Annual Report 年報 2019

天大藥業有限公司
TIANDA PHARMACEUTICALS LIMITED

股份代號 Stock Code: 00455（於開曼群島註冊成立之公司）
(Incorporated in the Cayman Islands with limited liability)

CONTENTS
目錄

CORPORATION INFORMATION
公司資料

BOARD OF DIRECTORS

Executive Directors

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

Non-Executive Directors

Mr. Shen Bo
Mr. Feng Quanming
Dr. Lam Lee G.

Independent Non-Executive Directors

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

AUDITOR

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

HONG KONG LEGAL ADVISER

Woo, Kwan, Lee & Lo
25th Floor, Jardine House
1 Connaught Place, Central
Hong Kong

COMPANY SECRETARY

Mr. Lo Tai On

董事會

執行董事

方文權先生
(董事長兼董事總經理)
呂文生先生

非執行董事

沈波先生
馮全明先生
林家禮博士

獨立非執行董事

林日輝先生
趙崇康先生
趙帆華先生

核數師

安永會計師事務所
執業會計師
香港
中環
添美道1號
中信大廈22樓

香港法律顧問

胡關李羅律師行
香港
中環康樂廣場1號
怡和大廈25樓

公司秘書

羅泰安先生

CORPORATION INFORMATION
公司資料

AUDIT COMMITTEE

Mr. Lam Yat Fai *(Chairman)*
Mr. Chiu Sung Hong
Mr. Chiu Fa Wa
Mr. Shen Bo

審核委員會

林日輝先生 *(主席)*
趙崇康先生
趙帆華先生
沈波先生

REMUNERATION COMMITTEE

Mr. Chiu Sung Hong *(Chairman)*
Mr. Fang Wen Quan
Mr. Lam Yat Fai
Mr. Chiu Fan Wa

薪酬委員會

趙崇康先生 *(主席)*
方文權先生
林日輝先生
趙帆華先生

NOMINATION COMMITTEE

Mr. Fang Wen Quan *(Chairman)*
Mr. Lam Yat Fai
Mr. Chiu Sung Hong

提名委員會

方文權先生 *(主席)*
林日輝先生
趙崇康先生

RISK MANAGEMENT COMMITTEE

Mr. Chiu Sung Hong *(Chairman)*
Mr. Fang Wen Quan
Mr. Lam Yat Fai

風險管理委員會

趙崇康先生 *(主席)*
方文權先生
林日輝先生

PRINCIPAL BANKERS

Bank of Communications
Industrial and Commercial Bank of China
China Merchants Bank
Bank of China

主要往來銀行

交通銀行
中國工商銀行
招商銀行
中國銀行

REGISTERED OFFICE

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

註冊辦事處

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

CORPORATION INFORMATION
公司資料

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Suites 2405-2410, 24th Floor
CITIC Tower
No. 1 Tim Mei Avenue
Central
Hong Kong

總辦事處及主要營業地點

香港
中環
添美道1號
中信大廈
24樓2405-2410室

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

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

香港股份過戶及轉讓登記處

卓佳秘書商務有限公司
香港
皇后大道東183號
合和中心54樓

PLACE OF LISTING

The Stock Exchange of Hong Kong Limited

上市地點

香港聯合交易所有限公司

STOCK CODE

00455

股份代號

00455

CORPORATE WEBSITE

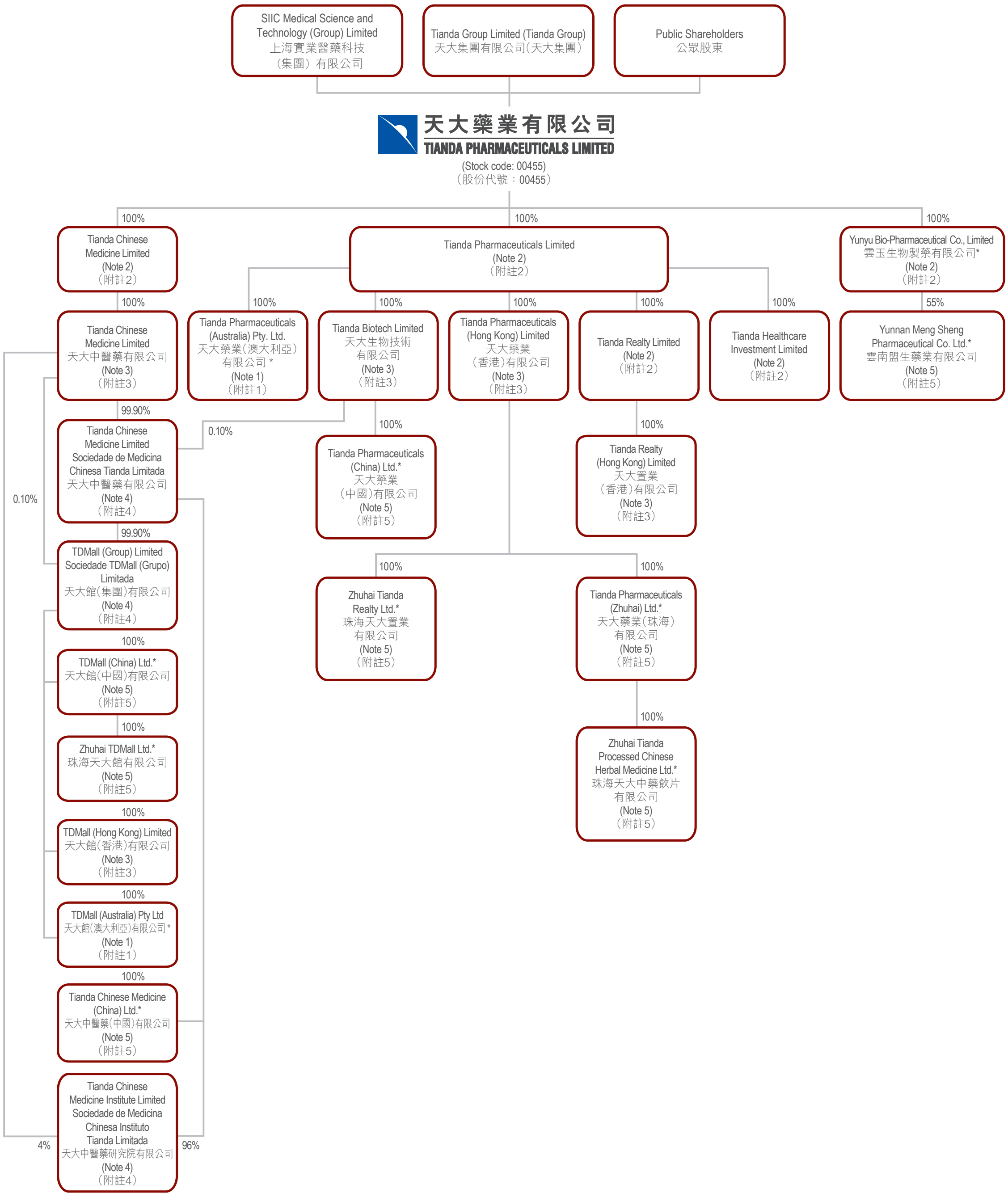
www.tiandapharma.com

公司網站

www.tiandapharma.com

CORPORATE STRUCTURE
企業架構

Below is the structure chart of Tianda Pharmaceuticals Limited (the Company) and its subsidiaries (the Group) as at 31 March 2019:
以下為天大藥業有限公司(本公司)及其附屬公司(本集團)於2019年3月31日之架構圖：



Notes 附註：

(1) Incorporated in Australia with limited liability
於澳大利亞註冊成立之有限公司

(2) Incorporated in the British Virgin Islands with limited liability
於英屬維爾京群島註冊成立之有限公司

(3) Incorporated in Hong Kong with limited liability
於香港註冊成立之有限公司

(4) Incorporated in Macau with limited liability
於澳門註冊成立之有限公司

(5) Incorporated in the PRC with limited liability
於中國註冊成立之有限公司

* For identification purpose only
* 僅供識別

您的健康是天大的事
TIANDA FOR HEALTH

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

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

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

Anti-infection Drugs
抗感染用藥

Cardio-cerebrovascular Drugs
心腦血管用藥

Paediatric Drugs
兒科用藥

Chinese Medicine Products
中藥產品

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

FINANCIAL SUMMARY
財務摘要

RESULTS
業績

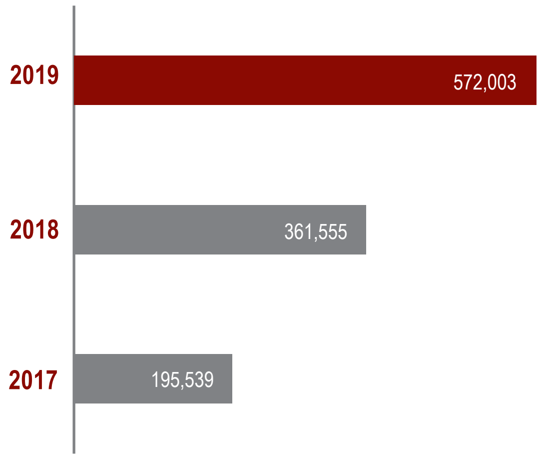
		Year ended 31 March 截至3月31日止年度 2015 HK$'000 千港元	2016 HK$'000 千港元	2017 HK$'000 千港元	2018 HK$'000 千港元	**2019** **HK$'000** **千港元**
Revenue	收入	139,367	192,785	195,539	361,555	**572,003**
Profit (loss) before tax	除稅前溢利（虧損）	(24,261)	18,425	32,750	29,942	**26,167**
Income tax (expense) credit	所得稅（支出）抵免	1,245	(5,058)	(7,997)	(7,780)	**(10,184)**
Profit (loss) for the year	本年度溢利（虧損）	(23,016)	13,367	24,753	22,162	**15,983**
Profit (loss) attributable to:	溢利（虧損）歸屬於：					
Owners of the parent	母公司股東	(17,942)	6,569	12,442	10,008	**2,657**
Non-controlling interests	非控股權益	(5,074)	6,798	12,311	12,154	**13,326**
		(23,016)	13,367	24,753	22,162	**15,983**
		HK cent 港仙	HK cent 港仙	HK cent 港仙	HK cent 港仙	**HK cent** **港仙**
Earnings (loss) per share	每股盈利（虧損）	(0.96)	0.32	0.58	0.47	**0.12**

ASSETS AND LIABILITIES
資產及負債

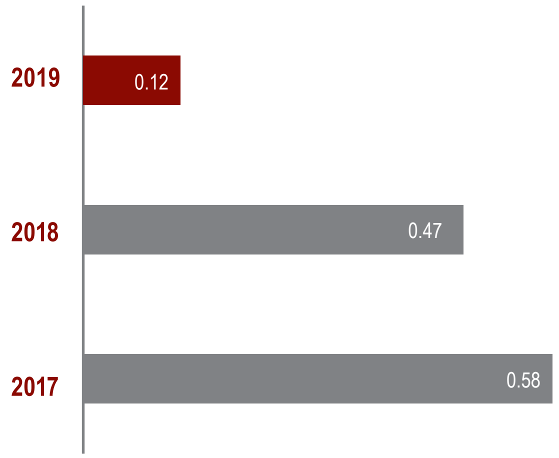
		At 31 March 於3月31日 2015 HK$'000 千港元	2016 HK$'000 千港元	2017 HK$'000 千港元	2018 HK$'000 千港元	**2019** **HK$'000** **千港元**
Total assets	資產總值	921,017	956,169	904,120	1,045,308	**996,769**
Total liabilities	負債總額	(132,609)	(109,436)	(91,156)	(159,723)	**(185,803)**
		788,408	846,733	812,964	885,585	**810,966**
Equity attributable to owners of the parent	母公司股東應佔權益	729,344	813,748	778,322	847,728	**777,203**
Non-controlling interests	非控股權益	59,064	32,985	34,642	37,857	**33,763**
		788,408	846,733	812,964	885,585	**810,966**

FINANCIAL SUMMARY
財務摘要

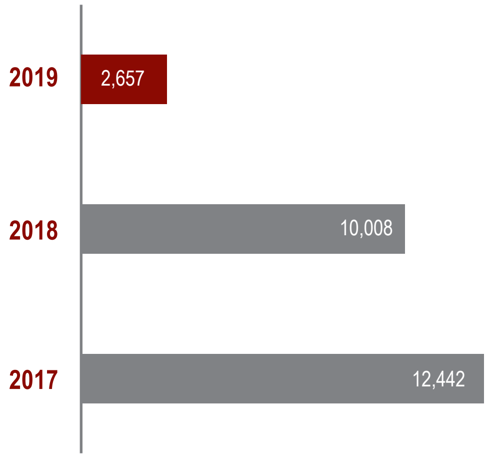
REVENUE 收入
HK$'000 千港元



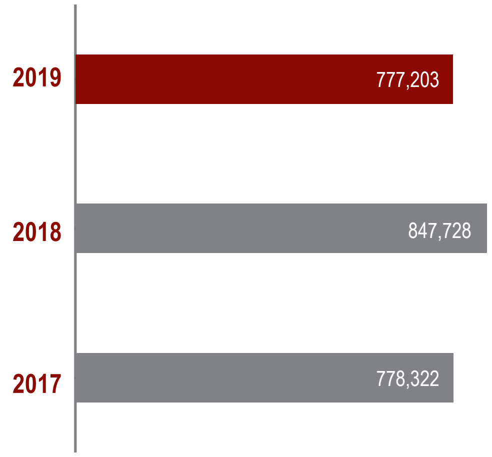
BASIC EARNINGS PER SHARE 每股基本盈利
HK CENTS 港仙



PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT 母公司股東應佔溢利
HK$'000 千港元



EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT 母公司股東應佔權益
HK$'000 千港元



BIOGRAPHICAL DETAILS OF DIRECTORS
董事簡歷

Mr. FANG Wen Quan, aged 50, was appointed as an executive Director since 6 October 2003. He is currently the Chairman, the Managing Director, the chairman of the nomination committee and a member of the remuneration committee and the risk management committee of the Company, and a director of the Group's certain subsidiaries. Mr. Fang is the founder, chairman and beneficial owner of Tianda Group Limited (the controlling shareholder of the Company holding 1,194,971,370 Shares). Mr. Fang is the existing chairman of the board of directors, general manager and authorized representative of Tianda Culture Holdings (China) Limited* (listed on the National Equities Exchange and Quotations Systems, company code: 837889). He has ample experience in corporate strategy and management. He studied International Relations in the University of Sydney and Tsinghua University, and established a non-profit strategic studies think tank named "Tianda Institute". Upholding the mission of "Caring for a Better World", Mr. Fang always shows his greater commitment to community services, including donations to the poverties, education and talent development, healthcare, scientific research and environmental protection, culture and arts.

方文權先生，50歲，於2003年10月6日起獲委任為執行董事。方先生現任本公司董事長、董事總經理、提名委員會主席、薪酬委員會及風險管理委員會成員，以及本集團若干附屬公司之董事。方先生乃天大集團有限公司（本公司之控股股東，持有1,194,971,370股股份）創始人、董事長及實益擁有人。方先生為現任天大文化控股（中國）股份有限公司（在全國中小企業股份轉讓系統掛牌，公司代號：837889）之董事長、總經理兼法定代表人。彼具有豐富企業戰略及管理方面之經驗。先後於悉尼大學和清華大學學習國際關係專業，並出資創辦了公益性戰略研究智庫"天大研究院"。一直以來，方先生秉承"關心社會，共同發展"的使命，熱誠資助社會公益，包括捐資扶貧事業、教育和人才發展、醫療衛生、科學研究和環境保護、文化藝術等。

Mr. LUI Man Sang, aged 55, was appointed as an executive Director of the Company on 30 September 2013 and is a director of the Group's certain subsidiaries. Mr. Lui joined Tianda Group, the controlling shareholder of the Company in 2007 and is the deputy general manager of Tianda Group. He is responsible for the financial issues of Tianda Group and the Company. Mr. Lui is a director of Tianda Culture Holdings (China) Limited (listed on the National Equities Exchange and Quotations, company code: 837889). Mr. Lui possesses enriched financial management experience covering a variety of industries including auditing in one of the big four accounting firms in Hong Kong and overseeing the finance department of a Hong Kong listed company. He holds an Executive MBA granted by City University of Hong Kong. He is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants.

呂文生先生，55歲，於2013年9月30日獲委任為本公司之執行董事，以及為本集團若干附屬公司之董事。呂先生於2007年加入本公司控股股東天大集團，現為天大集團副總經理，全面負責天大集團及本公司的財務管理。呂先生亦為天大文化控股（中國）股份有限公司（在全國中小企股份轉讓系統掛牌，公司代號：837889）之董事。呂先生擁有豐富財務管理經驗，涵蓋不同行業，當中曾在香港四大會計師事務所之一擔任審核工作以及管理一間香港上市公司的財務部門。呂先生持有香港城市大學行政人員工商管理碩士學位，目前為英國特許公認會計師公會及香港會計師公會資深會員。

* *For identification purpose only*

* *僅供參考*

BIOGRAPHICAL DETAILS OF DIRECTORS
董事簡歷

Mr. SHEN Bo, aged 46, was appointed as a non-executive Director and a member of the audit committee of the Company on 10 August 2015. He is a non-practicing member of certified public accountant of the People's Republic of China. He received his bachelor degree majoring in accounting from Shanghai Institute of Construction Materials Industry and master of accountancy from Chinese University of Hong Kong. Mr. Shen is the executive director, vice president and chief financial officer of Shanghai Pharmaceuticals Holding Co., Ltd.,* (a company listed on the Shanghai Stock Exchange with stock code 601607, and The Stock Exchange of Hong Kong Limited (Hong Kong Stock Exchange, with stock code 02607), the chairman of SPH Changzhou Pharmaceutical Co., Ltd., the chairman of Xiamen Traditional Chinese Medicine Co., Ltd., the chairman of Shanghai Hefeng Pharmaceuticals Limited and an executive director of China International Pharmaceutical (Holding) Corporation Limited. Mr. Shen is a non-executive director of Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd.* (a company listed on Hong Kong Stock Exchange with stock code 1349). Mr. Shen served as manager of finance department and chief financial officer in several large companies in mainland China so has extensive experience in corporate management, financial control, and governance of pharmaceutical companies. From April 2001 to March 2010, Mr. Shen served as the head of financial planning department, general manager of finance department and chief financial officer in Shanghai Industrial Pharmaceutical Investment Co, Ltd.* (a company formerly listed on the Shanghai Stock Exchange with stock code 600607). During the same period, Mr. Shen also served as the general manager of finance department of Shanghai Pharmaceuticals (Group) Co., Ltd.

沈波先生，46歲，於2015年8月10日獲委任為本公司之非執行董事及審核委員會成員。彼為中華人民共和國註冊會計師非執業會員，擁有上海建材學院會計學學士學位及香港中文大學會計學碩士學位。沈先生現任上海醫藥集團股份有限公司（一家於上海證券交易所（股份代號：601607）及香港聯合交易所有限公司上市的公司（香港聯交所，股份代號：02607）之執行董事、副總裁兼財務總監，同時也兼任上藥集團常州藥業股份有限公司董事長；廈門中藥廠有限公司董事長；上海禾豐製藥有限公司董事長及中國國際醫藥（控股）有限公司之執行董事。沈先生為上海復旦張江生物醫藥股份有限公司（一家於香港聯交所上市的公司，股份代碼為1349）之非執行董事。沈先生曾先後在多家國內大型企業擔任財務部經理和財務總監之職，在企業管理、財務管控及醫藥公司治理等方面具有豐富的經驗。2001年4月至2010年3月期間，沈先生在上海實業醫藥投資股份有限公司（一家曾於上海證券交易所上市的公司，股份代號：600607）任職，先後擔任計劃財務部主管、財務部總經理、財務總監，在此期間，沈先生亦擔任上海醫藥（集團）有限公司財務部總經理。

Mr. FENG Quanming, aged 42, was appointed as a non-executive Director on 23 March 2016. Mr. Feng is the head of the finance department of Hongta Tabacco (Group) Limited (Hongta), which holds 9.66% equity interest in the Company. He has extensive experience in corporate financial accounting and asset management. Mr. Feng joined Hongta in July 2001. During the period from August 2007 to September 2014, he took various positions in the finance department of Hongta, including deputy head of industrial finance division, head and deputy head of asset management division and head of general management division. He was also the head of financial planning division of Yunnan Hongta Group Co., Ltd*, a wholly-owned subsidiary of Hongta, during the period from June 2013 to August 2014. Mr. Feng obtained his bachelor degree in accounting at Southwestern University of Finance and Economics in 2001 and master in business administration at Renmin University of China in 2009. Mr. Feng possesses the qualification of practising certified public accountant in mainland China.

馮全明先生，42歲，於2016年3月23日獲委任為非執行董事。馮先生現任紅塔煙草（集團）有限責任公司（紅塔，持有本公司9.66%股權之股東）財務部部長。彼於企業財務會計和資產管理擁有豐富的工作經驗。馮先生於2001年7月加入紅塔，並曾於2007年8月至2014年9月期間於紅塔財務部擔任多個職位，包括工業財務科副科長、資產管理科副科長、資產管理科科長和綜合管理科科長，以及於2013年6月至2014年8月，擔任紅塔全資子公司雲南紅塔集團有限公司財務部計劃財務科科長。馮先生於2001年獲西南財經大學會計學學士學位，以及於2009年獲中國人民大學工商管理學碩士學位。馮先生具備中國註冊會計師執業資格。

* *For identification purpose only*

* *僅供參考*

BIOGRAPHICAL DETAILS OF DIRECTORS
董事簡歷

Dr. LAM Lee G., aged 59, was appointed as a non-executive Director of the Company with effect from 1 January 2018. Dr. Lam holds a BSc in sciences and mathematics, an MSc in systems science and an MBA from the University of Ottawa in Canada, a post-graduate diploma in public administration from Carleton University in Canada, a post-graduate diploma in English and Hong Kong Law and an LLB (Hons) in law from Manchester Metropolitan University in the UK, a LLM in law from the University of Wolverhampton in the UK, a PCLL in law from the City University of Hong Kong, a Certificate in Professional Accountancy from the Chinese University of Hong Kong SCS, an MPA and a PhD from the University of Hong Kong. A former member of the Hong Kong Bar, Dr. Lam is a Solicitor of the High Court of Hong Kong, an Accredited Mediator of the Centre for Effective Dispute Resolution (CEDR), a Fellow of the Hong Kong Institute of Arbitrators, the Hong Kong Institute of Directors, the Institute of Public Accountants, the Institute of Financial Accountants and Certified Management Accountants (CMA) Australia; and an Honorary Fellow of Certified Public Accountants (CPA) Australia, the Hong Kong Institute of Facility Management and the University of Hong Kong School of Professional and Continuing Education.

林家禮博士，59歲，於2018年1月1日獲委任為本公司之非執行董事。林博士持有加拿大渥太華大學之科學及數學學士、系統科學碩士及工商管理碩士學位、加拿大加爾頓大學之國家行政研究院文憑、英國曼徹斯特城市大學之香港及英國法律深造文憑及法律榮譽學士學位、香港城市大學之法學專業證書、香港中文大學專業進修學院專業會計證書、英國胡佛漢頓大學之法律碩士學位、香港大學之公共行政碩士及哲學博士學位。林博士乃香港高等法院律師（前大律師）、有效爭議解決中心(CEDR)認可調解員、香港仲裁司學會、香港董事學會、公共機構會計師公會、財務會計師公會及澳洲管理會計師公會(CMA)之資深會員，澳洲會計師公會(CPA)及香港設施管理學會榮譽資深會員及香港大學專業進修學院榮譽院士。

Dr. Lam has over 30 years of international experience in general management, management consulting, corporate governance, investment banking, direct investment and fund management across the telecommunications/media/technology (TMT), consumer/healthcare, infrastructure/real estate, energy/resources and financial services sectors. He is Chairman of Hong Kong Cyberport Management Company Limited, and Non-Executive Chairman – Hong Kong and ASEAN Region and the Chief Adviser to Macquarie Infrastructure and Real Assets Asia.

林博士於綜合管理、策略顧問、企業治理、投資銀行、直接投資及基金管理方面擁有逾30年國際經驗，跨越電信／媒體／科技(TMT)、消費市場／保健、基建／地產、能源／資源及金融服務行業。林博士現為香港數碼港管理有限公司主席以及麥格理基礎設施及有形資產香港及東盟區非執行主席兼亞洲區首席顧問。

Dr. Lam is a member of the Hong Kong Special Administrative Region Government Committee on Innovation, Technology and Re-Industrialization and the Court of the City University of Hong Kong, Convenor of the Panel of Advisors on Building Management Disputes of the Hong Kong Special Administrative Region Government Home Affairs Department, President of the United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP) Sustainable Business Network (ESBN) Executive Council and Chairman of its Task Force on Banking and Finance, a Board member of Pacific Basin Economic Council (PBEC), a member of the Hong Kong Trade Development Council Belt and Road Committee and Convenor of its Digital Silk Road Working Group, a member of the Sir Murray MacLehose Trust Fund Investment Advisory Committee, a member of the Advisory Board of the Hong Kong Investor Relations Association, Honorary Advisor to the Hong Kong Business Angel Network (HKBAN), Honorary Chairman - Asia Pacific of CMA Australia, Chairman of Monte Jade Science and Technology Association of Hong Kong, and President of Hong Kong-ASEAN Economic Cooperation Foundation.

林博士現為香港特別行政區政府創新、科技及再工業化委員會委員、香港城市大學顧問委員會成員、香港特區政府民政事務總署大廈管理糾紛顧問小組召集人、聯合國亞洲及太平洋經濟社會公署ESBN執行委員會主席及其銀行及金融業專案組主席、太平洋地區經濟理事會(PBEC)之理事、香港貿易發展局一帶一路委員會委員及其數字絲路工作組召集人、麥理浩爵士信託基金投資顧問委員會成員、香港投資者關係協會顧問委員會成員、香港天使投資脈絡(HKBAN)榮譽顧問、澳洲管理會計師公會亞太區榮譽主席、香港玉山科技協會理事長及香港－東盟經濟合作基金會會長。

BIOGRAPHICAL DETAILS OF DIRECTORS
董事簡歷

Mr. LAM Yat Fai, aged 53, was appointed as an independent non-executive Director, a member of the remuneration committee and a member of audit committee of the Company in 2004. On 26 November 2013, he was appointed as the chairman of the audit committee. He was appointed as a member of nomination committee and risk management committee on 22 July 2009. He is a Certified Public Accountant (Practising). He is also a fellow member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Mr. Lam worked with Kwan Wong Tan & Fong and Deloitte Touche Tohmatsu for over 10 years. Mr. Lam has accumulated rich experience in auditing, taxation, corporate finance and accounting over the years. Mr. Lam is an independent non-executive director of Oriental Press Group Limited (stock code: 0018), which is listed on the Main Board of the Hong Kong Stock Exchange.

Mr. CHIU Sung Hong, aged 72, was appointed as an independent non-executive Director, the chairman of the audit committee of the Company with effect from 10 April 2008. Mr. Chiu ceased to act as the chairman of the audit committee and remained as a member of the committee on 26 November 2013. Mr. Chiu was appointed as the chairman of risk management committee on 22 July 2009. On 1 April 2012, he was appointed as the chairman of the remuneration committee and a member of the nomination committee. He received an LL.B. degree from the University of Sydney. He is admitted as a solicitor of the Supreme Court of New South Wales and the High Court of Australia. He has over 40 years of experience in legal practice. Mr. Chiu is the founding member of the Board of Trustees of the Australian Nursing Home Foundation and a senior research fellow of Centre for Law & Globalization of Renmin University of China. He also served as the General Secretary of Australian Chinese Community Association of New South Wales. Mr. Chiu is an independent non-executive director of CNOOC Limited (stock code: 0883), which is listed on the Main Board of the Hong Kong Stock Exchange and Bank of China (Australia) Limited.

林日輝先生，53歲，於2004年獲委任為本公司之獨立非執行董事、薪酬委員會成員及審核委員會成員。林先生於2013年11月26日獲委任為審核委員會主席。林先生於2009年7月22日獲委任為提名委員會及風險管理委員會成員。彼現為執業會計師，亦為香港會計師公會及英國特許公認會計師公會資深會員。林先生曾於關黃陳方會計師行及德勤‧關黃陳方會計師行工作逾10年。林先生於審計、稅務、企業融資及會計等方面累積多年經驗。林先生為於香港聯交所主板上市之東方報業集團有限公司(股份代號：0018)之獨立非執行董事。

趙崇康先生，72歲，於2008年4月10日獲委任為本公司之獨立非執行董事及審核委員會主席。趙先生於2013年11月26日不再擔任審核委員會主席，惟仍留任該委員會之成員。趙先生於2009年7月22日獲委任為風險管理委員會主席。於2012年4月1日，彼獲委任為薪酬委員會主席及提名委員會成員。趙先生擁有悉尼大學法學學士學位，目前擔任澳大利亞新南威爾斯高等法院律師和澳大利亞高等法院律師。趙先生在法律行業累積逾40年經驗。趙先生乃澳華療養院基金信託委員會創始會員及中國人民大學法律與全球化研究中心高級研究員。彼亦曾擔任澳大利亞新南威爾斯中國社區協會秘書長。趙先生現為於香港聯交所主板上市之中國海洋石油有限公司(股份代號：0883)之獨立非執行董事及中國銀行(澳大利亞)有限公司之獨立非執行董事。

BIOGRAPHICAL DETAILS OF DIRECTORS
董事簡歷

Mr. CHIU Fan Wa, aged 54, was appointed as an independent non-executive Director, a member of the remuneration committee and audit committee of the Company on 31 March 2009. Mr. Chiu is a founder and the managing director of Chiu, Choy & Chung C.P.A. Limited, and a partner of F. S. Li & Co. He graduated from City University of Hong Kong and obtained a Bachelor of Arts (Honours) degree with major in accountancy in 1992 and was awarded a Master of Professional Accounting from The Hong Kong Polytechnic University in 2002. He is a Certified Public Accountant (Practising) in Hong Kong, a fellow member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants, a fellow member of the Institute of the Chartered Accountants in England and Wales, a fellow member of The Society of Chinese Accountants & Auditors, an associate of The Hong Kong Institute of Chartered Secretaries and an associate of The Institute of Chartered Secretaries and Administrators, United Kingdom, a fellow member of The Taxation Institute of Hong Kong and a Certified Tax Advisor.

趙帆華先生，54歲，於2009年3月31日獲委任為本公司之獨立非執行董事、薪酬委員會及審核委員會成員。趙先生為蔡鍾趙會計師有限公司的創辦人兼常務董事，亦為李福樹會計師事務所的合夥人。彼於1992年畢業於香港城市大學，獲榮譽文學學士學位，主修會計，並於2002年獲香港理工大學頒發專業會計碩士學位。彼為香港執業會計師、香港會計師公會資深會員、英國特許公認會計師公會資深會員、英格蘭及威爾士特許會計師公會資深會員、香港華人會計師公會資深會員、香港特許秘書公會會員及英國特許秘書及行政人員公會會員、香港稅務學會資深會員及註冊稅務師。

REPORT OF THE CHAIRMAN
董事長報告

On behalf of the Board of Directors of the Company, I am pleased to present the annual results of the Company and its subsidiaries (collectively referred to as Tianda Pharmaceuticals or the Group) for the year ended 31 March 2019 (the Current Financial Year/FYE 2019) for shareholders' review.

本人謹代表本公司董事會欣然提呈本公司及其附屬公司（統稱天大藥業或本集團）截至2019年3月31日止年度（本財政年度／2019財政年度）之全年業績以供股東省覽。

During the Current Financial Year, the Group recorded a consolidated revenue of approximately HK$527,000,000 from its core business, representing an increase of 45.8% as compared with approximately HK$361,600,000 for the year ended 31 March 2018 (the FYE 2018). Gross profit increased by 56.9% from approximately HK$270,400,000 for the FYE 2018 to approximately HK$424,100,000 for the Current Financial Year. Gross profit margin also increased by 5.7 percentage points from 74.8% for the FYE 2018 to 80.5% for the Current Financial Year. During the Current Financial Year, the profit of the Group's pharmaceutical and biotechnology business recorded a double-digit growth over the FYE 2018, however, being affected by various factors such as the increase in research and development expenses, the loss recorded by Traditional Chinese Medicine business as it is in the stage of integration and expansion, and the absence of one-off gain arising from the sale of ASLAN shares as recorded in the FYE 2018, the profit attributable to shareholders for the Current Financial Year decreased by 73.0% from approximately HK$10,000,000 for the FYE 2018 to approximately HK$2,700,000. The Group declared a final dividend of HK0.11 cent per share (2018: HK0.35 cent per share), amounting to approximately HK$2,365,000.

本財政年度，本集團錄得綜合主營業務收入約527,000,000港元，較截至2018年3月31日止年度（2018財政年度）約361,600,000港元，增加45.8%。毛利由約270,400,000港元，增加至約424,100,000港元，增幅達56.9%。毛利率亦上升5.7百分點，由2018財政年度74.8%上升至本財政年度的80.5%。本集團於本財政年度的醫藥生物業務溢利較去年同期錄得雙位數字增長，但因為研發費用投入增加，加上中藥材業務因處於整合拓展階段而錄得虧損，以及沒有如去年般出售亞獅康股份而錄得的一次性收益等因素影響，導致本財政年度股東應佔溢利較2018財政年度約10,000,000港元下跌73.0%，至為約2,700,000港元。本集團宣派末期股息每股0.11港仙（2018年：每股0.35港仙），合共約2,365,000港元。

In the past year, the Group endeavored to further implement the "three integrations" strategy, i.e. pursuing integration in the areas of R&D resources, marketing resources and management resources; leveraged on its foundation in the Guangdong-Hong Kong-Macau Greater Bay Area to forge ahead in accordance with national industrial policies, actively promoted its development in the Chinese medicine industry, planned for technology and product research and development in the area of Chinese medicine, implemented the initiatives of constructing and operating local herbal medicines resource bases and also engaged in trading activities at the same time, fully devoted to the development of the Chinese herbal medicine and TCM decoction pieces business, fully prepared for the opening of Zhuhai TDMall, the flagship clinic of TDMall business. Subsequent to the end of the Current Financial Year, on 2 May 2019, the Group celebrated the grand opening of Zhuhai TDMall which is strategically located in Zhuhai, one of the key cities in the Guangdong-Hong Kong-Macau Greater Bay Area. TDMall selected the Guangdong-Hong Kong-Macau Greater Bay Area to establish its first strategic presence and will pursue its expansion plan for the whole country and realize its global vision, and strive to provide excellent Chinese medicine health services that are accessible to everyone.

過去一年，本集團深化落實"三個整合"－整合研發資源、整合營銷資源、整合管理資源；立足粵港澳大灣區，對接國家產業政策，積極推進中醫藥產業發展，謀劃中醫藥技術和產品研發，實行道地藥材資源基地建設和經營貿易並舉的措施，全力開展中藥材和中藥飲片業務，全力籌備天大館旗艦館－珠海天大館的開館工作，本財政年度結束後的2019年5月2日，珠海天大館於粵港澳大灣區中心城市－珠海市盛大開業。天大館優先佈局粵港澳大灣區，拓展全國全球，努力提供人人可及的、高品質的中醫藥健康服務。

REPORT OF THE CHAIRMAN
董事長報告

Looking forward, Tianda Pharmaceuticals will adhere to its market-oriented approach as always, and with innovation as its driving force, it will continue its efforts in optimizing management and incentive mechanism, build its reputation as a distinguished employer and construct its superb work team, better grasp the development in the macroeconomic environment and industrial policies, and develop short, medium and long term development planning. The Group will realize its vision of becoming a leading comprehensive medic-pharmaceuticals enterprise with a one-step-at-a-time approach.

展望將來，天大藥業將始終以市場為導向，以創新為推力，不斷優化管理和激勵機制，打造優秀的僱主品牌和員工團隊，更好把握宏觀經濟環境和產業政策，做好短中長期發展規劃，一步一個腳印朝著領先的綜合性醫藥企業目標邁進。

Last but not least, I would like to express my sincere gratitude to our clients, staff, business partners and shareholders for their unremitting confidence in and support for the Group, and also the Board of Directors for their efforts and contributions to the Group's expeditious business growth.

最後，本人謹此感謝客戶、員工、業務合作夥伴及股東多年來的支持、貢獻及信任，以及董事會成員為本集團發展所做的努力和付出。

Fang Wen Quan
Chairman

Hong Kong, 26 June 2019

方文權
董事長

香港，2019年6月26日

* *For identification purpose only*

* *僅供參考*

MANAGEMENT DISCUSSION AND ANALYSIS
管理層討論與分析

FINANCIAL REVIEW

During the Current Financial Year, the Group recorded a consolidated revenue of approximately HK$527,000,000 from its core business, representing an increase of 45.8% as compared with approximately HK$361,600,000 for the FYE 2018. Gross profit increased by 56.9% from approximately HK$270,400,000 for the FYE 2018 to approximately HK$424,100,000 for the Current Financial Year. Gross profit margin increased by 5.7 percentage points from 74.8% for the FYE 2018 to 80.5% for the Current Financial Year. During the Current Financial Year, the Group's results were affected by various factors, resulting in a decrease in profit for the year of 27.9% from approximately HK$22,200,000 for the FYE 2018 to approximately HK$16,000,000 for the Current Financial Year.

During the Current Financial Year, sales revenue of Tianda Pharmaceuticals (Zhuhai) Ltd. (Tianda Pharmaceuticals (Zhuhai)), a wholly-owned subsidiary of the Company, increased by 10.3% from approximately HK$160,400,000 for the FYE 2018 to approximately HK$177,000,000 for the Current Financial Year, the sales performance of its main product Tuoping (Valsartan capsules) was remarkable with the sales volume and sales revenue of which increased by 13.9% and 22.2% respectively as compared to that of the FYE 2018. However, the costs arising from the commencement of conformity assessment of Valsartan capsules have recorded a significant increase of 164.7% to approximately HK$6,400,000, which led to a reduction in profit contribution by Tianda Pharmaceuticals (Zhuhai) from approximately HK$20,400,000 for the FYE 2018 to approximately HK$16,900,000 for the Current Financial Year.

For Yunnan Meng Sheng Pharmaceutical Co., Ltd. (Meng Sheng Pharmaceutical), a subsidiary of the Company, its sales revenue increased from approximately HK$196,300,000 for the FYE 2018 to approximately HK$328,000,000 for the Current Financial Year. Sales revenue of its flagship product, Cerebroprotein Hydrolysate Injection, recorded an increase of approximately 69.7% to approximately HK$268,500,000, while the sales revenue of Qi-Shangzhen oral solution, a healthcare product using notoginseng stalks (sanqi, a local herbal medicine in Yunnan) as base ingredient, increased significantly from approximately HK$2,000,000 for the FYE2018 to approximately HK$6,700,000 for the Current Financial Year. Profit contribution from Meng Sheng Pharmaceutical, after netting off non-controlling interests' share, increased from approximately HK$13,700,000 for the FYE 2018 to approximately HK$14,600,000 for the Current Financial Year.

財務回顧

於本財政年度，本集團錄得綜合主營業務收入約527,000,000港元，較2018財政年度約361,600,000港元，增加45.8%。毛利由約270,400,000港元，增加至約424,100,000港元，增幅達56.9%。毛利率上升5.7百分點，由2018財政年度74.8%上升至本財政年度的80.5%。本財政年度，本集團業績受到若干因素影響，導致本財政年度溢利較2018財政年度約22,200,000港元下跌27.9%，至為約16,000,000港元。

於本財政年度，本公司全資附屬公司天大藥業(珠海)有限公司(天大藥業(珠海))的銷售收入由2018財政年度約160,400,000港元上升10.3%至本財政年度約177,000,000港元，主要產品托平(纈沙坦膠囊)表現突出，銷售量及銷售收入按年分別上升13.9%及22.2%。但由於纈沙坦膠囊的一致性評價投入費用大幅增加164.7%至約6,400,000港元，令天大藥業(珠海)溢利貢獻由2018財政年度約20,400,000港元減少至本財政年度約16,900,000港元。

本公司控股附屬公司雲南盟生藥業有限公司(盟生藥業)銷售收入由2018財政年度約196,300,000港元上升至本財政年度約328,000,000港元，旗艦產品注射用腦蛋白水解物銷售收入按年上升約69.7%至約268,500,000港元，以雲南道地藥材三七莖為主原料的保健產品七上珍口服液的銷售收入由2018財政年度約2,000,000港元大幅增長至本財政年度約6,700,000港元。盟生藥業溢利貢獻，扣除非控股權益後，由2018財政年度約13,700,000港元上升至本財政年度約14,600,000港元。

MANAGEMENT DISCUSSION AND ANALYSIS
管理層討論與分析

For the development of Traditional Chinese Medicine (TCM) business, subsequent to the completion of the acquisition of Tianda Chinese Medicine (China) Ltd. in the FYE2018, the Group completed the acquisition of Zhuhai Tianda Processed Chinese Herbal Medicine Ltd. (formerly known as Zhuhai Tonghui Pharmaceutical Co. Ltd.*) on 31 July 2018 and prepared for the opening of the flagship TDMall clinic during the Current Financial Year. In spite of the sales revenue of approximately HK$13,500,000 for the Current Financial Year, the overall loss recorded by TCM business for the Current Financial Year widened to approximately HK$10,800,000 when compared to approximately HK$2,200,000 for the FYE 2018 as the TCM business was in the early stage of consolidation, expansion, investment and new development following mergers and acquisitions.

中醫藥業務方面，繼2018財政年度完成收購天大中醫藥（中國）有限公司之後，本集團於2018年7月31日完成收購珠海天大中藥飲片有限公司（前稱珠海市同輝藥業有限公司），並於本財政年度投入籌備天大館旗艦館開業。由於中醫藥業務仍處於併購後的整合拓展、投資新設的早期階段，儘管於本財政年度錄得銷售收入約13,500,000港元，整體虧損由2018財政年度約2,200,000港元擴大至本財政年度約10,800,000港元。

Due to the implementation of the Two-Invoice System of the State, selling and distribution expenses increased from approximately HK$197,200,000 for the FYE 2018 to approximately HK$344,700,000 for the Current Financial Year. For administrative expenses, as it had to recruit more talents for the development of the TCM business, which led to a slight increase in the overall administrative expenses from approximately HK$55,100,000 for the FYE 2018 to approximately HK$63,300,000 for the Current Financial Year.

由於國家實行兩票制的影響，營銷支出由2018財政年度約197,200,000港元增加至本財政年度約344,700,000港元；而行政支出方面，則由於發展中醫藥業務需要增聘人才，由2018財政年度約55,100,000港元稍微增加至本財政年度約63,300,000港元。

The Group recorded other income and other net gains of approximately HK$16,900,000, increased from approximately HK$15,000,000 for the FYE 2018. The increase in other income and other net gains for the Current Financial Year was mainly due to the followings: 1) the interest income from bank deposits and wealth management products amounting to approximately HK$13,000,000, representing an increase by approximately HK$3,600,000 or 39.3% as compared to approximately HK$9,400,000 for the FYE 2018, which was driven by the rise of deposit interest rates and increase in deposit balance; 2) the aggregate government subsidy income of approximately HK$3,400,000 received by Meng Sheng Pharmaceutical and Tianda Pharmaceuticals (Zhuhai) during the Current Financial Year, representing an increase of 142.7% from approximately HK$1,400,000 for the FYE 2018; 3) the net foreign exchange gains of approximately HK$17,000 recorded by the Group for the Current Year, representing a turnaround from the net foreign exchange losses (after deducting gains or losses from foreign exchange linked investments) of approximately HK$3,100,000 for the FYE 2018. However, the above three items grouped under other income and other net gains for the Current Financial Year were offset by the absence of the one-off gain (FYE 2018: approximately HK$8,300,000) arising from the disposal of ASLAN shares as recorded in the FYE 2018.

其它收入及其它淨收益錄得約16,900,000港元，較去年約15,000,000港元有所上升。本財政年度的其它收入及其它淨收益上升主要是由於：一）受惠於存款利率上升及存款結餘增加，銀行存款及理財產品利息收入錄得約13,000,000港元，較2018財政年度約9,400,000港元增長約3,600,000港元或39.3%；二）盟生藥業及天大藥業（珠海）於本財政年度合共獲得政府資助收入約3,400,000港元，較2018財政年度約1,400,000港元增加142.7%；三）本集團於2018財政年度錄得淨外匯虧損（扣除外匯投資掛鉤損益後）約3,100,000港元，而本財政年度則轉為外匯淨收益約17,000港元。然而，本財政年度沒有如去年般出售亞獅康股份而錄得的一次性收益（2018財政年度：約8,300,000港元），抵銷了上述三項其它收入及其它淨收益。

* *For identification purpose only*

* *僅供參考*

MANAGEMENT DISCUSSION AND ANALYSIS
管理層討論與分析

Based on the foregoing, profit attributable to shareholders of the parent company for the Current Financial Year was approximately HK$2,700,000, representing a decrease of approximately 73.0% from approximately HK$10,000,000 in the FYE 2018, while basic and diluted earnings per share were both HK0.12 cent (FYE 2018: HK0.47 cent).

綜上，母公司股東應佔溢利約為2,700,000港元，較2018財政年度約10,000,000港元下跌約73.0%，相當於每股基本及攤薄盈利為0.12港仙（2018財政年度：0.47港仙）。

The Group's financial position remained strong. As at 31 March 2019, the Group's structured deposits, short term bank deposits and cash amounted to approximately HK$451,100,000 with no external borrowing. The Group's new R&D and production base project in Jinwan District, Zhuhai, China is progressing in full swing. The construction in progress amounted to approximately HK$29,800,000 for the Current Financial Year while as at 31 March 2019, the Group's capital commitments in respect of the new R&D and production base project amounted to approximately HK$20,200,000. The Group has sufficient cash reserves to meet the funds required for the new R&D and production base project.

本集團財務狀況維持穩健，於2019年3月31日，本集團持有結構性存款、短期銀行存款及現金約451,100,000港元，並且未有向外借貸。而本集團於中國珠海金灣區的新研發及製藥基地的工程正全速推進，於本財政年度，該在建工程總投入約29,800,000港元，而於2019年3月31日，本集團對新研發及製藥基地工程亦作出了約20,200,000港元的資本承擔，本集團擁有充足的現金儲備足以應付新研發及製藥基地工程所需的資金。

BUSINESS REVIEW

業務回顧

During the Current Financial Year, the Group endeavored to further implement the "three integrations" strategy, i.e. pursuing integration in the areas of R&D resources, marketing resources and management resources, and achieved a rapid growth of revenue from traditional business with progressive and steady development of the TCM industry.

本財政年度，本集團深化落實"三個整合"—整合研發資源、整合營銷資源、整合管理資源，傳統業務收益錄得快速增長，穩步推進中醫藥產業發展。

– Maintaining the market price of its products is the focus and emphasis of the Group's marketing team during the Current Financial Year. The pediatric series products have obtained certain price advantages in sales to hospitals; through channel segregation, the respective sales teams servicing the hospital, third terminal and chain store segments have been further expanded with sales potential of products further unleashed, which contributed to the steady growth in sales performance of traditional chemical medicines. "Herb Valley" series healthcare product business has established Manuka Honey as its flagship product and utilized various channels and pipelines to establish its online and offline sales network and has successfully attracted the attention of consumers in Mainland China, Hong Kong and Australia within a short time span.

– 本財政年度內，營銷團隊重視維護產品市場價格，兒科系列產品在醫院銷售取得一定價格優勢；通過管道細分，進一步擴充了醫院、第三終端、連鎖銷售人員，深挖產品銷售潛力，使傳統化藥產品銷售業績持續穩步增長。"和谷"系列健康產品主推麥盧卡蜂蜜，多管道建立線上線下銷售網絡，快速吸納中國內地、香港及澳大利亞三地消費者關注。

MANAGEMENT DISCUSSION AND ANALYSIS
管理層討論與分析

– Various research and development work continued to forge ahead steadily during the Current Financial Year: 1) The prescription process research and quality research work of Valsartan capsule have been completed; preparation work for bioequivalence trials has been commenced, ethical approval was obtained, and other works such as respective filings with drug approval center and genetics office have been completed; bioequivalence experiment and application for registration are expected to be completed in next year. 2) The design and development of the self-developed products series of TDMall has been completed; the R&D and trial production of over 100 products such as tea bags, soup packages, TCM paste and medicinal liquors have been commenced. 3) The development of dried tangerine peel, a Chinese herb in Guangdong Province, series healthcare products continued. 4) The second development plan of ZhiKang Granules is basically completed. 5) The relevant procedures for the inspection and acceptance of "Re-development and Commercialization of the Cerebroprotein Hydrolysate Injection Chemical Drug" have been completed and the final acceptance certificate has been obtained from Yunnan Provincial Science and Technology Department. Meanwhile, R&D project for conformity assessment was commenced. 6) Capitalizing on the patented technology of Cerebroprotein Hydrolysate to develop related products, pharmaceutical formulation process research work on small-molecule peptide for sleep assisting and memory enhancing oral solution, small-molecule peptide for sport energy supplement and small-molecule peptide household chemical products are underway. 7) Qi-Shangzhen Oral Solution gained popularity in the market and the Group further expanded the development of Sanqi healthcare series to products that would offer various benefits such as lowering the three High Symptoms of high blood pressure, high cholesterol and high blood sugar, producing soothing effect for sleep, producing saliva to quench thirst, beauty maintenance, heat-relieving and sore throat relieving.

– For TCM business, 1) Tianda Chinese Medicine (China) Limited has implemented the initiatives of constructing and operating local herbal medicines resource bases and also engaged in trading activities at the same time. It has established an operation mode that matches the characteristics of the Chinese herbal medicine industry and set up branch offices in Sichuan, Yunnan and Eastern China to establish a one-stop traceability system covering the cultivation, harvesting, production, sales

– 本財政年度內，研發工作穩步推進：一）已完成纈沙坦膠囊處方工藝研究和品質研究工作；已開展生物等效性試驗準備工作，通過倫理審批，及完成藥審中心備案和遺傳辦備案等工作；預計在下年度完成生物等效性實驗及註冊申報工作。二）已完成天大館自研產品體系的設計開發工作；開展了茶飲、湯包、膏滋、藥酒共過百品種的研發、試製工作。三）繼續開展廣東道地藥材廣陳皮系列健康產品的開發。四）脂康顆粒二次開發計劃基本形成。五）完成"腦蛋白水解物二次開發及產業化"專案驗收相關手續，獲得由雲南省科技廳頒發的驗收合格證書，同時開展一致性評價方案調研。六）憑藉腦蛋白水解物的專利工藝，開發衍生產品，小分子肽助眠增憶口服液、小分子肽運動能量棒、小分子肽日化產品等系列產品的配方工藝研究工作正在進行中。七）七上珍口服液深受市場歡迎，正在延伸開發三七養生系列產品，包括降三高、助眠、生津止渴、美容養顏、清熱利咽等。

– 中醫藥業務方面，一）天大中醫藥（中國）有限公司實行道地藥材資源基地建設和經營貿易並舉的措施，搭建與中藥材行業特性相匹配的經營體系，已於四川、雲南、華東設立分公司或大區經營主體，從藥材的種植、採挖到生產、銷售，建立一條龍溯源體系和道地品種品質標準，

MANAGEMENT DISCUSSION AND ANALYSIS
管理層討論與分析

of herbal medicines and to establish quality standards for local varieties. The Group will leverage its control over the local herbal medicines resources to achieve absolute advantage over resources such as variety, distributors, pharmaceutical companies being raw material purchasers and to explore the characteristics of large-scale operation of special Chinese herbal medicine varieties and create its own brand of "Tianda Chinese Medicine". 2) Upon the completion of the acquisition of Zhuhai Tianda Processed Chinese Herbal Medicine Ltd. and after months of repair and improvement to its plant and equipment and team building efforts, Zhuhai Tianda Processed Chinese Herbal Medicine Ltd. resumed production in April 2019, the variety of its registered TCM decoction pieces has been increasing, and this development has added an important component to the Group's development of fully-integrated TCM industry value chain. 3) TDMall (Group) Limited has established investment, operation and implementation plans. TDMall (China) Limited partnered with Zhuhai TDMall Ltd. and both have been fully devoted to the preparation work of the opening of Zhuhai TDMall, the flagship clinic of TDMall business. Zhuhai TDMall focuses on five major Chinese medicine healthcare services, namely medicines, food, living, shape and health, and promotes the notable specialty and characteristics of traditional Chinese medical practice. It combines modern health management concepts with premiere service concepts to create a unique modern Chinese medicine healthcare service organization. On 2 May 2019, the Group celebrated the grand opening of Zhuhai TDMall. While preparing for the opening of the first TDMall outside Mainland China, TDMall (Hong Kong) Limited has also soft-launched the medical diet catering services in the third quarter of 2018 with healthy soup as its signature dish. It serves white-collar workers in Central, Admiralty and Causeway Bay through online ordering to gather market response and explore new business opportunities. 4) Tianda Chinese Medicine Institute commenced operation and established its system and formulated development plans. It would first establish the "Tianda Standard" that would serve as the quality control benchmark for Chinese herbal medicines, closely monitor the national TCM industry policies, conduct study on the country's first batch of classical and excellent TCM prescriptions project and select three prescriptions amongst which for its initial research. It also supports the product development of TDMall and Zhuhai Tianda Processed Chinese Herbal Medicine Ltd., plans for the product development of prescription granules, explores Chinese medicine diagnosis and treatment, and

立足於產地藥材資源掌控，實現對產地藥材品種、經銷商、用藥企業等資源的絕對優勢，摸索運營特色大宗中藥材品種，打造"天大中醫藥"自身品牌。二）珠海天大中藥飲片有限公司併購完成後，經過多時修繕和團隊構建，已於今年4月恢復生產，中藥飲片備案品種不斷增加，本集團發展中醫藥全產業鏈又添上了重要的一環。三）天大館（集團）有限公司制定了投資、運營及實施方案；天大館（中國）有限公司攜手珠海天大館有限公司全力籌備天大館旗艦館—珠海天大館，珠海天大館圍繞"醫、食、住、形、健"五大中醫藥健康服務內容，突出中醫優勢專科和特色，結合現代健康管理理念和星級服務理念，打造獨具特色的現代化中醫藥健康服務機構，珠海天大館於2019年5月2日盛大開業。天大館（香港）有限公司在抓緊籌備境外首家天大館的同時，於2018年第三季試行推養生藥膳，主打養生湯，透過網上訂購服務中環、金鐘、銅鑼灣白領客群，探索市場反應，尋找新商機。四）天大中醫藥研究院啟動運作，建章立制，制定發展規劃，首先建立控制中藥材品質的"天大標準"，密切關注國家中醫藥產業政策，梳理國家第一批經典名方項目，擬立項首研其中三個，支持天大館和天大中藥飲片公司產品開

MANAGEMENT DISCUSSION AND ANALYSIS
管理層討論與分析

development of intelligent technologies and products in the field of TCM.

– For the new R&D and production base project of Tianda Pharmaceuticals (Zhuhai), the cost, quality control and safety management as well as other relevant works have all been effectively monitored and have been progressing well. It will be completed by the end of 2019 and is expected to commence formal operation in mid-2020. Meng Sheng Pharmaceutical has commenced the construction of Qi-Shangzhen oral solution production line and upon the completion of which, the production of Qi-Shangzhen oral solution will no longer be commissioned to third parties so as to maintain control over product quality and ensure stable supply to the market.

– During the Current Financial Year, the Group has entered into a conditional sale agreement with its controlling shareholder, Tianda Group Limited. The connected transaction was approved by the independent shareholders unanimously at the extraordinary general meeting held on 7 May 2019 by way of poll. The Group will be able to exercise the disposal right to sell the existing R&D and production base in Xiangzhou District, Zhuhai to Tianda Group Limited upon the completion of the first phase of the new R&D and production base project in Jinwan District, Zhuhai and the satisfaction of prerequisite conditions for completion of the transaction as stated in the agreement.

OUTLOOK

The Group will continue to strengthen resource integration, R&D and marketing; comprehensively enhance the level of human resources management, further improve financial management and operational standards, and build excellent management teams. With the joint and concerted effort of the Group's employees and driven by innovation, the Group is committed to capturing the strategic opportunities offered by the Guangdong-Hong Kong-Macau Greater Bay Area and the state's policy of encouraging the development of TCM. The Group will also strive to improve its strategic layout designed for the development of the TCM business and achieve a good start for the TCM business. Apart from further enhancing the performance of its traditional business, the Group will also be devoted to the steady development of becoming an outstanding comprehensive medic-pharmaceuticals enterprise.

發，籌畫配方顆粒產品研發，探索中醫診療和中醫藥智慧技術和產品開發。

– 天大藥業（珠海）新研發及製藥基地項目，成本、品質和安全管理等各項工作均得到有效監控、順利推進，確保在2019年底前竣工，預計於2020年中正式啟用。盟生藥業開始籌建七上珍口服液生產線，生產線建成後，七上珍口服液將不再委託生產，以控制產品品質，確保市場供貨。

– 於本財政度，本集團與控股股東天大集團有限公司訂立一份有條件出售協議，此項關連交易已於2019年5月7日的特別股東大會上獲獨立股東投票表決一致通過。待位於珠海市金灣區的新研發及製藥基地項目第一期竣工及協議內的所列的完成交易先決條件滿足後，本集團即可行使出售權，將現時位於珠海市香洲區的研發及製藥基地出售予天大集團有限公司。

展望

本集團將繼續加強資源整合，加強研發及營銷，全面提升人力資源管理水準，進一步提升財務管理和運籌水準，建設優秀管理及工作團隊。本集團上下一心，群策群力，以創新為驅動，把握粵港澳大灣區戰略機遇和國家鼓勵發展中醫藥政策，完善中醫藥產業佈局，起好中醫藥業務的開端，進一步做好傳統業務，穩健發展成為一家優質的綜合性醫藥企業。

MANAGEMENT DISCUSSION AND ANALYSIS
管理層討論與分析

LIQUIDITY AND FINANCIAL RESOURCES

The Group's liquidity continued to stay in a healthy position. As at 31 March 2019, the Group had structured deposits, short term bank deposits and cash of approximately HK$451,100,000 (31 March 2018: HK$493,200,000), of which approximately 11.6% and 88.1% were denominated in Hong Kong dollar and Renminbi (RMB) respectively with the remaining in Australian dollar, Euro, Macau pataca, New Taiwan dollar and United States dollar. The Group has no external borrowings during the period under review. With this strong financial position, the Group has sufficient financial resources to meet its obligations and daily operational needs.

流動資金及財務資源

本集團之流動資金狀況維持穩健。於2019年3月31日，本集團有結構性存款、短期銀行存款及現金約451,100,000港元（2018年3月31日：493,200,000港元），其中約11.6%及88.1%分別以港元及人民幣（人民幣）計值，餘額則以澳元、歐元、澳門元、新台幣及美元計值。於回顧期間，本集團概無外部借貸。於此穩固之財務狀況下，本集團具備充足財務資源以應付其責任及日常營運需要。

EXCHANGE RATE EXPOSURE

The Group's assets, liabilities and transactions are substantially denominated in Hong Kong dollar, RMB, United States dollar and Australian dollar.

The Group has sales and investments in foreign operations which use currencies other than its functional currency RMB. As such, the Group has some exposures to foreign currency risks. The management from time to time determines suitable measures, such as entering into forward currency contracts, to lessen exposure to exchange rate fluctuations in material transactions denominated in currencies other than RMB. The Group did not enter into any forward currency contracts to hedge its foreign currency risks as at 31 March 2019.

匯率風險

本集團之資產、負債及交易大部份以港元、人民幣、美元及澳元計值。

本集團設有海外銷售及投資業務，乃以其功能貨幣人民幣以外之貨幣計算。因此，本集團面對若干外匯風險。管理層不時釐定適當措施，例如訂立外幣遠期合約，以減低以人民幣以外貨幣計值之重大交易所面臨之匯率波動風險。於2019年3月31日，本集團概無訂有任何外幣遠期合約以對沖其外幣風險。

CHARGES ON ASSETS

The Group did not have any charges on assets as at 31 March 2019.

資產抵押

於2019年3月31日，本集團並無任何資產抵押。

EMPLOYMENT AND REMUNERATION POLICY

As at 31 March 2019, the Group employed approximately 517 employees in Hong Kong, the PRC and Australia. The Group remunerates its employees based on market terms and the qualifications and experience of the employees concerned.

僱員及薪酬政策

於2019年3月31日，本集團於香港、中國及澳大利亞聘有約517名僱員。本集團根據市場條款以及有關僱員之資歷及經驗向僱員釐定薪酬。

CORPORATE GOVERNANCE REPORT
企業管治報告

The Company is firmly committed to maintaining statutory and regulatory standards and adhering to the principles of corporate governance, emphasizing transparency and accountability to the shareholders.

本公司堅決致力維持法定及監管標準，並緊守企業管治之原則，強調透明度及向股東問責。

The Company has complied with the code provisions of the Corporate Governance Code (the CG Code) in Appendix 14 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the Listing Rules) during the FYE2019 except as mentioned below.

於2019財政年度，本公司已遵守在香港聯交所證券上市規則（上市規則）附錄十四所載企業管治守則之守則條文，惟下文所述之情況除外。

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

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

BOARD OF DIRECTORS

董事會

The Board is responsible for the leadership and control of the Company and oversees the businesses, strategic development, financial performance and corporate governance of the Group. The management is delegated with the powers and authorities for overseeing the day-to-day operation of the Group.

董事會負責領導及控制本公司，並監察本集團之業務、策略發展、財務表現及企業管治。管理層則獲授予權力與授權以監察本集團之日常運作。

CORPORATE GOVERNANCE REPORT
企業管治報告

The Board currently consists of 8 Directors, comprising 2 executive Directors, 3 non-executive Directors and 3 independent non-executive Directors (INEDs) namely:

Executive Directors:
Mr. Fang Wen Quan *(Chairman and Managing Director)*
Mr. Lui Man Sang

Non-executive Directors:
Mr. Shen Bo
Mr. Feng Quanming
Dr. Lam Lee G.

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

The Board believes that the balance between executive Directors and non-executive Directors is reasonable and adequate to provide sufficient balances that protect the interest of the shareholders and the Group.

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

More than one of the INEDs has appropriate professional qualification in accounting or related financial management expertise. Save as disclosed in the biographical details of each Director, there is no other relationship (including financial, business, family, or other material/relevant relationship) among members of the Board.

The articles of association of the Company provide that one-third of all the directors shall retire from office by rotation at each annual general meeting (AGM), and the INEDs are subject to this provision. The Company has received annual confirmation of independence from the three INEDs in accordance with Rule 3.13 of the Listing Rules.

董事會現由八名董事組成，包括兩名執行董事、三名非執行董事及三名獨立非執行董事，即：

執行董事：
方文權先生 *(董事長兼董事總經理)*
呂文生先生

非執行董事：
沈波先生
馮全明先生
林家禮博士

獨立非執行董事：
林日輝先生
趙崇康先生
趙帆華先生

董事會認為，執行董事及非執行董事之間之平衡為合理，且足以提供充分平衡，以保障股東及本集團之利益。

獨立非執行董事及非執行董事之任期為2年，並須根據本公司之章程細則告退。

超過一名獨立非執行董事擁有適當之會計專業資格或相關財務管理專長。除於各董事簡歷內所披露者外，各董事會成員之間並無其他關係（包括財務、業務、家屬或其它重大╱相關關係）。

本公司之章程細則規定於每次股東週年大會上所有董事之三分一須輪值告退，獨立非執行董事均受此條文規限。本公司已收到三名獨立非執行董事根據上市規則第3.13條所規定之有關獨立性之年度確認。

CORPORATE GOVERNANCE REPORT
企業管治報告

The Board has established a formal schedule of matters specifically reserves to the Board for its decision. The Board reviews this schedule on a periodic basis to ensure that it remains appropriate to the needs of the Board.

董事會已建立正式之預定計劃表，列載特別要董事會作決定之事項。董事會定期檢討該表以確保其仍適當滿足董事會之要求。

The Board has established procedures to enable directors, upon reasonable request, to seek independent professional advice in appropriate circumstances to enable them to discharge their duties at the Company's expenses. The articles of association of the Company contain description of responsibility and operation procedures of the Board. The Board meets regularly to review the financial and operating performance of the Group.

董事會已建立一套程序，讓董事按合理要求，可在適當之情況下尋求獨立專業意見以使彼等能履行其責任，費用由本公司支付。本公司之章程細則包含董事會責任及運作程序之描述。董事會定期召開會議以審閱本集團之財務及經營表現。

Corporate Governance Functions

企業管治職能

The Board is responsible for performing the corporate governance duties including the following matters attended by the Board during the FYE2019:

- develop and review the Company's policies and practices on corporate governance and make recommendations;
- review and monitor the training and continuous professional development of directors and senior management;
- review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
- review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report under Appendix 14 to the Listing Rules.

董事會負責履行企業管治職責，包括於2019財政年度所處理之下列事宜：

- 制定及檢討本公司之企業管治政策及常規，並作出推薦意見；
- 檢討及監察董事及高級管理人員之培訓及持續專業發展；
- 檢討及監察本公司在遵守法律及監管規定方面之政策及常規；
- 制定、檢討及監察適用於僱員及董事之操守準則及合規手冊（如有）；及
- 檢討本公司遵守企業管治守則之情況及根據上市規則附錄十四在企業管治報告內之披露。

Directors' training and professional development

董事培訓及專業發展

Directors of the Company are continually updated with legal and regulatory developments, and the business environment to facilitate the discharge of their responsibilities.

本公司董事持續獲提供有關法律及監管發展以及業務環境之最新資料，以協助彼等履行職責。

CORPORATE GOVERNANCE REPORT
企業管治報告

All Directors are also provided with monthly updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

所有董事每月獲提供有關本公司表現、狀況及前景之最新資料，以便董事會整體及各董事履行其職責。

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. Newly appointed Directors are provided with the necessary induction and information to ensure that they have a proper understanding of the Company's operations and businesses as well as their responsibilities under the relevant statues, laws, rules and regulations.

本公司鼓勵所有董事參與持續專業發展，以發展彼等之知識及技能並且溫故知新。新委任董事獲提供必需之指引及資料，以確保彼等充分了解本公司之營運及業務，以及彼等根據相關法令、法例、規則及法規之責任。

Based on the training records provided to the Company by the Directors, all the Directors have participated in the trainings by reading newspapers, journals and updates and/or attending seminars relating to corporate governance, regulatory updates, economy, general business or director's duties and responsibilities, etc. during the FYE2019.

根據各董事向本公司提供之培訓記錄，全體董事於2019財政年度內透過閱覽報章、期刊及最新資訊及／或出席講座參與培訓，內容有關企業管治、最新監管規例、經濟、一般商業或董事職責等。

Directors' meeting

董事會會議

During the FYE2019, the Board held 4 full board meetings. The attendances of the Directors at the meetings are as follows:

於2019財政年度內，董事會舉行四次董事會會議。董事出席會議之情況如下：

Directors	董事	Number of Meetings Attended/Held 出席／舉行會議次數
Executive Directors:	**執行董事：**	
Mr. Fang Wen Quan *(Chairman and Managing Director)*	方文權先生 *(董事長兼董事總經理)*	4/4
Mr. Lui Man Sang	呂文生先生	4/4
Non-executive Directors:	**非執行董事：**	
Mr. Shen Bo	沈波先生	4/4
Mr. Feng Quanming	馮全明先生	4/4
Dr. Lam Lee G.	林家禮博士	4/4
INEDs:	**獨立非執行董事：**	
Mr. Lam Yat Fai	林日輝先生	3/4
Mr. Chiu Sung Hong	趙崇康先生	4/4
Mr. Chiu Fan Wa	趙帆華先生	4/4

CORPORATE GOVERNANCE REPORT
企業管治報告

The Board has also established the audit committee, nomination committee, remuneration committee and risk management committee which comprises a majority of INEDs. Each of these committees has its own terms of reference to set out its specific duties and authorities and reports to the Board. For the terms of reference of each committee, please visit the website of our Company www.tiandapharma.com.

董事會亦成立了審核委員會、提名委員會、薪酬委員會及風險管理委員會，成員包括大部分獨立非執行董事。該等委員會各自訂有本身之職權範圍，當中載列其指定職責及授權以及須向董事會匯報。有關各委員會之職權範圍，請參閱本公司網站www.tiandapharma.com。

REMUNERATION COMMITTEE

薪酬委員會

The remuneration committee of the Company was established with specific written terms of reference. It comprises three INEDs of the Company, Mr. Chiu Sung Hong, Mr. Lam Yat Fai and Mr. Chiu Fan Wa and one executive Director of the Company, Mr. Fang Wen Quan. Mr. Chiu Sung Hong is the Chairman of the remuneration committee during the year.

本公司之薪酬委員會已告成立，訂有具體書面職權範圍書。成員包括本公司之三名獨立非執行董事趙崇康先生、林日輝先生及趙帆華先生，以及本公司之一名執行董事方文權先生。趙崇康先生於本年度內為薪酬委員會之主席。

The remuneration committee is responsible for making recommendations to the Board on, among other things, the Company's policy and structure for the remuneration to all Directors and senior management of the Company and is delegated by the Board the responsibility to determine on behalf of the Board the specific remuneration packages for all executive Directors and senior management of the Company.

薪酬委員會負責(其中包括)就本公司所有董事及高級管理人員之薪酬政策及架構向董事會提出建議，並獲董事會授予職責以代表董事會釐定本公司之全體執行董事及高級管理人員之特定薪酬組合。

The remuneration committee held 2 meeting during the FYE2019 to review and make recommendations to the Board on the remuneration packages of individual executive Directors, the non-executive Directors, the INEDs and senior management; and to review the bonus to senior management.

於2019財政年度，薪酬委員會舉行兩次會議，以審閱個別執行董事、非執行董事及獨立非執行董事以及高級管理人員之薪酬待遇並就此作出推薦意見；及檢討高級管理人員之花紅。

Details of individual attendance of its members during the FYE2019 are as follows:

於2019財政年度內個別成員之出席詳情如下：

		Number of Meetings Attended/Held 出席／舉行會議次數
Mr. Chiu Sung Hong *(Chairman)*	趙崇康先生*(主席)*	2/2
Mr. Fang Wen Quan	方文權先生	2/2
Mr. Lam Yat Fai	林日輝先生	1/2
Mr. Chiu Fan Wa	趙帆華先生	2/2

CORPORATE GOVERNANCE REPORT
企業管治報告

Particulars regarding Directors' remuneration and the five highest paid employees as required to be disclosed pursuant to Appendix 16 to the Listing Rules are set out in notes 7 and 8 to the consolidated financial statements, respectively.

根據上市規則附錄十六須披露之有關董事薪酬及五名最高薪酬僱員之詳情，分別載於綜合財務報表附註7及8。

NOMINATION COMMITTEE

提名委員會

The Company has established nomination committee comprising two INEDs, Mr. Lam Yat Fai and Mr. Chiu Sung Hong and one executive Director of the Company, Mr. Fang Wen Quan (who is the chairman of the nomination committee).

本公司已成立提名委員會，成員包括兩名獨立非執行董事林日輝先生及趙崇康先生，以及本公司之一名執行董事方文權先生（為提名委員會主席）。

The duties of the nomination committee are reviewing and supervising the structure, size and composition of the Board, identifying qualified individuals to become members of the Board, assessing the independence of the INEDs and making recommendations to the Board on the appointment or re-appointment of Directors.

提名委員會之職責為檢討及監察董事會之架構、規模及組合，物色具備合適資格可擔任董事會成員之人士，評核獨立非執行董事之獨立性，以及就董事之委任或重新委任向董事會提出建議。

During the FYE2019, the nomination committee held 1 meeting. Details of individual attendance of its members are as follows:

於2019財政年度內，提名委員會舉行一次會議。個別成員之出席詳情如下：

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

During the FYE2019, the nomination committee had reviewed the structure, size and composition of the Board, assessed the independence of the INEDs and made recommendation to the Board on the re-election of retiring Directors.

於2019財政年度內，提名委員會亦已檢討董事會架構、規模及組合，評核獨立非執行董事之獨立性，及就重選退任董事向董事會提出建議。

CORPORATE GOVERNANCE REPORT
企業管治報告

Board Diversity Policy

The Company has a board diversity policy aiming at setting out the approach on diversity of the Board of the Company.

The Board recognises the importance of having a diverse board in enhancing the Board effectiveness and corporate governance. A diverse board will include and make good use of difference in the skills, industry knowledge and experience, education, background and other qualities, etc. of Directors and does not discriminate on the ground of race, age gender or religious belief. These differences will be taken into account in determining the optimum composition of the Board and when possible should be balanced appropriately.

The nomination committee is responsible for reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations to the Board regarding any proposed changes, identifying individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships with regards to their qualifications, skills, experience and knowledge, assess the independence of INEDs, and make recommendations to the Board on relevant matters relating to the appointment of Directors and succession planning for Directors in particular the chairman and the chief executive officer.

The nomination committee is also responsible for reviewing and reporting to the board diversity.

Appointments of directors will be based on merit and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

At present, the nomination committee has not set any measurable objectives to implement the board diversity policy. However, it will consider and review the board diversity policy and setting of any measurable objectives from time to time.

董事會成員多元化政策

本公司已制訂一項董事會成員多元化政策，以載列本公司多元化董事會成員之措施。

董事會知悉董事會成員多元化對提升董事會效能及企業管治之重要性。多元化之董事會具備且能善用董事各種技能、行業知識及經驗、教育、背景及其它特質等差異，同時不會因種族、年齡、性別或宗教信仰而有所歧視。在決定董事會之最佳組成時會考慮此等差異，並盡可能就有關差異取得適當平衡。

提名委員會負責審閱董事會架構、規模及組成（包括技能、知識及經驗），並就任何擬進行之變動向董事會提出建議、物色合資格成為董事會成員之適當人選，並根據資歷、技能、經驗及知識甄選提名董事人選或就此向董事會提供建議，評估獨立非執行董事之獨立性，及就董事委任及董事續聘計劃（尤其是主席及行政總裁）之有關事宜向董事會提出建議。

提名委員會亦負責檢討董事會成員多元化，並向董事會匯報。

董事會以用人唯才之原則委任董事，並根據客觀標準，經適當考慮董事會成員多元化之裨益後，對候選人加以考慮。

目前，提名委員會在實行董事會成員多元化政策方面並無制訂任何可衡量目標。然而，提名委員會將會不時考慮及檢討董事會成員多元化政策，並制訂任何可衡量目標。

CORPORATE GOVERNANCE REPORT
企業管治報告

Nomination Policy

The Board has also adopted a nomination policy (the "Nomination Policy") which sets out the selection criteria and procedure of appointing and re-appointing a Director. The selection criteria used in assessing the suitability of a candidate include, inter alia, such candidate's academic background and professional qualifications, relevant experience in the industry, character and integrity etc.

Pursuant to the Nomination Policy, the nomination committee reviews the structure, size and composition of the Board periodically and make recommendation on any proposed changes to the Board to complement the Company's corporate strategy. When it is necessary to fill a casual vacancy or appoint an additional director, the nomination committee identifies or selects candidates as recommended to the committee pursuant to the criteria set out in the Nomination Policy. Based upon the recommendation of the nomination committee, the Board deliberates and decides on the appointment. In addition, pursuant to the articles of association of the Company, every director shall be subject to retirement by rotation or re-election at least once every three years and shall be eligible for re-election at each annual general meeting. The nomination committee shall review the overall contribution and service to the Company, expertise and professional qualifications of the retiring directors, who offered himself/herself for re-election at the annual general meeting, to determine whether such director continues to meet the criteria as set out in the Nomination Policy.

提名政策

董事會亦已採納一項提名政策(“提名政策”),其載列選舉標準及委任及重新委任董事的程序。評估候選人的適當性所用的選舉標準包括(其中包括)其學術背景及專業資格、相關行業經驗、個性及誠信等。

根據提名政策,提名委員會定期檢討董事會架構、人數及組成,並就任何為配合本公司的發展策略而擬對董事會架構作出的變動提出建議。當有必要填補空缺或增加額外董事時,提名委員根據提名政策所載的準則物色人選或甄選向委員會推薦的人選。根據提名委員會的推薦建議,董事會審議並決定任命。此外,根據本公司的章程細則,每名董事須至少每三年輪值退任或膺選連任一次,並合資格於各股東週年大會上膺選連任。提名委員會須審視願意在股東週年大會上膺選連任之退任董事為本公司作出的整體貢獻及服務、專業知識及專業資格,以釐定有關董事是否繼續符合提名政策所載列的準則。

CORPORATE GOVERNANCE REPORT
企業管治報告

AUDIT COMMITTEE

The audit committee comprises three INEDs of the Company, being, Mr. Lam Yat Fai, Mr. Chiu Sung Hong and Mr. Chiu Fan Wa and one non-executive Director, Mr. Shen Bo. Mr. Lam Yat Fai is the chairman of the audit committee.

The role and function of the audit committee include the followings:

- review of and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standard;
- review of the annual and interim financial statements prior to their approval by the Board, and recommend application of accounting policies and changes to the financial reporting requirements; and
- review of the Company's financial controls, internal controls and risk management systems to ensure that management has discharged its duty to have an effective internal control system.

During the FYE2019, the audit committee held 2 meetings. Details of individual attendance of its members are as follows:

審核委員會

審核委員會成員包括本公司之三名獨立非執行董事，即林日輝先生、趙崇康先生、趙帆華先生及一名非執行董事沈波先生。林日輝先生為審核委員會主席。

審核委員會之職責及功能包括以下各項：

- 按適用標準檢討及監察外聘核數師是否獨立客觀及核數程序是否有效；
- 於提呈董事會批准前審閱年度及中期財務報表，以及建議應用會計政策及財務匯報要求之變動；及
- 審閱本公司之財務監控、內部監控及風險管理制度，以確保管理層已履行職責建立有效之內部監控系統。

於2019財政年度內，審核委員會舉行兩次會議。個別成員之出席詳情如下：

		Number of Meetings Attended/Held 出席／舉行會議次數
Mr. Lam Yat Fai *(Chairman)*	林日輝先生 *(主席)*	2/2
Mr. Chiu Sung Hong	趙崇康先生	2/2
Mr. Chiu Fan Wa	趙帆華先生	2/2
Mr. Shen Bo	沈波先生	2/2

CORPORATE GOVERNANCE REPORT
企業管治報告

The work performed by the audit committee during the FYE2019 includes the followings:

- review the financial statements for the year ended 31 March 2018 and for the six months ended 30 September 2018;
- consider and approve of the remuneration and terms of engagement of the external auditor; and
- review the internal control and financial reporting matters of the Company.

於2019財政年度內，審核委員會履行之工作包括以下各項：

- 審閱截至2018年3月31日止年度及截至2018年9月30日止六個月之財務報表；
- 考慮及批准外聘核數師之酬金及聘用條款；及
- 審閱本公司之內部監控及財務匯報事宜。

RISK MANAGEMENT COMMITTEE

The Company has established risk management committee comprising two INEDs, Mr. Chiu Sung Hong (chairman of risk management committee) and Mr. Lam Yat Fai and one executive Director, Mr. Fang Wen Quan.

The role and function of the risk management committee include the followings:

- enhance and strengthen the system of risk management of the Group and provide comments and recommendations thereon to the Board;
- identify the risks of the Group and provide recommendations to the Board; and
- other matters authorised by the Board.

During the FYE2019, the risk management committee held 1 meeting. Details of individual attendance of its members are as follows:

風險管理委員會

本公司已成立風險管理委員會，成員包括兩名獨立非執行董事趙崇康先生(其為風險管理委員會之主席)及林日輝先生，以一名執行董事方文權先生。

風險管理委員會之職責及功能包括以下各項：

- 完善及提高本集團之風險管理機制，並對風險管理狀況向董事會提出意見和建議；
- 識別本集團之風險並向董事會提供建議；及
- 其它由董事會授權之事宜。

於2019財政年度內，風險管理委員會委員會舉行一次會議。個別成員之出席詳情如下：

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

CORPORATE GOVERNANCE REPORT
企業管治報告

DIVIDEND POLICY

The Board has adopted a dividend policy (the "Dividend Policy") which does not have any pre-determined dividend payout ratio. In considering dividend payment, the Board will take into account factors such as depending on results of operations, working capital, financial position, future prospects, and capital requirements, as well as any other factors which the directors of the Company may consider relevant from time to time. The Board will review the Dividend Policy from time to time and the Dividend Policy does not constitute any commitment or obligation of the Company to declare dividends.

股息政策

董事會已採納股息政策（"股息政策"），股息政策沒有設定任何預定的派息率。在考慮審議股息時，董事會將考慮下列因素如取決於經營業績、營運資金、財務狀況、未來前景及資本要求，以及本公司董事可能不時考慮相關的任何其它因素。董事會將不時檢討股息政策，股息政策並不構成本公司任何宣派股息的承諾或義務。

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors (the Model Code) of Listed Issuers as set out in Appendix 10 of the Listing Rules as the code of conduct regarding Directors' securities transactions. Having made specific enquiry of all the Directors of the Company, they all confirm that they have complied with the Model Code throughout the FYE2019.

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則（標準守則），作為董事進行證券交易之操守準則。經向本公司之全體董事作出具體查詢後，彼等確認其於2019財政年度內均已遵守標準守則。

AUDITOR'S REMUNERATION

The fees in relation to the audit and other services, including reviewing interim results and taxation services for the year provided by Messrs. Ernst & Young, Certified Public Accountants, the external auditor of the Company, amounted to HK$1,370,000 and HK$392,000 respectively.

核數師酬金

本公司之外聘核數師安永會計師事務所（執業會計師）於年內所提供核數服務及其它服務（包括審閱中期業績及稅務服務）之費用分別為1,370,000港元及392,000港元。

DIRECTORS' RESPONSIBILITY FOR PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors of the Company acknowledge that it is their responsibilities for preparing the financial statements. The Directors of the Company consider that the Group's financial statements have been properly prepared in accordance with relevant regulations and applicable accounting principles. The Directors of the Company are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. The statement of the auditor about its reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 57 to 63.

董事就編製綜合財務報表之責任

本公司董事認定編製財務報表為彼等之責任。本公司董事認為，本集團之財務報表已根據有關規例及適用會計原則妥為編製。本公司董事並不知悉有任何重要不明朗事件或情況可能令本公司持續經營之能力受到重大質疑。有關核數師就財務報表之報告責任之陳述載於第57至63頁之獨立核數師報告內。

CORPORATE GOVERNANCE REPORT
企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for maintaining a sound and effective risk management and internal control systems so as to ensure the shareholders' investment and the Company's assets are properly safeguarded. The systems of risk management and internal control are designed to manage the risk of failure to achieve corporate objectives and can only provide reasonable but not absolute assurance against material misstatement, loss or fraud.

The Company established an internal audit department to assess its risk management and internal control systems, formulating an impartial opinion on the systems, and reporting its findings to the Audit Committee, the Chairman of the Board and the senior management concerned on a regular basis as well as following up on all reports to ensure that all issues have been satisfactorily resolved.

Risk Management Framework

1. Each business unit is responsible for identifying, assessing and managing risks within its business, ensuring that appropriate internal controls for effective risk management are implemented — principal risks are identified and assessed in the yearly business planning process with action plans to manage those risks;

2. The management is responsible for overseeing the risk management and internal control activities of the Group — regular meetings with each business unit to ensure principals risk are properly managed, and new or changing risks are identified;

3. The Board is responsible for reviewing and approving the effectiveness and adequacy of the Group's risk management and internal controls — review of the annual internal audit report and consideration of the Audit Committee's recommendation.

The risk management framework, coupled with our internal controls, ensures that the risks associated with our different business units are effectively controlled in line with the Group's risk appetite.

風險管理及內部監控

董事會負責維持穩健及有效之風險管理及內部監控制度，以確保股東之投資及本公司資產得到妥善保障。風險管理及內部監控制度旨在管理未能達成企業目標之風險，並只可就重大錯誤陳述、損失或欺詐行為作出合理而非絕對之保證。

本公司已成立內部審核部門，以評估其內部監控制度，就有關制度達致中立意見，並定期向審核委員會、董事會董事長及高級管理人員匯報結論，以及跟進所有報告，以確保有關問題已獲妥善解決。

風險管理框架

1. 各業務單位負責識別、評估及管理其業務內之風險，確保已為有效風險管理實施適當內部監控－於年度業務規劃過程中識別及評估主要風險，並制訂行動計劃管理該等風險；

2. 管理層負責監察本集團之風險管理及內部監控活動－與各業務單位進行定期會議，確保已妥善管理主要風險及已識別新發現或正在變化之風險；

3. 董事會負責檢討及核准本集團風險管理及內部監控之有效及充足程度－審閱年度內部審核報告及考慮審核委員會之推薦意見。

風險管理框架（連同內部監控）確保不同業務單位之相關風險在本集團之風險偏向內得到有效控制。

CORPORATE GOVERNANCE REPORT
企業管治報告

The risk management system of the Group is designed to facilitate effective and efficient operations, to ensure the maintenance of proper accounting records, to ensure compliance with applicable laws and regulations, to identify and manage potential risks and to safeguard assets of the Group. The management is responsible for the design, implementation and maintenance of internal controls, while the Audit Committee and the Board review the effectiveness of the Group's systems of risk management and internal controls through the assistance of the internal audit function.

本集團之風險管理制度設計為促進有效及高效營運、確保保存妥善會計記錄、確保遵守適用法例及法規、識別及管理潛在風險及保障本集團資產。管理層負責設計、執行及維持內部監控，而審核委員會及董事會則在內部審核職能之協助下檢討本集團的風險管理及內部監控制度之有效性。

There is no material internal control deficiency that may affect the shareholders of the Company which has come to the attention of the Audit Committee or the Board. The Directors are of the opinion that the Company has complied with code provisions C.2.1 and C.2.2 on internal controls as set out in the CG Code contained in Appendix 14 to the Listing Rules.

審核委員會或董事會並不知悉本公司有任何可能影響本公司股東之重大內部監控漏洞。董事認為，本公司已遵守上市規則附錄14企業管治守則所載有關內部監控之守則條文第C.2.1及C.2.2條。

During the FYE2019, the Board has reviewed the effectiveness of the risk management and internal control systems through the audit committee and the internal audit department of the Company. The Board has also reviewed the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget.

於2019財政年度，董事會亦透過審核委員會及本公司內部審核部門審閱內部監控制度之成效。董事會亦已檢討本公司在會計及財務匯報職能方面之資源、員工資歷及經驗，以及員工所接受之培訓課程及有關預算是否足夠。

The Board formed its own view on the effectiveness of the systems based on the review of the internal audit report and the recommendation of the Audit Committee.

董事會根據內部審核報告之審核及審核委員會之推薦意見達致對制度有效程度之意見。

In respect of the FYE2019, the Board considered the risk management and internal control systems of the Group effective and adequate. No significant areas of concern that may affect the financial, operational, compliance controls, and risk management of the Group have been identified. The Board also considered the resources, qualification and experience, training programs and budget of the Group's accounting, internal audit and financial reporting functions adequate. Nevertheless, the Group would take further steps to continually improve its risk management and internal control systems.

就2019財政年度而言，本集團認為本集團之風險管理及內部監控制度有效及充足。概無所關注之重大範疇識別到可能影響本集團之財務、經營、合規監控及風險管理之問題。董事會亦認為在本集團在會計、內部審核及財務報告職能方面之資源、資歷及經驗、培訓計劃及預算充足。此外本集團將採取進一步行動持續改善風險管理及內部監控制度。

CORPORATE GOVERNANCE REPORT
企業管治報告

DISSEMINATION OF INSIDE INFORMATION

The Company is committed to a consistent practice of timely, accurate and sufficiently detailed disclosure of material information about the Group. The Company has adopted a Policy on Disclosure of Inside Information which sets out the obligations, guidelines and procedures for handling and dissemination of inside information. With these guidelines and procedures, the Group has management controls in place to ensure that potential inside information can be promptly identified, assessed and escalated for the attention of the Board to decide about the need for disclosure.

發佈內幕消息

本公司致力貫徹執行及時、準確及充足地詳細披露本集團之重大消息。本公司已採納內幕消息披露政策，當中載有處理及發佈內幕消息之責任、指引及程序。在該等指引及程序之基礎下，本集團已設有管理監控，確保可即時識別、評估及提交潛在內幕消息以供董事會決定是否需要作出披露。

COMPANY SECRETARY

The Company has engaged and appointed Mr. Lo Tai On, a representative from an external secretarial services provider, as the company secretary of the Company. The primary contact person with the company secretary of the Company is Mr. Wong Man Yuk, Financial Controller. Mr. Lo has confirmed that he has taken no less than 15 hours of relevant training.

公司秘書

本公司已委聘羅泰安先生(一名外聘秘書服務供應商之代表)為本公司之公司秘書。與本公司公司秘書之主要聯絡者為財務總監黃文旭先生。羅先生確認，彼已接受不少於十五小時之相關培訓。

CONSTITUTIONAL DOCUMENTS

During the FYE2019, there was no change in the Company's constitutional documents.

憲章文件

於2019財政年度，本公司之憲章文件並無任何變動。

SHAREHOLDER COMMUNICATION

The objective of shareholder communication is to provide our shareholders with detailed information about the Company so that they can exercise their rights as shareholders in an informed manner.

The Company employs a range of communication tools to ensure its shareholders are kept well informed of key business imperatives. These include general meetings, interim and annual reports, announcements and circulars. Procedure for voting by poll had been read out at the general meetings. All votes of the shareholders were taken by poll. The Company announced results of the poll in the manner prescribed under the Listing Rules.

股東通訊

股東通訊之目的為向本公司股東提供有關本公司之詳細資料，以使彼等在知情情況下行使作為股東之權利。

本公司運用一系列通訊工具以確保股東獲知重要業務動向，其中包括股東大會、中期及年度報告、公告及通函。投票表決程序已於股東大會上宣讀。股東之所有表決已按投票表決方式進行。本公司已按上市規則規定之方式公佈投票表決結果。

CORPORATE GOVERNANCE REPORT
企業管治報告

The 2018 AGM of the Company was held on 28 August 2018. A notice convening the AGM contained in the circular dated 28 July 2018 was dispatched to the shareholders together with the 2018 annual report. A separate resolution was proposed by the chairman of the meeting in respect of each separate issue, including re-election of Directors. Besides, an extraordinary general meeting (the "EGM") of the Company was held on 7 May 2019

本公司於2018年8月28日舉行2018股東週年大會，召開股東週年大會之通告（載於日期為2018年7月28日之通函內）已連同2018年年報寄發予股東。大會主席就每個單獨議題（包括重選董事）提呈個別之決議案。此外，本公司亦於2019年5月7日舉行股東特別大會。

Mr. Fang Wen Quan, the Chairman and the executive Director Mr. Lui Man Sang, Dr. Lam Lee G., non-executive Director, and three INEDs, namely Mr. Lam Yat Fai, Mr. Chiu Sung Hong and Mr. Chiu Fan Wa attended the AGM and the EGM to answer questions raised from shareholders. Each of Mr. Shen Bo and Mr. Feng Quanming, non-executive Director of the Company, was unable to attend the 2018 AGM and the EGM due to his other business commitment. No other general meeting was held during the year.

董事長方文權先生、執行董事呂文生先生、非執行董事林家禮博士及三名獨立非執行董事林日輝先生、趙崇康先生及趙帆華先生均有出席股東週年大會及股東特別大會，解答股東提問。本公司之非執行董事沈波先生及馮全明先生各自因其它事務而未能出席2018年股東週年大會及股東特別大會。於年內並無舉行其它股東大會。

INVESTOR RELATIONS

投資者關係

The Group fully recognises the importance of employing a professional, truthful and proactive attitude in promoting investor relations. This underscores the Group's persistence in maintaining optimum allround communications with investors, allowing it to collect information and valuable feedbacks from investors and announce its business strategy and direction in due course. These efforts are critical for the Group to improve its corporate governance and strengthen investor confidence.

本集團深明以專業、坦誠並適時主動之態度，乃推動投資者關係之重要因素。因此，本集團致力與投資者保持充分及良好之溝通，以便收集更多訊息及寶貴意見，並在適當時候公佈集團之業務策略及發展方向，期望在企業管治上力臻完善，增強投資者信心。

Ensuring high corporate transparency is a key emphasis in the Group's investor relations activities. During the FYE2019, the Group promoted investor relations through different channels. Regular meetings were held between the management and investors. Latest information regarding the Group and its business is proactively disclosed to investors so that the best investment decisions can be made. Whenever announcements on annual results, interim results and material transactions are made, the Group will capitalise such opportunities to enhance communications with investors, explaining to them the Group's latest operational situations and direction of development.

在投資者關係活動中，確保企業高透明度乃本集團相當重視之一環。於2019財政年度，本集團透過不同渠道推動投資者關係。管理層定期與投資者會面，積極向投資者披露有關本集團最新資訊及業務消息，讓投資者作出最佳投資決定。每當作出全年業績、中期業績及重大交易公告時，本集團均會抓緊良機，加強與投資者之溝通，解釋本集團最新業務情況及發展方向。

CORPORATE GOVERNANCE REPORT
企業管治報告

The Company also maintains a website at www.tiandapharma.com, where updates on the Company's business developments and operations, financial information and news can always be found.

本公司亦設有網站，網址為www.tiandapharma.com，網站上會不斷更新本公司之業務發展及營運、財務資料及新聞。

Shareholders and investors may at any time send their enquiries and concerns to the Board in writing through Investor Relations & Corporate Communications Department whose contact details are as follows:

股東和投資者可隨時以書面形式將其查詢及關注透過投資者關係及企業傳訊部遞交董事會。聯絡詳情如下：

Address: Suites 2405–2410, 24th Floor, CITIC Tower, No. 1 Tim Mei Avenue, Central, Hong Kong
Fax: (852) 2541 6558
Email: investor_relations@tianda.com

地址： 香港中環添美道1號中信大廈24樓2405–2410室
傳真： (852) 2541 6558
電郵： investor_relations@tianda.com

SHAREHOLDERS' RIGHTS

股東權利

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. The AGM of the Company shall be held in each year at such place as may be determined by the Board. All general meetings other than AGM shall be called an extraordinary general meeting (the EGM). Set out below are procedures by which shareholders may (1) convene the EGM; (2) put forward enquires to the Board; and (3) put forward proposals at general meetings. The procedures are subject to the Company's articles of association and applicable legislation and regulations.

本公司股東大會提供股東與董事會溝通之機會。本公司股東週年大會應每年舉行，開會地點由董事會決定。股東週年大會以外之所有股東大會均稱為股東特別大會。下文載列股東(1)召開股東特別大會；(2) 向董事會提出查詢；及(3)在股東大會上提呈議案之程序。該等程序須受本公司章程細則及適用法例法規之規限。

(1) Procedures for shareholders to convene the EGM

(1) 股東召開股東特別大會之程序

Any 2 or more shareholders holding at the date of the deposit of the requisition in aggregate not less than 25 per cent of such of the paid up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company.

股東特別大會亦可應任何2名或以上股東之書面要求召開，惟該等股東於送交要求之日須合共持有不少於本公司於送交要求之日附帶本公司股東大會投票權之25%繳足股本。

Such requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Company's principal office in Hong Kong at Suites 2405–2410, 24th Floor, CITIC Tower, No. 1 Tim Mei Avenue, Central, Hong Kong.

有關請求必須列明會議之目標以及須經由請求人簽署，並送交本公司於香港之主要辦事處，地址為香港中環添美道1號中信大廈24樓2405–2410室。

CORPORATE GOVERNANCE REPORT
企業管治報告

If the Directors do not within 21 days from the date of the deposit of such requisition proceed duly to convene the EGM, the requisitionists themselves may convene the EGM in the same manner, as nearly as possible, as that in which meetings may be convened by the Directors, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Directors to convene such a meeting shall be reimbursed to them by the Company.

The notice period to be given to all the registered shareholders for consideration of the proposal raised by the requisitionist(s) concerned at the EGM varies according to the nature of the proposal as set out in the Company's articles of association and the CG Code.

(2) Procedures to put forward enquiries to the Board

Shareholders may, at any time, direct enquire to the Board. All enquiries shall be in writing with the detail contact information of the requisitionists through the Company's principal place of business of Hong Kong at Suites 2405–2410, 24th Floor, CITIC Tower, No. 1 Tim Mei Avenue, Central, Hong Kong or email to direct_enquiries@tianda.com for the attention of the Board.

(3) Procedures to put forward proposals at general meetings

There are no provisions in the Company's articles of association or the Cayman Islands Companies Law for shareholders to put forward new resolution at general meetings other than a proposal of a person for election as director. Shareholders may follow the procedures set out above to convene the EGM for any business specified in such written requisition.

The procedures for shareholder of the Company to propose a person for election as director is posted on the Company website at www.tiandapharma.com.

倘董事並未於送交要求之日起計21日內正式召開股東特別大會，則請求人本人可儘可能按接近董事召開大會之相同方式召開股東特別大會，而所有因董事未有召開有關大會致使請求人產生之合理開支，須由本公司向彼等償付。

股東特別大會供全體登記股東考慮有關請求人所提出議案之通知期因議案性質而異，詳情載於本公司章程細則及企業管治守則。

(2) 向董事會提出查詢之程序

股東可隨時向董事會直接提出查詢。所有查詢須以書面作出，並連同請求人之詳細聯絡資料，一併郵寄往本公司之香港主要營業地點，地址為香港中環添美道1號中信大廈24樓 2405 -2410 室，或以電郵發送至direct_enquiries@tianda.com，註明收件人為董事會。

(3) 在股東大會上提呈議案之程序

本公司章程細則或開曼群島公司法中並無有關股東在股東大會提呈新決議案之規定，惟提名他人參選董事者除外。股東可遵循以上所載之程序召開股東特別大會，以處理有關請求書所指定之任何事務。

本公司股東提名候選董事之程序登載於本公司網站www.tiandapharma.com。

REPORT OF THE DIRECTORS
董事會報告

The Directors present their annual report and the audited consolidated financial statements for the FYE 2019.

董事呈列2019財政年度之年報及經審核綜合財務報表。

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its subsidiaries are research and development, production and sales of pharmaceutical, biotechnology and healthcare products. The Group also engages in the sales and wholesales of Chinese Herbal Medicines, Traditional Chinese Medicine decoction pieces and Chinese medicines.

主要業務

本公司為一間投資控股公司，其附屬公司主要從事醫藥、生物及保健產品之研發、生產和銷售。本集團亦從事銷售批發中藥材、中藥飲片及中成藥產品。

BUSINESS REVIEW

The business review of the Group for the year ended 31 March 2019 containing a fair review of the business during the year and discussion of future business development of the Group and the principal risks and uncertainties facing the Group is set out in the sections headed “Report of the Chairman” and “Management Discussion and Analysis” from pages 15 to 16 and pages 17 to 23 respectively of this Annual Report.

The financial risk management objectives and policies of the Group are shown in note 36 to the consolidated financial statements.

業務回顧

本集團截至2019年3月31日止年度的業務回顧載有對本年度本集團業務之公正回顧及未來業務發展之討論以及本集團所面臨之主要風險及不確定性因素，分別載於本年報第15至16頁之“董事長報告”及第17至23頁之“管理層討論與分析”。

本集團的財務風險管理目標及政策載於綜合財務報表附註36。

RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group understands the importance of maintaining a good relationship with its employees, customers and suppliers to meet its immediate and long-term business goals. During the year under review, there were no material and significant dispute between the Group and its employees, customers and suppliers.

與僱員、客戶及供應商的關係

本集團明白與其僱員、客戶及供應商維持良好關係，對達致即時及長遠業務目標極為重要。於回顧年度，本集團與其僱員、客戶及供應商概無重大及嚴重糾紛。

REPORT OF THE DIRECTORS
董事會報告

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to the sustainable development of the environment and our society. The Group has endeavoured to comply with laws and regulations regarding environmental protection and adopted effective environmental practices to ensure our business meet the required standards and ethics in respect of environmental protection. Further discussions on the Group's environmental policies and the relationships with various stakeholders will be covered in a separate "Environmental, Social and Governance (ESG) Report". The ESG Report will be published in the due course.

環境政策及表現

本集團致力於環境及社會之可持續發展。本集團盡力遵守有關環保之法律及法規，並採取有效環保措施確保我們的業務符合環保所需標準及操守。有關本集團的環境政策及與多個持份者的關係會於一份單獨的"環境、社會及管治報告"中進一步討論。該環境、社會及管治報告將會適時發布。

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the year, as far as the Board and management are aware, there was no material breach of or non-compliance with the applicable laws and regulations by the Group that has a significant impact on the businesses and operations of the Group.

守相關法律及法規

就董事會及管理層所知悉，本年度本集團概無嚴重違反或不遵守適用法律及法規，以致對本集團之業務及營運造成重大影響。

SEGMENTAL INFORMATION

An analysis of the Group's revenue and contribution to results by segment for the FYE2019 is set out in note 4 to the consolidated financial statements.

分部資料

本集團2019財政年度之收入及分部對業績貢獻之分析載於綜合財務報表附註4。

MAJOR CUSTOMERS AND SUPPLIERS

For the FYE2019, the five largest customers of the Group accounted for approximately 13.2% of the Group's total revenue while the largest customer of the Group accounted for approximately 4.1% of the Group's total revenue. In addition, for the year ended 31 March 2019, the five largest suppliers of the Group accounted for approximately 23.5% of the Group's total purchases while the largest supplier of the Group accounted for approximately 7.4% of the Group's total purchases.

During the FYE2019, to the knowledge of the Directors, Tianda Group and Hongta Tobacco (Group) Limited (Hongta) indirectly hold the respective of 60% and 40% equity interest in 珠海經濟特區誠成印務有限公司 (Zhuhai S.E.Z. Cheng Cheng Printing Company Ltd.) (Cheng Cheng Printing) which is one of the five major suppliers of the Group.

主要客戶及供應商

於2019財政年度，本集團之五大客戶及最大客戶分別佔本集團之總收入約13.2%及約4.1%。此外，截至2019年3月31日止年度，本集團之五大供應商及最大供應商分別佔本集團之採購總額約23.5%及約7.4%。

於2019財政年度，據董事所知，天大集團和紅塔煙草(集團)有限公司(紅塔)分別間接持有珠海經濟特區誠成印務有限公司(誠成印務)(本集團五大供應商之一)60%和40%股本權益。

REPORT OF THE DIRECTORS
董事會報告

Except for the above-disclosed, none of the Directors, associates of Director or Shareholders of the Company (who to the knowledge of the Directors owes more than 5% of the Company's share capital) had any interest in the Company's five major suppliers or five major customers during the year.

除上文披露者外，各董事、董事之聯繫人或據董事所知擁有本公司股本5%以上之本公司股東概無於本年度內在本公司之五大供應商或五大客戶中擁有任何權益。

RESULTS

業績

The results of the Group for the year ended 31 March 2019 are set out in the consolidated statement of profit or loss and other comprehensive income pages 64 to 65.

本集團截至2019年3月31日止年度之業績載於第64至65頁之綜合損益及其它全面收益表。

DIVIDEND

股息

The Board has recommended the payment of a final dividend of HK0.11 cent (2018: HK0.35 cent) per share for the FYE2019, subject to shareholders' approval at the forthcoming 2019 annual general meeting (the AGM). The final dividend is expected to be paid on or before Friday, 20 September 2019 to the shareholders whose names appear on the register of members of the Company on Monday, 9 September 2019.

董事會建議就2019財政年度派發末期股息每股0.11港仙（2018年：0.35港仙），須待股東於應屆2019年股東週年大會（股東週年大會）上通過後方可作實。預期將於2019年9月20日（星期五）或之前向名列本公司於2019年9月9日（星期一）之股東名冊上的股東支付末期股息。

The register of members of the Company will be closed from Wednesday, 4 September 2019 to Monday, 9 September 2019 (both day inclusive), whereby no transfer of shares will be registered. In order to qualify for the proposed final dividend, all completed forms of transfers with the relevant share certificate(s) must be lodged with the Company's Hong Kong Branch share registrar, Tricor Secretaries Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Tuesday, 3 September 2019.

自2019年9月4日（星期三）起至2019年9月9日（星期一）（包括首尾兩日），本公司將暫停辦理股份過戶登記手續，期間將不會進行股份過戶登記。為符合資格獲發建議末期股息，必須於2019年9月3日（星期二）下午四時三十分前將所有填妥之轉讓表格連同相關股票送達本公司的香港股份過戶登記分處卓佳秘書商務有限公司（地址為香港皇后大道東183號合和中心54樓）以作登記。

REPORT OF THE DIRECTORS
董事會報告

SUMMARY FINANCIAL INFORMATION

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out pages 8 to 9 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the FYE2019 are set out in note 13 to the consolidated financial statements.

SHARE CAPITAL

Details of the Company's share capital are set out in note 26 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group during the FYE2019 are set out in the consolidated statement of changes in equity set out on page 68 of this annual report.

DISTRIBUTABLE RESERVES

As at 31 March 2019, the Company had retained profits available for cash distribution and/or distribution in specie as computed in accordance with the Companies Law of the Cayman Islands of approximately HK$110,018,537. Moreover, the share premium account of the Company may be distributed, provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business. As at 31 March 2019, the Company's share premium account amounted to HK$338,904,285.

財務資料概要

本集團於過往五個財政年度之業績以及資產及負債之概要載於本年報第8至9頁。

物業、廠房及設備

本集團之物業、廠房及設備於2019財政年度之變動詳情載於綜合財務報表附註13。

股本

本公司之股本詳情載於綜合財務報表附註26。

儲備

本集團於2019財政年度內之儲備變動詳情載於本年報第68頁之綜合權益變動表。

可供分派儲備

於2019年3月31日，本公司根據開曼群島公司法計算之可供現金分派及╱或實物分派之保留溢利約為110,018,537港元。此外，本公司之股份溢價賬可作派發，惟本公司須於緊隨建議派發股息日期後，在一般營商情況下於其債項到期時償還債項。於2019年3月31日，本公司之股份溢價賬為338,904,285港元。

REPORT OF THE DIRECTORS
董事會報告

DIRECTORS

The Directors of the Company during the FYE2019 and up to the date of this report were:

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

Non-executive Directors:
Mr. Shen Bo
Mr. Feng Quanming
Dr. Lam Lee G.

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

In accordance with Article 99 of the Company's articles of association, Messrs. Feng Quanming, Lam Yat Fai and Chiu Fan Wa shall retire from their office by rotation at the forthcoming annual general meeting of the Company. Being eligible, they will offer themselves for re-election at the forthcoming AGM.

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

董事

於2019財政年度內及截至本報告日期之本公司董事為：

執行董事：
方文權先生
(董事長兼董事總經理)
呂文生先生

非執行董事：
沈波先生
馮全明先生
林家禮博士

獨立非執行董事：
林日輝先生
趙崇康先生
趙帆華先生

根據本公司之章程細則第99條，馮全明先生、林日輝先生及趙帆華先生將於本公司應屆股東週年大會上輪值告退。彼等合資格並願意於應屆股東週年大會上膺選連任。

獨立非執行董事及非執行董事之任期為2年，並須根據本公司之章程細則告退。

REPORT OF THE DIRECTORS
董事會報告

DIRECTORS' SERVICE CONTRACTS

None of the Directors has entered into any service agreement with the Company which is not determinable by the Company within 1 year without payment of compensation, other than statutory compensation.

董事服務合約

概無董事與本公司訂立本公司不作出賠償（除法定賠償外）而不可於一年內予以終止之任何服務協議。

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 31 March 2019, the interests of the Company's Directors, chief executives and their associates in the shares and underlying shares of the Company and its associated corporations as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (SFO), were as follows:

董事於股份及相關股份之權益

於2019年3月31日，根據證券及期貨條例（香港法例第571章）（證券及期貨條例）第352條本公司所存置登記冊之記錄，本公司之董事、最高行政人員及彼等之聯繫人於本公司及其相聯法團之股份及相關股份中擁有之權益如下：

Shares of the Company

本公司股份

Name of Director 董事姓名	Capacity 身份	Number of shares held 所持股份數目	% 百分比
Mr. Fang Wen Quan 方文權先生	Held by controlled corporation 受控法團持有	1,194,971,370 *(Note)* *(附註)*	55.58

Note: All the above shares are beneficially owned by Tianda Group. Mr. Fang Wen Quan has 100% equity interests in Tianda Group and, accordingly, is deemed to have a corporate interest in the above shares owned by Tianda Group and all the interests stated above represent long positions.

附註： 上述所有股份乃由天大集團實益擁有。方文權先生於天大集團擁有全部股權，因此，彼被視為於天大集團所擁有之上述股份中擁有公司權益。上述所有權益皆為好倉。

REPORT OF THE DIRECTORS
董事會報告

SHARE OPTION SCHEME

The purpose of a share option scheme (the Scheme) is to enable the Company to recognise the future and/or past contributions of the participants (as defined in the Scheme and including any director and employee of any member of the Group) to the Company, and to attract and retain such important participants and/or to maintain a continuing relationship, with participants who have contributed to the result, growth, success and benefit of the Group, and in relation to administrative staff, to recruit and retain experienced and talented individuals and/or to reward their past contributions.

The Scheme is for a period of 10 years from the date of adoption on 13 July 2010. The Directors may, at their discretion, make an offer to any participant to take up options. An option is deemed to have been granted and accepted by the grantee upon his or her signing the duplicate letter comprising acceptance of the option and paying HK$1 by way of consideration for the grant thereof.

The subscription price for shares of the Company under the Scheme shall be no less than the higher of (i) the closing price of the shares of the Company as stated in the Hong Kong Stock Exchange's daily quotations sheet on the offer date (which date must be a business day); (ii) a price being the average of the closing prices of the shares of the Company as stated in the Hong Kong Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the offer date; and (iii) the nominal value of a share of the Company on the offer date.

The total number of shares of the Company which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company shall not in aggregate exceed 10 per cent of the total number of shares of the Company in issue as at the date of approval of the Scheme. An option may be exercised during a period to be determined by the Directors in its absolute discretion and in any event such period shall not be longer than 10 years from the date upon which the option is granted.

購股權計劃

購股權計劃（該計劃）之目的為讓本公司確認參與者（定義見該計劃，其中包括本集團任何成員公司之任何董事及僱員）於未來及／或過往對本公司之貢獻，以及吸引及挽留有關重要參與者及／或與已對本集團之業績、成長、成功及利益作出貢獻之參與者維持持續關係，並就行政人員而言，招募及挽留經驗豐富之人才及／或對彼等過往之貢獻作出獎勵。

該計劃自2010年7月13日採納當日起為期十年。董事可酌情邀請任何參與者接納購股權。承授人於簽署有關接納購股權之複印函件，並支付獲授購股權之代價1港元後，有關購股權即被視為已授出及獲接納。

根據該計劃認購本公司股份之認購價將不低於下列三者中較高者：(i) 本公司股份於授出日期（該日必須為營業日）在香港聯交所每日報價表所報之收市價；(ii) 本公司股份於緊接授出日期前五個營業日在香港聯交所每日報價表所報之平均收市價；及(iii) 本公司股份於授出日期之面值。

因行使根據該計劃及本公司任何其它購股權計劃授出之所有購股權而可能發行之本公司股份總數，合共不得超過批准該計劃當日本公司已發行股份總數之10%。購股權可於董事全權酌情釐定之期間內行使，並於任何情況下，該期間由購股權獲授出之日起計不得長於十年。

REPORT OF THE DIRECTORS
董事會報告

The total number of shares issued and to be issued upon exercise of the options granted to each participant under the Scheme in any 12-month period shall not exceed 1 per cent of the total number of shares in issue of the Company. Any further grant of options in excess of the 1 per cent limit shall be subject to shareholders' approval in a general meeting with such participant and his or her associates abstaining from voting.

No Share Option has been granted since the adoption of the Scheme on 13 July 2010.

DIRECTORS' INTERESTS IN TRANSACTIONS, AGREEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 33 to the consolidated financial statements, no transaction, agreement or contract of significance to which the Company, its holding company or any of its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save for the Scheme of the Company disclosed above, at no time during the year was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of the Directors nor any of their spouses or children under the age of 18 had any rights to subscribe for the securities of the Company, or had exercised any such rights during the year.

PERMITTED INDEMNITY PROVISION

The articles of association of the Company provides that every Director shall be indemnified out of the funds of the Company against all liability incurred by him as such director in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted.

The Company has taken out insurance against the liabilities and costs associated with defending any proceedings which may be brought against the Directors of the Company and its subsidiaries.

於任何十二個月期間內，每名參與者根據該計劃行使所獲授之購股權而獲發行及將獲發行之股份總數，不得超過本公司已發行股份總數之1%。進一步授出超過1%上限之購股權，須得到股東於股東大會上批准，而該名參與者及其聯繫人須就此放棄其投票權。

自於2010年7月13日採納該計劃以來，並無授出任何購股權。

董事於重大交易、協議或合約之權益

除於綜合財務報表附註33所披露者外，本公司、其控股公司或其任何附屬公司概無於年終存續或年內任何時間訂立任何本公司董事於其中擁有重大權益（不論直接或間接）之重大交易、協議或合約。

董事收購股份或債券之權利

除上文所披露之本公司該計劃外，本公司、其控股公司或其任何附屬公司概無於本年度內訂立任何安排，以令董事可藉收購本公司或任何其它法人團體之股份或債券而從中獲益。此外，董事或彼等之配偶或年齡為十八歲以下之子女於本年度內概無任何可認購本公司證券之權利或已行使有關權利。

獲准許之彌償條文

本公司章程細則規定，各董事以董事身分，在其獲判得直或無罪的任何民事或刑事訴訟中應訊所產生的一切責任，可獲本公司撥資賠償。

本公司已就本公司及其附屬公司之董事可能面對任何訴訟時產生的責任和相關費用投購保險。

REPORT OF THE DIRECTORS
董事會報告

SUBSTANTIAL SHAREHOLDERS

At 31 March 2019, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that the following shareholders had notified the Company of the relevant interests in 5% or more of the issued share capital of the Company:

主要股東

於2019年3月31日，根據證券及期貨條例第336條本公司所存置之主要股東登記冊所示，下列股東已知會本公司其已持有本公司5%或以上已發行股本之相關權益：

Name of Shareholder **股東名稱**	**Capacity** **身份**	**Number of shares held** **所持有之股份數目**	**%** **百分比**
Tianda Group 天大集團	Beneficial owner 實益擁有人	1,194,971,370 *(Note 1)* *(附註1)*	55.58
Mr. Fang Wen Quan 方文權先生	Held by controlled corporation 受控法團持有	1,194,971,370 *(Note 1)* *(附註1)*	55.58
SIIC Medical Science and Technology (Group) Limited (SMST) 上海實業醫藥科技(集團)有限公司(上實醫藥)	Beneficial owner 實益擁有人	280,517,724 *(Note 2)* *(附註2)*	13.05
Shanghai Pharmaceuticals Holding Co., Ltd. (SPHL) 上海醫藥集團股份有限公司(上海醫藥)	Held by controlled corporation 受控法團持有	280,517,724 *(Note 2)* *(附註2)*	13.05
Shanghai Industrial Investment (Holdings) Co., Ltd. (SIIC) 上海實業(集團)有限公司(上實集團)	Held by controlled corporation 受控法團持有	280,517,724 *(Note 2)* *(附註2)*	13.05
Hongta Tobacco (Group) Limited (Hongta) 紅塔煙草(集團)有限責任公司(紅塔)	Beneficial owner 實益擁有人	207,616,264	9.66

Notes:

(1) These 1,194,971,370 shares are beneficially owned by Tianda Group. Mr. Fang Wen Quan has 100% equity interests in Tianda Group and, accordingly, is deemed to have a corporate interest in the said 1,194,971,370 shares owned by Tianda Group.

(2) These 280,517,724 shares are beneficially owned by SMST. SMST is beneficially owned as to 100% by SPHL and SIIC is the controlling shareholder of SPHL. Accordingly, SIIC and SPHL are deemed to be interested in the said 280,517,724 shares owned by SMST.

附註：

(1) 該等1,194,971,370股股份由天大集團實益擁有。方文權先生於天大集團擁有全部股權，因此，彼被視為於天大集團所擁有之上述1,194,971,370股股份中擁有公司權益。

(2) 該等280,517,724股股份由上實醫藥實益擁有。上海醫藥實益擁有上實醫藥全部權益，而上實集團為上海醫藥的控股股東。因此，上實集團及上海醫藥被視為於上實醫藥所擁有之上述280,517,724股股份中擁有權益。

REPORT OF THE DIRECTORS
董事會報告

All the interests stated above represent long positions. As at 31 March 2019, no short position was recorded in the register kept by the Company under section 336 of the SFO.

上述全部權益皆為好倉。於2019年3月31日，本公司根據證券及期貨條例第336條所存置之登記冊並無任何淡倉記錄。

Save as disclosed above, the Company has not been notified of any other interest representing 5% or more in the Company's issued share capital as at 31 March 2019.

除上文披露者外，本公司並無獲知會任何人士於2019年3月31日持有本公司5%或以上已發行股本之任何其它權益。

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

購買、出售及贖回本公司之上市證券

During the FYE2019, the Company repurchased a total of 434,000 ordinary shares of HK$0.1 each on the Stock Exchange of Hong Kong for a total consideration of HK$111,570 (excluding the transaction cost). All the repurchased shares were subsequently cancelled. Details of the shares repurchased during the period are set out as follows:

於2019財政年度，本公司於聯交所合共回購434,000股每股0.1港元的普通股，總代價為111,570港元（不包括交易費用）。所有已回購股份隨後已被註銷。期內已回購股份之詳情載列如下：

Month of repurchase 回購月份	Number of shares 股份數目	Repurchase price per share 每股回購價格 Highest 最高價 HK$ 港元	 Lowest 最低價 HK$ 港元	Total consideration 總代價 (excluding transaction cost) （不包括交易費用） HK$ 港元
April 2018 2018年4月	20,000	0.305	0.305	6,100
May 2018 2018年5月	50,000	0.305	0.295	15,000
August 2018 2018年8月	364,000	0.255	0.243	90,470
	434,000			111,570

The Directors believe that repurchases of shares are in the best interests of the Company and its shareholders and that such repurchases of shares would benefit shareholders as a whole by enhancing the earnings per share of the Company. Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities for the FYE2019 and up to the date of this report.

董事相信，回購股份符合本公司及其股東之最佳利益，且該等股份回購可提高本公司每股盈利，而使整體股東獲益。除上述披露外，於2019財政年度及直至本報告日期，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

REPORT OF THE DIRECTORS
董事會報告

ANNUAL CONFIRMATION OF INDEPENDENCE

The Company has received, from each of the INEDs, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the INEDs are independent.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

Major and Connected Transactions

On 22 February 2019, Tianda Pharmaceuticals (Hong Kong) Limited ("TPHK"), a wholly-owned subsidiary of the Company and Tianda Group, the controlling shareholder of the Company, entered into an agreement, pursuant to which, among other things, Tianda Group grants a conditional disposal right ("Disposal Right") to TPHK. Pursuant to the Disposal Right, upon fulfilment of all of the triggering conditions, TPHK shall inform Tianda Group to acquire, either by Tianda Group itself or through its wholly-owned subsidiary, and Tianda Group shall, without any discretion, acquire the entire equity interest in Zhuhai Tianda Realty Ltd. ("Zhuhai Realty") from TPHK at a consideration of RMB125 million (equivalent to approximately HK$145 million) plus the cash at bank of Zhuhai Realty as at the Closing Date, which the consideration shall not be more than RMB145 million (equivalent to approximately HK$168.2 million) in any event. The transactions were approved by independent shareholders at the extraordinary general meeting held on 7 May 2019. Details of the transactions are set out in the Company's circular dated 12 April 2019.

The above transactions constitute a major transaction for the Company under Chapter 14 of the Listing Rules. Tianda Group, in which its entire equity interests are owned by Mr. Fang Wen Quan, the Chairman and Managing Director of the Company, is interested in approximately 55.58% of the issued share capital of the Company. As such, Tianda Group is a connected person of the Company and the abovementioned transactions also constitute non-exempted connected transactions of the Company under Chapter 14A of the Listing Rules.

年度獨立性確認

根據上市規則第3.13條，本公司已收到各獨立非執行董事就其獨立性所發出之年度確認。本公司認為所有獨立非執行董事均為獨立人士。

關連交易及持續關連交易

主要及關連交易

於2019年2月22日，本公司全資附屬公司天大藥業(香港)有限公司(「天大藥業(香港)」)與本公司控股股東天大集團訂立該協議，據此(其中包括)天大集團向天大藥業(香港)授予一項附帶條件之出售權(「出售權」)。根據出售權，待達成所有觸發條件後，天大藥業(香港)須通知天大集團進行收購(由天大集團本身或透過其全資附屬公司進行)，而天大集團須(無任何酌情權)向天大藥業(香港)收購珠海天大置業有限公司(「珠海置業」)之全部股權，代價為人民幣125,000,000元(相當於約145,000,000港元)加上珠海置業在交割日期之銀行現金(無論如何代價不得超過人民幣145,000,000元(相當於約168,200,000港元))。交易於2019年5月7日舉行之股東特別大會獲獨立股東批准。交易詳情載於本公司日期為2019年4月12日之通函。

根據上市規則第14章，上述交易合計構成本公司之重大交易。本公司董事長兼董事總經理方文權先生擁有全部股本權益之天大集團，於本公司已發行股本之55.58%中擁有權益。因此，根據上市規則第14A章，天大集團為本公司之關連人士，且上述交易亦構成本公司之非豁免關連交易。

REPORT OF THE DIRECTORS
董事會報告

Continuing Connected Transactions

During the FYE2019, the Group conducted certain transactions with connected persons which constituted "continuing connected transactions" under the Listing Rules. Details of this continuing connected transaction which is subject to the reporting requirements under Rule 14A.71 of the Listing Rules are summarised as follows:

PURCHASES OF THE INSTRUCTION LEAFLETS, PACKAGING BOXES AND RELATED PRODUCTS AND SERVICES

On 16 May 2018, a Framework Agreement was entered into between the Company and Tianda Culture Holdings (China) Limited ("TCH (China)") for governing the transactions of purchasing printed instruction leaflets, packaging boxes and related products and designing services from TCH (China) and its subsidiaries by the Group for a term of three years for commencing on 1 April 2018 and expiring on 31 March 2021.

TCH (China) is a subsidiary of Tianda Group, the controlling shareholder of the Company, so it is a connected person of the Company under the Listing Rules. Accordingly, this Framework Agreement and the transactions contemplated under this Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Details of the transactions are set out in the Company's announcement dated 16 May 2018.

持續關連交易

於2019財政年度內，本集團與關連人士進行若干交易，該等交易根據上市規則構成"持續關連交易"。該持續關連交易須遵守上市規則第14A.71條項下之申報規定，其詳情概述如下：

採購說明書、包裝盒及相關產品及服務

於2018年5月16日，本公司與天大文化控股（中國）有限公司（"天大文控（中國）"）訂立框架協議，以監管本集團向天大文控（中國）及其附屬公司採購印刷說明書、包裝盒及相關產品及設計服務之該等交易，年期自2018年4月1日起為期三年，並將於2021年3月31日屆滿。

天大文控（中國）為本公司控股股東天大集團之附屬公司，故根據上市規則屬本公司之關連人士。據此，根據上市規則第14A章，該項框架協議及據此擬進行之交易構成本公司之持續關連交易。有關交易詳情載於本公司日期為2018年5月16日之公告。

REPORT OF THE DIRECTORS
董事會報告

The annual cap and the actual amount of the above continuing connected transactions for the FYE2019 as shown as follows:

上述持續關連交易於2019財政年度之年度上限及實際金額列示如下：

Business type 業務種類		**The annual cap 年度上限** HK$ 港元	**The actual transaction amount 實際交易金額** HK$ 港元
Purchasing printed instruction leaflets, packaging boxes and related products and services	採購印刷說明書、包裝盒及相關產品及服務	8,000,000	5,444,975

PROVIDING PRODUCTS AND LOGISTICS SERVICES

On 26 March 2018, the Company entered into a Framework Agreement with Shanghai Pharmaceuticals Holding Co., Ltd.* (SPHL) for a 3-year term commencing from 1 April 2018 to 31 March 2021 and it is expected that the Group and SPHL Group will from time to time enter into transactions by providing products (including pharmaceutical products, Chinese medicines and healthcare products) and logistics services to each other during the ordinary and usual course of business.

As SPHL is a substantial shareholder of the Company, which indirectly holds 13.05% interest in the issued share capital of the Company. SPHL is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Framework Agreement and the transactions contemplated under the Framework Agreement constitute continuing connected transactions of the Company. Details of the transactions are set out in the Company's announcements dated 26 March 2018 and 31 January 2019.

提供產品及物流配送服務

於2018年3月26日，本公司與上海醫藥集團股份有限公司（上藥醫藥）簽訂一份三年期的框架協議，期限於2018年4月1日開始至2021年3月31日。及預期本集團與上藥醫藥集團在一般及日常業務過程中，將會不時互相向對方銷售產品（包括成藥、中藥及保健產品）及提供物流配送服務。

上藥醫藥為本公司的主要股東，間接持有本公司已發行股本的13.05%之權益，根據上市規則第14A章，上藥醫藥因此為本公司的關連人士。因此，框架協議及其項下所擬進行的該等交易構成本公司在上市規則下的持續關連交易。有關交易詳情載於本公司日期為2018年3月26日及2019年1月31日之公告。

* *For identification purpose only*

* *僅供參考*

REPORT OF THE DIRECTORS
董事會報告

The annual cap and the actual amount of the above continuing connected transactions for the FYE2019 as shown as follows:

上述持續關連交易於2019財政年度之年度上限及實際金額列示如下：

Business type 業務種類		The annual cap 年度上限 HK$ 港元	The actual transaction amount 實際交易金額 HK$ 港元
Products and logistics services provided by SPHL Group to the Group	上藥集團向本集團提供的產品及物流配送服務	6,500,000	–
Products and logistics services provided by the Group to SPHL Group	本集團向上藥集團提供的產品及物流配送服務	16,000,000	13,137,992

Pursuant to Rule 14A.55 of the Listing Rules, INEDs have reviewed the above continuing connected transactions and confirmed that:

1. these transactions were in the Group's ordinary and usual course of business;
2. these transactions were entered into on normal commercial terms; and
3. these transactions were carried out in accordance with respective agreement terms which were fair and reasonable, and in the interests of the Company and the shareholders as a whole.

根據上市規則第14A.55條，獨立非執行董事已審閱上述持續關連交易，並確認：

1. 該等交易為於本集團之一般及日常業務過程中進行；
2. 該等交易按一般商業條款訂立；及
3. 該等交易根據相關協議條款進行，而該等條款屬公平合理，並符合本公司及股東之整體利益。

The Company's auditor, Ernst & Young have provided a letter to the Board confirming that the above continuing connected transactions:

1. have received the approval of the Board;
2. have been entered into in accordance with the relevant agreement governing the transactions; and
3. have not exceeded the cap disclosed in previous announcement(s).

本公司之核數師安永會計師事務所已向董事會提供一份函件，確認上述持續關連交易：

1. 經由董事會批准；
2. 乃根據規管該等交易之有關協議訂立；及
3. 並無超逾過往公告所披露之上限。

REPORT OF THE DIRECTORS
董事會報告

RELATED PARTY TRANSACTIONS

Details of the material related party transactions undertaken by the Group in its normal course of business are set out in note 33 to the consolidated financial statements. Those related party transactions which constituted continuing connected transactions/connected transactions under the Listing Rules which are set out in the section headed "Connected Transactions and Continuing Connected Transactions" above and complied with Chapter 14A.

關連人士交易

本集團於日常業務過程中進行之重大關連人士交易之詳情載列於綜合財務報表附註33。構成上市規則項下之持續關連交易／關連交易之關連人士交易已載於上述"關連交易及持續關連交易"章節，並已遵守上市規則第14A章之規定。

EMOLUMENT POLICY

The emolument policy regarding the employees of the Group is based on their merit, qualifications and competence. The emoluments of the Directors are reviewed by the remuneration committee, having regard to the Company's operating results, individual performance and comparable market statistics. No Director or any of his associates and executive is involved in dealing his own remuneration.

薪酬政策

本集團就僱員之薪酬政策乃按其表現、資格及能力而定。董事之薪酬乃由薪酬委員會審閱，並參考本公司之經營業績、個人表現及可資比較之市場統計。概無董事或彼之任何聯繫人，以及行政人員參與處理其本身之薪酬。

PRE-EMPTIVE RIGHTS

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

優先購買權

本公司之章程細則或開曼群島法例概無任何規定本公司有責任按比例提呈新股予現有股東之優先購買權規定。

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its Directors, the Company has maintained the prescribed public float under the Listing Rules throughout the FYE2019.

足夠之公眾持股量

就本公司可獲之公開資料及其董事所知，於2019財政年度內，本公司一直維持上市規則所指定之公眾持股量。

REPORT OF THE DIRECTORS
董事會報告

AUDITOR

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

The financial statements of the Company and its subsidiaries for the FYE2019 have been audited by Ernst & Young who retire and, being eligible, offer themselves for re-appointment. A resolution will be submitted to the forthcoming AGM to re-appoint Ernst & Young as auditors of the Company.

On behalf of the Board
Tianda Pharmaceuticals Limited

Fang Wen Quan
Chairman

Hong Kong, 26 June 2019

核數師

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

本公司及其附屬公司於2019財政年度之財務報表已經由安永會計師事務所審核，安永會計師事務所將任滿告退，並合資格及願意重選連任。於應屆股東週年大會上將提呈一項決議案以續聘安永會計師事務所為本公司之核數師。

代表董事會
天大藥業有限公司

方文權
董事長

香港，2019年6月26日

INDEPENDENT AUDITOR'S REPORT
獨立核數師報告

TO THE SHAREHOLDERS OF TIANDA PHARMACEUTICALS LIMITED
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Tianda Pharmaceuticals Limited (the "Company") and its subsidiaries (the "Group") set out on pages 64 to 176, which comprise the consolidated statement of financial position as at 31 March 2019, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

致：天大藥業有限公司股東
(於開曼群島註冊成立之有限公司)

意見

我們已審核載於第64頁至176頁天大藥業有限公司（"貴公司"）及其附屬公司（"貴集團"）之綜合財務報表，包括於2019年3月31日之綜合財務狀況表與截至該日止年度之綜合損益及其它全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，綜合財務報表已根據香港會計師公會頒佈的香港財務報告準則真實公平地反映 貴集團於2019年3月31日之綜合財務狀況及 貴集團截至該日止年度之綜合財務表現及綜合現金流量，並已按照香港公司條例之披露要求妥為編製。

意見的基礎

我們已根據香港會計師公會頒佈之《香港審計準則》進行審計。我們在該等準則下承擔的責任已於本報告"*核數師就審計綜合財務報表承擔之責任*"一節作進一步闡述。根據香港會計師公會頒佈之《*專業會計師道德守則*》（"守則"），我們獨立於 貴集團，並已履行守則中的其它道德責任。我們相信，我們所獲得之審計憑證能充足及適當地為我們之意見提供基礎。

INDEPENDENT AUDITOR'S REPORT
獨立核數師報告

KEY AUDIT MATTERS

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

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

關鍵審計事項

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

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

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項
Goodwill and other intangible assets' impairment assessment on cash-generating units ("CGUs") ***現金產生單位的商譽及其它無形資產減值評估***	
As at 31 March 2019, the Group had goodwill at a carrying amount of HK$104.8 million relating to the acquisition of subsidiaries during the year and in prior years and other intangible assets at a carrying amount of HK$28.5 million. 於2019年3月31日， 貴集團有關於本年度及以往年度收購附屬公司的商譽之賬面值為104,800,000港元以及其它無形資產之賬面值為28,500,000港元。	Our procedures in relation to the impairment assessment of goodwill and other intangible assets included: 吾等就商譽及其它無形資產減值之評估程序包括： (i) Engaged our internal valuation expert to evaluate the appropriateness of the valuation methodologies adopted by management and the terminal growth rates and discount rates applied; (i) 委託一名內部估值專家評估管理層採用之估值方法及應用之永久增長率及折現率的恰當性；

INDEPENDENT AUDITOR'S REPORT
獨立核數師報告

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

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

The risk that we focused on in our audit is the risk of the impairment of the remaining balances of goodwill and other intangible assets. Given the high level of management judgement in the impairment assessment, we considered this area to be important to our audit.
我們在審計中關注的風險是商譽和其它無形資產餘額減值的風險。鑑於減值評估涉及管理層的高水平判斷，我們認為此範疇對我們的審計非常重要。

The significant accounting judgements and estimates and the disclosure of the balances of goodwill and other intangible assets are included in notes 3, 15 and 16 to the consolidated financial statements.
主要會計判斷及估計以及商譽和其它無形資產結餘的披露載於綜合財務報表附註3、15和16。

(ii) Tested the key assumptions based on our knowledge of the business and industry and by benchmarking against historical results and/or independent data;
(ii) 根據吾等對業務及行業的認識，通過與過往業績及／或獨立數據比較以測試關鍵假設；

(iii) Evaluated the historical accuracy of the financial budgets and the growth rates used in the discounted cash flows by comparing the historical budgets to actual results;
(iii) 通過比較過往預算與歷史表現，評價折現現金流量的財務預算的過往準確性及所應用之增長率；

(iv) Tested a selection of data inputs underpinning the cash flow forecasts against appropriate supporting evidence, such as approved budgets, to assess the accuracy and reliability; and
(iv) 以恰當證據(例如獲批預算)測試多個現金流量預測所應用之輸入數據，以評估準確性及可靠性；及

(v) Assessed whether the disclosures of impairment assessment in the consolidated financial statements are sufficient and appropriate.
(v) 評估綜合財務報表中有關減值評估的披露是否足夠及合適。

INDEPENDENT AUDITOR'S REPORT
獨立核數師報告

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

年報所載的其它信息

貴公司董事需對其它信息負責。其它信息包括刊載於年報內的信息(綜合財務報表及我們的核數師報告除外)。

我們對綜合財務報表的意見並不涵蓋其它信息，我們亦不對該等其它信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其它信息，在此過程中，考慮其它信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為其它信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們就此並無任何報告。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》的披露規定擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在因欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備綜合財務報表時， 貴公司董事負責評估 貴集團持續經營的能力，並在適用情況披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非 貴公司董事有意將 貴集團清盤或停止經營，或別無其它實際的替代方案。

審核委員會協助 貴公司董事履行監督 貴集團的財務報告程序的責任。

INDEPENDENT AUDITOR'S REPORT
獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在因欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向　閣下(作為整體)作出報告，除此以外，我們的報告不可用作其它用途。我們並不就本報告之內容對任何其它人士承擔任何責任或接受任何義務。

合理保證是高水準的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期他們單獨或匯總起來可能影響使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視為重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述、或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。

- 瞭解與審計相關的內部控制，以設計適當的審計程序，但目的並非對　貴集團內部控制的有效性發表意見。

- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

INDEPENDENT AUDITOR'S REPORT
獨立核數師報告

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對　貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致　貴集團不能持續經營。

- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。

- 就　貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以對綜合財務報表發表意見。我們負責　貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

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

INDEPENDENT AUDITOR'S REPORT
獨立核數師報告

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

從與審核委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

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

出具本獨立核數師報告的審計專案合夥人是林慧明。

Ernst & Young
Certified Public Accountants

安永會計師事務所
執業會計師

Hong Kong
26 June 2019

香港
2019年6月26日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
綜合損益及其它全面收益表

Year ended 31 March 2019 截至2019年3月31日止年度

		Note 附註	2019 HK$ 港元	2018 HK$ 港元
REVENUE	**收入**	5	**527,002,819**	361,554,649
Cost of sales	銷售成本		**(102,923,092)**	(91,195,131)
Gross profit	毛利		**424,079,727**	270,359,918
Other income, gains and losses	其它收入、收益及虧損	5	**16,934,667**	14,968,639
Selling and distribution expenses	銷售及分銷支出		**(344,673,402)**	(197,184,674)
Administrative expenses	行政支出		**(63,258,048)**	(55,062,819)
Research and development expenses	研發支出		**(6,915,847)**	(3,138,669)
PROFIT BEFORE TAX	**除稅前溢利**	6	**26,167,097**	29,941,995
Income tax expense	所得稅支出	9	**(10,184,154)**	(7,779,956)
PROFIT FOR THE YEAR	**本年度溢利**		**15,982,943**	22,162,039
OTHER COMPREHENSIVE (LOSS) INCOME	**其它全面(虧損)收益**			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:	*於往後期間將會重新分類為損益之其它全面收益：*			
Available-for-sale investments:	可供出售投資：			
Changes in fair value	公允價值變動		**–**	14,450,894
Reclassification adjustment for a gain included in profit or loss	就計入損益的收益作出重新分類調整	5	**–**	(8,293,917)
			–	6,156,977
Other comprehensive loss not be reclassified to profit or loss in subsequent periods:	*於往後期間不會重新分類為損益之其它全面虧損：*			
Changes in fair value on equity investments designated at fair value through other comprehensive income	指定為按公允價值計入其它全面收益之股本投資之公允價值變動		**(8,788,452)**	–
Other comprehensive (loss) income may be reclassified to profit or loss in subsequent periods:	*於往後期間或會重新分類為損益之其它全面(虧損)收益：*			
Exchange differences on translation of financial statements	換算財務報表所產生之匯兌差額		**(59,415,495)**	70,260,166
OTHER COMPREHENSIVE (LOSS) INCOME FOR THE YEAR	**本年度其它全面(虧損)收益**		**(68,203,947)**	76,417,143
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR	**本年度全面(虧損)收益總額**		**(52,221,004)**	98,579,182

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
綜合損益及其它全面收益表

Year ended 31 March 2019 截至2019年3月31日止年度

		Note 附註	**2019** **HK$** **港元**	2018 HK$ 港元
Profit for the year attributable to:	應佔本年度溢利：			
Owners of the parent	母公司股東		**2,657,173**	10,007,756
Non-controlling interests	非控股權益		**13,325,770**	12,154,283
			15,982,943	22,162,039
Total comprehensive (loss) income attributable to:	應佔全面(虧損)收益總額：			
Owners of the parent	母公司股東		**(62,804,615)**	81,713,550
Non-controlling interests	非控股權益		**10,583,611**	16,865,632
			(52,221,004)	98,579,182
			HK cents **港仙**	HK cents 港仙
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	**母公司普通權益持有人應佔每股盈利**			
Basic and diluted	基本及攤薄	12	**0.12**	0.47

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
綜合財務狀況表

At 31 March 2019 於2019年3月31日

		Notes 附註	2019 HK$ 港元	2018 HK$ 港元
NON-CURRENT ASSETS	**非流動資產**			
Property, plant and equipment	物業、廠房及設備	13	**95,560,915**	151,064,566
Prepaid land lease payments	預付土地租賃款項	14	**38,248,463**	113,643,582
Goodwill	商譽	15	**104,827,352**	112,148,013
Other intangible assets	其它無形資產	16	**28,486,293**	33,343,979
Deposit for acquisition of items of property, plant and equipment	收購物業、廠房及設備項目之按金	20	**160,260**	217,936
Equity investments designated at fair value through other comprehensive income	指定為按公允價值計入其它全面收益之股本投資	17	**8,990,647**	–
Available-for-sale investments	可供出售投資	17	**–**	17,779,099
Total non-current assets	非流動資產總值		**276,273,930**	428,197,175
CURRENT ASSETS	**流動資產**			
Inventories	存貨	18	**48,776,986**	36,324,377
Trade and bills receivables	應收賬款及應收票據	19	**78,289,710**	74,797,171
Prepayments, deposits and other receivables	預付款項、按金及其它應收款	20	**8,836,915**	8,857,547
Prepaid land lease payments	預付土地租賃款項	14	**863,203**	3,977,486
Structured deposits	結構性存款	21	**57,954,216**	–
Cash and cash equivalents	現金及現金等值項目	22	**384,908,930**	493,153,768
			579,629,960	617,110,349
Assets of a disposal group classified as held for sale	分類為持作出售之出售組別之資產	10	**140,864,684**	–
Total current assets	流動資產總值		**720,494,644**	617,110,349
CURRENT LIABILITIES	**流動負債**			
Trade payables	應付賬款	23	**31,801,584**	17,196,713
Other payables and accruals	其它應付款及應計費用	24	**106,352,836**	106,747,564
Amount due to a related company	應付一間關連公司款項		**690,501**	427,133
Dividend payable	應付股息		**17,009,531**	1,771,345
Tax payable	應付稅項		**7,757,339**	8,470,839
			163,611,791	134,613,594
Liabilities directly associated with the assets classified as held for sale	與分類為持作出售之資產直接有關之負債	10	**14,551,017**	–
Total current liabilities	流動負債總額		**178,162,808**	134,613,594
NET CURRENT ASSETS	**流動資產淨值**		**542,331,836**	482,496,755
TOTAL ASSETS LESS CURRENT LIABILITIES	**總資產減流動負債**		**818,605,766**	910,693,930

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
綜合財務狀況表

At 31 March 2019 於2019年3月31日

		Notes 附註	2019 HK$ 港元	2018 HK$ 港元
NON-CURRENT LIABILITIES	**非流動負債**			
Deferred income	遞延收入		**531,247**	699,315
Deferred tax liabilities	遞延稅項負債	25	**7,108,589**	24,409,730
Total non-current liabilities	非流動負債總額		**7,639,836**	25,109,045
NET ASSETS	**資產淨值**		**810,965,930**	885,584,885
EQUITY	**權益**			
Equity attributable to owners of the parent	母公司股東應佔權益			
Share capital	股本	26	**215,004,188**	215,047,588
Reserves	儲備	27	**562,198,397**	632,679,945
			777,202,585	847,727,533
Non-controlling interests	非控股權益		**33,763,345**	37,857,352
TOTAL EQUITY	**權益總額**		**810,965,930**	885,584,885

FANG WEN QUAN	**LUI MAN SANG**
方文權	**呂文生**
Chairman	*Executive Director*
董事長	*執行董事*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
綜合權益變動表

Year ended 31 March 2019 截至2019年3月31日止年度

		Attributable to owners of the parent 母公司股東應佔												
		Share capital 股本	Share premium 股份溢價	Capital redemption reserve 資本贖回儲備	Capital contribution reserve 資本供款儲備	Special reserve 特別儲備 (note 27) (附註27)	Statutory reserve 法定儲備 (note 27) (附註27)	Available-for-sale investment revaluation reserve 可供出售投資重估儲備 (note 27) (附註27)	Fair value reserve 公允價值儲備	Exchange fluctuation reserve 匯兌波動儲備	Retained profits 保留溢利	Total 總額	Non-controlling interests 非控股權益	Total equity 權益總額
		HK$ 港元	HK$ 港元	HK$ 港元	HK$ 港元	HK$ 港元	HK$ 港元	HK$ 港元	HK$ 港元	HK$ 港元	HK$ 港元	HK$ 港元	HK$ 港元	HK$ 港元
At 1 April 2017	於2017年4月1日	215,063,588	355,865,241	8,000	8,959,307	3,460,016	30,221,039	-	-	(53,527,790)	218,272,781	778,322,182	34,641,529	812,963,711
Profit for the year	本年度溢利	-	-	-	-	-	-	-	-	-	10,007,756	10,007,756	12,154,283	22,162,039
Other comprehensive income for the year:	本年度其它全面收益：													
Available-for-sale investments:	可供出售投資：													
Changes in fair value	公允價值變動	-	-	-	-	-	-	14,450,894	-	-	-	14,450,894	-	14,450,894
Reclassification adjustments for gains included in the consolidated statement of profit or loss	就計入綜合損益表的收益作出重新分類調整	-	-	-	-	-	-	(8,293,917)	-	-	-	(8,293,917)	-	(8,293,917)
Exchange differences on translation of financial statements	換算財務報表所產生之匯兌差額	-	-	-	-	-	-	-	-	65,548,817	-	65,548,817	4,711,349	70,260,166
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	-	-	6,156,977	-	65,548,817	10,007,756	81,713,550	16,865,632	98,579,182
Appropriation to reserve	分配至儲備	-	-	-	-	-	306,393	-	-	-	(306,393)	-	-	-
Utilisation of statutory reserve	使用法定儲備	-	-	-	-	-	(22,255)	-	-	-	22,255	-	-	-
Repurchases of shares	購回股份	(16,000)	(33,573)	-	-	-	-	-	-	-	-	(49,573)	-	(49,573)
Transfer to reserve	轉撥至儲備	-	(16,000)	16,000	-	-	-	-	-	-	-	-	-	-
Final 2017 dividends paid	已派付2017年末期股息	-	-	-	-	-	-	-	-	-	(12,258,626)	(12,258,626)	-	(12,258,626)
Dividends paid to non-controlling shareholders	已向非控股股東支付之股息	-	-	-	-	-	-	-	-	-	-	-	(13,649,809)	(13,649,809)
At 31 March 2018	於2018年3月31日	215,047,588	355,815,668	24,000	8,959,307	3,460,016	30,505,177	6,156,977	-	12,021,027	215,737,773	847,727,533	37,857,352	885,584,885
Effect of adoption of HKFRS 9	採納香港財務報告準則第9號之影響	-	-	-	-	-	-	(6,156,977)	6,156,977	-	(82,097)	(82,097)	(2,705)	(84,802)
At 1 April 2018 (restated)	於2018年4月1日 (經重列)	215,047,588	355,815,668	24,000	8,959,307	3,460,016	30,505,177	-	6,156,977	12,021,027	215,655,676	847,645,436	37,854,647	885,500,083
Profit for the year	本年度溢利	-	-	-	-	-	-	-	-	-	2,657,173	2,657,173	13,325,770	15,982,943
Other comprehensive loss for the year:	本年度其它全面虧損：													
Changes in fair value on equity investments designated at fair value through other comprehensive income	指定為按公允價值計入其它全面收益之股本投資之公允價值變動		-	-	-	-	-	-	(8,788,452)	-	-	(8,788,452)	-	(8,788,452)
Exchange differences of financial statements	換算財務報表所產生之匯兌差額	-	-	-	-	-	-	-	-	(56,673,336)	-	(56,673,336)	(2,742,159)	(59,415,495)
Total comprehensive loss for the year	本年度全面虧損總額	-	-	-	-	-	-	-	(8,788,452)	(56,673,336)	2,657,173	(62,804,615)	10,583,611	(52,221,004)
Appropriation to reserve	分配至儲備	-	-	-	-	-	344,737	-	-	-	(344,737)	-	-	-
Utilisation of reserve	使用儲備	-	-	-	-	-	(64,870)	-	-	-	64,870	-	-	-
Repurchases of shares	購回股份	(43,400)	(69,690)	-	-	-	-	-	-	-	-	(113,090)	-	(113,090)
Transfer to reserve	轉撥至儲備	-	(43,400)	43,400	-	-	-	-	-	-	-	-	-	-
Final 2018 dividends paid	已派付2018年末期股息	-	-	-	-	-	-	-	-	-	(7,525,146)	(7,525,146)	-	(7,525,146)
Dividends paid to non-controlling shareholders	已向非控股股東支付之股息	-	-	-	-	-	-	-	-	-	-	-	(14,674,913)	(14,674,913)
At 31 March 2019	**於2019年3月31日**	**215,004,188**	**355,702,578**	**67,400**	**8,959,307**	**3,460,016**	**30,785,044**	**-**	**(2,631,475)**	**(44,652,309)**	**210,507,836**	**777,202,585**	**33,763,345**	**810,965,930**

CONSOLIDATED STATEMENT OF CASH FLOWS
綜合現金流量表

Year ended 31 March 2019 截至2019年3月31日止年度

		Notes 附註	2019 HK$ 港元	2018 HK$ 港元
CASH FLOWS FROM OPERATING ACTIVITIES	**經營活動所得現金流量**			
Profit before tax:	除稅前溢利：		**26,167,097**	29,941,995
Adjustments for:	就下列各項作出之調整：			
Interest income	利息收入		**(6,465,231)**	(4,143,258)
Gain on disposal of available-for-sale investments	出售可供出售投資之收益	5	**–**	(8,293,917)
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目之虧損	5	**252,388**	90,785
Impairment of financial and contract assets, net	金融及合約資產之減值，淨額	6	**(11,830)**	–
Fair value (gain)/loss, net:	公允價值(收益)／虧損，淨額：			
Derivative instruments – transactions not qualifying as hedges	衍生工具－不符合對沖資格之交易	5	**4,555,476**	255,097
Structured deposits	結構性存款	5	**(6,569,715)**	(5,210,874)
Depreciation	折舊	13	**11,467,349**	11,001,929
Recognition of prepaid land lease payments	確認預付土地租賃款項	14	**3,420,690**	3,743,075
Amortisation of licences and permits	執照及許可證攤銷	6	**4,698,901**	11,039,985
Impairment of trademark	商標減值	6	**–**	1,307,629
Release of government grants in relation to certain assets	就若干資產獲發放政府補助		**(116,779)**	(117,869)
			37,398,346	39,614,577
(Increase)/decrease in inventories	存貨(增加)／減少		**(13,660,700)**	2,988,611
Increase in trade and bills receivables	應收賬款及應收票據增加		**(7,984,449)**	(26,741,196)
(Increase)/decrease in prepayments, deposits and other receivables	預付款項、按金及其它應收款(增加)／減少		**(1,484,723)**	160,752
Increase in trade payables	應付賬款增加		**14,824,126**	4,824,135
Increase in other payables and accruals	其它應付款及應計費用增加		**6,484,950**	45,741,738
Increase/(decrease) in an amount due to a related company	應付一間關連公司款項增加／(減少)		**297,446**	(690,882)
Proceeds from maturity of foreign exchange linked investments	外匯掛鈎投資到期所得款項		**169,427,625**	996,356,862
Investments in foreign exchange linked investments	投資於外匯掛鈎投資		**(173,775,675)**	(996,611,959)
Cash generated from operations	經營所得現金		**31,526,946**	65,642,638
PRC taxes paid	已付中國稅項		**(12,357,506)**	(12,115,683)
Net cash flows from operating activities	經營活動所得之現金流量淨額		**19,169,440**	53,526,955

CONSOLIDATED STATEMENT OF CASH FLOWS
綜合現金流量表

Year ended 31 March 2019 截至2019年3月31日止年度

		Notes 附註	2019 HK$ 港元	2018 HK$ 港元
CASH FLOWS FROM INVESTING ACTIVITIES	**投資活動所得現金流量**			
Acquisition of a subsidiary	收購一間附屬公司	29	**(2,023,068)**	(5,365,793)
Interest received	已收利息		**6,465,231**	4,143,258
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目之所得款項		**165,452**	26,611
Proceeds from disposal of available-for-sale investments	出售可供出售投資之所得款項		**–**	32,904,007
Purchases of property, plant and equipment	購買物業、廠房及設備		**(33,644,712)**	(8,634,232)
Purchases of other intangible assets	購買其它無形資產		**–**	(5,168)
Proceeds from structured deposits	來自結構性存款之所得款項		**866,995,724**	2,374,494,231
Investments in structured deposits	於結構性存款之投資		**(918,815,396)**	(2,369,283,357)
Net cash flows (used in)/from investing activities	投資活動（所用）╱所得之現金流量淨額		**(80,856,769)**	28,279,557
CASH FLOWS FROM FINANCING ACTIVITIES	**融資活動所得現金流量**			
Dividend paid to non-controlling shareholders	已付非控股股東之股息		**–**	(13,649,809)
Dividends paid	已付股息		**(6,792,672)**	(10,487,281)
Repurchases of shares	購回股份		**(113,090)**	(49,573)
Net cash flows used in financing activities	融資活動所用之現金流量淨額		**(6,905,762)**	(24,186,663)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**現金及現金等值項目（減少）╱增加淨額**		**(68,593,091)**	57,619,849
Cash and cash equivalents at beginning of year	於年初之現金及現金等值項目		**493,153,768**	399,316,081
Effect of foreign exchange rate changes, net	外匯匯率變動之影響（淨額）		**(31,392,256)**	36,217,838
CASH AND CASH EQUIVALENTS AT END OF YEAR	**於年終之現金及現金等值項目**		**393,168,421**	493,153,768
ANALYSIS OF CASH AND CASH EQUIVALENTS	**現金及現金等值項目之分析**			
Cash and bank balances	現金及銀行結餘		**384,908,930**	493,153,768
Cash and cash equivalents as stated in the statement of financial position	於財務狀況表列賬之現金及現金等值項目	22	**384,908,930**	493,153,768
Cash and short term deposits attributable to a disposal group	出售組別應佔之現金及短期存款	10	**8,259,491**	–
Cash and cash equivalents as stated in the statement of cash flows	於現金流量表列賬之現金及現金等值項目		**393,168,421**	493,153,768

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

1. CORPORATE AND GROUP INFORMATION

Tianda Pharmaceuticals Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-111, Cayman Islands.

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

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

Information about subsidiaries

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

1. 公司及集團資料

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

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

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

有關附屬公司之資料

本公司主要附屬公司之資料如下：

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

1. CORPORATE AND GROUP INFORMATION (continued)　1. 公司及集團資料(續)

Information about subsidiaries (continued)　有關附屬公司之資料(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立／註冊及經營地點	Issued ordinary/ registered share capital 已發行普通股／註冊資本	Percentage of equity attributable to the Company 本公司應佔權益百分比 Direct 直接	 Indirect 間接	Principal activities 主要業務
Yunyu Bio-Pharmaceutical Co., Limited	British Virgin Islands ("BVI") 英屬維爾京群島	US$1 1美元	100	–	Investment holding 投資控股
Tianda Pharmaceuticals (Zhuhai) Limited** 天大藥業(珠海)有限公司**	PRC 中國	RMB93,000,000 人民幣93,000,000元	–	100	Research, development, manufacture and sale of pharmaceutical and biotechnology products 醫藥及生物科技產品之研究、開發、生產及銷售
Tianda Pharmaceuticals (Australia) Pty Limited* 天大藥業(澳大利亞)有限公司*	Australia 澳大利亞	AU$1,000,000 1,000,000澳元	–	100	Marketing, sale and distribution of healthcare products 保健產品之行銷、銷售及分銷
Tianda Pharmaceuticals (China) Limited** 天大藥業(中國)有限公司**	PRC 中國	HK$50,000,000 50,000,000港元	–	100	Research and development of pharmaceutical products and provision of intra-group consultation service marketing sale and distribution of healthcare products 醫藥產品之研究及開發，提供集團內部諮詢服務以及保健產品之行銷、銷售及分銷

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

1. CORPORATE AND GROUP INFORMATION (continued) 1. 公司及集團資料（續）

Information about subsidiaries (continued) 有關附屬公司之資料（續）

Name 名稱	Place of incorporation/ registration and business 註冊成立／註冊及經營地點	Issued ordinary/ registered share capital 已發行普通股／註冊資本	Percentage of equity attributable to the Company 本公司應佔權益百分比 Direct 直接	 Indirect 間接	Principal activities 主要業務
Zhuhai Tianda Realty Limited** 珠海天大置業有限公司**	PRC 中國	RMB67,000,000 人民幣67,000,000元	–	100	Property holding 物業控股
Tianda Chinese Medicine(China) Ltd.** 天大中醫藥（中國）有限公司**	PRC 中國	RMB30,000,000 人民幣30,000,000元	–	100	Wholesale of Chinese herbal medicine, traditional Chinese medicine decoction pieces and Chinese medicines 中藥材、中藥飲片及中成藥的批發
Zhuhai Tianda Processed Chinese Herbal Medicine Ltd.** 珠海天大中藥飲片有限公司**	PRC 中國	RMB4,000,000 人民幣4,000,000元	–	100	Production and sales of Traditional Chinese Medicine decoction pieces and trading of agricultural by-products 中藥飲片生產及銷售以及農副產品的買賣

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

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

\# Incorporated as cooperative enterprise

* 並非由香港安永會計師事務所或安永全球網絡其它成員公司審核

** 根據中國法律註冊之外商獨資企業

\# 註冊成立為合作企業

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

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

During the year, the Group acquired 100% equity interests of Zhuhai Tianda Processed Chinese Herbal Medicine Ltd. Further details of this acquisition are included in note 29 to the financial statements.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for available-for-sale investments, equity investments at fair value through other comprehensive income and structured deposits which have been measured at fair value. The disposal group held for sale is stated at the lower of its carrying amount and fair value less cost to sell as further explained in note 2.4. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest dollar except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2019. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

1. 公司及集團資料(續)

有關附屬公司之資料(續)

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

年內，本集團收購珠海天大中藥飲片有限公司的100%股本權益。該項收購的進一步詳情載於財務報表附註29。

2.1 編製基準

該等財務報表乃根據香港會計師公會頒佈之香港財務報告準則(包括全部香港財務報告準則、香港會計準則及詮釋)及香港公認會計準則及香港公司條例的披露規定編製。該等財務報表採用歷史成本法編製，惟可供出售投資、按公允價值計入其它全面收益之股本投資及結構性存款按公允價值計量。持作出售之出售組別按其賬面值與公允價值減出售成本之較低者列賬(如附註2.4所進一步說明)。該等財務報表以港元("港元")呈列而所有數值已約整至最接近的元，惟另有指明者除外。

綜合基準

綜合財務報表包括本公司及其附屬公司截至2019年3月31日止年度之財務報表。附屬公司為本公司直接或間接控制之實體(包括結構性實體)。當本集團對參與投資對象業務的浮動回報承擔風險或享有權利以及能透過對投資對象之權力(即本集團獲賦予現有能力以主導投資對象相關活動之既存權利)影響該等回報時，即取得控制權。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

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

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

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

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

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

2.1 編製基準(續)

綜合基準(續)

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

(a) 與投資對象其它投票持有人之合約安排；

(b) 其它合約安排所產生之權利；及

(c) 本集團之投票權及潛在投票權。

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to HKFRS 2	*Classification and Measurement of Share-based Payment Transactions*
Amendments to HKFRS 4	*Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts*
HKFRS 9	*Financial Instruments*
HKFRS 15	*Revenue from Contracts with Customers*
Amendments to HKFRS 15	*Clarifications to HKFRS 15 Revenue from Contracts with Customers*
Amendments to HKAS 40	*Transfers of Investment Property*
HK(IFRIC)-Int 22	*Foreign Currency Transactions and Advance Consideration*
Annual Improvements 2014-2016 Cycle	Amendments to HKFRS 1 and HKAS 28

Except for the amendments to HKFRS 2, HKFRS 4, HKAS 40 and *Annual Improvements 2014-2016 Cycle*, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the new and revised HKFRSs are described below:

(a) HKFRS 9 *Financial Instruments* replaces HKAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 April 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

With the exception of hedge accounting, which the Group has applied prospectively, the Group has recognised the transition adjustments against the applicable opening balances in equity at 1 April 2018. Therefore, the comparative information was not restated and continues to be reported under HKAS 39.

Classification and measurement

The following information sets out the impacts of adopting HKFRS 9 on the statement of financial position, including the effect of replacing HKAS 39's incurred credit loss calculations with HKFRS 9's expected credit losses ("ECLs").

2.2 會計政策及披露變更

本集團於本年度之財務報表首次採納以下新訂及經修訂香港財務報告準則。

香港財務報告準則第2號修訂本	*以股份為基礎的付款交易的分類及計量*
香港財務報告準則第4號修訂本	*與香港財務報告準則第4號保險合約一併應用香港財務報告準則第9號金融工具*
香港財務報告準則第9號	*金融工具*
香港財務報告準則第15號	*客戶合約收入*
香港財務報告準則第15號修訂本	*香港財務報告準則第15號客戶合約收入之澄清*
香港會計準則第40號修訂本	*轉撥投資物業*
香港(國際財務報告詮釋委員會)－詮釋第22號	*外幣交易及預付代價*
2014年至2016年週期之年度改進	香港財務報告準則第1號及香港會計準則第28號之修訂

香港財務報告準則第2號、香港財務報告準則第4號及香港會計準則第40號之修訂本以及*2014年至2016年週期之年度改進*(均與編製本集團財務報表無關)外，新訂及經修訂香港財務報告準則之性質及影響論述如下：

(a) 香港財務報告準則第9號*金融工具*於2018年4月1日或之後開始之年度期間取代香港會計準則第39號*金融工具：確認及計量*，將全部三個關於金融工具之會計範疇綜合：分類及計量；減值；及對沖會計。

除本集團已提前採納之對沖會計外，本集團已對2018年4月1日之權益內適用期初結餘確認過渡調整。因此，比較資料並無重列及繼續根據香港會計準則第39號呈列。

分類及計量

下文載列採納香港財務報告準則第9號對財務狀況表之影響，包括以香港財務報告準則第9號之預期信貸虧損(「預期信貸虧損」)取代香港會計準則第39號之已產生信貸虧損計算之影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

2.2 會計政策及披露變更（續）

(a) (continued)

A reconciliation between the carrying amounts under HKAS 39 and the balances reported under HKFRS 9 as at 1 April 2018 is as follows:

(a) （續）

於2018年4月1日根據香港會計準則第39號之賬面值與根據香港財務報告準則第9號呈列之結餘的對賬如下：

			HKAS 39 measurement 香港會計準則第39號之計量			HKFRS 9 measurement 香港財務報告準則第9號之計量			
		Note 附註	Category 類別 HK$ 港元	Amount 金額 HK$ 港元	Re-classification 重新分類 HK$ 港元	ECL 預期信貸虧損 HK$ 港元	Other 其它 HK$ 港元	Amount 金額 HK$ 港元	Category 類別 HK$ 港元
Financial assets	**金融資產**								
Equity investments designated at fair value through other comprehensive income	指定為按公允價值計入其它全面收益之股本投資		N/A	–	17,779,099	–	–	17,779,099	FVOCI (equity) (權益)
From: Available-for sale investments	轉自：可供出售投資	(i)			17,779,099	–	–		
Available-for-sale investments	可供出售投資		AFS	17,779,099	(17,779,099)	–	–	–	N/A 不適用
To: Equity investments designated at fair value through other comprehensive income	轉至：指定為按公允價值計入其它全面收益之股本投資	(i)			(17,779,099)	–	–		
Trade and bills receivables	應收賬款及應收票據		L&R	74,797,171	–	(8,287)	–	74,788,884	AC
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其它應收款之金融資產		L&R	7,340,682	–	(76,515)	–	7,264,167	AC
Cash and cash equivalents	現金及現金等值項目		L&R	493,153,768	–	–	–	493,153,768	AC
Total assets	**總資產**			593,070,720	–	(84,802)	–	592,985,918	
Financial liabilities	**金融負債**								
Trade payables	應付賬款		AC	17,196,713	–	–	–	17,196,713	AC
Financial liabilities included in other payables and accruals	計入其它應付款及應計費用之金融負債		AC	78,742,730	–	–	–	78,742,730	AC
Amount due to a related company	應付一間關連公司款項		AC	427,133	–	–	–	427,133	AC
Dividend payable	應付股息		AC	1,771,345	–	–	–	1,771,345	AC
Total liabilities	**總負債**			98,137,921	–	–	–	98,137,921	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(a) (continued)

FVOCI: Financial assets at fair value through other comprehensive income

AFS: Available-for-sale investments

L&R: Loans and receivables

AC: Financial assets or financial liabilities at amortised cost

Note:

(i) The Group has elected the option to irrevocably designate its previous available-for-sale equity investments as equity investments at fair value through other comprehensive income.

(b) Impairment

The following table reconciles the aggregate opening impairment allowances under HKAS 39 to the ECL allowances under HKFRS 9. Further details are disclosed in notes 19 and 20 to the financial statements.

2.2 會計政策及披露變更（續）

(a) （續）

FVOCI： 按公允價值計入其它全面收益之金融資產

AFS： 可供出售投資

L&R： 貸款及應收款項

AC： 按攤銷成本計量之金融資產或金融負債

附註：

(i) 本集團已選擇將其先前之可供出售股本投資不可撤銷地指定為按公允價值計入其它全面收益之股本投資。

(b) 減值

下表為香港會計準則第39號下之年初減值撥備總額與香港財務報告準則第9號之預期信貸虧損撥備之對賬。進一步詳情於財務報表附註19及20披露。

		Impairment allowances under HKAS 39 at 31 March 2018 於2018年3月31日根據香港會計準則第39號之減值撥備 HK$ 港元	Re-measurement 重新計量 HK$ 港元	ECL allowances under HKFRS 9 at 1 April 2018 於2018年4月1日根據香港財務報告準則第9號之預期信貸虧損撥備 HK$ 港元
Trade and bills receivables	應收賬款及應收票據	–	8,287	8,287
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其它應收款之金融資產	–	76,515	76,515
		–	84,802	84,802

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

2.2 會計政策及披露變更(續)

(b) Impairment (continued)

Impact on reserves and retained profits

The impact of transition to HKFRS 9 on reserves and retained profits is as follows:

(b) 減值(續)

對儲備及保留溢利之影響

過渡至香港財務報告準則第9號對儲備及保留溢利之影響如下：

		Available-for-sale investment revaluation reserve 可供出售投資重估儲備 HK$ 港元	Fair value reserve 公允價值儲備 HK$ 港元	Retained profits 保留溢利 HK$ 港元	Non-controlling interests 非控股權益 HK$ 港元
Balance as at 31 March 2018 under HKAS 39	根據香港會計準則第39號於2018年3月31日之結餘	6,156,977	–	215,737,773	37,657,352
Recognition of expected credit losses under HKFRS 9	根據香港財務報告準則第9號確認預期信貸虧損	–	–	(82,097)	(2,705)
Reclassification of equity investments from available-to-sale investments to equity investments designated at fair value through other comprehensive income	將股本投資由可供出售投資重新分類作指定為按公允價值計入其它全面收益之股本投資	(6,156,977)	6,156,977	–	–
Balance as at 1 April 2018 under HKFRS 9	根據香港財務報告準則第9號於2018年4月1日之結餘	–	6,156,977	215,655,676	37,654,647

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(c) HKFRS 15 and its amendments replace HKAS 11 *Construction Contracts*, HKAS 18 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. HKFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The disclosures are included in note 5 to the financial statements. As a result of the application of HKFRS 15, the Group has changed the accounting policy with respect to revenue recognition in note 2.4 to the financial statements.

The Group has adopted HKFRS 15 using the modified retrospective method of adoption. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group has elected to apply the standard to contracts that are not completed as at 1 April 2018.

2.2 會計政策及披露變更(續)

(c) 香港財務報告準則第15號及其修訂取代香港會計準則第11號*建築合約*、香港會計準則第18號*收入*及相關詮釋，除少數例外情況外適用於所有來自客戶合約產生之收入。香港財務報告準則第15號訂立新的五步模式，以計算來自客戶合約所產生之收入。根據香港財務報告準則第15號，確認收入之金額須反映實體預期向客戶轉讓貨品或服務而有權換取之代價。香港財務報告準則第15號的原則為計量及確認收入提供更具結構性的方法。該準則亦引入廣泛的定性及定量披露規定，包括分拆收入總額，有關履約責任、不同期間之間之合約資產及負債賬目結餘的變動以及主要判斷及估計的資料。有關披露乃載於財務報表附註5。由於應用香港財務報告準則第15號，本集團已更改財務報表附註2.4所載有關收入確認之會計政策。

本集團採用以修訂式追溯應用法採納香港財務報告準則第15號。按照該方法，該準則可應用於首次應用日期之所有合約或僅可應用於在該日尚未完成之合約。本集團選擇應用於2018年4月1日尚未完成之合約。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(c) (continued)

For the year ended 31 March 2019, the Group has concluded that the adoption of HKFRS 15 has not had a material impact on the timing of revenue recognition. There was no financial impact of the transition to HKFRS 15 on the Group's retained profits at 1 April 2018. However, upon adoption of HKFRS 15, the Group has recognised revenue-related contract liabilities for the unsatisfied performance obligation which were previously recognised as "Receipts in advance" under "Other payables and accruals (current)". Therefore, upon adoption of HKFRS 15, the Group reclassified HK$17,815,075 from receipts in advance to contract liabilities as at 1 April 2018. As at 31 March 2019, under HKFRS 15, HK$12,824,486 was reclassified from receipts in advance to contract liabilities in relation to the consideration received from customers in advance for the sale of the pharmaceutical products.

(d) HK(IFRIC)-Int 22 provides guidance on how to determine the date of the transaction when applying HKAS 21 to the situation where an entity receives or pays advance consideration in a foreign currency and recognises a non-monetary asset or liability. The interpretation clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset (such as a prepayment) or non-monetary liability (such as deferred income) arising from the payment or receipt of the advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the entity must determine the transaction date for each payment or receipt of the advance consideration. The interpretation has had no impact on the Group's financial statements as the Group's accounting policy for the determination of the exchange rate applied for initial recognition of non-monetary assets or non-monetary liabilities is consistent with the guidance provided in the interpretation.

2.2 會計政策及披露變更（續）

(c) （續）

截至2019年3月31日止年度，本集團之結論為採納香港財務報告準則第15號對收入確認之時間性並無重大影響。過渡至香港財務報告準則第15號對本集團於2018年4月1日的保留溢利並無財務影響。然而，於採納香港財務報告準則第15號後，本集團已就未履行履約責任確認收入相關合約負債，而該等責任過往確認為"其它應付款及應計費用（流動）"項下的"預收款項"。因此，於採納香港財務報告準則第15號後，本集團將有關於2018年4月1日的預收客戶代價之17,815,075港元由預收款項重新分類為於2018年4月1日的合約負債。於2019年3月31日，根據香港財務報告準則第15號，有關銷售醫藥產品之預收客戶代價之12,824,486港元已由預收款項重新分類為合約負債。

(d) 香港（國際財務報告詮釋委員會）— 詮釋第22號為實體以外幣收取或支付預付代價及確認非貨幣資產或負債的情況下，在採納香港會計準則第21號時，應如何釐定交易日期提供指引。該詮釋澄清，就釐定首次確認有關資產、開支或收入（或當中部分）所使用的匯率時，交易日期為實體首次確認因支付或收取預付代價而產生之非貨幣資產（如預付款項）或非貨幣負債（如遞延收入）之日期。倘確認有關項目前存在多筆付款或預收款項，實體須就每筆支付款項或收取預付代價釐定交易日期。該詮釋對本集團之財務報表並無影響，原因為本集團就釐定首次確認非貨幣資產或非貨幣負債所應用之匯率的會計政策，與該詮釋所規定之指引一致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

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

Amendments to HKFRS 3	*Definition of a Business*[2]
Amendments to HKFRS 9	*Prepayment Features with Negative Compensation*[1]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
HKFRS 16	*Leases*[1]
HKFRS 17	*Insurance Contracts*[3]
Amendments to HKAS 1 and HKAS 8	*Definition of Material*[2]
Amendments to HKAS 19	*Plan Amendment, Curtailment or Settlement*[1]
Amendments to HKAS 28	*Long-term Interests in Associates and Joint Ventures*[1]
HK(IFRIC)-Int 23	*Uncertainty over Income Tax Treatments*[1]
Annual Improvements 2015-2017 Cycle	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23[1]

1 Effective for annual periods beginning on or after 1 January 2019

2 Effective for annual periods beginning on or after 1 January 2020

3 Effective for annual periods beginning on or after 1 January 2021

4 No mandatory effective date yet determined but available for adoption

2.3 已頒佈但尚未生效之香港財務報告準則

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

香港財務報告準則第3號之修訂	*業務之定義*[2]
香港財務報告準則第9號之修訂	*具有負值補償特點之預付款項*[1]
香港財務報告準則第10號及香港會計準則第28號(2011年)之修訂	*投資者與其聯營公司或合營企業之間之資產出售或注資*[4]
香港財務報告準則第16號	*租賃*[1]
香港財務報告準則第17號	*保險合約*[3]
香港會計準則第1號及香港會計準則第8號之修訂	*重要性之定義*[2]
香港會計準則第19號之修訂	*計劃修訂、縮減或結清*[1]
香港會計準則第28號之修訂	*於聯營公司及合營企業之長期權益*[1]
香港(國際財務報告詮釋委員會)－詮釋第23號	*有關所得稅處理法之不確定性*[1]
2015年至2017年週期之年度改進	香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號之修訂[1]

1 於2019年1月1日或之後開始的年度期間生效

2 於2020年1月1日或之後開始的年度期間生效

3 於2021年1月1日或之後開始的年度期間生效

4 並無釐定強制生效日期但可供採納

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

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

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

Amendments to HKFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities.

Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group expects to adopt the amendments prospectively from 1 April 2020.

2.3 已頒佈但尚未生效之香港財務報告準則（續）

預期適用於本集團之香港財務報告準則之進一步資料論述如下：

香港財務報告準則第3號之修訂澄清業務之定義，並提供額外指引。該有關修訂訂明可視為業務之一組整合活動和資產，必須至少包括一項投入和一項重要過程，而兩者必須對形成產出之能力有重大貢獻。業務毋須包括形成產出所需之所有投入或過程。該修訂取消了評估市場參與者是否有能力收購業務並能持續獲得產出之規定，轉為重點關注所取得之投入和重要過程共同對形成產出之能力有否重大貢獻。該修訂亦已收窄產出之定義範圍，重點關注為客戶提供之商品或服務、投資收入或日常活動產生之其它收入。

此外，有關修訂亦提供有關評估所取得過程是否重大之指引，並新增公允價值集中度測試選項，允許對所取得之一組活動和資產是否不屬於業務進行簡化評估。本集團預期自2020年4月1日起採納該等修訂。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

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

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

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

2.3 已頒佈但尚未生效之香港財務報告準則（續）

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

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

and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under HKFRS 16 is substantially unchanged from the accounting under HKAS 17. Lessors will continue to classify all leases using the same classification principle as in HKAS 17 and distinguish between operating leases and finance leases. HKFRS 16 requires lessees and lessors to make more extensive disclosures than under HKAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group will adopt HKFRS 16 from 1 April 2019. The Group plans to adopt the transitional provisions in HKFRS 16 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 April 2019 and will not restate the comparatives. In addition, the Group plans to apply the new requirements to contracts that were previously identified as leases applying HKAS 17 and measure the lease liability at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. The right-of-use asset will be measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before the date of initial application. As at 31 March 2019, the Group has non-cancellable operating lease commitments of HK$20,155,541 as disclosed in note 32. A preliminary assessment indicates that these management will meet the definition of lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

2.3 已頒佈但尚未生效之香港財務報告準則（續）

租賃負債利息而增加及因支付租賃款項而減少。承租人將須分別確認租賃負債之利息支出及使用權資產之折舊支出。承租人亦須於若干事件發生時重新計量租賃負債，如有關租賃期變更或用於釐定未來租賃款項之一項指數或比率變更而引致該等款項變更。承租人一般將重新計量租賃負債之金額確認為對使用權資產之調整。香港財務報告準則第16號大致沿用香港會計準則第17號內出租人的會計處理方式。出租人將繼續使用與香港會計準則第17號相同之分類原則對所有租賃進行分類，並將項目分為經營租賃及融資租賃。香港財務報告準則第16號要求承租人及出租人較根據香港會計準則第17號作出更多披露。承租人可選擇以全面追溯或經修訂追溯應用方式應用該準則。本集團將於2019年4月1日採納香港財務報告準則第16號，本集團計劃採納香港財務報告準則第16號之過渡規定，將首次採納之累計影響確認為對於2019年4月1日保留溢利期初結餘之調整，以及不會重列比較數字。此外，本集團計劃將新規定應用於先前已應用香港會計準則第17號而識別為租賃之合約，並按剩餘租賃付款之現值計量租賃負債，以及使用本集團於首次應用日期之增量借貸利率貼現。使用權資產將按租賃負債金額計量，並按緊接首次應用日期前在財務狀況表中確認與租賃相關之任何預付或應計租賃付款金額進行調整。於2019年3月31日，本集團有不可撤銷經營租約承擔20,155,541港元（如附註32所披露）。初步評估顯示此等安排將符合香港財務報告準則第16號對租約之定義。於應用香港財務報告準則第16號後，本集團將就所有此等租約確認使用權資產及相應負債，惟倘有關租約符合低價值或短期租約之資格除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

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

Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from 1 April 2020. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 28 clarify that the scope exclusion of HKFRS 9 only includes interests in an associate or joint venture to which the equity method is applied and does not include long-term interests that in substance form part of the net investment in the associate or joint venture, to which the equity method has not been applied. Therefore, an entity applies HKFRS 9, rather than HKAS 28, including the impairment requirements under HKFRS 9, in accounting for such long-term interests. HKAS 28 is then applied to the net investment, which includes the long-term interests, only in the context of recognising losses of an associate or joint venture and impairment of the net investment in the associate or joint venture. The Group expects to adopt the amendments on 1 April 2019 and will assess its business model for such long-term interests based on the facts and circumstances that exist on 1 April 2019 using the transitional requirements in the amendments. The Group also intends to apply the relief from restating comparative information for prior periods upon adoption of the amendments.

2.3 已頒佈但尚未生效之香港財務報告準則（續）

香港會計準則第1號及香港會計準則第8號之修訂重新界定重要性。根據新定義，倘可合理預期漏報、錯報或掩蓋個別信息將可影響使用財務報表作一般目的之主要使用者基於相關財務報表作出之決定，則該信息為重要。有關修訂指明，重要性取決於信息之性質或牽涉範圍。倘可合理預期信息錯報會影響主要使用者之決定，則有關錯誤為重大。本集團預期自2020年4月1日起以未來適用法採納該等修訂。有關修訂預期不會對本集團之財務報表產生任何重大影響。

香港會計準則第28號之修訂澄清香港財務報告準則第9號之範圍豁免僅包括應用權益法之聯營公司或合營企業之權益，且不包括實質上構成聯營公司或合營企業投資淨額一部分之長期權益（其中尚未實施權益法）。因此，計算此類長期利益時，實體應用香港財務報告準則第9號（包括香港財務報告準則第9號下之減值要求）而非香港會計準則第28號。只有在確認聯營公司或合營企業之虧損及聯營公司或合營企業淨投資減值之情況，香港會計準則第28號才應用於淨投資（包括長期權益）。本集團預期於2019年4月1日採納該等修訂，並使用修訂本之過渡性規定，根據2019年4月1日所存在之事實及情況評估其業務模式以符合該等長期利益。本集團亦有意於採納該等修訂後，採用重列前期比較資料之寬免。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

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

HK(IFRIC)-Int 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of HKAS 12 (often referred to as "uncertain tax positions"). The interpretation does not apply to taxes or levies outside the scope of HKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation is to be applied retrospectively, either fully retrospectively without the use of hindsight or retrospectively with the cumulative effect of application as an adjustment to the opening equity at the date of initial application, without the restatement of comparative information. The Group expects to adopt the interpretation from 1 April 2019. The interpretation is not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效之香港財務報告準則(續)

香港(國際財務報告詮釋委員會)— 詮釋第23號針對當稅項處理涉及影響香港會計準則第12號應用之不確定性(通常稱為"不確定稅項狀況")時的所得稅(即期及遞延)會計處理。該詮釋並不適用於香港會計準則第12號範圍外之稅項或徵稅，尤其亦不包括涉及有關不確定稅項處理之權益及處罰規定。該詮釋具體針對(i)實體是否考慮分開處理不確定稅項；(ii)實體對稅務機關之稅項處理檢查所作之假設；(iii)實體如何釐定應課稅溢利或稅項虧損、稅基、未動用稅項虧損、未動用稅項抵免及稅率；及(iv)實體如何考慮事實及情況變動。毋須採用事後確認時可以以追溯方式應用該詮釋或於首次採納當日對期初權益作出調整而毋須重列比較資料。本集團預期自2019年4月1日起採納該詮釋。該詮釋預期不會對本集團之財務報表產生任何重大影響。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business combinations and goodwill

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

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

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

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

2.4 主要會計政策概要

業務合併及商譽

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

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

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

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

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

2.4 主要會計政策概要(續)

業務合併及商譽(續)

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement

The Group measures its available-for-sale investments and equity investments designated at fair value through other comprehensive income at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

2.4 主要會計政策概要(續)

公允價值計量

本集團於各報告期末按公允價值計量其可供出售投資以及指定為按公允價值計入其它全面收益之股本投資。公允價值為市場參與者於計量日期在有序交易中出售資產所收取或轉讓負債所支付之價格。公允價值計量乃基於假設出售資產或轉讓負債之交易於資產或負債之主要市場或(在無主要市場情況)資產或負債之最具優勢市場進行。主要或最具優勢市場須為本集團可進入之市場。資產或負債之公允價值乃按市場參與者於資產或負債定價時所使用之假設計量,並假設市場參與者會以最佳經濟利益行事。

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

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

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

2.4 主要會計政策概要(續)

公允價值計量(續)

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

第1級 一 基於相同資產或負債於活躍市場之報價(未經調整)

第2級 一 基於對公允價值計量而言屬重大之可觀察(直接或間接)最低層輸入數據之估值方法

第3級 一 基於對公允價值計量而言屬重大之不可觀察最低層輸入數據之估值方法

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

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

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

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

2.4 主要會計政策概要(續)

非金融資產減值

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

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

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

2.4 主要會計政策概要（續）

關連人士

在下列情況，一方將視為與本集團有關連：

(a) 該方為一名人士或該人士之近親，而該人士

(i) 對本集團擁有控制權或共同控制權；

(ii) 對本集團具有重大影響力；或

(iii) 為本集團或其母公司之主要管理層人員；

或

(b) 該人士為符合下列任何條件之實體：

(i) 該實體與本集團屬同一集團的成員公司；

(ii) 一實體為另一實體（或另一實體之母公司、附屬公司或同系附屬公司）之聯營公司或合營企業；

(iii) 該實體與本集團為同一第三方之合營企業；

(iv) 一實體為一名第三方實體之合營企業，而另一實體為該第三方實體之聯營公司；

(v) 該實體為本集團或與本集團有關連的實體為僱員福利而設的離職後福利計劃；

(vi) 該實體受(a)所述人士控制或共同控制；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties (continued)

(b) (continued)

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

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

Property, plant and equipment and depreciation

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

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

2.4 主要會計政策概要(續)

關連人士(續)

(b) (續)

(vii) 於(a)(i)所述人士對該實體具有重大影響力，或為該實體(或該實體母公司)之主要管理層成員；及

(viii) 該實體(或其所屬集團之任何成員公司)向本集團或本集團母公司提供主要管理層人員服務。

物業、廠房及設備與折舊

除在建工程外，物業、廠房及設備乃按成本扣除累計折舊及任何減值虧損列賬。倘物業、廠房及設備項目分類為持作出售或當其屬於分類為持作出售之出售組別之一部分，則不會計提折舊及按香港財務報告準則第5號入賬，如"持作出售之非流動資產及出售組別"之會計政策所進一步說明。物業、廠房及設備項目成本包括其買價及將該資產達至運作狀況及地點以作擬定用途之直接應佔費用。

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

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

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

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

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

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

2.4 主要會計政策概要(續)

物業、廠房及設備與折舊(續)

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

Intangible assets (other than goodwill)

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

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

2.4 主要會計政策概要（續）

持作出售之非流動資產及出售組別

持作出售之非流動資產及出售組別之賬面值將主要透過一項出售交易收回而該項出售被視為極可能時，分類為持作出售。為符合此分類，資產或出售組別必須在現況下僅於出售該資產或資產組別的一般和慣常條款下出售並極大可能售出。被處置附屬公司的所有的資產和負債再分類為持作出售，不論本集團在出售該附屬公司後是否保留對其非控股權益。

持作出售之非流動資產及出售組別（投資物業和金融資產除外）按賬面值與公允價值減去出售成本兩者之較低者列賬。持作出售之物業、機器、設備和無形資產不計提折舊或攤銷。

無形資產（商譽除外）

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (other than goodwill) (continued)

Permits and licences

Purchased patents and licences are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 10 to 13 years.

Trademark

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

Research and development costs

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

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

2.4 主要會計政策概要(續)

無形資產(商譽除外)(續)

許可證和執照

購入的專利和執照按成本減任何減值虧損列賬，並以直線法在其10至13年的估計可用年期攤銷。

商標

並無限定年期之商標按成本減去任何減值虧損列賬。

研究與開發成本

所有研究成本於產生時在損益中扣除。

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

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

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

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

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

2.4 主要會計政策概要(續)

租賃

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

透過融資性質的租購合約取得的資產按融資租賃列賬,惟按其估計可使用年期折舊。

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

經營租約之預付土地租賃款項初次按成本列賬,其後以直線法於租期確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under HKFRS 9 applicable from 1 April 2018)

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition (applicable from 1 April 2018)" below.

In order for a financial asset to be classified and measured at amortised cost, or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

2.4 主要會計政策概要（續）

投資及其它金融資產（香港財務報告準則第9號項下之政策自2018年4月1日起適用）

首次確認及計量

金融資產於初步確認時分類為其後按攤銷成本計量、按公允價值計入其它全面收益及按公允價值計入損益。

金融資產於初步確認時之分類視乎金融資產合約現金流量之特徵及本集團管理該等資產之業務模式。除並無重大融資成分或本集團並未就此應用不調整重大融資成分影響可行權宜方式之應收賬款外，本集團初步按其公允價值加（倘並非按公允價值計入損益之金融資產）交易成本計量金融資產。如下文"收入確認（自2018年4月1日起適用）"所載政策，並無重大融資成分或本集團並未就此應用可行權宜方式之應收賬款按香港財務報告準則第15號釐定之交易價格計量。

為使金融資產按攤銷成本或按公允價值計入其它全面收益而分類及計量，需產生僅為支付本金及未償還本金利息("SPPI")之現金流量。

本集團管理金融資產之業務模式指為產生現金流量管理金融資產之方式。業務模式釐定現金流量會否來自收取合約現金流量、出售金融資產或以上兩者。

所有以常規方式購買及出售之金融資產均於交易日（即本集團承諾購買或出售資產之日）確認，以常規方式購買或出售指需在市場規例或慣例規定之期限內交付之金融資產購買或出售。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under HKFRS 9 applicable from 1 April 2018) (continued)

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognized as revenue in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

2.4 主要會計政策概要(續)

投資及其它金融資產(香港財務報告準則第9號項下之政策自2018年4月1日起適用)(續)

其後計量

金融資產之其後計量視乎以下分類：

按攤銷成本計量之金融資產(債務工具)

倘符合以下兩個條件，本集團將按攤銷成本計量金融資產：

- 於旨在持有金融資產以收取合約現金流量之業務模式中持有之金融資產。
- 金融資產之合約條款於特定日期產生之現金流量僅為支付本金及未償還本金之利息。

按攤銷成本計量之金融資產其後按實際利息法計量及須檢視有否減值。收益及虧損於資產終止確認、修訂或減值時在損益確認。

指定為按公允價值計入其它全面收益之金融資產(股本投資)

於首次確認時，本集團可選擇於股本投資符合香港會計準則第32號金融工具：呈列項下之股本定義且並非持作買賣時，將其股本投資不可撤回地分類為指定按公允價值計入其它全面收益之股本投資。分類乃按個別工具基準釐定。

該等金融資產之收益及虧損概不會被轉撥損益表。當支付權確立、與股息有關之經濟利益可能流入本集團且股息金額能夠可靠計量時，股息於損益表中確認為收入，惟當本集團於作為收回金融資產一部分成本之所得款項中獲益時則除外，於此等情況，該等收益於其它全面收益入賬。指定按公允價值計入其它全面收益之股本投資不受減值評估影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under HKFRS 9 applicable from 1 April 2018) (continued)

Subsequent measurement (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in the statement of profit or loss and other comprehensive income when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

2.4 主要會計政策概要（續）

投資及其它金融資產（香港財務報告準則第9號項下之政策自2018年4月1日起適用）（續）

其後計量（續）

按公允價值計入損益之金融資產

按公允價值計入損益之金融資產包括於初步確認後指定按公允價值計入損益之金融資產，或需要強制按公允價值計量之金融資產。倘金融資產乃為於近期進行出售或購置而收購，則金融資產會分類為持作買賣。衍生工具（包括獨立嵌入式衍生工具）亦分類為持作買賣，除非衍生工具指定為實際對沖工具，則作別論。現金流量並非僅可用作償還本金及未償還本金利息之金融資產分類為按公允價值計入損益計量，而不論業務模式。儘管如上文所述債務工具可分類為按攤銷成本或按公允價值計入其它全面收益，倘能夠消除或顯著減少會計錯配，則債務工具或會於初步確認時指定為按公允價值計入損益。

按公允價值計入損益之金融資產乃於財務狀況表按公允價值列賬，而公允價值變動淨額則於損益表確認。

該類別包括衍生工具及本公司已不可撤銷地選擇分類為按公允價值計入其它全面收益之股本投資。倘股息付款權已確立，而股息相關經濟利益很可能流向本集團，且股息金額能可靠計量，則分類為按公允價值計入損益之股本投資之股息亦會於損益及其它全面收益表確認為其它收入。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under HKAS 39 applicable before 1 April 2018)

Initial recognition and measurement

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

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

Subsequent measurement

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

Financial assets at fair value through profit or loss

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

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as other income and gains and negative net changes on fair value presented as finance costs in the statement of profit or loss and other comprehensive income. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for "Revenue recognition (applicable before 1 April 2018)" below.

2.4 主要會計政策概要(續)

投資及其它金融資產(香港會計準則第39號項下之政策於2018年4月1日前適用)

首次確認及計量

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

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

其後計量

金融資產之其後計量按以下分類進行:

按公允價值計入損益之金融資產

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

按公允價值計入損益之金融資產按公允價值於財務狀況表列賬,其公允價值變動淨額於收益呈列為其它收入及收益而公允價值負變動淨額於損益及其它全面收益表呈列為融資成本。該等公允價值變動淨額不包括此等金融資產之任何股息或利息,有關股息或利息乃根據下文"收入確認(於2018年4月1日前適用)"所載之政策確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under HKAS 39 applicable before 1 April 2018) (continued)

Subsequent measurement (continued)

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

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

Loans and receivables

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

Available-for-sale financial investments

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

2.4 主要會計政策概要（續）

投資及其它金融資產（香港會計準則第39號項下之政策於2018年4月1日前適用）（續）

其後計量（續）

按公允價值計入損益之金融資產（續）

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

貸款及應收款

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

可供出售金融投資

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under HKAS 39 applicable before 1 April 2018) (continued)

Subsequent measurement (continued)

Available-for-sale financial investments (continued)

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the statement of profit or loss and other comprehensive income in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to the statement of profit or loss and other comprehensive income in other gains or losses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in the statement of profit or loss and other comprehensive income as other income in accordance with the policies set out for "Revenue recognition (applicable before 1 April 2018)" below.

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

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

2.4 主要會計政策概要(續)

投資及其它金融資產(香港會計準則第39號項下之政策於2018年4月1日前適用)(續)

其後計量(續)

可供出售金融投資(續)

首次確認後，可供出售金融投資其後按公允價值計量，有關未變現盈虧則於可供出售投資重估儲備確認為其它全面收益，直至有關投資終止確認(屆時累計盈虧於損益及其它全面收益表之其它收入確認)或直至資產被釐定為出現減值(屆時相關累計盈虧自可供出售投資重估儲備重新分類至損益及其它全面收益表之其它收益或虧損)為止。持有可供出售金融投資所賺取之利息及股息分別呈報為利息收入及股息收入並根據下文"收入確認(於2018年4月1日前適用)"所載之政策在損益及其它全面收益表內確認為其它收入。

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

本集團評估短期內出售可供出售金融資產之能力及意向是否仍然適當。在少數情況下，倘本集團因市場不活躍而無法交易此類金融資產時，如管理層有能力及意願於可見未來或直至到期時持有該等資產，本集團可選擇重新分類該等金融資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under HKAS 39 applicable before 1 April 2018) (continued)

Subsequent measurement (continued)

Available-for-sale financial investments (continued)

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss and other comprehensive income.

Derecognition of financial assets (policies under HKFRS 9 applicable from 1 April 2018 and policies under HKAS 39 applicable before 1 April 2018)

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

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

2.4 主要會計政策概要（續）

投資及其它金融資產（香港會計準則第39號項下之政策於2018年4月1日前適用）（續）

其後計量（續）

可供出售金融投資（續）

倘某項金融資產在可供出售金融資產中重新分類，則重分類日期之公允價值賬面值會成為其新攤銷成本，而該資產原先已計入權益之相關盈虧，在投資之剩餘年期按實際利率攤銷至損益。新攤銷之成本與到期金額之任何差額亦應在該資產之剩餘年期按實際利率攤銷。倘該資產其後釐定減值，原計入權益之金額則重分類至損益及其它全面收益表。

終止確認金融資產（香港財務報告準則第9號項下之政策自2018年4月1日起適用而香港會計準則第39號項下之政策於2018年4月1日前適用）

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial assets (policies under HKFRS 9 applicable from 1 April 2018 and policies under HKAS 39 applicable before 1 April 2018) (continued)

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

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

Impairment of financial assets (policies under HKFRS 9 applicable from 1 April 2018)

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2.4 主要會計政策概要(續)

終止確認金融資產(香港財務報告準則第9號項下之政策自2018年4月1日起適用而香港會計準則第39號項下之政策於2018年4月1日前適用)(續)

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

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

金融資產之減值(香港財務報告準則第9號項下之政策自2018年4月1日起適用)

本集團就所有並非按公允價值計入損益持有之債務工具確認預期信貸虧損撥備。預期信貸虧損乃以根據合約應付之合約現金流量與本集團預期收取之所有現金流量之間之差額為基準,按原有實際利率相近之差額貼現。預期現金流量將包括來自銷售所持有抵押品或其它信用增級之現金流量,此乃合約條款不可或缺之部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (policies under HKFRS 9 applicable from 1 April 2018) (continued)

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 60 to 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.4 主要會計政策概要（續）

金融資產之減值（香港財務報告準則第9號項下之政策自2018年4月1日起適用）（續）

一般方法

預期信貸虧損於兩個階段進行確認。對於自初步確認後並無顯著增加之信貸風險，預期信貸虧損就可能於未來12個月內（12個月預期信貸虧損）出現之違約事件計提撥備。對於自初步確認後有顯著增加之信貸風險，須在信貸虧損風險預期之剩餘年期計提虧損撥備，不論違約事件於何時發生（全期預期信貸虧損）。

於各報告日期，本集團於評估自初始確認後金融工具之信貸風險是否顯著增加時，本集團將於報告日期金融工具發生之違約風險與初始確認日起金融工具發生之違約風險進行比較，本集團會考慮合理且可支持之資料，包括無需付出不必要之成本或努力而可得之歷史及前瞻性資料。

本集團將合約付款逾期60至180天之金融資產視作違約。然而，於若干情況，當內部或外部資料顯示本集團不可能在本集團採取任何信貸提升安排前悉數收回未償還合約金額時，本集團亦可能認為該金融資產違約。當並無收回合約現金流量之合理預期時，金融資產予以撇銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (policies under HKFRS 9 applicable from 1 April 2018) (continued)

General approach (continued)

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade and bills receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade and bills receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.4 主要會計政策概要(續)

金融資產之減值(香港財務報告準則第9號項下之政策自2018年4月1日起適用)(續)

一般方法(續)

按攤銷成本計量之金融資產，在一般方法下可能會發生減值，並且除了採用簡化方法之應收賬款及應收票據以及合約資產(以下詳述)外，其在以下階段分類用於預期信貸虧損計量。

第一階段－ 金融工具自初始確認以來信貸風險未顯著增加，且其虧損撥備相等於12個月預期信貸虧損

第二階段－ 金融工具自初始確認後信貸風險顯著增加，但並非信貸減值金融資產且其虧損撥備相等於全期預期信貸虧損

第三階段－ 於報告日期信貸減值之金融資產(但不是購買或原始信貸減值)，其虧損撥備相等於全期預期信貸虧損

簡化方法

對於不包含重大融資成分之應收賬款及應收票據以及合約資產，或本集團採用可行權宜方式，不會就重大融資成分之影響調整時，本集團採用簡化方法進行預期信貸虧損計量。根據簡化方法，本集團不會追蹤信貸風險之變化，而是於各報告日期進行全期預期信貸虧損確認虧損撥備。本集團已根據其歷史信貸虧損經驗建立撥備矩陣，並根據債務人及經濟環境之前瞻性因素作出調整。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (policies under HKAS 39 applicable before 1 April 2018)

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

Financial assets carried at amortised cost

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

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

2.4 主要會計政策概要（續）

金融資產之減值（香港會計準則第39號項下之政策於2018年4月1日前適用）

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

以攤銷成本列賬之金融資產

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (policies under HKAS 39 applicable before 1 April 2018) (continued)

Financial assets carried at amortised cost (continued)

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

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

Available-for-sale financial investments

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

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

2.4 主要會計政策概要(續)

金融資產之減值(香港會計準則第39號項下之政策於2018年4月1日前適用)(續)

以攤銷成本列賬之金融資產(續)

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

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

可供出售金融投資

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (policies under HKAS 39 applicable before 1 April 2018) (continued)

Available-for-sale financial investments (continued)

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

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

2.4 主要會計政策概要（續）

金融資產之減值（香港會計準則第39號項下之政策於2018年4月1日前適用）（續）

可供出售金融投資（續）

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

確定是否屬"顯著"或"非暫時性"時須作出判斷。在作出判斷時，本集團會評估（其中包括）一項投資的公允價值少於其成本的持續時間或程度。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities (policies under HKFRS 9 applicable from 1 April 2018 and HKAS 39 applicable before 1 April 2018)

Initial recognition and measurement

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

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

The Group's financial liabilities include trade payables, financial liabilities included in other payables and accruals, amount due to a related company and dividend payable.

Derecognition of financial liabilities (policies under HKFRS 9 applicable from 1 April 2018 and HKAS 39 applicable before 1 April 2018)

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

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

Offsetting of financial instruments (policies under HKFRS 9 applicable from 1 April 2018 and HKAS 39 applicable before 1 April 2018)

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

2.4 主要會計政策概要(續)

金融負債(香港財務報告準則第9號項下之政策自2018年4月1日起適用而香港會計準則第39號項下之政策於2018年4月1日前適用)

首次確認及計量

金融負債於首次確認時分類為貸款及借貸以及應付款(倘適用)。

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

本集團之金融負債包括應付賬款、計入其它應付款及應計費用之金融負債、應付一間關連公司款項及應付股息。

終止確認金融負債(香港財務報告準則第9號項下之政策自2018年4月1日起適用而香港會計準則第39號項下之政策於2018年4月1日前適用)

當負債之責任解除或取消或屆滿時,終止確認金融負債。

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

抵銷金融工具(香港財務報告準則第9號項下之政策自2018年4月1日起適用而香港會計準則第39號項下之政策於2018年4月1日前適用)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derivative financial instruments (policies under HKFRS 9 applicable from 1 April 2018 and HKAS 39 applicable before 1 April 2018)

Initial recognition and subsequent measurement

The Group has derivative financial instruments, such as foreign commodity contracts, to hedge its commodity price risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Inventories

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

Cash and cash equivalents

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

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

2.4 主要會計政策概要（續）

衍生金融工具（香港財務報告準則第9號項下之政策自2018年4月1日起適用而香港會計準則第39號項下之政策於2018年4月1日前適用）

首次確認及其後計量

本集團擁有衍生金融工具，例如外國商品合約，以對沖其商品價格風險。該等衍生金融工具初步按訂立衍生工具合約當日的公允價值確認，其後按公允價值重新計量。衍生工具在公允價值為正時列作資產，在公允價值為負時列作負債。

存貨

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

現金及現金等值項目

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions

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

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

Income tax

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

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

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

2.4 主要會計政策概要(續)

撥備

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

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

所得稅

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

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

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

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.4 主要會計政策概要（續）

所得稅（續）

遞延稅項負債就所有應課稅暫時差額予以確認，惟：

- 倘遞延稅項負債源於首次確認商譽或交易（並非業務合併，且於交易時不影響會計溢利亦不影響應課稅溢利或虧損）之資產及負債除外；及

- 有關於附屬公司投資之應課稅暫時差額，而可控制暫時差額之撥回時間且暫時差額於可預見未來可能不會撥回者除外。

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

- 有關可扣稅暫時差額之遞延稅項資產源於首次確認一項交易（並非業務合併，且於交易時不影響會計溢利亦不影響應課稅溢利或虧損）之資產及負債；及

- 有關於附屬公司投資之可扣稅暫時差額，遞延稅項資產僅限於在可預見未來可能撥回暫時差額及可能有應課稅溢利以動用暫時差額情況確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

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

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

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

2.4 主要會計政策概要(續)

所得稅(續)

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government grants

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

Revenue recognition (applicable from 1 April 2018)

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

(a) Sale of pharmaceutical, biotechnology and healthcare products

Revenue from the sale of pharmaceutical, biotechnology and healthcare products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the pharmaceutical, biotechnology and healthcare products.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

2.4 主要會計政策概要(續)

政府補助金

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

收入確認(自2018年4月1日起適用)

客戶合約收入

當客戶合約收入按反映本集團預期有權獲得以交換該等貨品或服務之代價金額轉移至客戶時，確認客戶合約收入。

(a) 銷售醫藥、生物科技及保健產品

來自銷售醫藥、生物科技及保健產品之收入在資產控制權轉移至客戶時(一般為交付該等醫藥、生物科技及保健產品時)確認。

其它收入

利用實際利率法計算按累計基準確認之利息收入，利率為在金融工具之預期有效期或更短期間(如適用)將估計未來現金收入準確折現至金融資產賬面淨值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (applicable before 1 April 2018)

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

(a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold; and

(b) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities (applicable from 1 April 2018)

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received a consideration (or an amount of consideration that is due) from the customer. If a customer pays the consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

2.4 主要會計政策概要(續)

收入確認(於2018年4月1日前適用)

在有關經濟利益有可能流入本集團及可按下列方式可靠計量有關收入時,確認收入:

(a) 出售貨品收入在其所有權之重大風險及回報已轉移至買家時確認,惟本集團並無參與已售貨品所有權有關之管理,亦無實質控制所售貨品;及

(b) 利息收入按應計基準採用實際利率法對金融工具之預計年期或較短期間(如適用)以實際折現估計未來收取現金至金融資產賬面淨值之比率確認。

合約負債(自2018年4月1日起適用)

合約負債是指向本集團已收到客戶代價(或應付代價金額)之客戶轉移貨品或服務之責任。倘若客戶在本集團向客戶轉移貨物或服務之前支付代價,則在付款或付款到期時(以較早者為準)確認合約負債。合約負債於本集團根據合約履行時確認為收入。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefit

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain specific percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

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

Dividends

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

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

2.4 主要會計政策概要(續)

僱員福利

退休金計劃

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

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

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

股息

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

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

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

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

2.4 主要會計政策概要(續)

外幣

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

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

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

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Estimation uncertainty

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

2.4 主要會計政策概要(續)

外幣(續)

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

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

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

3. 主要會計判斷及估計

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

估計不確定因素

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 March 2019 was approximately HK$104,827,000 (2018: HK$112,148,000). Further details are given in note 15.

Impairment of non-financial assets (other than goodwill)

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

3. 主要會計判斷及估計(續)

估計不確定因素(續)

商譽減值

本集團至少於每個年度評估商譽是否發生減值。這要求對被分配商譽的現金產生單位的使用價值進行估計。估計使用價值時，本集團需要估計來自現金產生單位的預期未來現金流量，同時選擇恰當的貼現率計算該等現金流量的現值。商譽於2019年3月31日的賬面值約為104,827,000港元(2018年：112,148,000港元)。進一步詳細請參閱附註15。

非金融資產減值(商譽除外)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

4. OPERATING SEGMENT INFORMATION

Information reported to the managing director of the Company, being the chief operating decision maker (CODM), for the purposes of resource allocation and assessment of segment performance focuses on the types of goods delivered. Other than the revenue analysis as set out below, no operating results and other discrete financial information relating to major products is prepared regularly for internal reporting to the CODM for resource allocation and performance assessment. The CODM reviews the financial performance of pharmaceutical and biotechnology business as a whole for allocating resources and assessing performance. In addition, the CODM monitors the Group's assets and liabilities as a whole, accordingly, no segment assets and liabilities are presented.

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

4. 經營分部資料

本公司為分配資源及評估分部表現而向本公司董事總經理(即主要營運決策者)呈報之資料集中說明已交付之貨物類別。除以下所載之收入分析外，概無常規編製與主要產品相關的經營業績及其它分立財務資料以就資源分配及表現評估向主要營運決策者進行內部呈報。主要營運決策者整體審閱醫藥生物業務的財務表現，以分配資源及評估表現。此外，主要營運決策者監察本集團的整體資產及負債，因此並無呈列分部資產及負債。

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

		2019		
		Pharmaceutical and biotechnology business 醫藥生物業務 HK$ 港元	Unallocated 未分配 HK$ 港元	Total 總計 HK$ 港元
Segment revenue:	**分部收入：**			
Sales to external customers	向外部客戶銷售	**527,002,819**	**–**	**527,002,819**
Revenue	收入	**527,002,819**	**–**	**527,002,819**
Segment results	**分部業績**	**36,349,774**	**(10,182,677)**	**26,167,097**
Profit before tax	除稅前溢利			**26,167,097**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

4. OPERATING SEGMENT INFORMATION (continued) 4. 經營分部資料（續）

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

Geographical information 地域資料

(a) Revenue from external customers *(a) 來自外界客戶之收入*

		2019 HK$ 港元	2018 HK$ 港元
Mainland China	中國大陸	**525,088,733**	360,009,359
Hong Kong	香港	**1,020,944**	1,030,835
Australia	澳大利亞	**893,142**	514,455
		527,002,819	361,554,649

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

以上營運之收入資料以客戶所在地為基準。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

4. OPERATING SEGMENT INFORMATION (continued)
4. 經營分部資料(續)

Geographical information (continued)
地域資料(續)田田

(b) Non-current assets
(b) 非流動資產

		2019 HK$ 港元	2018 HK$ 港元
Mainland China	中國大陸	**265,698,418**	408,307,160
Hong Kong	香港	**1,567,639**	2,085,669
Australia	澳大利亞	**17,226**	25,247
		267,283,283	410,418,076

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

以上營運之非流動資產資料以資產所在地為基準，且不包括金融工具。

Information about a major customer

During the years ended 31 March 2019 and 2018, no revenue from any single customer accounted for 10% or more of the total revenue of the Group.

有關主要客戶之資料

截至2019年及2018年3月31日止年度，並無來自任何一名客戶的收入佔本集團收入10%或以上。

5. REVENUE, OTHER INCOME, GAINS AND LOSSES
5. 收入、其它收入、收益及虧損

An analysis of revenue is as follows:

有關收入之分析如下：

		2019 HK$ 港元	2018 HK$ 港元
Revenue from contracts with customers	**客戶合約收入**		
Sale of pharmaceuticals, biotechnology and healthcare products:	銷售醫藥、生物科技及保健產品：		
– Cerebroprotein hydrolysate injection	一注射用腦蛋白水解物	**268,520,338**	158,269,495
– Tuoping (Valsartan capsules)	一托平(纈沙坦膠囊)	**69,206,399**	56,633,856
– Tuoen (Ibuprofen suspension and drops)	一托恩(布洛芬混懸液及滴劑)	**65,386,623**	65,285,097
– Other products	一其它產品	**123,889,459**	81,366,201
		527,002,819	361,554,649

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

5. REVENUE, OTHER INCOME, GAINS AND LOSSES (continued)
5. 收入、其它收入、收益及虧損(續)

Revenue from contracts with customers

客戶合約收入

(i) Disaggregated revenue information

(i) 經分拆之收入資料

For the year ended 31 March 2019

截至2019年3月31日止年度

Segments	分部	Pharmaceutical, biotechnology and healthcare products 醫藥、生物科技及保健產品 HK$ 港元
Type of goods	**貨品類別**	
Sale of goods	銷售貨品	527,002,819
Total revenue from contracts with customers	客戶合約收入總額	527,002,819
Geographical markets	**地域市場**	
Mainland China	中國大陸	525,088,733
Hong Kong	香港	1,020,944
Australia	澳大利亞	893,142
Total revenue from contracts with customers	客戶合約收入總額	527,002,819
Timing of revenue recognition	**收入確認之時間性**	
Goods transferred at a point in time	於某時點轉移之貨品	527,002,819
Total revenue from contracts with customers	客戶合約收入總額	527,002,819
Revenue from contracts with customers	**客戶合約收入**	
External customers	外部客戶	527,002,819
Total revenue from contracts with customers	客戶合約收入總額	527,002,819

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

下表顯示於本報告期間確認而已計入報告期初之合約負債之收入金額：

		2019 HK$ 港元
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	已計入報告期初之合約負債之已確認收入：	
Sale of goods	銷售貨品	17,815,075

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

5. REVENUE, OTHER INCOME, GAINS AND LOSSES (continued)

Revenue from contracts with customers (continued)

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of pharmaceutical, biotechnology and healthcare products

The performance obligation is satisfied upon delivery of the pharmaceutical, biotechnology and healthcare products and payment is generally due within 60 to 180 days from delivery, except for new customers, where payment in advance is normally required.

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

5. 收入、其它收入、收益及虧損 (續)

客戶合約收入 (續)

(ii) 履約責任

有關本集團履約責任之資料概述如下：

銷售醫藥、生物科技及保健產品

履約責任於交付醫藥、生物科技及保健產品時達成，貨款一般於交付日期起計60至180天內到期，惟新客戶一般須預付款項。

有關其它收入、收益及虧損之分析如下：

		2019 **HK$** **港元**	2018 HK$ 港元
Other income	**其它收入**		
Bank interest income	銀行利息收入	**6,465,231**	4,143,258
Government subsidies*	政府資助*	**3,406,910**	1,403,937
Others	其它	**728,680**	400,602
		10,600,821	5,947,797
Gains and losses	**收益及虧損**		
Fair value gains/(losses), net:	公允價值收益／(虧損)淨額：		
Derivative instruments – transactions not qualifying as hedges	衍生工具－不符合對沖資格之交易	**(4,555,476)**	(255,097)
Structured deposits	結構性存款	**6,569,715**	5,210,874
Gain on disposal of available-for-sale investments	出售可供出售投資之收益	**–**	8,293,917
Foreign exchange gain/(loss), net	匯兌收益／(虧損)淨額	**4,571,995**	(2,830,438)
Loss on disposal/write off of property, plant and equipment	出售／撇銷物業、廠房及設備之虧損	**(252,388)**	(90,785)
Impairment loss on intangible assets	其它無形資產的減值虧損	**–**	(1,307,629)
		16,934,667	14,968,639

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

* 並無有關此等補助金之尚未達成條件或或有事項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

6. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

6. 持續經營業務之除稅前溢利

The Group's profit before tax is arrived at after charging/(crediting):

本集團之本年度溢利經扣除／(已計入)：

		Notes 附註	2019 HK$ 港元	2018 HK$ 港元
Cost of inventories sold	已售存貨之成本		**102,923,092**	91,195,131
Depreciation	折舊		**11,467,349**	11,001,929
Amortisation of licences and permits	執照及許可證攤銷	16	**4,698,901**	11,039,985
Research and development costs	研發成本		**6,915,847**	3,138,669
Impairment of trademark	商標減值	16	**–**	1,307,629
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷		**3,420,690**	3,743,075
Auditors' remuneration	核數師酬金		**2,072,716**	1,965,192
Foreign exchange differences, net	匯兌差異淨額		**(4,571,995)**	2,830,438
Impairment of financial and contract assets, net:	金融及合約資產減值淨額：			
Reversal of impairment of trade and bills receivables	撥回應收賬款及應收票據減值	19	**(3,566)**	–
Reversal of impairment of financial assets included in prepayments, deposits and other receivables, net	撥回計入預付款項、按金及其它應收款之金融資產減值淨額	20	**(8,264)**	–
			(11,830)	–
Minimum lease payments under operating leases	經營租賃之最低租賃付款		**7,427,766**	6,379,465
Employee benefit expense (including directors' and chief executive's remuneration (note 7)):	僱員福利開支(不包括董事及主要行政人員酬金(附註7))：			
Wages and salaries	工資及薪酬		**48,998,654**	42,270,441
Pension scheme contributions	退休金計劃供款		**5,089,029**	3,814,947

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

7. CHIEF EXECUTIVE'S AND DIRECTORS' REMUNERATION

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

7. 主要行政人員及董事酬金

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

		2019 **HK$** **港元**	2018 HK$ 港元
Fees	袍金	**492,000**	492,000

(a) Independent non-executive directors

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

(a) 獨立非執行董事

年內已付予獨立非執行董事之袍金如下：

		2019 **HK$** **港元**	2018 HK$ 港元
Mr. Lam Yat Fai	林日輝先生	**72,000**	72,000
Mr. Chiu Sung Hong	趙崇康先生	**72,000**	72,000
Mr. Chiu Fan Wa	趙帆華先生	**72,000**	72,000
		216,000	216,000

There were no other emoluments payable to the independent non-executive directors during the year (2018: Nil).

年內並無應付予獨立非執行董事之其它酬金（2018年：無）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

7. CHIEF EXECUTIVE'S AND DIRECTORS' REMUNERATION (continued)

7. 主要行政人員及董事酬金（續）

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

(b) 主要行政人員、執行董事及非執行董事

		Fees 袍金 HK$ 港元
2019	**2019年**	
Chief executive:	主要行政人員：	
Mr. Fang Wen Quan	方文權先生	**60,000**
Executive director:	執行董事：	
Mr. Lui Man Sang	呂文生先生	**72,000**
Non-executive directors:	非執行董事：	
Mr. Shen Bo	沈波先生	**72,000**
Mr. Feng Quanming	馮全明先生	**–**
Dr. Lam Lee G.	林家禮博士	**72,000**
		144,000
		276,000
2018	2018年	
Chief executive:	主要行政人員：	
Mr. Fang Wen Quan	方文權先生	60,000
Executive director:	執行董事：	
Mr. Lui Man Sang	呂文生先生	72,000
Non-executive directors:	非執行董事：	
Mr. Shi Shaobin	施少斌先生	54,000
Mr. Shen Bo	沈波先生	72,000
Mr. Feng Quanming	馮全明先生	–
Dr. Lam Lee G.	林家禮博士	18,000
		144,000
		276,000

Notes:

(a) Mr. Shi Shaobin resigned as non-executive director with effect from 31 December 2017.

(b) Dr. Lam Lee G. was appointed as non-executive director with effect from 1 January 2018.

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

附註：

(a) 施少斌先生已辭任非執行董事，由2017年12月31日起生效。

(b) 林家禮博士已獲委任為非執行董事，由2018年1月1日起生效。

年內並無董事或主要行政人員放棄或同意放棄任何酬金之安排。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

8. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year did not include any executive director (2018: Nil), details of whose remuneration are set out in note 7 above. Details of the remuneration for the year of the five (2018: five) highest paid employees who are neither a director nor chief executive of the Company are as follows:

8. 五名最高薪酬僱員

年內五名最高薪酬僱員不包括任何執行董事（2018年：無），其酬金詳列於上文附註7。年內五名（2018年：五名）並非本公司董事或主要行政人員之最高薪酬僱員之酬金詳情如下：

		2019 **HK$** **港元**	2018 HK$ 港元
Salaries, allowances and benefits in kind	薪酬、津貼及實物利益	**3,597,295**	4,060,799
Performance related bonuses	績效花紅	**102,475**	316,400
Pension scheme contributions	退休金計劃供款	**81,024**	72,000
		3,780,794	4,449,199

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

酬金屬於以下組別而並非董事及並非主要行政人員之最高薪酬僱員之人數如下：

		Number of employees 僱員人數	
		2019	2018
Nil to HK$1,000,000	無至1,000,000港元	**4**	3
HK$1,000,001 to HK$1,500,000	1,000,001港元至1,500,000港元	**1**	2
		5	5

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

9. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2018: Nil). Tax on profits assessable in the Mainland China has been calculated at the applicable Mainland China corporate income tax ("CIT") rate of 25% (2018: 25%), except for Yunnan Meng Sheng Pharmaceutical Co., Ltd. ("Meng Sheng Pharmaceutical") and Tianda Pharmaceuticals (Zhuhai) Ltd. ("Tianda Pharmaceuticals (Zhuhai)"), which are the subsidiaries of the Group. Meng Sheng Pharmaceutical is established in the Kunming economic development zone. Pursuant to the relevant laws and regulations in the PRC, Meng Sheng Pharmaceutical is engaged in Western China Development and was entitled to a preferential tax rate of 15% during the year (2018: 15%). Tianda Pharmaceuticals (Zhuhai) is qualified as an advanced technology enterprise and has obtained approvals from the relevant tax authorities for a preferential tax rate of 15% for a period of 3 years up to December 2019. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

9. 所得稅

由於本集團在年內並無在香港產生任何應課稅溢利，故並無作出香港利得稅撥備（2018年：無）。除本集團附屬公司雲南盟生藥業有限公司（"盟生藥業"）及天大藥業（珠海）有限公司（"天大藥業（珠海）"）外，於中國大陸就應課稅溢利徵收之稅項，乃按照適用中國大陸企業所得稅（"企業所得稅"）稅率25%（2018年：25%）計算。盟生藥業於昆明經濟開發區成立。根據中國之相關法律及法規，盟生藥業參與中國西部開發，故於本年度享有優惠稅率15%（2018年：15%）。天大藥業（珠海）符合高新技術企業資格，獲得相關稅務機關批准按優惠稅率15%繳稅，為期三年，直至2019年12月為止。其它地區的應課稅溢利之稅項已按本集團經營所在司法權區之當前稅率計算。

		2019 HK$ 港元	2018 HK$ 港元
Current – Mainland China	即期－中國大陸		
Charge for the year	本年度支出	10,017,876	10,441,726
Underprovision in prior years	以往年度撥備不足	217,675	–
Withholding tax	預扣稅	1,786,240	1,582,309
Deferred tax (note 25)	遞延稅項（附註25）	(1,837,637)	(4,244,079)
		10,184,154	7,779,956

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

9. INCOME TAX (continued)

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

9. 所得稅（續）

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

		2019 HK$ 港元	2019 %	2018 HK$ 港元	2018 %
Profit before tax	除稅前溢利	**26,167,097**		29,941,995	
Tax at the statutory tax rate	按法定稅率計算之稅項	**6,541,774**	**25.0**	7,485,499	25.0
Lower tax rate(s) enacted by local authority	地方機關頒佈之較低稅率	**(5,252,473)**	**(20.1)**	(4,784,567)	(16.0)
Effect of withholding tax at 10% on the distributable profits of the Group's PRC subsidiaries	按本集團中國附屬公司可分派溢利之10%計算之預扣稅之影響	**1,592,566**	**6.1**	1,125,442	3.8
Income not subject to tax	毋須課稅之收入	**(2,950,169)**	**(11.2)**	(2,646,380)	(8.8)
Expenses not deductible for tax	不可扣稅之支出	**2,306,625**	**8.8**	1,414,984	4.7
Tax losses not recognised	未確認之稅項虧損	**7,728,156**	**29.5**	5,184,978	17.3
Adjustments in respect of current tax of previous period	就往期稅項於即期作出調整	**217,675**	**0.8**	–	0.0
Tax charge at the Group's effective rate	按本集團之有效稅率計算之稅項支出	**10,184,154**	**38.9**	7,779,956	26.0

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

10. ASSETS OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH THE ASSETS CLASSIFIED AS HELD FOR SALE

On 22 February 2019, the Company announced the decision of its board of directors to dispose of Zhuhai Tianda Realty Limited ("Zhuhai Realty"). Zhuhai Realty engages in property holding. The Group has decided to dispose of the property because it will no longer have any operation in Zhuhai Realty after the relocation of its existing research and development (R&D) and production base to a new R&D and production base in Jinwan District, Zhuhai, the PRC. The disposal of Zhuhai Realty is expected to be completed by 2020. As at 31 March 2019, final negotiations for the sale were fixed and Zhuhai Realty was classified as a disposal group held for sale.

The major classes of assets and liabilities of Zhuhai Realty classified as held for sale as at 31 March 2019 are as follows:

10. 分類為持作出售之出售組別之資產及與分類為持作出售之資產直接有關之負債

於2019年2月22日，本公司宣佈，其董事會決定出售珠海天大置業有限公司（"珠海置業"）。珠海置業從事物業控股。本集團已決定出售物業，因為其目前的研發及製藥基地遷往位於中國珠海金灣區的新研發及製藥基地後，珠海置業將不再有任何營運。珠海置業的出售預期於2020年完成。截至2019年3月31日，該項出售的最終磋商已敲定，而珠海置業乃分類為持作出售之出售組別。

於2019年3月31日分類為持作出售之珠海置業之主要資產及負債類別如下：

		2019 HK$ 港元
Assets	*資產*	
Property, plant and equipment	物業、廠房及設備	66,264,213
Prepaid land lease payments	預付土地租賃款項	66,340,980
Cash and short term deposits	現金及短期存款	8,259,491
Assets classified as held for sale	分類為持作出售之資產	140,864,684
Liabilities	*負債*	
Accruals	應計款項	(285,177)
Deferred tax liabilities	遞延稅項負債	(14,265,840)
Liabilities directly associated with the assets classified as held for sale	與分類為持作出售之資產直接有關之負債	(14,551,017)
Net assets directly associated with the disposal group	與出售組別直接有關之資產淨值	126,313,667

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

11. DIVIDENDS
11. 股息

		2019 HK$ 港元	2018 HK$ 港元
Final – HK0.11 cents per share for 2019 (HK0.35 cents per share for 2018)	末期股息－2019年每股0.11港仙（2018年每股0.35港仙）	**2,365,046**	7,525,146

A final dividend of HK$0.11 cents per share amounting to approximately HK$2,365,046 in respect of the year ended 31 March 2019 (2018: HK0.35 cents per share amounting to approximately HK$7,525,146) has been proposed by the directors and is subject to approval by the shareholders at the forthcoming annual general meeting.

董事建議就截至2019年3月31日止年度派付末期股息每股0.11港仙，合共約2,365,046港元（2018年：每股0.35港仙，合共約7,525,146港元），須待股東於應屆股東週年大會上批准後，方始作實。

12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT
12. 母公司普通權益持有人應佔每股盈利

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 2,150,191,944 (2018: 2,150,620,268) in issue during the year.

每股基本盈利金額按母公司普通權益持有人應佔年度溢利及年內已發行普通股加權平均數2,150,191,944股（2018年：2,150,620,268股）計算。

		2019 HK$ 港元	2018 HK$ 港元
Profit attributable to ordinary equity holder of the parent, used in basic earnings per share	用於每股基本盈利之母公司普通權益持有人應佔溢利	**2,657,173**	10,007,756

		Number of shares 股份數目 2019	 2018
Weighted average number of ordinary shares in issue during the year for the purposes of basic earnings per share calculation	用於計算每股基本盈利之年內已發行普通股加權平均數	**2,150,191,944**	2,150,620,268

The Group had no potentially diluted ordinary shares in issue during the years ended 31 March 2019 and 2018.

本集團於截至2019年及2018年3月31日止年度並無具潛在攤薄效應之已發行普通股。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

13. PROPERTY, PLANT AND EQUIPMENT　13. 物業、廠房及設備

		Notes 附註	Buildings 樓宇 HK$ 港元	Leasehold improvements 租賃物業裝修 HK$ 港元	Plant and machinery 廠房及機器 HK$ 港元	Furniture, fixtures and equipment 傢俱、裝置及設備 HK$ 港元	Motor vehicles 汽車 HK$ 港元	Construction in progress 在建工程 HK$ 港元	Total 總額 HK$ 港元
At 1 April 2017, net of accumulated depreciation	於2017年4月1日，扣除累計折舊		91,687,748	900,149	35,004,144	8,824,328	2,019,786	848,028	139,284,183
Additions	添置		–	1,166,592	2,585,668	798,989	711,440	3,362,115	8,624,804
Depreciation provided during the year	年內折舊撥備		(3,469,323)	(293,331)	(4,781,272)	(1,880,702)	(577,301)	–	(11,001,929)
Disposals/write-off	出售／撇銷		(26,611)	–	(40,197)	(50,588)	–	–	(117,396)
Acquisition of a new subsidiary	收購一間新附屬公司		–	322,009	–	373,064	330,558	–	1,025,631
Exchange realignment	匯兌調整		8,692,601	83,167	3,262,188	746,452	171,889	292,976	13,249,273
At 31 March 2018 and 1 April 2018, net of accumulated depreciation	於2018年3月31日及2018年4月1日，扣除累計折舊		96,884,415	2,178,586	36,030,531	8,811,543	2,656,372	4,503,119	151,064,566
Additions	添置		–	–	1,165,956	2,363,666	347,906	29,808,916	33,686,444
Depreciation provided during the year	年內折舊撥備		(3,170,825)	(926,958)	(4,847,867)	(1,946,972)	(574,727)	–	(11,467,349)
Disposals/write-off	出售／撇銷		(11,678)	–	(288,075)	(87,374)	(30,713)	–	(417,840)
Acquisition of a new subsidiary	收購一間新附屬公司	29	–	–	–	242,005	–	–	242,005
Reclassified to assets held for sale	重新分類至持作出售之資產	10	(66,264,213)	–	–	–	–	–	(66,264,213)
Exchange realignment	匯兌調整		(7,202,884)	(101,607)	(2,657,925)	(617,488)	(143,939)	(558,855)	(11,282,698)
At 31 March 2019	**於2019年3月31日**		**20,234,815**	**1,150,021**	**29,402,620**	**8,765,380**	**2,254,899**	**33,753,180**	**95,560,915**

		Buildings 樓宇 HK$ 港元	Leasehold improvements 租賃物業裝修 HK$ 港元	Plant and machinery 廠房及機器 HK$ 港元	Furniture, fixtures and equipment 傢具、裝置及設備 HK$ 港元	Motor vehicles 汽車 HK$ 港元	Construction in progress 在建工程 HK$ 港元	Total 總額 HK$ 港元
At 31 March 2017 and 1 April 2018:	於2017年3月31日及2018年4月1日：							
Cost	成本	107,904,073	1,603,851	47,852,549	15,231,615	6,174,727	848,028	179,614,843
Accumulated depreciation	累計折舊	(16,216,325)	(703,702)	(12,848,405)	(6,407,287)	(4,154,941)	–	(40,330,660)
Net carrying amount	賬面淨值	91,687,748	900,149	35,004,144	8,824,328	2,019,786	848,028	139,284,183
At 31 March 2018:	於2018年3月31日：							
Cost	成本	118,363,466	3,183,946	54,849,134	17,166,139	7,760,979	4,503,119	205,826,783
Accumulated depreciation	累計折舊	(21,479,051)	(1,005,360)	(18,818,603)	(8,354,596)	(5,104,607)	–	(54,762,217)
Net carrying amount	賬面淨值	96,884,415	2,178,586	36,030,531	8,811,543	2,656,372	4,503,119	151,064,566
At 31 March 2019:	**於2019年3月31日：**							
Cost	**成本**	**30,697,201**	**3,066,085**	**51,202,934**	**18,207,557**	**7,398,721**	**33,753,180**	**144,325,678**
Accumulated depreciation	**累計折舊**	**(10,462,386)**	**(1,916,064)**	**(21,800,314)**	**(9,442,177)**	**(5,143,822)**	**–**	**(48,764,763)**
Net carrying amount	**賬面淨值**	**20,234,815**	**1,150,021**	**29,402,620**	**8,765,380**	**2,254,899**	**33,753,180**	**95,560,915**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

14. PREPAID LAND LEASE PAYMENTS　14. 預付土地租賃款項

		Note 附註	**2019 HK$ 港元**	2018 HK$ 港元
Carrying amount at beginning of the year	於年初之賬面值		**117,621,068**	110,826,809
Reclassified to assets held for sale	重新分類至持作出售之資產	10	**(66,340,980)**	–
Recognised during the year	年內確認		**(3,420,690)**	(3,743,075)
Exchange realignment	匯兌調整		**(8,747,732)**	10,537,334
Carrying amount at end of the year	於年末之賬面值		**39,111,666**	117,621,068
Current portion	流動部份		**(863,203)**	(3,977,486)
Non-current portion	非流動部份		**38,248,463**	113,643,582

15. GOODWILL　15. 商譽

		HK$ 港元
31 March 2018	**2018年3月31日**	
Cost at 1 April 2017, net of accumulated impairment	於2017年4月1日之成本，扣除累計減值	98,714,465
Acquisition of a subsidiary	收購一間附屬公司	3,295,777
Exchange realignment	匯兌調整	10,137,771
At 31 March 2018	於2018年3月31日	112,148,013
At 31 March 2018:	於2018年3月31日：	
Cost	成本	114,289,724
Accumulated impairment	累計減值	(2,141,711)
Net carrying amount	賬面淨值	112,148,013
31 March 2019	**2019年3月31日**	
Cost at 1 April 2018, net of accumulated impairment	於2018年4月1日之成本，扣除累計減值	112,148,013
Acquisition of a subsidiary (note 29)	收購一間附屬公司（附註29）	1,321,530
Exchange realignment	匯兌調整	(8,642,191)
At 31 March 2019	**於2019年3月31日**	**104,827,352**
At 31 March 2019:	**於2019年3月31日：**	
Cost	**成本**	**106,969,063**
Accumulated impairment	**累計減值**	**(2,141,711)**
Net carrying amount	**賬面淨值**	**104,827,352**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

15. GOODWILL (continued)

Impairment testing of goodwill

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

- Pharmaceutical products cash-generating unit for Meng Sheng Pharmaceutical
- Pharmaceutical products cash-generating unit for Tianda Pharmaceuticals (Zhuhai)
- Pharmaceutical products cash-generating unit for Tianda Chinese Medicine (China) Ltd. ("TCM (China)")
- Pharmaceutical products cash-generating unit for Zhuhai Tianda Processed Chinese Herbal Medicine Ltd. ("Zhuhai TPCHM")

Pharmaceutical products cash-generating unit for Meng Sheng Pharmaceutical

The recoverable amount of the pharmaceutical products cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 13.96% (2018: 13.96%). The growth rate used to extrapolate the cash flows of the pharmaceutical products unit beyond the five-year period is 3% (2018: 3%), which was the same as the long term average growth rate of the pharmaceutical industry.

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

The recoverable amount of the pharmaceutical products cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a ten-year period approved by senior management. The discount rate applied to the cash flow projections is 13.96% (2018: 13.96%). The growth rate used to extrapolate the cash flows of the pharmaceutical products unit beyond the ten-year period is 3% (2018: 3%), which was the same as the long term average growth rate of the pharmaceutical industry.

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

15. 商譽(續)

商譽減值測試

通過業務合併購入的商譽分配至以下現金產生單位作減值測試：

- 盟生藥業之醫藥產品現金產生單位
- 天大藥業(珠海)之醫藥產品現金產生單位
- 天大中醫藥(中國)有限公司(「天大中醫藥(中國)」)之醫藥產品現金產生單位
- 珠海天大中藥飲片有限公司(「珠海天大中藥飲片」)之醫藥產品現金產生單位

盟生藥業之醫藥產品現金產生單位

醫藥產品現金產生單位的可收回金額乃採用基於高級管理層批准的覆蓋五年期間的財務預算作出的現金流量預測按使用價值計算釐定。現金流量預測所採用的貼現率為13.96%(2018年：13.96%)。五年期間後之醫藥產品現金產生單位的現金流量按3%(2018年：3%)增長率(此與醫藥行業的長遠平均增長率相同)推算。

天大藥業(珠海)之醫藥產品現金產生單位

醫藥產品現金產生單位的可收回金額乃採用基於高級管理層批准的覆蓋十年期間的財務預算作出的現金流量預測按使用價值計算釐定。現金流量預測所採用的貼現率為13.96%(2018年：13.96%)。十年期間後之醫藥產品現金產生單位的現金流量按3%(2018年：3%)增長率(此與醫藥行業的長遠平均增長率相同)推算。

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

15. GOODWILL (continued)

Impairment testing of goodwill (continued)

Pharmaceutical products cash-generating unit for TCM (China)

The recoverable amount of the pharmaceutical products cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 14.34% (2018: 14.34%). The growth rate used to extrapolate the cash flows of the pharmaceutical products unit beyond the five-year period is 3% (2018: 3%), which was the same as the long term average growth rate of the pharmaceutical industry.

Pharmaceutical products cash-generating unit for Zhuhai TPCHM

The recoverable amount of the pharmaceutical products cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 17.00%. The growth rate used to extrapolate the cash flows of the pharmaceutical products unit beyond the five-year period is 2%, which is the same as the long term average growth rate of the pharmaceutical industry.

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

15. 商譽(續)

商譽減值測試(續)

天大中醫藥(中國)之醫藥產品現金產生單位

醫藥產品現金產生單位的可收回金額乃採用基於高級管理層批准的覆蓋五年期間的財務預算作出的現金流量預測按使用價值計算釐定。現金流量預測所採用的貼現率為14.34%(2018年:14.34%)。五年期間後之醫藥產品現金產生單位的現金流量按3%(2018年:3%)增長率(此與醫藥行業的長遠平均增長率相同)推算。

珠海天大中藥飲片之醫藥產品現金產生單位

醫藥產品現金產生單位的可收回金額乃採用基於高級管理層批准的覆蓋五年期間的財務預算作出的現金流量預測按使用價值計算釐定。現金流量預測所採用的貼現率為17.00%。五年期間後之醫藥產品現金產生單位的現金流量按2%增長率(此與醫藥行業的長遠平均增長率相同)推算。

分配至各現金產生單位之商譽之賬面值如下:

		Zhuhai TPCHM 珠海天大中藥飲片 HK$ 港元	TCM (China) 天大中醫藥(中國) HK$ 港元	Meng Sheng Pharmaceutical 盟生藥業 HK$ 港元	Tianda Pharmaceuticals (Zhuhai) 天大藥業(珠海) HK$ 港元	Total 總額 HK$ 港元
Carrying amount of goodwill as at 31 March 2019	**於2019年3月31日之商譽賬面值**	**1,340,138**	**3,195,853**	**6,156,916**	**94,134,445**	**104,827,352**
Carrying amount of goodwill as at 31 March 2018	於2018年3月31日之商譽賬面值	–	3,453,434	6,653,157	102,041,422	112,148,013

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

15. GOODWILL (continued)

Impairment testing of goodwill (continued)

Pharmaceutical products cash-generating unit for Zhuhai TPCHM *(continued)*

Assumptions were used in the value in use calculation of the pharmaceuticals products cash-generating units for 31 March 2019 and 2018. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

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

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

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

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

15. 商譽（續）

商譽減值測試（續）

天大中醫藥（中國）之醫藥產品現金產生單位（續）

假設乃用於計算2019年及2018年3月31日醫藥產品現金產生單位的使用價值。以下載列管理層用於現金流量預測進行商譽減值測試時的各關鍵假設：

預測增長率 — 基於行業預測的預測增長率。

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

貼現率 — 所用貼現率為除稅前，並反映與相關單位有關的特定風險。

用於釐定價值的醫藥產品市場發展及貼現率的主要假設與外部信息來源一致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

16. OTHER INTANGIBLE ASSETS 16. 其它無形資產

		Trademark 商標 HK$ 港元	Licences and permits 執照及許可證 HK$ 港元	Total 總額 HK$ 港元
31 March 2018	**2018年3月31日**			
Cost at 1 April 2017, net of accumulated amortisation and impairment	於2017年4月1日之成本值，扣除累計攤銷及減值	1,298,260	39,737,458	41,035,718
Additions	添置	5,168	–	5,168
Amortisation provided during the year	年內攤銷撥備	–	(11,039,985)	(11,039,985)
Acquisition of a subsidiary	收購一間附屬公司	–	1,702,650	1,702,650
Impairment during the year	年內減值	(1,307,629)	–	(1,307,629)
Exchange realignment	匯兌調整	4,201	2,943,856	2,948,057
At 31 March 2018	於2018年3月31日	–	33,343,979	33,343,979
At 31 March 2018:	於2018年3月31日：			
Cost	成本	5,558,066	99,913,780	105,471,846
Accumulated amortisation and impairment	累計攤銷及減值	(5,558,066)	(66,569,801)	(72,127,867)
Net carrying amount	賬面淨值	–	33,343,979	33,343,979
31 March 2019	**2019年3月31日**			
Cost at 1 April 2018, net of accumulated amortisation and impairment	於2018年4月1日之成本值，扣除累計攤銷及減值	–	33,343,979	33,343,979
Amortisation provided during the year	年內攤銷撥備	–	(4,698,901)	(4,698,901)
Acquisition of a subsidiary (note 29)	收購一間附屬公司（附註29）	–	2,254,837	2,254,837
Exchange realignment	匯兌調整	–	(2,413,622)	(2,413,622)
At 31 March 2019	**於2019年3月31日**	**–**	**28,486,293**	**28,486,293**
At 31 March 2019:	**於2019年3月31日：**			
Cost	**成本**	**5,558,066**	**94,769,208**	**100,327,274**
Accumulated amortisation and impairment	**累計攤銷及減值**	**(5,558,066)**	**(66,282,915)**	**(71,840,981)**
Net carrying amount	**賬面淨值**	**–**	**28,486,293**	**28,486,293**

Upon the review of the useful lives of certain licences and permits by the management with effect from 1 April 2018, the Group changed the estimated useful life of certain licences from 10 years to 13 years. This change in accounting estimate has been applied prospectively and has resulted in a decrease in amortisation of HK$6,489,235 for the year ended 31 March 2019.

經管理層審視若干執照及許可證的使用年限後，由2018年4月1日起，本集團已將若干執照的估計使用年限由10年更改為13年。該會計估計變更已按未來適用法應用並令到截至2019年3月31日止年度的攤銷減少約6,489,235港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

17. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME/ AVAILABLE-FOR-SALE INVESTMENTS

17. 指定為按公允價值計入其它全面收益之股本投資／可供出售投資

		2019 HK$ 港元	2018 HK$ 港元
Equity investments designated at fair value through other comprehensive income	**指定為按公允價值計入其它全面收益之股本投資**		
Listed equity investments, at fair value	上市股本投資，按公允價值	**8,990,647**	–
Available-for-sale investments	**可供出售投資**		
Listed equity investments, at fair value	上市股本投資，按公允價值	**–**	17,779,099

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

以上股本投資乃不可撤銷地指定為按公允價值計入其它全面收益，因為本集團認為此等投資屬策略性質。

During the year ended 31 March 2018, the gross gain in respect of the Group's available-for-sale investments recognised in other comprehensive income amounted to HK$14,450,894, HK$8,293,917 of which was reclassified from other comprehensive income to profit or loss for the year ended 31 March 2018.

於截至2018年3月31日止年度，於其它全面收益確認之本集團可供出售投資之收益總額為14,450,894港元，當中8,293,917港元為於截至2018年3月31日止年度內自其它全面收益重新分類至損益。

18. INVENTORIES

18. 存貨

		2019 HK$ 港元	2018 HK$ 港元
Raw materials	原材料	**13,466,533**	9,906,201
Work in progress	在製品	**9,899,146**	7,941,311
Finished goods	成品	**25,411,307**	18,476,865
		48,776,986	36,324,377

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註
Year ended 31 March 2019 截至2019年3月31日止年度

19. TRADE AND BILLS RECEIVABLES
19. 應收賬款及應收票據

		2019 HK$ 港元	2018 HK$ 港元
Trade and bills receivables	應收賬款及應收票據	**78,294,431**	74,797,171
Impairment	減值	**(4,721)**	–
		78,289,710	74,797,171

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

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

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

於報告期末，以發票日期為基準扣除虧損撥備的應收賬款及應收票據之賬齡分析如下：

		2019 HK$ 港元	2018 HK$ 港元
Within 1 month	1個月內	**58,448,762**	48,684,132
1 to 2 months	1至2個月	**10,278,397**	9,372,744
2 to 3 months	2至3個月	**5,083,244**	6,810,351
Over 3 months	3個月以上	**4,479,307**	9,929,944
		78,289,710	74,797,171

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

19. TRADE AND BILLS RECEIVABLES (continued)

19. 應收賬款及應收票據(續)

The movements in the loss allowance for impairment of trade and bills receivables are as follows:

應收賬款及應收票據之減值虧損撥備之變動如下：

		2019 HK$ 港元	2018 HK$ 港元
At beginning of year	於年初	–	–
Effect of adoption of HKFRS 9	採納香港財務報告準則第9號之影響	8,287	–
At beginning of year (restated)	於年初(經重列)	8,287	–
Reversal of impairment losses	撥回減值虧損	(3,566)	–
At end of year	於年終	4,721	–

Impairment under HKFRS 9 for the year ended 31 March 2019

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

The Group's bills receivable of HK$8,516,061 at 31 March 2019 are due within 90 days from the date of billing. There was no recent history of default from bills receivable and the Group estimated that the expected loss rate for bills receivable is minimal.

截至2019年3月31日止年度根據香港財務報告準則第9號之減值

於各報告日期均採用撥備矩陣進行減值分析，以計量預期信貸虧損。撥備率乃基於就多個客戶分部進行分組之逾期之日數計算。該計算反映或然率加權結果、貨幣時值及於報告日期可得之有關過往事項、當前狀況及未來經濟狀況預測之合理及可靠資料。一般而言，倘若應收賬款逾期超過一年及並不受限於強制執行活動，有關應收賬款乃予以撇銷。

本集團於2019年3月31日之8,516,061港元應收票據為於票據發出日期起計90天內到期。應收票據並無近期欠款紀錄而本集團估計應收票據的預期虧損率極低。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

19. TRADE AND BILLS RECEIVABLES (continued)

Impairment under HKFRS 9 for the year ended 31 March 2019 (continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 March 2019

19. 應收賬款及應收票據(續)

截至2019年3月31日止年度根據香港財務報告準則第9號之減值(續)

下文載列採用撥備矩陣計量之本集團應收賬款之信貸風險資料：

於2019年3月31日

			Past due 逾期		
		Current 無逾期	Less than 1 month 一個月內	1 to 3 months 一至三個月	Total 總計
Expected credit loss rate	預期信貸虧損率	N/A 不適用	0.1%	0.0%	0.0%
Gross carrying amount (HK$)	總賬面值(港元)	60,521,020	4,773,321	4,484,029	69,778,370
Expected credit losses (HK$)	預期信貸虧損(港元)	–	2,504	2,217	4,721

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

19. TRADE AND BILLS RECEIVABLES (continued)

Impairment under HKAS 39 for the year ended 31 March 2018

The ageing analysis of the trade and bills receivables as at 31 March 2018 that were not individually nor collectively considered to be impaired under HKAS 39 is as follows:

19. 應收賬款及應收票據（續）

截至2018年3月31日止年度根據香港會計準則第39號之減值

於2018年3月31日根據香港會計準則第39號並非個別或共同被視為減值之應收賬款及應收票據之賬齡分析如下：

		2018 HK$ 港元
Neither past due nor impaired	未逾期且未減值	68,868,016
Less than 1 month past due	逾期少於1個月	2,401,721
1 to 3 months past due	逾期1至3個月	3,527,434
		74,797,171

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

Receivables that were past due but not impaired related to customers that had a good track record with the Group. Based on past experience, the directors of the Company were of the opinion that no provision for impairment under HKAS 39 was necessary in respect of these balances as there had not been a significant change in credit quality and the balances were still considered fully recoverable.

既未逾期亦未減值之應收賬款與近期並無欠款紀錄之大量多元化客戶有關。

已逾期但未減值之應收賬款與一批與本集團擁有良好營業紀錄之客戶有關。根據過往經驗，由於信貸質素並無重大變動及結餘仍視為可全數收回，故本公司董事認為根據香港會計準則第39號並無必要就該等結餘作出減值撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES 20. 預付款項、按金及其它應收款

		2019 HK$ 港元	2018 HK$ 港元
Non-current	**非流動**		
Deposit for acquisition of property, plant and equipment	收購物業、廠房及設備之按金	**160,260**	217,936
Current	**流動**		
Prepayments	預付款項	**1,751,635**	1,516,865
Deposits	按金	**5,326,154**	4,487,934
Other receivables	其它應收款	**1,827,377**	2,852,748
		8,905,166	8,857,547
Impairment allowance	減值撥備	**(68,251)**	–
		8,836,915	8,857,547

The movements in the loss allowance for impairment of other receivables are as follows:

其它應收款之減值虧損撥備之變動如下：

		2019 HK$ 港元	2018 HK$ 港元
At beginning of year	於年初	**–**	–
Effect of adoption of HKFRS 9	採納香港財務報告準則第9號之影響	**76,515**	–
At beginning of year (restated)	於年初（經重列）	**76,515**	–
Reversal of impairment losses, net	撥回減值虧損淨額	**(8,264)**	–
At end of year	於年終	**68,251**	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

20. TRADE AND BILLS RECEIVABLES (continued)

Impairment under HKFRS 9 for the year ended 31 March 2019

During the year ended 31 March 2019, HK$8,264 was debited as a reversal of allowance for expected credit losses on deposits and other receivables. The provision rates are based on individual credit rating. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's deposits and other receivables using a provision matrix:

20. 預付款項、按金及其它應收款（續）

截至2019年3月31日止年度根據香港財務報告準則第9號之減值

於截至2019年3月31日止年度，8,264港元作為按金及其它應收款之預期信貸虧損撥備撥回而扣除。撥備率乃基於個別信貸評級。該計算反映或然率加權結果、貨幣時值及於報告日期可得之有關過往事項、當前狀況及未來經濟狀況預測之合理及可靠資料。

下文載列採用撥備矩陣計量之本集團按金及其它應收款之信貸風險資料：

As at 31 March 2019	**於2019年3月31日**	
Expected credit loss rate	預期信貸虧損率	0.9%
Gross carrying amount (HK$)	總賬面值（港元）	7,313,791
Expected credit losses (HK$)	預期信貸虧損（港元）	68,251

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

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

21. STRUCTURED DEPOSITS

Structured deposits were stated at fair value and represented several wealth management products issued by a bank. As at 31 March 2019, the aggregate principal of deposits was fully guaranteed by the banks while the rates of return were not guaranteed. The Group designated these structured deposits as financial assets at fair value through profit or loss on initial recognition. The Group used the structured deposits primarily to enhance the return of funds.

21. 結構性存款

結構性存款按公允價值列賬，代表銀行發行的多種財富管理產品。於2019年3月31日，存款本金總額由銀行悉數擔保，但回報率並無擔保。本集團指定該等結構性存款為於首次確認時透過損益反映公允價值之金融資產。本集團之結構性存款主要用於提高資金回報。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

22. CASH AND CASH EQUIVALENTS

At the end of the reporting period, the Group's cash and bank balances (excluding those classified as held for sale) denominated in RMB amounted to HK$331,109,937 (2018: HK$378,397,882). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

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

22. 現金及現金等值項目

於報告期末，本集團以人民幣計值之現金及銀行結餘（不包括分類為持作出售者）為331,109,937港元（2018年：378,397,882港元）。人民幣不可自由兌換為其它貨幣，然而根據中國大陸外匯管制規例及結匯、售匯及付匯管理規定，本集團可透過獲准進行外匯業務之銀行將人民幣兌換為其它貨幣。

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

23. TRADE PAYABLES

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

23. 應付賬款

於各報告期末，以發票日期為基準的應付賬款之賬齡分析如下：

		2019 HK$ 港元	2018 HK$ 港元
Within 2 months	2個月內	**29,974,310**	15,451,209
2 to 3 months	2至3個月	**351,249**	472,263
Over 3 months	3個月以上	**1,476,025**	1,273,241
		31,801,584	17,196,713

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

應付賬款為不計息，一般於30至60天內清償。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

24. OTHER PAYABLES AND ACCRUALS 24. 其它應付款及應計費用

		Notes 附註	**2019** **HK$** **港元**	2018 HK$ 港元
Receipts in advance	預收款項		**–**	17,815,075
Contract liabilities	合約負債	(a)	**12,824,486**	–
Other payables	其它應付款	(b)	**11,361,407**	9,221,187
Accruals	應計費用		**82,166,943**	79,711,302
			106,352,836	106,747,564

Notes: 附註：

(a) Details of contract liabilities as at 31 March 2019 and 1 April 2018 are as follows:

(a) 於2019年3月31日及2018年4月1日的合約負債詳情如下：

		31 March 2019 **2019年3月31日** **HK$** **港元**	1 April 2018 2018年4月1日 HK$ 港元
Short-term advances received from customers	*已收客戶短期墊款*		
Sale of goods	銷售貨品	**12,824,486**	17,815,075

Contract liabilities include short-term advances received to deliver pharmaceutical products. The decrease in contract liabilities in 2019 was mainly due to the decrease in short-term advances received from customers in relation to the sale of pharmaceutical products at the end of the year.

合約負債包括提供醫藥產品的已收短期墊款。2019年合約負債減少主要是由於年末就醫藥產品銷售之已收客戶短期墊款減少所致。

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

(b) 其它應付款不計利息，平均為期三個月。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

25. DEFERRED TAX LIABILITIES 25. 遞延稅項負債

		Notes 附註	Fair value adjustment of property, plant and equipment 物業、廠房及設備之公允價值調整 HK$ 港元	Fair value adjustment arising from acquisition of a subsidiary 收購一間附屬公司產生之公允價值調整 HK$ 港元	Prepaid lease payments 預付土地租賃款項 HK$ 港元	Other intangible assets 其它無形資產 HK$ 港元	Withholding tax on distributable profit of subsidiaries 附屬公司可供分派溢利之預扣稅 HK$ 港元	Total 總額 HK$ 港元
At 1 April 2017	於2017年4月1日		3,285,458	–	11,898,881	10,266,704	980,933	26,431,976
Deferred tax credited to profit or loss during the year	年內在損益計入之遞延稅項	9	(133,469)	–	(483,383)	(3,170,360)	(456,867)	(4,244,079)
Exchange realignment	匯兌調整		310,964	–	1,126,232	784,637	–	2,221,833
At 31 March 2018 and at 1 April 2018	於2018年3月31日及於2018年4月1日		3,462,953	–	12,541,730	7,880,981	524,066	24,409,730
Deferred tax charged/(credited) to profit or loss during the year	年內在損益扣除/(計入)之遞延稅項	9	(118,830)	(45,065)	(430,364)	(1,049,702)	(193,676)	(1,837,637)
Acquisition of a subsidiary	收購一間附屬公司	29	–	563,709	–	–	–	563,709
Transferred to a disposal group as held for sale	轉撥至持作出售之出售組別	10	(3,038,014)	–	(11,227,826)	–	–	(14,265,840)
Exchange realignment	匯兌調整		(306,109)	8,273	(883,540)	(579,997)	–	(1,761,373)
At 31 March 2019	**於2019年3月31日**		**–**	**526,917**	**–**	**6,251,282**	**330,390**	**7,108,589**

At the end of the reporting period, the Group had unused tax losses arising mainly in the PRC and Australia of HK$342,191,000 (2018: HK$320,832,000) available to offset against future profits. No unrecognised tax losses that may be carried forward indefinitely.

於報告期末，本集團可用於抵銷未來溢利之未動用稅項虧損（主要源自中國及澳大利亞）為342,191,000港元（2018年：320,832,000港元）。並無未確認稅務虧損可無限期結轉。

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

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

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

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

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

本公司向其股東派付股息並無附帶所得稅後果。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

26. SHARE CAPITAL
26. 股本

		2019 **HK$** **港元**	2018 HK$ 港元
Authorised: 4,000,000,000 (2018: 4,000,000,000) ordinary shares of HK$0.1 each	法定： 4,000,000,000股(2018年：4,000,000,000股)每股面值0.1港元之普通股	**400,000,000**	400,000,000
Issued and fully paid: 2,150,041,884 (2018: 2,150,475,884) ordinary shares of HK$0.1 each	已發行及繳足： 2,150,041,884股(2018年：2,150,475,884股)每股面值0.1港元之普通股	**215,004,188**	215,047,588

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

本公司股本之變動概列如下：

		Number of shares in issue 已發行股份數目	**Share capital 股本** HK$ 港元
Issued and fully paid:	已發行及繳足：		
At 1 April 2017	於2017年4月1日	2,150,635,884	215,063,588
Shares repurchased	購回股份	(160,000)	(16,000)
At 31 March 2018	於2018年3月31日	2,150,475,884	215,047,588
Shares repurchased	購回股份	(434,000)	(43,400)
At 31 March 2019	**於2019年3月31日**	**2,150,041,884**	**215,004,188**

The Company purchased 434,000 (2018: 160,000) of its shares on the Stock Exchange for a total consideration of HK$113,090 (2018: HK$49,573) which was paid wholly out of share premium in accordance with the Cayman Islands Companies Law. The purchased shares were cancelled during the year and HK$43,400 (2018: HK$16,000) and HK$69,690 (2018: HK$33,573) have been charged to the share capital and share premium of the Company respectively.

年內，本公司根據開曼群島公司法以總代價113,090港元(2018年：49,573港元)於聯交所購入其434,000股(2018年：160,000股)股份，該代價已悉數由股份溢價支付。所購買之股份已於年內註銷，43,400港元(2018年：16,000港元)及69,690港元(2018年：33,573港元)已分別在本公司股本及股份溢價中扣除。

27. RESERVES

The amounts of the Group's reserves and the movements therein for the reporting period are presented in the consolidated statement of changes in equity on page 68 of the financial statements.

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

The special reserve of the Group represents the difference between the nominal amount of the share capital issued by the Company and the nominal amount of the share capital of a subsidiary acquired by the Company pursuant to a corporate reorganisation in preparation for the listing of the Company's shares on the Stock Exchange in 1992.

The statutory reserve represents (1) the appropriation of certain percentages of profit after taxation of the subsidiaries established in the PRC as recommended by the directors of those subsidiaries based on the PRC statutory financial statements and (2) provision for production safety being accrued by a subsidiary in the PRC at fixed rates ranging from 2% to 4% based on operating revenue (the maintenance and production safety funds), which is transferred from retained profits to the specific reserve and could be utilised when expenses and capital expenditures in production maintenance and safety measures are incurred.

27. 儲備

本集團於報告期之儲備數額及相關變動載於本年報第68頁之綜合權益變動表。

出資儲備代表(1) 2010年出售本公司全資附屬公司Tinwise Investment Limited及其附屬公司（統稱"Tinwise集團"）之代價高於所出售之公允價值，作為一名股東之視作出資；(2) 2012年出售包裝及印刷業務之代價高於所出售之公允價值，作為最終控股公司之視作出資；(3) 2012年出售礦產資源業務之代價高於所出售之公允價值，作為最終控股公司之視作出資。

本集團之特別儲備乃本公司根據一項為籌備本公司股份於1992年在聯交所上市而進行之公司重組所發行之股本面值與所收購一間附屬公司之股本面值兩者間之差額。

法定儲備乃指(1)於中國成立之附屬公司之董事根據中國法定財務報表而建議就該等附屬公司之除稅後溢利作出若干百分比之分配及(2)生產安全之撥備，此乃一間中國附屬公司以經營收入為基準按介乎2%至4%之固定利率產生（維修及生產安全基金），由保留溢利轉撥至特定儲備，且於生產維修及安全措施產生支出及資本開支時動用。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

28. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS

28. 擁有重大非控股權益的部份擁有附屬公司

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

擁有重大非控股權益之本集團附屬公司詳情載列如下：

		2019 HK$ 港元	2018 HK$ 港元
Percentage of equity interest held by non-controlling interests: Meng Sheng Pharmaceutical	非控股權益持有的股權百分比： 盟生藥業	**45%**	45%

		2019 HK$ 港元	2018 HK$ 港元
Profit for the year allocated to non-controlling interests: Meng Sheng Pharmaceutical	分配予非控股權益的本年度溢利： 盟生藥業	**13,325,770**	12,154,283
Dividend payable/paid to non-controlling interests of Meng Sheng Pharmaceutical	應付／已付予盟生藥業非控股權益的股息	**14,674,913**	13,649,809
Accumulated balances of non-controlling interests at the reporting date: Meng Sheng Pharmaceutical	於報告日期的非控股權益的累計結餘： 盟生藥業	**33,763,345**	37,857,352

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

28. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (continued)

28. 擁有重大非控股權益的部份擁有附屬公司（續）

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

下表說明上述附屬公司的財務資料概要。披露的金額是在作出任何公司間抵銷之前：

		Meng Sheng Pharmaceutical 盟生藥業 HK$ 港元
2019		
Revenue	收入	**327,988,281**
Total expenses	總開支	**(298,373,927)**
Profit for the year	本年度溢利	**29,614,354**
Total comprehensive income for the year	本年度全面收益總額	**23,741,380**
Current assets	流動資產	**114,883,318**
Non-current assets	非流動資產	**50,267,986**
Current liabilities	流動負債	**(92,673,005)**
Non-current liabilities	非流動負債	**(531,247)**
Net cash flows from operating activities	來自經營活動的現金流量淨額	**37,122,897**
Net cash flows from investing activities	來自投資活動的現金流量淨額	**62,655**
Net cash flows used in financing activities	用於融資活動的現金流量淨額	**(17,190,021)**
Net increase in cash and cash equivalents	現金及現金等值項目增加淨額	**19,995,531**
2018		
Revenue	收入	196,324,628
Total expenses	總開支	(169,315,109)
Profit for the year	本年度溢利	27,009,519
Total comprehensive income for the year	本年度全面收益總額	37,479,182
Current assets	流動資產	91,253,169
Non-current assets	非流動資產	60,514,099
Current liabilities	流動負債	(70,251,367)
Non-current liabilities	非流動負債	(699,315)
Net cash flows from operating activities	來自經營活動的現金流量淨額	54,514,286
Net cash flows from investing activities	來自投資活動的現金流量淨額	898,514
Net cash flows used in financing activities	用於融資活動的現金流量淨額	(24,046,146)
Net increase in cash and cash equivalents	現金及現金等值項目增加淨額	31,366,654

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

29. BUSINESS COMBINATION

On 31 July 2018, the Group acquired a 100% interest in Zhuhai TPCHM from an independent third party, Mr. Zhang Junhui. Zhuhai TPCHM is principally engaged in the production and sale of Traditional Chinese Medicine (TCM) decoction pieces and trading of agricultural by-products. The purposes of the acquisition were for the Group's on-going development of its fully-integrated TCM industry value chain and it made as part of the Group's strategy to promote the development of TCM, TCM decoction pieces and Chinese patent medicine businesses in both domestic and foreign markets. The purchase consideration for the acquisition was in the form of cash, with RMB2,428,000 (equivalent to approximately HK$2,775,000) paid in full at the acquisition date.

The fair values of the identifiable assets and liabilities of Zhuhai TPCHM as at the date of acquisition were as follows:

29. 業務合併

於2018年7月31日，本集團向獨立第三方張均輝先生收購珠海天大中藥飲片的100%權益。珠海天大中藥飲片主要從事中藥飲片生產及銷售以及農副產品買賣。收購事項旨在持續發展本集團的中醫藥全產業鏈並為本集團推廣國內及海外市場的中藥發展、中藥飲片及中成藥業務的策略的一部分。收購事項的代價以現金支付，於收購日期已悉數支付人民幣2,428,000元（相當於約2,775,000港元）。

珠海天大中藥飲片於收購日期的可識別資產及負債之公允價值如下：

		Notes 附註	Fair value recognised on acquisition 於收購時確認之公允價值 HK$ 港元
Property, plant and equipment	物業、廠房及設備	13	242,005
Other intangible asset	其它無形資產	16	2,254,837
Inventories	存貨		1,113,788
Other receivables and prepayments	其它應收款及預付款項		11,164
Cash and bank balances	現金及銀行結餘		752,105
Tax recoverable	可退回稅項		99,994
Trade payables	應付賬款		(909,547)
Other payables and accruals	其它應付款及應計費用		(1,546,994)
Deferred tax liabilities	遞延稅項負債	25	(563,709)
Total identifiable net assets at fair value	按公允價值列賬之合計可識別資產淨值		1,453,643
Goodwill on acquisition	收購之商譽	15	1,321,530
Satisfied by cash	以現金支付		2,775,173

No transaction cost was incurred for this acquisition.

並無就此項收購錄得交易成本。

29. BUSINESS COMBINATION (continued)

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

29. 業務合併（續）

有關收購一間附屬公司之現金流量分析如下：

		HK\$ 港元
Cash consideration	現金代價	(2,775,173)
Cash and bank balances acquired	收購現金及銀行結餘	752,105
Net outflow of cash and cash equivalents included in cash flows from investing activities	計入投資活動所得現金流量之現金及現金等值項目流出淨額	(2,023,068)

Since the acquisition, no revenue was contributed by Zhuhai TPCHM to the Group's revenue and a loss of HK\$1,213,580 to the consolidated profit for the year ended 31 March 2019.

Had the combination taken place at the beginning of the year, the revenue and the profit of the Group for the year would have been HK\$527,886,330 and HK\$15,041,572, respectively.

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

自收購以來，珠海天大中藥飲片並無為本集團貢獻收入，並為截至2019年3月31日止年度的綜合溢利帶來虧損1,213,580港元。

倘若合併是於年初發生，本集團年內的收入及溢利將分別為527,886,330港元及15,041,572港元。

預期概無已確認商譽可用於扣除所得稅。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

30. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS 30. 綜合現金流量表附註

Changes in liability arising from financing activities 融資活動產生的負債變動

		2019 Dividend payable 應付股息 HK$ 港元
At 1 April 2018	於2018年4月1日	**1,771,345**
Foreign exchange movement	外匯變動	**(169,201)**
Dividend declared (Note 11)	已宣派股息(附註11)	**7,525,146**
Dividend declared to non-controlling interests of a subsidiary (Note 28)	已宣派予一間附屬公司之非控股權益之股息(附註28)	**14,674,913**
Dividend paid	已付股息	**(6,792,672)**
At 31 March 2019	**於2019年3月31日**	**17,009,531**

		2018 Dividend payable 應付股息 HK$ 港元
At 1 April 2017	於2017年4月1日	–
Dividend declared (Note 11)	已宣派股息(附註11)	12,258,626
Dividend declared to non-controlling interests of a subsidiary (Note 28)	已宣派予一間附屬公司之非控股權益之股息(附註28)	13,649,809
Dividend paid	已付股息	(24,137,090)
At 31 March 2018	於2018年3月31日	1,771,345

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

31. OPERATING LEASE ARRANGEMENTS

As lessee

At 31 March 2019 and 2018, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

31. 經營租約安排

作為承租人

於2019年及2018年3月31日，本集團根據不可撤銷經營租約於下列期限到期而應收之未來最低租約款項總額如下：

		2019 HK$ 港元	2018 HK$ 港元
Within one year	一年內	**5,560,993**	5,199,360
In the second to fifth years, inclusive	第二至五年內（包括首尾兩年）	**4,073,093**	9,182,741
		9,634,086	14,382,101

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to three years.

本集團按經營租約安排租賃其若干辦公室物業。經協商之物業租約年期介乎1至3年。

32. COMMITMENTS

In addition to the operating lease commitments detailed in note 31 above, the Group had the following capital commitments at the end of the reporting period:

32. 承擔

除上文附註31詳述的經營租賃承擔外，本集團於報告期末有以下資本承擔：

		2019 HK$ 港元	2018 HK$ 港元
Contracted, but not provided for:	已訂約但未撥備：		
Property, plant and equipment	物業、廠房及設備	**20,155,541**	1,671,169

33. RELATED PARTY TRANSACTIONS

33. 關連人士交易

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

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

		Notes 附註	2019 HK$ 港元	2018 HK$ 港元
Purchases of package materials and designing services:	採購包裝物料及設計服務：			
Tianda Culture Holdings (China) Limited ("TCHL") and its subsidiaries (collectively "TCH Group")	天大文化控股(中國)股份有限公司("天大文控")及其附屬公司(統稱"天大文控集團")	(i)	**5,444,975**	4,023,094
Office rental expenses:	辦公室租賃費：			
Tianda (China) Ltd.	天大實業(中國)有限公司	(ii)	**427,665**	712,948

Notes:

(i) TCHL is a fellow subsidiary of the Company. The purchases from TCH Group were made according to the published prices and conditions offered by TCH Group to their major customers.

(ii) Tianda (China) Ltd. is a fellow subsidiary of the Company. The transactions were conducted in accordance with the terms and conditions mutually agreed by both parties.

附註：

(i) 天大文控為本公司的同系附屬公司。向天大文控集團採購是按天大文控集團提供給其主要客戶之已公佈價格及條款。

(ii) 天大實業(中國)有限公司為本公司的同系附屬公司。有關交易乃按雙方相互同意之條款及條件進行。

(b) Outstanding balances with a related party:

The Group had an outstanding trade balance due to its related party, Zhuhai S.E.Z. Cheng Cheng Printing Co. Ltd. (a fellow subsidiary of the Company), of HK$690,501 (2018: HK$427,133) as at the end of the reporting period. The purchases from Zhuhai S.E.Z. Cheng Cheng Printing Co. Ltd. were made according to the published price and conditions offered by Zhuhai S.E.Z. Cheng Cheng Printing Co. Ltd. to its major customers. This balance is not yet due, unsecured, interest-free and has no fixed terms of repayment. The balance is aged within 2 months based on the invoice date.

(b) 與關連人士之未償還結餘：

本集團於報告期末有應付關連人士珠海經濟特區誠成印務有限公司(其為本公司一間同系附屬公司)之未償還貿易結餘690,501港元(2018年：427,133港元)。向珠海經濟特區誠成印務有限公司的採購是按珠海經濟特區誠成印務有限公司提供給其主要客戶之已公佈價格及條款。該結餘為尚未到期、無抵押、免息及無固定還款期。該結餘之賬齡為根據發票日期之兩個月內。

33. RELATED PARTY TRANSACTIONS (continued)

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

		2019 HK$ 港元	2018 HK$ 港元
Short term employee benefits	短期僱員福利	**4,191,770**	4,851,199
Post-employment benefits	退休福利	**81,024**	72,000
Total compensation paid to key management personnel	已付主要管理人員酬金總額	**4,272,794**	4,923,199

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

(d) On 22 February 2019, the Group entered into a conditional sale and purchase agreement to dispose of its entire interest in Zhuhai Realty, to Tianda Group Limited (the controlling shareholder of the Company) at a consideration of no more than RMB145,000,000 (equivalent to approximately HK$168,200,000) in any event. The gain on disposal before tax is expected to be approximately RMB14,700,000 (equivalent to approximately HK$17,100,000).

The transactions were approved by independent shareholders at an extraordinary general meeting held on 7 May 2019 and have not yet completed as at the date of publishing these financial statements.

33. 關連人士交易（續）

(c) 本集團主要管理人員酬金：

有關董事及主要行政人員酬金之進一步詳情載於財務報表附註7。

(d) 於2019年2月22日，本集團訂立有條件買賣協議，向天大集團有限公司（其為本公司之控股股東）出售珠海置業之全部權益，代價在任何情況均不會超過人民幣145,000,000元（相當於約168,200,000港元）。預期除稅前出售收益將約為人民幣14,700,000元（相當於約17,100,000港元）。

有關交易已於2019年5月7日舉行之股東特別大會上獲獨立股東批准而於本財務報表刊發日期尚未完成。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

34. FINANCIAL INSTRUMENTS BY CATEGORY

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

34. 金融工具之類別

於報告期末各類金融工具之賬面值如下：

2019

Financial assets

金融資產

		Financial assets at fair value through profit and loss designated as such at initial recognition 於首次確認時指定為按公允價值計入損益之金融資產 HK$ 港元	Financial assets at amortised cost 按攤銷成本列賬之金融資產 HK$ 港元	Financial assets at fair value through other comprehensive income 按公允價值計入其它全面收益之金融資產 Equity investments 股本投資 HK$ 港元	Total 總額 HK$ 港元
Equity investments designated at fair value through other comprehensive income	指定為按公允價值計入其它全面收益之股本投資	–	–	8,990,647	8,990,647
Trade and bills receivables	應收賬款及應收票據	–	78,289,710	–	78,289,710
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其它應收款之金融資產	–	7,085,280	–	7,085,280
Structured deposits	結構性存款	57,954,216	–	–	57,954,216
Cash and cash equivalents	現金及現金等值項目	–	384,908,930	–	384,908,930
		57,954,216	470,283,920	8,990,647	537,228,783

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

34. FINANCIAL INSTRUMENTS BY CATEGORY (continued) 34. 金融工具之類別（續）

Financial liabilities 金融負債

		Financial liabilities at amortised cost 按攤銷成本列賬之金融負債 HK$ 港元
Trade payables	應付賬款	31,801,584
Financial liabilities included in other payables and accruals	計入其它應付款及應計費用之金融負債	84,802,639
Amount due to a related company	應付一間關連公司款項	690,501
Dividend payable	應付股息	17,009,531
		134,304,255

2018

Financial assets 金融資產

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

34. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

34. 金融工具之類別（續）

Financial liabilities

金融負債

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

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

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

The fair value of the equity investment at fair value through other comprehensive income/available-for-sale investments is based on quoted market prices.

35. 金融工具之公允價值及公允價值等級

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

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

按公允價值計入其它全面收益之股本投資╱可供出售投資之公允價值乃基於市場報價。

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

35. 金融工具之公允價值及公允價值等級（續）

Fair value hierarchy

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

公允價值等級

下表說明本集團金融工具的公允價值計量等級：

Assets measured at fair value

按公允價值計量的資產

		2019 HK$ 港元	2018 HK$ 港元
Structured deposits	結構性存款		
– Fair value measurement using significant unobservable inputs (Level 3)	一以重大不可觀察輸入數據進行公允價值計量（第3級）	**57,954,216**	–
Equity investments at fair value through other comprehensive income	按公允價值計入其它全面收益之股本投資		
– Fair value measurement using quoted prices in active markets (Level 1)	一以活躍市場報價進行公允價值計量（第1級）	**8,990,647**	–
Available-for-sale investments	可供出售投資		
– Fair value measurement using quoted prices in active markets (Level 1)	一以活躍市場報價進行公允價值計量（第1級）	**–**	17,779,099

The equity investment at fair value through other comprehensive income/available-for-sale investments commenced publicly trading on the Taipei Exchange since 1 June 2017.

自2017年6月1日起，按公允價值計入其它全面收益之股本投資／可供出售投資於台北交易所開始公開交易。

The Group did not have any financial liabilities measured at fair value as at 31 March 2019 and 2018.

於2019年及2018年3月31日，本集團並無以公允價值計量的任何金融負債。

During the year ended 31 March 2019, there were no transfers of fair value measurement between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

於截至2019年3月31日止年度，金融資產及金融負債並無第1級與第2級之間公允價值計量轉撥以及並無轉入或轉出第3級。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

Equity price risk

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from equity investments designated at fair value through other comprehensive income (note 17) as at 31 March 2019. The Group's listed investments are listed in Taiwan and are valued at quoted market prices at the end of the reporting period. The market equity indices for the following stock exchange, at the close of business of the nearest trading day in the year to the end of the reporting period, and their respective highest and lowest points during the year were as follows:

36. 金融風險管理目標及政策

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

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

股本價格風險

股本價格風險是股本證券的公允價值因股票指數水平和個別證券價值變化而下降的風險。於2019年3月31日，本集團面對指定為按公允價值計入其它全面收益之股本投資（附註17）產生的股本價格風險。本集團的上市投資於台灣上市，並於按報告期末的市場報價估值。以下證券交易所市場股票指數（在年內最接近報告期末的交易日收市時）以及在年內的各自最高點和最低點如下：

		31 March 3月31日 2019	**High/low 高／低 2019**	31 March 3月31日 2018	High/low 高／低 2018
Taiwan – Taiwan Stock Exchange Capitalization Weighted Stock Index ("TAIEX")	台灣－台灣證券交易所資本化加權股票指數	**10,641**	**11,252/ 9,383**	10,919	11,270/ 9,622

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

36. 金融風險管理目標及政策（續）

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

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

		Carrying amount of equity investment 股本投資的賬面值 HK$ 港元	Increase/ (decrease) in equity* 權益增加／(減少)* HK$ 港元
2019			
Investments listed in:	於以下地方上市的投資：		
Taiwan – Equity investments designated at fair value through other comprehensive income	台灣－按公允價值計入其它全面收益之股本投資	**8,990,647**	**89,906/(89,906)**
2018			
Investments listed in:	於以下地方上市的投資：		
Taiwan – Available-for-sale	台灣－可供出售	17,779,099	177,791/(177,791)

* Excluding retained profits

* 不包括保留溢利

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Interest rate risk

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

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

36. 金融風險管理目標及政策(續)

利率風險

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

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

		Increase/(decrease) in basis points 基點 增加╱(減少)	Increase/(decrease) in profit before tax 除稅前溢利 增加╱(減少) **2019** **HK$** **港元**	 2018 HK$ 港元
HK$	港元	100	**521,572**	797,532
RMB	人民幣	100	**3,311,099**	3,787,979
USD	美元	100	**7**	7
HK$	港元	(100)	**(521,572)**	(797,532)
RMB	人民幣	(100)	**(3,311,099)**	(3,787,979)
USD	美元	(100)	**(7)**	(7)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales by operating units in currencies other than the units' functional currencies. Approximately 0.4% (2018: 0.4%) of the Group's sales were denominated in currencies other than the functional currencies of the operating units making the sale.

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

36. 金融風險管理目標及政策（續）

外幣風險

本集團存在交易貨幣風險。有關風險是源自經營單位的單位功能貨幣以外的貨幣之銷售。約0.4%（2018年：0.4%）之本集團銷售是以進行銷售之經營單位的單位功能貨幣以外的貨幣為結算單位。

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

		Change in foreign currency rate 外幣匯率變動 %	Increase/ (decrease) in profit before tax 除稅前溢利增加／（減少） HK$ 港元
2019			
If RMB weakens against HKD	倘若人民幣兌港元匯率下跌	**1**	**48,505**
If RMB strengthens against HKD	倘若人民幣兌港元匯率上升	**(1)**	**(48,505)**
If RMB weakens against AUD	倘若人民幣兌澳元匯率下跌	**1**	**54**
If RMB strengthens against AUD	倘若人民幣兌澳元匯率上升	**(1)**	**(54)**
2018			
If RMB weakens against HKD	倘若人民幣兌港元匯率下跌	1	44,996
If RMB strengthens against HKD	倘若人民幣兌港元匯率上升	(1)	(44,996)
If RMB weakens against AUD	倘若人民幣兌澳元匯率下跌	1	59
If RMB strengthens against AUD	倘若人民幣兌澳元匯率上升	(1)	(59)

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

36. 金融風險管理目標及政策（續）

Credit risk

Maximum exposure and year-end staging as at 31 March 2019

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 March 2019.

信貸風險

於2019年3月31日之最高風險及年結階段

下表載列基於本集團之信貸政策之信貸質素及最高信貸風險，主要基於逾期資料（除非其它資料可在無須付出不必要成本或努力之情況下獲得），以及於2019年3月31日之年結階段分析。

		12-month ECLs 12個月預期信貸虧損	Lifetime ECLs 全期預期信貸虧損			
		Stage 1 第1階段 HK$ 港元	Stage 2 第2階段 HK$ 港元	Stage 3 第3階段 HK$ 港元	Simplified approach 簡化方法 HK$ 港元	HK$ 港元
Trade and bills receivables*	應收賬款及應收票據*	–	–	–	78,289,710	78,289,710
Financial assets included in prepayments and other receivables	計入預付款項及其它應收款之金融資產					
– Normal**	－正常**	7,085,280	–	–	–	7,085,280
Cash and cash equivalents	現金及現金等值項目					
– Not yet past due	－尚未逾期	384,908,930	–	–	–	384,908,930
		391,994,210	–	–	78,289,710	470,283,920

* For trade and bills receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 19 to the financial statements.

** The credit quality of the financial assets included in prepayments and other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

* 就本集團已為其減值應用簡化方法之應收賬款及應收票據而言，基於撥備矩陣之資料於財務報表附註19披露。

** 計入預付款項及其它應收款之金融資產之信貸質素於有關金融資產並無逾期時被視為"正常"，並無資料顯示有關金融資產之信貸風險自首次確認以來顯著增加。否則，有關金融資產之信貸質素被視為"呆賬"。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Maximum exposure as at 31 March 2018

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

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

At the end of the reporting period, the Group had certain concentrations of credit risk as 24.5% and 29.9% of the Group's trade and bills receivables were due from the Group's five largest customers for the years ended 31 March 2018 and 2019, respectively. Concentrations of credit risk are managed by establishing credit verification procedures. Management determines that there are minimal concentrations of credit risk within the Group as the customers of the Group's trade and bills receivables are recognised and creditworthy.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade and bills receivables are disclosed in note 19 to the financial statements.

36. 金融風險管理目標及政策（續）

信貸風險（續）

於2018年3月31日之最高風險

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

由於本集團僅與認可及信譽良好的第三方進行交易，因此不需要抵押品。

於報告期末，本集團有若干信貸風險集中，原因為截至2018年及2019年3月31日止年度，本集團分別為24.5%及29.9%的應收賬款及應收票據為應收本集團最大五位客戶。信貸風險的集中通過建立信用驗證程序進行管理。管理層認為本集團的信貸風險集中情況甚低，因為本集團應收賬款及應收票據的客戶為認可及信譽良好。

有關本集團因應收賬款及應收票據而產生的信貸風險的進一步量化數據於財務報表附註19披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

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

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

36. 金融風險管理目標及政策(續)

流動資金風險

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

根據已訂約未貼現付款，本集團金融負債於報告期末之到期情況如下：

2019

		On demand or no later than 1 year 按要求或一年以下 HK$ 港元	1 to 5 years 一至五年 HK$ 港元	Over 5 years 超過五年 HK$ 港元	Total 總額 HK$ 港元
Trade payables	應付賬款	**31,801,584**	**–**	**–**	**31,801,584**
Other payables and accruals	其它應付款及應計費用	**84,802,639**	**–**	**–**	**84,802,639**
Amount due to a related company	應付一間關連公司款項	**690,501**	**–**	**–**	**690,501**
Dividend payable	應付股息	**17,009,531**	**–**	**–**	**17,009,531**
		134,304,255	**–**	**–**	**134,304,255**

2018

		On demand or no later than 1 year 按要求或一年以下 HK$ 港元	1 to 5 years 一至五年 HK$ 港元	Over 5 years 超過五年 HK$ 港元	Total 總額 HK$ 港元
Trade payables	應付賬款	17,196,713	–	–	17,196,713
Other payables and accruals	其它應付款及應計費用	78,742,730	–	–	78,742,730
Amount due to a related company	應付一間關連公司款項	427,133	–	–	427,133
Dividend payable	應付股息	1,771,345	–	–	1,771,345
		98,137,921	–	–	98,137,921

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management

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

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 2018.

36. 金融風險管理目標及政策(續)

資本管理

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

本集團根據經濟狀況變動及相關資產的風險特徵管理資本結構並作出調整。為維持或調整資本結構，本集團可調整向股東派付的股息、向股東返還資本或發行新股份。本集團不受任何外部施加的資本要求所限。截至2019年及2018年3月31日止年度，管理資本的目標、政策或程序並無變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management (continued)

The Group monitors capital using a gearing ratio, which is net debt divided by the equity attributable to owners of the parent. Net debt includes an amount due to a related company, trade payables, other payables and accruals, less cash and cash equivalents. Capital includes equity attributable to owners of the parent. The gearing ratios as at the end of the reporting periods were as follows:

36. 金融風險管理目標及政策(續)

資本管理(續)

本集團使用資本負債比率(即負債淨額除以母公司股東應佔權益)監察資本。淨債務包括應付一間關連公司款項、應付賬款、其它應付款及應計費用減去現金及現金等值項目。資本包括母公司股東應佔權益。截至報告期末的資本負債比率如下：

		2019 **HK$** **港元**	2018 HK$ 港元
Trade payables	應付賬款	**31,801,584**	17,196,713
Other payables and accruals	其它應付款及應計費用	**106,352,836**	106,747,564
Amount due to a related company	應付一間關連公司款項	**690,501**	427,133
Less: Cash and cash equivalents	減：現金及現金等值項目	**(384,908,930)**	(493,153,768)
Negative net debt	負值淨債務	**(246,064,009)**	(368,782,358)
Equity attributable to owners of the parent	母公司股東應佔權益	**777,202,585**	847,727,533
Capital and net debt	資本和淨債務	**531,138,576**	478,945,175
Gearing ratio	資本負債比率	**N/A不適用**	N/A不適用

37. EVENTS AFTER THE REPORTING PERIOD

(a) On 7 May 2019, the conditional sale and purchase agreement (the "Agreement") to dispose of Zhuhai Realty had been approved by the independent shareholders.

Details of the Agreement are included and discussed in note 33(d) to this consolidated financial statements and the circular of the Company dated 12 April 2019.

(b) On 13 June 2019, the Group entered into a construction agreement for undertaking the contruction works of the new R&D and production base in Jinwan District, Zhuhai, the PRC at the contract sum of approximately RMB106.6 million (equivalent to approximately HK$121.0 million). The construction is expected to be completed on 15 November 2019.

37. 報告期後事項

(a) 於2019年5月7日，有關出售珠海置業的有條件買賣協議(「該協議」)獲獨立股東批准。

該協議的詳情已載於並在綜合財務報表附註33(d)以及本公司日期為2019年4月12日之通函中論述。

(b) 於2019年6月13日，本集團就位於中國珠海金灣區的新研發及製藥基地之建設工程訂立建設協議，合約金額約為人民幣106,600,000元(相當於約121,000,000港元)。有關工程預計將於2019年11月15日竣工。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

38. STATEMENT OF THE FINANCIAL POSITION OF THE COMPANY

38. 本公司之財務狀況表

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

有關本公司於報告期末之財務狀況表之資料如下：

		2019 HK$ 港元	2018 HK$ 港元
NON-CURRENT ASSETS	**非流動資產**		
Plant and equipment	廠房及設備	**971,252**	1,262,551
Amounts due from subsidiaries	應收附屬公司款項	**315,753,199**	352,298,650
Investments in subsidiaries	於附屬公司之投資	**296,280,826**	296,280,826
Total non-current assets	非流動資產總值	**613,005,277**	649,842,027
CURRENT ASSETS	**流動資產**		
Deposits and other receivables	按金及其它應收款	**3,051,662**	2,269,103
Cash and cash equivalents	現金及現金等值項目	**141,210,367**	119,764,970
Total current assets	流動資產總值	**144,262,029**	122,034,073
CURRENT LIABILITIES	**流動負債**		
Other payables	其它應付款	**5,572,919**	4,948,083
Amount due to a subsidiary	應付一間附屬公司款項	**4,297,506**	20,163,170
Total current liabilities	流動負債總額	**9,870,425**	25,111,253
NET CURRENT ASSETS	**流動資產淨值**	**134,391,604**	96,922,820
NET ASSETS	**資產淨值**	**747,396,881**	746,764,847
EQUITY	**權益**		
Share capital	股本	**215,004,188**	215,047,588
Reserves (Note)	儲備（附註）	**532,392,693**	531,717,259
Total equity	權益總額	**747,396,881**	746,764,847

Fang Wen Quan
方文權
Chairman
董事長

Lui Man Sang
呂文生
Executive Director
執行董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019 截至2019年3月31日止年度

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

38. 本公司之財務狀況表（續）

Note:

附註：

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

本公司儲備之概要如下：

		Share premium 股份溢價 HK$ 港元	Capital redemption reserve 資本贖回儲備 HK$ 港元	Capital contribution reserve 資本供款儲備 HK$ 港元	Exchange fluctuation reserve 匯兌波動儲備 HK$ 港元	Retained profits 保留溢利 HK$ 港元	Total 總額 HK$ 港元
At 1 April 2017	於2017年4月1日	339,066,948	8,000	105,239,603	(25,634,426)	125,696,537	544,376,662
Loss for the year	本年度虧損	–	–	–	–	(15,215,541)	(15,215,541)
Exchange difference arising on translation	換算產生之匯兌差額	–	–	–	14,848,337	–	14,848,337
Total comprehensive expense for the year	本年度全面支出總額	–	–	–	14,848,337	(15,215,541)	(367,204)
Repurchases of shares	購回股份	(33,573)	–	–	–	–	(33,573)
Transfer to reserve	轉撥至儲備	(16,000)	16,000	–	–	–	–
Final 2017 dividends paid	已派付2017年末期股息	–	–	–	–	(12,258,626)	(12,258,626)
At 31 March 2018 and 1 April 2018	於2018年3月31日及2018年4月1日	339,017,375	24,000	105,239,603	(10,786,089)	98,222,370	531,717,259
Profit for the year	本年度溢利	–	–	–	–	19,321,313	19,321,313
Exchange difference arising on translation	換算產生之匯兌差額	–	–	–	(11,051,043)	–	(11,051,043)
Total comprehensive income for the year	本年度全面收益總額	–	–	–	(11,051,043)	19,321,313	8,270,270
Repurchases of shares	購回股份	(69,690)	–	–	–	–	(69,690)
Transfer to reserve	轉撥至儲備	(43,400)	43,400	–	–	–	–
Final 2018 dividends paid	已派付2018年末期股息	–	–	–	–	(7,525,146)	(7,525,146)
At 31 March 2019	於2019年3月31日	338,904,285	67,400	105,239,603	(21,837,132)	110,018,537	532,392,693

39. COMPARATIVE AMOUNTS

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

39. 比較數字

綜合財務報表之若干比較數字已於比較期間開始時重新呈列以遵守披露規定。

40. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 26 June 2019.

40. 財務報表之批准

財務報表已於2019年6月26日獲董事會核准及批准刊發。

您的健康是天大的事

TIANDA FOR HEALTH