------------------|---------------------------------|------------------|---|
| | | | | 31.3.2017 二零一七年 三月三十一日 | 31.3.2016 二零一六年 三月三十一日 | Directly 直接 | Indirectly 間接 | |
| Mega Cedar Group Limited | British Virgin Islands 英屬維爾京群島 | British Virgin Islands 英屬維爾京群島 | US\$1 ordinary share 1美元普通股 | — | 100% | — | 100% | Investment holding and securities investment 投資控股及證券投資 |
| Perfect Net Limited | British Virgin Islands 英屬維爾京群島 | British Virgin Islands 英屬維爾京群島 | US\$1 ordinary share 1美元普通股 | — | 100% | — | 100% | Investment holding 投資控股 |
| New Wonder Limited | British Virgin Islands 英屬維爾京群島 | British Virgin Islands 英屬維爾京群島 | US\$1 ordinary share 1美元普通股 | — | 100% | — | 100% | Investment holding 投資控股 |
| Rankup Holdings Limited | British Virgin Islands 英屬維爾京群島 | British Virgin Islands 英屬維爾京群島 | US\$1 ordinary share 1美元普通股 | — | 100% | — | 100% | Investment holding 投資控股 |
| Marvel Wonder Global Limited | British Virgin Islands 英屬維爾京群島 | British Virgin Islands 英屬維爾京群島 | US\$1 ordinary share 1美元普通股 | — | 100% | — | 100% | Investment holding 投資控股 |
| East Longmark (Note b) 東龍脈(附註b) | PRC 中國 | PRC 中國 | HK\$15 million registered capital 15,000,000港元註冊資本 | — | 100% | — | 100% | Provision of genetic testing services 提供基因測試服務 |
| Shanghai Honglian Investment Advisory Limited (Note c) 上海弘連投資諮詢有限公司 (附註c) | PRC 中國 | PRC 中國 | HK\$3 million registered capital 3,000,000港元註冊資本 | — | 100% | — | 100% | Inactive 非活躍 |
| Shanghai Xizhen International Trading Limited (Note d) 上海熙貞國際貿易有限公司 (附註d) | PRC 中國 | PRC 中國 | HK\$3 million registered capital 3,000,000港元註冊資本 | — | 100% | — | 100% | Inactive 非活躍 |
| Smart Ascent (Note e) 進生(附註e) | Hong Kong 香港 | Hong Kong 香港 | HK\$10,000 ordinary shares 1,000港元普通股 | — | 51% | — | 51% | Investment holding 投資控股 |

35. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY (Continued) 35. 本公司附屬公司詳情 (續)

| Name 名稱 | Place of incorporation/ registration 註冊成立/ 註冊地點 | Place of operation 營運地點 | Registered/issued paid-up capital 註冊/已發行繳足股本 | 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 主要業務 | |
|--|---|-----------------------------------|--|--|------------------|------------------------------|------------------|--|--|
| | | | | 31.3.2017 二零一七年 三月三十一日 | | 31.3.2016 二零一六年 三月三十一日 | | | |
| | | | | Directly 直接 | Indirectly 間接 | Directly 直接 | Indirectly 間接 | | |
| Fosse Bio (Note e) | Hong Kong | PRC | HK\$10,000 ordinary shares | — | 30.79% | — | 30.79% | Development and commercialisation of oval insulin products | |
| 福仕(附註e) | 香港 | 中國 | 10,000港元普通股 | | | | | 研發及商品化口服胰島素產品 | |
| Welly Surplus (Note e) 瑞盈(附註e) | Hong Kong 香港 | PRC 中國 | HK\$100 ordinary shares 100港元普通股 | — | 30.79% | — | 30.79% | Inactive 非活躍 | |
| Nation Joy Industries Limited (Note e) 國悅實業有限公司(附註e) | British Virgin Islands 英屬維爾京群島 | British Virgin Islands 英屬維爾京群島 | US\$10,000 ordinary shares 10,000美元普通股 | — | 60.38% | — | 60.38% | Inactive 非活躍 | |

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 foreign-owned enterprise established in the PRC on 24 November 2011 for a period of thirty years.
- (c) Shanghai Honglian Investment Advisory Limited is a wholly foreign-owned enterprise established in the PRC on 26 January 2015 for a period of thirty years.
- (d) Shanghai Xizhen International Trading Limited is a wholly foreign-owned enterprise 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.

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外商全資企業，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外商全資企業，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外商全資企業，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。

35. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY (Continued) 35. 本公司附屬公司詳情 (續)

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

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 and other comprehensive loss allocated to non-controlling interests 分配予非控股權益之虧損及全面其他虧損 | | Accumulated non-controlling interests 累計非控股權益 | |
|--|---|--|---------------|--|---------------|--|-------------------------|--|-------------------------|
| | | 2017 二零一七年 | 2016 二零一六年 | 2017 二零一七年 | 2016 二零一六年 | 2017 HK\$'000 千港元 | 2016 HK\$'000 千港元 | 2017 HK\$'000 千港元 | 2016 HK\$'000 千港元 |
| Smart Ascent (Note) 進生 (附註) | Hong Kong 香港 | 49% | 49% | 49% | 49% | (7,229) | (735) | (7,738) | (509) |
| Fosse Bio (Note) 福仕 (附註) | Hong Kong/PRC 香港/中國 | 69.21% | 69.21% | 69.21% | 69.21% | (727) | (2,628) | 871,048 | 871,775 |
| CNL (Pinghu) 中荷 (平湖) | PRC 中國 | 30% | 30% | 30% | 30% | (1,194) | (715) | 7,116 | 8,310 |
| Individually immaterial subsidiaries with non-controlling interests 擁有非控股權益之獨立非主要附屬公司 | | | | | | (3) | (4) | (75) | (72) |
| | | | | | | (9,153) | (4,082) | 870,351 | 879,504 |

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。

35. 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

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|--|-------------------|----------------------------------|----------------------------------|
| Current assets | 流動資產 | 2,729 | 2,639 |
| Non-current assets | 非流動資產 | 1,381,349 | 1,394,062 |
| Current liabilities | 流動負債 | (70,528) | (69,382) |
| Non-current liabilities | 非流動負債 | (6,067) | (4,646) |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | 436,528 | 450,507 |
| Non-controlling interests | 非控股權益 | 870,955 | 872,166 |
| Revenue | 收入 | 4,113 | 6,902 |
| Expenses | 開支 | (19,303) | (6,749) |
| Loss and total comprehensive expense for the year | 年內虧損及全面開支總額 | (15,190) | 153 |
| Loss and total comprehensive expense attributable to Owners of the Company | 虧損及全面開支總額歸屬本公司擁有人 | (13,979) | 2,548 |
| Non-controlling interests | 非控股權益 | (1,211) | (2,395) |
| | | (15,190) | 153 |
| Net cash outflow from operating activities | 於經營活動之現金流出淨額 | — | (1) |

There are no net cash flows from investing and financing activities.

35. 本公司附屬公司詳情(續)

有關本集團具有重大非控股權益的附屬公司的財務資料概要載於下文。下文所載財務資料概要呈列集團內公司間對銷前的金額。

進生集團

| | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|--|----------------------------------|----------------------------------|
| Current assets | 2,729 | 2,639 |
| Non-current assets | 1,381,349 | 1,394,062 |
| Current liabilities | (70,528) | (69,382) |
| Non-current liabilities | (6,067) | (4,646) |
| Equity attributable to owners of the Company | 436,528 | 450,507 |
| Non-controlling interests | 870,955 | 872,166 |
| Revenue | 4,113 | 6,902 |
| Expenses | (19,303) | (6,749) |
| Loss and total comprehensive expense for the year | (15,190) | 153 |
| Loss and total comprehensive expense attributable to Owners of the Company | (13,979) | 2,548 |
| Non-controlling interests | (1,211) | (2,395) |
| | (15,190) | 153 |
| Net cash outflow from operating activities | — | (1) |

投資及融資活動並無產生現金流淨額。

35. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY (Continued) **35. 本公司附屬公司詳情** (續)

CNL (Pinghu)

中荷(平湖)

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|--|-------------------|----------------------------------|----------------------------------|
| Current assets | 流動資產 | 646 | 794 |
| Non-current assets | 非流動資產 | 32,148 | 35,516 |
| Current liabilities | 流動負債 | (4,382) | (3,635) |
| Non-current liabilities | 非流動負債 | (2,162) | (2,445) |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | 19,134 | 21,920 |
| Non-controlling interests | 非控股權益 | 7,116 | 8,310 |
| Other income | 其他收入 | 164 | 95 |
| Expenses | 開支 | (2,149) | (2,479) |
| Loss and total comprehensive expense for the year | 年內虧損及全面開支總額 | (3,980) | (2,384) |
| Loss and total comprehensive expense attributable to Owners of the Company | 虧損及全面開支總額歸屬本公司擁有人 | (2,786) | (1,669) |
| Non-controlling interests | 非控股權益 | (1,194) | (715) |
| | | (3,980) | (2,384) |
| Net cash outflow from operating activities | 於經營活動之現金流出淨額 | (223) | (1,198) |

There are no cash flows from investing and financing activities.

投資及融資活動並無產生現金流。

36. FINANCIAL INFORMATION OF THE COMPANY

36. 本公司之財務資料

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|---|----------------|----------------------------------|----------------------------------|
| Non-current assets | 非流動資產 | | |
| Property, plant and equipment | 物業、廠房及設備 | 237 | 313 |
| Interests in associates | 於聯營公司的權益 | 113,462 | 128,103 |
| 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 | 225,245 | 259,555 |
| | | 338,945 | 387,972 |
| Current assets | 流動資產 | | |
| Prepayments, deposits and other receivables | 預付款項、按金及其他應收款項 | 5,595 | 550 |
| Amounts due from group companies | 應收集團公司之款項 | 468,537 | 521,686 |
| Bank balances and cash | 銀行結餘及現金 | 44,212 | 13,599 |
| | | 518,344 | 535,835 |
| Current liabilities | 流動負債 | | |
| Accruals and other payables | 應計費用及其他應付款項 | 1,282 | 1,192 |
| Funds received in advance | 預收資金 | — | 50,000 |
| Amount due to group companies | 應付集團公司款項 | 64,465 | — |
| | | 65,747 | 51,192 |
| Net current assets | 流動資產淨額 | 452,597 | 484,643 |
| Total asset less current liabilities | 總資產減流動負債 | 791,542 | 872,615 |
| Non-current liabilities | 非流動負債 | | |
| Convertible bonds | 可換股債券 | 470,671 | 403,146 |
| NET ASSETS | 資產淨額 | 320,871 | 469,469 |
| Capital and reserves | 資本及儲備 | | |
| Share capital | 股本 | 14,642 | 14,642 |
| Reserves | 儲備 | 306,229 | 454,827 |
| TOTAL EQUITY | 權益總額 | 320,871 | 469,469 |

The financial statements were approved by the Board of Directors on 29 June 2017 and are signed on its behalf by:

財務報表已由董事會於二零一七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

36. FINANCIAL INFORMATION OF THE COMPANY (Continued)

Reserve of the Company

36. 本公司之財務資料(續)

本公司之儲備

| | | Share premium 股份溢價 HK\$'000 千港元 | Convertible equity reserve 可換股權益儲備 HK\$'000 千港元 | Accumulated losses 累計虧損 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|------------------|--|--|---|--------------------------------|
| At 1 April 2015 | 於二零一五年 四月一日 | 1,013,046 | 1,141,845 | (1,591,186) | 563,705 |
| Comprehensive income | 全面收益 | | | | |
| Loss for the year | 年內虧損 | — | — | (226,143) | (226,143) |
| Transactions with owners | 與擁有者的交易 | | | | |
| 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 |
| | | 106,248 | 11,017 | — | 117,265 |
| 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 |
| Comprehensive income | 全面收益 | | | | |
| Loss for the year | 年內虧損 | — | — | (149,457) | (149,457) |
| Transactions with owners | 與擁有者的交易 | | | | |
| Recognition of equity component of convertible bonds | 確認可換股債券之權益部分 | — | 17,813 | — | 17,813 |
| Early redemption on convertible bonds | 提前贖回可換股債券 | — | (17,813) | 859 | (16,954) |
| | | — | — | 859 | 859 |
| At 31 March 2017 | 於二零一七年 三月三十一日 | 1,119,294 | 1,152,862 | (1,965,927) | 306,229 |

37. COMPARATIVE FIGURE

Certain comparative figures have been reclassified to confirm to the current year's presentation.

37. 比較數據

若干比較數據已作重新分類以與當前年度之呈報一致。

Financial Summary

財務概要

RESULTS

業績

| | | For the twelve months ended | | | For the nine months ended | For the twelve months ended |
|--|----------------------|---|---|---|--|--|
| | | 31 March 2017 | 31 March 2016 | 31 March 2015 | 31 March 2014 | 30 June 2013 |
| | | 截至 三月三十一日 止 十二個月 二零一七年 HK\$'000 千港元 | 截至 三月三十一日 止 十二個月 二零一六年 HK\$'000 千港元 | 截至 三月三十一日 止 十二個月 二零一五年 HK\$'000 千港元 | 截至 三月三十一日 止 九個月 二零一四年 HK\$'000 千港元 | 截至 六月三十日 止 十二個月 二零一三年 HK\$'000 千港元 |
| Revenue | 收入 | 9,187 | 19,908 | 33,976 | 29,744 | 10,050 |
| Loss for the year/period from continuing operations | 來自持續經營業務之年/期內虧損 | (178,342) | (240,947) | (456,914) | (557,338) | (38,538) |
| 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) |
| Loss for the year/period | 年/期內虧損 | (178,342) | (240,947) | (456,914) | (557,198) | (89,657) |
| Attributable to: | 歸屬: | | | | | |
| Owners of the Company | 本公司擁有人 | (169,788) | (236,865) | (451,684) | (550,347) | (72,839) |
| Non-controlling interests | 非控股權益 | (8,554) | (4,082) | (5,230) | (6,851) | (16,818) |
| | | (178,342) | (240,947) | (456,914) | (557,198) | (89,657) |

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 |
|---------------------------|--------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 2017 二零一七年 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 | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| Non-current assets | 非流動資產 | 1,774,942 | 1,824,474 | 1,831,394 | 430,699 | 143,038 |
| Current assets | 流動資產 | 76,024 | 185,718 | 209,158 | 310,819 | 365,000 |
| Current liabilities | 流動負債 | (73,741) | (120,940) | (81,957) | (15,135) | (47,128) |
| Non-current liabilities | 非流動負債 | (478,900) | (410,236) | (357,131) | (54,162) | (16,548) |
| Net assets | 資產淨額 | 1,298,325 | 1,479,016 | 1,601,464 | 672,221 | 444,362 |
| Attributable to: | 歸屬: | | | | | |
| Owners of the Company | 本公司擁有人 | 427,974 | 599,512 | 717,878 | 662,372 | 453,337 |
| Non-controlling interests | 非控股權益 | 870,351 | 879,504 | 883,586 | 9,849 | (8,975) |
| Total equity | 權益總額 | 1,298,325 | 1,479,016 | 1,601,464 | 672,221 | 444,362 |



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)