



Wanjia Group Holdings Limited 萬嘉集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

STOCK CODE 股份代號: 401



Annual Report
2015/16 年報

Corporate Information 公司資料	2
Management's Statement 管理層報告	5
Management Discussion and Analysis 管理層討論及分析	8
Directors' and Senior Management's Profiles 董事及高級管理人員簡歷	18
Environmental, Social and Governance Report 環境、社會及管治報告書	23
Report of the Directors 董事會報告	42
Independent Auditors' Report 獨立核數師報告	62
Consolidated Statement of Profit or Loss and Other Comprehensive Income 綜合損益及其他全面收益表	65
Consolidated Statement of Financial Position 綜合財務狀況表	67
Consolidated Statement of Changes in Equity 綜合權益變動表	69
Consolidated Statement of Cash Flows 綜合現金流量表	71
Notes to the Consolidated Financial Statements 綜合財務報表附註	73
Five Years Financial Summary 五年財務摘要	212

EXECUTIVE DIRECTORS

Mr. Chen Jinshan
Ms. Shum Ngai Pan
Ms. Yung Ka Lai

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Liang Yichi
Mr. Wong Hon Kit
Mr. Liu Yongping

AUTHORISED REPRESENTATIVES

Ms. Shum Ngai Pan
Mr. Tsang Wai Wa

COMPANY SECRETARY

Mr. Tsang Wai Wa

AUDIT COMMITTEE

Mr. Wong Hon Kit (*Chairman*)
Mr. Liang Yichi
Mr. Liu Yongping

REMUNERATION COMMITTEE

Mr. Wong Hon Kit (*Chairman*)
Mr. Liu Yongping
Ms. Shum Ngai Pan

執行董事

陳金山先生
沈毅斌女士
翁嘉麗女士

獨立非執行董事

梁一池先生
黃漢傑先生
劉勇平先生

授權代表

沈毅斌女士
曾偉華先生

公司秘書

曾偉華先生

審核委員會

黃漢傑先生 (*主席*)
梁一池先生
劉勇平先生

薪酬委員會

黃漢傑先生 (*主席*)
劉勇平先生
沈毅斌女士

NOMINATION AND CORPORATE GOVERNANCE COMMITTEE

Mr. Liang Yichi
Mr. Wong Hon Kit
Mr. Liu Yongping

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1902, 19th Floor
101 King's Road
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company
(Cayman) Limited
4th Floor, Royal Bank House,
24 Shedden Road, George Town,
Grand Cayman KY1-1110,
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

提名及企業管治委員會

梁一池先生
黃漢傑先生
劉勇平先生

註冊辦事處

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

總辦事處及香港主要營業地點

香港
英皇道101號
19樓1902室

主要股份過戶登記處

Royal Bank of Canada Trust Company
(Cayman) Limited
4th Floor, Royal Bank House,
24 Shedden Road, George Town,
Grand Cayman KY1-1110,
Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22樓

Corporate Information

公司資料

PRINCIPAL BANKERS

Bank of Communications Co., Limited
20 Pedder Street
Central, Hong Kong

AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants
31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central, Hong Kong

STOCK CODE

401

WEBSITE

www.wanjia-gp.com

主要往來銀行

交通銀行股份有限公司
香港中環
畢打街20號

核數師

國衛會計師事務所有限公司
香港執業會計師
香港中環
畢打街11號
置地廣場
告羅士打大廈31樓

股份代號

401

網址

www.wanjia-gp.com

On behalf of the board of directors (the “**Board**”) of Wanjia Group Holdings Limited (the “**Company**”), I am pleased to present the audited financial results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 March 2016.

BUSINESS REVIEW

On 11 October 2013, the Company was spun-off from Hua Xia Healthcare Holdings Limited (“**Hua Xia**”) and listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) by way of introduction.

The Group continued to focus on pharmaceutical wholesales and distribution business and pharmaceutical retail chain business in the People's Republic of China (the “**PRC**”).

Our Group has a large and broad customer base through our distribution network in Fujian Province in the PRC. Our Group distributes pharmaceutical products to our customers located principally in the Fujian Province and also sells pharmaceutical products in neighboring provinces. Total revenue generated from pharmaceutical wholesales and distribution business for the year ended 31 March 2016 was approximately HK\$1,083.341 million, representing a decrease of approximately 19.57% as compared to 2015.

Our Group also operates pharmaceutical retail business through Fujian Huihao Sihai Pharmaceutical Chain Company Limited* (福建惠好四海醫藥連鎖有限責任公司) which was accounted for as one of our subsidiaries. We have an established retail network in Fujian Province in the PRC. As at 31 March 2016, we directly operated 117 (2015: 119) retail pharmacies in six prefectural – level districts of the Fujian Province in the PRC under the brand name “*Huihao Sihai*”.

* English translations of official Chinese names are for identification purpose only

本人謹代表萬嘉集團控股有限公司（「**本公司**」）之董事會（「**董事會**」），欣然提呈本公司及其附屬公司（統稱「**本集團**」）截至二零一六年三月三十一日止年度之經審核財務業績。

業務回顧

於二零一三年十月十一日，本公司從華夏醫療集團有限公司（「**華夏**」）分拆並以介紹形式於香港聯合交易所有限公司（「**聯交所**」）主板上市。

本集團繼續專注於在中華人民共和國（「**中國**」）經營藥品批發及分銷業務以及藥品零售連鎖業務。

本集團擁有位於中國福建省之分銷網絡為我們帶來廣大之客戶群。本集團向主要位於福建省之客戶分銷藥品，並同時於鄰近省份銷售藥品。截至二零一六年三月三十一日止年度，藥品批發及分銷業務產生之總收益約為1,083,341,000港元，較二零一五年減少約19.57%。

本集團亦透過入賬為本集團附屬公司之一之福建惠好四海醫藥連鎖有限責任公司經營藥品零售業務。本集團已在中國福建省建立零售網絡。於二零一六年三月三十一日，本集團在中國福建省六個地級市，以「*惠好四海*」之品牌名稱直接經營117間（二零一五年：119間）零售藥店。

Management's Statement

管理層報告

The revenue contributed by the pharmaceutical retail business for the year ended 31 March 2016 was approximately HK\$238.422 million, representing an increase of approximately 8.00% as compared to 2015.

FINANCIAL REVIEW

During the year, total revenue of the Group for the year was approximately HK\$1,321.763 million in comparison with approximately HK\$1,567.687 million in 2015, representing a decrease of approximately 15.69% compared with last year. The gross profit of the Group was approximately HK\$146.128 million in comparison with HK\$159.845 million in 2015. The net loss attributable to the owners of the Company was approximately HK\$13.802 million in comparison with HK\$772.949 million in 2015.

PROSPECTS

The management of the Group has realised that the new Good Supply Practice ("New GSP") implemented by the China Food and Drug Administration is not only a challenge but also a potential opportunities for the Group to continue to address the needs of the market and the public through refined services and quality products.

It is a challenge as well as a potential opportunities for the group because the promulgation and implementation of the new Good Supply Practice in Fujian, the PRC in 2014 imposes stringent regulations on pharmaceutical distributor operation which caused significant decrease in pharmaceutical wholesales business of the group on the ground that majority of the existing distributor customers of the group who are not the qualified enterprises under the new Good Supply Practice were walked out from the sector. Also, due to the constraint of the existing direct sale distribution facilities of the group, it is unable to cater for all the market shares on distribution sale business which are covered by those existing distributor customers. Nevertheless, it is also a potential opportunities for the group because in August 2014, Fujian Food and Drug Administration* (福建省食品藥品監督管理局) announced that 10 companies which are permitted to

截至二零一六年三月三十一日止年度，藥品零售業務貢獻之收益約為238,422,000港元，較二零一五年增加約8.00%。

財務回顧

年內，與二零一五年之約1,567,687,000港元相比較，本集團於本年度之收益合共約為1,321,763,000港元，較去年減少約15.69%。本集團之毛利約為146,128,000港元，而二零一五年則為159,845,000港元。本公司擁有人應佔淨虧損約為13,802,000港元，而二零一五年則為772,949,000港元。

展望

本集團管理層意識到中國國家食品藥品監督管理總局實施之新質量管理規範（「新質量管理規範」）既為一種挑戰，亦為本集團繼續透過經改進之服務及優質產品滿足市場及公眾需求之潛在機遇。

因於二零一四年於中國福建省頒佈及實施新質量管理規範，而對藥品分銷商業務施加嚴格規管並因本集團之並非新質量管理規範項下之合資格企業之大多數現有分銷商已淡出該行業而導致集團之藥品批發業務大幅減少。此對於本集團而言既為一種挑戰，亦為其帶來潛在機遇。此外，由於集團之現有直接銷售分銷設施限制，此令其無法應付覆蓋該等現有分銷商客戶之分銷銷售業務中之所有市場份額。然而，此亦為本集團之一個潛在機遇，因為於二零一四年八月，福建省食品藥品監督管理局已公佈十個獲准於二零一六年之後從事向公立醫院及公眾醫療機構進行分銷業務之公司，其中本公司

conduct the business in the distribution to public hospitals and public healthcare institutions after 2016, in which the operating subsidiary of the Company, namely (福建省福州市惠好藥業有限公司) Fujian Province Funzhou City Huihao Pharmaceutical Co. Limited[#] is on the list. The pharmaceutical market consolidation has continued at national and local level providing opportunities for companies with large scale operations like the Group and our group would actively look for further development opportunities made available by the continued healthcare reform arisen from the New GSP. We will also continue further strengthen our drug delivery to hospitals and wholesales segments business and expansion of retails pharmacies in the year 2016/17.

APPRECIATION

On behalf of the Board, I would like to express my sincere gratitude to the management team and staff for their tireless dedicated that helps fuel the Group's healthy development. In addition, I would also like to thank all our shareholders, business partners and customers for their continuous support. We will continue to devote unwavering efforts to reap promising returns for all parties.

Chen Jinshan

Executive Director

Hong Kong, 16 June 2016

之營運附屬公司福建省福州市惠好藥業有限公司名列其中。國家及地方層面之藥品市場整合持續，從而為如本集團之具有大型營運規模之公司提供良機及本集團將積極尋求由因新質量管理規範所帶來的持續醫療改革提供進一步發展的機會。於二零一六年／一七年度，本集團將同時繼續加強醫院藥品交付及批發分部之業務及擴張零售藥店。

致謝

本人謹代表董事會對管理團隊及員工為本集團穩健發展作出之不懈努力致以誠摯感謝。此外，本人亦對全體股東、業務夥伴及客戶之持續支持表示感謝。本集團將繼續全力以赴，為所有相關人士取得豐厚回報。

執行董事

陳金山

香港，二零一六年六月十六日

[#] *English translations of official Chinese names are for identification purpose only*

Management Discussion and Analysis

管理層討論及分析

FINANCIAL HIGHLIGHTS

Summary of the results of the Group for the financial year ended 31 March 2016 is as follows:

- Total revenue was approximately HK\$1,321.763 million (2015: approximately HK\$1,567.687 million), representing approximately 15.69% of decrease over 2015. The decrease in revenue was mainly attributable to the reduction in sales from the pharmaceutical wholesales and distribution segment due to the implementation of the New GSP.
- Gross profit was approximately HK\$146.128 million (2015: approximately HK\$159.845 million), representing approximately 8.58% of decrease over 2015.
- The operating profit was approximately HK\$4.061 million (2015: loss of approximately HK\$756.511 million). Operating loss for last year was mainly due to the impairment loss on the goodwill of approximately HK\$785.169 million. If such effect was taken out, the Group's last year profit from operations was approximately HK\$28.658 million though the result for this year represented approximately 85.83% decrease as compared to last year.
- Loss for the year attributable to owners of the Company was approximately HK\$13.802 million (2015: approximately HK\$772.949 million).
- The Group had total cash and cash equivalents of approximately HK\$203.500 million as at 31 March 2016 (31 March 2015: approximately HK\$43.029 million).
- The board does not recommend the payment of a final dividend for the year ended 31 March 2016 (2015: Nil).

財務摘要

本集團截至二零一六年三月三十一日止財政年度之業績概要如下：

- 總收益約為1,321,763,000港元（二零一五年：約1,567,687,000港元），較二零一五年減少約15.69%。收益減少乃主要因實施新質量管理規範而令藥品批發及分銷分類之銷售下降所致。
- 毛利約為146,128,000港元（二零一五年：約159,845,000港元），較二零一五年減少約8.58%。
- 經營溢利約為4,061,000港元（二零一五年：虧損約756,511,000港元）。去年錄得經營虧損乃主要由於商譽減值虧損約785,169,000港元所致。倘撇除該影響，本集團於去年錄得經營溢利約28,658,000港元，儘管本年度之業績較去年度減少約85.83%。
- 本公司擁有人應佔年內虧損約為13,802,000港元（二零一五年：約772,949,000港元）。
- 本集團於二零一六年三月三十一日之總現金及現金等值項目約為203,500,000港元（二零一五年三月三十一日：約43,029,000港元）。
- 董事會並不建議就截至二零一六年三月三十一日止年度派發末期股息（二零一五年：無）。

BUSINESS REVIEW

On 11 October 2013, the Company was spun-off from Hua Xia Healthcare Holdings Limited (“Hua Xia”) and listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) by way of introduction.

The Group continues to focus on pharmaceutical wholesales and distribution business and pharmaceutical retail chain business in the People’s Republic of China (the “PRC”).

Revenue

Looking back at 2015/16, the Group’s revenue experienced a decrease. The Group recorded revenue of approximately HK\$1,321.763 million (2015: approximately HK\$1,567.687 million) for the year ended 31 March 2016, accounting for a decrease of approximately 15.69% over last year. The gross profit margin of the Group was approximately 11.06%, which maintained at a similar level as in 2015 which was approximately 10.20%.

Segment information

During the year, the revenue of the Group was principally generated from: (1) pharmaceutical wholesale and distribution business and (2) pharmaceutical retail chain business in PRC. Financial information in respect of these operation is presented in Note 7 to the consolidated financial statement.

業務回顧

於二零一三年十月十一日，本公司從華夏醫療集團有限公司（「華夏」）分拆並以介紹形式於香港聯合交易所有限公司（「聯交所」）主板上市。

本集團繼續專注於在中華人民共和國（「中國」）經營藥品批發及分銷業務以及藥品零售連鎖業務。

收益

回顧二零一五年／一六年度，本集團之收益減少。截至二零一六年三月三十一日止年度，本集團錄得收益約1,321,763,000港元（二零一五年：約1,567,687,000港元），較去年減少約15.69%。本集團之毛利率約為11.06%，維持在與二零一五年之約10.20%之相若水平。

分類資料

年內，本集團之收益主要來自：於中國之(1)藥品批發及分銷業務及(2)藥品零售連鎖業務。有關該等營運之財務資料於綜合財務報表附註7呈列。

Management Discussion and Analysis

管理層討論及分析

Pharmaceutical wholesale and distribution business

The Group has a large and broad customer base through our distribution network in Fujian Province in the PRC. The Group distributes pharmaceutical products to our customers located principally in the Fujian Province and also sells pharmaceutical products in neighboring provinces such as Guangdong, Hunan, Hubei, Jiangxi, Anhui and Zhejiang. Our customers can be categorised into three types namely hospitals and healthcare institutions, distributor customers and end customers such as companies operating pharmaceutical retail chain stores, independent pharmacies, and outpatient departments of community hospitals, healthcare service stations and clinics. The revenue generated from the pharmaceutical wholesale and distribution business amounted to approximately HK\$1,083.341 million (2015: approximately HK\$1,346.925 million), representing approximately 19.57% of decrease over 2015 and accounted for approximately 81.96% of the Group's revenue. The decrease was mainly attributable to the reduction in sales to distributor customers due to the stringent regulations after the promulgation and implementation of the New GSP.

Pharmaceutical retail chain business

The Group operates pharmaceutical retail business through Fujian Huihao Sihai Pharmaceutical Chain Company Limited* (福建惠好四海醫藥連鎖有限責任公司) which was accounted for as one of our subsidiaries. The Group offers a wide variety of products in our retail pharmacies including prescription medicines, over-the-counter medicines, healthcare food products, traditional Chinese medicines, medical supplies and medical devices. As at 31 March 2016, 117 (2015: 119) retail pharmacies were operated. The Group seeks to introduce new products and services to meet changing customer preferences and to differentiate the Group from our competitors. The revenue generated from pharmaceutical retail chain business amounted to approximately HK\$238.422 million (2015: approximately HK\$220.762 million), representing approximately 8.00% of increase over 2015.

藥品批發及分銷業務

本集團擁有位於中國福建省之分銷網絡為我們帶來廣大之客戶群。本集團向主要位於福建省之客戶分銷藥品，並同時於廣東、湖南、湖北、江西、安徽及浙江等鄰近省份銷售藥品。我們之客戶可分為三種類型，即醫院及醫療機構、分銷商客戶及終端客戶，例如經營藥品零售連鎖店之公司、獨立藥店、社區醫院之門診部、醫療保健服務站及診所。藥品批發及分銷業務產生之收益約為1,083,341,000港元（二零一五年：約1,346,925,000港元），較二零一五年減少約19.57%及佔本集團收益約81.96%。減少乃主要由於頒佈及實施新質量管理規範後因嚴格監管導致向分銷商客戶銷售減少所致。

藥品零售連鎖業務

本集團透過入賬為本集團附屬公司之一之福建惠好四海醫藥連鎖有限責任公司經營藥品零售業務。本集團之零售藥店提供多種產品，包括處方藥、非處方藥、保健食品、傳統中藥、醫療用品及醫療器械。於二零一六年三月三十一日，本集團營運117間（二零一五年：119間）零售藥店。本集團力求引進新產品和服務以滿足客戶不斷變化之喜好，並使本集團在競爭對手中脫穎而出。藥品零售連鎖業務產生之收益約為238,422,000港元（二零一五年：約220,762,000港元），較二零一五年增加約8.00%。

* English translations of official Chinese names are for identification purpose only

Other revenue

Other revenue, primarily including sundry income, bank interest income, and rental income amounted to approximately HK\$5.000 million (2015: approximately HK\$6.379 million) for the year ended 31 March 2016.

Selling and distribution expenses

For the year ended 31 March 2016, selling and distribution expenses amounted to approximately HK\$100.466 million (2015: approximately HK\$90.590 million), representing an increase of approximately 10.90% over the last year. The increase in the expenses was due to the increase of salaries, promotional expenses and rental expenses during the year.

Administrative expenses

Administrative expenses for the year ended 31 March 2016 amounted to approximately HK\$48.359 million (2015: approximately HK\$46.774 million), representing a slightly increase of approximately 3.39% over last year.

Finance costs

For the year ended 31 March 2016, the finance costs of the Group were approximately HK\$16.365 million (2015: approximately HK\$8.819 million), representing a significant increase of approximately 85.57% over the last year. The increase was mainly due to the interest for the convertible notes issued during the year.

其他收益

截至二零一六年三月三十一日止年度，其他收益（主要包括雜項收入、銀行利息收入及租金收入）約為5,000,000港元（二零一五年：約6,379,000港元）。

銷售及分銷費用

截至二零一六年三月三十一日止年度，銷售及分銷費用約為100,466,000港元（二零一五年：約90,590,000港元），較去年增加約10.90%。費用增加乃由於年內薪金、推廣開支及租金開支增加所致。

行政開支

截至二零一六年三月三十一日止年度之行政開支約為48,359,000港元（二零一五年：約46,774,000港元），較去年輕微增加約3.39%。

財務費用

截至二零一六年三月三十一日止年度，本集團之財務費用約為16,365,000港元（二零一五年：約8,819,000港元），較去年大幅增加約85.57%。該增幅主要由於年內發行可換股票據之利息所致。

Management Discussion and Analysis

管理層討論及分析

Loss attributable to owners of the Company

The Group recorded a loss attributable to owners of the Company of approximately HK\$13.802 million (2015: HK\$772.949 million) during the year ended 31 March 2016. The decrease in loss was mainly due to no impairment loss on goodwill for the year ended 31 March 2016 (2015: HK\$785.169 million).

In August 2014, Fujian Food and Drug Administration[#] (福建省食品藥品監督管理局) announced the 10 companies which are permitted to conduct the business in the distribution to public hospitals and public healthcare institutions after 2016, in which the operating subsidiary of the Company, namely (福建省福州市惠好藥業有限公司) Fujian Province Fuzhou City Huihao Pharmaceutical Co. Limited[#] is on the list. Notwithstanding this recognition as a qualified participant in the distribution industry is encouraging, the effect of the implementation of the New GSP and any future policy development on the hospital distribution business of the Group remains uncertain. Having taken into account the financial performance as of June 2014, the Board reviewed again the potential effects of the New GSP on the distribution business in late July 2014 and prudently lowered the forecasted performance in sales to distributor customers, therefore, it triggers impairment loss on the goodwill. The carrying amount of goodwill was tested for impairment as at 30 June 2014. The impairment test compared the discounted cash flows of the cash-generating units (CGUs) to the carrying amounts of the CGUs. The recoverable amounts of the CGUs were significantly less than the carrying value of goodwill, therefore, an impairment loss on the goodwill of approximately HK\$785.169 million was made in 2015.

本公司擁有人應佔虧損

於截至二零一六年三月三十一日止年度內，本集團錄得本公司擁有人應佔虧損約13,802,000港元(二零一五年：772,949,000港元)。虧損減少乃主要由於截至二零一六年三月三十一日止年度並無商譽減值虧損(二零一五年：785,169,000港元)所致。

於二零一四年八月，福建省食品藥品監督管理局已公佈十間獲准於二零一六年後從事向公立醫院及公眾醫療機構進行分銷業務之公司，其中本公司之營運附屬公司福建省福州市惠好藥業有限公司名列其中。儘管獲認可為分銷行業之合資格參與者令人鼓舞，惟實施新質量管理規範之影響及對本集團之醫院分銷業務之任何日後政策發展仍不明朗。經計及於二零一四年六月之財務表現，董事會於二零一四年七月底再度審閱新質量管理規範對分銷業務之潛在影響，並審慎降低向分銷商客戶銷售之預測表現，因此，其觸發商譽減值虧損。商譽之賬面值於二零一四年六月三十日已進行減值測試。減值測試已比較現金產生單位(現金產生單位)與現金產生單位賬面值之折現現金流量。現金產生單位之可收回金額大幅低於商譽之賬面值，因此，於二零一五年錄得商譽減值虧損約為785,169,000港元。

[#] English translations of official Chinese names are for identification purpose only

LIQUIDITY AND FINANCIAL RESOURCES

The Group had total cash and cash equivalents of approximately HK\$203.500 million as at 31 March 2016 (2015: approximately HK\$43.029 million). The Group recorded total current assets of approximately HK\$609.526 million as at 31 March 2016 (2015: approximately HK\$618.170 million) and total current liabilities of approximately HK\$278.444 million as at 31 March 2016 (2015: approximately HK\$372.296 million). The current ratio of the Group, calculated by dividing the current assets by the current liabilities, was approximately 2.189 as at 31 March 2016 (2015: approximately 1.660).

As at 31 March 2016, the Group's gearing ratio which was calculated based on outstanding debts (comprising bank borrowings and principal amounts payable for convertible notes) less cash and cash equivalents over total equity (including all capital and reserves attributable to owners of the Company) was not applicable (2015: approximately 28.65%).

CHARGES ON GROUP'S ASSETS

As at 31 March 2016, the Group had bank borrowings outstanding balances and bill payables of approximately HK\$32.396 million and HK\$16.308 million respectively. The Group's pledged bank deposits, prepaid lease payments and investment property of approximately HK\$6.096 million, HK\$10.623 million and HK\$7.199 million respectively, were pledged as collateral to secure banking facilities granted to the Group.

流動資金及財務資源

本集團於二零一六年三月三十一日之總現金及現金等值項目約為203,500,000港元(二零一五年:約43,029,000港元)。本集團於二零一六年三月三十一日錄得流動資產總值約609,526,000港元(二零一五年:約618,170,000港元),以及於二零一六年三月三十一日錄得流動負債總額約278,444,000港元(二零一五年:約372,296,000港元)。本集團於二零一六年三月三十一日之流動比率(按流動資產除以流動負債計算)約為2.189(二零一五年:約1.660)。

於二零一六年三月三十一日,本集團之資產負債比率(根據尚未償還債務(包括銀行借貸及就可換股票據應付之本金金額)減現金及現金等值項目除以總權益(包括本公司擁有人應佔所有資本及儲備)計算)並不適用(二零一五年:約28.65%)。

本集團資產抵押

於二零一六年三月三十一日,本集團之尚未償還銀行借款結餘及應付票據分別約為32,396,000港元及16,308,000港元。本集團之已抵押銀行存款、預付租賃款項及投資物業分別約6,096,000港元、10,623,000港元及7,199,000港元已被抵押作抵押品以擔保授予本集團之銀行融資。

MATERIAL ACQUISITIONS AND DISPOSALS

On 12 May 2015, Hui Hao (HK) Group Limited (“**Hui Hao (HK)**”), a wholly-owned subsidiary of the Company, Fujian Province Fuzhou City Huihao Pharmaceutical Co. Ltd.* (福建省福州市惠好藥業有限公司) (“**Fuzhou Huihao**”), a wholly owned subsidiary of Hui Hao (HK) and Fuzhou Ren An Medical Technology Limited* (福州仁安醫藥科技有限公司) (“**Ren An**”) entered into the Joint Venture Agreement, pursuant to which Ren An agreed to make a capital contribution of approximately RMB26 million to the registered capital and the capital reserve of Fuzhou Huihao. As a result, the equity interest of Hui Hao (HK) in Fuzhou Huihao was diluted from 100% to 75% and Fuzhou Huihao held as to 75% by Hui Hao (HK) and as to 25% by Ren An. Other than this, the Group did not have any material acquisitions and disposals of subsidiaries, associates or joint ventures during the year.

CAPITAL STRUCTURE

On 14 May 2015, the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Company has conditionally agreed to place, through the Placing Agent, on a best efforts basis, the Convertible Notes with principal amounts aggregating up to HK\$84,292,000 to the Placees at the initial Conversion Price of HK\$0.65 per Conversion Share (“**the Placing**”). Based on the initial Conversion Price of HK\$0.65 per Conversion Share, a total of 129,680,000 Conversion Shares will be allotted and issued upon exercise of the conversion rights attaching to the Convertible Notes in full. The Placing was completed on 1 June 2015. Up to 31 March 2016, there was no Convertible Notes converted into the Conversion Shares.

As at 31 March 2016, the total issued share capital of the Company was approximately HK\$6.484 million representing 648,405,300 ordinary shares (2015: 648,405,300 ordinary shares).

重大收購及出售

於二零一五年五月十二日，本公司之全資附屬公司惠好（香港）醫藥集團有限公司（「**惠好（香港）**」）、惠好（香港）之全資附屬公司福建省福州市惠好藥業有限公司（「**福州惠好**」）及福州仁安醫藥科技有限公司（「**仁安**」）訂立合資協議，據此，仁安同意向福州惠好之註冊資本及資本儲備作出出資約人民幣26,000,000元。因此，惠好（香港）於福州惠好之股權將由100%攤薄至75%，而福州惠好將由惠好（香港）及仁安分別持有75%及25%權益。除此之外，年內，本集團並無任何附屬公司、聯營公司或合營企業之重大收購及出售。

股本架構

於二零一五年五月十四日，本公司與配售代理訂立配售協議，據此，本公司已有條件同意透過配售代理按盡力基準以初步轉換價每股轉換股份0.65港元配售本金總額最多為84,292,000港元之可換股票據予承配人（「**配售事項**」）。按初步轉換價每股轉換股份0.65港元計算，於可換股票據所附帶之轉換權獲悉數行使後，將配發及發行合共129,680,000股轉換股份。配售事項已於二零一五年六月一日完成。截至二零一六年三月三十一日，概無可換股票據轉換為轉換股份。

於二零一六年三月三十一日，本公司之已發行股本總額約為6,484,000港元，相當於648,405,300股普通股（二零一五年：648,405,300股普通股）。

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CONTINGENT LIABILITIES

As at 31 March 2016 and 2015, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the directors to be pending or threatened against any member of the Group.

CAPITAL COMMITMENTS

As at 31 March 2016 and 2015, the Group had no material capital commitments.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2016, the Group had 1,137 (2015: 1,046) full time employees (including directors) as shown in the following table:

Location	地點	Number of Staff 員工人數
Hong Kong	香港	6
PRC	中國	1,131

For the year ended 31 March 2016, staff costs (including directors emoluments) amounted to approximately HK\$73.925 million (2015: approximately HK\$71.278 million). The Group remunerates its employees based on individual performance and qualification. Apart from the basic remuneration, staff benefits include the contribution to the Mandatory Provident Fund Scheme, discretionary bonus and medical coverage in Hong Kong; and basic insurance for the elderly, basic medical insurance, work injury insurance and unemployment insurance to the employees in the PRC.

OUTLOOK AND FUTURE PROSPECTS

The management of the Group has realised that the New GSP is not only a challenge but also a potential opportunities for the Group to continue to address the needs of the market and the public through refined services and quality products.

或然負債

於二零一六年及二零一五年三月三十一日，本集團成員公司概無涉及任何重大訴訟或仲裁，且就董事所知，本集團任何成員公司亦無尚未了結或可能面臨威脅之重大訴訟或索償。

資本承擔

於二零一六年及二零一五年三月三十一日，本集團並無重大資本承擔。

僱員及薪酬政策

於二零一六年三月三十一日，本集團聘有1,137名（二零一五年：1,046名）全職僱員（包括董事），詳情載於下表：

截至二零一六年三月三十一日止年度，員工成本（包括董事酬金）約為73,925,000港元（二零一五年：約71,278,000港元）。本集團根據僱員之個別表現及資歷釐定僱員薪酬。除基本薪酬外，於香港之員工福利亦包括強制性公積金計劃供款、酌情花紅及醫療保險，而中國內地員工則享有基本長者保險、基本醫療保險、工傷保險及失業保險。

前景及未來展望

本集團管理層意識到新質量管理規範既為一種挑戰，亦為本集團繼續透過經改進之服務及優質產品滿足市場及公眾需求之潛在機遇。

Management Discussion and Analysis 管理層討論及分析

It is a challenge as well as a potential opportunities for the group because the promulgation and implementation of the new Good Supply Practice in Fujian, the PRC in 2014 imposes stringent regulations on pharmaceutical distributor operation which caused decrease in pharmaceutical wholesales business of the group on the ground that majority of the existing distributor customers of the group who are not qualified enterprises under the new Good Supply Practice were walked out from the sector. Also, due to the constraint of the existing direct sale distribution facilities of the group, it is unable to cater for all the market shares on distribution sale business which are covered by those existing distributor customers. Nevertheless, it is also a potential opportunities for the group because in August 2014, Fujian Food and Drug Administration[#] (福建省食品藥品監督管理局) announced that 10 companies which are permitted to conduct the business in the distribution to public hospitals and public healthcare institutions after 2016, in which the operating subsidiary of the Company, namely Fujian Province Funzhou City Huihao Pharmaceutical Co. Limited[#] (福建省福州市惠好藥業有限公司) is on the list.

The pharmaceutical market consolidation has continued at national and local level providing opportunities for companies with large scale operations like the Group. At the same time, competition among the industry is keen. Our group would actively look for further development opportunities made available by the continued healthcare reform arisen from the New GSP. We will also continue further strengthen our drug delivery to hospitals and wholesales segments business and expansion of retails pharmacies in the year 2016/17.

因於二零一四年於中國福建省頒佈及實施新質量管理規範，而對藥品分銷商業務施加嚴格規管並因本集團之並非新質量管理規範項下之合資格企業之大多數現有分銷商已淡出該行業而導致集團之藥品批發業務減少。此對於本集團而言既為一種挑戰，亦為其帶來潛在機遇。此外，由於集團之現有直接銷售分銷設施限制，此令其無法應付覆蓋該等現有分銷商客戶之分銷銷售業務中之所有市場份額。然而，此亦為本集團之一個潛在機遇，因為於二零一四年八月，福建省食品藥品監督管理局已公佈十間獲准於二零一六年後從事向公立醫院及公眾醫療機構進行分銷業務之公司，其中本公司之營運附屬公司福建省福州市惠好藥業有限公司名列其中。

國家及地方層面之藥品市場整合持續，從而為如本集團之具有大型營運規模之公司提供良機。與此同時，行業中的競爭激烈。本集團將積極尋求由因新質量管理規範所帶來的持續醫療改革提供進一步發展的機會。於二零一六年／一七年度，本集團將同時繼續加強醫院藥品交付及批發分類之業務及擴張零售藥店。

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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 following is the key risk and uncertainty 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.

Market Risks

PRC government policy

In August 2014, Fujian Food and Drug Administration[#] (福建省食品藥品監督管理局) announced a new Good Supply Practice ("New GSP") that only qualified companies are permitted to conduct the business in the distribution to public hospitals and public healthcare institutions after 2016, there is no assurance that the PRC government will not legislate new policies in the future to towards the industry.

Operational risks

Under the new GSP, although one of the subsidiaries, namely (福建省福州市惠好藥業有限公司) Fujian Province Funzhou City Huihao Pharmaceutical Co. Limited[#] is on the list, it is unable to cater for all the market shares on distribution sale business which are covered by those previous distributor customers due to the constraint of the existing direct sale distribution facilities of the group.

Foreign Exchange Risk

Since almost all transactions of the Group are denominated in Renminbi and most of the bank deposits are being kept in Renminbi to minimise exposure to foreign exchange risk, the directors consider that the Group's risk exposure to currency fluctuations to be minimal.

Therefore, the Group had not implemented any formal hedging or other alternative policies to deal with such exposure during the year.

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主要風險及不明朗因素

本集團的財務狀況、營運業績、業務及前景可能受多項風險及不明朗因素影響。以下為本集團已識別的主要風險及不明朗因素。除下文所列者外，或會存在本集團並無獲悉或目前可能不重大但日後可能變得重大的其他風險及不明朗因素。

市場風險

中國政府政策

於二零一四年八月，福建省食品藥品監督管理局頒佈新質量管理規範（「新質量管理規範」），僅有合資格公司獲准於二零一六年後從事向公立醫院及公眾醫療機構進行分銷業務，概不保證中國政府於日後將不會對該行業實施新政策。

營運風險

根據新質量管理規範，儘管一間附屬公司（即福建省福州市惠好藥業有限公司）名列其中，由於集團之現有直接銷售分銷設施限制，此令其無法應付覆蓋該等先前分銷商客戶之分銷銷售業務中之所有市場份額。

外匯風險

由於本集團絕大部份交易均以人民幣計價，而大部分銀行存款均以人民幣存置，藉此盡量減低外匯風險，故董事認為本集團之外匯波動風險極微。

因此，年內，本集團並無實施任何正式對沖或其他替代政策以應付有關風險。

Directors' and Senior Management's Profiles 董事及高級管理人員簡歷

EXECUTIVE DIRECTORS

Mr. Chen Jinshan ("Mr. Chen"), aged 48, holds a bachelor degree in finance and accounting. Mr. Chen has over 16 years of accounting experience and had also been a project manager for more than 6 years in an accounting firm. Mr. Chen was the executive director of Hua Xia, the shares of which are listed on GEM of the Stock Exchange for the period from 25 April 2006 to 10 October 2014.

Ms. Shum Ngai Pan, aged 43, holds a Master's Degree in Business Administration. She has over 17 years of managerial experience in companies engaged in the healthcare and environmental protection sectors.

Ms. Yung Ka Lai ("Ms. Yung"), aged 29, obtained her Bachelor degree of Science Business Management, Specialization in Marketing from SUNY-Stony Brook University, United States. She has 3 years of managerial experience in marketing. Ms. Yung is the sister of Mr. Yung Ka Chun who is the substantial shareholder of Hua Xia Healthcare Holdings Limited (stock code: 8143), the shares of which is listed on the Growth Enterprise Market ("GEM"), which in turn is the substantial shareholder of the Company.

執行董事

陳金山先生 (「陳金山先生」)，48歲，持有金融及會計學士學位。陳金山先生擁有逾16年會計經驗，並曾於一間會計公司擔任項目經理逾6年。陳金山先生於二零零六年四月二十五日至二零一四年十月十日期間為華夏（其股份於聯交所創業板上市）之執行董事。

沈毅斌女士，43歲，持有工商管理碩士學位。彼於從事醫療及環保行業之公司擁有逾17年管理經驗。

翁嘉麗女士 (「翁女士」)，29歲，於美國紐約州立大學石溪分校(SUNY-Stony Brook University)取得商業管理理學士學位，主修市場推廣。彼於市場推廣方面擁有三年管理經驗。翁女士為華夏醫療集團有限公司（股份代號：8143，其股份於創業板（「創業板」）上市）之主要股東翁嘉晉先生之胞姊，而華夏醫療集團有限公司為本公司之主要股東。

Directors' and Senior Management's Profiles

董事及高級管理人員簡歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Liang Yichi ("Mr. Liang"), aged 63, joined our Group as an independent non-executive Director on 4 September 2012. Mr. Liang is formerly the vice-president of Fujian University of Traditional Chinese Medicine (in September 2012, retired from the position as vice president) and currently a tutor to master students of Chinese Medicines and a tutor of the integration of traditional and western medicine (first-tier subject) doctor's degree of the Fujian University of Traditional Chinese Medicine. Mr. Liang was recognised by the Ministry of Personnel of the PRC[#] (中華人民共和國人事部) as a young and middle-aged expert in outstanding contribution[#] (中青年有突出貢獻專家) in 1989.

Mr. Wong Hon Kit ("Mr. Wong"), aged 49, joined our Group as an independent non-executive Director on 11 April 2013. Mr. Wong obtained a Diploma in Accounting from Hong Kong Shue Yan College in July 1991 and is currently a Certified Public Accountant in Hong Kong. He was admitted as an associate member of the Hong Kong Society of Accountant (now known as Hong Kong Institute of Certified Public Accountants) and the Association of International Accountants in the United Kingdom in March 2000 and October 1999, respectively. He has over 10 years' experience in working as chief financial officer, company secretary and/or director in listed companies in Hong Kong where he was involved in the finance and company secretarial matters and has handled a number of corporate finance transactions such as mergers and acquisitions, capital fund raising activities, corporate restructuring and corporate transactions.

獨立非執行董事

梁一池先生(「梁先生」)，63歲，於二零一二年九月四日加入本集團，成為獨立非執行董事。梁先生原為福建中醫藥大學副校長(二零一二年九月到齡退出副校長崗位)，現為福建中醫藥大學教授、中醫藥學碩士生導師及中西醫結合學(一級學科)博士生導師。梁先生於一九八九年獲中華人民共和國人事部認定為中青年有突出貢獻專家。

黃漢傑先生(「黃先生」)，49歲，於二零一三年四月十一日加入本集團，成為獨立非執行董事。黃先生於一九九一年七月獲香港樹仁學院頒授會計文憑，現為香港執業會計師。於二零零零年三月及一九九九年十月，彼分別加入成為香港會計師公會會員及英國國際會計師公會會員。彼擁有超過10年於香港上市公司出任財務總監、公司秘書及／或董事之經驗。期間，彼曾參與有關財務及公司秘書事宜，亦曾處理若干企業融資交易，如併購、集資活動、企業重組及企業交易。

[#] English translations of official Chinese names are for identification purpose only

Directors' and Senior Management's Profiles 董事及高級管理人員簡歷

Dr. Liu Yongping ("Dr. Liu"), aged 60, is a practicing solicitor in Hong Kong and a consultant of a firm of solicitors in Hong Kong. Dr. Liu has more than 20 years of experience in the capital market and merger and acquisition legal services sector. Dr. Liu graduated from the University of London with a master's degree in law in 1987 and from the University of Oxford with a doctor's degree in philosophy in 1994. Apart from his appointment with the Company, Dr. Liu has been acting as an independent non-executive director of Yue Da Mining Holdings Limited, a company listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (Stock code: 629), since June 2010. Dr. Liu has also been acting as an independent non-executive director of China Forestry Holdings Limited, a company listed on the main board of the Stock Exchange (Stock Code: 930), from September 2012 to June 2015. Save as disclosed above, Dr. Liu did not hold any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

SENIOR MANAGEMENT

Ms. Xiang Zheng ("Ms. Xiang"), aged 54, is the General Manager of Fujian Province Fuzhou City Huihao Pharmaceutical Co. Limited[#] (福建省福州市惠好藥業有限公司) ("Fuzhou Huihao"). Ms. Xiang was graduated from The Open University of Fujian[#] (福建廣播電視大學) majoring in Business Administration, and has more than 21 years of operational management experience in the pharmaceutical industry. Ms. Xiang joined our Group in December 2008. Prior to joining our Group, Ms. Xiang worked in Fujian Sanming Medicine Shareholding Co., Limited[#] (福建三明醫藥股份有限公司), a state-owned pharmaceutical enterprise in Sanming from 1992 to 2008, where she served as salesperson, manager of pharmaceutical department, manager of medical devices department and vice general manager, and was mainly responsible for managing the sales business.

劉勇平博士 (「劉博士」), 60歲, 為香港執業律師並為一間香港律師事務所之顧問。劉博士在資本市場及併購法律服務行業擁有逾20年經驗。劉博士於一九八七年畢業於倫敦大學, 獲頒法學碩士學位, 並於一九九四年畢業於牛津大學, 獲頒哲學博士學位。除於本公司之委任外, 劉博士自二零一零年六月起一直擔任悅達礦業控股有限公司 (一間於香港聯合交易所有限公司 (「聯交所」) 主板上市之公司 (股份代號: 629)) 之獨立非執行董事。劉博士於二零一二年九月起至二零一五年六月亦擔任中國森林控股有限公司 (一間於聯交所主板上市之公司 (股份代號: 930)) 之獨立非執行董事。除上文所披露者外, 劉博士於過往三年內並無於證券於香港或海外之任何證券市場上市之任何其他公眾公司擔任任何董事職務。

高級管理人員

項征女士 (「項女士」), 54歲, 福建省福州市惠好藥業有限公司 (「福州惠好」) 總經理。項女士畢業於福建廣播電視大學工商管理專業, 擁有逾21年之醫藥行業經營管理經驗。項女士於二零零八年十二月加入本集團。加入本集團前, 項女士於一九九二年至二零零八年先後在三明一間國有醫藥企業福建三明醫藥股份有限公司工作, 先後擔任業務員、藥品部經理、藥械部經理及副總經理, 主要負責銷售業務管理。

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Directors' and Senior Management's Profiles 董事及高級管理人員簡歷

Mr. Luo Xintian (“Mr. Luo”), aged 49, is the General Manager of Fujian Huiming Medicine Co. Limited[#] (福建省惠明醫藥有限公司) (“**Fujian Huiming**”). Mr. Luo was graduated from Fujian Pharmaceutical School Adult Technical College[#] (福建醫藥學校成人中專) majoring in Chinese Medicine, and has more than 26 years of managerial experience in the sales of pharmaceutical products. Mr. Luo joined our Group in November 2008, and has been the general manager of Fujian Huiming since April 2012. Prior to joining our Group, Mr. Luo worked in several state-owned pharmaceutical enterprises in Ninghua County, Jianning County and Sanming City in Fujian Province since 1987 as salesman, deputy manager in procurement department, deputy manager in sales department, assistant to general manager and he was mainly responsible for the management of the procurement and sales of pharmaceutical products.

Mr. Chen Bing (“Mr. B. Chen”), aged 45, is the General Manager of Putian Huihao Medicine Co. Limited[#] (福建莆田惠好醫藥有限公司) (“**Putian Huihao**”). Mr. B. Chen was graduated from Northwest College for Nationalities[#] (西北民族學院) majoring in Business Enterprise Marketing, and has extensive operational management experience in the pharmaceutical industry. Mr. B. Chen joined our Group in December 2008. Prior to joining our Group, Mr. B. Chen worked in Zhangzhou Biochemistry Pharmaceutical Group Co. Limited[#] (漳州生物化學製藥集團有限公司) as the sales director from 2006 to 2007, responsible for managing the national sales business in the PRC.

Mr. Xu Jiwang (“Mr. Xu”), aged 42, is the General Manager of Huihao Medicine (Quanzhou) Co. Limited[#] (惠好醫藥(泉州)有限公司) (“**Quanzhou Huihao**”). Mr. Xu was graduated from Southwest Jiaotong University[#] (西南交通大學) specialising in Business Administration and has extensive operational management experience in the pharmaceutical industry. Mr. Xu joined our Group in January 2011. Prior to joining our Group, Mr. Xu worked in Fujian Province Pharmaceutical Limited Liability Company[#] (福建省醫藥有限責任公司) from August 1994 to November 2010, and served as the sales manager of the company, responsible for managing the sales of pharmaceutical products.

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羅新天先生(「羅先生」)，49歲，福建省惠明醫藥有限公司(「**福建惠明**」)總經理，畢業於福建醫藥學校成人中專中藥專業，擁有逾26年藥品銷售管理經驗。羅先生於二零零八年十一月加入本集團，自二零一二年四月至今一直擔任福建惠明總經理。加入本集團前，自一九八七年起，羅先生在福建省寧化縣、建寧縣及三明市之幾間國有醫藥企業工作，先後擔任銷售員、採購部副經理、銷售部副經理、總經理助理職務，主要負責藥品採購及銷售之管理。

陳兵先生(「陳兵先生」)，45歲，福建莆田惠好醫藥有限公司(「**莆田惠好**」)總經理，畢業於西北民族學院工商企業營銷專業，擁有豐富之醫藥行業經營管理經驗。陳兵先生於二零零八年十二月加入本集團。加入本集團前，陳兵先生於二零零六年至二零零七年任職於漳州生物化學製藥集團有限公司，擔任銷售總監，負責該公司於中國之全國銷售業務管理工作。

許基望先生(「許先生」)，42歲，惠好醫藥(泉州)有限公司(「**泉州惠好**」)總經理，畢業於西南交通大學工商管理專業，擁有豐富之醫藥行業經營管理經驗。許先生於二零一一年一月加入本集團。加入本集團前，許先生於一九九四年八月至二零一零年十一月任職於福建省醫藥有限責任公司，曾擔任公司銷售經理，負責藥品銷售管理。

Directors' and Senior Management's Profiles 董事及高級管理人員簡歷

Mr. Liu Zhao Liang ("Mr. Z. Liu"), aged 42, is the General Manager of Nanping Huihao (惠好醫藥(南平)有限公司) Mr. Z. Liu was graduated from Jilin University (吉林大學) majoring in Economics and has approximately 22 years operational management experience in the pharmaceutical industry. Mr. Z. Liu joined our Group since September 2014.

Mr. Chen Kaiping ("Mr. K. Chen"), aged 53, is the assistant to General Manager of Fuzhou Huihao and he is responsible for the quality control of the company. Mr. K. Chen was graduated from Fujian Province Pharmaceutical School# (福建省醫藥學校), and is a qualified pharmacist. Prior to joining our Group, Mr. K. Chen worked as manager of the quality control department in FHP Chain and as deputy director of the quality control department in FHP Company during the period from September 2003 to April 2008 and he was responsible for supervising the quality control of pharmaceutical products.

COMPANY SECRETARY

Mr. Tsang Wai Wa ("Mr. Tsang"), aged 55, has been appointed as the Company Secretary with effect from 30 September 2014. Mr. Tsang is a holder of a Bachelor degree in Finance and Accounting and a Master degree in Business Administration. He is a fellow member of the Chartered Association of Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. He has more than 20 years of professional experience in auditing, accounting, company secretary and corporate finance.

劉招良先生(「劉招良先生」), 42歲, 南平惠好(惠好醫藥(南平)有限公司)總經理。劉招良先生畢業於吉林大學經濟學專業, 擁有約22年之醫藥行業經營管理經驗。劉招良先生自二零一四年九月起加入本集團。

陳開平先生(「陳開平先生」), 53歲, 福州惠好總經理助理, 負責公司之質量管理。陳開平先生畢業於福建省醫藥學校, 持有執業藥劑師資格。加入本集團前, 陳開平先生自二零零三年九月至二零零八年四月先後擔任福建惠好醫藥連鎖質管部經理及福建惠好藥業公司之質管部副總監, 負責藥品質量監管工作。

公司秘書

曾偉華先生(「曾先生」), 55歲, 已獲委任為公司秘書, 由二零一四年九月三十日起生效。曾先生持有財務及會計學士學位以及工商管理碩士學位。彼為英國特許公認會計師公會資深會員及香港會計師公會會員。彼於審計、會計、公司秘書及企業財務方面擁有逾20年專業經驗。

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Environmental, Social and Governance Report

環境、社會及管治報告書

This is the first environmental, social and governance report prepared by the Group, which illustrates the Group's performance in the environmental, social and governance matters.

Environmental protection

The Group is committed to environmental protection and energy conservation. In the course of investment, construction and operation, the Group has consistently carried out the operation objective of "Benefiting the society and the populace" and focused on sustainable development. With speediness, reliability, precision and safety as its objective, the Group possesses advanced logistics equipment, warehousing facility and modernised ERP system, and is equipped with electronic tag, RF picking, tray storage and other modern equipment for its operation. The Group also introduced advanced IT programme management and technical support of modern information network and strived to facilitate paperless office and old stuff reuse.

Relationship with suppliers

While focusing on its self-development, the Group is also in pursuit of mutual advancement with its business partners. With the further implementation of new industrial policies, the cooperation between each party of the pharmaceutical supply chain is becoming increasingly closer. Interest-binding promotes the formation of strategic cooperation and alliance. We firmly believe that partners are the most reliable resources of the Group and that the development of the Group cannot be separated from that of its partners.

With career platform as its foundation and in the principle of sincere cooperation and mutual benefits, the Group gained the recognition and favour of suppliers with its quality merchandise and good services. It aims at realizing common value enhancement, common interests and a win-win situation of the parties.

本環境、社會及管治報告書為本集團首次編制，以就本集團對有關環境、社會及管治的事宜提供表現報告。

環境保護

本集團致力加強環境保護及節約資源，在投資、建設和經營過程中，始終貫徹「惠予社會，好及百姓」的經營宗旨，注重可持續發展。以快速、可信賴、精確、安全為目標，擁有先進的物流設備、倉儲設施以及現代化ERP系統，配備電子標籤、RF揀選、託盤存儲等現代化設備進行作業，並引進先進的IT程式管理和現代資訊網絡技術支持，並致力於推行無紙化辦公和舊物利用等事項。

與供應商的關係

本集團在注重自身發展的同時，也追求與合作方的共同進步；隨著行業新政策的進一步實施，醫藥供應鏈各方的合作要求也日趨緊密。利益捆綁形成了戰略合作與聯盟，我們深信，合作夥伴是集團最可信賴的資源，集團的發展離不開合作夥伴的發展。

集團以事業平臺為基礎，本著誠信合作、互惠互利的原則，以優質的商品和良好的服務獲得供應商的認同和青睞，以實現雙方價值共同提升，共用利益，共創多贏。

Environmental, Social and Governance Report

環境、社會及管治報告書

The Group established a long-term stable partnership with large and medium pharmaceutical manufacturers and suppliers in provinces and cities nationwide, with tens of thousands of cooperative varieties.

Customer service

The Group pays high attention to customer service quality and standard. The Group always takes “Provide customers with professional services, increase social wealth, facilitate common development among corporation partners and us under equitable relationship” as values to promote its business development. We are customer-oriented, fully observe and study customer needs, and constantly adjust products and business models to improve service quality. The entities under the Group have established a comprehensive customer management system. By increasing the frequency of visits to customers and strengthening communication with customers, feedback from customers can be obtained in a timely fashion, thereby achieving higher standard of customer services.

Compliance with laws and regulations

The Group fully complies with all laws and regulations and regularly monitors and gathers information about changes in laws, rules and regulations relevant to the Group’s businesses to ensure the Group’s observance of those applicable laws, rules and regulations, especially those which may have material impact on the Group.

The Group has been actively promoting policies for the prevention of legal risks, and the engagement of legal advisors and deepening the building of a system for in-house legal workflow is to consolidate its capability of compliance and corporate governance. The Group complies with the relevant laws and regulations such as the Pharmaceutical Administration Law of the People’s Republic of China, and Quality Administration Practice for Pharmaceutical Operation to operate its businesses.

集團與全國各省市大中型醫藥生產廠家和供應商建立了長期穩定的合作夥伴關係，合作品種數萬個。

客戶服務

本集團高度重視客戶服務的素質和水準。始終以“為顧客提供專業服務，為社會增加財富；用平等的關係，讓合作夥伴和我們共同發展”的價值觀推進集團業務發展，以客戶需求為導向，充分考察客戶需求，不斷調整產品和業務模式，提高服務素質，旗下企業均建立了完善的客戶管理體系，通過提高對客戶的拜訪率，與客戶加強溝通，及時獲得客戶回饋不斷提升客戶服務水準。

遵守法律及法規

本集團全面遵守各項法律法規、定期關注與搜集與本集團業務有關之法律、法規及規則的變動資訊，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。

本集團不斷推動企業法律風險防範機制、法律顧問制度和法律工作體系建設再深化，推動合規管理能力和依法治企能力的不斷提升。本集團經營業務，依循《中華人民共和國藥品管理法》、《藥品經營品質管理規範》等相關法律法規經營。

Staff

It has always been the Group's firm belief that staff is the most valuable resources and wealth of enterprise development. We respect and protect the interest of every staff, develop a good working environment for staff growth, adhere to our belief in "People-oriented, provide an equitable and open environment for talents to compete", provide staff with a sound development channel with ample training, care about staff's livelihood and support them to achieve their self-values. We strictly comply with the laws and regulations of Labour Contract Law, advocate staff equality and diversity, implement market competitive remuneration and benefit system, concern about staff's occupational health and safety, and established a comprehensive labour relationship management system. Under the objectives of open communication, norm transparency and win-win mutual benefits, we established a mutual-reliance relationship with staff to jointly promote the enterprise's continuous and health development.

Policy on remuneration and benefit

As of 31 March 2016, the Company and its subsidiaries employed a total of 1,137 employees. The Group has established a comprehensive management system of remuneration, motivation and performance appraisal. Salary is commensurate with employees' position value, competence and performance and with reference to the prevailing market conditions. Staff performance is assessed in an appropriate manner and the outcome of which will be reflected in remuneration and promotion. The Group holds the health and well-being of its employees in high regard by providing them with benefits in kind such as provident fund, medical insurance, social pension insurance, education allowances and training programmes.

員工

本集團一直堅信員工是企業發展的寶貴資源和財富，尊重和保障每一位員工的權益，為員工成長營造良好的工作環境，堅持「以人為本，提供公平開放的人才競爭環境」用人理念，為員工提供豐富的培訓和健全的發展通道，關心員工生活，助力員工實現自我價值。我們嚴格遵守《勞動合同法》等法律法規，宣導員工平等與多元化，推行具有市場競爭力的薪酬福利制度，關注員工職業健康與安全，建立完善的勞動關係管理制度。在坦誠溝通、規範透明、利益共贏的宗旨下，和員工建立相互信賴的關係，共同推進企業持續、健康地發展。

薪酬福利政策

截至二零一六年三月三十一日，本公司及附屬企業共聘用1,137名員工。本集團建立了完善的薪酬管理、激勵機制和績效管理體系。員工的薪酬乃根據其崗位價值、能力及工作表現，並參考市場趨勢而厘定。每年度均會對員工的工作表現給予恰當的評價，並將評價結果與薪酬、職位晉升等掛鉤。本集團重視員工的健康及福祉，彼等享有各項福利包括公積金、醫療保險、社會養老保險、教育津貼及培訓計畫。

Development and training

The Group puts a strong emphasis on the recruitment and nurturing of talents. During 2016, the Group stepped up the recruitment of management personnel and professionals in the logistics sector based on its development strategies and business development requirements, in a bid to strengthen its management and professional teams and optimise its staff mix. The Group also places a strong emphasis on the training and appointment of internal staff, whereby crucial employees who deliver outstanding performance at work and show potential for development are promoted to key positions of the Group.

The Group places a strong emphasis on staff training, and encourages staff to enhance their abilities through continuous training by the participation in various development and training programmes to be provided by the Group on a yearly basis, so as to build a high-calibre team of management personnel and professionals compatible with the Group's business development.

The Group has compiled a staff manual and distributed to its staff. The staff manual sets out the development history, structure, future planning and corporate culture of the Group as well as the conduct, rights and benefits of the staff.

Safety and health

The Group is always committed to providing a safe, efficient and comfortable workplace for its staff. Through rational arrangements, training and guidelines as well as the provision of physical check-ups and education on occupational health, the Group strives to ensure good health of its staff and provide a good working environment.

發展及培訓

本集團重視吸納和培養人才。二零一六年，本集團根據發展戰略和業務發展需要，加快引進管理人才和物流專業人才，充實管理團隊和專業人才隊伍，優化人才結構。同時，本集團重視內部人才的培養使用，不斷從工作表現優良、具有發展潛力的骨幹員工中選拔人才到本集團的重要崗位任職。

本集團重視員工培訓，每年度均為員工制定各項培訓計畫，鼓勵員工通過培訓持續提升自身質素，以打造一支適應本集團業務發展的高質素管理團隊和專業隊伍。

本集團已制定員工手冊並分發予員工，員工手冊中列明本集團的發展歷程、架構、未來規劃、企業文化理念以及員工的操守、權利、福利等重要資訊。

安全與健康

本集團始終致力為員工提供安全、高效及舒適的工作環境。本集團通過合理安排、各項培訓及安全指引，以及向員工提供各種職業健康體檢及教育資訊，確保員工健康和具有良好的工作環境。

CORPORATE GOVERNANCE PRACTICES

Wanjia Group Holdings Limited (the “**Company**”) acknowledges the need and importance of corporate governance as one of the key elements in creating shareholders’ value. The Company is also committed to achieving high standard of corporate governance that can properly protect and promote the interests of all shareholders and to enhance corporate value and accountability of the Company.

The Company strived to maintain a high standard of corporate governance and complied with the Corporate Governance Code (the “**CG Code**”) as stated in Appendix 14 of the Rules Governing the Listing Securities on Main Board (the “**Listing Rules**”) of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company has adopted the code provisions in the CG Code as its own code of corporate governance. Save as the deviation from the code provision A.2.1, separation of roles of Chairman and Chief Executive Officer pursuant to code provision A.2.1 as disclosed in the section “Chairman and Chief Executive Officer”. The board of directors (the “**Board**”) considers that the Company was in compliance with all applicable code provisions set out in the CG Code from 11 October 2013, being the date of listing of the Company, to the date of this report.

企業管治常規

萬嘉集團控股有限公司（「**本公司**」）確信企業管治為創造股東價值之必要及重要元素之一。本公司亦努力達致高水平之企業管治，以適當保障及提升全體股東利益，同時提高企業價值及本公司之問責性。

本公司致力維持高標準之企業管治並遵守香港聯合交易所有限公司（「**聯交所**」）主板證券上市規則（「**上市規則**」）附錄十四所訂明之企業管治守則（「**企業管治守則**」）。

本公司已採納企業管治守則內之守則條文作為其本身之企業管治守則。除如「主席及行政總裁」一節所披露偏離守則條文第A.2.1條，根據守則條文第A.2.1條主席及行政總裁之角色應予以區分外，董事會（「**董事會**」）認為本公司由二零一三年十月十一日（即本公司上市日期）至本報告日期一直遵守企業管治守則所載之所有適用守則條文。

A. THE BOARD OF DIRECTORS

The overall management of the Company's operation is vested in the Board.

The Board takes responsibility to oversee all major matters of the Company, including the formulation and approval of all policy matters, overall strategies, internal control and risk management systems, and monitoring of the performance of the senior management. The directors of the Company ("Directors") make decisions objectively in the interests of the Company. Currently, the Board comprises five Directors, including two executive directors and three independent non-executive directors:

Executive Directors

Mr. Yung Ka Chun

(resigned on 20 April 2015)

Mr. Chen Jinshan

Ms. Shum Ngai Pan

(appointed on 20 April 2015)

Ms. Yung Ka Lai

(appointed on 5 August 2015)

Independent Non-Executive Directors

Mr. Liang Yichi

Mr. Wong Hon Kit

Dr. Liu Yongping

Their biographical details and relationships among the board members, if any are set out in the section entitled "Directors' and Senior Management's Profile" in the annual report.

A. 董事會

本公司業務之整體管理由董事會負責。

董事會負責監督本公司所有重大事宜，包括制訂及批准所有政策事宜、整體策略、內部監控及風險管理制度，並監察高級管理人員表現。本公司董事（「董事」）須在符合本公司利益之前提下作出客觀決定。目前，董事會由五名董事（包括兩名執行董事及三名獨立非執行董事）組成：

執行董事

翁嘉晉先生

（於二零一五年四月二十日辭任）

陳金山先生

沈毅斌女士

（於二零一五年四月二十日獲委任）

翁嘉麗女士

（於二零一五年八月五日獲委任）

獨立非執行董事

梁一池先生

黃漢傑先生

劉勇平博士

彼等之履歷詳情及董事會成員之間之關係（如有）載於年報「董事及高級管理人員簡歷」一節。

Environmental, Social and Governance Report

環境、社會及管治報告書

The Board delegates the authority and responsibility for implementing day-to-day operations, business strategies and management of the Group's businesses to the executive Directors, senior management and certain specific responsibilities to the Board committees.

Chairman and Chief Executive Officer

Code provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. After former Chairman Mr. Weng Jiaying resigned from the Company, there is no position of the chairman and chief executive officer up to the date of the report.

The Company will, from time to time, review the effectiveness of the Group's corporate governance structure and consider whether any changes, including the establishment of the roles of the chairman and chief executive officer.

Appointments, Re-election and Removal of Directors

Each of the executive Directors and independent non-executive Directors has entered into a service contract or letter of appointment with the Company for a specific term. Such term is subject to his or her re-appointment by the Company at an annual general meeting upon such Director's retirement and offering himself for re-election.

In accordance with the Bye-laws of the Company, one-third of the Directors who have been longest in office since their last election or re-election are also subject to retirement by rotation at the annual general meeting. All retiring directors are eligible for re-election.

董事會將實行日常營運、業務策略及本集團業務管理之權力及責任委派予執行董事、高級管理人員，並將若干特定責任委派予董事會轄下委員會。

主席及行政總裁

守則條文第A.2.1條規定，主席與行政總裁之角色應有區分，並不應由同一人兼任。於前任主席翁加興先生辭任本公司職務之後，截至本報告日期，並無主席兼行政總裁之職位。

本公司將不時檢討本集團之企業管治架構之成效，並考慮是否有必要作出任何變動，包括區分主席及行政總裁職務之確立。

委任、重選及罷免董事

各執行董事及獨立非執行董事均與本公司訂立有特定期限之服務合約或委任書，惟有關期限須受有關董事退任及願意膺選連任時，於股東週年大會上彼等獲本公司重新委任所規限。

根據本公司之公司細則，自上一次選舉或重選以來任期最長之三分之一之董事亦須在股東週年大會上輪值告退。所有退任董事均符合資格膺選連任。

Independent Non-Executive Directors

In compliance with Rule 3.10 of the Listing Rules, the Company has appointed three independent non-executive Directors, one of whom namely Mr. Wong Hon Kit possesses the appropriate professional qualifications in accounting and financial management. Each of the three independent non-executive Directors has confirmed his independence of the Company and the Company considers each of them to be independent in accordance with the guidelines of assessing independence as set out in Rule 3.13 of the Listing Rules. Each of the three independent non-executive Directors has signed a letter of appointment with the Company for a specific term of three years.

Training and Support for Directors

The Company encourages the Directors to participate in professional development courses and seminars to develop and refresh their knowledge and skills.

Effective from 11 October 2013, the date of listing of the Company, up to the date of this report, regulatory updates and relevant materials on amendments of the Listing Rules have been sent to the Directors for their awareness of the latest development on regulatory requirements. Training records of each Director will also be kept.

Number of Meetings and Directors' Attendance

CG Code provision A.1.1 prescribes that at least four regular Board meetings should be held each year at approximately quarterly intervals with active participation of a majority of the Directors, either in person or through other electronic means of communication.

During the year ended 31 March 2016, the Board has held 9 meetings. All executive Directors and independent non-executive Directors attended the meeting. The Board will schedule to have at least four regular meetings in a year.

獨立非執行董事

本公司已遵守上市規則第3.10條委任三名獨立非執行董事，其中一名（黃漢傑先生）具有會計及財務管理方面之適當專業資格。三名獨立非執行董事各自已確認彼等對本公司之獨立性，而本公司認為根據上市規則第3.13條所載評估獨立性指引，彼等均具備獨立性。三名獨立非執行董事各自已與本公司簽署委任書，特定任期為三年。

董事培訓及支援

本公司鼓勵董事參與專業發展課程及講座，以發展及更新其知識及技能。

由二零一三年十月十一日（本公司上市日期）起至本報告日期，規管更新及上市規則修訂之相關資料已送交董事，令彼等獲悉規管規定之最新發展。各董事之培訓記錄亦予以保存。

會議次數及董事出席率

企業管治守則條文第A.1.1條規定，每年應最少舉行四次定期董事會會議，大致上每季舉行一次，並由大多數董事（親身出席或通過其他電子通訊方式）積極參與。

於截至二零一六年三月三十一日止年度，董事會已舉行九次會議。全體執行董事及獨立非執行董事均出席會議。董事會將計劃每年最少舉行四次定期會議。

Environmental, Social and Governance Report

環境、社會及管治報告書

Attendance record of each director at the meetings of the Board together with the meetings of the Audit, Remuneration and Nomination and Corporate Governance Committee during the year ended 31 March 2016 are set out below.

於截至二零一六年三月三十一日止年度，各董事出席董事會會議，連同審核、薪酬及提名及企業管治委員會會議之記錄載列如下。

Name of directors	董事姓名	Attendance/Number of Meetings 出席次數／會議次數			
		Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination and Corporate Governance Committee 提名及企業管治委員會
Executive directors 執行董事					
Mr. Yung Ka Chun	翁嘉晉先生	N/A不適用	N/A不適用	N/A不適用	N/A不適用
Mr. Chen Jin Shan	陳金山先生	9/9	N/A不適用	N/A不適用	N/A不適用
Ms. Shum Ngai Pan [⊗]	沈毅斌先生 [⊗]	6/9	N/A不適用	2/3	N/A不適用
Ms. Yung Ka Lai [^]	翁嘉麗女士 [^]	4/9	N/A不適用	N/A不適用	N/A不適用
Independent non-executive directors 獨立非執行董事					
Mr. Liang Yichi	梁一池先生	9/9	4/4	N/A不適用	2/2
Mr. Wong Hon Kit	黃漢傑先生	9/9	4/4	3/3	2/2
Dr. Liu Yongping	劉勇平博士	9/9	4/4	3/3	2/2

[⊗] 8 Board meetings and 2 Remuneration Committee meeting were held after her appointment on April 2015

[⊗] 於彼於二零一五年四月獲委任後舉行八次董事會會議及兩次薪酬委員會會議

[^] 4 Board meetings were held after her appointment on 5 August 2015

[^] 於彼於二零一五年八月五日獲委任後舉行四次董事會會議

Directors' and Officers' Insurance

The Company has arranged for appropriate liability insurance for the Directors to cover their liabilities arising out of corporate activities.

Compliance with the Model Code for Directors' Securities Transactions

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") since 11 October 2013, being the date of listing of the Company, up to the date of this report.

The Company has adopted the Model Code as its model code for securities transactions by Directors. Having made specific inquiries, all the Directors confirmed that they have complied with the Model Code up to the date of this report.

Board Committees

The Board has established an Audit Committee, Remuneration Committee and Nomination and Corporate Governance Committee (collectively "Board Committees") with defined terms of reference. The terms of reference of the Board Committees are posted on the websites of the Company and the Stock Exchange. The Board Committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense.

董事及高級人員之保險

本公司已安排適當責任保險，供董事應付因公司活動而產生之責任。

遵守董事進行證券交易之標準守則

自二零一三年十月十一日（即本公司上市日期）起至本報告日期，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」）。

本公司已採納標準守則作為董事進行證券交易之標準守則。於作出具體查詢後，全體董事確認其至本報告日期已遵守標準守則。

董事委員會

董事會已成立審核委員會、薪酬委員會及提名及企業管治委員會（統稱「董事委員會」），並具有明確職權範圍。董事委員會之職權範圍已於本公司及聯交所網站內刊登。董事委員會已獲提供充裕資源以履行其職責，並在經合理要求後可在適當情況下尋求獨立專業意見，費用由本公司承擔。

Environmental, Social and Governance Report

環境、社會及管治報告書

Audit Committee

The Audit Committee was established on 24 September 2013 with written terms of reference in compliance with Rule 3.2.1 of the Listing Rules and a copy of which is posted on the website of the Company and the Stock Exchange. The Audit Committee's current members include:

Mr. Wong Hon Kit (*Chairman*)

Mr. Liang Yichi

Dr. Liu Yongping

All of the committee members are independent non-executive Directors. The primary duties of the Audit Committee include, but are not limited to:

- (a) reviewing and monitoring the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standard;
- (b) monitoring integrity of financial statements of the Company and the Company's annual report and accounts, half-year report and if prepared for publication, quarterly reports;
- (c) reviewing the Company's financial controls, risk management and internal control systems;
- (d) reporting to the Board on the matters set out in the code provisions as stated in Appendix 14 to the Listing Rules.

The Audit Committee shall hold at least four regular meetings in a year to review and discuss the two quarterly, interim and annual financial statements of the Company. Additional meetings of the Audit Committee may be held as and when required.

The Audit Committee shall meet with the external auditor at least twice a year. The external auditor may request a meeting if they consider necessary.

審核委員會

審核委員會已於二零一三年九月二十四日成立，並具有符合上市規則第3.2.1條之書面權責範圍，其副本於本公司及聯交所網站刊登。審核委員會之現有成員包括：

黃漢傑先生 (主席)

梁一池先生

劉勇平博士

所有委員會成員均為獨立非執行董事。審核委員會之主要職責包括但不限於：

- (a) 根據適用準則審閱及監督外聘核數師之獨立性及客觀性以及核數程序之有效性；
- (b) 監督本公司財務報表及本公司年報及賬目、半年報告及（如編製以供刊發）季度報告之完整性；
- (c) 審閱本公司之財務監控、風險管理及內部監控系統；
- (d) 就上市規則附錄十四所列之守則條文所載之事宜向董事會報告。

審核委員會每年將最少舉行四次定期會議，以審閱及討論本公司之兩個季度、中期及全年財務報表。審核委員會可於有需要時舉行額外會議。

審核委員會每年與外聘核數師最少開會兩次。外聘核數師可於彼認為有需要時要求開會。

Environmental, Social and Governance Report

環境、社會及管治報告書

During the year ended 31 March 2016, the Audit Committee held four meetings.

The Audit Committee has reviewed with management and the Group's auditor the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters for the year ended 31 March 2016. The Audit Committee has also reviewed the annual results for the year ended 31 March 2016.

The accounts for the year were audited by HLB Hodgson Impey Cheng Limited whose term of office will expire upon the forthcoming annual general meeting. The Audit Committee has recommended to the Board that HLB Hodgson Impey Cheng Limited be nominated for appointment as the auditors of the Company at the forthcoming annual general meeting.

Remuneration Committee

The Remuneration Committee was established on 24 September 2013 with written terms of reference in compliance with Rule 3.25 of the Listing Rule and a copy of which is posted on the website of the Company and the Stock Exchange. The Remuneration Committee's current members include:

Mr. Wong Hon Kit (*Chairman*)

Dr. Liu Yongping

Mr. Yung Ka Chun (appointed on 10 October 2014 and resigned on 20 April 2015)

Ms. Shum Ngai Pan (appointed on 20 April 2015)

截至二零一六年三月三十一日止年度，審核委員會已舉行四次會議。

截至二零一六年三月三十一日止年度，審核委員會已與管理層及本集團之核數師一同審閱本集團採納之會計原則及常規，並討論內部監控及財務申報事宜。審核委員會亦已審閱截至二零一六年三月三十一日止年度之全年業績。

本年度之賬目經由國衛會計師事務所有限公司審核，其任期將於即將舉行之股東週年大會上屆滿。審核委員會建議董事會提名國衛會計師事務所有限公司於即將舉行之股東週年大會上獲委任為本公司核數師。

薪酬委員會

薪酬委員會已於二零一三年九月二十四日成立，並具有符合上市規則第3.25條之書面權責範圍，其副本於本公司及聯交所網站刊登。薪酬委員會之現有成員包括：

黃漢傑先生 (*主席*)

劉勇平博士

翁嘉晉先生 (於二零一四年十月十日獲委任及於二零一五年四月二十日辭任)

沈毅斌女士 (於二零一五年四月二十日獲委任)

The majority of the members are independent non-executive Directors. The Remuneration Committee reviews the remuneration package of the executive Directors, independent non-executive Directors and senior management, and makes appropriate recommendations to the Board. Staff remuneration is determined by the Group's management by reference to the individual staff's qualifications, work experience, performance and prevailing market conditions.

The Remuneration Committee shall meet once during the financial year. During the meeting, the Remuneration Committee will review the remuneration packages of the executive Directors, independent non-executive Directors and senior management.

The Remuneration Committee held three meetings during the year ended 31 March 2016.

Nomination and Corporate Governance Committee

The Nomination and Corporate Governance Committee was established in 24 September 2013 with written terms of reference in compliance with paragraph A.5.1 and D.3.1 of Appendix 14 to the Listing Rule and a copy of which is posted on the website of the Company and the Stock Exchange. The Nomination and Corporate Governance Committee's current members include:

Mr. Liang Yichi
Mr. Wong Hon Kit
Dr. Liu Yongping

大多數委員為獨立非執行董事。薪酬委員會審閱執行董事、獨立非執行董事及高級管理人員之薪酬待遇，並向董事會作出適當建議。員工薪酬由本集團之管理層參考個別員工之資格、工作經驗、表現及現行市況後釐定。

薪酬委員會於財政年度內須舉行一次會議。薪酬委員會將於會上審閱執行董事、獨立非執行董事及高級管理人員之薪酬待遇。

截至二零一六年三月三十一日止年度，薪酬委員會已舉行三次會議。

提名及企業管治委員會

提名及企業管治委員會已於二零一三年九月二十四日成立，並具有符合上市規則附錄十四第A.5.1及D.3.1段之書面權責範圍，其副本於本公司及聯交所網站刊登。提名及企業管治委員會之現有成員包括：

梁一池先生
黃漢傑先生
劉勇平博士

Environmental, Social and Governance Report

環境、社會及管治報告書

The members are independent non-executive Directors. The primary duties of the nomination and corporate governance committee include, but are not limited to:

- (a) reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and making recommendations to the Board regarding any proposed changes;
- (b) identifying individuals suitably qualified to become members of the Board and selecting or making recommendations to the Board on the selection of, individuals nominated for directorship;
- (c) making recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors in particular the chairman of the Board and the chief executive officer of the Company; and
- (d) keeping the effectiveness of the corporate governance and system of internal controls of the Group.

The Nomination and Corporate Governance Committee shall meet once during the financial year. During the meeting, the Nomination and Corporate Governance Committee will review the structure and composition (including the skills, knowledge and experience) of the Board.

The Nomination and Corporate Governance Committee held two meetings during the year ended 31 March 2016.

委員為獨立非執行董事。提名及企業管治委員會之主要職責包括但不限於：

- (a) 定期檢討董事會架構、人數及組成（包括技能、知識及經驗），並就任何建議變動向董事會提出建議；
- (b) 物色具合適資格擔任董事會成員之人選，並選擇提名董事之人選或向董事會推薦有關人選之選擇；
- (c) 就董事委任或重新委任及董事（尤其是董事會主席及本公司行政總裁）繼任計劃之有關事宜向董事會提出建議；及
- (d) 維持本集團之企業管治及內部監控系統之有效性。

提名及企業管治委員會於財政年度內須舉行一次會議。提名及企業管治委員會將於會上審閱董事會之架構及組成（包括技能、知識及經驗）。

截至二零一六年三月三十一日止年度，提名及企業管治委員會已舉行兩次會議。

Conflict of Interest

If a Director has a conflict of interest in relation to a transaction or proposal to be considered by the Board, the individual is required to declare such interest and to abstain from voting. The matter is considered at a Board meeting attended by Directors who have no material interest in the transaction.

The Group also adopted certain internal control policies to manage potential conflicts of interest.

Company Secretary

Mr. Tsang Wai Wa (“**Mr. Tsang**”), the company secretary of the Company, is a full time employee of the Group and has day-to-day knowledge of the Company’s affairs. Mr. Tsang duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules. The biographical details of the company secretary is set out in the section entitled “Directors and Senior Management Profile” in the annual report.

B. FINANCIAL REPORTING AND INTERNAL CONTROL

Financial Reporting

The Board, supported by the financial controller and the finance and accounts department of the Company are responsible for the preparation of accounts for each financial period which give a true and fair view of the state of affairs of the Group. In preparing the accounts for the year ended 31 March 2016, the Directors have selected suitable accounting policies and applied them consistently, adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards, made adjustments and estimates that are prudent and reasonable, and have prepared the accounts on a going concern basis. The Directors are also responsible for keeping proper accounting records which reflect the financial information of the Group with reasonable accuracy.

利益衝突

倘董事於董事會將予考慮之交易或建議中有利益衝突，該名人士須申報有關利益，並放棄投票。有關事項由於交易中並無重大利益之董事出席之董事會會議上審議。

本集團亦採納若干內部監控政策以管理潛在利益衝突。

公司秘書

本公司之公司秘書曾偉華先生（「**曾先生**」）為本集團之全職僱員，並知悉本公司之日常事務。曾先生已妥為遵守上市規則第3.29條項下之相關專業培訓規定。公司秘書之履歷詳情載於本年報「董事及高級管理人員簡歷」一節。

B. 財務申報及內部監控

財務申報

董事會在本公司財務總監及財政及會計部支援下，負責編製各財務期間之賬目，以真實公平地反映本集團之事務狀況。於編製截至二零一六年三月三十一日止年度之賬目時，董事已選擇適用之會計政策並貫徹應用、採納適當之香港財務報告準則及香港會計準則、作出審慎而合理之調整及估計，以及按持續經營基準編製賬目。董事亦負責保留適當會計記錄，以在合理準確程度下反映本集團之財務資料。

External Auditor's Remuneration

HLB Hodgson Impey Cheng Limited has been appointed as the Company's external auditor since the Company's incorporation. The Audit Committee has been notified of the nature and the service charges of non-audit services performed by HLB Hodgson Impey Cheng Limited and considered that these non-audit services have no adverse effect on the independence of the auditor. There was no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of the external auditor.

The remuneration paid to the Company's external auditor, HLB Hodgson Impey Cheng Limited, in respect of audit services and non-audit services for the year ended 31 March 2016 is set out below:

Nature of services	服務性質	Amount (HK\$'000) 金額 (千港元)
Audit services	審核服務	987

Internal Control and Risk Management Systems

The Group's internal control and risk management systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss and manage rather than eliminate risks of failure in operational systems. In 2015, the Board, through the Audit Committee, has reviewed and is satisfied with the effectiveness and adequacy of the internal control and risk management systems of the Group.

The Board will review the adequacy of resources, staff qualifications and experience training programmes and budget of the Company's accounting and financial reporting function annually.

外聘核數師薪酬

國衛會計師事務所有限公司自本公司註冊成立起獲委任為本公司之外聘核數師。審核委員會已獲悉由國衛會計師事務所有限公司進行非審核服務之性質及服務費，並認為該等非審核服務對核數師之獨立性並無不利影響。董事會與審核委員會在甄選、委任、辭退或罷免外聘核數師方面並無意見分歧。

截至二零一六年三月三十一日止年度，就審核服務及非審核服務而已付予本公司外聘核數師國衛會計師事務所有限公司之薪酬載列如下：

內部監控及風險管理系統

本集團之內部監控及風險管理系統旨在合理地（但並非絕對地）保證並無重大失實陳述或損失，並管理（但並非完全消除）本集團營運系統失誤的風險。於二零一五年，透過審核委員會，董事會已審閱並信納本集團之內部監控及風險管理系統屬有效且充分。

董事會將每年檢討資源是否充足、本公司會計及財務申報部門員工之資歷及經驗以及其培訓計劃及預算。

C. COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company believes that effective communication with shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Group also recognises the importance of transparency and timely disclosure of corporate information, which enable shareholders and investors to make appropriate investment decisions.

The members of the Board, Board Committees and the external auditor are present to answer shareholders' questions in the annual general meeting of the Company. Meeting circulars are distributed to all shareholders before the annual general meeting and special general meetings in accordance with the timeline requirement as laid down in the Listing Rules and the bye-laws of the Company. All the resolutions proposed to be approved at the general meetings will be taken by poll and poll voting results will be published on the websites of the Stock Exchange and the Company after the meetings.

As a channel to promote effective communication, the Group maintains a website where information on the Company's announcements, financial information and other information are posted. Shareholders and investors may write directly to the Company at its principal place of business in Hong Kong with any inquiries.

C. 與股東及投資者溝通

本公司相信與股東有效溝通對促進投資者關係及對投資者了解本集團之業務表現及策略而言甚為重要。本集團亦深明公司資料透明度及適時披露之重要性，此舉令股東及投資者可作出適當投資決定。

董事會成員、董事委員會委員與外聘核數師出席本公司股東週年大會回答股東提問。大會通函按照上市規則及本公司之公司細則所規定之時限，於股東週年大會及股東特別大會前派發予全體股東。全部提呈並將於股東大會上審批之決議案將以投票方式進行表決，投票結果將於大會後在聯交所及本公司網站內刊登。

作為促進有效溝通之渠道，本集團設有網站，以刊登有關本公司之公佈、財務資料以及其他資料之資料。股東及投資者可以書面方式寄往本公司之香港主要營業地點，直接向本公司查詢。

D. SHAREHOLDERS' RIGHTS

Shareholders are provided with contact details of the Company, such as telephone number, fax number, email address and postal address, in order to enable them to make any query that they may have with respect to the Company. They can also send their enquiries to the Board through these means. In addition, shareholders can contact the share registrar of the Company, if they have any enquires about their shareholdings.

All resolutions put forward at shareholder meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Stock Exchange and the Company after each shareholder meeting.

Pursuant to the Bye-Laws of the Company, the Board may whenever it thinks fit call special general meetings, and the 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 to the Board or the company secretary, 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 months after the deposit of such requisition.

E. CONSTITUTIONAL DOCUMENTS

There was no change in the Company's constitutional documents since incorporation on 9 July 2012 and up to 31 March 2016.

D. 股東權利

本公司向股東提供聯絡資料，如電話號碼、傳真號碼、電郵地址及郵寄地址，以便股東提出任何有關本公司之查詢。彼等亦可以透過此等方法向董事會提出查詢。此外，股東如有任何有關其股權之查詢，可以聯絡本公司之股份過戶登記處。

股東大會上提呈之所有決議案將根據上市規則以投票方式表決，投票結果將於各股東大會結束後於聯交所及本公司網站公佈。

根據本公司之公司細則，董事會可於其認為合適時召開股東特別大會，及任何於遞呈要求日期持有不少於本公司繳足股本（附帶於本公司股東大會表決權利）十分之一之股東，於任何時候均有權透過向董事會或公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中列明之任何事項，而有關大會須於遞呈有關要求後兩個月內舉行。

E. 憲章文件

自二零一二年七月九日註冊成立起至二零一六年三月三十一日，本公司之憲章文件並無變動。

Environmental, Social and Governance Report

環境、社會及管治報告書

Over the years, the Group has been holding the operation vision of “Honesty and morality go first”, adhere to the operation objective of “Benefiting the society and the populace” to provide healthy products and services as its mission, conduct capital expansion as its measures, and supported by corporate culture construction. The Group’s market size is expanding gradually and is building a leading service brand image within the industry to become a leading pharmaceutical distribution model enterprise in Fujian with core competitiveness.

多年來，集團秉承「誠信為本，道義為先」的經營理念，堅持「惠予社會，好及百姓」的經營宗旨，以提供健康產品與服務為使命，以資本擴張為手段，以企業文化建設為支撐，市場規模不斷擴展，樹立起行業內領先服務的品牌形象，成為具有核心競爭力的福建醫藥流通領先型標杆企業。

Report of the Directors

董事會報告

The board of directors (the “**Board**”) of Wanjia Group Holdings Limited (the “**Company**”) has pleasure in presenting to the shareholders of the Company (the “**Shareholders**”) its report together with the audited financial statements of the Company and its subsidiaries (together the “**Group**”) for the year ended 31 March 2016.

DATE OF INCORPORATION

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands on 9 July 2012 under the Companies Law of the Cayman Islands.

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) by way of introduction on 11 October 2013.

PRINCIPAL ACTIVITIES

The Company is an investment holding company while its subsidiaries are principally engaged in pharmaceutical wholesales and distribution and pharmaceutical retail chain business in the People’s Republic of China (the “**PRC**”). Details of the principal activities of its subsidiaries are set out in Note 24 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2016 and the state of the Group’s affairs as at 31 March 2016 are set out in the consolidated financial statements on pages 65 to 68 of this report.

The Board does not recommend the payment of any final dividend for the year ended 31 March 2016.

萬嘉集團控股有限公司(「**本公司**」)之董事會(「**董事會**」)欣然向本公司股東(「**股東**」)提呈其報告連同本公司及其附屬公司(統稱為「**本集團**」)截至二零一六年三月三十一日止年度之經審核財務報表。

註冊成立日期

本公司於二零一二年七月九日根據開曼群島公司法在開曼群島註冊成立及登記為獲豁免有限公司。

本公司股份於二零一三年十月十一日以介紹方式於香港聯合交易所有限公司(「**聯交所**」)主板上市。

主要業務

本公司為一間投資控股公司，而其附屬公司主要於中華人民共和國(「**中國**」)從事藥品批發及分銷業務及藥品零售連鎖店業務。本公司附屬公司之主要業務詳情載於綜合財務報表附註24。

業績及股息

本集團截至二零一六年三月三十一日止年度之業績及本集團於二零一六年三月三十一日之事務狀況載於本報告第65至68頁之綜合財務報表。

董事會並不建議派發截至二零一六年三月三十一日止年度之任何末期股息。

SUMMARY OF FINANCIAL INFORMATION

A summary of the published results, assets and liabilities of the Group for five financial years, as extracted from the audited consolidated financial statements, is set out on page 212 of this report. The summary does not form part of the audited consolidated financial statements.

INVESTMENT PROPERTIES

The Group did not further invest in investment property during the year. Details of the movements in investment properties of the Group during the year are set out in note 20 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

The Group acquired property, plant and equipment at cost of approximately HK\$3.957 million during the year. Details of the movements in property, plant and equipment of the Group during the year are set out in note 18 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the Company's share capital during the year are set out in note 36 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 37 to the consolidated financial statements and in the consolidated statement of changes in equity on page 69 respectively.

PRE-EMPTIVE RIGHTS

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

財務資料概要

摘錄自經審核綜合財務報表之五個財政年度之本集團已刊發業績、資產及負債概要載於本報告第212頁。該概要並不構成經審核綜合財務報表之一部份。

投資物業

本集團於年內並無進一步投資投資物業。本集團於年內之投資物業變動詳情載於綜合財務報表附註20。

物業、廠房及設備

本集團於年內以約3,957,000港元之成本收購物業、廠房及設備。本集團物業、廠房及設備於年內之變動詳情載於綜合財務報表附註18。

股本

本公司於年內之股本變動詳情載於綜合財務報表附註36。

儲備

本公司及本集團於年內之儲備變動詳情分別載於綜合財務報表附註37及第69頁之綜合權益變動表內。

優先購股權

本公司之組織章程細則或開曼群島法例並無有關本公司須向現有股東按比例提呈新股份之優先購股權之規定。

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

During the year ended 31 March 2016, there were no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries.

MAJOR CUSTOMERS AND SUPPLIERS

The Group's largest customer accounted for approximately 5.91% of the Group's revenue and the Group's five largest customers in aggregate accounted for approximately 16.78%.

For the year ended 31 March 2016, the aggregate amount of purchases attributable to the Group's five largest suppliers represented approximately 27.33% of the Group's total value of purchases. The Group's largest supplier accounted for approximately 7.59% of the Group's total value of purchases.

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

DIRECTORS

The directors of the Company (the "Directors") during the year and up to the date of this report were:

Executive directors:

Mr. Yung Ka Chun (resigned on 20 April 2015)
Mr. Chen Jinshan
Ms. Shum Ngai Pan (appointed on 20 April 2015)

Ms. Yung Ka Lai (appointed on 5 August 2015)

Independent non-executive directors:

Mr. Liang Yichi
Mr. Wong Hon Kit
Dr. Liu Yongping

購買、出售或贖回本公司上市證券

截至二零一六年三月三十一日止年度內，本公司或其任何附屬公司並無購買、出售或贖回本公司之上市證券。

主要客戶及供應商

本集團之最大客戶佔本集團收益之約5.91%，而本集團之五大客戶合共佔約16.78%。

截至二零一六年三月三十一日止年度，本集團之五大供應商應佔之採購總額佔本集團採購總值之約27.33%。本集團之最大供應商佔本集團採購總值之約7.59%。

董事、彼等之聯繫人士或就董事所知擁有本公司已發行股本超過5%之任何股東，於本集團五大客戶及供應商之股本中概無擁有任何權益。

董事

於年內及截至本報告日期之本公司董事（「董事」）如下：

執行董事：

翁嘉晉先生（於二零一五年四月二十日辭任）
陳金山先生
沈毅斌女士
（於二零一五年四月二十日獲委任）
翁嘉麗女士（於二零一五年八月五日獲委任）

獨立非執行董事：

梁一池先生
黃漢傑先生
劉勇平博士

In accordance with Article 83(3) of the Company's Articles of Association, Ms. Yung Ka Lai, the executive director of the Company, will retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

In accordance with Article 84 of the Company's Articles of Association, Mr. Liang Yichi and Mr. Chen Jinshan, the independent non-executive director and the executive director of the Company, will retire and, being eligible, offer themselves for re-election at the forth coming annual general meeting.

All other Directors will continue in office.

The biographical details of the directors and senior management are set on pages 18 to 22 of this annual report. Details of the emoluments of the directors and the five highest paid individuals are set out in Notes 14 and 15 to the consolidated financial statements, respectively.

The Company has received, from each of the independent non-executive Directors, a confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors are independent.

DIRECTORS' SERVICE CONTRACTS

Mr. Chen Jinshan, has been appointed as an executive Director of the Company by way of a letter of appointment with the Company for a term of 1 year commencing on 10 October 2014 which will continue thereafter until terminated by either party giving to the other party at least 1 month's notice in writing.

根據本公司之組織章程細則第83(3)條，本公司執行董事翁嘉麗女士將於應屆股東週年大會上輪值告退，惟符合資格並願意膺選連任。

根據本公司之組織章程細則第84條，本公司獨立非執行董事梁一池先生及執行董事陳金山先生將於應屆股東週年大會上輪值告退，惟符合資格並願意膺選連任。

所有其他董事將繼續任職。

董事及高級管理人員履歷詳情載於本年報第18至22頁。董事及五名最高薪酬人士之酬金詳情分別載於綜合財務報表附註14及15。

本公司已自各獨立非執行董事收到根據上市規則第3.13條作出之獨立性確認函。本公司認為所有獨立非執行董事為獨立。

董事服務合約

陳金山先生已獲本公司以委任書委任為本公司執行董事，自二零一四年十月十日起計為期一年，並將於其後續任，直至任何一方向另一方發出不少於一個月之書面通知終止為止。

Report of the Directors 董事會報告

Ms. Shum Ngai Pan has been appointed as an executive Director of the Company by way of a service contract with the Company for a term of 1 year commencing on 20 April 2015 which will continue thereafter until terminated by either party giving to the other party at least 1 month's notice in writing.

Ms. Yung Ka Lai has been appointed as an executive Director of the Company by way of a service contract with the Company for a term of 1 year commencing on 5 August 2015 which will continue thereafter until terminated by either party giving to the other party at least 1 month's notice in writing.

Mr. Liang Yichi has been appointed as independent non-executive Directors of the Company by way of letters of appointment with the Company for a term of 3 years commencing from 4 September 2012 which will continue thereafter until either the independent non-executive Director or the Company may terminate the agreement by giving the other party not less than 3 months' notice in writing.

Mr. Wong Hon Kit has been appointed as independent non-executive Directors of the Company by way of letter of appointment with the Company for a term of 3 years commencing from 11 April 2013 which will continue thereafter until either the independent non-executive Director or the Company may terminate the agreement by giving the other party not less than 3 months' notice in writing.

沈毅斌女士已獲本公司以服務合約委任為本公司執行董事，自二零一五年四月二十日起計為期一年，並將於其後續任，直至任何一方向另一方發出不少於一個月之書面通知終止為止。

翁嘉麗女士已獲本公司以服務合約委任為本公司執行董事，自二零一五年八月五日起計為期一年，並將於其後續任，直至任何一方向另一方發出不少於一個月之書面通知終止為止。

梁一池先生已獲本公司以委任書委任為本公司獨立非執行董事，自二零一二年九月四日起計為期三年，並將於其後續任，直至獨立非執行董事或本公司向另一方發出不少於三個月之書面通知終止協議為止。

黃漢傑先生已獲本公司以委任書委任為本公司獨立非執行董事，自二零一三年四月十一日起計為期三年，並將於其後續任，直至獨立非執行董事或本公司向另一方發出不少於三個月之書面通知終止協議為止。

Dr. Liu Yongping has been appointed as independent non-executive Directors of the Company by way of letter of appointment with the Company for a term of 3 years commencing from 27 February 2014 which will continue thereafter until either the independent non-executive Director or the Company may terminate the agreement by giving the other party not less than 3 months' notice in writing.

Save as disclosed above, none of the Directors has any service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed under the heading "Continuing connected transactions", no contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interests whether directly or indirectly, subsisted at the end of the year or at any time during the year.

INDEMNITY OF DIRECTORS

A permitted indemnity provision that provides for indemnity against liability incurred by Directors is currently in force and was in force throughout the year ended 31 March 2016.

REMUNERATION POLICY

The remuneration policy of the employees of the Group is set up by the Remuneration Committee and is based on merit, qualifications and competence of employees.

The remuneration policies of the Directors are decided by the Remuneration Committee having regard to the Group's operating results, individual performance and comparable market statistics.

劉勇平博士已獲本公司以委任書委任為本公司獨立非執行董事，自二零一四年二月二十七日起計為期三年，並將於其後續任，直至獨立非執行董事或本公司向另一方發出不少於三個月之書面通知終止協議為止。

除上文所披露者外，概無董事與本公司或其任何附屬公司訂立本集團不得於一年內毋須補償（法定補償除外）而終止之服務合約。

董事於重大合約之權益

除標題為「持續關連交易」項下所披露者外，本公司或其任何附屬公司概無訂立於年末時或年內任何時間仍然有效而本公司董事直接或間接擁有重大權益之有關本集團業務之重大合約。

董事彌償

規定對董事所產生之責任進行彌償之經批准彌償條文現仍有效及於截至二零一六年三月三十一日止年度整年內均有效。

薪酬政策

本集團之僱員薪酬政策乃由薪酬委員會根據僱員之優點、資格及能力制定。

董事之薪酬政策乃由薪酬委員會根據本集團之營運業績、個人表現及可資比較市場統計數據釐定。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

Disclosure of Interests

(a) Directors' interests and short position in the securities of the Company and its associated corporations

As at 31 March 2016, the interests and short positions of the directors and chief executive of the Company in the shares of the Company ("Shares"), underlying Shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Appendix 10 to the Rules Governing the Listing Rules, were as follows:

(i) Director's interests in shares of the Company

Name of director	Nature of interests	Number of shares	Position	Approximate percentage of the total issued shares
董事姓名	權益性質	股份數目	倉位	佔已發行股份總數之概約百分比
Ms. Yung Ka Lai	Corporate interests (Note)	47,009,375	Long	7.25%
翁嘉麗女士	公司權益(附註)		好倉	

Note: Ms. Yung Ka Lai holds the Company's shares through Power King Investment Development Limited.

附註：翁嘉麗女透過Power King Investment Development Limited持有本公司股份。

董事及主要行政人員於本公司及其相聯法團之股份、相關股份及債權證之權益

權益披露

(a) 董事於本公司及其相聯法團之證券之權益及淡倉

於二零一六年三月三十一日，本公司董事及主要行政人員於本公司股份（「股份」）、本公司或其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之相關股份及債權證中擁有根據證券及期貨條例第XV部第七及第八分部（包括根據證券及期貨條例之該等條文被當作或被視為持有之權益及淡倉），或根據證券及期貨條例第352條須記入當中所指之登記冊之權益及淡倉，或根據上市規則附錄10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」）須知會本公司及聯交所之權益及淡倉如下：

(i) 董事於本公司股份之權益

(ii) *Interests in issued share capital of the Company's associated corporation*

(ii) 於本公司相聯法團已發行股本之權益

Name of director	Name of associated corporation	Nature of interests	Number of shares	Position	Approximate percentage of shareholding in the associated corporation's issued share capital 於相聯法團已發行股本中的股權概約百分比
董事姓名	相聯法團名稱	權益／性質	股份數目	倉位	
Mr. Chen Jinshan	Hua Xia (Note 1)	Beneficial interests	4,410,000 (Note 3)	Long	0.26%
陳金山先生	華夏(附註1)	實益權益	(附註3)	好倉	
Ms. Shum Ngai Pan	Hua Xia (Note 1)	Beneficial interests	6,450,000 (Note 3)	Long	0.38%
沈毅斌女士	華夏(附註1)	實益權益	(附註3)	好倉	

Note 1: Hua Xia Healthcare Holdings Limited ("Hua Xia").

附註1：華夏醫療集團有限公司(「華夏」)。

Note 2: represented 4,410,000 share options of the Company's associated corporation.

附註2：指4,410,000份本公司相聯法團之購股權。

Note 3: represented 2,400,000 shares in the issued share capital of the Company's associated corporation and 4,050,000 share option of the Company's associated corporation.

附註3：指本公司相聯法團已發行股本中之2,400,000股股份及4,050,000份本公司相聯法團之購股權。

(b) Substantial shareholders' interests and short positions in shares and underlying shares

As at 31 March 2016, other than the interests of a director or chief executive of the Company as disclosed under the heading "Directors' and chief executive's interests in shares, underlying shares and debentures of the company and its associated corporations" above, the following persons (not being a Director or the chief executive officer of the Company) have an interests or a short position in Shares or underlying Shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register to be kept by the Company under Section 336 of the SFO:

(i) Long position in shares of the Company

Name of shareholder	Capacity	Position	Number of shares	Approximate percentage of the total issued shares
股東名稱／姓名	身份	股份數目	倉位	佔已發行股份總數之概約百分比
Hua Xia (Note 1) 華夏(附註1)	Interested in controlled corporation 於受控制法團的權益	Long 好倉	411,917,648	63.53%
Greatly Wealth (Note 1) 大發(附註1)	Beneficial owner 實益擁有人	Long 好倉	411,917,648	63.53%
Power King (Note 2) Power King(附註2)	Beneficial owner 實益擁有人	Long 好倉	47,009,375	7.25%
Ms. Yung Ka Lai (Note 2) 翁嘉麗女士(附註2)	Interested in controlled corporation 於受控制法團的權益	Long 好倉	47,009,375	7.25%

(b) 主要股東於股份及相關股份之權益及淡倉

於二零一六年三月三十一日，除上文「董事及主要行政人員於本公司及其相聯法團之股份、相關股份及債權證之權益」一節所披露本公司董事或主要行政人員之權益外，以下人士（本公司之董事或行政總裁除外）於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部之條文須向本公司及聯交所披露，或記入本公司根據證券及期貨條例第336條存置之登記冊之權益及淡倉：

(i) 本公司股份之好倉

Name of shareholder	Capacity	Position	Number of shares	Approximate percentage of the total issued shares
股東名稱／姓名	身份	股份數目	倉位	佔已發行股份總數之概約百分比
Mr. Lo Kai Bong (Note 3) 盧啟邦先生 (附註3)	Interested in controlled corporation 於受控制法團的權益	Long 好倉	90,000,000 (Note 5) (附註5)	13.88%
Better Linkage Limited (Note 3) Better Linkage Limited (附註3)	Interested in controlled corporation 於受控制法團的權益	Long 好倉	90,000,000 (Note 5) (附註5)	13.88%
Ever Smart Capital Limited (Note 3) Ever Smart Capital Limited (附註3)	Beneficial owner 實益擁有人	Long 好倉	90,000,000 (Note 5) (附註5)	13.88%
Mr. Choi Chiu Fai, Stanley (Note 4) 蔡朝輝先生 (附註4)	Interested in controlled corporation 於受控制法團的權益	Long 好倉	122,000,000	18.82%
Ms. Cheung Fung Kuen, Maggie (Note 4) 張鳳娟女士 (附註4)	Interested in controlled corporation 於受控制法團的權益	Long 好倉	122,000,000	18.82%
Grand Rich Limited (Note 4) Grand Rich Limited (附註4)	Interested in controlled corporation 於受控制法團的權益	Long 好倉	122,000,000	18.82%
Head & Shoulders Credit Limited (Note 4) Head & Shoulders Credit Limited (附註4)	Beneficial owner 實益擁有人	Long 好倉	122,000,000	18.82%

Notes:

1. Greatly Wealth Global Group Limited (“**Greatly Wealth**”) is a company incorporated in the BVI with limited liability which is wholly and beneficially owned by Hua Xia Healthcare Holdings Limited (“**Hua Xia**”). By virtue of the SFO, Hua Xia is deemed to be interested in the entire 411,917,648 shares held by the Greatly Wealth.
2. Power King Investment Development Limited (“**Power King**”) is a company incorporated in the BVI with limited liabilities which is wholly and beneficially owned by Ms. Yung Ka Lai.
3. Ever Smart Capital Limited (“**Ever Smart**”) is a company incorporated in the BVI with limited liabilities which is wholly and beneficially owned by Better Linkage Limited (“**Better Linkage**”), a company incorporated in the BVI with limited liability and is wholly and beneficially owned by Mr. Lo Kai Bong (“**Mr. Lo**”). By virtue of the SFO, both Better Linkage and Mr. Lo are deemed to be interested in the entire 90,000,000 shares held by Ever Smart.
4. Head & Shoulders Credit Limited (“**Head & Shoulders**”) is a company incorporated in the BVI with limited liabilities which is wholly and beneficially owned by Grand Rich Limited (“**Grand Rich**”), a company incorporated in the BVI with limited liability and is wholly and beneficially owned by Mr. Choi Chiu Fai, Stanley (“**Mr. Choi**”) and Ms. Cheung Fung Kuen, Maggie (“**Ms. Cheung**”). By virtue of the SFO, Grand Rich, Mr. Choi and Ms. Cheung are all deemed to be interested in the entire 122,000,000 shares held by Head & Shoulders.
5. On 1 June 2015, convertible notes amounting to HK\$58,500,000 were issued to Ever Smart, entitling the holder of the convertible notes to convert 90,000,000 Shares of the Company.

附註：

1. 大發環球集團有限公司(「**大發**」)為一間於英屬處女群島註冊成立之有限公司，由華夏醫療集團有限公司(「**華夏**」)全資實益擁有。根據證券及期貨條例，華夏被視為於大發持有之全部411,917,648股股份中擁有權益。
2. Power King Investment Development Limited(「**Power King**」)為一間於英屬處女群島註冊成立之有限公司，由翁嘉麗女士全資實益擁有。
3. Ever Smart Capital Limited(「**Ever Smart**」)為一間於英屬處女群島註冊成立之有限公司，其由於英屬處女群島註冊成立之有限公司Better Linkage Limited(「**Better Linkage**」)全資實益擁有，Better Linkage由盧啟邦先生(「**盧先生**」)全資實益擁有。根據證券及期貨條例，Better Linkage及盧先生均被視為於Ever Smart持有的全部90,000,000股股份中擁有權益。
4. Head & Shoulders Credit Limited(「**Head & Shoulders**」)為一間於英屬處女群島註冊成立之有限公司，其由於英屬處女群島註冊成立之有限公司Grand Rich Limited(「**Grand Rich**」)全資實益擁有，Grand Rich由蔡朝輝先生(「**蔡先生**」)及張鳳娟女士(「**張女士**」)全資實益擁有。根據證券及期貨條例，Grand Rich、蔡先生及張女士均被視為於Head & Shoulders持有的全部122,000,000股股份中擁有權益。
5. 於二零一五年六月一日，為數58,500,000港元之可換股票據已發行予Ever Smart，並賦予可換股票據持有人權利可轉換90,000,000股本公司股份。

(ii) Long position in shares of the associated corporation

(ii) 於相聯法團股份之好倉

Name of associated corporation	Name of registered owner	Capacity	Position	Number of shares in the associated corporation	Approximate percentage of shareholding in the associated corporation's issued share capital 於相聯法團已發行股本中的股權概約百分比
相聯法團名稱	登記持有人名稱	身份	倉位	於相聯法團所持股份數目	
Greatly Wealth	Hua Xia	Beneficial owner	Long	200 shares of US\$1 each	100%
大發	華夏	實益擁有人	好倉	200股每股面值1美元的股份	100%

Save as disclosed above, as at 31 March 2016, the directors of the Company were not aware of any other person (other than the directors and chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

除上文所披露者外，於二零一六年三月三十一日，本公司董事並不知悉任何其他人士（本公司董事及主要行政人員除外）於本公司股份或相關股份中擁有根據證券及期貨條例第336條須由本公司存置之登記冊所記錄之權益或淡倉。

DIRECTOR'S RIGHTS TO ACQUIRE SECURITIES

Apart from as disclosed under the heading "Directors' and chief executive's interests in shares, underlying shared and debentures of the Company and its associated corporations" above, at no time since incorporation of the Company were right to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate granted to any directors or their respective spouses or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the directors, their respective spouse or children under 18 years of age to acquire such rights in any other body corporate.

董事購買證券之權利

除上文「董事及主要行政人員於本公司及其相聯法團之股份、相關股份及債權證之權益」一節所披露者外，自本公司註冊成立以來，概無向任何董事或彼等各自之配偶或未滿十八歲之子女授出任何權利，致使彼等可透過購入本公司或任何其他法人團體的股份或債權證而獲益，而彼等亦概無行使該等權利；且本公司、其控股公司或其任何附屬公司亦概無參與任何安排，致使董事、彼等各自之配偶或未滿十八歲之子女可獲得任何其他法人團體之該等權利。

SHARE OPTION SCHEME

On 24 September 2013, the Company adopted a share option scheme (the “Share Option Scheme”) whereby the Board can grant options for the subscription of our shares to the employees, managerial staff and senior employees and those other persons that the Board considers that they will contribute or have contributed to the Group (the “Participants”) as described in the Share Option Scheme in order to serve as compliment and to reciprocate their contribution to the Group. The maximum number of shares that can be issued according to the Share Option Scheme was 64,840,530 shares, which is equivalent to 10% of the issued capital of the Company after completion of the Listing on the Stock Exchange. The number of options that may be granted pursuant to the terms of the Share Option Scheme shall not exceed 10% of the issued shares immediately after the completion of the Listing. Unless otherwise approved by the shareholders of the Company in general meeting, the number of shares that may be granted to a Participant under the options shall not exceed 1% within any 12-month period (other than those granted to the substantial shareholders (as defined in the Listing Rules) of the Company or the independent non-executive Directors or any of their respective associates (as defined in the Listing Rules)), or the total number of shares that may be granted under the options to the substantial shareholders of the Company or the independent non-executive Directors or any of their respective associates shall not exceed 0.1% of the shares in issue of the Company from time to time. There is no minimum period that the options must be held before they become exercisable, and the options granted shall be exercised within the period decided by the Board; however no options shall be exercised 10 years after they have been granted. The exercise price of the option shall be the higher of (a) the closing price of the shares on the daily quotation sheet of the Stock Exchange on the date of grant; (b) the average closing price of the shares on the daily quotation sheet of the Stock Exchange for the five trading days immediately preceding the date of grant; and (c) nominal value of the share. Each grantee shall pay a consideration of HK\$1.00 at the time the option is granted. The Share Option Scheme shall take effect from the date it is adopted and shall remain effective within a period of 10 years from that date.

股權計劃

於二零一三年九月二十四日，本公司採納一項購股權計劃（「購股權計劃」），據此，董事會可向本集團僱員、管理人員及高級職員以及購股權計劃所述董事會認為將會對或曾經對本集團作出貢獻的該等其他人士（「參與人士」）授出購股權，以認購本公司股份，藉此向彼等給予獎勵及回報彼等對本集團作出的貢獻。根據購股權計劃可發行的最高股份數目為64,840,530股股份，相等於本公司於聯交所完成上市後已發行股本的10%。根據購股權計劃條款可授出的購股權數目不得超過緊隨完成上市後已發行股份的10%。除非本公司股東於股東大會另行批准，否則可根據購股權授予參與人士的股份數目於任何12個月內不得超過1%（向本公司主要股東（定義見上市規則）或獨立非執行董事或彼等各自之聯繫人士（定義見上市規則）授出者除外），或根據購股權可授予本公司主要股東或獨立非執行董事或彼等各自的任何聯繫人士的股份總數不得超過本公司不時已發行股份的0.1%。概無規定購股權可行使前須持有的最短期間，而授出的購股權須於董事會決定的期間內行使，但並無購股權可於授出後10年行使。購股權行使價須為(a)股份於授出日期於聯交所每日報價表上所列的收市價；(b)股份於緊接授出日期前五個交易日於聯交所每日報價表上所列的平均收市價；及(c)股份的面值之較高者。各承授人須於獲授購股權之時支付1.00港元之代價。購股權計劃於獲採納當日生效，直至該日起計10年期間內仍然有效。

Since the Share Option Scheme was adopted, no options have been granted up to the date of this report.

RELATED PARTY TRANSACTIONS

Certain connected transactions which are significant are also disclosed as related party transactions (see note 43 to the consolidated financial statements).

CONTINUING CONNECTED TRANSACTIONS

The Group had entered into a number of transactions with connected parties which, upon the listing of the Shares on the Stock Exchange, became connected persons of the Company under the Listing Rules. These transactions are continuing connected transactions exempt from the independent shareholder's approval requirements under the Listing Rules. Details of the continuing connected transactions are as follows:

Rental agreement with Fujian Huihao Pharmaceutical Chain Company Limited ("FHP Chain")

Tenancy Agreement 1

On 4 December 2014, Fujian Province Fuzhou City Huihao Pharmaceutical Company Limited (the "Fujian Huihao"), an indirectly-owned subsidiary of the Company and FHP Chain entered a new tenancy agreement ("Tenancy Agreement 1") for the rental of (i) Level 1 and Level 4 of the office building located at No. 8 Huihao Road, Shangjie Town, Minhou Xian, Fujian Province, the PRC (the "Property 1") with a gross floor area ("GFA") approximately 1,268 square meter ("sq.m."); and (ii) Levels 1 to 3 of the warehouse building located at No. 8 Huihao Road, Shangjie Town, Minhou Xian, Fujian, the PRC (the "Property 2") with a GFA of approximately 9,852 sq.m.. The term of the lease is from 1 April 2015 to 31 March 2018 with a rental of RMB10,144 per month for the Property 1 and RMB49,260 per month for the Property 2 and is renewable upon the signing of a new rental agreement.

自採納購股權計劃以來直至本報告日期並未授出任何購股權。

關連人士交易

若干重大關連交易亦已披露為關連人士交易（見綜合財務報表附註43）。

持續關連交易

本集團已與關連人士訂立多項交易，根據上市規則，該等人士於股份在聯交所上市後成為本公司的關連人士。根據上市規則，該等交易為獲豁免獨立股東批准規定之持續關連交易。持續關連交易的詳情如下：

與福建惠好醫藥連鎖有限公司（「福建惠好醫藥連鎖」）訂立之租賃協議

租賃協議1

於二零一四年十二月四日，本公司之一間間接全資附屬公司福建省福州市惠好藥業有限公司（「福建惠好」）與福建惠好醫藥連鎖訂立一份新租賃協議（「租賃協議1」）以租賃(i)建築面積（「建築面積」）約為1,268平方米（「平方米」）之位於中國福建省閩侯縣上街鎮惠好路8號之辦公樓第1及第4層（「物業1」）；及(ii)建築面積約為9,852平方米之位於中國福建省閩侯縣上街鎮惠好路8號之倉庫第1至第3層（「物業2」）。租約年期由二零一五年四月一日起至二零一八年三月三十一日止，物業1之月租為人民幣10,144元，而物業2之月租為人民幣49,260元，並可於簽訂新租賃協議時重續。

Tenancy Agreement 2

On 4 December 2014, Fujian Huihao Sihai Pharmaceutical Chain Company Limited (the “**Huihao Sihai**”), an indirectly-owned subsidiary of the Company and FHP Chain entered a new tenancy agreement (“**Tenancy Agreement 2**”) for the rental of (i) Level 3 of the office building located at No.8 Huihao Road, Shangjie Town, Minhou Xian, Fujian Province, the PRC (the “**Property 3**”) with a GFA of approximately 600 sq.m.; and (ii) Level 4 of the warehouse building located on No.8 Huihao Road, Shangjie Town, Minhou Xian, Fujian Province, the PRC (the “**Property 4**”) with a GFA of approximately 3,284 sq.m.. The term of the lease is from 1 April 2015 to 31 March 2018 with a rental of RMB4,800 per month for the Property 3 and RMB16,420 per month for the Property 4 and is renewable upon the signing of the new rental agreement.

FHP Chain was held as to 50% of its issued share capital by Mr. Weng Jiale who is a cousin of both Ms. Yung Ka Lai (“**Ms. Yung**”) and Mr. Yung Ka Chun (“**Mr. Yung**”). Ms. Yung and Mr. Yung are siblings, Ms. Yung is the executive director of the Group and Mr. Yung is a substantial shareholder of Hua Xia and is therefore a connected person of the Company under Rule 14A.11(4) of the Listing Rules.

During the year ended 31 March 2016, the annual cap, also the total rental charge paid, for the Group’s total transaction amount with FHP Chain contemplated under the Tenancy Agreement 1 is RMB712,848 (equivalent to approximately HK\$873,239) and Tenancy Agreement 2 is RMB254,640 (equivalent to approximately HK\$311,934).

租賃協議2

於二零一四年十二月四日，本公司之一間間接全資附屬公司福建惠好四海醫藥連鎖有限責任公司（「**惠好四海**」）與福建惠好醫藥連鎖訂立一份新租賃協議（「**租賃協議2**」）以租賃(i)建築面積約為600平方米之位於中國福建省閩侯縣上街鎮惠好路8號之辦公樓第3層（「**物業3**」）；及(ii)建築面積約為3,284平方米之位於中國福建省閩侯縣上街鎮惠好路8號之倉庫第4層（「**物業4**」）。租約之年期由二零一五年四月一日起至二零一八年三月三十一日止，物業3之月租為人民幣4,800元，而物業4之月租為人民幣16,420元，並可於簽訂新租賃協議時重續。

福建惠好醫藥連鎖由翁加樂先生（翁嘉麗女士（「**翁女士**」）及翁嘉晉先生（「**翁先生**」）之堂兄）持有其50%已發行股本。翁女士及翁先生為兄妹關係，翁女士為本集團之執行董事，翁先生為華夏之主要股東，因此，根據上市規則第14A.11(4)條為本公司之關連人士。

截至二零一六年三月三十一日止年度，年度上限，亦為已付租金開支總額，本集團於租賃協議1及租賃協議2項下擬與福建惠好醫藥連鎖進行之交易總額分別為人民幣712,848元（相等於約873,239港元）及人民幣254,640元（相等於約311,934港元）。

Rental agreements entered with Yung Muk Ying (the mother of Yung Ka Lai) (“Ms. Yung”)

Tenancy Agreement 3

On 4 December 2014, Putian Huihao Medicine Co. Limited# (福建莆田惠好醫藥有限公司) (“**Putian Huihao**”), an indirect wholly owned subsidiary of the Company entered into a tenancy agreement (“**Tenancy Agreement 3**”) with Ms. Yung which for rental of (i) Level 1 of which is located at No. 1466, 1470, 1476 Xiadian Road, GongChen Street, Licheng District, Putian City, Fujian Province, China (“**Property 5**”) with a GFA of approximately 169.81 sq.m.; and (ii) Level 2 of which is located at No. 1466, 1470, 1476 Xiadian Road, GongChen Street, Licheng District, Putian City, Fujian Province, China (“**Property 6**”) with a GFA of approximately 192.86 sq.m.. The term of the lease is from 1 April 2015 to 31 March 2018 with a rental of RMB3,396.2 per month for Property 5 and RMB1,928.6 per month for Property 6 and is renewable upon the signing of the new rental agreement.

During the year ended 31 March 2016, the annual cap, also the total rental charge paid, for the Group’s total transaction amount with Ms. Yung contemplated under the Tenancy agreement 3 is RMB63,897 (equivalent to approximately HK\$78,253).

與翁木英(翁嘉麗的母親)(「翁女士」)訂立之租賃協議

租賃協議3

於二零一四年十二月四日，本公司之間接全資附屬公司福建莆田惠好醫藥有限公司(「**莆田惠好**」)與翁女士訂立一份租賃協議(「**租賃協議3**」)以租賃(i)建築面積約為169.81平方米之位於中國福建省莆田市荔城區拱辰街道下店路1466、1470、1476號第1層(「**物業5**」)；及(ii)建築面積約為192.86平方米之位於中國福建省莆田市荔城區拱辰街道下店路1466、1470、1476號第2層(「**物業6**」)。租約之年期由二零一五年四月一日起至二零一八年三月三十一日止，物業5之月租為人民幣3,396.2元，而物業6之月租為人民幣1,928.6元，並可於簽訂新租賃協議時重續。

截至二零一六年三月三十一日止年度，年度上限，亦為已付租金開支總額，本集團於租賃協議3項下擬與翁女士進行之交易總額為人民幣63,897元(相等於約78,253港元)。

Report of the Directors 董事會報告

The independent non-executive directors of the Company, Mr. Liang Yichi, Mr. Wong Hon Kit and Dr. Liu Yongping have, for the purpose of Rule 14A.37 of the Listing Rules, reviewed the above continuing connected transactions and confirmed that such continuing connected transactions, for the reporting period, have been entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or on terms no less favorable to the Group than terms available to or from (as appropriate) independent third parties; and
- (iii) in accordance with the relevant agreements governing such transactions and on terms that are fair and reasonable and in the interest of the shareholders of the Company as a whole.

The Company's auditors were engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standards on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Review of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Company's auditors have issue their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.38 of the Listing Rules. A copy of the auditors' letter has been provided by the Company to the Stock Exchange.

本公司之獨立非執行董事梁一池先生、黃漢傑先生及劉勇平博士已就上市規則第14A.37條審閱上述持續關連交易，並確認於報告期間，有關持續關連交易乃按下列基準訂立：

- (i) 於本集團之一般及日常業務過程中訂立；
- (ii) 按一般商業條款或不遜於本集團給予獨立第三方或自獨立第三方取得（如適當）之條款訂立；及
- (iii) 根據監管有關交易之有關協議及按對本公司股東整體而言屬公平合理並符合彼等利益之條款訂立。

本公司之核數師根據香港會計師公會頒佈之香港核證委聘準則第3000號「審核或審閱過往財務資料以外之核證委聘」並參考應用指引第740號「根據香港上市規則有關持續關連交易之核數師函件」就本集團之持續關連交易作出報告。本公司之核數師已根據上市規則第14A.38條發出無保留意見函件，當中載有其就本集團於上文披露之持續關連交易之發現及結論。本公司已向聯交所提供核數師函件副本。

DEED OF NON-COMPETITION

Each of Hua Xia Healthcare Holdings Limited, Greatly Wealth Global Group Limited, Mr. Yung Kwok Leong, Marshal International Investments Limited and Easeglory Holdings Limited (together as the “**Controlling Shareholders**”) had entered into a deed of non-competition dated 30 September 2013 (the “**Deed of Non-Competition**”) in favour of the Company (for itself and on behalf of all members of the Group), pursuant to which, each of the Controlling Shareholders would not, and would use his/its best endeavours to procure his/its associates (except any members of our Group) not to directly or indirectly carry on, engage, participate or hold any right or interest in or render any services to or otherwise be interested and/or involved (in each case whether as shareholder, partner, agent or otherwise and whether for profit, reward or otherwise) in any business which may be in competition with the business carried on by the Group from time to time, except where the Company’s approval is obtained.

Details of the Deed of Non-Competition are set out in the section headed “Relationship with Hua Xia Group and Connected Persons – Non-Competition Deed” of the Prospectus.

The Company confirms that each of the Controlling Shareholders have complied with the Deed of Non-Competition from the date of listing up until 31 March 2016. In order to ensure the Controlling Shareholders have complied with the Deed of Non-Competition, each of the Controlling Shareholders have provided to the Company a written confirmation that they and their respective associates are in compliance with the Deed of Non-Competition and except through any member of the Group, did not directly or indirectly, carry on or hold any right or interests in or render any services to, or is otherwise involved in, any business which may be in competition with the business carried on by the Group from the date of listing up until 31 March 2016.

不競爭契據

華夏醫療集團有限公司、大發環球集團有限公司、翁國亮先生、萬好國際投資有限公司及易耀控股有限公司（合稱「**控股股東**」）已各自於二零一三年九月三十日訂立以本公司（為其本身及代表本集團所有成員公司）為受益人之不競爭契據（「**不競爭契據**」），據此，各控股股東不會並將盡最大努力促使其聯繫人（本集團任何成員公司除外）不會直接或間接進行、受聘、參與或持有可能不時與本集團進行之業務構成競爭之任何業務之權利或權益或向其提供任何服務或以其他方式於其中擁有任何權益及／或涉及其中（在各情況下均不論是否以股東、合夥人、代理或其他身份，亦不論是否為謀求利潤、回報或其他目的），惟取得本公司批准的情況除外。

不競爭契據之詳情載於招股章程「與華夏集團及關連人士的關係－不競爭契據」一節。

本公司確認，自上市日期起至二零一六年三月三十一日止，控股股東已各自遵守不競爭契據。為確保控股股東已遵守不競爭契據，各控股股東已向本公司提呈書面確認彼等及其各自聯繫人已遵守不競爭契據及除非通過本集團任何成員，並無直接或間接進行或持有可能自上市日期起至二零一六年三月三十一日止與本集團進行之業務構成競爭之任何業務之任何權利或權益或向其提供任何服務或以其他方式涉及其中。

Report of the Directors

董事會報告

The independent non-executive directors of the Company have also reviewed the status of the compliance by each of the Controlling Shareholders with the undertakings in the Deed of Non-Competition and have confirmed that, as far as they can ascertain, there is no breach by any of the Controlling Shareholders of the undertakings in the Deed of Non-Competition given by them.

As of the date of this report, the Company is not aware of any other matters regarding the compliance of the undertakings in the Deed of Non-Competition and there have not been any changes in terms of the Deed of Non-Competition since the Company's listing of shares on the Stock Exchange.

CORPORATE GOVERNANCE

The Company has applied the code provisions set out in the CG Code contained in Appendix 14 to the Listing Rules. Since its listing on the Stock Exchange, the Company has complied with the code provisions of the CG Code for the year ended 31 March 2016, save for the exceptions explained in the Corporate Governance Report in this report.

COMPLIANCE WITH LAWS AND REGULATIONS

During the Year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report and based on publicly available information and the best knowledge of the Directors, the Company has sufficient public float as required under Rule 8.08 of the Listing Rules.

EVENTS AFTER THE END OF THE REPORTING PERIOD

Details of significant events occurring after the reporting period are set out in note 47 to the consolidated financial statements.

本公司獨立非執行董事亦已審閱各控股股東遵守不競爭契據內承諾之狀況，並確認，就彼等所能確定者而言，概無任何控股股東違反其根據不競爭契據所作出之承諾。

於本報告日期，本公司並無知悉有關於遵守不競爭契據所載之承諾之任何其他事項，且不競爭契據之條款自本公司股份於聯交所上市以來並無任何變動。

企業管治

本公司已應用載於上市規則附錄14之企業管治常規守則所載之守則條文。自本公司於聯交所上市以來，其已於截至二零一六年三月三十一日止年度遵守企業管治守則之守則條文，惟本報告之企業管治報告所闡述之例外情況除外。

遵守法律及法規

年內，本集團並無重大違反或未有遵守適用法律及法規之情況。

充足的公眾持股量

於本報告日期及根據公開可得資料及就董事所深知，本公司擁有上市規則第8.08條所規定之充足公眾持股量。

報告期末後事項

於報告期末後發生之重大事件之詳情載於綜合財務報表附註47。

AUDITORS

The consolidated financial statements of the Group for the year ended 31 March 2016 were audited by HLB Hodgson Impey Cheng Limited who will retire at the forthcoming annual general meeting and being eligible, offer themselves for reappointment.

On behalf of the Board

Chen Jinshan

Executive Director

Hong Kong, 16 June 2016

核數師

本集團截至二零一六年三月三十一日止年度之綜合財務報表經由國衛會計師事務所有限公司審核。國衛會計師事務所有限公司將於即將舉行之股東週年大會上退任並符合資格及願意接受續聘。

承董事會命

執行董事

陳金山

香港，二零一六年六月十六日

Independent Auditors' Report

獨立核數師報告



國衛會計師事務所有限公司
Hodgson Impey Cheng Limited

31/F, Gloucester Tower 香港
The Landmark 中環
11 Pedder Street 畢打街11號
Central 置地廣場
Hong Kong 告羅士打大廈31樓

TO THE SHAREHOLDERS OF WANJIA GROUP HOLDINGS LIMITED

(Incorporated in Cayman Islands with limited liability)

We have audited the consolidated financial statements of Wanjia Group Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 65 to 211, which comprise the consolidated statement of financial position as at 31 March 2016, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

致萬嘉集團控股有限公司全體股東 (於開曼群島註冊成立的有限公司)

吾等已審核列載於第65至211頁之萬嘉集團控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表,此財務報表包括於二零一六年三月三十一日之綜合財務狀況表與截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表,以及主要會計政策概要及其他解釋資料。

董事就綜合財務報表須承擔的責任

貴公司董事須根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定編製綜合財務報表,以令綜合財務報表作出真實與公平之反映,及落實董事認為編製綜合財務報表所必要之內部監控,以使綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述。

AUDITORS' RESPONSIBILITY

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

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

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

核數師之責任

吾等之責任是根據吾等之審核對該等綜合財務報表作出意見，並僅向整體股東報告而不作其他用途。吾等概不就本報告之內容，對任何其他人士負責或承擔責任。吾等已根據香港會計師公會頒佈之香港審計準則進行審核。這些準則要求吾等遵守道德規範，並規劃及執行審核，從而合理確定綜合財務報表是否不存有任何重大錯誤陳述。

審核涉及執程序以獲取有關綜合財務報表所載金額及披露資料之審核憑證。所選定之程序取決於核數師之判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述之風險。在評估該等風險時，核數師考慮與該公司編製綜合財務報表以作出真實與公平之反映相關之內部監控，以設計適當之審核程序，但並非為對公司之內部監控之效能發表意見。審核亦包括評價董事所採用之會計政策之合適性及所作出之會計估計之合理性，以及評價綜合財務報表之整體呈列方式。

吾等相信，吾等所獲得之審核憑證充足和適當，地為吾等之審核意見提供基礎。

Independent Auditors' Report

獨立核數師報告

OPINION

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

HLB Hodgson Impey Cheng Limited

Certified Public Accountants

Ng Ka Wah

Practising Certificate Number: P06417

Hong Kong, 16 June 2016

意見

吾等認為，綜合財務報表已根據香港財務報告準則真實而公平地反映 貴集團於二零一六年三月三十一日之財務狀況及 貴集團截至該日止年度之財務表現及現金流量，並已按照香港公司條例之披露規定妥為編製。

國衛會計師事務所有限公司

香港執業會計師

吳家華

執業證書編號：P06417

香港，二零一六年六月十六日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

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

		Note	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Revenue	收益	8	1,321,763	1,567,687
Cost of sales	銷售成本		(1,175,635)	(1,407,842)
Gross profit	毛利		146,128	159,845
Other revenue	其他收益	9	5,000	6,379
Other gain/(loss), net	其他收益／(虧損)，淨額	10	2,530	(202)
Impairment loss on goodwill	商譽減值虧損	21	–	(785,169)
Loss on disposal of a subsidiary	出售一間附屬公司之虧損	26	(772)	–
Selling and distribution expenses	銷售及分銷費用		(100,466)	(90,590)
Administrative expenses	行政開支		(48,359)	(46,774)
Profit/(loss) from operations	經營業務溢利／(虧損)	11	4,061	(756,511)
Finance costs	財務費用	12	(16,365)	(8,819)
Loss before taxation	除稅前虧損		(12,304)	(765,330)
Taxation	稅項	15	(1,158)	(7,950)
Loss for the year	本年度虧損		(13,462)	(773,280)
Other comprehensive (loss)/income for the year	本年度其他全面(虧損)／收入			
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>可於其後重新分類至損益之項目：</i>			
Exchange differences on translating of foreign operations	換算海外經營業務之匯兌差額		(18,924)	1,423
Total comprehensive loss for the year	本年度全面虧損總額		(32,386)	(771,857)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

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

	Note	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Loss for the year attributable to:			
Owners of the Company		(13,802)	(772,949)
Non-controlling interests		340	(331)
		(13,462)	(773,280)
Total comprehensive loss for the year attributable to:			
Owners of the Company		(29,935)	(771,526)
Non-controlling interests		(2,451)	(331)
		(32,386)	(771,857)
Loss per share attributable to owners of the Company:			
– Basic (HK cents per share)	17	(2.13)	(119.21)
– Diluted (HK cents per share)	17	(2.13)	(119.21)

The accompanying notes form an integral part of these consolidated financial statements.

隨附附註為該等綜合財務報表之一部分。

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 March 2016 於二零一六年三月三十一日

		Note 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	18	18,384	22,522
Prepaid lease payments	預付租賃款項	19	11,347	4,342
Investment property	投資物業	20	7,199	8,093
Goodwill	商譽	21	342	2,213
			37,272	37,170
Current assets	流動資產			
Inventories	存貨	22	107,578	124,849
Trade and other receivables and deposits	貿易及其他應收款項及按金	23	284,171	428,686
Amounts due from fellow subsidiaries	應收同系附屬公司款項	27	8,181	8,621
Amount due from the immediate holding company	應收直接控股公司款項	28	-	15
Pledged bank deposits	已抵押銀行存款	29	6,096	12,970
Cash and cash equivalents	現金及現金等值項目	29	203,500	43,029
			609,526	618,170
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	30	233,078	242,117
Amount due to the ultimate holding company	應付最終控股公司款項	31	485	4,515
Amounts due to fellow subsidiaries	應付同系附屬公司款項	32	10,802	-
Bank borrowings	銀行借貸	33	32,396	121,454
Tax payables	應付稅項		1,683	4,210
			278,444	372,296
Non-current liabilities	非流動負債			
Convertible note	可換股票據	34	77,267	-
Deferred tax liabilities	遞延稅項負債	35	563	-
			77,830	-
Net current assets	流動資產淨值		331,082	245,874
Total assets less current liabilities	資產總值減流動負債		368,354	283,044

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 March 2016 於二零一六年三月三十一日

		Note	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Net assets	資產淨值		290,524	283,044
Capital and reserves	資本及儲備			
Share capital	股本	36	6,484	6,484
Reserves	儲備		216,260	267,297
Equity attributable to owners of the Company	本公司擁有人應佔權益		222,744	273,781
Non-controlling interests	非控股權益		67,780	9,263
Total equity	權益總額		290,524	283,044

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 16 June 2016 and signed on its behalf by:

綜合財務報表於二零一六年六月十六日由董事會批准及授權刊發，並由下列董事代表簽署：

Chen JinShan
Executive Director

Yung Ka Lai
Executive Director

陳金山
執行董事

翁嘉麗
執行董事

The accompanying notes form an integral part of these consolidated financial statements.

隨附附註為該等綜合財務報表之一部分。

Consolidated Statement of Changes In Equity

綜合權益變動表

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

		Attributable to owner of the Company 本公司擁有人應佔										
		Share capital	Share premium	Other reserve	Contribution reserve	Translation reserve	Statutory reserve	Convertible note reserve	Retained earnings/ (accumulated losses)	Sub-total	Non-controlling interests	Total
		股本	股份溢價	其他儲備	供款儲備	匯兌儲備	法定儲備	可換股票據儲備	(累計虧損)	小計	非控股權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(Note 3f)	(Note a)	(Note b)	(Note c)	(Note d)	(Note e)	(Note f)	(Note f)	(Note f)	(Note g)	(Note h)
		(附註3f)	(附註a)	(附註b)	(附註c)	(附註d)	(附註e)	(附註f)	(附註f)	(附註f)	(附註g)	(附註h)
As at 1 April 2014	於二零一四年四月一日	6,484	(7,653)	(6,483)	866,811	15,938	29,128	-	141,082	1,045,307	416	1,045,723
Loss for the year	本年度虧損	-	-	-	-	-	-	-	(772,949)	(772,949)	(331)	(773,280)
Other comprehensive income for the year	本年度其他全面收入	-	-	-	-	1,423	-	-	-	1,423	-	1,423
Total comprehensive income/(loss) for the year	本年度全面收入/(虧損)總額	-	-	-	-	1,423	-	-	(772,949)	(771,526)	(331)	(771,857)
Non-controlling interests arising on the acquisition of subsidiaries (Note 25)	因收購附屬公司產生之非控股權益(附註25)	-	-	-	-	-	-	-	-	-	9,178	9,178
Transfer to statutory reserve	轉撥至法定儲備	-	-	-	-	-	2,061	-	(2,061)	-	-	-
As at 31 March 2015 and 1 April 2015	於二零一五年三月三十一日及二零一五年四月一日	6,484	(7,653)	(6,483)	866,811	17,361	31,189	-	(633,928)	273,781	9,263	283,044
Loss for the year	本年度虧損	-	-	-	-	-	-	-	(13,802)	(13,802)	340	(13,462)
Other comprehensive loss for the year	本年度其他全面虧損	-	-	-	-	(16,133)	-	-	-	(16,133)	(2,791)	(18,924)
Total comprehensive loss for the year	本年度全面虧損總額	-	-	-	-	(16,133)	-	-	(13,802)	(29,935)	(2,451)	(32,386)
Deemed disposal of interests in a subsidiary	視作出售一間附屬公司之權益	-	-	(29,208)	-	-	-	-	-	(29,208)	63,409	34,201
Additional interests in a subsidiary	於一間附屬公司之額外權益	-	-	550	-	-	-	-	-	550	(550)	-
Disposal of subsidiary (Note 26)	出售附屬公司(附註26)	-	-	-	-	(139)	-	-	-	(139)	(1,891)	(2,030)
Issue of convertible note	發行可換股票據	-	-	-	-	-	-	9,624	-	9,624	-	9,624
Deferred taxation of convertible note	可換股票據之遞延稅項	-	-	-	-	-	-	(1,929)	-	(1,929)	-	(1,929)
Transfer to statutory reserve	轉撥至法定儲備	-	-	-	-	-	724	-	(724)	-	-	-
At 31 March 2016	於二零一六年三月三十一日	6,484	(7,653)	(35,141)	866,811	1,089	31,913	7,695	(648,454)	222,744	67,780	290,524

Notes:

(a) Share premium

The amount of approximately HK\$7,653,000 represents the capitalised listing expenses arised from the listing of the shares of the Company on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 11 October 2013.

(b) Other reserve

The other reserve represented the difference between the Company's shares of nominal value of the paid-up capital of subsidiaries acquired over the Company's cost of acquisition of the subsidiaries under common control upon the reorganization.

On 12 May 2015, the Group disposed 25% equity interest of Fuzhou Province Huihao City Huihao Pharmaceutical Co. Limited ("Fuzhou Huihao") by way of increasing the registered capital of Fuzhou Huihao from RMB60,000,000 to RMB80,000,000. The non-controlling interests of Fuzhou Huihao agreed to pay RMB20,000,000 for the increase capital of Fuzhou Huihao. The Group recognised a decrease in other reserve of approximately HK\$29,208,000.

附註:

(a) 股份溢價

約7,653,000港元之金額指本公司股份於二零一三年十月十一日在香港聯合交易所有限公司(「聯交所」)主板上市產生之資本化上市開支。

(b) 其他儲備

其他儲備指本公司所收購附屬公司繳入資本之股份面值與本公司於重組時收購共同控制附屬公司之成本的差額。

於二零一五年五月十二日,本集團透過將福建省福州市惠好藥業有限公司(「福州惠好」)之註冊資本由人民幣60,000,000元增加至人民幣80,000,000元之方式而出售福州惠好之25%股權。福州惠好之非控股權益同意為福州惠好增資支付人民幣20,000,000元。本集團確認其他儲備減少29,208,000港元。

Consolidated Statement of Changes In Equity

綜合權益變動表

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

Notes: – continued

(b) Other reserve – continued

On 9 September 2015, the Group further acquired 0.51% equity interest of Fujian Huihao Sihai Pharmaceutical China Company Limited (“Huihao Sihai”) by the way of capital injection the registered capital, as a result other reserve was increased approximately HK\$550,000.

(c) Contribution reserve

Capitalisation of the outstanding amount of approximately HK\$866,811,000 due from Timely Hero Enterprises Limited (“Timely Hero”) to Hua Xia Healthcare Holdings Limited (“Hua Xia”) on 3 September 2013 in consideration of (i) the allotment and issue 1 share of US\$1 in the share capital of Timely Hero to Luxuriant Expand Global Investment Limited (“Luxuriant Expand”), credited as fully paid up, at the direction of Hua Xia; and (ii) the allotment and issue of a total of 100 shares of US\$1 each in the share capital of Luxuriant Expand, all credited as fully paid up, to Hua Xia in consideration of its receipt of 1 share in Timely Hero at the direction of Hua Xia. Details of the reorganisation were set out in the paragraph headed “The Reorganisation” in the section headed “Corporate history, development and Reorganisation” in the prospectus dated 30 September 2013.

(d) Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in Note 3.

(e) Statutory reserve

As stipulated by the relevant People’s Republic of China (“PRC”) laws and regulations, the subsidiaries of the Company establishing in the PRC shall set aside 10% of its net profit after taxation for the statutory surplus reserve fund (except where the reserve balances has reached 50% of the subsidiaries’ paid up capital). The reserve fund can only be used, upon approval by the Board of Directors and by the relevant authority, to offset accumulated losses or increase capital.

(f) Convertible note reserve

The convertible note reserve represents the equity components of the convertible note issued. Convertible note issued are split into their liability and equity components at initial recognition at the fair values of the convertible note, which is determined by independent qualified professional valuers.

The accompanying notes form an integral part of these consolidated financial statements.

附註：—續

(b) 其他儲備—續

於二零一五年九月九日，本集團透過資本注入註冊資本方式進一步收購福建惠好四海醫藥連鎖有限責任公司（「惠好四海」）之0.51%股權，因此，其他儲備增加約550,000港元。

(c) 供款儲備

於二零一三年九月三日將時雄企業有限公司（「時雄」）結欠華夏醫療集團有限公司（「華夏」）的866,811,000港元的未償還款項資本化，作為以下事項的代價：(i)按華夏指示向茂加環球投資有限公司（「茂加」）配發及發行時雄股本中1股面值1美元的入賬列作繳足股份；及(ii)向華夏配發及發行茂加股本中合共100股每股面值1美元的股份（全部入賬列作繳足），作為其按華夏指示接收1股時雄股份的代價。重組詳情載於日期為二零一三年九月三十日之招股書「公司歷史、發展及重組」一節「重組」一段。

(d) 匯兌儲備

匯兌儲備包括因換算海外業務財務報表而引致的所有匯兌差額。該儲備乃根據附註3所載的會計政策處理。

(e) 法定儲備

如相關的中華人民共和國（「中國」）法律法規所規定，本公司在中國成立的附屬公司須將其除稅後純利的10%撥作法定公積金，惟倘該公積金的結餘達到附屬公司本身實繳股本的50%則除外。公積金只可在獲得董事會及相關機構批准的情況下用於抵消累積虧損或作增加股本之用。

(f) 可換股票據儲備

可換股票據儲備指已發行可換股票據之權益部份。已發行可換股票據於初步確認可換股票據公平值時分為負債及權益部份，其公平值由獨立合資格專業估值師釐定。

隨附附註為該等綜合財務報表之一部分。

Consolidated Statement of Cash Flows

綜合現金流量表

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

	Note 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Operating activities	經營業務		
Loss before taxation	除稅前虧損	(12,304)	(765,330)
Adjustments for:	調整項目：		
Interest income	利息收入	(220)	(1,131)
Interest expenses	利息開支	16,365	8,819
Amortisation of prepaid lease payments	預付租賃款項攤銷	365	188
Depreciation of property, plant and equipment	物業、廠房及設備折舊	6,449	5,085
Provision for impairment loss on trade and other receivables	貿易及其他應收款項減值虧損撥備	1,176	3,961
Reversal of impairment loss of trade and other receivables	貿易及其他應收款項減值虧損撥回	(683)	(130)
Impairment loss on goodwill	商譽減值虧損	-	785,169
Loss on disposal of subsidiary	出售附屬公司之虧損	772	-
Change in fair value of investment property	投資物業公平值變動	490	252
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	337	80
Operating cash flows before movements in working capital	營運資金變動前經營現金流量	12,747	36,963
Decrease in inventories	存貨減少	16,132	15,564
Decrease in trade and other receivables and deposits	貿易及其他應收款項及按金減少	157,463	30,484
Decrease in trade and other payables	貿易及其他應付款項減少	(5,514)	(62,965)
Decrease/(increase) in amounts due from fellow subsidiaries	應收同系附屬公司款項減少／(增加)	11,242	(5,665)
Decrease/(increase) in amount due from the immediate holding company	應收直屬控股公司款項減少／(增加)	15	(10)
Decrease in amount due to non-controlling shareholders of a subsidiary	應付一間附屬公司非控股股東款項減少	-	(134)
Decrease in amounts due to fellow subsidiaries	應付同系附屬公司款項減少	-	(1,032)
(Decrease)/increase in amount due to the ultimate holding company	應付最終控股公司款項(減少)／增加	(4,030)	507
Decrease of financial asset at fair value through profit or loss	按公平值在損益賬處理之財務資產減少	-	1,259
Cash generated from operations	業務所得現金	188,055	14,971
PRC enterprise income tax paid	已繳納中國企業所得稅	(4,469)	(14,394)
Net cash generated from operating activities	經營業務所得現金淨額	183,586	577

Consolidated Statement of Cash Flows

綜合現金流量表

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

	Note 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Investing activities	投資活動		
Interest received	已收利息	220	1,131
Purchase of property, plant and equipment	購買物業、廠房及設備	(3,957)	(15,072)
Additions of prepaid lease payment	預付租賃款項增加	(7,934)	-
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項	-	124
Proceeds from disposal of subsidiary	出售附屬公司所得款項	2,107	-
Deemed disposal of interest in a subsidiary	視作出售一間附屬公司之權益	16,314	-
Net cash outflow from acquisition of subsidiaries	收購附屬公司之現金流出淨額	-	(5,073)
Net cash generated from/(used in) investing activities	投資活動所得/(所用)現金淨額	6,750	(18,890)
Financing activities	融資活動		
Interest paid	已付利息	(11,699)	(8,819)
Decrease in pledged bank deposits	已抵押銀行存款減少	6,874	4,461
Proceeds from new bank borrowings	新銀行借款所得款項	97,341	153,067
Repayment of bank borrowings	償還銀行借款	(186,399)	(132,257)
Net proceeds from convertible note	可換股票據所得款項淨額	82,225	-
Net cash (used in)/generated from financing activities	融資活動(所用)/所得現金淨額	(11,658)	16,452
Net increase/(decrease) in cash and cash equivalents	現金及現金等值項目增加/(減少)淨額	178,678	(1,861)
Cash and cash equivalents at the beginning of the year	年初之現金及現金等值項目	43,029	43,638
Effect of foreign exchange rate changes	外匯匯率變動之影響	(18,207)	1,252
Cash and cash equivalents at the end of the year	年終之現金及現金等值項目	203,500	43,029

The accompanying notes form an integral part of these consolidated financial statements.

隨附附註為該等綜合財務報表之一部分。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

1. GENERAL INFORMATION

The Company was incorporated as an exempted Company with limited liabilities in the Cayman Islands. The address of the registered office of the Company is Cricket Square Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The head office and principal place of business of the Company in Hong Kong is located at 19/F., New Wing, 101 King's Road, Hong Kong.

The principal activity of the Company is investment holdings. The Group is principally engaged in pharmaceutical wholesale and distribution and pharmaceutical retain chain business as in the PRC. The activities of its principal subsidiaries are set out in Note 24 to the consolidated financial statements.

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 11 October 2013. The Company's immediate holding company is Greatly Wealth Global Group Limited ("Global Wealth"), a company incorporated in British Virgin Islands. Greatly Wealth is a directly wholly-owned subsidiary of Hua Xia, a company incorporated in Cayman Islands on 28 May 2001 as an exempted company with limited liability, of which is listed on the Growth Enterprise Market ("GEM") of the Stock Exchange and it is the ultimate holding company of the Company.

The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the same as functional currency of the Company, and the functional currency of the most of the subsidiaries in Renminbi ("RMB"). The Board of Directors considered that it is more appropriate to present the consolidated financial statements in HK\$ as the shares of the Company are listed on the Stock Exchange. The consolidated financial statements are presented in thousands of units of HK\$ (HK\$'000), unless otherwise stated.

1. 一般資料

本公司於開曼群島註冊成立為獲豁免有限公司。本公司註冊辦事處之地址為Cricket Square Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands。本公司之總辦事處及香港主要營業地點位於香港英皇道101號新翼19樓。

本公司之主要業務為投資控股。本集團主要在中國從事藥品批發和分銷及藥品零售連鎖業務。其主要附屬公司之業務載列於綜合財務報表附註24。

本公司之股份自二零一三年十月十一日起在香港聯合交易所有限公司（「聯交所」）主板上市。本公司之直接控股公司為大發環球集團有限公司（「大發」），該公司為於英屬處女群島註冊成立之公司。大發為華夏之直接全資附屬公司，華夏為於二零零一年五月二十八日於開曼群島註冊成立之獲豁免有限公司，於聯交所創業板（「創業板」）上市，為本公司之最終控股公司。

綜合財務報表以港元（「港元」）呈列，與本公司之功能貨幣相同。大部分附屬公司之功能貨幣為人民幣（「人民幣」）。董事會認為，由於本公司股份於聯交所上市，故以港元呈列綜合財務報表更為合適。除另有指明外，綜合財務報表以千港元（千港元）呈列。

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

In the current year, the Group has applied, for the first time, the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”):

HKAS 19 (Amendments)	Defined Benefit Plans: Employee Contributions
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010-2012 Cycle
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011-2013 Cycle

The application of the above new and revised HKFRSs had no material effect on how the financial performance and position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

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

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012-2014 Cycle ²
HKFRS 9	Financial Instruments ³
HKFRS 10, HKFRS 12 and HKAS 28 (2011) (Amendments)	Investment Entities: Applying the Consolidation Exception ²

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」）

於本年度，本集團已首次採納下列由香港會計師公會（「香港會計師公會」）頒佈之香港財務報告準則之修訂本：

香港會計準則第19號 （修訂本）	界定福利計劃：僱員供款
香港財務報告準則 （修訂本）	香港財務報告準則二零一零年至二零一二年週期之年度改進
香港財務報告準則 （修訂本）	香港財務報告準則二零一一年至二零一三年週期之年度改進

應用上述新訂及經修訂之香港財務報告準則並無對如何編製及呈列本會計期間或以往會計期間之財務表現及狀況產生任何重大影響。因此，毋須對以往期間作出調整。

本集團並無提早應用以下已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則 （修訂本）	香港財務報告準則二零一二年至二零一四年週期之年度改進 ²
香港財務報告準則 第9號	金融工具 ³
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 （二零一一年） （修訂本）	投資實體：綜合入賬例外情況之應用 ²

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁵
HKFRS 11 (Amendments)	Accounting for Acquisition of Interests in Joint Operation ²
HKFRS 14	Regulatory Deferral Accounts ¹
HKFRS 15	Revenue from Contracts with Customers ³
HKFRS 16	Leases ⁴
HKAS 1 (Amendments)	Disclosure Initiative ²
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation ²
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants ²
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements ²

- ¹ Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with early application permitted.
- ² Effective for annual periods beginning on or after 1 January 2016, with early application permitted.
- ³ Effective for annual periods beginning on or after 1 January 2018, with early application permitted.
- ⁴ Effective for annual periods beginning on or after 1 January 2019, with early application permitted.
- ⁵ Effective for annual periods beginning on or after the date to be determined.

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」）一續

香港財務報告準則第10號及香港會計準則第28號（修訂本）	投資者與其聯營公司或合營企業之間的資產出售或注資 ⁵
香港財務報告準則第11號（修訂本）	收購共同經營權益之會計處理 ²
香港財務報告準則第14號	監管遞延賬戶 ¹
香港財務報告準則第15號	來自客戶合約之收益 ³
香港財務報告準則第16號	租賃 ⁴
香港會計準則第1號（修訂本）	披露主動性 ²
香港會計準則第16號及香港會計準則第38號（修訂本）	澄清折舊及攤銷之接納方法 ²
香港會計準則第16號及香港會計準則第41號（修訂本）	農業：生產性植物 ²
香港會計準則第27號（修訂本）	獨立財務報表之權益法 ²

- ¹ 於二零一六年一月一日或之後開始之首個年度香港財務報告準則財務報表生效，允許提早應用。
- ² 於二零一六年一月一日或之後開始之年度期間生效，允許提早應用。
- ³ 於二零一八年一月一日或之後開始之年度期間生效，允許提早應用。
- ⁴ 於二零一九年一月一日或之後開始之年度期間生效，允許提早應用。
- ⁵ 於待釐定之日期或之後開始之年度期間生效。

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

Amendments to Annual Improvements to HKFRSs 2012-2014 Cycle

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

The amendments to HKFRS 5 introduce specific guidance in HKFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), or when held-for-distribution accounting is discontinued. The amendments apply prospectively.

The amendments to HKFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets and clarify that the offsetting disclosures (introduced in the amendments to HKFRS 7 Disclosure – Offsetting Financial Assets and Financial Liabilities issued in December 2011 and effective for periods beginning on or after 1 January 2013) are not explicitly required for all interim periods. However, the disclosures may need to be included in condensed interim financial statements to comply with HKAS 34 Interim Financial Reporting.

The amendments to HKAS 19 clarify that the high quality corporate bonds used to estimate the discount rate for post-employment benefits should be issued in the same currency as the benefits to be paid. These amendments would result in the depth of the market for high quality corporate bonds being assessed at currency level. The amendments apply from the beginning of the earliest comparative period presented in the financial statements in which the amendments are first applied. Any initial adjustment arising should be recognised in retained earnings at the beginning of that period.

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」）一續

香港財務報告準則二零一二年至二零一四年週期之年度改進（修訂本）

香港財務報告準則二零一二年至二零一四年週期之年度改進包括多項香港財務報告準則之修訂，概述如下。

香港財務報告準則第5號之修訂本於內文引入對實體將資產（或出售組別）從持作銷售重新分類為持作向擁有人分銷（反之亦然）或持作分銷終止入賬之具體指引。修訂本提前應用。

香港財務報告準則第7號之修訂本提供額外指引以澄清服務合約於資產轉移中是否持續牽涉（就有關資產轉移所要求之披露而言）並澄清對所有中期期間並無明確要求抵銷披露（已於二零一一年十二月頒佈並於二零一三年一月一日或之後開始之期間生效之香港財務報告準則第7號披露—抵銷財務資產及財務負債之修訂本內引入）。然而，披露或需載入簡明中期財務報表，以遵從香港會計準則第34號中期財務報告。

香港會計準則第19號之修訂本澄清優質公司債券（用於估計退休後福利之貼現率）應按與將予支付福利相同之貨幣發行。該等修訂本會導致按貨幣層面評估之優質公司債券之市場深度。該等修訂本從首次應用修訂之財務報表所呈列最早比較期間期初起應用。所引致之任何初步調整應於該期間期初於保留盈利內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

Amendments to Annual Improvements to HKFRSs 2012-2014 Cycle – continued

The amendments to HKAS 34 clarify the requirements relating to information required by HKAS 34 that is presented elsewhere within the interim financial report but outside the interim financial statements. The amendments require that such information be incorporated by way of a cross reference from the interim financial statements to the other part of the interim financial report that is available to users on the same terms and at the same time as the interim financial statements.

The directors do not anticipate that the application of these amendments will have a material impact on the Group’s consolidated financial statements.

HKFRS 9 *Financial Instruments*

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

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

一續

香港財務報告準則二零一二年至二零一四年週期之年度改進（修訂本）

一續

香港會計準則第34號之修訂本釐清有關香港會計準則第34號要求於中期財務報告內其他部分但於中期財務報表外呈列之資料之規定。該等修訂本要求該資料從中期財務報表以交叉引用方式併入中期財務報告其他部分（按與中期財務報表相同之條款及時間提供予使用者）。

董事預期，應用該等修訂本不會對本集團之綜合財務報表構成重大影響。

香港財務報告準則第9號金融工具

於二零零九年十一月頒佈之香港財務報告準則第9號引入對財務資產之分類及計量之新規定。香港財務報告準則第9號隨後於二零一零年十月進行修訂，以加入對財務負債之分類及計量以及終止確認之規定，並於二零一三年十一月加入一般對沖會計法之新規定。於二零一四年七月頒佈之香港財務報告準則第9號另一個經修訂版本主要加入(a)有關財務資產之減值規定及(b)藉為若干簡單債務工具引入「透過其他全面收入按公平值列賬」（透過其他全面收入按公平值列賬）計量類別，對分類及計量規定作出有限修訂。

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – continued HKFRS 9 *Financial Instruments* – continued

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent reporting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities’ credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

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

香港財務報告準則第9號金融工具

— 續

香港財務報告準則第9號的主要規定載述如下：

- 所有屬香港會計準則第39號金融工具：確認和計量範圍之已確認財務資產其後將以攤銷成本或公平值計量。特別是，於一項業務模型中所持目的為收取合約現金流的債務投資，以及合約現金流純為支付本金及未償還本金利息的債務投資，一般於其後報告期末以攤銷成本計量。所有其他債務投資及股本投資均於其後會計期末以公平值計量。此外，根據香港財務報告準則第9號，實體可不可撤回地選擇於其他全面收益中呈列權益投資（並非持作買賣者）其後之公平值變動，僅股息收入一般於損益確認。
- 就指定按公平值計入損益之財務負債之計量而言，香港財務報告準則第9號規定，因有關財務負債的信貸風險變動而引致的財務負債公平值變動金額乃於其他全面收益中呈列，除非在其他全面收益確認負債之信貸風險變動影響會導致或擴大損益上之會計錯配。財務負債的信貸風險引致的財務負債公平值變動其後不會重新分類至損益。根據香港會計準則第39號，指定按公平值計入損益之財務負債公平值變動，乃全數於損益中呈列。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

HKFRS 9 *Financial Instruments* – continued

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised; and
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an “economic relationship”. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity’s risk management activities have also been introduced.

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

香港財務報告準則第9號金融工具

— 續

- 就財務資產之減值而言，與香港會計準則第39號項下按已產生信貸虧損模式計算相反，香港財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式規定實體於各報告日期將預期信貸虧損及該等預期信貸虧損之變動入賬，以反映信貸風險自初始確認以來之變動。換言之，毋須再待發生信貸事件方確認信貸虧損；及
- 新一般對沖會計法規定保留三類目前香港會計準則第39號可用之對沖會計法。根據香港財務報告準則第9號，該會計法向可作對沖會計之交易類別引入更大靈活性，尤其是擴闊合資格作為對沖工具之工具類別及可作對沖會計之非金融項目之風險分部之類別。此外，有效性測試已經全面改革，並以「經濟關係」原則取代。對沖有效性不再需要追溯評估。亦已引入有關實體風險管理活動之強化披露規定。

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – continued HKFRS 9 *Financial Instruments* – continued

HKFRS 9 is effective for annual periods beginning on or after 1 January 2018.

The directors anticipate that the adoption of HKFRS 9 in the future may have an impact on the amounts reported in respect of the Group’s financial assets and financial liabilities. Regarding the Group’s financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011) *Investment Entities: Applying the Consolidation Exception*

The amendments to HKFRS 10, HKFRS 12 and HKAS 28 clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with HKFRS 10. The amendments also clarify that the requirement for an investment entity to consolidate a subsidiary providing services related to the former’s investment activities applies only to subsidiaries that are not investment entities themselves.

The directors do not anticipate that the application of these amendments will have a material 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

香港財務報告準則第9號*金融工具* — 續

香港財務報告準則第9號於二零一八年一月一日或之後開始之年度期間生效。

董事預期，於未來採納香港財務報告準則第9號可能對有關本集團的財務資產和財務負債的報告金額產生影響。就本集團財務資產而言，在完成詳盡檢討前提供該影響之合理估計乃不切實際。

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（二零一一年）（修訂本）*投資實體：綜合入賬例外情況之應用*

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號之修訂本澄清，即使投資實體根據香港財務報告準則第10號按公平值計量其所有附屬公司，作為投資實體附屬公司之母實體仍可豁免編製綜合財務報表。該等修訂本亦澄清，投資實體將提供與其前身投資活動相關服務之附屬公司綜合入賬之規定僅適用於本身並非投資實體之附屬公司。

董事預期，應用該等修訂本不會對本集團之綜合財務報表構成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

Amendments to HKFRS 10 and HKAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments to HKFRS 10 and HKAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent’s profit or loss only to the extent of the unrelated investors’ interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent’s profit or loss only to the extent of the unrelated investors’ interests in the new associate or joint venture.

The directors do not anticipate that the application of these amendments to HKFRS 10 and HKAS 28 will have a material 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」）一續

香港財務報告準則第10號及香港會計準則第28號（修訂本）投資者與其聯營公司或合營企業之間的資產出售或注資

香港財務報告準則第10號及香港會計準則第28號之修訂本處理投資者與其聯營公司或合營企業之間的資產出售或注資之情況。具體而言，該等修訂本訂明，因失去與聯營公司或合營企業（以權益法列賬）之交易中並無包含業務之附屬公司之控制權而產生之盈虧，於母公司損益賬確認且僅以非相關投資者於該聯營公司或合營企業之權益為限。類似地，按於成為聯營公司或合營企業（以權益法列賬）之任何前附屬公司所保留之投資公平值重新計量所產生之盈虧於前母公司損益賬確認且僅以非相關投資者於新聯營公司或合營企業之權益為限。

董事預期，應用香港財務報告準則第10號及香港會計準則第28號之該等修訂本不會對本集團之綜合財務報表構成重大影響。

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

Amendments to HKFRS 11 *Accounting for Acquisition of Interests in Joint Operation*

The amendments to HKFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in HKFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in HKFRS 3 and other standards (e.g. HKAS 36 Impairment of Assets regarding impairment testing of a cash generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by HKFRS 3 and other standards for business combinations.

The amendments to HKFRS 11 apply prospectively for annual periods beginning on or after 1 January 2016. The directors do not anticipate that the application of these amendments to HKFRS 11 will have a material 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

香港財務報告準則第11號（修訂本） 收購共同經營權益之會計處理

香港財務報告準則第11號之修訂本就如何為收購構成香港財務報告準則第3號業務合併所界定業務之共同經營作會計處理提供指引。具體而言，該等修訂本訂明，有關香港財務報告準則第3號所述業務合併會計處理方法之有關原則及其他準則（即香港會計準則第36號資產減值，有關於收購共同經營時獲分配商譽之現金產生單位之減值測試）應予採用。倘及只有於參與共同經營之其中一方向共同經營注入現有業務時，則成立共同經營亦須應用相同規定。

共同經營者亦須就業務合併披露香港財務報告準則第3號及其他準則規定之相關資料。

香港財務報告準則第11號之修訂本就於二零一六年一月一日或之後開始之年度期間提前應用。董事預期，應用香港財務報告準則第11號之該等修訂本不會對本集團之綜合財務報表構成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

HKFRS 14 *Regulatory Deferral Accounts*

HKFRS 14 *Regulatory Deferral Accounts*, describes regulatory deferral account balances as amounts of expense or income that would not be recognised as assets or liabilities in accordance with other standards, but that qualify to be deferred in accordance with IFRS/HKFRS 14 because the amount is included, or is expected to be included, by the rate regulator in establishing the price(s) that an entity can charge to customers for rate regulated goods or services.

The amendments to HKFRS 14 apply prospectively for annual periods beginning on or after 1 January 2016. The directors do not anticipate that the application of HKFRS 14 will have a material impact on the Group’s consolidated financial statements.

HKFRS 15 *Revenue from Contracts with Customers*

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

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

香港財務報告準則第14號監管遞延賬戶

香港財務報告準則第14號監管遞延賬戶將監管遞延賬戶結餘視為不會根據其他準則確認為資產或負債，但因收費監管部門設定實體可就收費遭到監管之貨品或服務自客戶收取之價格時計入或預計計入該等款項而合資格根據國際財務報告準則／香港財務報告準則第14號遞延之收支。

香港財務報告準則第14號之修訂本就於二零一六年一月一日或之後開始之年度期間提前應用。董事預期，應用香港財務報告準則第14號不會對本集團之綜合財務報表構成重大影響。

香港財務報告準則第15號來自客戶合約之收益

已頒佈之香港財務報告準則第15號制定一項單一全面模式供實體用以將來自客戶合約所產生之收益入賬。香港財務報告準則第15號於生效後將取代現時收益確認指引，包括香港會計準則第18號收益、香港會計準則第11號建築合約及相關詮釋。

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

HKFRS 15 *Revenue from Contracts with Customers* – continued

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

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

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

The directors anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group’s consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

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」）一續

香港財務報告準則第15號來自客戶合約之收益一續

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

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

根據香港財務報告準則第15號，實體於完成履約責任時（或就此）確認收益，即於特定履約責任相關貨品或服務之「控制權」移交客戶之時。香港財務報告準則第15號已就特殊情況之處理方法加入更明確之指引。此外，香港財務報告準則第15號要求更詳盡之披露。

董事預期，日後應用香港財務報告準則第15號可能對於本集團綜合財務報表中呈報之金額及作出之披露構成重大影響。然而，在本集團完成詳盡檢討前合理估算香港財務報告準則第15號之影響乃不切實際。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

HKFRS 16 Leases

HKFRS 16 supersedes HKAS 17 Leases, HK(IFRIC) – Int 4 “Determining whether an Arrangement contain a Lease”, HK(SIC) – Int 15 “Operating Lease – Incentives” and HK(SIC) – Int 27 “Evaluating the Substance of Transactions Involving the Legal Form of a Lease”. HKFRS 16 eliminates the classification by a lessee of leases as either operating or finance. Instead all leases are treated in a similar way to finance leases in accordance with HKAS 17 “Leases”. Under HKFRS 16, leases are recorded on the statement of financial position by recognizing a liability for the present value of its obligation to make future lease payments with an asset (comprised of the amount of lease liability plus certain other amounts) either being disclosed separately in the statement of financial position (within right-of-use assets) or together with property, plant and equipment. The most significant effect of the new requirements will be an increase in recognised lease assets and financial liabilities. There are some exemptions. HKFRS 16 contains options which do not require a lessee to recognise assets and liabilities for (a) short term leases (i.e. lease of 12 months or less, including the effect of any extension options) and (b) leases of low value assets (for example, a lease of a personal computer). HKFRS 16 substantially carries forward the lessor’s accounting requirements in HKAS 17.

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」）一續

香港財務報告準則第16號租賃

香港財務報告準則第16號已取代香港會計準則第17號租賃、香港（國際財務報告詮釋委員會）－詮釋第4號「釐定安排是否包括租賃」、香港（常設詮釋委員會）－詮釋第15號「經營租賃－優惠」及香港（常設詮釋委員會）－詮釋第27號「評估牽涉租賃的法律形式的交易的內容」。香港財務報告準則第16號消除承租人將租賃分類為經營或融資之規定。取而代之，所有租賃均根據香港會計準則第17號「租賃」以與融資租賃類似的方式處理。根據香港財務報告準則第16號，租賃乃透過按其以於財務狀況表獨立披露（計入使用權資產）或與物業、廠房及設備共同披露的資產（包括租賃負債款項加若干其他金額）支付未來租賃款項的責任之現值確認債項之方式於財務狀況表入賬。該等新規定的最大影響為已確認租賃資產及金融負債將會增加。當中亦有若干例外情況。香港財務報告準則第16號載有選項，承租人毋須就(a)短期租賃（即12個月或以下的租賃，包括任何續期選擇的影響）及(b)低價值資產租賃（例如租賃個人電腦）確認資產及負債。香港財務報告準則第16號大致保留香港會計準則第17號內出租人的會計要求。

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

HKFRS 16 *Leases* – continued

Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. In classifying a sublease, an intermediate lessor shall classify the sublease as a finance lease or an operating lease as follows:

(a) if the head lease is a short-term lease that the entity, as a lessee, the sublease shall be reclassified as an operating lease; (b) otherwise, the sublease shall be classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset. HKFRS 16 clarifies that a lessee separates lease components and service components of a contract, and applies the lease accounting requirements only to the lease components.

The Group is in the process of making an assessment of the potential impact of application of HKFRS 16, the directors consider that it is not practicable to provide a reasonable estimate of the effect of the adoption of HKFRS 16 until the Group performs a detailed review.

Amendments to HKAS 1 *Disclosure Initiative*

The amendments to HKAS 1 give some guidance on how to apply the concept of materiality in practice.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 January 2016. The directors do not anticipate that the application of these amendments to HKAS 1 will have a material 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

香港財務報告準則第16號租賃—續

因此，出租人繼續將其租賃分類為經營租賃或融資租賃，並將該兩種租賃分別入賬。就分租的分類而言，中介出租人應按下列條件將分租分類為融資租賃或經營租賃：

(a)倘主租賃乃短期租賃而該實體為承租人，則分租應重新分類為經營租賃；(b)否則，分租應參照因主租賃產生的使用權資產而分類，而非參照相關資產分類。香港財務報告準則第16號明確說明承租人須區分合約的租賃部份及服務部份，並僅就租賃部份應用租賃會計要求。

本集團現正就應用香港財務報告準則第16號的潛在影響進行評估，董事認為，在本集團進行詳盡審閱前提供採用香港財務報告準則第16號影響的合理估計並不可行。

香港會計準則第1號（修訂本）披露主動性

香港會計準則第1號之修訂本就如何實踐應用重要性概念提供一些指引。

香港會計準則第1號之修訂本於二零一六年一月一日或之後開始之年度期間生效。董事預期，應用香港會計準則第1號之該等修訂本不會對本集團之綜合財務報表構成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

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

The amendments to HKAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

- (a) when the intangible asset is expressed as a measure of revenue; or
- (b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016.

The directors do not anticipate that the application of the amendments to HKAS 16 and HKAS 38 will have a material 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

香港會計準則第16號及香港會計準則第38號（修訂本）*澄清折舊及攤銷之可接納方法*

香港會計準則第16號之修訂本禁止實體就物業、廠房及設備項目使用以收益為基礎之折舊法。香港會計準則第38號之修訂本引入可推翻之假設，即收入並非無形資產攤銷之合適基準。此項假設僅可於以下兩個有限情況下被推翻：

- (a) 當無形資產是以收益來衡量；或
- (b) 當可證明無形資產之收益與其經濟利益消耗存在高度關聯時。

該等修訂本就於二零一六年一月一日或之後開始之年度期間提前應用。

董事預期，應用香港會計準則第16號及香港會計準則第38號之該等修訂本不會對本集團之綜合財務報表構成重大影響。

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

Amendments to HKAS 27 *Equity Method in Separate Financial Statements*

The amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements:

- At cost;
- In accordance with HKFRS 9 Financial Instruments (or HKAS 39 Financial Instruments: Recognition and Measurement for entities that have not yet adopted HKFRS 9); or
- Using the equity method as described in HKAS 28 Investments in Associates and Joint Ventures.

The accounting option must be applied by category of investments.

The amendments also clarify that when a parent ceases to be an investment entity, or becomes an investment entity, it shall account for the change from the date when the change in status occurred.

In addition to the amendments to HKAS 27, there are consequential amendments to HKAS 28 to avoid a potential conflict with HKFRS 10 Consolidated Financial Statements and to HKFRS 1 First time Adoption of Hong Kong Financial Reporting Standards.

The directors do not anticipate that the application of these amendments to HKAS 27 will have a material 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」）

一續

香港會計準則第27號（修訂本）獨立財務報表之權益法

該等修訂本允許實體按以下方式將於附屬公司、合營企業及聯營公司之投資在其獨立財務報表入賬：

- 按成本；
- 根據香港財務報告準則第9號金融工具（或就尚未採納香港財務報告準則第9號之實體而言，香港會計準則第39號金融工具：確認及計量）；或
- 按香港會計準則第28號於聯營公司及合營企業之投資所述使用權益法。

會計選項必須按投資類別應用。

該等修訂本亦澄清當母公司不再為投資實體，或成為投資實體時，須由狀況改變當日起將相關變動入賬。

除香港會計準則第27號之修訂本外，香港會計準則第28號有後續修訂，避免與香港財務報告準則第10號綜合財務報表及香港財務報告準則第1號首次採納香港財務報告準則出現潛在衝突。

董事預期，應用香港會計準則第27號之該等修訂本不會對本集團之綜合財務報表構成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (“Listing Rules”) on the Stock Exchange and by the Hong Kong Companies Ordinance (“CO”).

The provisions of the new Hong Kong Companies Ordinance (“CO”) (Cap. 622) regarding preparation of accounts and directors’ reports and audits became effective for the Company for the financial year ended 31 March 2016. Further, the disclosure requirements set out in the Listing Rules regarding annual accounts have been amended with reference to the new CO and to streamline with HKFRSs. Accordingly, the presentation and disclosure of information in the consolidated financial statements for the financial year ended 31 March 2016 have been changed to comply with these new requirements. Comparative information in respect of the financial year ended 31 March 2015 are presented or disclosed in the consolidated financial statements based on the new requirements. Information previously required to be disclosed under the predecessor CO or Listing Rules but not under the new CO or amended Listing Rules are not disclosed in these consolidated financial statements.

3. 重大會計政策概要

合規聲明

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

新香港公司條例（「公司條例」）（第622章）有關編製賬目及董事報告及審核之條文已對本公司截至二零一六年三月三十一日止財政年度生效。此外，上市規則所載有關年度賬目之披露規定已參考新公司條例而修訂並藉此與香港財務報告準則精簡一致。因此，截至二零一六年三月三十一日止財政年度綜合財務報表內之資料呈列及披露已予更改以遵守此等新規定。有關截至二零一五年三月三十一日止財政年度之比較資料已根據新規定於綜合財務報表內呈列或披露。根據前公司條例或上市規則在以往須予披露但根據新公司條例或經修訂上市規則毋須披露之資料，在該等綜合財務報表中已再無披露。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

A summary of significant accounting policies followed by the Group in the preparation of the financial statements is set out below:

Basis of preparation

The measurement basis used in the preparation of the consolidated financial statements is historical cost except for certain financial instruments and investment properties that are measured at fair value at the end of each reporting period, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration of given in exchange for goods and services.

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 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, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

3. 重大會計政策概要－續

本集團編製財務報表時遵循之重大會計政策概要載列如下：

編製基準

編製綜合財務報表所使用之計量基準為歷史成本，惟若干金融工具及投資物業於各報告期末乃按公平值計量則除外（誠如下文所載會計政策所闡釋）。歷史成本一般根據交換商品及服務時支付代價之公平值計算。

公平值為市場參與者於計量日在有序交易中出售資產所得到或轉讓負債所付出之價格，不論該價格是否可直接觀察或使用其他估值技術估算。估算資產或負債公平值時，本集團會考慮資產或負債於計量日之價格。該等綜合財務報表中作計量及／或披露目的之公平值以此為基礎確定，惟香港財務報告準則第2號範圍內的以股份為基礎的支付交易、香港會計準則第17號範圍內的租賃交易及與公平值存在一定相似性但非公平值之計量項目（如香港會計準則第2號的可變現淨值或香港會計準則第36號的使用價值）除外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Basis of preparation – continued

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

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

The principal accounting policies are set out below.

Basis of consolidation

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

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

3. 重大會計政策概要－續

編製基準－續

此外，就財務報告目的而言，公平值計量根據公平值計量輸入數據可觀察程度及輸入數據對公平值計量之整體重要性分為第一級、第二級或第三級，內容如下：

- 第一級輸入數據為實體可於計量日獲取之同類資產或負債於活躍市場的（未經調整）報價；
- 第二級輸入數據為資產或負債可直接或間接觀察的輸入數據（計入第一級的報價除外）；及
- 第三級輸入數據為資產或負債的不可觀察輸入數據。

主要會計政策載列如下。

綜合基準

綜合財務報表納入本公司及由本公司及其附屬公司所控制實體（包括結構性實體）之財務報表。當本公司屬以下情況時則取得控制權：

- 可對受投資實體行使權力；
- 對來自參與受投資實體之可變回報承擔風險或享有權利；及
- 有能力使用其權力影響其回報。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Basis of consolidation – continued

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

3. 重大會計政策概要－續

綜合基準－續

倘有事實及情況顯示上述三項控制因素中，有一項或以上出現變數，本集團會重新評估其是否控制受投資實體。

倘本集團於受投資實體之投票權未能佔大多數，但只要投票權足以賦予本集團實際能力可單方面掌控受投資實體之相關業務時，本集團即對受投資實體擁有權力。在評估本集團於受投資實體之投票權是否足以賦予其權力時，本集團考慮所有相關事實及情況，其中包括：

- 本集團持有投票權之規模相對於其他選票持有人持有投票權之規模及分散性；
- 本集團、其他選票持有人或其他人士持有的潛在投票權；
- 其他合約安排產生之權利；及
- 於需要作出決定（包括先前股東大會上之投票模式）時表明本集團當前擁有或並無擁有指導相關活動之能力之任何額外事實及情況。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Basis of consolidation – continued

Consolidation of a subsidiary begins when the Group obtains control over the subsidiaries and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated income statement from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

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

3. 重大會計政策概要－續

綜合基準－續

綜合一家附屬公司賬目之時間從本集團取得該附屬公司之控制權起至本集團失去該附屬公司之控制權止。尤其是，於年內所收購或出售之一家附屬公司之收入及開支，自本集團取得該附屬公司之控制權之日起至本集團失去該附屬公司之控制權之日止計入綜合收益表。

損益及其他全面收益之各項歸屬於本公司擁有人及非控股權益。附屬公司之全面收益總額歸屬於本公司擁有人及非控股權益，即使此將導致非控股權益出現虧絀結餘。

如有需要，將對附屬公司之財務報表作出調整，以使其會計政策與本集團使用之會計政策一致。

集團內公司間之所有資產及負債、權益、收入、開支及與本集團成員公司間之交易有關之現金流量均於綜合賬目時悉數對銷。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Basis of consolidation – continued

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3. 重大會計政策概要－續

綜合基準－續

本集團於現有附屬公司之擁有權權益變動

本集團於現有附屬公司之擁有權權益變動若無導致本集團失去對有關附屬公司之控制權，則按權益交易入賬。本集團權益及非控股權益之賬面值作出調整，以反映其於附屬公司之相關權益變動。非控股權益之調整金額與已付或已收代價之公平值間之任何差額直接於權益確認，並歸屬於本公司擁有人。

倘本集團失去一間附屬公司之控制權，按(i)所收取代價之公平值及任何保留權益之公平值之總額及(ii)附屬公司資產(包括商譽)及負債及任何非控股權益之過往賬面值，所產生之差額計算之收益或虧損於損益內確認。與該附屬公司有關之先前於其他全面收益確認之所有款額，將按猶如本集團已直接出售該附屬公司之相關資產或負債入賬(即按適用香港財務報告準則之規定／准許重新分類至損益或轉撥至另一類別權益)。於失去控制權當日於前附屬公司保留之任何投資之公平值將根據香港會計準則第39號*金融工具：確認和計量*於其後入賬時被列作初步確認之公平值，或(如適用)於初步確認時之於聯營公司或合營企業之投資成本。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

3. 重大會計政策概要－續

業務合併

業務收購採用收購法列賬。業務合併中之轉讓代價按公平值計量，而公平值乃按於收購日本集團所轉讓之資產、本集團向被收購公司原股東產生之負債及本集團於交換被收購公司之控制權發行之股權之公平值之總額計算。收購相關費用一般於產生時在損益賬確認。

於收購日期，所收購之可識別資產及所承擔之負債乃按公平值確認，惟以下情況除外：

- 遞延稅項資產或負債及與僱員福利安排有關之資產或負債分別按香港會計準則第12號*所得稅*及香港會計準則第19號*僱員福利*確認及計量；
- 與被收購公司以股份付款之安排有關或本集團訂立以股份付款之安排取代被收購公司以股份付款之安排有關之負債或權益工具，於收購當日按香港財務報告準則第2號*以股份支付之款項*計量；及
- 按照香港財務報告準則第5號*持作出售之非流動資產及已終止經營業務*分類為持作出售之資產（或出售組別）按照該準則計量。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Business combinations – continued

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another HKFRSs.

3. 重大會計政策概要－續

業務合併－續

商譽按所轉讓之代價、任何非控股權益於被收購公司中所佔金額、及收購公司以往持有之被收購公司股權之公平值(如有)之總和,減所收購可識別資產及所承擔負債於收購當日之淨值後,所超出之差額計量。倘經過評估後,所收購可識別資產與所承擔負債於收購當日之淨額高於轉讓之代價、任何非控股權益於被收購公司中所佔金額以及收購公司以往持有之被收購公司股權之公平值(如有)之總和,則差額即時於損益賬內確認為議價收購收益。

屬現時擁有權權益且持有人有權於清盤時按比例分佔公司淨資產之非控股權益,可初步按公平值或非控股權益應佔被收購公司可識別淨資產之已確認金額比例計量。計量基準可按每項交易而選擇。其他種類之非控股權益乃按其公平值或(倘適用)另一項香港財務報告準則規定之基準計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Business combinations – continued

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

3. 重大會計政策概要－續

業務合併－續

當業務合併分階段實現，本集團過往持有的被收購方股權按於收購日（即本集團取得控制權當日）的公平值重新計量，而由此產生的收益或虧損（如有）於損益中確認。於收購日前自被收購方權益產生且過往已於其他全面收益中確認的金額，均重新分類至損益（該處理方法在出售該權益時亦適用）。

倘業務合併的初步會計處理於合併產生的報告期末仍未完成，則本集團會就仍未完成會計處理的項目呈報暫定金額。該等暫定金額於計量期間內作出調整（見上文），或確認額外資產或負債，以反映獲得有關於收購日期已存在事實及情況的新資料，而倘知悉該等資料，將會影響於當日確認的金額。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Business combinations – continued

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the “measurement period” (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKAS 39, or HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

3. 重大會計政策概要－續

業務合併－續

倘本集團於業務合併中轉讓之代價包括或然代價安排產生之資產或負債，則或然代價按其於收購日期之公平值計量，並計入於業務合併所轉讓之代價之一部分。符合資格為計量期間調整之或然代價公平值變動將予追溯調整，並對商譽作出相應調整。計量期間調整為於「計量期間」（不可超過自收購日期起計一年）取得有關於收購日期已存在之事實及情況之額外資料產生之調整。

不合資格為計量期間調整之或然代價公平值變動之後續會計處理取決於如何將或然代價分類。分類為權益之或然代價不會於後續報告日期重新計量，其後續結算亦於權益內入賬。分類為資產或負債之或然代價將根據香港會計準則第39號或香港會計準則第37號撥備、或然負債及或然資產（如適用）於後續報告日期重新計量，相應之盈虧於損益內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash generating units (the "CGUs") (or groups of CGUs) that is expected to benefit from the synergies of the combination.

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

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

3. 重大會計政策概要－續

商譽

收購業務所產生之商譽按收購業務當日所確定之成本減任何累計減值虧損（如有）列賬。

就減值測試而言，商譽會分配到本集團中預期會受惠於合併協同效應之各個現金產生單位（「現金產生單位」）（或現金產生單位組別）。

獲分配商譽之現金產生單位會每年進行減值測試，或於有跡象顯示該單位可能已經減值時更頻繁地進行減值測試。倘現金產生單位之可收回數額少於其賬面值，則減值虧損會首先分配至用以減少該單位獲分配之任何商譽之賬面值，再根據該單位各項資產之賬面值按比例基準分配至該單位之其他資產。商譽之任何減值虧損直接於綜合損益及其他全面收益表之損益內確認。就商譽確認之減值虧損不會於往後期間撥回。

出售相關現金產生單位時，釐定出售損益時會計入商譽應佔之金額。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Property, plant and equipment

Property, plant and equipment are stated in the consolidated statements of financial position at cost less accumulated depreciation and subsequent accumulated impairment losses, if any.

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the consolidated statement of profit or loss and other comprehensive income in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the property, plant and equipment, the expenditure is capitalised as an additional cost of that asset.

Depreciation is provided to write off the cost of items of property, plant and equipment, using the straight line method, over its estimated useful life. The principal annual rates are as follows:

Leasehold improvements	Over lease term
Motor vehicle	20%
Office equipment	20%

The gain or loss on disposal or retirement of an item of property, plant and equipment is the difference between the net sale proceeds and the carrying amount of the relevant asset, and is recognised in the consolidated statement of profit and loss and other comprehensive income.

3. 重大會計政策概要－續

物業、廠房及設備

物業、廠房及設備乃以成本減累計折舊及其後之累計減值虧損（如有）後於綜合財務狀況表中列賬。

資產之成本包括其購買價及令資產達致現時運作狀況及地點作擬定用途所產生之任何直接應佔成本。於物業、廠房及設備開始運作後，維修及保養等應計開支通常於產生期間在綜合損益及其他全面收益表內扣除。倘若可清楚顯示該等開支令預期自使用有關物業、廠房及設備所取得之未來經濟利益增加，則有關開支會資本化作為有關資產之額外成本。

物業、廠房及設備項目以直線法於其估計可使用年期折舊，以撇銷其成本。主要年率如下：

租賃裝修	於租期內
汽車	20%
辦公室設備	20%

出售或報廢物業、廠房及設備項目之收益或虧損為銷售所得款項淨額與有關資產賬面值之差額，並於綜合損益及其他全面收益表中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Impairment of tangible and intangible assets other than goodwill

At the end of each 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 to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

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

3. 重大會計政策概要－續

商譽以外之有形及無形資產之減值

於各報告期末，本集團審閱有限可使用年期之有形及無形資產賬面值，以決定是否有跡象顯示此等資產出現減值虧損。倘存在任何有關跡象，則估計資產之可收回金額，以釐定減值虧損（如有）之程度。倘不可能估計個別資產之可收回金額，則本集團估計資產所屬現金產生單位之可收回金額。倘可確定合理及一致的分配基準，企業資產亦可分配至個別現金產生單位，否則，則分配至能確定合理及一致的分配基準的最小組別現金產生單位。

有無限可用年期的無形資產及未可使用的無形資產至少每年進行一次減值測試，及於有跡象顯示減值時進行減值測試。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Impairment of tangible and intangible assets other than goodwill – continued

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

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) 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 cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. 重大會計政策概要 – 續

商譽以外之有形及無形資產之減值 – 續

可收回金額為公平值減出售成本與使用價值兩者之較高者。於評估使用價值時，乃使用可反映現時市場對金錢時間值之評估及該資產特有之風險（未來現金流量之估計並無就此作調整）之除稅前貼現率，將估計未來現金流量貼現至其現值。

倘資產（或現金產生單位）之可收回數額估計低於其賬面值，則資產（或現金產生單位）賬面值會降至其可收回數額。減值虧損即時於損益中確認。

倘減值虧損其後撥回，資產（或現金產生單位）賬面值增至其可收回數額之經修訂估計值，但增加之賬面值不超逾過往年度資產（或現金產生單位）減值虧損未予確認下應予確定之賬面值。撥回後減值虧損即時於損益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Financial instruments

Financial assets and financial liabilities are recognised on the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

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 and financial liabilities at fair value through profit or loss (“FVTPL”)) 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 the consolidated statement of profit or loss and other comprehensive income.

Financial assets

The Group’s financial assets are classified into loans and receivables and financial assets at fair value through profit or loss (“FVTPL”). The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular 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 market place.

3. 重大會計政策概要－續

金融工具

當本集團成為工具合約條文之一方，則於綜合財務狀況表中確認財務資產及財務負債。

財務資產及金融負債初步按公平值計量。收購或發行財務資產及財務負債（按公平值透過損益列賬（「按公平值透過損益列賬」）之財務資產及財務負債除外）直接應佔之交易成本於初次確認時計入財務資產或財務負債（視何者適用）之公平值，或從中扣除。收購按公平值透過損益列賬之財務資產或財務負債直接應佔之交易成本乃即時於綜合損益及其他全面收益表中確認。

財務資產

本集團財務資產分為貸款及應收款項及按公平值透過損益列賬（「按公平值透過損益列賬」）之財務資產。分類視乎財務資產之性質及目的而定，於初步確認時釐定。所有定期購買或出售之財務資產乃按交易日基準確認及終止確認。定期購買或出售之財務資產指須於市場規則或慣例訂明之時間內交付資產之買賣。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Financial instruments – continued

Financial assets – continued

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees 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 debt instrument, 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.

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

3. 重大會計政策概要－續

金融工具－續

財務資產－續

實際利率法

實際利率法乃計算債務工具之攤銷成本及於有關期間分配利息收入之方法。實際利率乃將於債務工具之預計年期或（如適用）較短期間之估計未來現金收入（包括構成實際利率不可或缺部分之一切已付或已收費用及利差、交易成本及其他溢價或折讓）準確貼現至初步確認時之賬面淨值之利率。

就債務工具（分類為按公平值透過損益列賬之該等財務資產除外）而言，收入按實際利率法確認。

按公平值透過損益列賬之財務資產

倘財務資產持作交易或被指定為按公平值透過損益列賬，則該財務資產被分類為按公平值透過損益列賬。

倘發生下列情況，則將財務資產歸類為持作交易：

- 所收購之該財務資產主要用於在不久將來出售；或
- 於初步確認時，該財務資產是作為本集團整合管理之已識別金融工具組合之一部份，且近期實現短線套利模式；或
- 該財務資產為衍生工具，但非指定為有效對沖工具。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Financial instruments – continued

Financial assets – continued

Financial assets at FVTPL – continued

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

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

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

3. 重大會計政策概要－續

金融工具－續

財務資產－續

按公平值透過損益列賬之財務資產－續
倘發生下列情況，則持作交易用途之財務資產除外之財務資產可於初始確認時指定為按公平值透過損益列賬之財務資產：

- 該指定取消或大幅減少可能另外產生之計量或確認不一致；或
- 財務資產構成財務資產或財務負債或兩者之組別之一部份，並根據本集團之已定風險管理或投資策略按公平值基準管理及評估其業績，該組別之資料按該基準內部提供；或
- 其構成包括一個或以上嵌入式衍生工具之合約之一部份，香港會計準則第39號金融工具：確認及計量允許全部合併合約（資產或負債）指定為按公平值透過損益列賬。

按公平值透過損益列賬之財務資產按公平值呈列，而重新計量產生之任何收益或虧損於損益確認。於損益賬確認之收益或虧損淨額包括通過財務資產所賺取之任何股息或利息並計入「其他收益」。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Financial instruments – continued

Financial assets – continued

Loans and receivables

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

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

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired 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 all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation ; or
- disappearance of an active market for that financial asset because of financial difficulties.

3. 重大會計政策概要－續

金融工具－續

財務資產－續

貸款及應收款項

貸款及應收款項為並非於活躍市場報價而具有固定或可釐定付款之非衍生財務資產。於初步確認後，貸款及應收款項（包括貿易應收款項及其他應收款項、已抵押銀行存款以及現金及現金等值項目）乃利用實際利息法按攤銷成本扣除任何減值列賬。

利息收入乃應用實際利率法予以確認，惟短期應收款項除外，其利息確認將不重大。

財務資產減值

財務資產（按公平值透過損益列賬的財務資產除外）會於各報告期末評定是否有減值跡象。於有客觀憑證顯示財務資產的估計未來現金流因於初步確認該財務資產後發生的一件或多件事件而受到影響時，財務資產會被視作已減值。

就所有其他財務資產而言，減值的客觀憑證可能包括：

- 發行人或交易對手出現重大財政困難；或
- 違反合約，如逾期支付或拖欠利息或本金；或
- 借款人很可能破產或進行財務重組；或
- 該財務資產的活躍市場因財政困難而消失。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Financial instruments – continued

Financial assets – continued

Impairment of financial assets – continued

For certain categories of financial assets, such as trade receivables and others 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 of 90 days, observable changes in national or local economic conditions that correlate with default on receivables.

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

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

3. 重大會計政策概要－續

金融工具－續

財務資產－續

財務資產減值－續

此外，貿易應收款項及其他應收款項等被評估為非個別減值的若干財務資產類別按整體基準進行減值評估。應收款項組合的客觀減值證據可能包括本集團的過往收款經驗、組合內延遲還款超逾信貸期90日的次數增加，以及與應收款項逾期有關的全國或地方經濟狀況明顯改變。

就按攤銷成本列賬的財務資產而言，所確認的減值虧損金額為資產賬面值與以財務資產原實際利率貼現的估計未來現金流現值間的差額。

就按成本列賬的財務資產而言，減值虧損的金額按資產的賬面值與按類似財務資產的現行市場回報率貼現的估計未來現金流的現值之間的差額計量。該減值虧損不會於其後期間撥回。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Financial instruments – continued

Financial assets – continued

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 and other 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 and other receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

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

3. 重大會計政策概要－續

金融工具－續

財務資產－續

財務資產減值－續

就所有財務資產而言，財務資產賬面值會直接因減值虧損而作出扣減，惟賬面值會透過使用撥備賬作出扣減的貿易及其他應收款項除外。撥備賬的賬面值變動於損益中確認。當貿易及其他應收款項被視為不可收回時，其會於撥備賬內撇銷。先前已撇銷款項如其後收回，會計入損益內。

就按攤銷成本計量的財務資產而言，如在其後期間，減值虧損金額減少，而有關減少客觀上與確認減值虧損後發生的事件有關，則先前已確認的減值虧損會透過損益予以撥回，惟該投資於減值撥回當日的賬面值不得超過未確認減值時的攤銷成本。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Financial instruments – continued

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Convertible notes

The component parts of compound instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity 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.

3. 重大會計政策概要－續

金融工具－續

財務負債及股本工具

分類為債務或股本

集團實體發行之債務及股本工具乃根據合約安排之性質及財務負債及股本工具之定義分類為財務負債或股本。

股本工具

股本工具乃證明實體資產於扣除其所有負債後之剩餘權益之任何合約。一間集團實體發行之股本工具乃按已收取所得款項扣除直接發行成本確認。

購回本公司本身之股本工具直接於股本內確認及扣減。購買、出售、發行或註銷本公司本身之股本工具時不會於損益內確認收益或虧損。

可換股票據

本公司發行之複合工具(可換股票據)之組成部分乃根據合約安排之實際性質及財務負債及股本工具之定義分別分類為財務負債及權益。以定額現金或另一財務資產交換本公司本身定額數目之股本工具之方式結算之轉換權為股本工具。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Financial instruments – continued

Financial liabilities and equity instruments – continued

Convertible notes – continued

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share premium/other equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained profits/other equity. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes 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 recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

3. 重大會計政策概要－續

金融工具－續

財務負債及股本工具－續

可換股票據－續

於發行日期，負債部分之公平值乃採用當時類似非可換股工具之市場利率作出估算。有關金額乃採用實際利息法按攤銷成本基準入賬列作一項負債，直至於換股時或工具到期日註銷為止。

分類為權益之換股權乃透過自整體複合工具之公平值中扣減負債部分金額而釐定。其將於扣除所得稅影響後在權益內確認及入賬，且其後不可重新計量。此外，分類為權益之換股權將一直保留於權益內，直至該換股權獲行使，而在此情況下，於權益內確認之結餘將轉撥至股份溢價／其他權益。倘換股權於可換股票據到期日仍未獲行使，於權益內確認之結餘將轉撥至保留溢利／其他權益。換股權獲轉換或到期時將不會於損益內確認任何收益或虧損。

與發行可換股票據相關之交易成本乃按所得款項總額之分配比例分配至負債及股本部分。與股本部分相關之交易成本乃直接於權益確認。與負債部分相關之交易成本乃計入負債部分之賬面值，並按可換股票據之期限採用實際利率法攤銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Financial instruments – continued

Financial liabilities and equity instruments – continued

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL on initial recognition.

A financial liability is classified as held for trading if:

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

3. 重大會計政策概要－續

金融工具－續

財務負債及股本工具－續

財務負債

財務負債乃分類為按公平值透過損益列賬之財務負債或其他財務負債。

按公平值透過損益列賬之財務負債

倘財務負債為持作買賣或於初步確認時指定為按公平值透過損益列賬，則有關財務負債分類為按公平值透過損益列賬之財務負債。

於以下情況下，財務負債分類為持作買賣：

- 主要為於短期內回購而產生；或
- 於初步確認時，構成本集團合併管理之已識別金融工具組合之一部分，且近期有實際短期獲利模式；或
- 屬於未被指定之衍生工具，並可有效作對沖工具。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Financial instruments – continued

Financial liabilities and equity instruments – continued

Financial liabilities at FVTPL – continued

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

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

Financial liabilities 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 incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item. Fair value is determined in the manner described in note 5.

3. 重大會計政策概要－續

金融工具－續

財務負債及股本工具－續

按公平值透過損益列賬之財務負債－續
並非持作買賣財務負債之財務負債可能於以下情況下在初步確認時指定為按公平值透過損益列賬：

- 有關指定消除或大幅減少可能出現之計量或確認方面不一致情況；或
- 有關財務負債構成一組財務資產或財務負債或上述兩者之一部分，並根據本集團制定之風險管理或投資策略按公平值基準管理及評估表現，且有關分組之資料乃按有關基準於內部提供；或
- 有關財務負債構成包含一項或多項嵌入式衍生工具之合約其中一部分，而香港會計準則第39號：確認和計量允許將整份合併合約指定為按公平值透過損益列賬。

按公平值透過損益列賬的財務負債按公平值列賬，而重新計量產生的任何盈利或虧損於損益確認。於損益確認的收入或虧損淨額包括就財務負債支付的任何利息，並計入「其他收益及虧損」項目內。公平值乃按附註5所述方式釐定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Financial instruments – continued

Financial liabilities and equity instruments – continued

Other financial liabilities

Other financial liabilities (including trade and other payables, bank borrowings and convertible note) are subsequently measured at amortised cost using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that 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 other than financial liabilities classified as at FVTPL.

3. 重大會計政策概要－續

金融工具－續

財務負債及股本工具－續

其他財務負債

其他財務負債（包括貿易及其他應付款項、銀行借款及可換股票據）其後使用實際利率法按攤銷成本計量。

實際利率法

實際利率法乃計算財務負債之攤銷成本及於有關期間分配利息開支之方法。實際利率乃將於財務負債之預計年期或（如適用）較短期間之估計未來現金付款包括構成實際利率不可或缺部分之一切已付或已收費用及利差、交易成本及其他溢價或折讓）準確貼現至初步確認時之賬面淨值之利率。

利息開支以實際利息基準確認，分類為按公平值透過損益列賬之財務負債除外。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Financial instruments – continued

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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.

3. 重大會計政策概要－續

金融工具－續

取消確認

僅於資產現金流量之合約權利屆滿時，或轉讓財務資產及將該資產所有權之絕大部分風險及回報轉讓予另一實體時，本集團方會取消確認財務資產。倘本集團並未轉讓亦未保留所有權之絕大部分風險及回報，並繼續控制已轉讓資產，則本集團以其持續參與為限繼續確認資產並確認相關負債。倘本集團保留已轉讓財務資產所有權之絕大部分風險及回報，則本集團繼續確認該財務資產並確認已收所得款項之有抵押借貸。

全面取消確認財務資產時，資產賬面值與已收及應收代價總額以及於其他全面收益及於權益累計確認之累計收益或虧損間之差額乃於損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Financial instruments – continued

Derecognition – continued

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

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

3. 重大會計政策概要－續

金融工具－續

取消確認－續

除全面取消確認外，於取消確認財務資產時，本集團將財務資產之過往賬面值，根據其繼續確認之部分及不再確認之部分於轉讓日期之相對公平值，在兩者間作出分配。不再確認部分獲分配之賬面值與不再確認部分之已收代價及已於其他全面收益確認之獲分配之任何累計收益或虧損之總和之間之差額乃於損益內確認。已於其他全面收益確認之累計收益或虧損，將按繼續確認部分及不再確認部分之相對公平值，在兩者間作出分配。

本集團僅於其責任已被解除、註銷或屆滿時方會取消確認財務負債。取消確認之財務負債賬面值與已付及應付代價之差額乃於損益內確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the first-in, first-out method. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs necessary to make the sale.

Cash and cash equivalents

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

For the purpose of the consolidated statement of financial positions, cash and cash equivalents comprise cash on hand and at banks, which are not restricted to use.

3. 重大會計政策概要－續

存貨

存貨按成本及可變現淨值之較低者列賬。成本包括所有購買成本及（倘適用）令存貨達致現址及現況所涉之其他成本，乃按先入先出法計算。可變現淨值按日常業務過程中之估計售價減作出銷售所必須之所有估計成本計算。

現金及現金等值項目

就綜合現金流量表而言，現金及現金等值項目包括手頭現金及已抵押銀行存款，以及短期高流動性投資（可隨時轉換為已知數額現金、價值變動風險極低及一般自購入起計三個月內短期內到期），並扣減須應要求償還之銀行透支，其構成本集團現金管理之一部分。

就綜合財務狀況表而言，現金及現金等值項目包括用途不受限制之手頭現金及存放於銀行之現金。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and revenue and costs, if applicable, can be measured reliably, revenue is recognised in the consolidated statement of profit or loss and other comprehensive income as follows:

(a) Sales of goods

Revenue from sales of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyers, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;

(b) Interest income

Interest income is recognised on a time-proportion basis using effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(c) Rental income

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

3. 重大會計政策概要－續

收益確認

收益按已收或應收代價之公平值計量。收益會於本集團可能獲得有關經濟利益且收益及成本（如適用）能可靠計量時，按以下基準於綜合損益及其他全面收益表確認：

(a) 銷售貨品

銷售貨品之收益於貨品所有權之主要風險及回報轉移至買家時確認，惟本集團須並無保留一般與擁有權有關之管理參與權，亦無對已售貨品擁有實際控制權；

(b) 利息收入

利息收入使用實際利率法按時間比例基準確認。倘應收賬款出現減值，本集團會將賬面值減至其可收回金額（即按工具之原實際利率折算之估計未來現金流量），並繼續將貼現部分撥作利息收入。已減值貸款之利息收入使用原實際利率確認。

(c) 租金收入

經營租賃之租金收入乃按有關租期以直線法確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Employee benefits

Salaries, annual bonuses, paid annual leave, leave passage and the cost to the Group of non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Contributions to Mandatory Provident Funds as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance and to the state-managed retirement benefits schemes for the employees of the Group's overseas entities are recognised as an expense in the consolidated statement of profit or loss and other comprehensive income as incurred.

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.

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as social security plans in the PRC, and the Group has no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and prior periods. The Group's contributions to defined contribution plans are recognised in the financial year to which they relate.

3. 重大會計政策概要－續

僱員福利

薪金、年終獎金、有薪年假、度假旅費及本集團非貨幣利益之成本乃於本集團僱員提供相關服務之期間內累計。倘延遲付款或結算，並構成重大影響，則有關款項須按其現值列賬。

根據香港強制性公積金計劃條例之規定對強制性公積金作出之供款，以及就本集團海外實體僱員對國家管理退休福利計劃作出之供款，乃於產生時在綜合損益及其他全面收益表確認為開支。

終止福利只會在本集團明確表示將根據一項不可能撤回之詳盡正式自願離職計劃，承諾終止僱用或提供福利時予以確認。

定額供款計劃為退休福利計劃，據此，本集團支付固定供款予獨立實體，如中國之社會保障計劃，且倘任何基金並無持有充裕資產以支付有關當前及過往期間之僱員服務之所有僱員福利，本集團概無任何法律或推定責任支付進一步供款。本集團對定額供款計劃之供款乃於與其有關之財政年度內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Income tax

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 net profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes consolidated statement of profit or loss and other comprehensive income items that are never taxable or deductible.

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

3. 重大會計政策概要－續

所得稅

所得稅開支指現時應付稅項及遞延稅項之總和。

現時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呈報之純利不同，乃由於前者不包括在其他年度應課稅或可扣稅之收支項目，且不包括綜合損益及其他全面收益表中從未課稅或扣稅之項目。

遞延稅項乃就財務報表內資產及負債賬面值與計算應課稅溢利所用相應稅基之差額而預期應付或可收回之稅項，並以負債法入賬。遞延稅項負債一般乃就所有應課稅暫時差額確認，而遞延稅項資產乃在應課稅溢利可用作對銷可扣稅暫時差額時始確認。倘暫時差額乃因商譽（或負商譽）或因首次確認業務合併以外之交易之其他資產及負債（對應課稅溢利及會計溢利均並無影響）而產生，則不會確認有關資產及負債。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Income tax – continued

Deferred tax liabilities are recognised for taxable temporary differences arising on investment in subsidiaries and associate, 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.

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

Deferred tax is calculated at the tax rates that are expected to apply to the period when the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is charged or credited to the consolidated statement of profit or loss and other comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

3. 重大會計政策概要－續

所得稅－續

遞延稅項負債乃就於附屬公司及聯營公司之投資所產生之應課稅暫時差額確認，惟本集團可控制暫時差額之撥回及暫時差額不可能在可見將來撥回時則除外。

遞延稅項資產之賬面值乃於各報告期末進行審閱，並作出扣減，直至不可能有足夠應課稅溢利以收回全部或部分資產為止。

遞延稅項乃按預期於清償負債或變現資產期間應用之稅率，並基於在報告期末前已頒佈或實際上已頒佈之稅率（及稅法）計算。遞延稅項自綜合損益及其他全面收益表中扣除或計入綜合損益及其他全面收益表，惟倘遞延稅項與直接自權益中扣除或計入權益中之項目有關則除外，於該情況下遞延稅項亦會於權益中處理。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Income tax – continued

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.

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

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

3. 重大會計政策概要－續

所得稅－續

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所產生之稅務影響。

就計量利用公平值模式計量的投資物業之遞延稅項負債或遞延稅項資產而言，有關物業之賬面值乃假設通過銷售全數收回，除非該假設被推翻則除外。當投資物業可予折舊及於業務模式（其業務目標是隨時間而非透過銷售消耗投資物業所包含的絕大部分經濟利益）內持有時，有關假設會被推翻。

即期稅項及遞延稅項於損益確認，惟倘與其他全面收入確認或直接於權益確認之項目相關則除外，在此情況下，即期稅項及遞延稅項亦分別於其他全面收入或直接於權益確認。倘業務合併之初步會計入賬產生即期稅項或遞延稅項，則稅務影響計入業務合併之會計賬目。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligations.

Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

3. 重大會計政策概要－續

撥備

倘本集團因過往事件承擔現有責任（法律或推定），而履行有關責任可能會導致資源流出，並有關責任金額能可靠地估計，則會就此確認撥備。撥備於各報告期末進行審閱，並會作出調整以反映目前之最佳估計。倘金錢之時間價值有重大影響，則撥備金額應為履行責任預期所需開支之現值。

或然負債及或然資產

或然負債指因過往事件而可能引起之責任，此等責任須待一件或多件並非本集團所能控制之不明確未來事件之發生或不發生後才能確認。或然負債亦可能為過往事件所引致之現有責任，但由於不大可能需要經濟資源流出，或責任金額不能可靠地計量而未有確認。

或然負債不會被確認，但會於綜合財務報表附註內予以披露。倘資源流出之機率改變而有可能導致資源流出，此等負債將被確認為撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Contingent liabilities and contingent assets – continued

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

A contingent assets are not recognised but are disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. 重大會計政策概要 – 續

或然負債及或然資產 – 續

或然資產是指過往事件而產生之潛在資產，此等資產須待一件或多件並非本集團所能控制之不明確未來事件之發生或不發生後才能確認。

或然資產不會被確認，但會於經濟利益可能流入時於綜合財務報表附註內披露。倘大致上可肯定經濟利益會流入，則會確認資產。

外幣

於編製各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣（外幣）進行之交易均按交易日期之適用匯率換算確認。於報告期末，以外幣定值之貨幣項目均按該日之適用匯率重新換算。按公平值以外幣定值之非貨幣項目，乃按於公平值釐定當日之適用匯率重新換算。按過往成本計量以外幣定值之非貨幣項目毋須重新換算。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Foreign currencies – continued

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of foreign currency translation reserve (attributed to non-controlling interests as appropriate).

3. 重大會計政策概要－續

外幣－續

貨幣項目產生之匯兌差額均於產生期間在損益內確認，惟以下各項除外：

- 與作未來生產用途之在建資產有關之外幣借貸之匯兌差額，該等匯兌差額於被視為該等外幣借貸利息成本之調整時計入該等資產之成本；
- 為了對沖若干外幣風險而訂立之交易之匯兌差額；及
- 應收或應付海外業務而結算並無計劃亦不可能發生（因此構成海外業務投資淨額之一部分）之貨幣項目之匯兌差額，該等匯兌差額初步於其他全面收入內確認，並於償還貨幣項目時自權益重新分類至損益。

就呈列綜合財務報表而言，本集團海外經營業務之資產及負債乃按各報告期末之適用匯率換算至本集團之呈列貨幣（即港元），而收入及支出項目乃按該期間之平均匯率進行換算，除非匯率於該期間出現大幅波動則作別論，於此情況下，則採用於交易當日之匯率換算。所產生之匯兌差額（如有）乃於其他全面收入確認，並於外幣匯兌儲備下之權益累計（歸屬於非控股權益（倘適當））。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Foreign currencies – continued

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

3. 重大會計政策概要－續

外幣－續

出售境外業務（即出售本集團境外業務之全部權益，或出售涉及失去附屬公司（包括境外業務）控制權或出售共同安排或聯營公司（包括境外業務）部分權益，而其中之保留權益成為一項財務資產）時有關本公司擁有人應佔該業務所有於權益中之累計匯兌差額一概重新分類至損益賬。

此外，就出售一間附屬公司（包括境外業務）部分權益（並無導致本集團失去對附屬公司之控制權）而言，按比例所佔的累計匯兌差額乃重新計入非控股權益且不會在於損益賬確認。至於所有其他部分出售（即部分出售聯營公司或合營安排惟並未導致本集團失去重大影響力或共同控制權），按比例分佔之累計匯兌差額乃重新分類至損益賬。

透過收購境外業務之所收購之可識別資產及所承擔之負債之商譽及公平值調整將被視作該境外業務之資產及負債，並按各報告期間末之現行匯率換算。由此產生之匯兌差額乃於其他全面收入內確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Foreign currencies – continued

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. All borrowing costs are charged to the consolidated statement of profit or loss and other comprehensive income in the period in which they are incurred.

Related party transactions

A party is considered to be 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 the Group's parent.

3. 重大會計政策概要－續

外幣－續

因收購海外業務所收購可識別資產及所承擔負債之商譽及公平值調整，乃視作海外業務之資產及負債處理及按各報告期末之現行匯率換算。所產生之匯兌差額於其他全面收入內確認。

借款成本

借款成本指因借入資金而產生之利息及其他成本。所有借款成本均於其產生期間在綜合損益及其他全面收益表中扣除。

關聯人士交易

與本集團關連之人士指：

- (a) 於以下情況下，一名人士（或其近親）屬與本集團有關連：
 - (i) 該人士控制或共同控制本集團；
 - (ii) 該人士對本集團有重大影響；或
 - (iii) 該人士為本集團或本集團母公司之主要管理層成員。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Related party transactions – continued

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

3. 重大會計政策概要－續

關聯人士交易－續

- (b) 倘符合下列任何條件，一間實體屬與本集團有關連：
- (i) 該實體及本集團屬同一集團之成員公司（即各母公司、附屬公司及同系附屬公司彼此間互有關連）。
 - (ii) 一間實體為另一實體之聯營公司或合營企業（或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業）。
 - (iii) 實體與本集團均為同一第三方之合營企業。
 - (iv) 一間實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司。
 - (v) 該實體為本集團或與本集團有關之實體兩者就僱員利益而設立之離職後福利計劃。
 - (vi) 該實體由第(a)項所指人士控制或共同控制。
 - (vii) 第(a)(i)項所指明人士對該實體能有重大影響力或為該實體（或該實體之母公司）之主要管理成員。
 - (viii) 該實體或其任何集團成員公司提供主要管理層成員服務予本集團或本集團之母公司。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Related party transactions – continued

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

A transaction is considered to be a related party transaction when there is a transfer of resources and obligations between related parties.

Leases

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

Leasing

The Group as lessor

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

3. 重大會計政策概要－續

關聯人士交易－續

一名人士的近親指在該人士與實體進行交易時預期可對其造成影響或受其影響的家族成員。

當一項交易關聯人士之間存在資源及責任轉移時，被視為關聯人士交易。

租賃

倘租賃條款將租賃擁有權絕大部分風險及回報轉讓予承租人，則租賃被分類為融資租賃。所有其他租賃被分類為經營租賃。

租賃

本集團作為出租人

經營租賃之租金收入乃於相關租賃期內以直線法於綜合損益及其他全面收益表內確認。磋商及安排經營租賃時產生之初步直接成本會計入租賃資產之賬面值，並會於租期內以直線法確認為開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Leasing – continued

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the consolidated statement of profit or loss and other comprehensive income.

Rental payable under operating leases are charged to the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the terms of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Prepaid lease payments for land use rights

Prepaid lease payments for land use rights is stated as cost less subsequent accumulated amortisation and any accumulated impairment losses. The cost of interest in leasehold land are amortised on a straight line basis over the relevant interest in leasehold land.

3. 重大會計政策概要－續

租賃－續

本集團作為承租人

按融資資產持有之資產按租賃開始時之公平值或最低租賃付款現值之較低者確認為本集團資產。出租人之相應負債於綜合財務狀況表列作融資租賃承擔。租賃付款按比例於財務費用及租賃承擔扣減之間作出分配，從而計算該等負債應付餘額之固定利率。財務費用直接於綜合損益及其他全面收益表扣除。

經營租賃之應付租金於有關租賃期間按直線法於綜合損益及其他全面收益表扣除。作為訂立經營租賃優惠之已收及應收利益亦於租賃期內以直線法確認為租金支出扣減。

土地使用權的預付租賃款項

土地使用權的預付租賃款項按成本減其後累計攤銷及任何累計減值虧損列賬。租賃土地的利息成本按租賃土地的相關利息以直線法基準攤銷。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purpose). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the net asset) is included in profit or loss in the period in which the property is derecognised.

Segment reporting

Operating segments, and the amounts of each segment item reported in the financial information, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

3. 重大會計政策概要－續

投資物業

投資物業指持有以賺取租金及／或作資本增值的物業（包括就此目的在建中的物業）。投資物業初步按成本（包括交易成本）計量。初步確認後，投資物業按其公平值計量。投資物業公平值變動產生的收益及虧損計入產生期間的損益內。

於投資物業出售或永久停止使用及預計不會從出售該物業中獲得未來經濟收益時，投資物業會終止確認。終止確認物業所產生任何收益或虧損（按出售所得款項淨額與該淨資產的賬面值之差額計算）於該物業終止確認的期間計入損益。

分部報告

經營分部及財務資料所呈報的各分部項目金額，乃根據為就本集團各項業務及地區作資源分配及評估其業績而定期向本集團最高行政管理人員提供的財務資料當中識別。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Segment reporting – continued

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

In the application of the Group's accounting policies, which are described in Note 3, management is 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 underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

3. 重大會計政策概要－續

分部報告－續

就財務報告而言，個別重要的經營分部不會彙集入賬，除非該等分部的經濟特質相近，且彼等的產品及服務性質、生產工序性質、客戶類型或階層、分銷產品或提供服務的方法及監管環境性質等方面相類近。而個別不重大的經營分部如具備上述大部分特質，則可合併為一個報告分部。

4. 重大會計判斷及估計

於應用附註3所述本集團之會計政策時，管理層須作出有關資產及負債賬面值而目前未能從其他來源得出之判斷、估計及假設。該等估計及相關假設乃基於過往經驗及被認為相關之其他因素。實際結果可能與該等估計有差異。

各項估計和相關假設會持續進行審閱。倘會計估計的修訂僅影響有關期間，有關修訂則會在作出修訂的期間確認；倘修訂對當前及未來期間均有影響，則在作出修訂的期間及未來期間確認。

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES – continued

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

(a) Income taxes and deferred taxation

The Group is subject to income taxes in numerous tax authorities. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

4. 重大會計判斷及估計－續

以下為董事於應用本集團的會計政策時所作出及對於綜合財務報表確認的金額具有最重大影響的主要判斷（有關估計者除外）。

(a) 所得稅及遞延稅項

本集團須繳納多個稅務機關的所得稅。於釐定所得稅撥備時需要作出重大判斷。於日常業務過程中，有多項交易及計算未能確切釐定其最終稅項。本集團根據於到期是否需繳付額外稅項的估計就預期稅務審核事宜確認負債。倘該等事宜的最終稅務結果有別於最初入賬的金額，有關差額將對作出有關釐定期間的所得稅及遞延稅項撥備造成影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES – continued

(b) Useful lives and impairment of property, plant and equipment

In accordance with HKAS 16, the Group estimates the useful lives of property, plant and equipment in order to determine the amount of depreciation expenses to be recorded. The useful lives are estimated at the time the asset is acquired based on historical experience, the expected usage, wear and tear of the assets, as well as technical obsolescence arising from changes in the market demands or service output of the assets. The Group also performs annual reviews on whether the assumptions made on useful lives continue to be valid. The Group tests annually whether the assets have suffered any impairment. The recoverable amount of an asset or a cash generating unit is determined based on value in use calculations which require the use of assumptions and estimates.

(c) Estimated impairment of goodwill

The Group performs annual tests on whether there has been impairment of goodwill in accordance with the accounting policy stated in Note 3. The recoverable amounts of cash-generating units are determined based on value-in-use calculations. 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 value-in-use calculations.

4. 重大會計判斷及估計 – 續

(b) 物業、廠房及設備的可使用年期及減值

根據香港會計準則第16號，為釐定將須入賬之折舊開支之金額，本集團會估算物業、廠房及設備之可使用年期。可使用年期乃於收購資產時根據過往經驗、預期用途、資產耗損，以及市場需求或資產所提供服務之變動所產生之技術陳舊進行估算。本集團亦會每年審閱對可使用年期作出之假設是否仍為有效。本集團會每年測試資產是否有任何減值。資產或現金產生單位之可收回金額乃根據其使用價值計算，過程中需使用假設及估算。

(c) 商譽減值估計

根據附註3所載的會計政策，本集團會每年測試商譽是否已出現減值。現金產生單位的可收回金額乃根據使用價值計算法釐定。有關計算法須使用管理層就業務的未來營運、稅前貼現率作出的估計及假設，以及其他與計算使用價值相關的假設。

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES – continued

(d) Impairment of trade receivables

The aged debt profile of trade debtors is reviewed on a regular basis to ensure that the trade debtor balances are collectible and follow up actions are promptly carried out if the agreed credit periods have been exceeded. However, from time to time, the Group may experience delays in collection. Where recoverability of trade debtor balances are called into doubts, specific provisions for bad and doubtful debts are made based on credit status of the customers, the aged analysis of the trade receivable balances and write-off history. Certain receivables may be initially identified as collectible, yet subsequently become uncollectible and result in a subsequent write-off of the related receivable to the consolidated statement of profit or loss and other comprehensive income. Changes in the collectability of trade receivables for which provisions are not made could affect the results of operations.

(e) Fair value of investment properties

The fair value of each investment property is individually determined at the end of each reporting period based on its market value and by adopting direct comparison method. Direct comparison method assumes each of these properties is capable of being sold in its existing state with the benefit of vacant possession and by making reference to comparable sales evidence as available in the relevant market condition, the fair value of the investment properties will change in the future.

4. 重大會計判斷及估計－續

(d) 貿易應收款項減值

貿易應收款項的賬齡狀況會定期進行審閱，以確保貿易應收款項結餘可予收回，並在款項超逾協定信貸期時馬上作出跟進行動。然而，本集團可能不時面對延期收款的情況。倘貿易應收款項結餘的可收回性存疑，則會根據客戶的信貸狀況、貿易應收款項結餘的賬齡分析及撇賬記錄作出特定呆壞賬撥備。若干應收款項可能於最初被認定為可予收回，但其後變成不可收回，並導致其後於綜合損益表及其他全面收益表內撇銷有關應收款項。並無作出撥備的貿易應收款項的收回性變動，可對經營業績造成影響。

(e) 投資物業公平值

每項投資物業的公平值於各報告期末根據其市值，採用直接比較法個別釐定。直接比較法假設每項該等物業可以現況交吉出售及參照有關市場上可供比較的銷售證據，投資物業的公平值會於日後變動。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

5. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

5. 金融工具

(a) 按類別劃分的金融工具

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Financial assets	財務資產		
Loans and receivables	貸款及應收款項		
– trade and other receivables	– 貿易及其他應收款項	233,593	332,702
– amount due from the immediate holding company	– 應收直接控股公司款項	–	15
– amounts due from fellow subsidiaries	– 應收同系附屬公司款項	8,181	8,621
– cash and cash equivalents	– 現金及現金等值項目	203,500	43,029
– pledged bank deposits	– 已抵押銀行存款	6,096	12,970
		451,370	397,337
Financial liabilities	財務負債		
At amortised cost	按攤銷成本		
– trade and other payables	– 貿易及其他應付款項	215,166	224,796
– amount due to the ultimate holding company	– 應付最終控股公司款項	485	4,515
– amounts due to fellow subsidiaries	– 應付同系附屬公司款項	10,802	–
– bank borrowings	– 銀行借款	32,396	121,454
– convertible note	– 可換股票據	77,267	–
		336,116	350,765

5. FINANCIAL INSTRUMENTS – continued

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, cash and cash equivalents, pledged bank deposits, amount due from the immediate holding company, amounts due from a fellow subsidiaries, trade and other payables, bank borrowings, amount due to the ultimate holding company, amounts due to fellow subsidiaries and convertible note. The details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments 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.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, interest rate risk and currency risk. The directors review and agree policies for managing each of these risks and they are summarised below.

Credit risk

The carrying amounts of trade and other receivables included in the consolidated statement of financial position represent the Group's maximum exposure to credit risk in relation to the Group's financial assets. No other financial assets carry a significant exposure to credit risk.

5. 金融工具－續

(b) 財務風險管理目標及政策

本集團的主要金融工具包括貿易及其他應收款項、現金及現金等值項目、銀行存款、應收直接控股公司款項、應收同系附屬公司款項、貿易及其他應付款項、銀行借款、應付最終控股公司款項、應付同系附屬公司款項及可換股票據。該等金融工具的詳情已於相關附註中披露。與該等金融工具相關的風險及降低該等風險的政策載列如下。管理層管理及監控該等風險以確保能及時有效地採取適當措施。

來自本集團金融工具的主要風險為信貸風險、流動資金風險、利率風險及貨幣風險。董事審閱及協定管理上述各項風險的政策，概述如下。

信貸風險

計入綜合財務狀況表內的貿易及其他應收款項賬面值，相當於本集團就本集團財務資產所承受的最大信貸風險。概無其他財務資產具有重大信貸風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

5. FINANCIAL INSTRUMENTS – continued

(b) Financial risk management objectives and policies – continued

Credit risk – continued

The Group's concentration of credit risk by geographical location is mainly in the PRC. The Group also has concentration of credit risk by customers as approximately 20.7% of total trade receivables were due from the Group's five largest customers as at 31 March 2016 (2015: 31.5%).

In order to minimise the credit risk, the management of the Group has credit approvals and other monitoring procedures to ensure that follow-up action is taken on a timely basis and adequate impairment losses are made for irrecoverable amounts overdue. In this regards, the directors of the Company consider that the Group's credit risk is significantly reduced.

Substantially all of the Group's cash and cash equivalents are mainly deposited in the state controlled PRC banks which the directors assessed the credit risk to be insignificant.

Liquidity risk

Liquidity risk is the risk that funds will not be available to meet liabilities as they fall due, and it results from amount and maturity mismatches of assets and liabilities. The Group will consistently maintain a prudent financial policy and ensure that it maintains sufficient cash to meet its liquidity requirements.

5. 金融工具－續

(b) 財務風險管理目標及政策－續

信貸風險－續

本集團按地區劃分的信貸風險主要集中於中國。由於在二零一六年三月三十一日，貿易應收款項總額中分別約有20.7%為應收本集團五大客戶的款項，故本集團亦有客戶集中信貸風險（二零一五年：31.5%）。

為盡量減低信貸風險，本集團的管理層設有信貸批核及其他監察程序，以確保就無法收回的逾期款項及時採取跟進行動，及作出足夠的減值虧損。就此而言，本公司董事認為本集團的信貸風險已大幅減低。

本集團絕大部分的現金及現金等值項目主要存放由國家控制的中國銀行，故董事評定信貸風險並不重大。

流動資金風險

流動資金風險為無法獲得資金應付到期負債的風險，有關風險乃源自資產及負債金額及到期日的錯配。本集團將一如既往，保持審慎財務政策，並確保維持充足現金以應付其流動資金所需。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

5. FINANCIAL INSTRUMENTS – continued

(b) Financial risk management objectives and policies – continued

Liquidity risk – continued

The following tables detail Group's contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities which are the earliest dates of the Group can be required to pay. The tables include both interest and principal cash flows.

5. 金融工具－續

(b) 財務風險管理目標及政策－續

流動資金風險－續

下表詳列本集團財務負債尚餘合約年期。此表根據本集團最早須償還日期之財務負債未貼現現金流量編製。下表包括利息及主要現金流量。

		Weighted average effective interest rate 加權平均實際利率 %	On demand or within 1 year 按要求或於一年內 HK\$'000 千港元	Over 1 year 超過一年 HK\$'000 千港元	Total undiscounted cash flows 非貼現現金流量總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
As at 31 March 2016	於二零一六年三月三十一日					
Trade and other payables	貿易及其他應付款項	-	215,166	-	215,166	215,166
Amount due to the ultimate holding company	應付最終控股公司款項	-	485	-	485	485
Amounts due to fellow subsidiaries	應付同系附屬公司款項	-	10,802	-	10,802	10,802
Bank borrowings	銀行借款	5.99	33,911	-	33,911	32,396
Convertible note	可換股票據	13.11	-	84,292	84,292	77,267
			260,364	84,292	344,656	336,116
As at 31 March 2015	於二零一五年三月三十一日					
Trade and other payables	貿易及其他應付款項	-	224,796	-	224,796	224,796
Amount due to the ultimate holding company	應付最終控股公司款項	-	4,515	-	4,515	4,515
Bank borrowings	銀行借款	8.50	126,975	-	126,975	121,454
			356,286	-	356,286	350,765

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

5. FINANCIAL INSTRUMENTS – continued

(b) Financial risk management objectives and policies – continued

Liquidity risk management

Ultimate responsibility for liquidity management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

As at 31 March 2016, the Group has available unutilised short and medium term bank loan facilities of approximately HK\$20,878,000 (2015: HK\$64,983,000).

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank borrowings (Note 33). The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of benchmark interest rates published by the People's Bank of China for the Group's RMB denominated borrowings.

The Group currently does not have any interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

5. 金融工具－續

(b) 財務風險管理目標及政策－續

流動資金風險管理

董事會肩負管理流動資金風險之最終責任，而董事會已建立一個合適之流動資金風險管理框架，用以管理本集團之短期、中期及長期資金及應付流動資金管理需求。本集團透過保持充足之儲備、銀行信貸及儲備借貸融資，以及持續對預測及實際現金流量進行監察，配合財務資產及財務負債之到期情況，藉以管理流動資金風險。

於二零一六年三月三十一日，本集團有未動用短期及中期銀行貸款額約20,878,000港元（二零一五年：64,983,000港元）。

利率風險

本集團之浮息銀行借貸（附註33）承受現金流量利率風險。本集團之現金流量利率風險主要集中於本集團以人民幣計值之借貸所產生之中國人民銀行公佈之基準利率波動。

本集團現時並無任何利率對沖政策。然而，管理層會監察利率風險，並會於有需要時考慮對沖重大利率風險。

5. FINANCIAL INSTRUMENTS – continued

(b) Financial risk management objectives and policies – continued

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for the floating rate bank borrowings. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis points increase or decrease throughout the reporting period is used internally for assessment of possible change in interest rate.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year would decrease/increase by approximately HK\$22,000 (2015: HK\$408,000). This is mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

Currency risk

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The main operations of the Group were in the PRC and most of the transactions were denominated in Renminbi ("RMB"). Foreign exchange risk arises from the foreign currency denominated of commercial transactions, assets and liabilities. The Group has no significant direct exposure to foreign currencies as most of the commercial transactions, assets and liabilities are denominated in a currency as the functional currency of each entity of the Group.

5. 金融工具－續

(b) 財務風險管理目標及政策－續

利率之敏感度分析

下文之敏感度分析乃根據浮息銀行借貸之利率風險而釐定。分析乃假設於報告期末之未償還金融工具為於整個年度內未償還而作出。於整個報告增加或減少50個基點會於內部報告時使用，並對利率之潛在變動作出評估。

倘利率增加／減少50個基點，而所有其他變數維持不變，則本集團之年度溢利將減少／增加約22,000港元（二零一五年：408,000港元）。此乃主要由於本集團之浮息銀行借貸之利率風險所致。

貨幣風險

當未來商業交易或已確認資產及負債並非以該實體之功能貨幣列值，則會產生外匯風險。

本集團主要於中國經營業務，且大部分交易以人民幣（「人民幣」）列值。外匯風險來自以外幣計值之商業交易、資產及負債。由於大部分商業交易、資產及負債之計值貨幣與本集團各實體之功能貨幣相同，因此本集團並無任何重大直接外幣風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

5. FINANCIAL INSTRUMENTS – continued

(b) Financial risk management objectives and policies – continued

Currency risk – continued

The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Fair value measurement

The fair value of financial assets and financial liabilities are determined as follows:

- (i) The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active markets are determined with reference to quoted market bid and ask prices respectively.
- (ii) The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models (e.g. discounted cash flows analysis using observable and/or unobservable inputs).

The carrying amount of other financial assets and liabilities carried at amortised cost, approximate their respective fair values due to the relatively short-term nature of these financial statements.

5. 金融工具－續

(b) 財務風險管理目標及政策－續

貨幣風險－續

本集團現時並無任何有關外幣交易、資產及負債的外幣對沖政策。本集團將密切監察其外幣風險，並會於有需要時考慮對沖重大外幣風險。

公平值計量

財務資產及財務負債的公平值按以下方式釐定：

- (i) 附帶標準條款及條件並於活躍市場買賣的財務資產及財務負債的公平值乃分別參考市場所報買賣價釐定。
- (ii) 其他財務資產及財務負債（不包括衍生工具）之公平值按公認定價模式（例如使用可觀察及／或不可觀察數據之貼現現金流量分析）而釐定。

其他財務資產及負債的賬面值按攤銷成本計值，且由於該等財務報表屬相對短期，故其賬面值與公平值相若。

5. FINANCIAL INSTRUMENTS – continued

(b) Financial risk management objectives and policies – continued

Fair value measurements recognised in the consolidated statement of financial position

The Group's financial instruments that are measured subsequent to initial recognition at fair value are grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

During the years ended 31 March 2016 and 2015, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfer into or out of Level 3 for both financial assets and financial liabilities.

5. 金融工具－續

(b) 財務風險管理目標及政策－續

於綜合財務狀況表內確認之公平值計量

本集團於初步確認後按公平值計量的金融工具乃按其公平值的可觀察程度分為1級至3級。

- 1級公平值計量指按同類資產或負債於活躍市場的報價（未經調整）計算得出；
- 2級公平值計量指按資產或負債可直接（即價格）或間接（即從價格得出）觀察所得的輸入數據（1級計量所用報價除外）計算得出；及
- 3級公平值計量指以估值技術計算得出，有關估值技術使用包括並非根據可觀察市場數據（不可觀察數據）得出的資產或負債輸入數據。

截至二零一六年及二零一五年三月三十一日止年度內，1及2級間並無公平值計量轉移，亦無就財務資產及財務負債於3級轉入或轉出。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

5. FINANCIAL INSTRUMENTS – continued

(c) Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on recurring basis

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recorded in the consolidated financial statements approximate to their fair values.

5. 金融工具－續

(c) 並非按持續基準以公平值計量之本集團財務資產及財務負債之公平值

董事認為，除下表所詳述者外，計入綜合財務報表內財務資產及財務負債之賬面值與其公平值相若。

		As at 31 March 2016 於二零一六年三月三十一日		As at 31 March 2015 於二零一五年三月三十一日	
		Carrying amount 賬面值 HK\$'000 千港元	Fair value 公平值 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元	Fair value 公平值 HK\$'000 千港元
Financial liabilities	財務負債				
Convertible note	可換股票據	77,267	75,055	-	-

6. CAPITAL RISK MANAGEMENT

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value. The Group manages the capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the reporting period.

The Group monitors capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group overall strategy remains unchanged during the reporting period.

6. 資本風險管理

本集團管理資本的首要目標為保障本集團以持續基準經營的能力，以及維持穩健的資本比率，以支援其業務發展及令股東獲得最大價值。本集團會因應經濟環境變化管理資本架構並對其作出調整。為維持或調整資本架構，本集團或會調整支付予股東的股息款額、退還資本予股東或發行新股份。於報告期間，有關管理資本的目標、政策或過程並無任何變動。

本集團監察資本，以確保本集團內各實體能夠按持續基準經營，同時透過優化債務與股本的平衡，為持份人帶來最大回報。於報告期間，本集團的整體策略並無變動。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. CAPITAL RISK MANAGEMENT – continued

The capital structure of the Group consists of debts (bank borrowings and convertible note), cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

6. 資本風險管理－續

本集團的資本架構包括債務（銀行借款及可換股票據）、現金及現金等值項目以及本公司擁有人應佔權益（包括已發行股本及儲備）。

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Debts (Note (a))	債務（附註(a)）	109,663	121,454
Cash and cash equivalents	現金及現金等值項目	(203,500)	(43,029)
Net (cash)/debt	（現金）／債務淨額	(93,837)	78,425
Equity (Note (b))	權益（附註(b)）	222,744	273,781
Gearing ratio	資產負債比率	N/A	0.29

Notes:

- (a) Debts represented by bank borrowings and convertible note as set out in Note 33 and Note 34 respectively.
- (b) Equity includes all capital and reserves attributable to owners of the Company.

附註：

- (a) 債務指附註33及附註34分別所載的銀行借款及可換股票據。
- (b) 權益包括本公司擁有人應佔的所有資本及儲備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. OPERATING SEGMENT

Information reported internally to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Group organised into two operating divisions: (a) pharmaceutical wholesale and distribution business and (b) pharmaceutical retail chain business in the PRC. These divisions are the basis on which the Group reports its segment information.

Segment revenue and results

For the year ended 31 March 2016

7. 營運分類

向主要營運決策者內部呈報以作資源分配及評核分類表現之資料，乃著重於所交付或提供之貨品或服務類型。本集團組織為兩個經營分類：即於中國之(a)藥品批發及分銷業務及(b)藥品零售連鎖業務。該等分類乃本集團呈報其分類資料之基礎。

分類收益及業績

截至二零一六年三月三十一日止年度

		Pharmaceutical wholesale and distribution business 藥品批發及 分銷業務 HK\$'000 千港元	Pharmaceutical retail chain business 藥品零售 連鎖業務 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Revenue	營業額				
External sales	對外銷售	1,083,341	238,422	-	1,321,763
Inter-segment sales	分類間銷售	37,010	28,772	(65,782)	-
Total revenue	總營業額	<u>1,120,351</u>	<u>267,194</u>	<u>(65,782)</u>	<u>1,321,763</u>
Inter-segment sales are charged at arm's length	分類間銷售乃按公平基準收費				
Results	業績				
Segment results	分類業績	<u>12,634</u>	<u>(3,514)</u>	-	<u>9,120</u>
Unallocated other revenue	未分配之其他收益				186
Loss on disposal of a subsidiary	出售一間附屬公司之虧損				(772)
Unallocated corporate expenses	未分配之企業支出				(4,473)
Profit from operations	經營溢利				<u>4,061</u>
Finance costs	財務費用				<u>(16,365)</u>
Loss before taxation	除稅前虧損				<u>(12,304)</u>
Taxation	稅項				<u>(1,158)</u>
Loss for the year	本年度虧損				<u><u>(13,462)</u></u>

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. OPERATING SEGMENT – continued

Segment revenue and results – continued

For the year ended 31 March 2015

7. 營運分類 – 續

分類收益及業績 – 續

截至二零一五年三月三十一日止年度

		Pharmaceutical wholesale and distribution business 藥品批發及 分銷業務 HK\$'000 千港元	Pharmaceutical retail chain business 藥品零售 連鎖業務 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Revenue	營業額				
External sales	對外銷售	1,346,925	220,762	–	1,567,687
Inter-segment sales	分類間銷售	51,384	38,613	(89,997)	–
		<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	總營業額	1,398,309	259,375	(89,997)	1,567,687
		<hr/>	<hr/>	<hr/>	<hr/>
Inter-segment sales are charged at arm's length	分類間銷售乃按公平基準收費				
Results	業績				
Segment results	分類業績	(757,862)	5,799	–	(752,063)
		<hr/>	<hr/>	<hr/>	<hr/>
Unallocated other revenue	未分配之其他收益				1
Unallocated corporate expenses	未分配之企業支出				(4,449)
					<hr/>
Loss from operations	經營業務虧損				(756,511)
Finance costs	財務費用				(8,819)
					<hr/>
Loss before taxation	除稅前虧損				(765,330)
Taxation	稅項				(7,950)
					<hr/>
Loss for the year	本年度虧損				(773,280)
					<hr/>

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. OPERATING SEGMENT – continued

Segment assets and liabilities

As at 31 March 2016

7. 營運分類－續

分類資產及負債

於二零一六年三月三十一日

		Pharmaceutical wholesale and distribution business 藥品批發及 分銷業務 HK\$'000 千港元	Pharmaceutical retail chain business 藥品零售 連鎖業務 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Consolidated statement of financial position	綜合財務狀況表			
Assets	資產			
Segment assets	分類資產	473,700	148,952	622,652
Unallocated corporate assets	未分配之企業資產			24,146
Consolidated total assets	綜合資產總值			646,798
Liabilities	負債			
Segment liabilities	分類負債	204,516	70,843	275,359
Convertible note	可換股票據			77,267
Deferred tax liabilities	遞延稅項負債			563
Unallocated corporate liabilities	未分配之企業負債			3,085
Consolidated total liabilities	綜合負債總額			356,274

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. OPERATING SEGMENT – continued

Segment assets and liabilities – continued

As at 31 March 2015

7. 營運分類－續

分類資產及負債－續

於二零一五年三月三十一日

	Pharmaceutical wholesale and distribution business 藥品批發及 分銷業務 HK\$'000 千港元	Pharmaceutical retail chain business 藥品零售 連鎖業務 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Consolidated statement of financial position 綜合財務狀況表			
Assets 資產			
Segment assets	502,453	140,347	642,800
Unallocated corporate assets			12,540
Consolidated total assets			655,340
Liabilities 負債			
Segment liabilities	313,177	53,321	366,498
Unallocated corporate liabilities			5,798
Consolidated total liabilities			372,296

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. OPERATING SEGMENT – continued

Other segment information

For the year ended 31 March 2016

Other information	其他資料
Capital expenditure*	資本開支*
Depreciation	折舊
Amortisation of prepaid lease payments	預付租賃款項攤銷
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損
Impairment loss recognised in respect of trade and other receivables	就貿易及其他應收款項確認之減值虧損
Reversal of impairment loss recognised in respect of trade and other receivables	就貿易及其他應收款項確認減值虧損撥回
Loss on disposal of subsidiary	出售附屬公司之虧損
Change in fair value of investment property	投資物業之公平值變動

7. 營運分類 – 續

其他分類資料

截至二零一六年三月三十一日止年度

Pharmaceutical wholesale and distribution business 藥品批發及分銷業務 HK\$'000 千港元	Pharmaceutical retail chain business 藥品零售連鎖業務 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
245	11,646	-	11,891
1,847	4,601	1	6,449
-	365	-	365
14	323	-	337
519	657	-	1,176
(580)	(103)	-	(683)
772	-	-	772
-	490	-	490

For the year ended 31 March 2015

截至二零一五年三月三十一日止年度

Other information	其他資料
Capital expenditure*	資本開支*
Depreciation	折舊
Amortisation of prepaid lease payments	預付租賃款項攤銷
Impairment loss on goodwill	商譽減值虧損
Reversal of impairment loss recognised in respect of trade and other receivables	就貿易及其他應收款項確認減值虧損撥回
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損
Impairment loss recognised in respect of trade and other receivables	就貿易及其他應收款項確認之減值虧損
Change in fair value of investment property	投資物業公平值變動

Pharmaceutical wholesale and distribution business 藥品批發及分銷業務 HK\$'000 千港元	Pharmaceutical retail chain business 藥品零售連鎖業務 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
4,075	11,061	6	15,142
2,030	3,042	13	5,085
-	188	-	188
785,169	-	-	785,169
(130)	-	-	(130)
40	40	-	80
2,123	1,838	-	3,961
-	252	-	252

* Capital expenditure consists of additions to property, plant and equipment and prepaid lease payments.

* 資本開支包括對物業、廠房及設備之添置及預付租賃款項。

7. OPERATING SEGMENT – continued

Other segment information – continued

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment results represent the profit or loss generated by each segment without allocation of finance costs, other corporate revenue, income, expense and loss on disposal of a subsidiary and taxation. Unallocated corporate expenses mainly include directors' remuneration and other central administration costs. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than unallocated corporate assets. Unallocated corporate assets mainly include cash and cash equivalents and office equipment of the central administration companies. Goodwill is allocated to reportable segments as described in Note 21.
- all liabilities are allocated to reportable segments other than convertible note, deferred tax liabilities and unallocated corporate liabilities. Unallocated corporate liabilities mainly include the amount due to the ultimate holding company, accruals and other payables of the central administration companies.

7. 營運分類 – 續

其他分類資料 – 續

可報告分類之會計政策與附註3所述之本集團會計政策一致。分類業績指各分類產生之溢利或虧損，不計及財務費用、其他企業收益、收入、開支及出售一間附屬公司之虧損及稅項之分配。未分配企業開支主要包括董事酬金及其他中央管理費用。此乃就資源分配及分類表現評估向主要營運決策者報告之計量。

就監控分類表現及分配分類間資源而言：

- 除未分配企業資產外，所有資產均分配至可報告分類。未分配企業資產主要包括中央管理公司之現金及現金等值項目及辦公設備。誠如附註21所述，商譽乃分配至可報告分類。
- 除可換股票據、遞延稅項負債及未分配企業負債外，所有負債均分配至可報告分類。未分配企業負債主要包括應付最終控股公司款項、中央管理公司之應計費用及其他應付款項。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. OPERATING SEGMENT – continued

Geographical information

The Group operates in two principal areas – pharmaceutical wholesale and distribution business and pharmaceutical retail chain business operates in the PRC and administrative activity operates in Hong Kong.

The Group's revenue is solely generated from external customers in the PRC.

The following is an analysis of the carryings amount of non-current assets analysed by the geographical area in which the assets are located:

7. 營運分類 – 續

地區資料

本集團於兩個主要領域經營 – 在中國經營藥品批發及分銷業務以及藥品零售連鎖業務及在香港經營管理業務。

本集團之收益全部來自於中國外部客戶。

以下為按資產所處地區分析之非流動資產之賬面值分析：

		Carrying amounts of non-current assets 非流動資產之 賬面值	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Hong Kong	香港	24	39
PRC	中國	37,248	37,131
		37,272	37,170

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. OPERATING SEGMENT – continued

Information about major customers

For the years ended 31 March 2016 and 2015, no single customers contributed 10% or more to the Group's revenue.

Revenue from major products

The Group's revenue from its major products were stated in Note 8 to the consolidated financial statements.

8. REVENUE

The Group's revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

The revenue is as follows:

7. 營運分類－續

有關主要客戶之資料

截至二零一六年及二零一五年三月三十一日止年度，概無單一客戶對本集團之收益貢獻10%或以上。

主要產品之收益

本集團主要產品之收益載於綜合財務報表附註8。

8. 收益

本集團的收益為經扣除退貨及交易折扣撥備後的已售商品發票淨值。收益如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Retail of pharmaceutical and related products	藥品及相關產品零售	238,422	220,762
Wholesale and distribution of pharmaceutical and related products	藥品及相關產品批發及分銷	1,083,341	1,346,925
		1,321,763	1,567,687

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

9. OTHER REVENUE

9. 其他收益

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Interest income	利息收入	220	1,131
Rental income	租金收入	2,289	2,511
Exhibition income	展會收入	-	1
Sundry income	雜項收入	2,491	2,736
		<u>5,000</u>	<u>6,379</u>

10. OTHER GAIN/(LOSS), NET

10. 其他收益／（虧損），淨額

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Reversal of impairment loss of trade receivables	貿易應收款項之減值虧損撥回	683	130
Change in fair value of investment property	投資物業之公平值變動	(490)	(252)
Exchange gain	匯兌收益	2,674	-
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	(337)	(80)
		<u>2,530</u>	<u>(202)</u>

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

11. PROFIT/(LOSS) FROM OPERATIONS

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

11. 經營業務溢利／（虧損）

本集團經營業務之年內溢利／（虧損）乃經扣除下列項目後達致：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Staff costs:		
員工費用：		
Employee benefits expense (including directors' emoluments (Note 13)):		
僱員福利開支（包括董事酬金（附註13））：		
Salaries and allowances	65,200	63,470
薪金及津貼		
Retirement scheme contributions	8,725	7,808
退休金計劃供款		
	73,925	71,278
Other items:		
其他項目：		
Depreciation of owned property, plant and equipment (Note 18)	6,449	5,085
所擁有物業、廠房及設備折舊（附註18）		
Amortisation of prepaid lease payments (Note 19)	365	188
預付租賃款項攤銷（附註19）		
Auditors' remuneration		
核數師酬金		
– audit services	987	850
– 審核服務		
– non-audit services	–	–
– 非審核服務		
Cost of inventories sold	1,175,635	1,407,842
已售存貨成本		
Impairment loss on goodwill (Note 21)	–	785,169
商譽減值虧損（附註21）		
Impairment loss recognised in respect of trade and other receivables	1,176	3,961
就貿易及其他應收款項確認之減值虧損		
Loss on disposal of a subsidiary	(772)	–
出售一間附屬公司之虧損		
Operating lease rentals in respect of land and building	29,609	25,437
就土地及樓宇之經營租賃租金		

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

12. FINANCE COSTS

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Interest on:	以下項目之利息：		
– Bank borrowings	– 銀行借貸	8,088	8,819
– Convertible note	– 可換股票據	8,277	–
		16,365	8,819

12. 財務費用

13. DIRECTORS' EMOLUMENTS

Pursuant to the Listing Rules and the Hong Kong Companies Ordinance, the aggregate amounts of emoluments paid by the companies now comprising the Group to the directors of the Company during the reporting period are as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Fees	袍金	315	315
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	417	319
Retirement scheme contributions	退休計劃供款	17	14
Total	總計	749	648

13. 董事薪酬

根據上市規則及香港公司條例，現組成本集團之該等公司於報告期間支付予本公司董事之薪酬總額如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

13. DIRECTORS' EMOLUMENTS – continued

Details for the emoluments of each director of the Company during the reporting period are as follows:

13. 董事薪酬一續

本公司各董事於報告期間之薪酬詳情如下：

		Fees	Salaries, allowances and benefits in kind 薪金、津貼及實物利益	Retirement scheme contributions 退休計劃供款	Total
		袍金 HK\$'000 千港元	實物利益 HK\$'000 千港元	退休計劃供款 HK\$'000 千港元	總計 HK\$'000 千港元
For the year ended	截至二零一六年				
31 March 2016	三月三十一日止年度				
<i>Executive directors:</i>	<i>執行董事：</i>				
Mr. Yung Ka Chun (Note (c))	翁嘉晉先生(附註(c))	-	7	-	7
Mr. Chen Jinshan (Note (d))	陳金山先生(附註(d))	-	60	-	60
Ms. Shum Ngai Pan (Note (e))	沈毅斌女士(附註(e))	-	114	6	120
Ms. Yung Ka Lai (Note (h))	翁嘉麗女士(附註(h))	-	236	11	247
<i>Independent non-executive directors:</i>	<i>獨立非執行董事：</i>				
Mr. Liang Yichi (Note (f))	梁一池先生(附註(f))	75	-	-	75
Dr. Liu Yongping (Note (g))	劉勇平博士(附註(g))	120	-	-	120
Mr. Wong Hon Kit	黃漢傑先生	120	-	-	120
		315	417	17	749

		Fees	Salaries, allowances and benefits in kind 薪金、津貼及實物利益	Retirement scheme contributions 退休計劃供款	Total
		袍金 HK\$'000 千港元	實物利益 HK\$'000 千港元	退休計劃供款 HK\$'000 千港元	總計 HK\$'000 千港元
For the year ended 31 March 2015	截至二零一五年				
	三月三十一日止年度				
<i>Executive directors:</i>	<i>執行董事：</i>				
Mr. Weng Jiaying (Note (a))	翁加興先生(附註(a))	-	234	11	245
Mr. Chen Yong (Note (b))	陳勇先生(附註(b))	-	-	-	-
Mr. Yung Ka Chun (Note (c))	翁嘉晉先生(附註(c))	-	57	3	60
Mr. Chen Jinshan (Note (d))	陳金山先生(附註(d))	-	28	-	28
Ms. Shum Ngai Pan (Note (e))	沈毅斌女士(附註(e))	-	-	-	-
<i>Independent non-executive directors:</i>	<i>獨立非執行董事：</i>				
Mr. Liang Yichi (Note (f))	梁一池先生(附註(f))	75	-	-	75
Dr. Liu Yongping (Note (g))	劉勇平博士(附註(g))	120	-	-	120
Mr. Wong Hon Kit	黃漢傑先生	120	-	-	120
		315	319	14	648

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

13. DIRECTORS' EMOLUMENTS – continued

Notes:

- (a) Mr. Weng Jiaying is the chief executive officer and was appointed as executive director from 9 July 2012 and resigned on 21 November 2014.
- (b) Mr. Chen Yong resigned from the executive director on 10 October 2014.
- (c) Mr. Yung Ka Chun was appointed as executive director on 10 October 2014 and resigned on 20 April 2015.
- (d) Mr. Chen Jinshan was appointed as executive director on 10 October 2014.
- (e) Ms. Shum Ngai Pan was appointed as executive director on 20 April 2015.
- (f) Mr. Liang Yichi was appointed as independent non-executive director on 4 September 2012.
- (g) Dr. Liu Yongping was appointed as independent non-executive director on 27 February 2014.
- (h) Ms. Yung Ka Lai was appointed as executive director on 5 August 2015.

During the years ended 31 March 2016 and 2015, none of the directors and chief executive of the Company waived or agreed to waive any emoluments.

During the year, no emoluments have been paid to the directors and chief executive of the Company as an inducement to join or upon joining the Group or as compensation.

13. 董事薪酬一續

附註：

- (a) 翁加興先生為行政總裁，並於二零一二年七月九日起獲委任為執行董事且於二零一四年十一月二十一日辭任。
- (b) 陳勇先生於二零一四年十月十日辭任執行董事。
- (c) 翁嘉晉先生於二零一四年十月十日獲委任為執行董事，並於二零一五年四月二十日辭任。
- (d) 陳金山先生於二零一四年十月十日獲委任為執行董事。
- (e) 沈毅斌女士於二零一五年四月二十日獲委任為執行董事。
- (f) 梁一池先生於二零一二年九月四日獲委任為獨立非執行董事。
- (g) 劉勇平博士於二零一四年二月二十七日獲委任為獨立非執行董事。
- (h) 翁嘉麗女士於二零一五年八月五日獲委任為執行董事。

截至二零一六年及二零一五年三月三十一日止年度，概無本公司董事及主要行政人員放棄或同意放棄任何酬金。

年內，本公司並無向董事及主要行政人員支付薪酬，以作為吸引加盟本集團或於加盟後的獎勵，或作為補償。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

14. EMPLOYEES EMOLUMENTS

Senior management emoluments and five highest paid employees

The five highest paid individuals during the year included 1 director (2015: 1). The details of the emoluments of the remaining 4 (2015: 4) highest paid individuals are as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Salaries and other emoluments	薪金及其他酬金	1,540	1,309
Retirement scheme contributions	退休福利計劃供款	56	51
		1,596	1,360

The number of these non-directors, highest paid employees whose remuneration fell within the following band is as follows:

		2016 二零一六年	2015 二零一五年
Nil to HK\$1,000,000	0至1,000,000港元	4	4

14. 僱員酬金

高級管理人員酬金及五名最高薪僱員

年內五名最高薪僱員包括一名(二零一五年: 一名)董事。餘下四名(二零一五年: 四名)最高薪僱員之酬金詳情如下:

該等非董事、最高薪僱員的薪酬介乎以下範圍:

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

14. EMPLOYEES EMOLUMENTS – continued

Senior management emoluments and five highest paid employees – continued

The emoluments of the senior management (excluding directors) of the Company are within the following band.

		2016 二零一六年	2015 二零一五年
Nil to HK\$1,000,000	0至1,000,000港元	<u>6</u>	<u>6</u>

During the years ended 31 March 2016 and 2015, no emoluments were paid by the Group to senior management or any of the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

14. 僱員酬金 – 續

高級管理人員酬金及五名最高薪僱員 – 續

本公司高級管理層（不包括董事）的薪酬介乎以下範圍。

截至二零一六年及二零一五年三月三十一日止年度，本集團並無向高級管理層或任何五名最高薪僱員支付薪酬，以作為吸引加盟本集團或於加盟後的獎勵，或作為離職補償。

15. TAXATION

15. 稅項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Current tax:	即期稅項：		
– PRC Enterprise Income Tax	– 中國企業所得稅	2,524	7,828
– Under-provision in prior year	– 過往年度撥備不足	–	122
Deferred tax:	遞延稅項：		
– Current year credit (Note 35)	– 本年度抵免（附註35）	(1,366)	–
		<u>1,158</u>	<u>7,950</u>

15. TAXATION – continued

The Group is subject to income tax on an entity basis on profits arising or derived from the jurisdictions in which members of the Group are domiciled and operate.

Provision on profits assessable elsewhere has been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

The National People's Congress which was concluded on 16 March 2007, the PRC Enterprise Income Tax Law was approved and became effective from 1 January 2008. The PRC Enterprise Income Tax Law introduces a wide range of changes which include, but are not limited to, the unification of the income tax rates for domestic-invested and foreign-invested enterprises at 25%.

According to the PRC Enterprise Income Tax Law, starting from 1 January 2008, 10% withholding income tax will be imposed on dividend relating to profits earned by the companies established in the PRC in the calendar year 2008 onwards to their foreign shareholders. For investors incorporated in Hong Kong which hold at least 25% of equity interest of those PRC companies, a preferential rate of 5% will be applied. The Group has applied the preferential rate of 5% as the Group's subsidiaries in the PRC are directly held by an investment holding company incorporated in Hong Kong. No deferred tax has been provided for in respect of the temporary differences attributable to such profits as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the years ended 31 March 2016 and 2015. No provision for Hong Kong Profits Tax has been made as the Group did not have assessable profits subject to Hong Kong Profits Tax (2015: Nil).

15. 稅項 – 續

本集團須就本集團成員公司所處及經營所在司法權區所產生或賺取之溢利，按實體基準繳納所得稅。

其他地區之應課稅溢利撥備按本集團經營所在國家之現行稅率根據其現有立法、詮釋及慣例計算。

於二零零七年三月十六日結束的全國人民代表大會會議上，中國企業所得稅法獲通過，並由二零零八年一月一日起生效。中國企業所得稅法引入一系列變動，包括但不限於將境內投資及外資企業的所得稅率統一為25%。

根據中國企業所得稅法，自二零零八年一月一日起，將對在中國成立的公司自二零零八年曆年起賺取的溢利支付其境外股東的股息徵收10%的預扣所得稅。對於在香港註冊成立且持有該等中國公司至少25%股權的投資者，將實施5%的優惠稅率。由於本集團在中國的附屬公司均由一間在香港註冊成立的投資控股公司直接持有，故本集團按5%的優惠稅率繳納稅項。由於本集團有能力控制撥回暫時差額的時間，且不大可能於可見將來撥回暫時差額，故並無就該等溢利應佔之暫時差額作出遞延稅項撥備。

香港利得稅按截至二零一六年及二零一五年三月三十一日止年度之估計應課稅溢利的16.5%計算。由於本集團並未賺取須繳納香港利得稅之應課稅溢利，故並無就香港利得稅計提撥備（二零一五年：無）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

15. TAXATION – continued

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

A reconciliation of the income tax expense applicable to loss before taxation using the statutory rate for the location in which the Company and its subsidiaries are domiciled to the tax expenses at the effective tax rate are as follows:

15. 稅項 – 續

根據開曼群島及英屬處女群島之規則及法規，本集團毋須繳納任何開曼群島及英屬處女群島所得稅。

使用本公司及其附屬公司所處地點之法定稅率計算適用於除稅前虧損之所得稅開支與按實際稅率計算之稅項開支之對賬如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Loss before taxation	除稅前虧損	(12,304)	(765,330)
Notional tax on profit before tax, calculated at the rates applicable to profits in the tax jurisdiction concerned	按照在相關稅法管轄區域之溢利之適用稅率計算除稅前溢利的名義稅項	(1,942)	(124,237)
Tax effect of expenses and income	開支及收入的稅務影響		
Not deductible or taxable for tax purposes	不可扣稅或毋須課稅	(1,321)	130,861
Under-provision in prior year	過往年度撥備不足	-	122
Tax effect of tax losses not recognised	未確認的稅項虧損的稅務影響	4,421	1,204
Taxation	稅項	1,158	7,950

16. DIVIDENDS

The directors of the Company do not recommend the payment of any dividend for the year ended 31 March 2016 (2015: Nil).

16. 股息

本公司董事不建議宣派截至二零一六年三月三十一日止年度的任何股息（二零一五年：無）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

17. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

17. 本公司擁有人應佔每股虧損

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Loss for the year Loss attributable to owners of the Company for the purpose of basic loss per share calculation	年內虧損 本公司擁有人應佔虧損 (用以計算每股基本虧損)	<u>(13,802)</u>	<u>(772,949)</u>
		2016 二零一六年	2015 二零一五年
Number of shares Weighted average number of shares for the purpose of basic loss per share	股份數目 加權平均股數(用以計算每股基本虧損)	<u>648,405,300</u>	<u>648,405,300</u>

For the years ended 31 March 2016 and 2015, diluted loss per share is the same as the basic loss per share as the computation of diluted loss per share does not assume the conversion of the Company's outstanding convertible note since it would result in an anti-dilutive effect on loss per share during the year ended 31 March 2016 while the Company did not have any dilutive potential ordinary shares during the year ended 31 March 2015.

由於截至二零一六年及二零一五年三月三十一日止年度，計算每股攤薄虧損並無假設兌換本公司之尚未行使可換股票據，原因為其對於截至二零一六年三月三十一日止年度之每股虧損造成反攤薄影響，而本公司於截至二零一五年三月三十一日止年度並無具潛在攤薄影響的普通股，故每股攤薄虧損與每股基本虧損相同。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

18. PROPERTY, PLANT AND EQUIPMENT

18. 物業、廠房及設備

		Leasehold improvement 租賃物業裝修 HK\$'000 千港元	Office equipment 辦公室設備 HK\$'000 千港元	Motor vehicle 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost	成本				
As at 1 April 2014	於二零一四年四月一日	5,707	17,708	2,966	26,381
Additions	添置	5,264	7,948	1,860	15,072
Acquisitions through business combinations (Note 25)	透過業務合併之收購 (附註25)	-	68	-	68
Disposals	出售	-	(881)	(319)	(1,200)
Exchange realignment	匯兌調整	54	130	23	207
As at 31 March 2015 and 1 April 2015	於二零一五年三月三十一日 及二零一五年四月一日	11,025	24,973	4,530	40,528
Additions	添置	1,896	2,018	43	3,957
Disposals	出售	-	(598)	(68)	(666)
Derecognised upon disposal of subsidiary (Note 26)	取消確認出售附屬公司 (附註26)	-	(284)	-	(284)
Exchange realignment	匯兌調整	(1,305)	(1,449)	(255)	(3,009)
As at 31 March 2016	於二零一六年三月三十一日	11,616	24,660	4,250	40,526
Accumulated depreciation	累計折舊				
As at 1 April 2014	於二零一四年四月一日	2,679	9,846	1,287	13,812
Charge for the year	年內已扣除	1,702	2,683	700	5,085
Written back on disposals	於出售時撥回	-	(795)	(201)	(996)
Exchange realignment	匯兌調整	24	70	11	105
As at 31 March 2015 and 1 April 2015	於二零一五年三月三十一日 及二零一五年四月一日	4,405	11,804	1,797	18,006
Charge for the year	年內已扣除	2,820	3,145	484	6,449
Written back on disposals	於出售時撥回	-	(275)	(54)	(329)
Derecognised upon disposal of subsidiary (Note 26)	取消確認出售附屬公司 (附註26)	-	(62)	-	(62)
Exchange realignment	匯兌調整	(987)	(811)	(124)	(1,922)
As at 31 March 2016	於二零一六年三月三十一日	6,238	13,801	2,103	22,142
Net book value	賬面淨值				
As at 31 March 2016	於二零一六年三月三十一日	5,378	10,859	2,147	18,384
As at 31 March 2015	於二零一五年三月三十一日	6,620	13,169	2,733	22,522

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

19. PREPAID LEASE PAYMENTS

19. 預付租賃款項

		Total
		總計
		HK\$'000
		千港元
Cost	成本	
As at 1 April 2014, 31 March 2015 and 1 April 2015	於二零一四年四月一日、二零一五年三月三十一日及二零一五年四月一日	7,083
Additions	添置	7,934
Exchange realignment	匯兌調整	(523)
		<hr/>
As at 31 March 2016	於二零一六年三月三十一日	14,494
		<hr/>
Accumulated depreciation	累計折舊	
As at 1 April 2014	於二零一四年四月一日	2,353
Charge for the year	年內已扣除	188
Exchange realignment	匯兌調整	12
		<hr/>
As at 31 March 2015 and 1 April 2015	於二零一五年三月三十一日及二零一五年四月一日	2,553
Charge for the year	年內已扣除	365
Exchange realignment	匯兌調整	(136)
		<hr/>
As at 31 March 2016	於二零一六年三月三十一日	2,782
		<hr/>
Net book value	賬面淨值	
As at 31 March 2016	於二零一六年三月三十一日	11,712
		<hr/> <hr/>
As at 31 March 2015	於二零一五年三月三十一日	4,530
		<hr/> <hr/>

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

19. PREPAID LEASE PAYMENTS – continued

19. 預付租賃款項 – 續

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Analysed for reporting purpose as:	分析作呈報用途：		
– Current assets (included in trade and other receivable and deposits) (Note 23)	– 流動資產 (計入貿易及其他應收款項及按金) (附註23)	365	188
– Non-current assets	– 非流動資產	11,347	4,342
		11,712	4,530

As at 31 March 2016, the amount of approximately HK\$10,623,000 (2015: HK\$1,909,000) are pledged as collaterals for Group's bank borrowings, details please refer Note 33.

於二零一六年三月三十一日，約10,623,000港元(二零一五年：1,909,000港元)之金額被抵押為本集團銀行借貸之抵押品，詳情請參閱附註33。

The Group's prepaid lease payments amounts represent the payments for land use rights situated in the PRC. The leasehold lands have lease term of 35 to 40 years and the Group has processed the land use rights of the leasehold land during the lease term.

本集團預付租賃款項指就位於中國之土地使用權之付款。租賃土地之租賃期為35至40年，而本集團於租賃期內擁有租賃土地之土地使用權。

Amortisation on prepaid lease payments of approximately HK\$365,000 (2015: approximately HK\$188,000) have been charged to the administrative expenses in the consolidated statement of profit or loss and other comprehensive income for the years ended 31 March 2016 and 2015 respectively.

約365,000港元(二零一五年：約188,000港元)之預付租賃款項已分別於截至二零一六年及二零一五年三月三十一日止年度之綜合損益表及其他全面收益表中計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

20. INVESTMENT PROPERTY

20. 投資物業

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Completed investment property	已竣工投資物業	7,199	8,093
At fair value	按公平值		
As at 1 April	於四月一日	8,093	8,306
Fair value change	公平值變動	(490)	(252)
Exchange realignment	匯兌調整	(404)	39
As at 31 March	於三月三十一日	7,199	8,093

Note:

The investment property with net book approximately HK\$7,199,000 as at 31 March 2016 (2015: approximately HK\$8,093,000) is pledged as collaterals for the Group's bank borrowings, please refer to Note 33.

附註：

於二零一六年三月三十一日，投資物業賬面淨值約7,199,000港元（二零一五年：約8,093,000港元）已質押作本集團銀行借貸之抵押品。詳情請參閱附註33。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

20. INVESTMENT PROPERTY – continued

(a) Valuation of investment property

The investment property amounted to approximately HK\$7,199,000 of the Group were stated at fair value as at 31 March 2016 (2015: HK\$8,093,000). The fair value were arrived at based on the valuations carried out by an independent firm of qualified professional valuers, Asset Appraisals Limited, (“AAL”), who have among their staff members of the Hong Kong Institute of Surveyors with recent experience in the location and category of the properties being values. The valuations conform to the Valuation Standards published by the Hong Kong Institute of Surveyors. The completed investment property has been valued using the direct comparison approach.

The direct comparison approach is adopted where comparison based on prices information of comparable properties is made.

There had been no change from the valuation technique used in the prior year. In estimating the fair value of the property, the highest and best use of the property is their current use.

(b) The analysis of the carrying amount of investment property is as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Land located in PRC:	於中國之土地：		
Medium-term lease	中期租約	<u>7,199</u>	<u>8,093</u>

20. 投資物業－續

(a) 投資物業之估值

於二零一六年三月三十一日，本集團約7,199,000港元（二零一五年：8,093,000港元）之投資物業按公平值列賬。公平值乃根據由獨立合資格專業估值師中誠達資產評估顧問有限公司（「AAL」）所作估值而釐定。進行前述估值的AAL職員為香港測量師學會會員，並對進行估值物業之位置及類別擁有近期估值經驗。有關估值符合香港測量師學會出版之估值準則。已落成投資物業使用直接比較法進行估值。

已採取根據可比較物業的價格資料進行比較之直接比較法。

於過往年度所採用的估值法並無發生任何變動。於估計物業的公平值時，物業的最高及最佳使用為其當前用途。

(b) 投資物業之賬面值分析如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

20. INVESTMENT PROPERTY – continued

(c) Details of the Group's investment property and information about the fair value hierarchy as at 31 March 2016 and 2015 are as follows:

	Level 1	Level 2	Level 3	Fair value as at 31 March 2016 於二零一六年 三月三十一日之 公平值 HK\$'000 千港元
	1級 HK\$'000 千港元	2級 HK\$'000 千港元	3級 HK\$'000 千港元	
Investment property unit located in PRC	-	7,199	-	7,199

	Level 1	Level 2	Level 3	Fair value as at 31 March 2015 於二零一五年 三月三十一日之 公平值 HK\$'000 千港元
	1級 HK\$'000 千港元	2級 HK\$'000 千港元	3級 HK\$'000 千港元	
Investment property unit located in PRC	-	8,093	-	8,093

There were no transfers into or out of level 2 or level 3 during the year 31 March 2016 and 2015.

截至二零一六年及二零一五年三月三十一日止年度內，2級或3級並無任何轉入或轉出。

(d) Investment property leased out under operating leases

All of the Group's property interests held under operating lease to earn rentals are measured using the fair value model and classified accounted for investment property.

(d) 根據經營租賃出租之投資物業

本集團所有根據經營租賃持有以賺取租金收入的物業權益均採用公平值模式計量，並分類作投資物業入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

20. INVESTMENT PROPERTY – continued

(d) Investment property leased out under operating leases – continued

The Group leases out its investment property which are shop units of a 9-storey composite building to various tenants. The leases typically run for an initial period of 1 year to 5 years, at the end of which period all terms are renegotiated. None of the leases includes contingent rentals. The rental income for investment property less directly outgoings of approximately HK\$265,000 (2015: approximately HK\$321,000).

The property held had committed tenants for the 2.6 years (2015: 3.4 years). At the end of the reporting period, the Group contracted with tenants for the following future minimum lease receivables:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within one year	一年內	273	226
In the second to the fifth years inclusive	第二至五年 (包括首尾兩年)	459	462
		732	688

(e) Particulars of investment property

The particulars of the investment property at 31 March 2016 are as follows:

Location 地點	Type 類型	Tenure 租期	Attributable interest of the Group 本集團所佔權益
Shop No. 1 on Level 1, Heng Ye Building, Wusi Road, Shaowu City, Fujian Province, the PRC.	Building and land	Medium-term lease	99.80%
中國福建省邵武市 五四路恒業大廈 一樓一號商鋪。	樓宇及土地	中期租約	99.80%

20. 投資物業 – 續

(d) 根據經營租賃出租之投資物業 – 續

本集團向多名租戶出租其投資物業 (為一棟九層綜合大樓之商舖單元)。租約一般初步為期一年至五年, 期滿時重新磋商所有條款。租約不包括或然租金。來自投資物業之租金收入減直接開支約為265,000港元 (二零一五年: 約321,000港元)。

所持有之物業在未來2.6年 (二零一五年: 3.4年) 已有願意承租之租戶。於本報告期末, 本集團已與租戶訂約, 於未來應收取之最低租金如下:

(e) 投資物業之詳情

於二零一六年三月三十一日, 投資物業之詳情如下:

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

21. GOODWILL

21. 商譽

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Cost	成本		
As at 1 April	於四月一日	787,382	785,521
Additional amounts recognised from business combinations occurring during the year (Note 25)	於本年度產生自業務合併所確認之額外款項(附註25)	-	1,852
Release of goodwill due to disposal of a subsidiary (Note 26)	因出售一間附屬公司解除商譽(附註26)	(1,852)	-
Exchange realignment	匯兌調整	(19)	9
As at 31 March	於三月三十一日	785,511	787,382
Accumulated impairment losses	累計減值虧損		
As at 1 April	於四月一日	785,169	-
Impairment losses recognised during the year	於本年度確認之減值虧損	-	785,169
As at 31 March	於三月三十一日	785,169	785,169
Carrying amounts	賬面值		
As at 31 March	於三月三十一日	342	2,213

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

21. GOODWILL – continued

Impairment Tests for Cash-generating Units (“CGU”) Containing Goodwill

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

For purpose of impairment testing, goodwill has been allocated to the following CGUs. The carrying amounts of goodwill (net of accumulated impairment loss) as at 31 March 2016 and 2015 are allocated as follows:

21. 商譽－續

含有商譽之現金產生單位（「現金產生單位」）減值測試

本集團每年進行一次商譽減值測試，或於有跡象顯示商譽可能已經減值時更頻密地進行減值測試。

就減值測試而言，商譽已分配至下列現金產生單位。於二零一六年及二零一五年三月三十一日，商譽之賬面值（扣除累計減值虧損）分配如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Nurture Fit and its subsidiaries	葆宜及其附屬公司		
– retail, wholesales and distribution of pharmaceutical and related products	– 零售、批發及分銷藥品及相關產品	–	–
Quanzhou Huihao	泉州惠好		
– retail of pharmaceutical and related products	– 零售藥品及相關產品	342	361
Xiamen Huihao	廈門惠好		
– wholesales and distribution of pharmaceutical and related products	– 批發及分銷藥品及相關產品	–	1,852
		342	2,213

21. GOODWILL – continued

Impairment Tests for Cash-generating Units (“CGU”) Containing Goodwill – continued

Nurture Fit and its subsidiaries

During the year ended 31 March 2015, as a result of the promulgation and implementation of the new Good Supply Practice in Fujian, the PRC which imposes stringent regulations on pharmaceutical distributor operation and causes significant decrease in pharmaceutical wholesales business of Nurture Fit and its subsidiaries. According to subsequent publications of relevant government policies in effect, only 10 medicine distributors remained on the enterprise list and those unqualified distributors are not qualified to supply pharmaceutical products to public hospitals and healthcare institutions under new tenders commensurate with the new Good Supply Practice. Majority of the existing distributor customers of Nurture Fit and its subsidiaries, who are not on the new Good Supply Practice qualified enterprise list, are expected to walk out from the sector. As a result, the projected sale revenues from the wholesale business are expected to tumble over the projection period.

Also, due to the constraint of the existing direct sale distribution facilities of the Nurture Fit and its subsidiaries where it is unable to cater for all the public hospitals and public healthcare institutions over the whole Fujian Province, the Nurture Fit and its subsidiaries is expected to take up only part of the market shares on distribution sale business which are covered by those existing distributor customers. As a result, there shall be dropped in the overall market share of the Nurture Fit and its subsidiaries over the wholesale and distribution segment.

As the carrying of this CGU is lower than the recoverable amount, impairment losses of approximately HK\$785,169,000 was recognised during the year ended 31 March 2015.

21. 商譽－續

含有商譽之現金產生單位（「現金產生單位」）減值測試－續

葆宜及其附屬公司

截至二零一五年三月三十一日止年度，因於中國福建省頒佈及實施新質量管理規範，其對藥品分銷商業務施加嚴格規管並導致葆宜及其附屬公司之藥品批發業務大幅減少。根據已生效之其後刊發相關政府政策，企業名單上僅保留10間藥物分銷商，而不符合資格之分銷商概無資格於符合新質量管理規範之新投標項下向公立醫院及醫療機構提供藥品。並非名列新質量管理規範合資格企業名單之葆宜及其附屬公司之大多數現有客戶預期將淡出該行業。因此，預期於預測期間內之來自批發業務之預測銷售收入將暴跌。

此外，由於葆宜及其附屬公司之現有直接銷售分銷設施限制，令其無法應付全福建省之所有公立醫院及公共醫療機構之需求，預期葆宜及其附屬公司將僅承接該等現有分銷商客戶所涵蓋之分銷銷售業務之部份市場份額。因此，葆宜及其附屬公司於批發及分銷分部之整體市場份額將有所下跌。

由於該現金產生單位之賬面值低於可收回金額，故約為785,169,000港元之減值虧損乃於截至二零一五年三月三十一日止年度內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

21. GOODWILL – continued

Impairment Tests for Cash-generating Units ("CGU") Containing Goodwill – continued Nurture Fit and its subsidiaries – continued

The recoverable amount of this cash generating unit ("CGU") is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by management covering a five-year period and with discount rates of 11.95% per annum. Cash flow projections during the budgeted period are based on the same expected gross margins throughout the budget period. The management considers that it is prudent and appropriate to adopt a steady 8% annual growth rate of cash flows projections for each flows beyond the budgeted period. This growth rate does not exceed the long-term average growth rate for the market. Management determined the budgeted gross margin based on past performance and its expectations for the market development.

Quanzhou Huihao

The recoverable amount of this CGU is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by management covering a five-years period and with discount rates of 13.36% (2015: 11.95%) per annum. Cash flow projections during the budgeted period are based on the same expected gross margins throughout the budget period. The management considers that it is prudent and appropriate to adopt a steady 8% (2015: 8%) annual growth rate of cash flow projections for each flows beyond the budgeted period. This growth rate does not exceed the long-term average growth rate for the market. Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of this CGU. Management determined the budgeted gross margin based on past performance and its expectations for the market development.

21. 商譽－續

含有商譽之現金產生單位（「現金產生單位」）減值測試－續 葆宜及其附屬公司－續

此現金產生單位（「現金產生單位」）之可收回金額乃根據使用價值計算釐定，而使用價值根據管理層所批准之涵蓋五年期財務預算所得出之現金流量預測，以及貼現率每年11.95%計算。預算期內之現金流量預測，乃基於整個預算期內相同之預測毛利率計算。管理層認為，採納預算期後現金流量之穩定年增長率8%推算乃屬審慎及適當。此增長率並不超過市場之長期平均增長率。管理層根據過往表現及其對市場發展之預測釐定預算毛利率。

泉州惠好

此現金產生單位之可收回金額乃根據使用價值計算釐定，而使用價值根據管理層所批准之涵蓋五年期財務預算所得出之現金流量預測，以及貼現率每年13.36%（二零一五年：11.95%）計算。預算期內之現金流量預測乃基於整個預算期內相同之預測毛利率計算。管理層認為，採納預算期後現金流量之穩定年增長率8%（二零一五年：8%）推算乃屬審慎及適當。此增長率並不超過市場之長期平均增長率。管理層相信，計算可收回金額所依據之主要假設可能出現之任何合理變動，不會導致此現金產生單位之賬面總值超逾其可收回金額總值。管理層根據過往表現及其對市場發展之預測釐定預算毛利率。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

21. GOODWILL – continued

Impairment Tests for Cash-generating Units (“CGU”) Containing Goodwill – continued

Xiamen HuiHao

For the year ended 31 March 2015, the recoverable amount of this CGU is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by management covering a 5-years period and with discount rate of 11.95% per annum. Cash flow projections during the budgeted period are based on the same expected gross margins throughout the budget period. The management considers that it is prudent and appropriate to adopt a steady 8% annual growth rate of cash flows projections for each flows beyond the budgeted period. This growth rate does not exceed the long-term average growth rate for the market. Management believes on which reasonable amount is based would not cause recoverable amount of this CGU. Management determines the budgeted gross margin based on past performance and the expectations for the market development. During the year ended 31 March 2016, Xiamen Huihao was disposed by the Group, the goodwill is included in the determination of the loss on disposal.

22. INVENTORIES

Inventories in the consolidated statement of financial position comprises:

21. 商譽－續

含有商譽之現金產生單位（「現金產生單位」）減值測試－續

廈門惠好

截至二零一五年三月三十一日止年度，此現金產生單位之可收回金額乃根據使用價值計算釐定，而使用價值根據管理層所批准之涵蓋五年期財務預算所得出之現金流量預測，以及貼現率每年11.95%計算。預算期內之現金流量預測乃基於整個預算期內相同之預測毛利率計算。管理層認為，採納預算期後現金流量之穩定年增長率8%推算乃屬審慎及適當。此增長率並不超過市場之長期平均增長率。管理層相信，可收回金額所依據之不會導致此現金產生單位產生可收回金額。管理層根據過往表現及其對市場發展之預測釐定預算毛利率。於截至二零一六年三月三十一日止年度內，本集團已出售廈門惠好，釐定出售虧損時會計入商譽。

22. 存貨

於綜合財務狀況表之存貨包括：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Finished goods	製成品	107,578	124,849

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

23. TRADE AND OTHER RECEIVABLES AND DEPOSITS

23. 貿易及其他應收款項及按金

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Trade receivables	貿易應收款項	194,258	282,077
Bills receivable	應收票據	5,854	6,229
Prepayments and deposit paid	預付款項及已付按金	50,213	121,230
Prepaid lease payments (Note 19)	預付租賃款項(附註19)	365	188
Other receivables	其他應收款項	34,454	19,988
		285,144	429,712
Less: Impairment loss recognised in respect of other receivables	減：就其他應收款項確認的減值虧損	(973)	(1,026)
		284,171	428,686

As at 31 March 2016, bills receivable of approximately HK\$5,854,000 (2015: HK\$6,229,000) will be matured within six months after the end of the reporting period. All the bills receivable are denominated in RMB.

於二零一六年三月三十一日，應收票據約5,854,000港元(二零一五年：6,229,000港元)將於報告期末後六個月內到期。所有應收票據均以人民幣計值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

23. TRADE AND OTHER RECEIVABLES AND DEPOSITS – continued

Included in the Groups other receivables were the value added tax (“VAT”) recoverable of approximately HK\$7,997,000 as at 31 March 2016 (2015: HK\$8,171,000).

Payment terms with customers from the pharmaceutical wholesale and distribution business and pharmaceutical retail chain business are mainly on credit. Invoices are normally payable from 30 to 90 days of issuance. The ageing analysis of trade receivables based on the invoices date is as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within 90 days	90日以內	151,264	213,845
91 – 180 days	91至180日	35,957	50,607
181 – 365 days	181至365日	7,037	17,593
Over 365 days	超過365日	5,397	5,222
		199,655	287,267
Less: Impairment loss recognised in respect of trade receivables	減：就貿易應收款項確認的減值虧損	(5,397)	(5,190)
		194,258	282,077

23. 貿易及其他應收款項及按金 – 續

於二零一六年三月三十一日，計入本集團其他應收款項之可收回增值稅（「增值稅」）約7,997,000港元（二零一五年：8,171,000港元）。

藥品批發及分銷業務以及藥品零售連鎖店業務客戶的付款方式主要為記賬收款。款項一般須於發票日期後30至90日內支付。按發票日期的貿易應收款項的賬齡分析如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

23. TRADE AND OTHER RECEIVABLES AND DEPOSITS – continued

Trade receivables disclosed above include amounts which are past due at the end of the reporting period but against which the Group has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right to offset against any amounts owed by the Group to the counterparty. The individually impaired receivables related to customers that were in financial difficulties and the directors assessed that the amounts are not expected to be recovered.

Ageing of impaired trade receivables

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Over 365 days	5,397	5,190

23. 貿易及其他應收款項及按金 —續

上文所披露之貿易應收款項包括於報告期末已逾期，惟本集團並無確認應收呆賬撥備之金額，原因為有關款項的信貨質素並無重大變動且仍被視為可予收回。本集團並無就此等結餘持有任何抵押品或其他信貸加強項目，亦無法定權利可以本集團結欠交易對手的任何款項作抵銷。個別減值的應收款項涉及有財務困難的客戶，董事的評估為預計該等金額不能收回。

已減值貿易應收款項之賬齡

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Over 365 days	5,397	5,190

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

23. TRADE AND OTHER RECEIVABLES AND DEPOSITS – continued

Ageing of past due but not impaired

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Overdue by:	已逾期：		
1 – 90 days	1至90日	35,957	50,607
91 – 180 days	91至180日	7,037	17,593
Over 180 days	超過180日	–	32
		42,994	68,232

Included in the Group's trade receivables balances are balances with aggregate carrying amount of approximately HK\$42,994,000 (2015: HK\$68,232,000) which was past due at the end of the reporting period for which the Group not provided for impairment loss.

23. 貿易及其他應收款項及按金 —續

已逾期但尚未減值的賬齡

計入本集團貿易應收款項結餘中之賬面總額約42,994,000港元(二零一五年：68,232,000港元)為於本報告期末已逾期之結餘，本集團並無就其計提減值虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

23. TRADE AND OTHER RECEIVABLES AND DEPOSITS – continued

Movement in the provision for impairment loss recognised in respect of trade receivables is summarised as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Balance as at 1 April	於四月一日之結餘	5,190	1,336
Impairment losses recognised	已確認之減值虧損	1,176	3,961
Impairment losses reversed	減值虧損撥回	(683)	(130)
Exchange realignment	匯兌調整	(286)	23
Balance as at 31 March	於三月三十一日之結餘	5,397	5,190

Included in allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of HK\$5,397,000 (2015: HK\$5,190,000). For overdue debts, based on the past default experience, payment history of customers and subsequent settlement, the Group assessed the corporate customers for potential impairment losses. Full provision has been made for individual trade receivables aged over one year with no subsequent settlement as historical evidence shows that such amounts are not recoverable.

23. 貿易及其他應收款項及按金 一續

就貿易應收款項確認之減值虧損撥備變動概述如下：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Balance as at 1 April	5,190	1,336
Impairment losses recognised	1,176	3,961
Impairment losses reversed	(683)	(130)
Exchange realignment	(286)	23
Balance as at 31 March	5,397	5,190

呆賬撥備中計入個別減值之貿易應收款項之總結餘為5,397,000港元(二零一五年：5,190,000港元)。就逾期債務而言，本集團根據過往被拖欠款項之經驗，客戶付款記錄及其後結算評估企業客戶之潛在減值虧損。本公司已為賬齡超過一年之其後並無結算之個別貿易應收款項作出全額撥備，原因為根據過往證據顯示，此等金額無法收回。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

23. TRADE AND OTHER RECEIVABLES AND DEPOSITS – continued

Movement in the provision for impairment loss of the Group recognised in respect of other receivables is summarised as follows:

23. 貿易及其他應收款項及按金 – 續

就其他應收款項確認之本集團減值虧損撥備變動概述如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Balance as at 1 April	於四月一日之結餘	1,026	1,152
Impairment losses recognised	已確認之減值虧損	-	-
Impairment losses reversed	減值虧損撥回	-	-
Exchange realignment	匯兌調整	(53)	(126)
Balance as at 31 March	於三月三十一日之結餘	973	1,026

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

24. PARTICULARS OF SUBSIDIARIES

(a) Details of the Company's principal subsidiaries, all of which are limited liability companies, at 31 March 2016 are as follows:

24. 附屬公司之詳情

(a) 於二零一六年三月三十一日，本公司之主要附屬公司（均為有限公司）詳情如下：

Name of subsidiaries 附屬公司名稱	Place and date of incorporation/ registration and operation 注冊成立/註冊及經營地點及日期	Class of share held 所持股份類別	Particulars of issued and fully paid ordinary share capital/ registered capital 發行及繳足普通股本/註冊資本之詳情	Percentage of equity, effective interest and voting power held by the Company 本公司持有之股權、實際權益及投票權之比例				Principal activities 主要業務
				Direct 直接		Indirect 間接		
				2016 二零一六年 %	2015 二零一五年 %	2016 二零一六年 %	2015 二零一五年 %	
Luxuriant Expand Global Investments Limited 茂加環球投資有限公司	British Virgin Islands/ 10 April 2012 英屬處女群島/ 二零一二年四月十日	Ordinary 普通股	US\$100/US\$50,000 100美元/50,000美元	100	100	-	-	Investment holding 投資控股
Timely Hero Enterprises Limited 時雄企業有限公司	British Virgin Islands/ 1 December 2006 英屬處女群島/ 二零零六年十二月一日	Ordinary 普通股	US\$1/US\$50,000 1美元/50,000美元	-	-	100	100	Investment holding 投資控股
Nurture Fit Limited 葆宜有限公司	British Virgin Islands/ 16 July 2009 英屬處女群島/ 二零零九年七月十六日	Ordinary 普通股	US\$1/US\$50,000 1美元/50,000美元	-	-	100	100	Investment holding 投資控股
Huihao (HK) Group Limited ("Huihao Hong Kong") 惠好(香港)醫藥集團有限公司 (「惠好香港」)	Hong Kong/ 1 March 2004 香港/ 二零零四年三月一日	Ordinary 普通股	HK\$1,000,000 1,000,000港元	-	-	100	100	Investment holding 投資控股
Fujian Huihao Sihai Pharmaceutical China Company Limited ("Huihao Sihai") 福建惠好四海醫藥連鎖有限公司 (「惠好四海」) [#]	The PRC/ 30 November 2001 中國/ 二零零一年十一月三十日	Registered 註冊資本	RMB55,856,350 人民幣55,856,350元	-	-	99.80	99.29	Pharmaceutical retail chain business in the PRC 於中國藥品零售連鎖店業務
Fuzhou Province Huihao City Huihao Pharmaceutical Co. Limited ("Fuzhou Huihao") 福建省福州市惠好藥業有限公司 (「福州惠好」) [#]	The PRC/ 9 July 2008 中國/ 二零零八年七月九日	Registered 註冊資本	RMB80,000,000 人民幣80,000,000元	-	-	75	100	Pharmaceutical wholesale and distribution business in the PRC 於中國藥品批發及分銷業務
Putian Huihao Medicine Co. Limited ("Putian Huihao") 福建莆田惠好醫藥有限公司 (「莆田惠好」) [#]	The PRC/ 11 July 2008 中國/ 二零零八年七月十一日	Registered 註冊資本	RMB10,000,000 人民幣10,000,000元	-	-	75	100	Pharmaceutical wholesale and distribution business in the PRC 於中國藥品批發及分銷業務
Fujian Huiming Medicine Co. Limited ("Fujian Huiming") 福建省惠明醫藥有限公司 (「福建惠明」) [#]	The PRC/ 10 July 2008 中國/ 二零零八年七月十日	Registered 註冊資本	RMB20,000,000 人民幣20,000,000元	-	-	75	100	Pharmaceutical wholesale and distribution business in the PRC 於中國藥品批發及分銷業務

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

24. PARTICULARS OF SUBSIDIARIES

– continued

(a) Details of the Company's principal subsidiaries, all of which are limited liability companies, at 31 March 2016 are as follows: – continued

Name of subsidiaries 附屬公司名稱	Place and date of incorporation/ registration and operation 注冊成立/註冊及經營地點及日期	Class of share held 所持股份類別	Particulars of issued and fully paid ordinary share capital/ registered capital 發行及繳足普通股本/註冊資本之詳情	Percentage of equity, effective interest and voting power held by the Company				Principal activities 主要業務
				Direct 直接		Indirect 間接		
				2016 二零一六年 %	2015 二零一五年 %	2016 二零一六年 %	2015 二零一五年 %	
Huihao Medicine (Quazhou) Co. Ltd [#]	The PRC/ 17 May 2007	Registered	RMB10,000,000	-	-	75	100	Pharmaceutical wholesale and distribution business in the PRC
惠好醫藥(泉州)有限公司 [#]	中國/ 二零零七年五月十七日	註冊資本	人民幣10,000,000元					於中國藥品批發及分銷業務
Huihao Pharmaceutical (Nanping) Company Limited [#]	The PRC/ 18 April 1991	Registered	RMB12,500,000	-	-	45	60	Pharmaceutical wholesale and distribution business in the PRC
惠好醫藥(南平)有限公司 [#]	中國/ 一九九一年四月十八日	註冊資本	人民幣12,500,000元					於中國藥品批發及分銷業務

[#] The English names of the Company's subsidiaries in the PRC are transliteration of their respective Chinese names have not has been registered.

In the opinion of the directors, there is no subsidiary that have non-controlling interests individually that are material to the Group and therefore no information is disclosed for these non-wholly owned subsidiaries for the year ended 31 March 2015.

24. 附屬公司之詳情 – 續

(a) 於二零一六年三月三十一日，本公司之主要附屬公司（均為有限公司）詳情如下：– 續

[#] 本公司中國附屬公司之按彼等各自之中文名稱翻譯之英文名稱尚未註冊。

董事認為，截至二零一五年三月三十一日止年度，概無附屬公司個別擁有對本集團而言屬重大的非控股權益，故並無披露該等非全資附屬公司之資料。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

24. PARTICULARS OF SUBSIDIARIES

– continued

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests

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

Name of subsidiary 附屬公司名稱	Place of Incorporation and principal place of business 註冊成立地點及主要業務地點	Proportion of ownership interests and voting rights held by non-controlling interests 非控股權益持有之擁有權益及投票權比例		Profit allocated to non-controlling interests 分配予非控股權益之溢利		Accumulated non-controlling interests 累計非控股權益	
		2016 二零一六年 %	2015 二零一五年 %	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Fuzhou Huihao 福州惠好	The PRC 中國	25	N/A 不適用	244	N/A 不適用	60,940	N/A 不適用

Summarised financial information in respect of the Group's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

24. 附屬公司之詳情 – 續

(b) 擁有重大非控股權益之非全資附屬公司之詳情

下表顯示本集團擁有重大非控股權益之非全資附屬公司之詳情：

有關本集團擁有重大非控股權益之附屬公司之財務資料概要載列如下。以下財務資料概要為於集團內公司間對銷前之金額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

24. PARTICULARS OF SUBSIDIARIES

– continued

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests

– continued

Fuzhou Huihao

24. 附屬公司之詳情－續

(b) 擁有重大非控股權益之非全資附屬公司之詳情－續

福州惠好

		2016 二零一六年 HK\$'000 千港元
Current assets	流動資產	471,582
Non-current assets	非流動資產	6,212
Current liabilities	流動負債	(234,032)
Non-current liabilities	非流動負債	–
Equity attributable to owners of the Company	本公司擁有人應佔權益	182,822
Non-controlling interests	非控股權益	60,940

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

24. PARTICULARS OF SUBSIDIARIES

– continued

(b) Details of non-wholly owned subsidiaries
that have material non-controlling interests

– continued

Fuzhou Huihao – continued

24. 附屬公司之詳情－續

(b) 擁有重大非控股權益之非全資附
屬公司之詳情－續

福州惠好－續

		2016 二零一六年 HK\$'000 千港元
Revenue	收益	1,120,351
Profit for the year	年內溢利	2,242
Profit attributable to owners of the Company	本公司擁有人應佔溢利	1,998
Profit attributable to non-controlling interests	非控股權益應佔溢利	244
Profit for the year	年內溢利	2,242
Total comprehensive loss attributable to owners of the Company	本公司擁有人應佔全面虧損總額	(3,792)
Total comprehensive loss attributable to non-controlling interests	非控股權益應佔全面虧損總額	(1,686)
Total comprehensive loss for the year	年內全面虧損總額	(5,478)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

24. PARTICULARS OF SUBSIDIARIES

– continued

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests

– continued

Fuzhou Huihao – continued

		2016 二零一六年 HK\$'000 千港元
Dividends paid to non-controlling interests	已付非控股權益股息	–
Net cash inflow from operating activities	經營業務產生之現金流入淨額	<u>227,643</u>
Net cash inflow from investing activities	投資業務產生之現金流入淨額	<u>2,440</u>
Net cash outflow from financing activities	融資業務產生之現金流出淨額	<u>(90,835)</u>
Net cash inflow	現金流入淨額	<u>139,248</u>

Significant restrictions

Cash and short-term deposits of RMB held in the PRC are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the PRC, other than through normal dividends.

24. 附屬公司之詳情－續

(b) 擁有重大非控股權益之非全資附屬公司之詳情－續

福州惠好－續

重大限制

於中國以人民幣持有的現金及短期存款，皆須遵守當地匯兌管制條例。該等當地匯兌管制條例就中國之對外資本提出限制，惟透過一般股息發放者除外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

25. ACQUISITION OF SUBSIDIARIES

25. 收購附屬公司

	Principal activity 主要業務	Date of acquisition 收購日期	Proportion of shares acquired 收購股份比例 %	Consideration 代價 HK\$'000 千港元
Xiamen Huihao (note a)	Pharmaceutical wholesale and distribution business in the PRC	21 April 2014	60	6,204
廈門惠好(附註a)	於中國藥品批發及分銷業務	二零一四年 四月二十一日		
Nanping Huihao (note b)	Pharmaceutical wholesale and distribution business in the PRC	15 June 2014	60	9,417
南平惠好(附註b)	於中國藥品批發及分銷業務	二零一四年 六月十五日		
				15,621

Note:

- (a) The name of Company has been changed from 廈門暉晟醫藥有限公司 to 惠好醫藥(廈門)有限公司 after acquisition completed.
- (b) The name of Company has been changed from 福建省恆昌藥業有限公司 to 惠好醫藥(南平)有限公司 after acquisition completed.

Xiamen Huihao and Nanping Huihao were acquired so as to continue the expansion of the Group's pharmaceutical wholesale and distribution business.

附註：

- (a) 於收購完成後，該公司之名稱由廈門暉晟醫藥有限公司變更為惠好醫藥(廈門)有限公司。
- (b) 於收購完成後，該公司之名稱由福建省恆昌藥業有限公司變更為惠好醫藥(南平)有限公司。

收購廈門惠好及南平惠好旨在持續擴大本集團之藥品批發及分銷業務。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

25. ACQUISITION OF SUBSIDIARIES

– continued

Assets acquired and liabilities recognised at the date acquisition:

Property, plant and equipment	物業、廠房及設備	
Trade and other receivables	貿易及其他應收款項	
Inventories	存貨	
Cash and cash equivalents	現金及現金等值項目	
Trade and other payables	貿易及其他應付款項	
Bank borrowings	銀行借款	
Net assets	資產淨額	

25. 收購附屬公司一續

於收購日期所收購資產及確認之負債：

	Xiamen Huihao 廈門惠好	Nanping Huihao 南平惠好	Total 總計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
	–	68	68
	5,365	29,652	35,017
	1,171	10,701	11,872
	4,863	5,685	10,548
	(4,147)	(17,855)	(22,002)
	–	(12,556)	(12,556)
	7,252	15,695	22,947

The receivables acquired in these transactions with a fair value of approximately HK\$5,365,000 for Xiamen Huihao and approximately HK\$29,652,000 for Nanping Huihao were approximate to their gross contractual amounts and all balance was expected to be collectible.

於該等交易中收購之公平值約為5,365,000港元(就廈門惠好而言)及約29,652,000港元(就南平惠好而言)之應收款項與彼等之總合約金額相若,且所有結餘預期將可收回。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

25. ACQUISITION OF SUBSIDIARIES

– continued

Goodwill arising on acquisition:

		Xiamen Huihao 廈門惠好	Nanping Huihao 南平惠好	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Cash consideration transferred	轉讓之現金代價	6,204	9,417	15,621
Add: non-controlling interests	加：非控股權益	2,900	6,278	9,178
Less: fair value of identifiable net assets acquired	減：可辨認所收購資產 淨額之公平值	(7,252)	(15,695)	(22,947)
Goodwill arising on acquisition	收購產生之商譽	1,852	-	1,852

The non-controlling interests in Xiamen Huihao and Nanping Huihao recognised at the acquisition date was measured by reference to the present ownership instruments proportionate share in the recognised amounts of their identifiable net assets.

Goodwill arose in the acquisition of Xiamen Huihao because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefits of expected synergies, revenue growth, future market development and the assembled workforce of Xiamen Huihao. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

25. 收購附屬公司－續

收購產生之商譽：

	Xiamen Huihao 廈門惠好	Nanping Huihao 南平惠好	Total 總計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Cash consideration transferred	6,204	9,417	15,621
Add: non-controlling interests	2,900	6,278	9,178
Less: fair value of identifiable net assets acquired	(7,252)	(15,695)	(22,947)
Goodwill arising on acquisition	1,852	-	1,852

於收購日期確認於廈門惠好及南平惠好之非控股權益乃參考現時的擁有權工具應佔彼等可識別資產淨值中已確認款項比例計量。

由於合併成本包括控制權溢價，故收購廈門惠好產生商譽。此外，就有效合併所支付之代價包括與廈門惠好的預期協同效應、收入增長、未來市場發展及全體勞工等方面的利益有關的金額。該等利益不會與商譽分開確認，因為該等利益並不符合可辨認無形資產之確認標準。

概無該等收購事項產生之商譽預期將為可扣稅項。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

25. ACQUISITION OF SUBSIDIARIES

– continued

Net cash outflow on acquisition of subsidiaries:

Consideration paid in cash	以現金支付之代價
Less: cash and cash equivalent balances acquired	減：收購現金及現金等值項目結餘
Net cash outflow	現金流出淨額

25. 收購附屬公司－續

收購附屬公司之現金流出淨額：

Xiamen Huihao 廈門惠好	Nanping Huihao 南平惠好	Total 總計
HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
6,204	9,417	15,621
(4,863)	(5,685)	(10,548)
1,341	3,732	5,073

Impact of acquisitions on the results of the Group

Revenue of HK\$14,348,000 and loss of HK\$1,630,000 contributed by Xiamen Huihao, Revenue of HK\$98,813,000 and profit of HK\$738,000 contributed by Nanping Huihao were recognised in the Group's loss for the year ended 31 March 2015.

Had these business combination be effective at 1 April 2014, the Revenue of the Group would have been approximately HK\$1,604,192,000, and the loss for the year would have been approximately HK\$773,366,000. The directors of the Group consider these number to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future period.

收購對本集團業績之影響

廈門惠好貢獻之收益14,348,000港元及虧損1,630,000港元，南平惠好貢獻之收益98,813,000港元及溢利738,000港元乃於本集團截止二零一五年三月三十一日止年度之虧損中確認。

倘該等業務合併已於二零一四年四月一日生效，本集團之收益應約為1,604,192,000港元，及年度虧損應約為773,366,000港元。本集團董事認為該等數字表明合併集團之表現之年度概約計量及為未來期間之比較提供參考要點。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

26. DISPOSAL OF SUBSIDIARY

On 22 October 2015, an indirect non-wholly owned subsidiary of the Company, Xiamen Huihao, entered into a sale and purchase agreement and agreed to sell the entire 60% equity interests in Xiamen Huihao held by Fuzhou Huihao, with a consideration of RMB3,266,000 (equivalent to approximately HK\$4,054,000). The disposal was completed on 22 October 2015.

Summary of the effects of the disposal of Xiamen Huihao are as follows:

26. 出售附屬公司

於二零一五年十月二十二日，本公司之間接非全資附屬公司廈門惠好訂立一份買賣協議及同意出售福州惠好持有之廈門惠好全部60%股權，代價為人民幣3,266,000元（相等於約4,054,000港元）。出售事項已於二零一五年十月二十二日完成。

出售廈門惠好之影響概要如下：

		HK\$'000 千港元
Consideration received in cash and cash equivalents	已收現金及現金等值項目代價	4,054
Analysis of assets and liabilities over which control was lost:		
Goodwill	商譽	1,852
Property, plant and equipment	物業、廠房及設備	222
Inventories	存貨	1,139
Trade receivables, prepayments and other receivables	貿易應收款項、預付款項及其他應收款項	4,996
Cash and cash equivalents	現金及現金等值項目	1,947
Trade and other payables	貿易及其他應付款項	(3,525)
Tax payable	應付稅項	(53)
Net assets disposed	出售資產淨值	6,578
Loss on disposal of a subsidiary:		
Consideration received	已收代價	4,054
Less: Net assets disposed of	減：出售資產淨值	(6,578)
Less: Release of translation reserve	減：解除換算儲備	(139)
Non-controlling interests	非控股權益	1,891
Loss on disposal	出售虧損	(772)
Net cash inflow arising on disposal of Xiamen Huihao:		
Consideration received in cash and cash equivalents	已收現金及現金等值項目代價	4,054
Less: cash and cash equivalent balances disposed of	減：已出售之現金及現金等值項目結餘	(1,947)
		2,107

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

26. DISPOSAL OF SUBSIDIARY – continued

The loss on disposal is included in the loss for the year in the consolidated statement of profit or loss and other comprehensive income. For the period from 1 April 2015 to the date of disposal, Xiamen Huihao was engaged in wholesales and distribution of pharmaceutical and related products in the PRC. Revenue of approximately HK\$5,969,000 and loss of approximately HK\$761,000 contributed by Xiamen Huihao was recognised in the Group's loss for the year ended 31 March 2016.

26. 出售附屬公司－續

出售虧損計入本年度綜合損益及其他全面收益表之虧損內。自二零一五年四月一日起至出售日期止期間，廈門惠好於中國從事藥品及相關產品批發及分銷。廈門惠好貢獻之收益約5,969,000港元及虧損約761,000港元乃於本集團截至二零一六年三月三十一日止年度之虧損內確認。

27. AMOUNTS DUE FROM FELLOW SUBSIDIARIES

27. 應收同系附屬公司之款項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Name of fellow subsidiaries	同系附屬公司之名稱		
Edward Hospital Company Limited	重慶愛德華醫院有限公司	3,571	3,763
Zhuhai Jiulong Hospital Company Limited	珠海九龍醫院有限公司	4,610	4,858
		8,181	8,621

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

27. AMOUNTS DUE FROM FELLOW SUBSIDIARIES – continued

The maximum amounts due from a fellow subsidiaries outstanding during the years ended 31 March 2016 and 2015 are as follows:

27. 應收同系附屬公司之款項－續

截至二零一六年及二零一五年三月三十一日止年度，應收同系附屬公司而尚未收取的最高金額如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Name of fellow subsidiaries	同系附屬公司之名稱		
Edward Hospital Company Limited	重慶愛德華醫院有限公司	3,763	3,763
Zhuhai Jiulong Hospital Company Limited	珠海九龍醫院有限公司	4,858	4,858

The amounts due from fellow subsidiaries are unsecured, interest-free and recoverable on demand.

應收同系附屬公司款項為無抵押、免息及須按要求償還。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

28. AMOUNT DUE FROM THE IMMEDIATE HOLDING COMPANY

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Name of the immediate holding company	直接控股公司名稱		
Greatly Wealth	大發	-	15

The maximum outstanding balance of amount due from the immediate holding company during the years ended 2016 and 2015 are as follows:

28. 應收直接控股公司款項

截至二零一六年及二零一五年止年度，應收直接控股公司款項之最高未償還結餘如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Name of the immediate holding company	直接控股公司名稱		
Greatly Wealth	大發	15	15

The amount due from the immediate holding company is unsecured, interest-free and recoverable on demand.

應收直接控股公司款項為無抵押、免息及須按要求償還。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

29. CASH AND CASH EQUIVALENTS AND PLEDGED BANK DEPOSITS

29. 現金及現金等值項目及已質押銀行存款

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
		203,500	43,029

At as 31 March 2016, the cash at banks and in hand of the Group denominated in RMB amounted to approximately HK\$179,488,000 (2015: approximately HK\$39,237,000). Cash at banks earns interest at floating rates based on the prevailing market rate which at 0.30% per annum during the reporting period (2015: 0.35%). The cash and cash equivalents are deposits with creditworthy banks with no recent history of default.

The RMB is not freely convertible into other currencies, but conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorization to conduct foreign exchange business.

Pledged bank deposits:

As at 31 March 2016, a bank deposit denominated in RMB amounted to approximately HK\$ 6,096,000 (2015: approximately HK\$12,970,000) were pledged as collateral for bank borrowings and the effective interest rate on pledged bank deposits is 3.5% (2015: 2.4%).

於二零一六年三月三十一日，本集團以人民幣列值之銀行現金及手頭現金合共約為179,488,000港元（二零一五年：約39,237,000港元）。於報告期內，銀行現金按現行市場年利率0.30%以浮動利率賺取利息（二零一五年：0.35%）。現金及現金等值項目乃存於近期並無違約記錄且信譽良好之銀行。

人民幣不可自由兌換為其他貨幣，惟人民幣兌換為外幣乃須遵守中國內地的外匯管制條例及結匯、售匯及付匯管理規定，本集團獲准透過獲授權進行外匯業務的銀行將人民幣兌換為其他貨幣。

已質押存款：

於二零一六年三月三十一日，以人民幣列值之銀行存款達約6,096,000港元（二零一五年：約12,970,000港元）乃就銀行借貸質押作為抵押品及已質押銀行存款之實際利率為3.5%（二零一五年：2.4%）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

30. TRADE AND OTHER PAYABLES

30. 貿易及其他應付款項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Trade payables	貿易應付款項	162,420	168,680
Bills payable	應付票據	16,308	18,697
Accruals and other payables	應計費用及其他應付款項	36,438	37,419
Receipt in advance	預收款項	17,912	17,321
		233,078	242,117

Included in accruals and other payables were the deposits from customers of approximately HK\$13,419,000 as at 31 March 2016 (2015: approximately HK\$13,887,000).

於二零一六年三月三十一日，應計費用及其他應付款項包括來自客戶之按金約13,419,000港元（二零一五年：約13,887,000港元）。

The ageing analysis of trade payables is as follows:

貿易應付款項的賬齡分析如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within 90 days	90日以內	106,571	115,166
91 – 180 days	91至180日	30,174	21,154
181 – 365 days	181至365日	10,094	12,250
Over 365 days	超過365日	15,581	20,110
		162,420	168,680

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

30. TRADE AND OTHER PAYABLES – continued

The average credit period on purchases of certain goods in range from 30 to 90 days.

The bills payable are matured within six months from the ended of the reporting period. And the bills payable were secured by certain pledged bank deposits. All the bills payable are denominated in RMB.

31. AMOUNT DUE TO THE ULTIMATE HOLDING COMPANY

Amount due to the ultimate holding company is unsecured, interest free and repayable on demand.

32. AMOUNTS DUE TO FELLOW SUBSIDIARIES

Amounts due to fellow subsidiaries are unsecured, interest free and repayable on demand.

33. BANK BORROWINGS

30. 貿易及其他應付款項 – 續

購買若干貨品之平均信貸期介乎30至90日之間。

應付票據自報告期末起計六個月內到期。應付票據以若干已抵押銀行存款作為抵押。所有應付票據均以人民幣計值。

31. 應付最終控股公司款項

應付最終控股公司款項為無抵押、免息及須按要求償還。

32. 應付同系附屬公司之款項

應付同系附屬公司之款項為無抵押、免息及須按要求償還。

33. 銀行借貸

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
		32,396	121,454
Bank borrowings – secured 銀行借貸 – 有抵押		32,396	121,454
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Carrying amount repayables: On demand or within one year shown under current liabilities	應償還賬面金額： 按要求或一年內， 計入流動負債	32,396	121,454

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

33. BANK BORROWINGS – continued

Notes:

- (a) As at 31 March 2016, the secured bank borrowings of approximately HK\$17,998,000 (2015: approximately HK\$121,454,000) were secured by corporate guarantee by inter-group company, carries variable interest rate at 4.30% to 5.66% per annum (2015: 7.28% to 9%).

During the year ended 31 March 2016, the Group had additional secured bank borrowings of approximately HK\$14,398,000 carries fixed interest rate at 6.42% per annum and were secured by prepaid lease payments.

During the year ended 31 March 2016, the outstanding balance of 2015 of HK\$121,454,000 was fully repaid.

- (b) Details of pledged assets were pledged to bank to secure the Group's banking facilities, please refer to the Note 44.
- (c) The carrying amount of the Group's bank borrowings are all originally denominated in RMB.

34. CONVERTIBLE NOTE

The convertible note (the "Convertible Note") issued on 1 June 2015, the maturity date of Convertible Note was from 1 June 2015 to 31 May 2017. The conversion share price was HK\$0.65.

The Convertible Note contains two components, liability and equity elements. The equity element is presented in equity heading "Convertible note reserve".

The fair value of the liability component was calculated using a market interest rate for an equivalent non-convertible note. The residual amount, representing the value of the equity conversion component, was included in shareholders' equity in convertible note reserve.

33. 銀行借貸－續

附註：

- (a) 於二零一六年三月三十一日，有抵押銀行借貸約17,998,000港元（二零一五年：約121,454,000港元）以集團內公司提供的公司擔保作抵押，並按浮動年利率4.30厘至5.66厘（二零一五年：7.28厘至9厘）計息。

截至二零一六年三月三十一日止年度，本集團之額外有抵押銀行借貸約14,398,000港元按固定年利率6.42厘計息，並以預付租賃款項作抵押。

截至二零一六年三月三十一日止年度，二零一五年尚未償還結餘121,454,000港元已悉數償還。

- (b) 有關向銀行抵押以擔保本集團獲授銀行融資之已抵押資產之詳情請參閱附註44。
- (c) 本集團之銀行借貸之賬面值最初全部以人民幣列值。

34. 可換股票據

於二零一五年六月一日發行之可換股票據（「可換股票據」），其到期日介乎二零一五年六月一日至二零一七年五月三十一日期間。轉換價為0.65港元。

可換股票據包括負債及權益兩部分。權益部分於權益賬「可換股票據儲備」項下呈列。

負債部分之公平值乃以等值非可換股票據之市場利率計算。剩餘金額為權益轉換部分之價值，乃計入可換股票據儲備之股東權益內。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

34. CONVERTIBLE NOTE – continued

The Convertible Note recognised in the consolidated statement of financial position was calculated as follows:

34. 可換股票據－續

於綜合財務狀況表確認之可換股票據之計算如下：

		HK\$'000 千港元
Fair value of Convertible Note issued on 1 June 2015	於二零一五年六月一日發行之可換股票據之公平值	84,292
Equity component	權益部分	(9,866)
Liability component on initial recognition and amortised cost at 1 June 2015	初步確認時之負債部分及於二零一五年六月一日之攤銷成本	74,426
Amortised cost at 1 April 2015	於二零一五年四月一日之攤銷成本	–
Issue of Convertible Note	發行可換股票據	74,426
Transaction costs attributable to issue of Convertible Note	發行可換股票據應佔之交易成本	(1,825)
Interest expense	利息開支	8,277
Interest payable	應付利息	(3,611)
At 31 March 2016	於二零一六年三月三十一日	77,267

As at 31 March 2016, the outstanding principal amount of Convertible Note was HK\$84,292,000 (2015: Nil).

於二零一六年三月三十一日，可換股票據之尚未償還本金額為84,292,000港元（二零一五年：零港元）。

Interest expense on the Convertible Note is calculated using the effective interest method by applying the effective interest rate of 13.11% to the liability component.

可換股票據之利息開支乃應用實際利息法按負債部分之實際利率13.11厘計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

35. DEFERRED TAX LIABILITIES

The following are the major deferred tax balances recognised and movements thereon during the years ended 2016 and 2015.

Deferred tax liabilities:

		Convertible Note 可換股票據 HK\$'000 千港元
As at 1 April 2014, 31 March 2015 and 1 April 2015	於二零一四年四月一日、二零一五年三月三十一日及二零一五年四月一日	-
Addition due to Convertible Note	因可換股票據增加	1,929
Credited to profit or loss (Note 15)	計入損益(附註15)	(1,366)
As at 31 March 2016	於二零一六年三月三十一日	<u>563</u>

At the end of the reporting period, the Group has no unutilised tax losses, available to set off against future assessable profits. No deferred tax asset has been recognised in respect of the unutilised tax losses due to the unpredictability of future profits streams of the subsidiaries which incurred the tax losses. These tax losses in Hong Kong may be carried forward indefinitely and the tax losses in PRC may be expired within five years.

35. 遞延稅項負債

以下為截至二零一六年及二零一五年止年度確認之主要遞延稅項結餘及其變動：

遞延稅項負債：

於報告期末，本集團並無未動用稅務虧損可用作抵銷未來應課稅溢利。由於產生稅務虧損之附屬公司之未來溢利來源屬不可測，故並無就未動用稅務虧損確認遞延稅項資產。於香港產生之該等稅務虧損可無限期結轉及於中國產生稅務虧損可能於五年內到期。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

36. SHARE CAPITAL

36. 股本

		Number of shares 股份數目	Nominal value of ordinary shares 普通股之 賬面值 HK\$'000 千港元
Authorised:	法定：		
At 1 April 2014, 31 March 2015, 1 April 2015 and 31 March 2016 ordinary share of HK\$0.01	於二零一四年四月一日、 二零一五年三月三十一日、 二零一五年四月一日及 二零一六年三月三十一日 每股面值0.01港元之普通股	2,000,000,000	20,000
Issued and fully paid:	已發行及繳足：		
At 1 April 2014, 31 March 2015, 1 April 2015 and 31 March 2016 ordinary share of HK\$0.01	於二零一四年四月一日、 二零一五年三月三十一日、 二零一五年四月一日及 二零一六年三月三十一日 每股面值0.01港元之普通股	648,405,300	6,484

37. RESERVES

The amounts of the Group's reserves and the movements therein for the years ended 31 March 2016 and 2015 are presented in the consolidated statement of changes of equity of the consolidated financial statements.

37. 儲備

本集團截至二零一六年及二零一五年三月三十一日止年度之儲備及其變動金額呈列於綜合財務報表之綜合權益變動表。

38. CHANGE IN OWNERSHIP INTERESTS IN SUBSIDIARIES

On 12 May 2015, the Group disposed 25% equity interests of Fuzhou Huihao by way of increasing the registered capital of Fuzhou Huihao from RMB60,000,000 to RMB80,000,000. The non-controlling interests of Fuzhou Huihao agreed to pay RMB20,000,000 for the increase capital of Fuzhou Huihao. The Group recognised an increase of non-controlling interests and decrease in other reserve of approximately HK\$63,409,000 and HK\$29,208,000 respectively. As at 31 March 2016, the outstanding balance of non-controlling interests contribution was RMB8,670,000.

During the year ended 31 March 2016, the Group further acquired 0.51% equity interests of Huihao Sihai by way of increasing the registered capital of RMB40,000,000 from RMB15,856,000 to RMB55,856,000 of the capital of Huihao Sihai.

38. 於附屬公司之擁有權權益之變動

於二零一五年五月十二日，本集團透過將福州惠好之註冊資本由人民幣60,000,000元增加至人民幣80,000,000元之方式而出售福州惠好之25%股權。福州惠好之非控股權益同意為福州惠好增資支付人民幣20,000,000元。本集團確認非控股權益增加及其他儲備減少分別約63,409,000港元及29,208,000港元。於二零一六年三月三十一日，非控股權益注資之尚未支付結餘為人民幣8,670,000元。

於截至二零一六年三月三十一日止年度內，本集團透過將惠好四海之註冊資本由人民幣15,856,000元增加人民幣40,000,000元至人民幣55,856,000元之方式而進一步收購惠好四海之0.51%股權。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

39. 本公司財務狀況表

As at 31 March 2016	於二零一六年三月三十一日	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Non-current assets	非流動資產		
Investment in subsidiaries	於附屬公司之投資	6,484	6,484
Property, plant and equipment	物業、廠房及設備	6	7
		6,490	6,491
Current assets	流動資產		
Other receivables and deposits	其他應收款項及按金	109	113
Amount due from the immediate holding company	應收直接控股公司款項	-	5
Amounts due from subsidiaries	應收附屬公司款項	35,843	10
Cash and cash equivalents	現金及現金等值項目	21,394	176
		57,346	304
Current liabilities	流動負債		
Amount due to the ultimate holding company	應付最終控股公司款項	484	858
Amounts due to subsidiaries	應付附屬公司款項	6,671	24,929
Amount due to a fellow subsidiary	應付一間同系附屬公司款項	3	-
Accruals and other payables	應計費用及其他應付款項	2,598	1,278
		9,756	27,065
Non-current liabilities	非流動負債		
Convertible note	可換股票據	77,267	-
Deferred tax liabilities	遞延稅項負債	563	-
		77,830	-

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY – continued

39. 本公司財務狀況表 – 續

As at 31 March 2016	於二零一六年三月三十一日	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Net current assets/(liabilities)	流動資產／(負債)淨額	47,590	(26,761)
Total assets less current liabilities	資產總值減流動負債	54,080	(20,270)
Net liabilities	負債淨額	(23,750)	(20,270)
Capital and reserves	資本及儲備		
Share capital	股本	6,484	6,484
Reserves	儲備	(30,234)	(26,754)
Total equity	權益總額	(23,750)	(20,270)

The financial statement was approved and authorised for issue by the Board of Directors on 16 June 2016 and signed on its behalf by:

財務報表於二零一六年六月十六日由董事會批准及授權刊發，並由下列董事代表簽署：

Chen Jin Shan
Executive Director

Yung Ka Lai
Executive Director

陳金山
執行董事

翁嘉麗
執行董事

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

40. RESERVES OF THE COMPANY

40. 本公司儲備

		Share premium	Convertible note reserve	Accumulated losses	Total
		股份溢價	可換股 票據儲備	累計虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At at 31 March 2014 and 1 April 2014	於二零一四年三月三十一日及 二零一四年四月一日	(7,653)	–	(15,778)	(23,431)
Loss for the year	年度虧損	–	–	(3,323)	(3,323)
Total comprehensive loss for the year	年度全面虧損總額	–	–	(3,323)	(3,323)
At at 31 March 2015 and 1 April 2015	於二零一五年三月三十一日及 二零一五年四月一日	(7,653)	–	(19,101)	(26,754)
Loss for the year	年度虧損	–	–	(11,175)	(11,175)
Total comprehensive loss for the year	年度全面虧損總額	–	–	(11,175)	(11,175)
Issue of convertible note	發行可換股票據	–	9,624	–	9,624
Deferred taxation of convertible note	可換股票據之遞延稅項	–	(1,929)	–	(1,929)
At at 31 March 2016	於二零一六年三月三十一日	(7,653)	7,695	(30,276)	(30,234)

41. RETIREMENT BENEFIT PLANS

The Group operates as 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 control of trustees. The Group contributes 5% of relevant payroll costs to the scheme, this contribution is matched by employees.

The employees of the Group's subsidiaries established in the PRC are members of state-managed retirement benefits schemes operated by the local government. The subsidiaries are required to contribute a certain percentage of their payroll costs to the retirement benefits to fund the benefits. The only obligations of the Group with respect to the retirement benefits schemes are to make the specified contributions.

41. 退休福利計劃

本集團為香港全體合資格僱員設立強制性公積金計劃。計劃之資產與本集團之資產分開持有，存入由信託人控制之基金。本集團按有關薪酬成本5%向計劃供款，僱員亦會作出相應供款。

本集團於中國成立之附屬公司之僱員為當地政府管理之國家管理退休福利計劃成員。該等附屬公司須按薪酬開支之若干百分比向退休福利計劃供款以撥付退休福利。本集團就退休福利計劃之唯一責任為作出所需供款。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

42. SHARE OPTION SCHEMES

On 24 September 2013, the Company adopted a share option scheme (the "Share Option Scheme") whereby the Board can grant options for the subscription of our shares to the employees, managerial staff and senior employees and those other persons that the Board considers that they will contribute or have contributed to the Group (the "Participants") as described in the Share Option Scheme in order to serve as compliment and to reciprocate their contribution to the Group. The maximum number of shares that can be issued according to the Share Option Scheme was 64,840,530 shares, which is equivalent to 10% of the issued capital of the Company after completion of the Listing on the Stock Exchange. The number of options that may be granted pursuant to the terms of the Share Option Scheme shall not exceed 10% of the issued shares immediately after the completion of the Listing. Unless otherwise approved by the shareholders of the Company in general meeting, the number of shares that may be granted to a Participant under the options shall not exceed 1% within any 12-month period (other than those granted to the substantial shareholders (as defined in the Listing Rules) of the Company or the independent non-executive directors or any of their respective associates (as defined in the Listing Rules), or the total number of shares that may be granted under the options to the substantial shareholders of the Company or the independent non-executive directors or any of their respective associates shall not exceed 0.1% of the shares in issue of the Company from time to time. There is no minimum period that the options must be held before they become exercisable, and the options granted shall be exercised within the period decided by the Board; however no options shall be exercised 10 years after they have been granted. The exercise price of the option shall be the higher of (a) the closing price of the shares on the daily quotation sheet of the Stock Exchange on the date of grant; (b) the average closing price of the shares on the daily quotation sheet of the Stock Exchange for the five trading days immediately preceding the date of grant; and (c) nominal value of the share. Each grantee shall pay a consideration of HK\$1.00 at the time the option is granted. The Share Option Scheme shall take effect from the date it is adopted and shall remain effective within a period of 10 years from that date.

42. 購股權計劃

於二零一三年九月二十四日，本公司採納一項購股權計劃（「購股權計劃」），據此，董事會可向本集團僱員、管理人員及高級職員以及購股權計劃所述董事會認為將會對或曾經對本集團作出貢獻的該等其他人士（「參與人士」）授出購股權，以認購本公司股份，藉此向彼等給予獎勵及回報彼等對本集團作出的貢獻。根據購股權計劃可發行的最高股份數目為64,840,530股股份，相等於本公司於聯交所完成上市後已發行股本的10%。根據購股權計劃條款可授出的購股權數目不得超過緊隨完成上市後本公司已發行股份的10%。除非本公司股東於股東大會另行批准，否則可根據購股權授予參與人士的股份數目於任何12個月內不得超過1%（向本公司主要股東（定義見上市規則）或獨立非執行董事或彼等各自之聯繫人士（定義見上市規則）授出者除外），或根據購股權可授予本公司主要股東或獨立非執行董事或彼等各自的任何聯繫人士的股份總數不得超過本公司不時已發行股份的0.1%。概無規定購股權可行使前須持有的最短期間，而授出的購股權須於董事會決定的期間內行使，但並無購股權可於授出後超過10年再行使。購股權行使價須為(a)股份於授出日期在聯交所每日報價表上所列的收市價；(b)股份於緊接授出日期前五個交易日在聯交所每日報價表上所列的平均收市價；及(c)股份的面值之較高者。各承授人須於獲授購股權之時支付1.00港元之代價。購股權計劃於獲採納當日生效，直至該日起計10年期間內仍然有效。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

42. SHARE OPTION SCHEMES – continued

Since the Share Option Scheme was adopted, no share option have been granted during the year ended 31 March 2016 (2015:Nil).

43. MATERIAL RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, the Group had entered into transactions with related parties which, in the opinion of directors, were carried out at normal commercial terms and in the ordinary course of the Group's business, as shown below:

(a) Key management personnel remuneration:

Short term employees benefits	短期僱員福利
Provident fund contributions	公積金供款

42. 購股權計劃－續

自採納購股權計劃以來，於截至二零一六年三月三十一日止年度並未授出任何購股權（二零一五年：無）。

43. 重大關聯人士交易

除綜合財務報表其他章節所披露者外，本集團曾與關聯人士進行下列交易，董事認為，該等交易乃按正常商業條款並於本集團日常業務過程中進行，列示如下：

(a) 主要管理人員薪酬：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Short term employees benefits	短期僱員福利	732	634
Provident fund contributions	公積金供款	17	14
		749	648

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

43. MATERIAL RELATED PARTY TRANSACTIONS – continued

(b) During the year, the Group had the following transactions with related parties:

43. 重大關聯人士交易－續

(b) 年內，本集團與關聯人士之交易如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Sales to fellow subsidiaries:	銷售予同系附屬公司：		
– Edward Hospital Company Limited	– 重慶愛德華醫院有限公司	–	1,264
– Jiaxing City Shuguang Western and Chinese Hospital Limited	– 嘉興市曙光中西醫結合 醫院有限公司	–	53
– Zhuhai Jiulong Hospital Company Limited	– 珠海九龍醫院有限公司	–	100
Licence fee paid to the ultimate holding company:	支付予最終控股公司之許可費：		
– Hua Xia	– 華夏	501	412
Rental expenses paid to the mother of Ms. Yung Ka Lai:	支付予翁嘉麗女士之母親之 租金開支：	78	117
Rental expenses paid to FHP Chain	支付予福建惠好醫藥連鎖之 租金開支	1,185	1,237
Sales to FHP Chain	向福建惠好醫藥連鎖銷售	–	178
Purchase from FHP Chain	自福建惠好醫藥連鎖購買	–	1,665

The Group had entered into a number of transactions with connected parties which, upon the listing of shares on the Stock Exchange, became connected persons of the Company under the Listing Rules. These transactions are continuing transactions exempt from the independent shareholder's approval requirements under the Listing Rules. The details information has been disclosed on Report of the Directors "Continuing Connected Transactions".

本集團與關連方訂立多項交易，於股份在聯交所上市後，根據上市規則，該等關連方成為本公司之關連人士。該等交易屬持續交易，故豁免遵守上市規則項下須獲獨立股東批准之規定。詳細資料已於董事會報告「持續關連交易」內披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

44. PLEDGED OF ASSETS

At the end of the reporting period, the following assets were pledged to bank to secure the Group's banking facilities in Note 33:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Pledged bank deposits (Note 29)	已抵押銀行存款(附註29)	6,096	12,970
Prepaid lease payments (Note 19)	預付租賃款項(附註19)	10,623	1,909
Investment property (Note 20)	投資物業(附註20)	7,199	8,093
		23,918	22,972

44. 資產抵押

於報告期末，下列資產已抵押予銀行以令本集團獲授附註33所述之銀行融資：

45. OPERATING LEASE COMMITMENTS

The Group as lessee

At the end of each reporting period, the Group were committed to make the following future minimum lease payments in respect of land and buildings rented under non-cancellable operating leases which fall due as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within one year	一年內	22,978	24,864
In the second to fifth years, inclusive	第二至五年(包括首尾兩年)	32,876	42,180
Over five years	五年以上	-	58
		55,854	67,102

45. 經營租賃承擔

本集團作為承租人

於各報告期末，本集團根據不可撤銷經營租賃(租期如下)就租賃土地及樓宇到期支付的未來最低租金付款承擔如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

46. CAPITAL COMMITMENTS

As at 31 March 2016 and 2015, the Group did not have any significant capital commitments.

47. COMPARATIVES

Certain comparative amounts have been reclassified to conform with current year's presentation.

48. AUTHORISATION FOR ISSUE OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 16 June 2016.

46. 資本承擔

於二零一六年及二零一五年三月三十一日，本集團並無任何重大資本承擔。

47. 比較數字

若干比較數字已重新分類以符合本年度之呈列。

48. 授權刊發綜合財務報表

綜合財務報表已於二零一六年六月十六日由董事會批准及授權刊發。

Five Years Financial Summary

五年財務摘要

A summary of the results and of the assets and liabilities of the Group for the last four financial years, as extracted from the published audited financial statements and the prospectus, is set out below:

RESULTS

摘錄自己刊發經審核財務報表及招股書之本集團於對上四個財政年度之業績及資產與負債之概要載列如下：

業績

		For the year ended 31 March 截至三月三十一日止年度				
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Revenue	收益	1,321,763	1,567,687	2,096,455	1,885,369	1,712,147
Cost of sales	銷售成本	(1,175,635)	(1,407,842)	(1,906,991)	(1,721,210)	(1,551,795)
Gross profit	毛利	146,128	159,845	189,464	164,159	160,352
Other revenue	其他收益	5,000	6,379	7,543	7,729	6,258
Other gain/(loss), net	其他收益／(虧損)，淨額	2,530	(122)	746	1,078	1,922
Impairment loss on goodwill	商譽減值虧損	-	(785,169)	-	-	-
Loss on disposal of subsidiary	出售附屬公司虧損	(772)	-	-	-	-
Selling and distribution expenses	銷售及分銷費用	(100,466)	(90,590)	(70,524)	(61,397)	(54,899)
Administrative expenses	行政開支	(48,359)	(46,854)	(47,033)	(46,802)	(40,163)
Profit/(loss) from operations	經營業務溢利／(虧損)	4,061	(756,511)	80,196	64,767	73,470
Finance costs	財務費用	(16,365)	(8,819)	(6,015)	(4,090)	(4,928)
(Loss)/profit before taxation	除稅前(虧損)／溢利	(12,304)	(765,330)	74,181	60,677	68,542
Taxation	稅項	(1,158)	(7,950)	(25,113)	(18,772)	(23,210)
(Loss)/profit for the year	本年度(虧損)／溢利	(13,462)	(773,280)	49,068	41,905	45,332
(Loss)/profit for the year attributable to:	以下人士應佔本年度(虧損)／溢利：					
Owners of the Company	本公司擁有人	(13,802)	(772,949)	48,920	41,763	45,228
Non-controlling interests	非控股權益	340	(331)	148	142	104
		(13,462)	(773,280)	49,068	41,905	45,332

		As at 31 March 於三月三十一日				
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債					
Total assets	總資產	646,798	655,340	1,432,719	1,390,923	1,293,698
Total liabilities	總負債	(356,274)	(372,296)	(386,996)	(1,257,722)	(1,203,905)
Total equity	權益總額	290,524	283,044	1,045,723	133,201	89,793



WANJIA GROUP
萬嘉集團