



RM Group Holdings Limited
御藥堂集團控股有限公司

(incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 932

2016/2017

ANNUAL REPORT 年報

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS (THE “BOARD”)

Executive Directors

Mr. Chan Yan Tak (*Chairman and chief executive officer*)
Mr. Lim Ming Shing, Tony (*Chief financial officer*)
Mr. Lee Chi Hang, Sidney
Mr. Wong Ping Yiu
Mr. Wang Xihua

Independent Non-executive Directors

Ms. Szeto Wai Ling, Virginia
Mr. Leung Winson Kwan Yau
Mr. Tam Kin Yip

COMPLIANCE OFFICER

Mr. Lee Chi Hang, Sidney

COMPANY SECRETARY

Mr. Wong Kui Tong

AUTHORISED REPRESENTATIVES

Mr. Chan Yan Tak
Mr. Wong Kui Tong

AUDIT COMMITTEE

Mr. Leung Winson Kwan Yau (*Chairman*)
Ms. Szeto Wai Ling, Virginia
Mr. Tam Kin Yip

NOMINATION COMMITTEE

Mr. Tam Kin Yip (*Chairman*)
Ms. Szeto Wai Ling, Virginia
Mr. Leung Winson Kwan Yau

REMUNERATION COMMITTEE

Mr. Tam Kin Yip (*Chairman*)
Ms. Szeto Wai Ling, Virginia
Mr. Leung Winson Kwan Yau
Mr. Lim Ming Shing, Tony

INDEPENDENT AUDITOR

Crowe Horwath (HK) CPA Limited

董事會(「董事會」)

執行董事

陳恩德先生(*主席兼行政總裁*)
林銘誠先生(*首席財務官*)
李志恒先生
黃平耀先生
王西華先生

獨立非執行董事

司徒惠玲女士
梁鈞濤先生
譚健業先生

合規主任

李志恒先生

公司秘書

黃鉅棠先生

授權代表

陳恩德先生
黃鉅棠先生

審核委員會

梁鈞濤先生(*主席*)
司徒惠玲女士
譚健業先生

提名委員會

譚健業先生(*主席*)
司徒惠玲女士
梁鈞濤先生

薪酬委員會

譚健業先生(*主席*)
司徒惠玲女士
梁鈞濤先生
林銘誠先生

獨立核數師

國富浩華(香港)會計師事務所有限公司

CORPORATE INFORMATION

公司資料

PRINCIPAL BANKERS

Hang Seng Bank Limited
Chong Hing Bank Limited
Bank of China (Hong Kong) Limited

THE CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

SMP Partners (Cayman) Limited
Royal Bank House – 3rd Floor,
24 Shedden Road
P.O. Box 1586
Grand Cayman KY1-1110, Cayman Islands

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

27/F., The Galaxy
313 Castle Peak Road
Kwai Chung, Hong Kong

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER AGENT

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

STOCK CODE

932

COMPANY'S WEBSITE

www.royalmedic.com
(the contents of which do not form part of this report)

主要往來銀行

恒生銀行有限公司
創興銀行有限公司
中國銀行(香港)有限公司

開曼群島股份過戶登記總處

SMP Partners (Cayman) Limited
Royal Bank House – 3rd Floor,
24 Shedden Road
P.O. Box 1586
Grand Cayman KY1-1110, Cayman Islands

註冊辦事處

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

香港總辦事處及主要營業地點

香港葵涌
青山公路313號
天際中心27樓

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22樓

股份代號

932

公司網址

www.royalmedic.com
(網站所載資料概不構成本報告一部分)

FINANCIAL HIGHLIGHTS

財務概要

HIGHLIGHTS

概要

		For the year ended 31 March 截至三月三十一日止年度		
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	% Change 變動
Operations	業務營運			
Revenue	收益	220,853	189,958	16.3%
Gross profit	毛利	157,121	147,002	6.9%
EBIT (Note 1)	EBIT(附註1)	16,416	15,280	7.4%
Profit for the year attributable to:	以下人士應佔年內溢利：			
Owners of the Company	本公司擁有人	12,746	10,421	22.3%
Non-controlling interests	非控股權益	(923)	—	100.0%
		11,823	10,421	13.5%
Earnings per share attributable to owners of the Company (expressed in HK cents)	本公司擁有人應佔每股盈利 (以港仙列值)			
Basic	基本	2.4	2.0	20.0%
Diluted	攤薄	2.4	2.0	20.0%

Note:

1. EBIT represents earnings before finance costs and taxation.

附註：

1. EBIT指扣除融資成本及稅項前溢利。

		As at 31 March 於三月三十一日		
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	% Change 變動
Financial position	財務狀況			
Total assets	資產總額	266,084	234,460	13.5%
Shareholders' equity	股東權益	212,044	179,380	18.2%
Net assets value per share (HK\$)	每股資產淨值(港元)	0.40	0.35	14.3%

INFORMATION FOR INVESTORS

給投資者的資料

SHARE INFORMATION

Board lot size	4,000 shares
As at the last trading day of the financial year ended 31 March 2017:	
• Shares outstanding	528,600,000 shares
• Market capitalisation	HK\$2,373,414,000
• Closing share price	HK\$4.49
• Earnings per share (basic)	HK cents
• Interim:	1.4
• Final:	2.4

KEY DATES

• Latest time for lodging transfer documents for registration in order to qualify for attending and voting at 2017 annual general meeting	4:30 pm, 25 August 2017
• Closure of register for 2017 annual general meeting	28 – 31 August 2017
• 2017 annual general meeting	31 August 2017

INVESTOR RELATION CONTACT

Address	: 27/F., The Galaxy 313 Castle Peak Road Kwai Chung, Hong Kong
Telephone	: (852) 2297 0000
Fax	: (852) 2755 9999
E-mail	: ir@royalmedic.com.hk
Website	: www.royalmedic.com

SHAREHOLDER ENQUIRIES

Any matters relating to your shareholding, e.g. transfer of shares, change of name or address, lost share certificate and dividend warrants, should be sent in writing to:

Tricor Investor Services Limited

Address	: Level 22, Hopewell Centre 183 Queen's Road East Hong Kong
Telephone	: (852) 2980 1333
Fax	: (852) 2810 8185
E-mail	: is-enquiries@hk.tricorglobal.com
Website	: http://www.tricoris.com

股份資料

買賣單位	4,000股
於2017年3月31日財務年度最後交易日：	
• 發行股數	528,600,000股
• 市值	2,373,414,000港元
• 收市價	4.49港元
• 每股盈利(基本)	港仙
• 中期：	1.4
• 末期：	2.4

重要日期

• 符合資格出席二零一七年股東週年大會並投票，提交過戶文件之最後日期	二零一七年八月二十五日 下午四時三十分
• 就二零一七年股東週年大會之暫停辦理股份過戶登記日期	二零一七年 八月二十八日至三十一日
• 二零一七年股東週年大會	二零一七年八月三十一日

投資者聯絡查詢

地址	: 香港葵涌 青山公路313號 天際中心27樓
電話	: (852) 2297 0000
傳真	: (852) 2755 9999
電郵	: ir@royalmedic.com.hk
網址	: www.royalmedic.com

股東查詢

如閣下對所持股份有任何查詢，例如轉讓股份、轉名或更改地址、報失股票及股息單，請致函如下：

卓佳證券登記有限公司

地址	: 香港 皇后大道東183號 合和中心22樓
電話	: (852) 2980 1333
傳真	: (852) 2810 8185
電郵	: is-enquiries@hk.tricorglobal.com
網址	: http://www.tricoris.com

CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders,

On behalf of the Board of RM Group Holdings Limited (the “**Company**”) and its subsidiaries (together the “**Group**”), I would like to announce the annual results of the Group.

PERFORMANCE FOR THE YEAR

Though both of the turnover and profits were decreased during the first half of the financial year ended 31 March 2017 (“**FY2016/17**”), with the efforts of all dedicated staffs, the total revenue of the Group for FY2016/17 has achieved to HKD220.9 million, representing an increase of 16.3% over last financial year. The increase in turnover is mainly due to increase in revenue generated from private label brand health supplements as well as more trading activities are engaged by the Group. The net profits attributable to owners of the Company also increased to HKD12.7 million from HKD10.4 million in 2015/16.

The Group's overall gross profit margin for FY2016/17 decreased by 6.3% to 71.1% (2016: 77.4%) owing to the change of product mix.

DEDICATED FOCUS

Health is the foundation of wealth. Unfortunately, people in Hong Kong are preoccupied with making a living and tend to neglect their well-being. True to the “Royal Medic” mission of being the guardian of your health, we have consistently developed and produced high-quality and high-efficacy health supplements.

PROSPECTS

In view of the continuous weak performance of Hong Kong's retail market, in addition to expanding the local sales platform through utilizing various media and channels, the Group will also actively expand the retail market in other Asia regions to increase its market share. To enhance the competitiveness of the Group, the Group will continue to seek cooperation opportunities with different organizations for research and development, so as to introduce more diverse and well-structured products and further promote a healthy living culture.

各位股東：

本人謹此代表御藥堂集團控股有限公司（「本公司」）及其附屬公司（統稱「本集團」）的董事會，向閣下宣佈本集團的全年業績。

年度表現

儘管本集團於截至二零一七年三月三十一日止財政年度（「二零一六／一七財政年度」）上半年的營業額及溢利均有所下降，但在竭誠敬業的全體員工的共同努力下，本集團於二零一六／一七財政年度的總收入達到220,900,000港元，較上個財政年度增加16.3%。營業額增加乃主要由於自家品牌保健產品產生的收入增加以及本集團進行更多的買賣活動。本公司擁有人應佔淨溢利亦由二零一五／一六財政年度的10,400,000港元增加至12,700,000港元。

本集團於二零一六／一七財政年度的整體毛利率下降6.3%至71.1%（二零一六年：77.4%），乃由於本集團更改產品組合所致。

專心致志

常言道，健康是財富的根本，可惜香港人忙於為生活打拼，忽略了健康。而御藥堂正正視改善大眾健康為己任，堅持「為您健康把關」，研發及生產出一系列有質素保證及高效的保健產品。

前景

香港零售市場持續疲弱，本集團除了透過多元化媒體及渠道擴大本地銷售平台，亦積極拓展亞洲其他區域的零售市場，以增加本集團的市場份額。為提升本集團的競爭力，本集團將繼續尋求與不同的機構合作進行研究及開發工作，推出更多不同種類以及成份優良的產品，進一步提倡健康生活文化。

CHAIRMAN'S STATEMENT

主席報告

Despite the unsatisfactory economic environment in Hong Kong in recent years, the Group remains optimistic about its business development. During the reporting period, the Group expanded into advertising business and participated in the operation of gd.qq.com in Hong Kong through its subsidiary, through which the Group not only expanded more product marketing channels to make its products more widely known, but also practiced sustainable development, expanded its core business and developed other revenue and cash flow sources, which is believed to have a positive impact on the Group's profitability. In view of the fast-developing tendency of internet economy nowadays, the Group is highly optimistic about the business development prospect of Hong Kong station of gd.qq.com (the "**Hong Kong station of gd.qq.com**"). With the rising popularity of gd.qq.com in Mainland China and Macau, together with various long-term plans established by the Group and the Hong Kong station of gd.qq.com, the Group believes that the Hong Kong station of gd.qq.com will be able to catch up with the pace of development of the Mainland station and Macau station of gd.qq.com in the near future, thus to extend the strengths of gd.qq.com in the Mainland to Hong Kong. The Group will continue to devote more resources to develop the Hong Kong station of gd.qq.com to further broaden the content of the website, with the aim of attracting advertising clients from more regions, further enrich the Group's diversified businesses and win the best long-term interests for its shareholders.

ACKNOWLEDGEMENTS

We wish to express our appreciation to our shareholders, business partners and suppliers for their support during the year. We would like to thank our dedicated staff to their contributions to the success of the Group.

By order of the Board

Chan Yan Tak

Chairman

Hong Kong

28 June 2017

香港近年的經濟環境雖然未如理想，本集團對業務發展仍然保持樂觀，更於報告期內透過附屬公司開拓廣告業務，參與騰訊·大粵網於香港的營運。本集團一方面藉此業務為產品拓展更多市場推廣渠道，令產品更廣為人知；另一方面實踐持續性發展、擴大核心業務，開拓其他收入及現金流來源，相信對本集團的利潤有正面影響。順應當今社會互聯網經濟高速發展的趨勢，本集團對騰訊·大粵網·香港（「大粵網·香港」）的業務發展前景十分樂觀。憑著騰訊·大粵網於內地和澳門持續高企的人氣以及本集團與大粵網·香港訂下的各種長遠計劃，本集團認為於不久將來就可以趕上內地和澳門大粵網的發展步伐，把內地的強勢延伸到香港。本集團將繼續投放更多資源發展大粵網·香港，進一步擴闊網站內容，以吸引更多地區廣告客戶的青睞，進一步豐富集團的多元業務，並為股東爭取最佳的長遠利益。

致謝

我們謹此對股東、業務夥伴及供應商於年內的鼎力支持表示感謝，亦謹此對我們竭誠敬業的員工為本集團成就所作貢獻致上謝意。

承董事會命

主席

陳恩德

香港

二零一七年六月二十八日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS REVIEW

The Group is principally engaged in the formulating, marketing, sale and distribution of health and beauty supplements and products mainly in Hong Kong, the PRC and Taiwan. During the year under review, the Group exercised strategy adjustment, and revoked the distributors' sole distributorship agreement for the PRC market, resulting in the substantial decrease of the business operation in the PRC, and the Group is exploring other business models, distribution channels and opportunities to develop the business and intends to expand the business in other Asian regions. On the other hand, due to the continuously weak performance of the retail sector in Hong Kong, the Group endeavored to enhance the turnover and therefore caused more costs. Faced with various uncertain factors, the Group actively expanded the sales and marketing channels of products in order to increase the market share and enlarge existing core business to maintain the sustainable development of the Group. In April 2017, the Group participated in the operation of gd.qq.com in Hong Kong through its subsidiary Tenfok Asia to enter into the Hong Kong and PRC online information and advertising business. The Group believes that apart from the positive impact on the Company's profit, the new business will also bring the new opportunity to the Group amid the sluggish condition of retail sector in Hong Kong.

The following table sets forth the revenue generated from new products introduced by the Group during the two years ended 31 March 2017:

業務回顧

本集團主要於香港、中國及台灣從事配方、推廣、銷售及分銷保健產品以及美容補品及產品。本集團於回顧年內作出戰略調整，與分銷商協議撤銷其於中國市場的獨家經營權，以致中國的經營業務大幅減少，本集團正積極尋找其他商業模式、分銷渠道及機會發展其業務並計劃擴充於亞洲其他區域的業務；另一方面，香港零售業銷售持續轉弱，本集團致力提升銷售額，成本支出因而有所增加。面對各種不明朗因素，本集團積極拓展產品的銷售及推廣渠道，以提高市場份額以及擴大現時核心業務，保持集團持續性發展。二零一七年四月，本集團透過附屬公司騰福亞洲參與騰訊·大粵網於香港的營運，進軍香港及中國線上資訊及廣告業務。本集團相信新業務對公司的利潤有正面影響外，於香港零售業不景氣之中，亦為本集團帶來新機遇。

下表載列截至二零一七年三月三十一日止兩個年度本集團所推出新產品應佔的收益：

		For the year ended 31 March 截至三月三十一日止年度			
		2017 二零一七年		2016 二零一六年	
		Number of new products introduced 推出新產品 數量	Revenue 收益 HK\$'000 千港元	Number of new products introduced 推出新產品 數量	Revenue 收益 HK\$'000 千港元
Health supplements:	保健產品：				
Proprietary brands	專有品牌	8	1,551	2	3,261
Private label brands	自家品牌	7	5,278	3	3,960
Trading of goods	商品買賣	14	10,719	8	128
		29	17,548	13	7,349
Beauty supplements and products:	美容補品及產品：				
Proprietary brands	專有品牌	2	44	1	5,258
Private label brands	自家品牌	—	—	—	—
Trading of goods	商品買賣	—	—	—	—
		2	44	1	5,258
Total	總計	31	17,592	14	12,607

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

As at 31 March 2017, the Group sold and distributed 38 (2016: 34) health supplements and 9 (2016: 9) beauty supplements and products under its proprietary brands; 49 (2016: 41) health supplements and 6 (2016: 8) beauty supplements and products under the Distribution Facilitator's private label brands; 20 (2016: 15) health supplements and Nil (2016: 1) beauty supplements and products under trading of goods.

於二零一七年三月三十一日，本集團銷售及分銷 38 款(二零一六年：34 款)專有品牌保健產品及 9 款(二零一六年：9 款)專有品牌美容補品及產品；49 款(二零一六年：41 款)分銷代理的自家品牌保健產品及 6 款(二零一六年：8 款)分銷代理的自家品牌美容補品及產品；20 款(二零一六年：15 款)商品買賣的保健產品及零款(二零一六年：1 款)商品買賣的美容補品及產品。

FINANCIAL REVIEW

Revenue — Business segments

The following table sets forth the breakdown of the Group's revenue by business segments for the two years ended 31 March 2017:

財務回顧

收益 — 業務分部

下表載列截至二零一七年三月三十一日止兩個年度按業務分部劃分本集團收益的分析：

		For the year ended 31 March			
		截至三月三十一日止年度			
		2017		2016	
		二零一七年		二零一六年	
		HK\$'000	% of total revenue	HK\$'000	% of total revenue
		千港元	佔總收益百分比	千港元	佔總收益百分比
Business segments	業務分部				
Health supplements	保健產品	179,844	81.4%	160,870	84.7%
Beauty supplements and products	美容補品及產品	26,481	12.0%	27,484	14.5%
Others	其他	14,528	6.6%	1,604	0.8%
Total	總計	220,853	100.0%	189,958	100.0%

The Group recorded a revenue of approximately HK\$220.9 million for the year ended 31 March 2017 (2016: HK\$190.0 million), representing an increase of approximately HK\$30.9 million or 16.3% over the last year. The Group's revenue attributable to health supplements increased by approximately HK\$18.9 million or 11.7% to HK\$179.8 million (2016: HK\$160.9 million), while its revenue attributable to beauty supplements and products decreased by approximately HK\$1.0 million or 3.6% to HK\$26.5 million (2016: HK\$27.5 million), for the year ended 31 March 2017. Revenue attributable to others increased by approximately HK\$12.9 million or 9 times over the last year to HK\$14.5 million for the year ended 31 March 2017 (2016: HK\$1.6 million).

截至二零一七年三月三十一日止年度，本集團的收益增加約 30,900,000 港元至約 220,900,000 港元(二零一六年：190,000,000 港元)，同比去年增幅 16.3%。截至二零一七年三月三十一日止年度，本集團的保健產品應佔收益增加約 18,900,000 港元至 179,800,000 港元(二零一六年：160,900,000 港元)，增幅 11.7%，而美容補品及產品應佔收益則減少約 1,000,000 港元至 26,500,000 港元(二零一六年：27,500,000 港元)，減幅 3.6%。截至二零一七年三月三十一日止年度的其他應佔收益較去年增加約 12,900,000 港元或 9 倍至 14,500,000 港元(二零一六年：1,600,000 港元)。

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For the year ended 31 March 2017, the Group's top 4 best-selling products were Royal Medic No.1 Chinese Cs-4, RM Broken Ganoderma Spore, Melty Enzyme and Health Proof Junior Milk CA+DHA PF, which in aggregate contributed to approximately HK\$78.6 million or 35.6% of the Group's total revenue.

For the year ended 31 March 2016, the Group's top 4 best-selling products were Royal Medic No.1 Chinese Cs-4, RM Broken Ganoderma Spore, Melty Enzyme and Health Proof Junior Milk CA+DHA PF, which in aggregate contributed to approximately HK\$73.1 million or 38.5% of the Group's total revenue.

Proprietary brands health supplements

The Group's revenue attributable to proprietary brands health supplements decreased by approximately HK\$6.1 million or 5.7% to HK\$101.8 million for the year ended 31 March 2017 (2016: HK\$107.9 million). The decrease in revenue was attributable to different scheduling of one day special promotion event of health supplements being held during the year.

Private label brands health supplements

Revenue attributable to private label brands health supplements increased by approximately HK\$9.4 million or 18.1% to HK\$61.4 million for the year ended 31 March 2017 (2016: HK\$52.0 million). The increase in revenue attributable to the first time engaging a brand ambassador to promote the private brand health supplements in Hong Kong and also because more new products were launched for the year ended 31 March 2017.

Trading of health supplements

Revenue attributable to trading of health supplements increased by approximately HK\$15.7 million to HK\$16.7 million for the year ended 31 March 2017 (2016: HK\$1.0 million). It was due to the introduction of certain new trading products in the health supplement market.

Beauty supplements and products

Revenue attributable to beauty supplements and products decreased marginally by approximately HK\$1.0 million or 3.6% to HK\$26.5 million for the year ended 31 March 2017 (2016: HK\$27.5 million).

截至二零一七年三月三十一日止年度，本集團的四大暢銷產品為御藥堂培植蟲草菌絲體Cs-4、御藥堂破壁靈芝孢子、溶朮酵素及康寶庫兒童牛奶鈣，而四大暢銷產品合共佔本集團總收益約78,600,000港元或35.6%。

截至二零一六年三月三十一日止年度，本集團的四大暢銷產品為御藥堂培植蟲草菌絲體Cs-4、御藥堂破壁靈芝孢子、溶朮酵素及康寶庫兒童牛奶鈣而四大暢銷產品合共佔本集團總收益約73,100,000港元或38.5%。

專有品牌保健產品

截至二零一七年三月三十一日止年度，本集團的專有品牌保健產品應佔收益減少約6,100,000港元至101,800,000港元（二零一六年：107,900,000港元），減幅5.7%。收益減少乃由於年內舉行保健產品出位價活動之排程差異所致。

自家品牌保健產品

截至二零一七年三月三十一日止年度自家品牌保健產品應佔收益增加約9,400,000港元至61,400,000港元（二零一六年：52,000,000港元），增幅18.1%。收益增加乃由於首次聘請品牌形象大使在香港推廣自家品牌保健產品，同時由於截至二零一七年三月三十一日止年度推出更多的新產品。

買賣保健產品

截至二零一七年三月三十一日止年度，買賣保健產品應佔收益增加約15,700,000港元至16,700,000港元（二零一六年：1,000,000港元）。此乃由於在保健品市場推出若干新買賣產品。

美容補品及產品

截至二零一七年三月三十一日止年度，美容補品及產品應佔收益略微減少約1,000,000港元至26,500,000港元（二零一六年：27,500,000港元），減幅3.6%。

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Others

Revenue attributable to others increased by approximately HK\$12.9 million or 9 times to HK\$14.5 million for the year ended 31 March 2017 (2016: HK\$1.6 million). The incremental portion mainly represents provision of health food processing services.

Revenue – Sales and distribution

The following table sets forth the breakdown of the Group's revenue by distribution channels for the two years ended 31 March 2017:

其他

截至二零一七年三月三十一日止年度，其他應佔收益增加約12,900,000港元或9倍至14,500,000港元(二零一六年：1,600,000港元)。增加部分主要為提供保健食品加工服務。

收益 — 銷售及分銷

下表載列截至二零一七年三月三十一日止兩個年度按分銷途徑劃分本集團收益的分析：

		For the year ended 31 March 截至三月三十一日止年度			
		2017 二零一七年		2016 二零一六年	
		HK\$'000	% of total revenue 佔總收益 百分比	HK\$'000	% of total revenue 佔總收益 百分比
Shelves in the Distribution Facilitator's stores	於分銷代理店舖的貨架	125,419	56.8%	116,071	61.1%
SDCs located in the Distribution Facilitator's stores	於分銷代理店舖的特別指定櫃位	68,095	30.8%	50,715	26.7%
Other distribution channels (Note 1)	其他分銷渠道(附註1)	16,140	7.3%	11,436	6.0%
Hong Kong Brands and Products Expo	香港工展會	10,131	4.6%	10,132	5.3%
Others (Note 2)	其他(附註2)	1,068	0.5%	1,604	0.9%
Total	總計	220,853	100.0%	189,958	100.0%

Note 1: "Other distribution channels" includes a distribution facilitator in Taiwan and the PRC, the Wisdom Club, wholesalers, and Royal Medic Chinese Medicine Clinics.

附註1：「其他分銷渠道」包括於台灣及中國之分銷代理、凝智會、批發商及御藥堂中醫中藥坊。

Note 2: "Others" mainly includes service income generated by Royal Medic Chinese Medicine Clinics.

附註2：「其他」主要包括於御藥堂中醫中藥坊之服務收入。

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As at 31 March 2017, the Group had 17 (2016: 17) Royal Medic SDCs and 20 (2016: 20) Health Proof SDCs in the Distribution Facilitator's stores in Hong Kong.

於二零一七年三月三十一日，本集團於分銷代理的香港店舖內設有17個(二零一六年：17個)御藥堂特別指定櫃位及20個(二零一六年：20個)康寶庫特別指定櫃位。

Revenue – Geographical segments

The following table sets forth the breakdown of the Group's revenue by geographic segments for the two years ended 31 March 2017:

收益 — 地區分部

下表載列截至二零一七年三月三十一日止兩個年度按地區分部劃分本集團收益的分析：

		For the year ended 31 March			
		截至三月三十一日止年度			
		2017		2016	
		二零一七年		二零一六年	
			% of total		% of total
		HK\$'000	revenue	HK\$'000	revenue
			佔總收益		佔總收益
		千港元	百分比	千港元	百分比
Hong Kong	香港	220,620	99.9%	178,936	94.2%
The PRC	中國	—	—	10,559	5.6%
Taiwan	台灣	233	0.1%	463	0.2%
Total	總計	220,853	100.0%	189,958	100.0%

Cost of sales

The Group's cost of sales primarily comprises of cost of raw materials and packaging materials, labour costs related to production and/or packaging of the Group's products, write down of inventories, provision for goods return and subcontracting or contract manufacturing costs.

銷售成本

本集團的銷售成本主要包括原材料及包裝物料成本、與生產及／或包裝本集團產品有關的勞工成本、存貨撇減、退貨撥備及分包或承包生產成本。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Gross profit and gross profit margin

The following table sets forth the breakdown of the Group's gross profit and gross profit margin by operating segments for the two years ended 31 March 2017:

毛利及毛利率

下表載列截至二零一七年三月三十一日止兩個年度按經營分部劃分本集團毛利及毛利率的分析：

		For the year ended 31 March 截至三月三十一日止年度			
		2017 二零一七年		2016 二零一六年	
		HK\$'000 千港元	% 百分比	HK\$'000 千港元	% 百分比
Health supplements:	保健產品：				
Proprietary brands	專有品牌	76,308	74.9%	83,201	77.1%
Private label brands	自家品牌	51,328	83.7%	44,559	85.7%
Trading of goods	商品買賣	7,428	44.6%	548	55.8%
		135,064	75.1%	128,308	79.8%
Beauty supplements and products:	美容補品及產品：				
Proprietary brands	專有品牌	18,425	70.2%	17,225	65.1%
Private label brands	自家品牌	106	48.4%	69	7.0%
Trading of goods	商品買賣	—	—	27	54.6%
		18,531	70.0%	17,321	63.0%
Others	其他	3,526	24.3%	1,373	85.6%
Total	總計	157,121	71.1%	147,002	77.4%

Gross profit for the year ended 31 March 2017 was approximately HK\$157.1 million (2016: HK\$147.0 million), representing an increase of approximately 6.9% over last year. The gross profit margin of the Group for the year ended 31 March 2017 was approximately 71.1% (2016: 77.4%), representing a decrease of approximately 6.3% over last year, which was mainly due to the change of product mix.

截至二零一七年三月三十一日止年度，毛利約157,100,000港元（二零一六年：147,000,000港元），同比去年增幅為約6.9%。截至二零一七年三月三十一日止年度，本集團毛利率為約71.1%（二零一六年：77.4%），同比去年減少約6.3%，乃由於本集團更改產品組合所致。

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管理層討論與分析

Other revenue and other net loss

The Group's other revenue and other net loss was HK\$0.2 million for the year ended 31 March 2017 (2016: HK\$0.2 million). The Group's other revenue and other net loss primarily comprised of sales of packaging materials, exchange gain, bank interest income, net loss on disposal of property, plant and equipment and disposal of subsidiaries. During the year ended 31 March 2017, no other loss arising from the disposal of subsidiary included in the Group's other revenue and other net loss (2016: HK\$0.9 million).

Selling and distribution expenses

The Group's selling and distribution expenses principally consist of (i) advertising and promotion expenses on advertisements through various channels including TV media, printed media, outdoor advertising and digital media as well as engagement of artistes as brand ambassadors to endorse the Group's products; (ii) commission paid to sales promoters; and (iii) exhibition expenses. The following table sets forth the breakdown of the major items of the Group's selling and distribution expenses for the two years ended 31 March 2017:

		For the year ended 31 March			
		截至三月三十一日止年度			
		2017		2016	
		二零一七年		二零一六年	
		HK\$'000	%	HK\$'000	%
		千港元	所佔百分比	千港元	所佔百分比
Advertising and promotion expenses	宣傳及推廣開支	24,627	56.1%	22,765	56.5%
Commission charges	佣金收費	16,607	37.9%	14,087	35.0%
Exhibition expenses	展銷會開支	1,548	3.5%	1,860	4.6%
Others	其他	1,091	2.5%	1,581	3.9%
Total	總計	43,873	100.0%	40,293	100.0%

The Group's selling and distribution expenses increased by approximately HK\$3.6 million or 8.9% to HK\$43.9 million for the year ended 31 March 2017 (2016: HK\$40.3 million). It was attributable to more advertising and promotion expenses incurred during the year in order to enhance the sales performance.

其他收益及其他虧損淨額

截至二零一七年三月三十一日止年度，本集團的其他收益及其他虧損淨額為200,000港元(二零一六年：200,000港元)。本集團其他收益及其他虧損淨額主要包含銷售包裝物料、匯兌收入、銀行利息收入、出售物業、廠房及設備及出售附屬公司的淨虧損。截至二零一七年三月三十一日止年度，本集團其他收益及其他虧損淨額並無包含出售附屬公司產生的其他虧損(二零一六年：900,000港元)。

銷售及分銷開支

本集團的銷售及分銷開支主要包括(i)透過不同渠道包括電視媒體、印刷媒體、戶外廣告及電子傳媒進行宣傳的宣傳及推廣開支以及委聘藝人擔任本集團產品的品牌形象大使；(ii)推銷員的佣金收費；及(iii)展銷會開支。下表載列截至二零一七年三月三十一日止兩個年度本集團銷售及分銷開支的分析：

截至二零一七年三月三十一日止年度，本集團的銷售及分銷開支增加約3,600,000港元至43,900,000港元(二零一六年：40,300,000港元)，增幅8.9%，此乃由於年內為提升銷售業績而產生更多的廣告及推廣費用。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Administrative expenses

The administrative expenses mainly consist of salaries and staff related costs for administrative personnel (including the Directors), rent for SDCs, consultancy fees and research and development costs. The following table sets forth a breakdown of the major items of the Group's administrative expenses for the two years ended 31 March 2017:

行政開支

行政開支主要包括行政人員(包括董事)的薪金及員工相關成本、特別指定櫃位租金、顧問費以及研發成本。下表載列截至二零一七年三月三十一日止兩個年度本集團的主要行政開支項目分析：

		For the year ended 31 March			
		截至三月三十一日止年度			
		2017		2016	
		二零一七年		二零一六年	
		HK\$'000	%	HK\$'000	%
		千港元	所佔百分比	千港元	所佔百分比
Salaries	薪金	31,273	32.2%	29,748	32.5%
Rent for SDCs	特別指定櫃位租金	31,128	32.1%	25,504	27.8%
Legal and professional fees	法律及專業費	4,228	4.4%	6,960	7.6%
Directors' emoluments	董事酬金	6,922	7.1%	5,121	5.6%
Operating lease charges:	經營租賃開支：				
minimum lease payments	最低租金	1,888	1.9%	3,181	3.5%
Depreciation	折舊	4,002	4.1%	2,551	2.8%
Contributions to defined contribution	定額供款退休計劃供款及				
retirement plans and other staff benefits	其他員工福利	2,610	2.7%	2,435	2.6%
Research and development costs	研發成本	3,073	3.2%	2,131	2.3%
Impairment loss on property,	物業、廠房及設備減值虧損				
plant and equipment		—	—	1,271	1.4%
Donation	捐款	42	0.1%	1,009	1.1%
Others	其他	11,875	12.2%	11,722	12.8%
Total	總計	97,041	100.0%	91,633	100.0%

The Group's administrative expenses increased by approximately HK\$5.4 million or 5.9% to HK\$97.0 million for the years ended 31 March 2017 (2016: HK\$91.6 million). It was primarily attributable to increase in (i) director's emolument and salaries costs because of increase in headcounts to cope with business expansion, (ii) rent for SDCs due to increase in revenue derived from SDCs, (iii) research and development costs and (iv) depreciation.

截至二零一七年三月三十一日止年度，本集團的行政開支增加約5,400,000港元至97,000,000港元（二零一六年：91,600,000港元），增幅5.9%，此乃主要由於(i)應對業務擴張招聘的員工人數增加而導致董事酬金及薪資成本增加，(ii)特別指定櫃位產生之收益增加導致特別指定櫃位租金增加，(iii)研發成本增加及(iv)折舊增加。

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Equity-settled share-based payments

During the year ended 31 March 2017, the Group recognised no expense (2016: Nil) in relation to the Share Options granted by the Company.

Profit before taxation

The Group's profit before taxation increased by approximately HK\$0.9 million to HK\$15.6 million for the year ended 31 March 2017 (2016: HK\$14.7 million).

Taxation

Taxation for the year ended 31 March 2017 was approximately HK\$3.8 million (2016: HK\$4.3 million). The tax effects on (i) non-deductible expenses and (ii) tax losses not recognised, have contributed to the extent of taxation incurred in the year under review.

Profit for the year

As a result of the foregoing factors, the Group's net profit increased by approximately HK\$1.4 million to HK\$11.8 million for the year ended 31 March 2017 (2016: HK\$10.4 million). The Group's net profit attributable to the owners of the Company increased by approximately HK\$2.3 million to HK\$12.7 million for the year ended 31 March 2017 (2016: HK\$10.4 million).

Inventories

The inventories increased by approximately HK\$6.9 million or 34.0% to HK\$27.2 million as at 31 March 2017 (2016: HK\$20.3 million), which was due to (i) increase in the number of new products and (ii) a one day special promotion event taken place immediately after the year end date. The Group's total inventory turnover days decreased to 136 days for the year ended 31 March 2017 (2016: 155 days), which was primarily owing to the inventory turnover days of trading of goods were shorter.

Trade and other receivables

The current portion of trade and other receivables increased by approximately HK\$20.6 million or 41.6% to HK\$70.1 million as at 31 March 2017 (2016: HK\$49.5 million). Of which, trade receivables increased by approximately HK\$6.7 million or 19.2% to HK\$41.6 million as at 31 March 2017 due to two times of one day special promotion events were taken place in March 2017 (2016: HK\$34.9 million). The Group's total receivable turnover days decreased to 63 days for the year ended 31 March 2017 (2016: 79 days), which was due to credit terms for new customers are tightened and also last year has more overdue balances.

以股權結算以股份支付之開支

截至二零一七年三月三十一日止年度，本集團並無就本公司授出的購股權確認開支（二零一六年：無）。

除稅前溢利

截至二零一七年三月三十一日止年度，本集團的除稅前溢利增加約900,000港元至15,600,000港元（二零一六年：14,700,000港元）。

稅項

截至二零一七年三月三十一日止年度，稅項約3,800,000港元（二零一六年：4,300,000港元）。(i)不可扣稅開支及(ii)未確認稅項虧損的稅務影響，促成在審閱年度的稅項產生。

年內溢利

基於上述因素，截至二零一七年三月三十一日止年度，本集團的淨溢利增加約1,400,000港元至11,800,000港元（二零一六年：10,400,000港元）。截至二零一七年三月三十一日止年度，本集團的本公司擁有人應佔淨溢利增加約2,300,000港元至12,700,000港元（二零一六年：10,400,000港元）。

存貨

於二零一七年三月三十一日，存貨增加約6,900,000港元至27,200,000港元（二零一六年：20,300,000港元），增幅34.0%，乃由於(i)新產品數量增加及(ii)緊接年結日期後有出位價活動。截至二零一七年三月三十一日止年度，本集團的總存貨週轉日數減少至136日（二零一六年：155日），主要由於商品買賣的存貨週轉天數較短。

應收賬款及其他應收款項

於二零一七年三月三十一日，應收賬款及其他應收款項的流動部份增加約20,600,000港元至70,100,000港元（二零一六年：49,500,000港元），增幅41.6%。其中，於二零一七年三月三十一日的應收賬款增加約6,700,000港元至41,600,000港元（二零一六年：34,900,000港元），增幅19.2%，乃由於在二零一七年三月舉行兩次出價位活動。截至二零一七年三月三十一日止年度，本集團的總應收賬款週轉日數減少至63日（二零一六年：79日），乃由於收緊給予新客戶之信貸期以及去年有較多的逾期結餘。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Trade and other payables

Trade and other payables increased by approximately HK\$0.6 million or 3.8% to HK\$16.6 million as at 31 March 2017 (2016: HK\$16.0 million). Of which, trade payables decreased by approximately HK\$0.6 million or 16.2% to HK\$3.1 million as at 31 March 2017 (2016: HK\$3.7 million). The Group's total payable turnover days decreased to 20 days for the year ended 31 March 2017 (2016: 42 days). It was primarily due to shorter credit terms are given by certain new suppliers engaged during the year.

Disclaimer

Save for Royal Medic No.1 Chinese Cs-4, none of the Group's products is registered under the Pharmacy and Poison Ordinance (Chapter 138, the Laws of Hong Kong) and the Chinese Medicine Ordinance. Any claim made by those products has not been subject to evaluation for such registration. Those products are not intended to diagnose, treat or prevent any disease.

FINANCIAL POSITION AND LIQUIDITY

As at 31 March 2017, cash and bank balances of the Group amounted to approximately HK\$110.2 million (2016: HK\$102.1 million) and the current ratio (current assets divided by current liabilities) of the Group was 4.1 times as at 31 March 2017 (2016: 3.2 times). The Group's gearing ratio, representing total borrowings divided by total equity, was approximately 14.9% as at 31 March 2017 (2016: 20.6%). The decrease in gearing ratio was primarily due to decrease in mortgage bank loans for the Group's property. In view of the Group's current level of cash and bank balances, funds generated internally from operations and the unutilised banking facilities available, the Board is confident that the Group will have sufficient resources to meet its financial needs for its operations. As at 31 March 2017, the Group has unutilised general banking facilities of approximately HK\$5.9 million (2016: HK\$10.6 million).

應付賬款及其他應付款項

於二零一七年三月三十一日，應付賬款及其他應付款項增加約600,000港元至16,600,000港元（二零一六年：16,000,000港元），增幅3.8%。其中，於二零一七年三月三十一日的應付賬款減少約600,000港元至3,100,000港元（二零一六年：3,700,000港元），減幅16.2%。截至二零一七年三月三十一日止年度，本集團的總應付賬款週轉日數減至20日（二零一六年：42日）。此乃主要由於年內委聘的若干新供應商給予之信貸期較短。

免責聲明

除御藥堂培植蟲草菌絲體Cs-4外，本集團的產品概無根據香港法例第138章藥劑業及毒藥條例及中醫藥條例註冊。就該等產品作出的任何聲明尚未就有關註冊而作出評估。該等產品並非用作診斷、治療或預防任何疾病。

財務狀況及流動資金

於二零一七年三月三十一日，本集團的現金及銀行結餘約110,200,000港元（二零一六年：102,100,000港元）。本集團的流動比率（即流動資產除以流動負債）於二零一七年三月三十一日為4.1倍（二零一六年：3.2倍）。於二零一七年三月三十一日，本集團之資產負債率（即借款總額除以權益總額）約14.9%（二零一六年：20.6%）。資產負債率下降主要是由於用於本集團物業的銀行貸款減少所致。考慮到本集團現金及銀行結餘的現時水平、來自本集團經營業務內部的資金及可動用但尚未動用的銀行信貸融資，董事會深信，本集團將會擁有充裕資源滿足其經營業務的財政需求。於二零一七年三月三十一日，本集團持有未動用一般銀行信貸融資約5,900,000港元（二零一六年：10,600,000港元）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

CAPITAL MANAGEMENT

The Group's objectives in managing capital are to ensure that entities in the Group will be able to continue as a going concern while maximising the return to the shareholders through the optimisation of the debt and equity balance. The management reviews the capital structure by considering the cost of capital and the risks associated with each class of capital. In view of this, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt as it sees fit and appropriate. The Group also monitors capital on the basis of the net gearing ratio. The Group's overall strategy remains unchanged throughout the year of review.

EMPLOYEE INFORMATION

As at 31 March 2017, the Group had 169 (2016: 157) employees. For the year ended 31 March 2017, staff costs including directors' remuneration was approximately HK\$61.2 million (2016: HK\$54.3 million).

REMUNERATION POLICY

The Group's Directors and senior management receive compensation in the form of salaries, benefits in kind and discretionary bonuses with reference to salaries paid by comparable companies, time commitment and the performance of the Group. The Group also reimburses them for expenses, which are necessarily and reasonably incurred for the provision of services to the Group or executing their functions in relation to the operation of the Group. The Group regularly reviews and determines the remuneration and compensation package of the Group's Directors and senior management, by reference to, among other things, market level of salaries paid by comparable companies, the respective responsibilities of the Group's Directors and the performance of the Group.

資本管理

於管理資本時，本集團之目標為確保本集團旗下實體將能夠按持續經營基準繼續經營，同時透過優化債務及權益結餘，將為股東帶來之回報最大化。管理層透過考慮資本成本及與各類資本相關之風險，檢討資本結構。有鑑於此，本集團將於其認為合適及適當時，透過派息、新股發行以及發行新債務或購回現有債務，平衡其整體資本結構。本集團按照淨資產負債比率對資本進行監控。本集團的整體策略於審閱年度維持不變。

僱員資料

於二零一七年三月三十一日，本集團的僱員人數為169人(二零一六年：157人)。截至二零一七年三月三十一日止年度，員工成本(包括董事酬金)約為61,200,000港元(二零一六年：54,300,000港元)。

薪酬政策

本集團董事及高級管理層以薪金、實物福利及酌情花紅形式收取報酬，經參考可比較公司所支付的薪金、投入的時間及本集團表現釐定。本集團亦償付彼等就向本集團提供服務或履行有關本集團業務的職能時產生的必要合理開支。本集團參考(其中包括)可比較公司所支付的市場薪酬水平、本集團董事各自的職責以及本集團的表現，定期檢討及釐定本集團董事及高級管理層的薪酬及待遇組合。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

OUTLOOK

Hong Kong Market

During the year under review, the retail sector has been greatly affected by China's economic slowdown as well as the decrease of Mainland tourists visiting Hong Kong, resulting in the weak growth of sales in the retail sector. In order to maintain the stable development of product sales and increase the market share, the Group will continue to expand the local sales platform, enhance the distribution network and broaden the customer base; on the other hand, the Group will advertise and promote its products through diversified media and channels so as to improve the competitive advantages of the Group in the market.

To enhance the quality standard and image, the Group is planning to apply quality management accreditation like ISO22000 and Hazard Analysis and Critical Control Point ("HACCP") for its food factory in Hong Kong as well as upgrading its own Chinese medicine plant from packaging-mainly to include the full production. The upgraded plant is expected to commence operation in the financial year ended March 2018 and as a result, the Group expects to reduce part of the existing subcontracting costs.

Overseas markets

The Group will continue to explore the retail market in other regions in Asia. To expand its Taiwan market, the Group has signed a new contract with a new non-exclusive distributor with extensive network in drug chain stores that may potentially and possibly expand our sales network. In addition to the traditional drug chain stores, the Group is also positively developing its e-commerce sales network. The goods are already on both shelf online and offline in April 2017. But as mentioned in the interim report, the slowdown of the Taiwan economy forced the Group to adopt a more prudent approach in its expansion plan in the past, and also in the coming few years.

On 22 November 2016, the Group disposed 40% of an indirect wholly-owned subsidiary together with a shareholder's loan due to the Group on a pro rata basis for an aggregate consideration of HK\$4.5 million. The subsidiary concerned is principally engaged in the distribution of health and beauty supplements in the PRC. The Directors consider such disposal presents a good opportunity for the Company to engage a new strategic business and investment partner for potential and possible enhancement of the Group's product distribution business in the PRC.

前景

香港市場

回顧年度內，零售市場受中國經濟放緩及中國內地訪港遊客人數下降大幅影響，零售業銷售增長乏力。為維持產品銷售穩定發展及增加市場份額，本集團將繼續擴大本地銷售平台，增加分銷網絡以及拓闊用戶層面；另一方面，本集團亦會透過多元化媒體及渠道，宣傳及推廣本集團產品，提升集團在市場上的競爭優勢。

為優化本集團的品質標準及形象，本集團正計劃為於香港的食物製造廠申請ISO22000及危害分析及關鍵控制點("HACCP")等品質管理認證，同時將自家中藥廠由目前主要處理產品包裝升級至涵蓋全面生產流程。升級後的廠房預期於截至二零一八年三月止財政年度投入運作，因此，本集團預期將可減少部份現有分包成本。

海外市場

本集團將繼續開拓其他亞洲地區的零售市場。為擴展台灣市場，本集團已與一間擁有廣闊藥品連鎖店的新分銷商簽署非獨家新合同，此舉甚具潛力且有可能擴展我們的銷售網絡。除傳統藥品連鎖店外，本集團亦積極發展電子商貿銷售網絡。商品於二零一七年四月已同時在線上及線下銷售。然而，誠如中期報告所述，台灣經濟放緩迫使本集團於過去及未來年度繼續採用審慎的發展計劃。

二零一六年十一月二十二日，本集團以總代價4,500,000港元出售一間間接全資附屬公司40%股權連同結欠本集團的按比例股東貸款，附屬公司主要於中國從事分銷保健產品及美容補品。董事們認為此出售事項乃本公司可引進新戰略業務及投資合作夥伴，從而得享潛力且可能提升本集團於中國之產品分銷業務之良機。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Collaboration with CUCAMed Company Limited

The Group signed a memorandum of understanding with CUCAMed Company Limited (“CUCAMed”) in October 2016 to establish a jointly owned laboratory in Hong Kong to research and develop new Chinese medicines and health products and will commence trial run in the second half of 2017. As mentioned in the interim report, the pace of launching of new products under “LEGEND” brand has been much slower than what the Group has anticipated originally. During the year, no new product under the “LEGEND” brand was launched.

Developing Online Information and Advertising Business in Hong Kong and China

In consideration of the weak performance of retail sector and uncertain economic environment in Hong Kong in recent years, the Group has been seeking after different potential business opportunities in the market to develop diversified businesses. In 2017, the Group participated in the operation of gd.qq.com in Hong Kong through its subsidiary company Tenfok Asia, became its unique advertising business partner and content operator, and successfully marched into the online information and advertising business in Hong Kong and China. By virtue of this platform gd.qq.com, the Group can, on one hand, further introduce health supplements into domestic market through the enormous advertising marketing network; on the other hand, the Group can expand its core business and develop other income sources by operating Hong Kong station of gd.qq.com, and achieve sustainable development through diversified businesses.

During the initial launch period, Hong Kong station of gd.qq.com mainly comprises six business modules of entertainment, property and finance, sports, tourism, pets and education. Within the shortly 4 months, it has been rapidly increased to 10 modules, including health, fashion, infant care and E-sports. The Group will continue investing resources to improve the website content, and aim to expand the website into 30 modules. By absorbing the huge user volume from extensive user facets, we believe our advertising revenues will be increased greatly. In terms of the entertainment and catering module, Hong Kong station of gd.qq.com has invited Mr. Ho Lai Chuen, a seasoned media executive, to act as a leader in an attempt to establish the local strongest catering information website, which will be presented in the second half of 2017 as planned.

與中大中醫藥科技有限公司合作

本集團與中大中醫藥科技有限公司(「中大中醫藥科技」)於二零一六年十月簽署諒解備忘錄，於香港成立合營的實驗室，研究及開發新中醫藥及保健產品，並將在二零一七年下半年開始試行營運。誠如中期報告所述，推出「中大中藥傳承」品牌新產品的步伐較本集團原來預期緩慢。於本年度，本集團並無推出「中大中藥傳承」品牌的任何新產品。

發展香港及中國線上資訊及廣告業務

近年香港零售業表現疲弱，經濟環境不明朗，本集團一直在市場上物色不同潛在商機，發展多元化業務。於二零一七年，本集團透過附屬公司騰福亞洲參與騰訊·大粵網於香港的營運，成為其唯一廣告業務合作伙伴及內容營運單位，成功進軍香港及中國線上資訊及廣告業務。藉著騰訊·大粵網這個平台，本集團一方面能透過龐大的廣告營銷網絡將保健產品進一步帶入國內市場；另一方面，藉營運大粵網·香港擴大核心業務和開拓其他收入來源，實現多元化業務可持續發展。

大粵網·香港上線初期主要分為娛樂、產經、體育、旅遊、寵物及教育六個版塊，從啟動至今短短四個月內，已迅速拓展至十個板塊包括健康、時尚、育兒及數碼競技。本集團將繼續投入資源提升網站內容，目標將網站擴充至三十個板塊，通過廣闊用戶層面吸納用戶量，相信廣告收入亦會大大提升。娛樂及飲食板塊方面，大粵網·香港聘請到資深傳媒人何麗全先生加入領航，務求打造本地最強大的飲食餐飲資訊網，並計劃於二零一七年下半年推出。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

As the only inter-network information website in Mainland China, Hong Kong station of gd.qq.com can directly resort to the tremendous domestic website traffic of Tencent, adapt the advertising clients in Hong Kong to Tencent's advertising platform, and make the advertising message delivered easily to customers nationwide. Hong Kong station of gd.qq.com further introduces the live streaming event of hot issues, such as large-scale boxing matches and singing contests with higher audience rating in Mainland China, and develop more and more diversified online promotion methods. In the Group's opinion, the monthly views of Hong Kong station of gd.qq.com will be expected to increase, and more advertising clients from Southeast Asia will be attracted to further boost the increase of advertising revenues.

On the basis of the rising popularity of gd.qq.com in Mainland China and Macau, together with the fast-developing tendency of internet economy nowadays, the Group is highly optimistic about the business development prospect of Hong Kong station of gd.qq.com, and will continue to discuss with Tencent about more profound cooperation in future, such as participating in WeChat, WeChat payment, etc., and enhance the website competence by virtue of brand effect. The Group will pay close attention to market development of advertising agency business, further increase the market share, and meanwhile keep an eye on the opportunity to develop and expand other businesses.

MATERIAL ACQUISITIONS OR DISPOSALS

Save as disclosed in note 28 to the audited consolidated financial statements in this annual report, there was no other material acquisition and disposal of subsidiaries, associated companies and joint ventures during the year ended 31 March 2017.

CONTINGENT LIABILITIES

As at 31 March 2016 and 2017, the Group had no material contingent liabilities.

CAPITAL COMMITMENT

Save as disclosed in note 30(a) to the audited consolidated financial statements in this annual report, the Group did not have significant capital commitment as at 31 March 2016 and 2017.

FOREIGN EXCHANGE EXPOSURE

Presently, the Group does not have a hedging policy with respect to the foreign exchange exposure. The Group is exposed to currency risk primarily through sales and purchases, which give rise to receivables and payables and cash balances that are denominated in foreign currencies, other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily United States dollars ("US\$") and Renminbi ("RMB"). In order to manage and minimize the foreign currency risk, the management will continue to manage and monitor the foreign currency exposure to ensure appropriate measure are implemented in a timely and effective manner.

作為內地唯一可跨網使用的資訊網站，大粵網·香港可直接引流騰訊國內龐大流量，為香港的廣告商戶接駁騰訊廣告平台，廣告訊息輕易傳遞至全國消費者。大粵網·香港更引入熱門事件直播包括大型拳擊比賽、內地收視率領先的歌唱比賽等，製作更多元化的線上推廣方式。本集團預期大粵網·香港的每月瀏覽量將會上升，並能夠吸引更多東南亞廣告客戶的青睞，進一步帶動提升廣告收入。

憑著騰訊·大粵網於內地和澳門持續高企的人氣，加上當今社會互聯網經濟高速發展的趨勢，本集團對大粵網·香港的業務發展前景十分樂觀，日後將會繼續與騰訊商討更深層次的合作，例如參與微信、微信支付等業務，借助品牌效應提升網站競爭力。本集團將會更密切關注廣告代理業務的市場發展，進一步增加市場份額，同時繼續留意拓展、擴充其他業務的機會。

重大收購或出售

除本年報經審核綜合財務報表附註28所披露外，截至二零一七年三月三十一日止年度，概無任何附屬公司、聯營公司及合營企業的重大收購或出售。

或然負債

於二零一六年及二零一七年三月三十一日，本集團並無任何重大或然負債。

資本承擔

除了本年報經審核綜合財務報表附註30(a)所披露外，於二零一六年及二零一七年三月三十一日，本集團並無任何重大資本承擔。

外匯風險

現時本集團並無就外匯風險實施對沖政策。本集團所承受貨幣風險主要因進行銷售及採購所產生以外幣計值（即以營運相關功能貨幣以外貨幣計值）的應收及應付款項及現金結餘所致。導致有關風險的貨幣主要為美元（「美元」）及人民幣（「人民幣」）。為管理並盡量降低外幣風險，管理層會繼續管理及監察外幣風險，確保及時及有效採取適當措施。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

CHARGES ON ASSETS

As at 31 March 2017, the Group had secured bank loans of approximately HK\$30.6 million (2016: HK\$36.9 million). The banking facilities are secured by the Group's land and buildings, having carrying amount of approximately HK\$43.2 million as at 31 March 2017 (2016: HK\$44.6 million).

抵押資產

於二零一七年三月三十一日，本集團持有有抵押銀行貸款約為30,600,000港元（二零一六年：36,900,000港元）。該銀行信貸融資已由本集團的土地及樓宇作抵押，其賬面值於二零一七年三月三十一日約為43,200,000港元（二零一六年：44,600,000港元）。

BUSINESS OBJECTIVES AND USE OF PROCEEDS

Comparison of Business Objectives with Actual Business Progress

An analysis comparing the business objectives as stated in the Prospectus of the Company dated 30 September 2013 (the “Prospectus”) with the Group's actual business progress for the period from 1 April 2015 onwards is set out as below:

業務目標及所得款項用途

業務目標與實際業務進展的比較

本公司於二零一三年九月三十日配售章程（「配售章程」）所列業務目標與本集團於二零一五年四月一日起期間實際業務進展的比較分析載列如下：

Business objectives for the period from 1 April 2015 onwards as stated in the Prospectus	Actual business progress up to 31 March 2017
配售章程所列由二零一五年四月一日起期間的業務目標	直至二零一七年三月三十一日的實際業務進展
<p><i>Expansion of distribution network</i> Set up about 2-4 new SDCs</p> <p>Employ more promoters</p> <p>擴大分銷網絡 增設約2至4個特別指定櫃位</p> <p>聘用更多推銷員</p>	<p>The Group continues to identify suitable stores of the Distribution Facilitator to set up SDCs. 2 Health Proof SDCs was set up during the year ended 31 March 2017. The Group had 37 SDCs including 17 Royal Medic SDCs and 20 Health Proof SDCs as at 31 March 2017.</p> <p>The Group continues to employ promoters and employed 93 promoters as at 31 March 2017 (As at 31 March 2016: 91).</p> <p>本集團繼續物色適合的分銷代理商舖以增設特別指定櫃位。截至二零一七年三月三十一日止年度已增設2個康寶庫特別指定櫃位。於二零一七年三月三十一日，本集團有37個特別指定櫃位，當中包括17個御藥堂特別指定櫃位及20個康寶庫特別指定櫃位。</p> <p>本集團繼續聘用推銷員，於二零一七年三月三十一日已聘用93個推銷員（二零一六年三月三十一日：91個）。</p>

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

<p>Business objectives for the period from 1 April 2015 onwards as stated in the Prospectus (Continued)</p> <p>配售章程所列由二零一五年四月一日起期間的業務目標(續)</p>	<p>Actual business progress up to 31 March 2017</p> <p>直至二零一七年三月三十一日的實際業務進展</p>
<p><i>Collaboration with CUCAMed to develop products</i></p> <p>Launch more new health supplements under the brand of “LEGEND”</p> <p>Engaging brand ambassadors to promote the products</p> <p>Strengthen the Group's branding and marketing strategies through various media and channels</p> <p>與中大中醫藥科技合作開發產品</p> <p>以「中大中藥傳承」品牌推出更多新保健產品</p> <p>委聘品牌形象大使推廣產品</p> <p>透過不同媒體及渠道以加強本集團品牌及市場推廣策略</p>	<p>No new product under “LEGEND” brand was launched for the year ended 31 March 2017.</p> <p>The contract of a brand ambassador to promote the products under “LEGEND” expired in May 2016.</p> <p>The Group continues to promote its products launched under “LEGEND” through various media and channels, such as television commercials and printed media in Hong Kong.</p> <p>The Group has signed a memorandum of understanding with CUCAMed in October 2016 to establish a jointly owned laboratory in Hong Kong to research and develop new Chinese medicines and health products.</p> <p>The Group collaborated with a university, conducted two scientific researches for the purpose of the development of new health supplements.</p> <p>截至二零一七年三月三十一日止年度，本集團並未有推出任何「中大中藥傳承」品牌的新產品。</p> <p>本集團委聘一個品牌形象大使推廣「中大中藥傳承」產品之合約於二零一六年五月到期。</p> <p>本集團繼續在香港透過電視廣告及印刷媒體等不同媒體及渠道，推廣「中大中藥傳承」品牌的產品。</p> <p>本集團與中大中醫藥科技於二零一六年十月簽署諒解備忘錄，以於香港成立合營實驗室，研究及開發新中醫藥及保健產品。</p> <p>本集團為了開發新的保健產品，與一所大學合作進行兩項科學性研究。</p>

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

<p>Business objectives for the period from 1 April 2015 onwards as stated in the Prospectus (Continued)</p> <p>配售章程所列由二零一五年四月一日起期間的業務目標(續)</p>	<p>Actual business progress up to 31 March 2017</p> <p>直至二零一七年三月三十一日的實際業務進展</p>
<p>Expanding overseas markets Engaging brand ambassadors in Taiwan</p> <p>Recruiting more promoters and strengthen the Group's branding and marketing strategies through various media and channels in Taiwan</p> <p>Continue to explore the opportunities in other overseas markets</p> <p>拓展海外市場 於台灣委聘品牌形象大使</p> <p>招聘推銷員及透過不同媒體及渠道以加強本集團在台灣的品牌及市場推廣策略</p> <p>繼續於其他海外市場發掘商機</p>	<p>After the expiry of the contract of a brand ambassador in Taiwan, the Group began to promote the Group's products in Taiwan using the same brand ambassadors as used in Hong Kong.</p> <p>The Group has signed a new contract with a new non-exclusive distributor, whose extensive network in drug chain stores may potentially and possibly expand our sales network after the group discontinued its cooperation with the existing distributor by the end of November 2016. In addition to the traditional drug chain stores, the Group is positively developing its e-commerce sales network.</p> <p>The Group has obtained the HALAL certification recently, which enables the Group to sell certain of its products in most of the Southeast Asia.</p> <p>On 22 November 2016, the Group disposed 40% of an indirect wholly-owned subsidiary together with a shareholder's loan due to the Group on a pro rata basis for an aggregate consideration of HK\$4.5 million. The Directors consider that the disposal presents a good opportunity for the Company to engage a new strategic business and investment partner for potential and possible enhancement of the Group's product distribution in the PRC.</p> <p>於台灣委聘的品牌形象大使合約到期後，本集團已開始聘用與香港所用相同的品牌形象大使，在台灣推廣本集團產品。</p> <p>本集團於二零一六年十一月底與現有分銷商終止合作後，已與一間擁有廣闊藥品連鎖店的新分銷商簽署非獨家新合同，此舉甚具潛力且有可能擴展我們的銷售網絡，除傳統藥品連鎖店外，本集團現正積極發展電子商貿銷售網絡。</p> <p>本集團最近已獲得清真認證，能夠讓本集團在大部份東南亞地區售賣其部份產品。</p> <p>於二零一六年十一月二十二日，本集團以總代價4,500,000港元出售一間間接全資附屬公司40%股權連同結欠本集團的按比例股東貸款。董事們認為此出售事項乃本公司可引進戰略業務及投資合作夥伴，從而得享潛力且可能提升本集團於中國之產品分銷業務之良機。</p>

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

The planned use of proceeds as stated in the Prospectus were based on the best estimation of future market conditions and development made by the Group at the time of preparing the Prospectus while the proceeds were applied in accordance with the actual development of the market. During the period from 1 April 2016 to 31 March 2017, the net proceeds from issuance of new shares of the Company by way of placing had been applied as follows:

配售章程所列所得款項擬定用途乃基於本集團在編製配售章程時對未來市況及發展的最佳估計作出，同時所得款項已根據市場的實際發展使用。自二零一六年四月一日起至二零一七年三月三十一日止期間，本公司以配售形式發行新股份的所得款項淨額的動用情況如下：

		Planned use of proceeds 所得款項擬定用途		Actual use of proceeds 所得款項實際用途			
		Change in use of proceeds during the year		Use of proceeds after change		Total amount utilised up to	
		As stated in the Prospectus	ended 31 March 2017	11 October 2013 to 31 March 2016	1 April 2016 to 31 March 2017	31 March 2017	
		截至 二零一七年 三月 三十一日 止年度	所得款項 用途變動	變動後的 所得款項 用途	二零一三年 十月 十一日至 二零一六年 三月 三十一日	二零一六年 四月 一日至 二零一七年 三月 三十一日	截至 二零一七年 三月 三十一日 已動用款項 總金額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Expansion of distribution network	擴大分銷網絡	5,950	–	5,950	948	4,277	5,225
Collaboration with CUCAMed to develop products	與中大大中醫藥科技合作開發產品	47,600	(25,000)	22,600	6,289	2,081	8,370
Expanding overseas markets	拓展海外市場	41,650	(25,000)	16,650	1,558	1,215	2,773
Enhancing the Group's marketing and promotion activities in Hong Kong	加強本集團於香港的營銷及推廣活動	13,090	–	13,090	13,090	–	13,090
Acquisition of Star Root Limited	收購Star Root Limited	–	50,000	50,000	–	5,000	5,000
General working capital	一般營運資金	10,710	–	10,710	10,710	–	10,710
		119,000	–	119,000	32,595	12,573	45,168

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

CHANGE IN USE OF PROCEEDS

Reference to the announcement dated 9 January 2017 and 18 April 2017. As at 31 March 2017, the Company utilised HK\$5.0 million out of the unutilised proceeds concerning product development and expansion of overseas market as part of the consideration of the acquisition of 100% equity interest of Star Root Limited.

Subsequent to the year end date on 13 April 2017, a sum of HK\$45.0 million was paid upon completion.

Possible change in use of proceeds

Unutilised Net Proceeds from Listing

The net proceeds from the placing of the Company's shares on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited on 11 October 2013 (the "Listing") were approximately HK\$119.0 million after deducting listing related expenses. As at 31 March 2017, approximately HK\$45.2 million out of such net proceeds from the Listing has been utilized according to the business plans as depicted in the Prospectus of the Company and the announcement dated 9 January 2017 and approximately HK\$73.8 million out of such net proceeds remain unutilised mainly due to

1. the slowdown of the Taiwan economy forced the Group to adopt a more prudent expansion plan including engaging local distributors rather than establishing its own sales team and to engage the ambassador as in Hong Kong after the expiry of the contract terms with the ambassador in Taiwan; and
2. the pace of launching of new products under the "LEGEND" brand has been much slower than what the Group has anticipated originally.

Possible Change in Use of Net Proceeds

Owing to the weak performance of the retail sector in Hong Kong, the Directors have been carefully evaluating the circumstances and exploring other opportunities to increase the profitability of the Group amid the weakened retail sales, which may involve reallocating the net proceeds from the Listing to other future plans and/or to new projects of the Group, including but not limited to, acquiring new profitable businesses as long as the Directors consider such acquisitions to be in the interests of the Company and the shareholders as a whole.

改變所得款項用途

茲提述日期為二零一七年一月九日及二零一七年四月十八日之公佈。於二零一七年三月三十一日，本公司就產品開發及海外市場拓展將未動用所得款項中的5,000,000港元用於支付收購Star Root Limited全部股權的部份代價。

年結日後於二零一七年四月十三日，支付45,000,000港元後完成收購。

可能改變所得款項用途

未動用的上市所得款項淨額

本公司股份在二零一三年十月十一日於香港聯合交易所有限公司創業板以配售方式上市（「該上市」），扣除相關上市開支後共籌得約119,000,000港元的所得款項淨額。於二零一七年三月三十一日，該上市所得款項淨額中約45,200,000港元已根據本公司招股章程及日期為二零一七年一月九日之公佈內所述業務計劃使用，剩餘仍未使用資金約73,800,000港元，主要由於

1. 台灣經濟放緩迫使本集團採取比較審慎的發展計劃，包括使用本地分銷商，代替建立銷售團隊，及當台灣的品牌大使合同期滿後，聘用香港相同的品牌大使；及
2. 推出「中大中藥傳承」品牌新產品的步伐較本集團原來預期緩慢。

可能改變所得款項淨額用途

由於香港零售市場疲弱，董事基於此疲弱零售市場，已小心評估情況，祈能發掘其他機會以增加本集團的盈利能力，當中可能包括重新分配該上市所得款項淨額，用於本集團的其他未來計劃及／或新項目，包括但不限於在董事認為有關收購符合本公司及全體股東利益之情況下，收購有盈利能力的新業務。

MANAGEMENT DISCUSSION AND ANALYSIS

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The Company shall not exclude the possibility of applying the net proceeds to the possible acquisition as indicated in the announcement of the Company dated 11 April 2017 in relation to a memorandum of understanding with potential vendors concerning the possible acquisition of all or part of the issued share capital in a company with its subsidiaries principally engaging in the business of service provision of the WeChat Pay Cross-Border Solutions to Tenpay, an integrated online payment platform, and the retail merchants in Hong Kong.

Save as disclosed above, the Company has not yet identified any new acquisition targets nor entered into any agreements with any third parties in relation to such expansion plans. If there are any material developments with respect to such expansion plans, the Company will make further announcement(s) in accordance with the Listing Rules as and when appropriate and necessary.

Further announcement(s) in respect of any possible change in use of net proceeds will be made by the Company as and when appropriate and necessary.

PRINCIPAL RISKS AND UNCERTAINTIES

Based on the Group's risk management system, the Group has examined all of the possible risks and uncertainties that might affect the Group and considered that the most important risks and uncertainties would include:

Regulatory risks

The health supplement industry in Hong Kong generally believes that changes in regulatory policies and laws in respect of the monitoring and control of food and health supplement products which include Chinese medicinal ingredients may be proposed and implemented by the authorities concerned in the coming years. Significant effect may impact on the future development of health supplements as well as the food industry. If the Group fails to keep up and comply with these changes, such factors would affect the Group's success.

The Group has closely monitored the regulatory changes, strengthened its interpretation and analysis capability of regulatory policies and would adjust strategies in advance to cope with the ever changing operating environment.

本公司不排除可能使用所得款項淨額，用於本公司日期為二零一七年四月十一日之公佈所指之潛在收購事項，而該公佈內容有關就潛在收購一間公司的全部或部分已發行股本與潛在賣方訂立的諒解備忘錄，其附屬公司主要從事向財付通（綜合線上支付平台）及香港的零售商戶提供微信支付境外收單解決方案服務。

除上文披露者外，本公司未曾就此發展計劃鎖定任何新收購目標或與任何第三方簽訂合同。若此發展計劃有任何實質進展，本公司會在適當及需要時根據上市規則刊登進一步公佈。

若所得款項淨額用途有任何可能改變，本公司會在適當及需要時另行刊發公佈。

主要風險及不確定因素

本集團已檢討基於風險管理系統確定之全部可能風險及不確定因素，並認為可能對本集團造成影響之最重要風險及不確定因素包括：

規管風險

香港保健品業界一般相信有關當局於未來數年可能建議及實施對有關監管及控制含有中醫藥成份的食物及保健產品的規管政策及法律作出改變；對保健品及食品行業未來發展可能會產生深遠影響。假若本集團未能跟隨及符合此等改變，將會影響本集團之成功。

本集團密切關注規管走向，加強規管政策分析研判，預先調整業務策略，以應付不斷變化之營商環境。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Prolonged economic downturn

The Group's business is closely related to the economic conditions of Hong Kong. Slowing economic growth or a recession may affect consumer preferences and spending which in turn could have a material adverse effect on the Group's business, operational results and financial conditions.

In response to these challenges, the Group will actively implement effective cost control measures, including reduction of administration costs, bargaining with suppliers for a better pricing as well as establishing its own facilities to reduce subcontracting costs. The Group will also continue to roll out more new products and open up more distribution channels, and plan to further expand its business outside Hong Kong.

Failure to introduce successful new products

Owing to the rapid changing nature of the health and beauty supplements products markets in Hong Kong, if the Group fails to anticipate market trends and develop new products to respond to such trends in a timely manner, it will adversely affect its business in the long term.

In addition to the Group's own product development and collaboration with external research partners, such as with CUCAMed to promote and sell products developed by CUCAMed under the brand "LEGEND", the Group is also actively looking for opportunities to collaborate with different reputable universities to conduct researches for the purpose of developing new products. Besides researches, the Group also will continue to place strong emphasis on a multifaceted market strategy through utilising various media and channels to promote its brands and products.

持久的經濟下滑

本集團的業務與香港經濟環境息息相關。經濟增長放緩或衰退或會影響消費者的喜好及消費額，從而對本集團的業務、經營業績及財政狀況造成重大不利影響。

針對上述挑戰，本集團將積極推行有效的成本控制措施，包括降低行政成本、與供應商爭取更佳的价格及建立自家設施以減低分包成本。本集團將繼續推出更多新產品及開拓更多分銷渠道，並計劃進一步擴充於香港市場以外的業務。

無法推出新成功產品

由於香港的保健產品以及美容補品及產品市場瞬息萬變，假如本集團無法準確預計市場趨勢及因應市場趨勢適時開發新產品，本集團的長遠業務會受到重大不利影響。

除了本集團自行開發產品及與外間研究夥伴合作如與中大中醫藥科技合作推廣及銷售彼開發的「中大中藥傳承」品牌的產品外，本集團亦會主動尋找機會與不同著名大學合作進行研究，以開發更多新產品。除了科研外，本集團亦會繼續透過不同的媒體及渠道加強多方面的市場推廣策略以推動其品牌及產品。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷詳情

EXECUTIVE DIRECTORS

Mr. Chan Yan Tak (“Mr. Chan”), aged 48, is the chairman of the Board and the chief executive officer of the Company as well as a director of most subsidiaries of the Company. Mr. Chan joined the Group in 2003 and was appointed as a director of the Company (“**Director**”) on 5 December 2011. Mr. Chan is responsible for the overall management and strategic development of the Group. Mr. Chan possesses over 13 years of experience in the health food and pharmaceutical trading businesses with extensive experience in product development, materials sourcing, branding-building, advertising, marketing and retail networking. Mr. Chan has acted as the honorary president of the Federation of Beauty Industry (H.K.). He has been a member of the Association of Hong Kong and Kowloon Practitioners of Chinese Medicine Limited since 2004 and was then appointed as the advisor of the abovementioned association in 2008. Mr. Chan is currently a director of and holds entirely interests in Able Island Group Limited (“**Able Island**”), the controlling shareholder of the Company, details of which are disclosed in the Report of the Director under this report. Mr. Chan is the spouse of Madam Tsang Pui Man, a former non-executive Director resigned on 24 October 2016, and the brother-in-law of Mr. Lim Ming Shing, Tony, an executive Director, a member of the remuneration committee of the Company, and the chief financial officer of the Group.

Mr. Lim Ming Shing, Tony, aged 56, is an executive Director, a member of the remuneration committee of the Company and the chief financial officer of the Group. Mr. Lim joined the Group as treasurer in August 2014 and was then appointed as executive Director on 1 January 2016. On 31 May 2016, he was appointed as chief financial officer and he is primarily responsible for the overall accounting, tax, finance and treasury functions of the Group. Mr. Lim has over 20 years of experience in financial and management accounting. He was awarded a professional diploma in management accountancy from the Hong Kong Polytechnic University (previously known as Hong Kong Polytechnic) in 1985 and he obtained his master degree in business administration from Heriot-Watt University, United Kingdom in 1999. Mr. Lim is a member of the Hong Kong Institute of Certified Public Accountants. He is also a member of the Association of Chartered Certified Accountants and of the Chartered Institute of Management Accountants. Mr. Lim is the brother-in-law of Mr. Chan Yan Tak, the chairman of the Board, the chief executive officer, an executive Director and the controlling shareholder of the Company.

執行董事

陳恩德先生(「陳先生」)，48歲，為董事會主席兼本公司行政總裁亦為本公司大多數附屬公司董事。陳先生於二零零三年加入本集團，並於二零一一年十二月五日獲委任為本公司董事(「董事」)。陳先生負責本集團整體管理及策略發展。陳先生於保健食品及藥品貿易業務方面積逾13年經驗，在產品開發、物料採購、品牌創立、廣告、營銷及零售網絡方面具有豐富經驗。陳先生曾獲委任為香港美容業總會榮譽會長，並自二零零四年起成為港九中醫學會會員，後於二零零八年獲委任為該會顧問。陳先生持有本公司控股股東Able Island Group Limited(「Able Island」)之全部權益及現為其董事，詳情載於本年報的董事會報告。陳先生為前任非執行董事曾佩雯女士(於二零一六年十月二十四日辭任)之配偶，並為執行董事、本公司薪酬委員會成員兼本集團首席財務官林銘誠先生之內弟。

林銘誠先生，56歲，為執行董事、本公司薪酬委員會成員兼本集團首席財務官。林先生於二零一四年八月加入本集團為司庫，後於二零一六年一月一日獲委任為執行董事。於二零一六年五月三十一日獲委任為首席財務官，主要是負責本集團會計、稅務、財務及庫務管理。林先生在財務和管理會計擁有超過20年的工作經驗。彼於一九八五年畢業於香港理工大學(前稱香港理工學院)，獲頒管理會計專業文憑，並於一九九九年在英國赫瑞瓦特大學獲得工商管理碩士。林先生是香港會計師公會會員，亦是英國特許公認會計師公會和英國特許管理會計師公會的會員。林先生為董事會主席、本公司行政總裁、執行董事兼控股股東陳恩德先生之姐夫。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷詳情

Mr. Lee Chi Hang, Sidney, aged 53, is an executive Director and compliance officer of the Company. He joined the Group since July 2014 acting as a director of a subsidiary of the Group and was appointed as an executive Director and the compliance officer of the Company on 20 January 2016. Mr. Lee has been primarily responsible for overseeing the corporate strategy and legal matters of the Group. Mr. Lee was employed by the Group from 1 March 2013 to 1 November 2013, responsible for business development. Mr. Lee was a director of Wisdom Come Medical Group Limited (“**Wisdom Come**”), a subsidiary of the Group from 2010 till 2012. Mr. Lee was also subscriber and nominee shareholder of Wisdom Come and subscriber of Hong Kong and Macau Chinese Medicine Innovative Institute Co., Ltd. (formerly named “**M2C Natural Health Limited**”), another subsidiary of the Group, and transferred his shares in these two companies to the Group on 1 November 2005 and 19 May 2006, respectively. Mr. Lee has been a solicitor in practice in Hong Kong since August 2000. Mr. Lee graduated from The Chinese University of Hong Kong with a bachelor degree in business administration in 1986, and later also graduated from the Manchester Metropolitan University in the United Kingdom with a bachelor degree in laws in 1999. After obtaining the Postgraduate Certificate in Laws issued by University of Hong Kong, he was admitted as a solicitor in Hong Kong in August 2000. Before practising as a solicitor, Mr. Lee was employed with senior management positions in various retail enterprises in Hong Kong. From 1995 till 1997 he was employed as a director and deputy general manager of Chinese Arts & Crafts (H.K.) Limited, a retail group of companies in Hong Kong. He is currently the sole proprietor of Sidney Lee & Co., Solicitors, a law firm established in Hong Kong since July 2008, which provided legal services to the Group till 19 January 2016. Mr. Lee has been an elected member of the Central and Western District Council since 2006 with his current term of office ending on 31 December 2019. Mr. Lee has been providing voluntary services to the public on an ongoing basis and was appointed by the government as a member of various advisory boards.

李志恒先生，53歲，執行董事兼本公司合規主任。自二零一四年七月加入本集團於本集團一附屬公司擔任董事一職並於二零一六年一月二十日獲委任為執行董事及本公司合規主任。李先生主要負責監督本集團的企業策略及法律事項。李先生由二零一三年三月一日至二零一三年十一月一日期間曾受僱本集團負責業務發展。李先生由二零一零年至二零一二年間為本集團的附屬公司仍志醫藥集團有限公司（「仍志」）董事。李先生亦為仍志的認購人及代名股東及本集團的另一附屬公司港澳中藥創新產品研究有限公司（前稱「**M2C Natural Health Limited**」）的認購人，並分別於二零零五年十一月一日及二零零六年五月十九日將彼於該兩間公司的股份轉讓至本集團。李先生自二零零零年八月起為香港執業律師。李先生於一九八六年畢業於香港中文大學，取得工商管理學學士學位，於一九九九年再獲英國曼徹斯特城市大學頒授法律學士學位；在取得香港大學頒授法律深造證書後，於二零零零年八月獲准為香港律師。在擔任執業律師前，李先生在香港多家零售企業出任高層管理人員。自一九九五年至一九九七年期間李先生受一家香港零售集團公司中藝（香港）有限公司，聘用為董事兼副總經理。李先生現為於二零零八年七月成立之李志恒律師事務所獨資經營東主，該事務所為本集團提供法律服務直至二零一六年一月十九日。李先生自二零零六年起一直出任中西區區議會民選議員，任期至二零一九年十二月三十一日止。李先生長期為社會提供義務服務，亦被香港特區政府委任為多個諮詢組織的成員。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層履歷詳情

Mr. Wong Ping Yiu, aged 54, is an executive Director. He joined the Company on 20 June 2016. He is primarily responsible for expanding the distribution network of the Group in Hong Kong. Mr. Wong has extensive experience in strategic marketing and property leasing. Prior to joining the Group, Mr. Wong was an associate director at a property consultancy firm Kencon Property Consultants, providing property acquisition planning and development advice to his clients. Mr. Wong has been a Salesperson's Licence holder duly issued by the Estate Agents Authority of Hong Kong since 2013.

Mr. Wang Xihua, aged 50, is an executive Director. He joined the Company on 24 October 2016. Mr. Wang has over 20 years of commercial experience in business development and enterprise management in the People's Republic of China ("PRC") and 5 years of teaching experience in the chemical engineering profession. Mr. Wang graduated from the Faculty of Chemical Engineering at Wuhan Iron and Steel Institute (Wuhan Institute of Iron and Steel, currently called Wuhan University of Science and Technology) in 1989. In addition, Mr. Wang completed a graduate program in business administration from the Guanghua School of Management of Peking University in 2003. Mr. Wang is primarily responsible for exploring investment opportunities to expand the business of the Group. Mr. Wang was an executive director and non-executive director of Elife Holdings Limited (Former name: Sino Resources Group Limited) ("Elife Holdings") (Stock Code: 223) shares of the company listed on the main board of the stock Exchange from 11 March 2013 to 31 January 2014 and 1 February 2014 to 22 September 2015 respectively. Mr. Wang is currently the managing director of SRG Capital Limited, a company in which Elife Holdings holds less than 10% equity interest. Mr. Wang was an executive director of Fortis Mining (Hong Kong) Limited from 1 February 2014 to 23 May 2015, a Hong Kong subsidiary of Kazakhstan Potash Corporation Limited, a company listed in the Australian Securities Exchange Limited (ASX code: KPC).

黃平耀先生，54歲，為執行董事。黃先生於二零一六年六月二十日加入本公司，彼主要負責擴展本集團於香港的分銷網絡。黃先生於市場策略及房地產租賃俱有相當豐富經驗。彼加入本集團前，黃先生於俊昇物業顧問行任職為聯席董事，以提供物業收購計劃及發展意見給予其客戶。自二零一三年起，黃先生持有地產代理監管局發出的營業員牌照。

王西華先生，50歲，為執行董事。彼於二零一六年十月二十四日加入本公司。王先生於中華人民共和國（「中國」）之業務發展及企業管理方面積累逾二十年之商務經驗，並且擁有五年於化工專業的教學經驗。王先生於一九八九年於武漢鋼鐵學院（現稱武漢科技大學）化工系本科畢業。此外，王先生於二零零三年於北京大學光華管理學院完成工商管理研究生課程。王先生主要負責尋求投資機會，擴展本集團的業務。王先生分別在二零一三年三月十一日至二零一四年一月三十一日及二零一四年二月一日至二零一五年九月二十二日於易生活控股有限公司（前稱神州資源集團有限公司）（「易生活控股」）（股份代號：223，其股份於聯交所主板上市）擔任執行董事及非執行董事。王先生目前仍於神州資本有限公司擔任董事總經理，易生活控股於此公司持有少於10%股權。王先生曾在二零一四年二月一日至二零一五年五月二十三日於Fortis Mining (Hong Kong) Limited擔任執行董事，此公司為於澳大利亞證券交易所掛牌的Kazakhstan Potash Corporation Limited的香港附屬公司（澳交所代碼：KPC）。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷詳情

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Szeto Wai Ling, Virginia, aged 54, is an independent non-executive Director, a member of audit committee, nomination committee and remuneration committee of the Company. She joined the Company on 15 April 2016. Ms. Szeto is a practising solicitor in Hong Kong and a solicitor of the Supreme Court of England and Wales. She is currently the sole practitioner of Szeto Virginia & Co, Solicitors. Ms. Szeto holds a Bachelor of Laws Degree from Oxford Brookes University and a Master of Science Degree in Criminal Justice Policy from The London School of Economics and Political Science. She is currently the chairman, non-executive director and member of audit committee of Larry Jewelry International Company Limited (Stock Code: 8351) from 3 October 2016, shares of the company listed on the Growth Enterprise Market of the Stock Exchange, and an independent non-executive director of Shaw Brothers Holdings Limited (Formerly Known as Meike International Holdings Limited) (stock code: 0953), from 29 January 2016, and was an executive Director of Sino Haijing Holdings Limited (stock code: 1106), from 19 March 2015 to 4 July 2016. Shares of these two companies listed on the main board of the Stock Exchange, Ms. Szeto was also the Head of Legal Department of New World Development Company Limited (stock code: 0017) from 20 March 1998 to 31 July 2002.

Mr. Leung Winson Kwan Yau, aged 31, is an independent non-executive Director, the chairman of audit committee, a member of nomination committee and remuneration committee of the Company. He joined the Company on 24 October 2016 and was appointed as the chairman of audit committee on 6 December 2016. Mr. Leung is currently the financial controller of Tan-Eu Capital Limited, an international investment management company focusing on the market of the Greater China. Mr. Leung has worked for different international audit firms including KPMG and PricewaterhouseCoopers over the past seven years from October 2008. Mr. Leung obtained a degree of Bachelor of Commerce (Accounting and Finance) from Monash University in Australia in 2008 and has been a member of the CPA Australia since 2011.

獨立非執行董事

司徒惠玲女士，54歲，為獨立非執行董事及本公司之審核委員會、提名委員會及薪酬委員會成員。於二零一六年四月十五日加入本公司。司徒女士為香港執業律師及英格蘭及威爾斯最高法院律師。彼目前為司徒惠玲律師事務所之獨營執業者。司徒女士持有牛津布魯克斯大學法學學士學位及倫敦政治經濟學院刑事政策理學碩士學位。彼現時為俊文寶石國際有限公司（股份代號：8351，其股份於聯交所創業板上市）主席、非執行董事及審核委員會成員（自二零一六年十月三日起）及邵氏兄弟控股有限公司（前稱美克國際控股有限公司）（股份代號：0953，其股份於聯交所主板上市）之獨立非執行董事（自二零一六年一月二十九日起），且彼曾於二零一五年三月十九日至二零一六年七月四日擔任中國海景控股有限公司（股份代號：1106，其股份於聯交所主板上市）之執行董事，司徒女士亦曾於一九九八年三月二十日至二零零二年七月三十一日為新世界發展有限公司（股份代號：0017）之法務部門主管。

梁鈞滙先生，31歲，為獨立非執行董事、本公司審核委員會主席、薪酬委員會及提名委員會成員。彼於二零一六年十月二十四日加入本公司，並於二零一六年十二月六日獲委任為審核委員會主席。梁先生現時為一家專注於大中華市場的國際投資管理公司陳億資本之財務總監。梁先生由二零零八年十月開始，曾於不同國際審計事務所包括畢馬威及羅兵咸永道任職超過7年。梁先生在二零零八年於澳大利亞莫納什大學獲得商科學士（會計及財務）學位及自二零一一年起為澳洲會計師公會會員。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷詳情

Mr. Tam Kin Yip, aged 43, is an independent non-executive Director, the chairman of nomination committee and remuneration committee and a member of audit committee of the Company. He joined the Company on 7 March 2017. Mr. Tam is a practicing Barrister-At-Law in Hong Kong and has over 13 years' experience in litigation. Mr. Tam served as independent non-executive director of Zhi Cheng Holdings Limited (Stock Code: 8130), from 16 February 2012 to 3 July 2015, Gold Tat Group International Limited (Stock Code: 8266), from 3 March 2015 to 1 March 2016, shares of these two companies listed on the Growth Enterprise Market of the Stock Exchange, China Solar Energy Holdings Limited (Stock Code: 155) from 21 October 2014 to 15 May 2015, shares of this company listed on the main board of the Stock Exchange.

譚健業先生，43歲，為獨立非執行董事、本公司提名委員會及薪酬委員會主席及審核委員會成員。彼於二零一七年三月七日加入本公司。譚先生為香港執業大律師，擁有超過十三年法律訴訟經驗。譚先生於二零一二年二月十六日至二零一五年七月三日出任智城控股有限公司(股份代號：8130)之獨立非執行董事，於二零一五年三月三日至二零一六年三月一日出任金達集團國際有限公司(股份代號：8266)之獨立非執行董事，這兩家公司的股份均於聯交所創業板上市，並於二零一四年十月二十一日至二零一五年五月十五日出任中國源暢光電能源控股有限公司(股份代號：155)之獨立非執行董事，該公司的股份於聯交所主板上市。

SENIOR MANAGEMENT

Mr. Yan Tat Ming, aged 53, is the chief production officer of the Group. Mr. Yan joined the Group in January 2012. He is primarily responsible for the production and quality assurance functions of the Group. Mr. Yan has more than 15 years of experience in the pharmaceutical industry. He is experienced in the areas of production and quality assurance and familiar with production with GMP standard. Mr. Yan obtained his bachelor's degree in pharmacy from Robert Gordon Institute of Technology, Aberdeen, United Kingdom in 1991. He is registered as a pharmaceutical chemist and is a member of the Royal Pharmaceutical Society of Great Britain since 1992. He is also admitted as a pharmacist in accordance to the Pharmacy and Poisons Ordinance (Chapter 138, the Laws of Hong Kong) in 1992. Mr. Yan was elected as the committee member and deputy secretary-general of the Hong Kong Chinese Prepared Medicine Traders Association in 2004 and 2006, respectively.

高級管理層

甄達明先生，53歲，為本集團首席生產官。甄先生於二零一二年一月加入本集團，主要負責本集團的生產及質量保證職能。甄先生於製藥業積逾15年經驗，並於生產及質量保證方面擁有豐富經驗，對GMP標準生產瞭如指掌。甄先生於一九九一年在英國亞伯丁Robert Gordon Institute of Technology取得藥劑學士學位。彼自一九九二年起註冊成為化學藥劑師，並為英國皇家藥劑學會會員。彼於一九九二年亦根據香港法例第138章藥劑業及毒藥條例獲認可為註冊藥劑師。甄先生於二零零四年及二零零六年先後獲選為香港中成藥商會的委員會委員及副秘書長。

Ms. Wong Chui Lan, aged 45, is the general manager of the Group. Ms. Wong is responsible for sales department including the supervision of the sales promoter team of the Group and also acts as the person-in-charge of the customer services and member club functions of the Group. She joined the Group in 2004 as a senior manager and was subsequently promoted to the deputy general manager in 2010, sales controller in 2011 and general manager in 2016. Ms. Wong possesses more than 11 years of working experience in the retail marketing specialising in selling and distribution of PCM health supplements and beauty supplements and products.

王翠蘭女士，45歲，為本集團總經理。王女士負責銷售部門，包括監督本集團的促銷團隊，亦作為本集團客戶服務及會員俱樂部的負責人員。彼自二零零四年起加入本集團出任高級經理，先後於二零一零年、二零一一年及二零一六年晉升為副總經理、銷售總監及總經理。王女士於零售推廣方面積逾11年工作經驗，專注於銷售及分銷中成藥保健產品以及美容補品及產品。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷詳情

Mr. Wong Kui Tong, aged 36, is the company secretary and authorised representative of the Company. Mr. Wong joined the Company in December 2016. Mr. Wong has over 14 years of experience in accounting and financial management. Mr. Wong is a member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants and he is also a member of The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Company Secretaries. Prior to joining the Company, Mr. Wong held the position of Finance Manager and Company Secretary in China Lumena New Materials Corp. (Stock Code: 67) from 2009 and 2010 to 2016 respectively and worked in PricewaterhouseCoopers from 2004 to 2009. Mr. Wong obtained a Bachelor of Arts in Accountancy degree and a Master of Corporate Governance degree from The Hong Kong Polytechnic University.

Mr. Chui Pak Shing, aged 49, is the chief strategy officer of the Group. Mr. Chui joined the Group in December 2015. Mr. Chui was the company secretary and authorised representative of the Company from 25 January 2016 to 6 December 2016. Mr. Chui has over 20 years of working experience in accounting and financial management, company secretarial work and served as executive director and financial controller of several Hong Kong listed companies in various industries, before joining the Company. Mr. Chui holds a Bachelor Degree in Commerce from University of Wollongong, Australia and a Master Degree in Business Administration from University of Portsmouth, the United Kingdom. He is a fellow of CPA Australia and of the Hong Kong Institute of Certified Public Accountants.

Ms. Ko Yuen Man, Winnie, aged 46, was appointed as general manager, marketing and business development of the Group since 2016 January. Ms. Ko is responsible for the overall marketing strategy and corporate brand management as well as overseas commercial business development. Ms. Ko has over 17 years of working experience in pharmaceutical, consumer healthcare and fast moving customer goods of several Hong Kong, PRC, United States of America and European corporate groups. Ms. Ko holds a bachelor of Hospitality & Catering Management from the Hong Kong Polytechnic University.

黃鉅棠先生，36歲，為本公司公司秘書及授權代表。黃先生於二零一六年十二月加入本公司。黃先生在會計和財務管理方面有超過十四年的經驗。黃先生為香港會計師公會及特許公認會計師公會會員，亦為特許秘書及行政人員公會及香港特許秘書公會會員。在加入本公司之前，黃先生由二零零九年及二零一零年至二零一六年分別在中國旭光高新材料集團有限公司(股份代號：67)擔任財務經理和公司秘書，並由二零零四年至二零零九年在羅兵咸永道會計師事務所工作。黃先生獲得香港理工大學的會計學士學位及香港理工大學的企業管治碩士學位。

崔伯勝先生，49歲，為本集團首席策略官。崔先生於二零一五年十二月加入本集團。於二零一六年一月二十五日至二零一六年十二月六日，崔先生為本公司的公司秘書及授權代表。崔先生在會計、財務管理和公司秘書工作擁有超過20年的工作經驗，加入本公司前曾於數間不同行業的香港上市公司擔任執行董事及財務總監。崔先生在澳洲臥龍崗大學取得商學學士學位並在英國樸茨茅斯大學獲得工商管理碩士學位。崔先生是澳洲會計師公會及香港會計師公會資深會員。

柯苑雯女士，46歲，於二零一六年一月加入本集團，為本集團市場及業務發展部總經理。柯女士負責海外商務事業拓展以及整體市場策略及企業品牌管理。彼加入本集團前，柯女士曾於從事藥品、保健產品及快速消費品的香港、中國、美國及歐洲的集團企業擔任不同職位，管理工作經驗超過17年。柯女士於香港理工大學取得酒店管理學士學位。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷詳情

Ms. Yuen Yee Han, Ady, aged 56, is the administration controller of the Group. Ms. Yuen is responsible for the human resources management, administrative function, products compliance and logistics aspects of the Group. Ms. Yuen joined the Group in October 2011. Ms. Yuen possesses more than 23 years of working experience in the retail and trading businesses specialising in the human resources, administration, training and public relations and customer services aspects. She holds a diploma on foreign trade awarded by the University of International Business and Economics in Beijing, the PRC, in 1996.

源綺嫻女士，56歲，為本集團行政總監。源女士負責本集團的人力資源管理、行政、產品合規及物流等工作。源女士於二零一一年十月加入本集團。源女士於零售及貿易業務累積超過23年工作經驗，專注於人力資源、行政、培訓以及公共關係和客戶服務方面。彼於一九九六年獲中國北京對外經濟貿易大學頒發對外貿易文憑。

COMPLIANCE OFFICER

Mr. Lee Chi Hang, Sidney, aged 53, is the compliance officer of the Company. Please refer to the paragraph headed “Executive Directors” in this section for his further details.

合規主任

李志恒先生，53歲，為本公司的合規主任。有關彼進一步詳情，請參閱本節「執行董事」一段。

REPORT OF THE DIRECTOR

董事會報告書

The directors of the Company (the “**Director(s)**”) herein present their report and the audited consolidated financial statements of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2017.

PRINCIPAL ACTIVITIES

The Group is principally engaged in the business of formulation, marketing, sales and distribution of health and beauty supplements and products mainly in Hong Kong, Taiwan and the PRC. There was no significant change in nature of the Group’s principal activities during the year.

BUSINESS REVIEW AND PERFORMANCE

A fair review of the business of the Company and a discussion and analysis of the Group’s performance during the year as required by the Schedule 5 to the Hong Kong Companies Ordinance (Cap. 622), including a discussion of the principal risks and uncertainties facing the Group and indication of likely future development of the Group’s business, the material factors underlying its results and financial position are provided in the “Chairman’s Statement” from pages 6 to 7 and “Management Discussion and Analysis” from pages 8 to 28, particulars of important events affecting the Company that have occurred since the end of the financial year ended 31 March 2017, if any, can also be found in the abovementioned sections and the “Notes to the Consolidated Financial Statements”, the outlook of the Company’s business is discussed throughout this Annual Report including the “Chairman’s Statement” of this Annual Report, all these sections form part of this report of the Directors.

SUBSIDIARIES

Details of the Company’s principal subsidiaries as at 31 March 2017 are set out in note 34 to the audited consolidated financial statements in this annual report.

RESULTS AND APPROPRIATIONS

For the year ended 31 March 2017, the profit, the results and the state of affairs of the Group are set out in the audited consolidated financial statements in this annual report on pages 89 to 183.

本公司董事(「董事」)謹此提呈董事會報告以及本公司及其附屬公司(統稱「本集團」)截至二零一七年三月三十一日止年度的經審核綜合財務報表。

主要業務

本集團主要於香港、台灣及中國從事配方、推廣、銷售及分銷保健及美容補品以及產品。年內，本集團主要業務的性質並無重大變動。

業務審視及業績

香港公司條例(第622章)附表5所規定有關本公司業務的中肯審視與本集團年內表現有關的討論及分析(包括有關本集團面臨的主要風險及不明朗因素的討論以及本集團業務未來可能發展的徵兆)以及與業績及財務狀況相關的重要因素的討論及分析，在第6至7頁的「主席報告」及第8至28頁的「管理層討論與分析」中闡述。有關在截至二零一七年三月三十一日止財政年度完結後發生並對本公司有影響的重大事件(如有)之詳情亦已於以上章節及「綜合財務報表附註」中披露。本公司的業務前景則於本年報不同部份(包括於本年報「主席報告」)討論，所有該等章節均為董事會報告的一部分。

附屬公司

於二零一七年三月三十一日，本公司主要附屬公司的詳情載於本年報經審核綜合財務報表附註34。

業績及分派

截至二零一七年三月三十一日止年度，本集團的溢利、業績及財務狀況載於本年報經審核綜合財務報表第89至183頁。

REPORT OF THE DIRECTOR

董事會報告書

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2017 (2016: Nil).

CLOSURE OF REGISTER OF MEMBERS

For Attendance of 2017 AGM

The register of members of the Company will be closed from Monday, 28 August 2017 to Thursday, 31 August 2017 (both dates inclusive), for the purpose of determining the shareholders of the Company (“Shareholders”) eligibility to attend and vote at the annual general meeting of the Company to be held on Thursday, 31 August 2017 (the “2017 AGM”) and during which no transfer of shares of the Company will be effected. In order to qualify for attendance of the 2017 AGM, all completed transfer forms accompanied by the relevant share certificates of the Company must be lodged with the Company’s branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not later than 4:30 p.m. on Friday, 25 August 2017.

FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for the past 5 financial years is set out on page 184 of this annual report. This summary does not form part of the audited consolidated financial statements of the Group in this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 15 to the audited consolidated financial statements in this annual report.

SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the share capital of the Company during the year are set out in note 25(b) to the audited consolidated financial statements in this annual report.

Details of Share Options (defined below) are set out under the section headed “SHARE OPTION SCHEME”, to this report and in note 32 to the audited consolidated financial statements in this annual report.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company’s listed securities during the year ended 31 March 2017 (2016: Nil).

末期股息

董事會不建議派發截至二零一七年三月三十一日止年度之末期股息(二零一六年：無)。

暫停辦理股份過戶登記手續

出席二零一七年股東週年大會

為釐定本公司股東(「股東」)出席本公司將於二零一七年八月三十一日(星期四)舉行的股東週年大會(「二零一七年股東週年大會」)並於會上投票的資格，本公司將於二零一七年八月二十八日(星期一)至二零一七年八月三十一日(星期四)(首尾兩日包括在內)暫停辦理股東登記手續。於此期間亦不會辦理本公司股份過戶登記手續。為符合資格出席二零一七年股東週年大會，股東必須於二零一七年八月二十五日(星期五)下午四時三十分前，將所有過戶表格，連同有關本公司股票送達本公司之股份過戶登記分處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心22樓。

財務概要

本集團過去五個財政年度業績及資產與負債概要載於本年報第184頁。此概要不構成本年報的經審核綜合財務報表一部分。

物業、廠房及設備

於本年度，本集團的物業、廠房及設備變動詳情載於本年報經審核綜合財務報表附註15。

股本及購股權

於本年度，本公司的股本變動詳情載於本年報經審核綜合財務報表附註25(b)。

購股權(定義見下文)詳情載於本報告「購股權計劃」一節以及本年報經審核綜合財務報表附註32。

購買、贖回或出售本公司上市證券

截至二零一七年三月三十一日止年度，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券(二零一六年：無)。

REPORT OF THE DIRECTOR

董事會報告書

EQUITY-LINKED AGREEMENT

No equity-linked agreement was entered into during the year, save for the Share Options (defined below) which were under the section of “SHARE OPTION SCHEME” in this report.

RESERVES

Details of movements in the reserves of the Group and the Company during the year are set out in the audited consolidated statement of changes in equity on page 92 and note 25(a) to the audited consolidated financial statements in this annual report, respectively.

DISTRIBUTABLE RESERVES

As at 31 March 2017, the Company's reserves available for distribution to the Shareholders, calculated in accordance with the provisions of Cayman Islands' legislation, amounted to approximately HK\$180.1 million (2016: HK\$153.3 million).

PARTICULARS OF BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group as at 31 March 2017 are set out in notes 21 and 22 to the audited consolidated financial statements in this annual report.

DIRECTORS

The Directors during the year and up to the date of this annual report were:

Current Directors

Executive Directors

Mr. Chan Yan Tak (*Chairman and chief executive officer*)

Mr. Lim Ming Shing, Tony (*Chief financial officer*)

Mr. Lee Chi Hang, Sidney

Mr. Wong Ping Yiu (*appointed on 20 June 2016*)

Mr. Wang Xihua (*appointed on 24 October 2016*)

Independent Non-executive Directors

Ms. Szeto Wai Ling, Virginia (*appointed on 15 April 2016*)

Mr. Leung Winson Kwan Yau (*appointed on 24 October 2016*)

Mr. Tam Kin Yip (*appointed on 7 March 2017*)

股票掛鈎協議

年內，並無訂立任何股票掛鈎協議，惟在本年報「購股權計劃」一節內提述的購股權（定義見下文）除外。

儲備

於本年度，本集團及本公司的儲備變動詳情分別載於本年報經審核綜合權益變動表第92頁及經審核綜合財務報表附註25(a)。

可供分派儲備

於二零一七年三月三十一日，本公司根據開曼群島法例條文計算的可供分派予股東的儲備約為180,100,000港元（二零一六年：153,300,000港元）。

銀行貸款及其他借款詳情

本集團於二零一七年三月三十一日的銀行貸款及其他借款詳情載於本年報經審核綜合財務報表附註21及22。

董事

於本年度及直至本年報日期的董事如下：

現任董事

執行董事

陳恩德先生（主席兼行政總裁）

林銘誠先生（首席財務官）

李志恒先生

黃平耀先生（於二零一六年六月二十日獲委任）

王西華先生（於二零一六年十月二十四日獲委任）

獨立非執行董事

司徒惠玲女士（於二零一六年四月十五日獲委任）

梁鈞濤先生（於二零一六年十月二十四日獲委任）

譚健業先生（於二零一七年三月七日獲委任）

REPORT OF THE DIRECTOR

董事會報告書

Former Directors

Executive Director

Mr. Wong Mau Tai (*retired on 5 April 2017*)

Non-executive Director

Madam Tsang Pui Man (*resigned on 24 October 2016*)

Independent Non-executive Directors

Professor Ng Ka Ming (*resigned on 7 March 2017*)

Mr. Cheng Kwok Kin, Paul (*resigned on 6 December 2016*)

The biographical details of the current Directors are set out on pages 29 to 35 of this annual report.

DIRECTORS ROTATION

Messrs. Lee Chi Hang, Sidney and Lim Ming Shing, Tony, being executive Directors, have entered into service agreements with the Company for a term of three years from the dates of their appointment, subject to retirement from the Board at the conclusion of the 2017 AGM by rotation and then being eligible, offer themselves, except of Lim Ming Shing, Tony, for re-election as Director by the Shareholders in the same meeting in accordance with article 84(1) of our Company's Articles of Association ("Articles of Association") and the Listing Rules.

Mr. Wang Xihua, as executive Director, and Messrs. Leung Winson Kwan Yau and Tam Kin Yip, as independent non-executive Directors, who were appointed by the Board, respectively, during the year and entered into service agreements with the Company for three years from the dates of their appointment, respectively, shall hold office only until the first general meeting of the Company after their appointments and then being eligible, offer themselves for re-election as Director by the Shareholders in the same meeting in accordance with the Articles of Association and the Listing Rules.

前任董事

執行董事

黃茂泰先生(於二零一七年四月五日退任)

非執行董事

曾佩雯女士(於二零一六年十月二十四日辭任)

獨立非執行董事

吳嘉名教授(於二零一七年三月七日辭任)

鄭國乾先生(於二零一六年十二月六日辭任)

現任董事履歷詳情載於本年報第29至35頁。

董事輪席

執行董事李志恒先生及林銘誠先生與本公司簽訂服務協議，自彼等獲委任日期起為期三年，惟須根據本公司組織章程細則(「組織章程細則」)第84(1)條及上市規則，於二零一七年股東週年大會結束時輪席退任董事會，屆時符合資格並願意(林銘誠除外)於同一大會由股東重選連任為董事。

執行董事王西華先生以及獨立非執行董事梁鈞濤先生及譚健業先生於年內分別獲董事會委任及分別與本公司簽訂服務協議，自彼等獲委任日期起為期三年，惟須根據組織章程細則及上市規則僅任職至彼等獲委任後本公司首個股東大會，屆時符合資格並願意於同一大會上由股東膺選為董事。

REPORT OF THE DIRECTOR

董事會報告書

RESIGNATIONS OF DIRECTOR

Mr. Cheng Kwok Kin, Paul and Professor Ng Ka Ming tendered their resignations as independent non-executive Director as well as the chairman and/or members in the audit committee, nomination committee and remuneration committees of the Company during the year due to their focus on other commitments.

Madam Tsang Pui Man tendered her resignation as a non-executive Director during the year due to her personal reasons.

Mr. Wong Mau Tai retired from his position as executive Director on 5 April 2017.

CONFIRMATION OF INDEPENDENCE

The Company has received written confirmations of independence from all three independent non-executive Directors, Ms. Szeto Wing Ling, Virginia, Mr. Leung Winson Kwan Yau and Mr. Tam Kin Yip respectively pursuant to the Listing Rules. The Board and the nomination committee of the Company considered and agreed all the independent non-executive Directors to be independent pursuant to Rule 3.13 of the Listing Rules.

DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION AND FIVE INDIVIDUALS WITH THE HIGHEST EMOLUMENT

Details of the emoluments of the Directors and the five individuals with the highest emoluments disclosed on a named basis and/or by band respectively, are set out in note 9 to 10 to the audited consolidated financial statements in this annual report, respectively.

Details of the remuneration of the senior management disclosed by band are set out under paragraph headed "Remuneration Committee" under section headed "Board Committees" in Corporate Governance Report in this annual report.

DIRECTORS' SERVICE AGREEMENT

The Company has entered into service agreements with each of the executive Director and independent non-executive Director for a term of three years from the dates of appointment or re-election, respectively. Their terms of office are also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association and the Listing Rules.

No Director being proposed for re-election at the 2017 AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

董事辭任

鄭國乾先生及吳嘉名教授於年內辭任獨立非執行董事以及本公司審核委員會、提名委員會及薪酬委員會主席及／或成員，乃由於彼等專注於其他事務。

曾佩雯女士由於個人原因，於年內辭任非執行董事一職。

黃茂泰先生於二零一七年四月五日退任執行董事一職。

確認獨立性

根據上市規則，本公司已分別接獲三位獨立非執行董事司徒惠玲女士、梁鈞濤先生及譚健業先生的書面獨立性確認書。根據上市規則第3.13條，董事會及本公司提名委員會認為並同意全體獨立非執行董事均為獨立人士。

董事及高級管理層酬金和五名最高薪人士

分別按實名基準及／或酬金範圍披露的董事酬金及五名最高薪人士詳情分別載於本年報經審核綜合財務報表附註9至附註10。

按薪酬範圍披露的高級管理層酬金詳情載於本年報之企業管治報告「董事會委員會」一節「薪酬委員會」一段內。

董事服務協議

本公司已與每位執行董事及獨立非執行董事各自訂立服務協議，自獲委任或重選日期起為期三年。彼等任期亦須按照組織章程細則及上市規則於本公司股東週年大會上輪值退任及膺選連任。

本公司並無與將於二零一七年股東週年大會上建議重選之董事訂有任何服務合同，使本公司在一年內終止其合同須作賠償(法定賠償除外)。

REPORT OF THE DIRECTOR

董事會報告書

MANAGEMENT CONTRACT

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year.

SHARE OPTION SCHEME

Particulars of share options of the Company (the “Share Option”) and details of movements in the Share Options during the year are set out in note 32 to the audited consolidated financial statements in this annual report.

DIRECTORS’ INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2017, the interests of the Directors in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) which (i) are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) were recorded in the register required to be kept under Section 352 of the SFO; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules were as follows:

Long positions in the shares of the Company 於本公司股份之好倉

管理合約

本公司於本年度概無訂立或存在任何關於管理及經營本公司全部或任何主要部分業務的合約。

購股權計劃

本公司購股權(「購股權」)之詳情及購股權年內變動詳情載於本年報經審核綜合財務報表附註32。

董事於股份、相關股份及債權證的權益

於二零一七年三月三十一日，董事於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債權證中，擁有(i)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益(包括彼等根據證券及期貨條例的有關條文被當作或視為擁有的權益及淡倉)，或(ii)根據證券及期貨條例第352條須登記於該條所指的登記冊的權益，或(iii)根據上市規則附錄十所載之《上市發行人董事進行證券交易的標準守則》(「標準守則」)須知會本公司及聯交所的權益如下：

Name of Director 董事姓名	Number of Shares 股份數目		Approximate percentage of interest in the Company’s issued share capital* 佔本公司 已發行股本 的概約 權益百分比*
	Personal interests 個人權益	Corporate Interests 公司權益	
Mr. Chan Yan Tak (“Mr. Chan”) 陳恩德先生(「陳先生」)	—	269,100,000 ¹	50.91%

REPORT OF THE DIRECTOR

董事會報告書

Note: This represents the shares of the Company held by Able Island Group Limited (“**Able Island**”), a company is beneficially and wholly owned by Mr. Chan and he is the sole director of Able Island, therefore, he is deemed to be interested in 269,100,000 shares of the Company under the SFO. As at the date of this report, Able Island held 190,304,000 (36.00%) shares of the Company.

* The percentage has been adjusted, if any, based on the total number of shares of the Company in issue as at 31 March 2017 (i.e. 528,600,000 shares).

Save as disclosed above and the interests as disclosed under section headed “DIRECTORS’ RIGHTS TO ACQUIRE SHARES AND DEBENTURES” below, as at 31 March 2017, none of the Directors or the chief executive of the Company had any interest or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) were recorded in the register required to be kept under Section 352 of the SFO; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS’ RIGHTS TO ACQUIRE SHARES AND DEBENTURES

As at 31 March 2017, the number of outstanding Option Shares granted by the Company under the share option scheme adopted on 24 September 2013 (“**Share Option Scheme**”) for the Directors to subscribe the shares of the Company, as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code is set out in the note 32 to the audited consolidated financial statements in this annual report.

Save as disclosed in this report, at no time during the year ended 31 March 2017 was the Company, its subsidiaries, its fellow subsidiaries or its holding companies a party to any arrangement 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.

附註：此指本公司由 Able Island Group Limited (「**Able Island**」) 持有的股份，而陳先生現實益及全資擁有 Able Island，為 Able Island 的唯一董事，因此，根據證券及期貨條例，彼被視為於本公司 269,100,000 股股份中擁有權益。於本報告日期，Able Island 持有本公司 190,304,000 股 (36.00%) 股份。

* 百分比已經根據本公司於二零一七年三月三十一日已發行股份總數 (即 528,600,000 股股份) 作出調整 (如有)。

除上文所披露者及下文「董事購買股份及債券之權利」一節所披露者外，於二零一七年三月三十一日，概無董事或本公司主要行政人員於本公司或其任何相聯法團 (定義見證券及期貨條例第 XV 部) 的股份、相關股份及債權證中，擁有 (i) 根據證券及期貨條例第 XV 部第 7 及 8 分部須知會本公司及聯交所的權益或淡倉 (包括彼等根據證券及期貨條例的有關條文被當作或視為擁有的權益或淡倉)，或 (ii) 根據證券及期貨條例第 352 條須記入該條所指的登記冊的權益或淡倉，或 (iii) 根據標準守則須知會本公司及聯交所的權益或淡倉。

董事購買股份及債券之權利

於二零一七年三月三十一日，按照根據證券及期貨條例第 352 條須存置之登記冊所記錄或根據標準守則另行知會本公司及聯交所，本公司根據於二零一三年九月二十四日採納之購股權計劃 (「**購股權計劃**」) 授予董事以認購本公司股份之尚未行使購股權數目載於本年報經審核綜合財務報表附註 32。

除本報告所披露者外，截至二零一七年三月三十一日止年度的任何時間內，本公司、其附屬公司、同系附屬公司或控股公司概無訂立任何安排，令董事可藉購入本公司或任何其他法人團體的股份或債權證而獲益。

REPORT OF THE DIRECTOR

董事會報告書

SUBSTANTIAL SHAREHOLDER'S INTERESTS

As at 31 March 2017, according to the register of interests kept by the Company under section 336 of the SFO, the interest of the persons, other than the Directors or the chief executive of the Company, in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO, or otherwise notified to the Company were as follows:

Long positions in shares of the Company 於本公司股份之好倉

Name of shareholder 股東名稱	Capacity 身份	Nature of interest 權益性質	Number of shares 股份數目	Approximate percentage of interest in the Company's issued share capital*
				佔本公司 已發行股本的 概約權益百分比*
Able Island (Note)(附註)	Corporate 公司	Beneficial owner 實益擁有人	269,100,000	50.91%

Note: The entire issued share capital of Able Island is beneficially and wholly owned by Mr. Chan. Subsequent to the reporting date on 27 and 28 April 2017, Able Island has disposed an aggregate of 78,796,000 shares of the Company, representing approximately 14.91% of the issued share capital of the Company as at the dates of the disposal. As at the date of this report, Able Island held 190,304,000 (36.00%) shares of the Company.

* The percentage has been adjusted, if any, based on the total number of shares of the Company in issue as at 31 March 2017 (i.e. 528,600,000 shares).

Save as disclosed above, as at 31 March 2017, the Company had not been notified by any persons (other than the Directors or the chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

主要股東權益

於二零一七年三月三十一日，根據證券及期貨條例第336條本公司所備存登記冊，以下人士（董事或本公司主要行政人員除外）於本公司股份及相關股份中擁有根據證券及期貨條例第XV部第2及3分部已知會本公司及聯交所以及根據證券及期貨條例第336條記錄於本公司所備存登記冊，或已知會本公司的權益如下：

附註：陳先生實益及全資擁有Able Island全部已發行股本。報告日後於二零一七年四月二十七日及二十八日，Able Island已出售合共78,796,000股本公司股份，相當於本公司截至出售日期已發行股本的約14.91%。於本報告日期，Able Island持有本公司190,304,000股(36.00%)股份。

* 百分比已經根據本公司於二零一七年三月三十一日已發行股份總數(即528,600,000股股份)作出調整(如有)。

除上文所披露者外，於二零一七年三月三十一日，概無任何其他人士（董事或本公司主要行政人員除外）知會本公司其擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露或記錄於本公司根據證券及期貨條例第336條所備存登記冊的本公司股份或相關股份中的權益或淡倉。

REPORT OF THE DIRECTOR

董事會報告書

COMPETING INTEREST

For the year ended 31 March 2017, the Directors were not aware of any business or interest of the Directors, the controlling shareholder and their respective close associates that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

DEED OF NON-COMPETITION

The controlling shareholders, namely Mr. Chan Yan Tak and Able Island, entered into a deed of non-competition dated 24 September 2013 (“**Deed of Non-Competition**”) in favour of the Company (for itself and as trustee for each of its subsidiaries). For details of the deed of non-competition, please refer to the section headed “Non-Competition Undertakings” in the prospectus of the Company dated 30 September 2013. Each of the controlling shareholders has confirmed that none of them is engaged in, or interested in any business (other than the Group) which, directly or indirectly, competes or may compete with the business of the Group during the financial year. The independent non-executive Directors have also reviewed the status of compliance and the written confirmation from each of the controlling shareholders.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, during the year and up to the date of this annual report, there is sufficient public float of not less than 25% of the Company’s issued shares as required under the Listing Rules.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the articles of association of the Company and the Companies Law (2012 Revision) of the Cayman Islands, which would oblige the Company to offer new shares of the Company on a pro-rata basis to the existing Shareholders.

USE OF NET PROCEEDS FROM PLACING

Details of the net proceeds from the Company’s issue of new shares at the time of its listing on the GEM of the Stock Exchange on 11 October 2013 and the movement during the year are set out in the “MANAGEMENT DISCUSSION AND ANALYSIS” from pages 25 to 27 in this annual report.

競爭權益

截至二零一七年三月三十一日止年度，董事並不知悉董事、控股股東及彼等各自的緊密聯繫人士的任何業務或權益與本集團業務競爭或可能構成競爭，亦不知悉任何該等人士與本集團具有或可能具有任何其他利益衝突。

不競爭契據

控股股東陳恩德先生及Able Island於二零一三年九月二十四日訂立以本公司（為其本身及作為其各附屬公司的受託人）為受益人的不競爭契據（「不競爭契據」）。有關不競爭契據的詳情，請參閱日期為二零一三年九月三十日之配售章程「不競爭承諾」一節。各控股股東已確認，於財政年度內，彼等概無從事任何直接或間接與本集團的業務競爭或可能競爭之業務（本集團業務除外）或於其中擁有權益。獨立非執行董事亦已審閱各控股股東之合規狀況及書面確認。

公眾持股量

根據本公司公開取得的資料及據董事所知，於年內及直至本年報日期，本公司已按照上市規則的規定維持本公司已發行股份不少於25%的足夠公眾持股量。

優先購買權

本公司組織章程細則及開曼群島公司法（二零一二年修訂版）並無載有優先購買權的條文，規定本公司須按比例向現有股東提呈發售本公司新股份。

配售所得款項淨額用途

本公司於二零一三年十月十一日在聯交所創業板上市時發行新股份的所得款項淨額及年內變動之詳情，載於本年報第25至27頁的「管理層討論與分析」。

REPORT OF THE DIRECTOR

董事會報告書

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2017, the aggregate sales attributable to the Group's five largest customers accounted for approximately 64.0% (2016: 67.0%) of the total sales and the aggregate sales attributable to the largest customer included therein accounted for approximately 56.8% (2016: 61.1%) of the total sales.

For the year ended 31 March 2017, the aggregate purchases attributable to the Group's five largest suppliers accounted for approximately 45.1% (2016: 51.6%) of the total purchases and the aggregate purchases attributable to the largest supplier included therein accounted for approximately 16.1% (2016: 24.7%) of the total purchases.

As far as the Directors are aware, neither the Directors, their close associates, nor those Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in any of the Group's five largest customers or suppliers.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 31 to the audited consolidated financial statements in this annual report and under the section headed "CONNECTED TRANSACTION" in this report, no Director or any entities connected with the Director had a material interest, either directly or indirectly, in any transactions, arrangements or contract of significance to the business of the Group to which the Company, or any of its subsidiaries, its fellow subsidiaries or its holding companies was a party during the year.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code, amended from time to time. All the Directors have confirmed they have complied with the required standard set out in the Model Code throughout the year ended 31 March 2017. Employees of the Company, who are likely to be in possession of unpublished inside information, have been requested to comply with provisions of the Model Code.

DONATIONS

During the year, the Group made charitable donations amounting to approximately HK\$42,000.

主要客戶及供應商

截至二零一七年三月三十一日止年度，本集團五大客戶應佔銷售額合共佔總銷售額約64.0%（二零一六年：67.0%），當中最大客戶應佔銷售額合共佔總銷售額約56.8%（二零一六年：61.1%）。

截至二零一七年三月三十一日止年度，本集團五大供應商應佔採購額合共佔總採購額約45.1%（二零一六年：51.6%），當中最大供應商應佔採購額合共佔總採購額約16.1%（二零一六年：24.7%）。

據董事所知，概無董事、彼等各自的緊密聯繫人士或據董事所深知擁有本公司已發行股本5%以上的任何股東於本集團任何五大客戶或供應商中擁有任何實益權益。

董事於重大交易、安排或合約的權益

除於本年報內經審核綜合財務報表附註31及於本報告內「關連交易」一節所披露外，年內，概無董事或與董事有關連的任何實體於本公司或其任何附屬公司、同系附屬公司或控股公司所訂立且就本集團業務而言屬重大的任何交易、安排或合約中直接或間接擁有重大權益。

董事進行證券交易的守則

本公司已採納標準守則（經不時修訂）。全體董事均已確認，彼等於截至二零一七年三月三十一日止整個年度內已遵守標準守則所載之規定標準。可能擁有本公司未公佈的內幕消息的僱員均須遵守標準守則的條文。

捐款

年內，本集團作出慈善捐款約42,000港元。

REPORT OF THE DIRECTOR

董事會報告書

INTEREST OF THE COMPLIANCE ADVISERS

The term of appointment of WAG Worldsec Corporate Finance Limited (“WAG”) as the Compliance Adviser of the Company was ended 9 August 2016 (the “Last Date”) in compliance with GEM Listing Rule 6A.19.

As confirmed by WAG, neither WAG nor its directors or employees or close associates had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) as at the Last Date.

COMPLIANCE WITH LAWS AND REGULATIONS

Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations in particular, those have significant impact on the Group. The Board review and monitor the Group’s policies and practices on compliance with legal and regulatory requirements in a regular basis. Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time.

During the financial year ended 31 March 2017, to the best of the Company’s knowledge, the Company has complied with the requirements under the memorandum of association and articles of association of the Company, the Listing Rules, the SFO, Companies Law (2016 Revision) of the Cayman Islands and other law applicable to the Company. Details of the Company’s compliance with the code provisions set out in the Corporate Governance Code and Corporate Governance Report contained in the Listing Rules are provided in the “Corporate Governance Report” from pages 48 to 70 of this annual report.

CONNECTED TRANSACTION

During the year, there were no transactions which need to be disclosed as connected transaction or continuing connected transaction in accordance with the requirements of the Listing Rules.

RELATED PARTY TRANSACTIONS

Details of the related party transactions of the Group are set out in note 31 to the audited consolidated financial statements in this annual report.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, the Directors shall be indemnified against all losses and liabilities which they may incur in connection with their duties. The Company has arranged appropriate directors’ and officers’ liability insurance coverage for the directors and officers of the Group.

合規顧問的權益

根據創業板上市規則第6A.19條，本公司合規顧問華高和昇財務顧問有限公司（「華高和昇」）的任期於二零一六年八月九日結束（「最後日期」）。

據華高和昇確認，截至最後日期，華高和昇及其任何董事、僱員或緊密聯繫人士概無於本公司或本集團任何成員公司的股本中擁有任何權益（包括購股權或認購該等證券的權利）。

遵守法律及法規

本集團現有的合規程序能夠確保本集團遵守適用的、尤其是對本集團有重大影響的法律、法規以及規則。董事會會定期檢討並監察本集團為了遵守相關法律和法規要求採取的合規性政策和措施。相關的僱員和運營單位亦會不時留意適用的法律、法規和規則發生的任何變動。

於截至二零一七年三月三十一日止的財政年度，盡本公司所知，本公司已遵守本公司組織章程大綱及組織章程細則、上市規則、證券及期貨條例、開曼群島公司法（二零一六年修訂版）及其他適用於本公司的法律。有關本公司遵守上市規則《企業管治守則》及《企業管治報告》中守則條文的情況已載於本年報第48至70頁的「企業管治報告」內。

關連交易

年內，概無交易須按照上市規則之規定披露為關連交易或持續關連交易。

關連方交易

本集團關連方交易的詳情載於本年報經審核綜合財務報表附註31。

獲准許的彌償條文

根據組織章程細則，董事就履行其職務而引致任何損失或責任，均有權獲得賠償。本公司有為本集團董事及高級職員安排恰當的董事及高級職員責任保險。

REPORT OF THE DIRECTOR

董事會報告書

STAFF

As at 31 March 2017, the Group had approximately 169 employees. Salaries of employee and directors are determined with reference to their duties and responsibilities in the Group and are maintained at competitive levels and bonus are fixed on a discretionary basis. Other employee benefits include provident fund, insurance, medical cover, subsidized educational and training programmes as well as the Share Option Scheme.

PENSION SCHEMES

The pension schemes of the Group are primary in form of contributions to Hong Kong's Mandatory Provident Fund and the PRC statutory public welfare fund respectively. Details of which are set out in note 14 to the audited consolidated financial statement in this annual report.

EVENTS AFTER THE REPORTING DATE

Details of a significant event occurring after the reporting date are set out in note 37 to the audited consolidated financial statement in this annual report.

AUDITOR

Messrs. CCIF CPA Limited ("CCIF") has merged its business with PCP CPA Limited to form a new company operated under the name of Crowe Horwath (HK) CPA Limited ("Crowe Horwath (HK)"), the Board considered that it is in the best interests of the Company and the Shareholders as a whole if the auditor is able to continue to serve the Company under the more internationally renowned name of Crowe Horwath (HK), a member firm in Hong Kong of Crowe Horwath International. Therefore, the Board agreed and approved the appointment of the Crowe Horwath (HK) as auditor of the Company in place of the resignation of CCIF as auditor of the Company with effect on 7 March 2017.

The financial statements for the year ended 31 March 2017 were audited by Crowe Horwath (HK) and a resolution of re-appointment of Crowe Horwath (HK) as auditor of the Company for the coming year would be proposed.

On behalf of the Board
RM Group Holdings Limited

Chan Yan Tak
Chairman
Hong Kong, 28 June 2017

員工

於二零一七年三月三十一日，本集團約有169名僱員。僱員及董事薪金乃經參考彼等於本集團的職務及職責釐定，維持於具競爭力的水平，並酌情釐定花紅。其他僱員福利包括公積金、保險、醫療保障、教育資助及培訓計劃以及購股權計劃。

退休金計劃

本集團之退休金計劃主要供款形式分別為香港強制性公積金計劃及中國法定公益金供款計劃。詳情載於本年報經審核綜合財務報表附註14。

報告日後事項

於報告日後發生的重大事項詳情載於本年報經審核綜合財務報表附註37。

核數師

陳葉馮會計師事務所有限公司(「陳葉馮」)已將其業務與華德匡成會計師事務所有限公司合併，以成立一家以國富浩華(香港)會計師事務所有限公司(「國富浩華(香港)」)之名義經營的新公司，董事會認為，倘核數師能夠以國際知名名稱國富浩華(香港)(為國富浩華國際在香港的成員公司)之名義繼續為本公司服務，將符合本公司及股東之整體最佳利益。因此，董事會已同意及批准委任國富浩華(香港)為本公司核數師，以填補陳葉馮自二零一七年三月七日起辭任本公司核數師後之空缺。

截至二零一七年三月三十一日止年度的財務報表已由國富浩華(香港)審核，本公司將提呈一項決議案，以續聘國富浩華(香港)為來年本公司核數師。

代表董事會
御藥堂集團控股有限公司

主席
陳恩德
香港，二零一七年六月二十八日

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Company recognises the importance of good corporate governance to the Company's growth and has devoted considerable efforts to identifying and formulating corporate governance practices appropriate to the Company's needs. The Company has adopted the code provisions set out in the Corporate Governance Code (amended from time to time, the "Code") contained in the Appendix 14 of the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited ("Stock Exchange"). Throughout the year ended 31 March 2017, the Company has complied with the Code provisions as set out in the Code the Appendix 14 of the Listing Rule except the deviation from the Code provision A.2.1, which stipulate that the roles of chairman of the board of directors of the Company ("Board") and chief executive officer of the Company should be separated. Detail of the deviation is elaborated below under the paragraph headed "Chairman and Chief Executive Officer".

The Company has complied with the memorandum of association and articles of association of the Company, the Companies Law (2016 Revision) of the Cayman Islands, the Securities and Future Ordinance and the Listing Rules as well as other law applicable to the Company.

The Board has conducted an annual review of its corporate governance duties in accordance with the Code, and considered that the Company's (i) policies and practices on corporate governance; (ii) approach to the continuous professional development of directors of the Company ("Directors") and senior management of the Company; (iii) policies and practices on compliance with legal and regulatory requirements; and (iv) the compliance with the Code and disclosure in this report, are adequate and appropriate for the Company in light of its current corporate strategy. The Company did and will review of its corporate governance duties in light of the changing legal and regulatory requirements as well as the Code from time to time.

企業管治常規

本公司深明良好的企業管治對本公司發展極為重要，故致力確立及制定切合本公司需要的企業管治常規。本公司已採納香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四的企業管治守則所載守則條文（經不時修訂「守則」）。截至二零一七年三月三十一日止年度，本公司已遵守上市規則附錄十四守則所載守則條文，惟偏離守則條文A.2.1，該條規定本公司董事會（「董事會」）主席與本公司行政總裁的角色應有區分。有關偏離詳情於下文「主席及行政總裁」一段詳述。

本公司已遵守本公司組織章程大綱及組織章程細則、開曼群島公司法（二零一六年修訂版）、證券及期貨條例及上市規則以及其他適用於本公司之法律。

董事會對企業管治職責已按守則進行年度檢討，並認為本公司(i)於企業管治的政策及常規；(ii)為本公司董事（「董事」）及高級管理人員安排持續專業發展的方向；(iii)對遵守法律及監管規定方面的政策及常規；及(iv)遵守守則及於本報告作出披露，均已足夠及符合本公司現時的企業策略。鑑於法律及監管規定和守則不時修訂，本公司已及將對其企業管治職責作出檢討。

CORPORATE GOVERNANCE REPORT

企業管治報告

THE BOARD

Board Composition

The Board currently comprises eight (8) Directors, all with professional backgrounds and/or extensive expertise for the direction and oversight of the Group's strategic priorities and public responsibilities. The current composition of the Board comprises the following Directors together with the Directors resigned during the year:

Current Directors

Executive Directors

Mr. Chan Yan Tak (*Chairman and chief executive officer*)
Mr. Lim Ming Shing, Tony (*Chief financial officer*)
Mr. Lee Chi Hang, Sidney
Mr. Wong Ping Yiu (*appointed on 20 June 2016*)
Mr. Wang Xihua (*appointed on 24 October 2016*)

Independent Non-executive Directors

Ms. Szeto Wai Ling, Virginia (*appointed on 15 April 2016*)
Mr. Leung Winson Kwan Yau (*appointed on 24 October 2016*)
Mr. Tam Kin Yip (*appointed on 7 March 2017*)

Former Directors

Executive Director

Mr. Wong Mau Tai (*retired on 5 April 2017*)

Non-executive Director

Madam Tsang Pui Man (*resigned on 24 October 2016*)

Independent Non-executive Directors

Professor Ng Ka Ming (*resigned on 7 March 2017*)
Mr. Cheng Kwok Kin, Paul (*resigned on 6 December 2016*)

The composition, experiences, balance of skills, qualifications and diversity on the Board are regularly reviewed by nomination committee of the Company to ensure that the Board retains a core of members with longstanding and deep knowledge of the Group alongside new Directors who bring fresh perspectives and diverse experiences to the Board.

董事會

董事會組成

董事會現由八名董事組成，均具有專業背景及／或對本集團的重點策略工作及公共責任的方向和監察有豐富專業知識。董事會現由以下董事（包括於年內辭任的董事）組成：

現任董事

執行董事

陳恩德先生（主席及行政總裁）
林銘誠先生（首席財務官）
李志恒先生
黃平耀先生（於二零一六年六月二十日獲委任）
王西華先生（於二零一六年十月二十四日獲委任）

獨立非執行董事

司徒惠玲女士（於二零一六年四月十五日獲委任）
梁鈞濤先生（於二零一六年十月二十四日獲委任）
譚健業先生（於二零一七年三月七日獲委任）

前任董事

執行董事

黃茂泰先生（於二零一七年四月五日退任）

非執行董事

曾佩雯女士（於二零一六年十月二十四日辭任）

獨立非執行董事

吳嘉名教授（於二零一七年三月七日辭任）
鄭國乾先生（於二零一六年十二月六日辭任）

本公司提名委員會定期檢討董事會組成、經驗、技能平衡、資格及多元化，以確保董事會除了留有對本集團有長久深入認識的核心成員之外，亦能加入新董事為董事會帶來新觀點和不同的經驗。

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The biographical details of all the current Directors are set out under the section headed “BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT” in this annual report. A list of Directors identifying their roles, functions and titles is available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.royalmedic.com).

Save as Mr. Chan Yan Tak, the chairman of the Board, is (1) the spouse of Madam Tsang Pui Man, a former non-executive Director resigned on 24 October 2016; and (2) the brother-in-law of Mr. Lim Ming Shing, Tony, a current executive Director and the chief financial officer of the Group, together with other information disclosed in Report of Directors in this annual report, if any, there is no financial, business, family or other material and/or relevant relationship between the Board members.

The Board complied with the requirements of the Listing Rules relating to (i) the appointment of at least three independent non-executive Directors with at least one of them possessing appropriate professional qualifications or accounting or related financial management expertise; (ii) independent non-executive Director representing at least one-third of the Board; and (iii) audit committee of the Company should have at least three independent non-executive Directors, save for the period from 2 February 2016 to 14 April 2016, the Company failed to meet the above three requirements under the Listing Rules after Mr. Wei Jianan, acted as independent non-executive Director, member of the audit committee and chairman of each of the remuneration committee and nomination committee of the Company, passed away on 2 February 2016. On 15 April 2016, all of the above non-compliance were remedied, as Ms. Szeto Wai Ling, Virginia was appointed as an independent non-executive Director and member of each audit committee, remuneration committee and nomination committee of the Company, in place of Mr. Wei Jianan, all with effect on 15 April 2016.

Directors' Appointment and Re-election

Pursuant to the Company's articles of association, at least one-third of the Directors for the time being shall retire from the Board by rotation and each Director shall be subject to retirement at annual general meetings of the Company at least once every three years under the Listing Rules. The Directors to retire in every year shall be those who have been the longest in office since their last re-elections in the annual general meeting of the Company. Any Director appointed to fill a casual vacancy is subject to re-election at the first general meeting of the Company after his/her appointment by the Board in accordance with the Listing Rules and the Company's articles of association.

所有現任董事履歷詳情載於本年報「董事及高級管理層履歷詳情」一節。列明董事角色、職能及職銜的董事名單可於聯交所網站(www.hkexnews.hk)及本公司網站(www.royalmedic.com)查閱。

除董事會主席陳恩德先生為(1)前任非執行董事曾佩雯女士(於二零一六年十月二十四日辭任)的配偶；及(2)現任執行董事兼本集團首席財務官林銘誠先生之內弟及於本年報內董事會報告所披露其他資料(如有)外，董事會各成員之間並無任何財務、業務、家族或其他重大及／或相關關係。

董事會已遵守上市規則有關(i)委任至少三名獨立非執行董事，而其中至少一名獨立非執行董事具備適當的專業資格或會計或相關財務管理專長的規定；(ii)獨立非執行董事人數佔董事會至少三分之一；及(iii)本公司審核委員會至少要有三位獨立非執行董事，惟除於二零一六年二月二日至二零一六年四月十四日期間，魏甲南先生(彼為本公司獨立非執行董事、審核委員會成員及薪酬委員會和提名委員會主席)於二零一六年二月二日離世後本公司未能遵守上市規則的上述三項規定。於二零一六年四月十五日，司徒惠玲女士獲委任為本公司獨立非執行董事以及審核委員會、薪酬委員會及提名委員會的成員，替任魏甲南先生(於二零一六年四月十五日生效)後，上述未符合規定均已糾正。

董事委任及重選

根據本公司的組織章程細則，當時至少三分之一董事須輪席退任董事會，而根據上市規則，各董事須最少每三年於本公司股東週年大會輪席退任一次。每年須於本公司股東週年大會退任的董事為自上次膺選連任以來任期最長的董事。任何由董事會委任以填補臨時空缺的董事須根據上市規則及本公司組織章程細則於彼獲委任後首個本公司股東大會上膺選連任。

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Messrs. Lee Chi Hang, Sidney and Lim Ming Shing, Tony, executive Directors, have been the longest in office among the Directors since their last re-elections, they are subject to retirement by rotation at the annual general meeting of the Company to be held on Thursday, 31 August 2017 (the “**2017 AGM**”) in accordance with the articles of association of the Company. Mr. Wang Xihua, as executive Director, Messrs. Leung Winson Kwan Yau and Tam Kin Yip as independent non-executive Directors, who were appointed by the Board on 24 October 2016, 24 October 2016 and 7 March 2017 respectively, shall retire from Board in accordance with the articles of association of the Company at the forthcoming general meeting of the Company. All of the retiring Directors, being eligible, offer themselves, with the exception of Mr. Lim Ming Shing, Tony for re-election as Director in the 2017 AGM.

For independent non-executive Director who has served the Company for more than nine years, his further appointment will be subject to a separate resolution to be approved by the shareholders of the Company (the “**Shareholders**”) at the annual general meeting and the papers to the Shareholders accompanying that resolution will include the reasons why the Board believes he/she is still independent and should be re-elected under the Listing Rules.

Service Agreements with the Company

The Company has entered into service agreements with each of the Directors for a term of three years, respectively. Their terms of office are also subject to (1) retirement by rotation at least once every three years at the conclusion of annual general meeting; (2) at least one-third of the Directors for the time being shall retire from the Board by rotation at the conclusion of annual general meeting; and (3) Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of the Company and then be re-elected at the same meeting in accordance with the articles of association of the Company and/or the Listing Rules.

Directors' Responsibilities and Delegation

The overall management of the Company's business is vested in the Board. The Board has delegated the day-to-day management, administration and operation of the Company's business to the senior management of the Company and the delegated functions and work tasks have been formalised and periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions, arrangements and/or contracts entered into by the senior management of the Company. The Board focuses its attention on matters affecting the Company's overall strategic policies, corporate governance, finances and the Shareholders, including financial statements, dividend policy, significant changes in accounting policy, annual operating budget, certain material contracts, strategies for future growth, major financing arrangements and major investments, corporate governance functions, risk management system, treasury policies and fare structures. The Board has the full support of its senior management to discharge its responsibilities.

執行董事李志恒先生及林銘誠先生為自上次重選以來任期最長的董事，彼等須根據本公司組織章程細則於二零一七年八月三十一日（星期四）舉行之本公司股東週年大會（「二零一七年股東週年大會」）上輪席退任。執行董事王西華先生和獨立非執行董事梁鈞濤先生及譚健業先生，彼等分別於二零一六年十月二十四日、二零一六年十月二十四日及二零一七年三月七日獲董事會委任，須根據本公司組織章程細則於本公司應屆股東大會上退任董事會。全體退任董事均符合資格及願意（林銘誠先生除外）於二零一七年股東週年大會上膺選連任為董事。

就於本公司在任超過九年的獨立非執行董事而言，彼是否獲續任須由本公司股東（「股東」）以獨立決議案方式於股東週年大會上批准後，方可作實，隨附該決議案一併向股東發出的文件根據上市規則將載有董事會認為彼仍屬獨立人士並應獲重選連任的原因。

本公司服務協議

本公司與每位董事各自訂立為期三年之服務協議。彼等亦須按照本公司的組織章程細則及／或上市規則(1)至少每三年須於股東週年大會結束時輪值退任一次；(2)當時在任的至少三分之一董事須於股東週年大會結束時自董事會輪值告退；及(3)獲董事會委任以填補臨時空缺的董事將任職至本公司首個股東大會為止，並可於同一大會上膺選連任。

董事職責及授權

董事會獲授權管理本公司整體業務。董事會把本公司業務日常事務、行政及營運工作授權予本公司高級管理層處理，而有關工作之職能及工作模式已由董事會制定並作定期檢討。本公司高級管理層在訂立任何重大交易、安排及／或合約前，須取得董事會批准。董事會會專注於處理影響本公司整體策略方針、企業管治、財務及股東事宜，其中包括財務報表、股息政策、會計政策的重大變動、年度經營預算、若干重大合約、未來發展策略、主要融資安排及重大投資、企業管治職能、風險管理系統、庫務政策及費用架構。董事會獲其高級管理層全力支持以履行其職責。

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Chairman and Chief Executive Officer

Code provision A.2.1 stipulates that the roles of chairman of the Board and chief executive officer should be separate and should not be performed by the same individual. Mr. Chan Yan Tak is the chairman of the Board and the chief executive officer of the Company.

Mr. Chan currently provides leadership to the Board in terms of establishing policies, strategies, business directions and development and ensures that the Board discharges its responsibilities.

Mr. Chan has been responsible for the overall management and strategic development of the Group since 2005. He is also responsible for formulating, approving, organising and implementing the Group's strategy. His expert knowledges in the areas of development and retail marketing of health and beauty supplement products has assisted the Group to grow substantially over the past ten years. The Board therefore agreed that it is beneficial to and in the best interest of the Company and the Shareholders as the whole for Mr. Chan to continue with his roles as the chairman of the Board and chief executive officer of the Company.

Independent Non-executive Directors

The independent non-executive Directors take an active role in Board meetings and committees of the Board, contribute to the development of strategies and policies and make sound judgement in various aspects. They take lead when potential conflicts of interest arise. Independent board committee of the Company comprising all independent non-executive Directors has formed and will be formed to advise the independent Shareholders on those connected transactions to be approved by the independent Shareholders at the extraordinary general meeting of the Company. The independent non-executive Directors are also members of various Board Committees and devote sufficient amount of time and attention to the affairs of the Company.

Directors' Induction and Development

The Company provides a comprehensive, formal and tailored induction programme for newly appointed Directors to enhance their knowledge and understanding of the key areas of business operations and practices of the Group as well as the general and specific responsibilities and duties of Directors under the Company's articles of association, the Companies Law (2016 Revision) of the Cayman Islands, the Listing Rules and relevant applicable regulatory requirements in Cayman Islands and Hong Kong.

主席及行政總裁

守則條文A.2.1規定董事會主席與行政總裁的角色應有區分，並不應由一人同時兼任。陳恩德先生同時為董事會主席兼本公司行政總裁。

陳先生一直領導董事會制定政策、策略及業務方針和發展，並確保董事會履行其職責。

自二零零五年起，陳先生一直負責本集團的整體管理及發展策略，彼亦負責制定、批准、組織及實行本集團策略。於過去超過十年間，憑藉陳先生對保健及美容補品及產品發展及零售推廣的專業知識，使本集團有重大的增長。有見及此，董事會同意由陳先生繼續同時兼任董事會主席與本公司行政總裁符合本公司及股東之整體最佳利益。

獨立非執行董事

獨立非執行董事積極參與董事會及董事會委員會會議，為策略及政策的制定作出貢獻，以及就各方面事宜作出明智的判斷。彼等於出現潛在利益衝突時主持大局。當關連交易須獨立股東於本公司股東特別大會上批准時，由全體獨立非執行董事組成的本公司獨立董事委員會曾組成及將會組成向獨立股東提供意見。獨立非執行董事亦為各董事會委員會成員，投入足夠時間和關注於本公司事務。

董事就職及發展

本公司為新獲委任的董事提供全面、正式及特訂的入職培訓，以確保其了解及明白本集團主要業務營運及運作，並知悉於本公司組織章程、開曼群島公司法（二零一六年修訂版）、上市規則及於開曼群島及香港適用之相關法規要求項下董事須遵守的一般及特定職責及責任。

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An induction programme covering the roles of a Director from group structure, Board procedures, business management and operation of the Company, duties under the Listing Rules, the Securities and Futures Ordinance, as well as the essence of corporate governance and the trends in these areas, were therefore arranged for Mr. Wang Xihua as executive Director and Messrs. Leung Winson Kwan Yau and Tam Kin Yip as independent non-executive Director respectively, when they joined the Board in October 2016 and March 2017, respectively.

Continuous professional development and training of Directors is an ongoing process to ensure the continued enhancement of their skills and knowledge. The company secretary regularly circulates information and materials related to roles, functions and duties of listed company directors, economic, environmental and social topics to the Directors: Mr. Chan Yan Tak, Mr. Lee Chi Hang, Sidney, Mr. Lim Ming Shing, Tony, Mr. Wong Ping Yiu, Mr. Wang Xihua, Ms. Szeto Wai Ling, Virginia, Mr. Leung Winson Kwan Yau and Mr. Tam Kin Yip, all current Directors, as well as the past Directors, Madam Tsang Pui Man, Mr. Cheng Kwok Kin Paul and Professor Ng Ka Ming resigned during the year, and Mr. Wong Mau Tai, retired on 5 April 2017. All Directors are encouraged to attend relevant training courses provided by external bodies at the Company's expense.

All Directors are required to provide the Company with their training records on an annual basis, and such records are maintained by the company secretary of the Company for regular review by the nomination committee of the Company. The training records of the Directors were reviewed by the nomination committee of the Company in June 2017.

Board and Board Committees Proceedings

The Directors attend quarterly Board meetings and all Directors have full and timely access to relevant information of the Company and may take independent professional advice at the Company's expense, if necessary, in accordance with the approved procedures.

Notice to regular Board meeting is served to all Directors at least 14 days before the meeting. For other Board and committees of the Board ("Board Committee(s)") meetings, reasonable notice is generally given.

執行董事王西華先生和獨立非執行董事梁鈞濤先生及譚健業先生分別於二零一六年十月及二零一七年三月加入董事會時，本公司已分別為他們安排入職培訓，內容包括董事於集團結構、董事會程序、本公司業務管理及運作、上市規則、證券及期貨條例，以及公司管治的要素和該方面的趨勢。

持續發展董事專長及培訓是不間斷的過程，旨在不斷增進董事的技能及知識。公司秘書定期傳閱與上市公司董事的角色、職能及職責以及經濟、環境及社會課題的資料及材料予董事陳恩德先生、李志恒先生、林銘誠先生、黃平耀先生、王西華先生、司徒惠玲女士、梁鈞濤先生及譚健業先生(均為現任董事)和於年內辭任的前任董事曾佩雯女士、鄭國乾先生及吳嘉名教授以及於二零一七年四月五日退任的黃茂泰先生。本公司鼓勵全體董事出席外界團體舉辦的相關培訓課程，費用由本公司承擔。

全體董事須每年向本公司提供其培訓記錄，有關記錄由本公司公司秘書保存，以供本公司提名委員會定期審閱。本公司提名委員會於二零一七年六月審閱董事培訓記錄。

董事會及董事會委員會會議程序

董事每季出席董事會會議，而全體董事均可全面及適時取得本公司相關資料，並按已審批程序於有需要時諮詢獨立專業意見，費用由本公司承擔。

全體董事於常規會議舉行前最少14日獲發董事會會議通知。其他董事會及董事會委員會(「董事會委員會」)會議一般給予合理通知。

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The draft agenda for regular Board and Board Committees meetings is prepared by the company secretary and approved by the chairman of the Board and Board Committees. Directors are advised to inform the chairman of the Board and Board Committees or the company secretary not less than one week before the relevant Board and Board Committees meeting if they wish to include a matter in the agenda of the meeting. The agenda together with Board and Board Committees papers are sent at least three days before the intended date of the Board and Board Committees meeting. To facilitate the decision-making process, the Directors and Committee members are free to have access to the management for enquiries and to obtain further information and have unrestricted access to the advice and services of the company secretary when required.

The chairman of the Board has encouraged all Directors to make full and active contributions to the Board's affairs and takes the lead to ensure that the Board acts in the best interest of the Company and the Shareholder as a whole. He has promoted a culture of openness and debate by facilitating the effective contribution of independent non-executive Directors and ensuring constructive relations between executive Directors and independent non-executive Directors. Accordingly, the Board operates in a functional manner with clearly defined objectives, strategies and responsibilities.

All Directors are required to comply with their duty to act in the best interests of the Company and have particular regard to the interest of the Shareholders as a whole. Amongst others, all Directors are required to declare the nature and extent of their interests, if any, in any transaction, arrangement, contract or other proposal to be considered by the Board at Board meetings. Unless specifically permitted by the articles of association of the Company, a Director cannot cast a vote on any contract, transaction, arrangement or any other proposal in which he/she has or any of his/her close associates is materially interested.

Monthly financial and operational information is provided to the Directors by the company secretary to discharge their duties and acknowledge the development of the Company. Other regular and ad hoc reports are also prepared for the Board and Board Committees, to ensure that the Directors and member of the Board Committees are supplied with all the requested information in a timely and appropriate manner.

董事會及董事會委員會常規會議的議程由公司秘書草擬，並經董事會及董事會委員會主席批准。董事如欲將議題納入會議議程內，則須於相關董事會及董事會委員會會議舉行前不少於一星期知會董事會及董事會委員會主席或公司秘書。議程連同董事會及董事會委員會文件須於董事會及董事會委員會會議擬定日期前最少三日送達。為促進決策過程，董事及委員會成員可隨時聯絡管理層進行查詢及在必要時獲取進一步資料，董事亦可不受限制取得公司秘書的意見及服務。

董事會主席鼓勵全體董事全力積極參與董事會事務，並以身作則，確保董事會以本公司及股東整體最佳利益行事。彼提倡公開積極討論的文化，促進獨立非執行董事對董事會作出有效貢獻，並確保執行董事與獨立非執行董事之間維持建設性的關係。因此，董事會得以按照清晰既定的目標、策略及責任有效地運作。

全體董事均須履行其職責，並以本公司最佳利益行事，並特別考慮股東整體利益。當中，全體董事均須申報其於任何將由董事會於董事會會議上考慮的交易、安排、合約或其他建議上彼等權益的性質及內容(如有)。除非本公司組織章程細則特別批准，否則董事不得就其或其任何緊密聯繫人士於當中擁有重大權益的任何合約、交易、安排或任何其他建議上投票。

公司秘書每月向董事提供財務及營運資料，讓彼等履行其職責及了解本公司之發展。亦為董事會及董事會委員會編製其他定期及專案報告，以確保董事及董事會委員會成員可適時及合適地獲得彼等所需一切資料。

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Directors' Attendance Records at Meetings

The individual attendance record of each Director at meetings of the Board as well as the annual general meeting of the Company during the year ended 31 March 2017 is as follows:

董事出席會議記錄

截至二零一七年三月三十一日止年度，各董事出席董事會會議及本公司股東週年大會之個別記錄載列如下：

		Attendance/Number of meetings during the Directors' tenure of office 出席次數／董事任期內會議次數	
		Annual general meeting 股東週年大會	Board 董事會
Number of Meeting(s)	會議次數	1	15
Executive Directors	執行董事		
Mr. Chan Yan Tak	陳恩德先生	1/1	15/15
Mr. Lim Ming Shing, Tony	林銘誠先生	1/1	15/15
Mr. Lee Chi Hang, Sidney	李志恒先生	1/1	15/15
Mr. Wong Ping Yiu ¹	黃平耀先生 ¹	1/1	13/13
Mr. Wang Xihua ²	王西華先生 ²	N/A	10/10
Mr. Wong Mau Tai ³	黃茂泰先生 ³	1/1	15/15
Non-executive Director	非執行董事		
Madam Tsang Pui Man ⁴	曾佩雯女士 ⁴	1/1	4/5
Independent Non-executive Directors	獨立非執行董事		
Ms. Szeto Wai Ling, Virginia ⁵	司徒惠玲女士 ⁵	1/1	15/15
Mr. Leung Winson Kwan Yau ⁶	梁鈞濤先生 ⁶	N/A	10/10
Mr. Tam Kin Yip ⁷	譚健業先生 ⁷	N/A	1/1
Professor Ng Ka Ming ⁸	吳嘉名教授 ⁸	1/1	14/14
Mr. Cheng Kwok Kin, Paul ⁹	鄭國乾先生 ⁹	1/1	10/10

Notes:

- Mr. Wong Ping Yiu was appointed on 20 June 2016
- Mr. Wang Xihua was appointed on 24 October 2016
- Mr. Wong Mau Tai retired on 5 April 2017
- Madam Tsang Pui Man resigned on 24 October 2016
- Ms. Szeto Wai Ling, Virginia was appointed on 15 April 2016
- Mr. Leung Winson Kwan Yau was appointed on 24 October 2016
- Mr. Tam Kin Yip was appointed on 7 March 2017
- Professor Ng Ka Ming resigned on 7 March 2017
- Mr. Cheng Kwok Kin, Paul resigned on 6 December 2016

附註：

- 黃平耀先生於二零一六年六月二十日獲委任
- 王西華先生於二零一六年十月二十四日獲委任
- 黃茂泰先生於二零一七年四月五日退任
- 曾佩雯女士於二零一六年十月二十四日辭任
- 司徒惠玲女士於二零一六年四月十五日獲委任
- 梁鈞濤先生於二零一六年十月二十四日獲委任
- 譚健業先生於二零一七年三月七日獲委任
- 吳嘉名教授於二零一七年三月七日辭任
- 鄭國乾先生於二零一六年十二月六日辭任

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Directors are expected to devote sufficient time and attention to performing their duties and responsibilities towards the Company. The high attendance record at the Board meetings and Board committees meetings for the year ended 31 March 2017, which was reviewed by the nomination committee of the Company in June 2017, demonstrated the Directors' strong commitment to the Company.

The minutes of Board and Board committees meetings are currently prepared by the company secretary with details of the matters considered by the Board and Board committees and decisions reached, including any concerns raised by the Director(s) and members of Board committees or dissenting views expressed (if any). The draft minutes are circulated to all members of the Board and Board committees for their comment within a reasonable time after the meeting.

Statutory Confirmations

The Company has received written confirmation of independence from all independent non-executive Directors in accordance with rule 3.13 of the Listing Rules. The nomination committee of the Company has assessed their independence and concluded that all the independent non-executive Directors are independent within the definition of the Listing Rules and continues to consider each of them to be independent.

According to the Code, each Director should ensure that he/she can give sufficient time and attention to the affairs of the Company and make contribution to the development of the Company's strategy and policies through independent, constructive and informed comments. The chairman of the Board held a meeting with the non-executive Directors during the year.

Regarding disclosure of the number and nature of offices held by the Directors in public companies or organisations and other significant commitments as well as their identity and the time involved (the "Commitments") to the Company, all Directors have agreed to disclose their Commitments to the Company in a timely manner and confirm his/her other directorships, major appointments and interests to the Company twice a year.

Directors' Insurance

Directors' and Officers' liability insurance has been arranged for all Directors, including company securities, employment practices, regulatory crisis event, investigation, litigation, tax liabilities and public relation, etc.. The Company has conducted an annual review of the Company's Directors' and Officers' liability insurance policy with reference to recent trends in the insurance market and other relevant factors. The review compared the amount of coverage against other similar policies purchased by other companies.

董事在履行其對本公司的職務及職責時須付出充分時間及關注。截至二零一七年三月三十一日止年度董事會會議及董事會委員會會議的高出席率（於二零一七年六月經本公司提名委員會審閱）顯示董事對本公司有高度承擔。

目前，公司秘書負責編製董事會及董事會委員會會議記錄，當中載有董事會及董事會委員會考慮的事宜及達成的決策，包括董事及董事會委員會成員提出的任何疑慮或發表的反對意見（如有）。於會議舉行後合理時間內，會議記錄草擬本會傳閱予董事會及董事會委員會全體成員，以便彼等提出意見。

法定確認

根據上市規則第3.13條，本公司已接獲全部獨立非執行董事的獨立性確認書。本公司提名委員會已評估彼等的獨立性，結論為全體獨立非執行董事均為獨立人士（定義見上市規則），並繼續視彼等各自為獨立人士。

根據守則，各董事須確保彼付出充分時間及專注處理本公司事務，並透過提出獨立、富建設性及知情意見對本公司制定策略及政策作出貢獻。年內，董事會主席已聯同非執行董事舉行會議。

有關規定董事須向本公司披露其於公眾公司或組織擔任職位的數目及性質、其他重大承擔以及其身份及參與時間（「職務承擔」），全體董事同意適時向本公司披露彼等的職務承擔，並每年兩次向本公司確認彼的其他董事職務、主要任命及權益。

董事保險

本公司已為董事及高級職員購買責任保險（包括公司證券、僱用事項、監管危機事件、審查、訴訟、稅務負債及公共關係等方面）。本公司每年檢討本公司董事及高級職員的責任保險保單，並參考保障市場近期走勢及其他相關因素。進行檢討時會比較投保金額與其他公司投購的其他類似保單。

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Directors' Securities Transactions

The Company has adopted the required standard of dealings the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) as set out in the Appendix 10 of Listing Rules as the code of conduct regarding Directors' securities transactions in the securities of the Company. Upon the Company's specific enquiry, each Director has confirmed that they have fully complied with the Model Code under the Listing Rules, and there is no event of non-compliance. Employees of the Company, who are likely to be in possession of unpublished inside information of the Company, have been requested to comply with the provisions of the Model Code.

COMPANY SECRETARY

All Directors have access to the advice and services of the company secretary, who is responsible for ensuring that the Board procedures are followed and for facilitating information flows and communications among the Directors as well as with the Shareholders and management. Mr. Chui Pak Shing was appointed as the company secretary of the Company on 25 January 2016. On 6 December 2016, Mr. Wong Kui Tong was appointed as the company secretary of the Company in place of Mr. Chui Pak Shing as the company secretary of the Company. Please refer to the section “BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT” for details of Mr. Wong's professional qualifications.

BOARD COMMITTEES

As an integral part of good corporate governance, the Board has established a total of three Board committees, namely, the audit committee, the remuneration committee and the nomination committee, to oversee particular aspects of the Company's affairs. Each of these Board committees is governed by its respective terms of reference (amended from time to time) which are available on the websites of both the Company (www.royalmedic.com) and the Stock Exchange (www.hkexnews.hk).

All Board committees are provided with sufficient resources to discharge their duties and are able to seek independent professional advice in appropriate circumstances, at the Company's expense, to perform their responsibilities.

Audit Committee

The audit committee currently consists of three members, they are all independent non-executive Directors namely Mr. Leung Winson Kwan Yau, Mr. Tam Kin Yip and Ms. Szeto Wai Ling, Virginia. Mr. Leung Winson Kwan Yau is the chairman of the audit committee of the Company.

The chairman of the audit committee possesses the appropriate accounting and financial management expertise as required under the Listing Rules. None of the members of the audit committee is a former partner of the Company's existing external auditor.

董事證券交易

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」)載列的規定交易準則,作為規管董事就本公司證券進行證券交易之行事守則。經本公司具體查詢後,每位董事均已確認,彼等已全面遵守上市規則標準守則,亦無任何違規事件。因於本公司任職而可能擁有本公司未公佈的內幕消息的僱員均須遵守標準守則的條文。

公司秘書

全體董事均可取得公司秘書的意見及服務,公司秘書負責確保董事會會議程序獲遵循,以及促進董事之間及股東與管理層之間的資訊交流及溝通。崔伯勝先生於二零一六年一月二十五日獲委任為本公司的公司秘書。於二零一六年十二月六日,黃鉅棠先生獲委任為本公司公司秘書,以接任本公司公司秘書崔伯勝先生。黃先生之專業資格詳情請參閱「董事及高級管理層履歷詳情」一節。

董事會委員會

作為良好企業管治的重要部分,董事會共成立三個董事會委員會,為審核委員會、薪酬委員會及提名委員會,以監督本公司的特定事務。各董事會委員會受其各自職權範圍(不時修訂)的管治,有關詳情均可於本公司網站(www.royalmedic.com)及聯交所網站(www.hkexnews.hk)查閱。

所有董事會委員會均獲提供充足資源以履行其職責,並可於適當情況下尋求獨立專業意見以履行其職責,費用由本公司承擔。

審核委員會

審核委員會現由三名成員組成,均全為獨立非執行董事即梁鈞濤先生、譚健業先生及司徒惠玲女士。梁鈞濤先生為本公司審核委員會主席。

審核委員會主席具備上市規則規定的適當會計及財務管理專長。概無審核委員會成員為本公司現任外聘核數師的前任合夥人。

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Duties of Audit Committee

The primary duties of the audit committee, among other things, are to make recommendation to the Board on the appointment, re-appointment and removal of the external auditor; review the financial statements and material advice (if any) in respect of financial reporting; and oversee internal control system and risk management system of the Company.

Work Performed by Audit Committee

During the financial year ended 31 March 2017, the audit committee held three (3) meetings. The attendance of each member at meetings is as follows:

審核委員會職責

審核委員會的主要職責為(其中包括)向董事會就外聘核數師的委聘、續聘及罷免提出推薦意見; 審閱財務報表及就財務申報事宜提出重要建議(如有); 及監察本公司內部監控系統及風險管理系統。

審核委員會所履行工作

截至二零一七年三月三十一日止財政年度, 審核委員會曾舉行三次會議。各成員出席會議記錄載列如下:

Name of members	成員姓名	Attendance/ No. of meetings during the members tenure of office 出席次數/ 成員任期內會議次數
Mr. Leung Winson Kwan Yau (appointed as chairman on 6 December 2016)	梁鈞滙先生 (於二零一六年十二月六日獲委任為主席)	2/2
Ms. Szeto Wai Ling, Virginia (appointed on 15 April 2016)	司徒惠玲女士 (於二零一六年四月十五日獲委任)	3/3
Mr. Tam Kin Yip (appointed on 7 March 2017)	譚健業先生 (於二零一七年三月七日獲委任)	N/A
Mr. Cheng Kwok Kin, Paul (resigned on 6 December 2016)	鄭國乾先生 (於二零一六年十二月六日辭任)	2/2
Professor Ng Ka Ming (resigned on 7 March 2017)	吳嘉名教授 (於二零一七年三月七日辭任)	3/3

In accordance with its terms of reference, the audit committee performed, inter alia, the following work during the year ended 31 March 2017 and up to the date of this report:

截至二零一七年三月三十一日止年度及直至本報告日期, 根據其職權範圍, 審核委員會曾履行(包括其他)以下工作:

- reviewed, approved and recommended the draft audited annual report and unaudited interim reported, the interim and final dividend (if any) and the draft results announcements of the Company, including any changes in accounting policies and practices; major judgmental areas; compliance with accounting and auditing standards; and compliance with the listing requirements on the Listing Rules and legal requirements in relation to financial reporting prior to recommending them to the Board for approval.
- reviewed, approved and recommended the report in relation to the evaluation of the internal control system and the risk management system of the Group and the relevant report prior to recommending them to the Board for approval.
- 在向董事會提供推薦意見以獲得批准前, 審閱、批准及建議本公司的經審核年度報告及未經審核中期報告、中期及末期股息(如有)以及業績公佈初稿, 並就此發表意見, 包括會計政策及慣例的任何變動; 主要判斷範疇; 遵守會計及審計準則; 以及遵守上市規則及有關財務報告的法律規定。
- 在向董事會提供推薦意見以獲得批准前, 審閱、批准及建議有關評估本集團內部監控系統及風險管理系統之報告以及相關報告, 並就此發表意見。

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| 3. reviewed, assessed and commented relationship with the external auditor and independence and the level of support and co-operation given by the Group's management. | 3. 審閱、評估及評論與外聘核數師的關係、其獨立性以及本集團管理層提供的支援及合作程度，並就此發表意見。 |
| 4. reviewed, approved and recommended the re-appointment and remuneration of the external auditor. | 4. 審閱、批准及建議外聘核數師的續聘及薪酬。 |
| 5. reviewed, approved and recommended the change in external auditor. | 5. 審閱、批准及建議變更外聘核數師。 |
| 6. reviewed, assessed and commented the adequacy of resources, qualifications and experience of the staff of the Group's accounting and financial reporting function and their training programmes and budget. | 6. 審閱及評估本集團會計及財務申報職能的資源充裕程度、員工資歷和經驗及培訓計畫以及預算，並就此發表意見。 |

Remuneration Committee

The remuneration committee currently consists of four members, there are three independent non-executive Directors, namely Mr. Tam Kin Yip, Ms. Szeto Wai Ling, Virginia and Mr. Leung Winson Kwan Yau and one executive Director namely Mr. Lim Ming Shing, Tony. Mr. Tam Kin Yip is the chairman of the remuneration committee.

Duties of Remuneration Committee

The primary duties of the remuneration committee are to make recommendations to the Board on the overall remuneration policy and structure relating to all the Directors and senior management of the Group; review performance based remuneration; and ensure none of the Directors determine their own remuneration. The remuneration committee also administers and makes recommendation to the Board with respect to the share option scheme adopted by the Company. When the remuneration package of an individual Director is under review, such Director will abstain from voting.

薪酬委員會

薪酬委員會現由四名成員組成，三位為獨立非執行董事即譚健業先生、司徒惠玲女士及梁鈞濂先生及一位執行董事為林銘誠先生。譚健業先生為薪酬委員會主席。

薪酬委員會職責

薪酬委員會的主要職責為就與全體董事及本集團高級管理人員有關的整體薪酬政策及架構向董事會提出推薦意見；檢討表現掛鉤薪酬；及確保概無任何董事釐定其本身的薪酬。薪酬委員會亦管理及就有關本公司所採納購股權計劃向董事會提出建議。當檢討個別董事薪酬待遇時，該名董事將放棄投票。

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Work Performed by Remuneration Committee

During the financial year ended 31 March 2017, the remuneration committee held six (6) meetings. The attendance of each member is as follows:

薪酬委員會所履行工作

截至二零一七年三月三十一日止財政年度，薪酬委員會曾舉行六次會議。各成員出席記錄載列如下：

Name of members	成員名稱	Attendance/ No. of meetings during the members' tenure of office 出席次數/ 成員任期內會議次數
Mr. Tam Kin Yip (appointed as chairman on 7 March 2017)	譚健業先生 (於二零一七年三月七日獲委任為主席)	N/A
Ms. Szeto Wai Ling, Virginia (appointed on 15 April 2016)	司徒惠玲女士 (於二零一六年四月十五日獲委任)	5/5
Mr. Leung Winson Kwan Yau (appointed on 24 October 2016)	梁鈞濤先生 (於二零一六年十月二十四日獲委任)	2/2
Mr. Lim Ming Shing, Tony	林銘誠先生	6/6
Mr. Cheng Kwok Kin, Paul (resigned on 6 December 2016)	鄭國乾先生 (於二零一六年十二月六日辭任)	4/4
Professor Ng Ka Ming (resigned on 7 March 2017)	吳嘉名教授 (於二零一七年三月七日辭任)	6/6

In accordance with its terms of reference, the remuneration committee performed, inter alia, the following work during the year ended 31 March 2017 and up to the date of this report:

截至二零一七年三月三十一日止年度及直至本報告日期，根據其職權範圍，薪酬委員會曾履行(包括其他)以下工作：

- | | |
|---|---|
| <ol style="list-style-type: none"> 1. reviewed, commented and approved the policy and structure for the remuneration of Directors and senior management. 2. reviewed, commented and approved the procedures for fixing the remuneration packages. 3. reviewed and made recommendation on the remuneration packages of all Directors and the senior management and/or other matters. 4. reviewed, approved and recommended the respective Directors' service agreement. 5. considered, approved and recommended the salary package of newly appointed Director, senior management and the company secretary of the Company. | <ol style="list-style-type: none"> 1. 審閱、評論及批准董事及高級管理層的薪酬政策及結構。 2. 審閱、評論及批准釐定薪酬組合的程序。 3. 審閱並就全體董事及高級管理層的薪酬組合及／或其他事宜提供推薦意見。 4. 審閱、批准及建議個別董事服務合約。 5. 考慮、批准及建議本公司新任董事、高級管理層及公司秘書薪酬組合。 |
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Details of the Directors' remuneration for the year ended 31 March 2017 are set out in note 9 to the audited consolidated financial statements in this annual report. In addition, pursuant to the Code provision B.1.5, the annual remuneration of the senior management of the Group by bands for the year ended 31 March 2017 is set out below:

截至二零一七年三月三十一日止年度董事薪酬詳情載列於本年報經審核綜合財務報表附註9。此外，根據守則條文第B.1.5條，截至二零一七年三月三十一日止年度，本集團高級管理層之年度薪酬按等級載列如下：

Remuneration to the senior management by bands	按等級劃分之高級管理層酬金	Number of individuals 人數
HK\$1 to HK\$500,000	1港元至500,000港元	2
HK\$500,001 to HK\$1,000,000	500,001港元至1,000,000港元	1
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	2
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	1
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	1

Nomination Committee

The nomination committee currently consists of three members, they are all independent non-executive Directors, namely Mr. Tam Kin Yip, Ms. Szeto Wai Ling, Virginia and Mr. Leung Winson Kwan Yau. Mr. Tam Kin Yip is the chairman of the nomination committee.

提名委員會

提名委員會現由三名成員組成，均全為獨立非執行董事即譚健業先生、司徒惠玲女士及梁鈞濤先生。譚健業先生為提名委員會主席。

Duties of Nomination Committee

The primary function of the nomination committee is to make recommendations to the Board regarding appointment of Directors and candidates to fill vacancies on the Board and to assess the independence of the independent non-executive Directors.

提名委員會職責

提名委員會的主要職責為就委任董事及候選人填補董事會空缺向董事會提出推薦意見以及評估獨立非執行董事的獨立性。

The Company adopted a board diversity policy ("Diversity Policy") since 2013 which sets out the approach to achieve diversity of Board members. The objective of the Diversity Policy stated that selection of candidates be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service, the summary of which are set out below:

本公司自二零一三年採納董事會成員多元化政策（「多元化政策」），當中載列達致董事會成員多元化的方法。該多元化政策旨在說明甄選候選人按一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。該政策摘要如下：

- (a) With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development.

- (a) 為達致可持續的均衡發展，本公司視董事會層面日益多元化為支持其達到戰略目標及維持可持續發展的關鍵元素。

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(b) In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

(c) All Board appointments did and will be based on meritocracy, and candidates did and will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

The nominations committee is required to give consideration to the Diversity Policy when identifying suitably qualified candidates to become members of the Board. The ultimate decision did and will be based on merit and contribution that the selected candidates will bring to the Board.

Work Performed by Nomination Committee

During the financial year ended 31 March 2017, the nomination committee held six (6) meetings. The attendance of each member is as follows:

(b) 在設定董事會成員組合時，會從多個方面考慮董事會成員多元化，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。

(c) 董事會所有委任均已並將以用人唯才為原則，並已及會考慮人選時以客觀條件充分顧及董事會成員多元化的裨益。

提名委員會於物色合適資格候選人成為董事會成員時，須考慮該多元化政策，最終已及會將按候選人的長處及可為董事會作出的貢獻而作出決定。

提名委員會所履行工作

截至二零一七年三月三十一日止財政年度，提名委員會曾舉行六次會議。各成員出席記錄載列如下：

Name of members	成員名稱	Attendance/ No. of meetings during the member's tenure of office 出席次數／ 成員任期內會議次數
Mr. Tam Kin Yip (appointed as chairman on 7 March 2017)	譚健業先生 (於二零一七年三月七日獲委任為主席)	N/A
Ms. Szeto Wai Ling, Virginia (appointed on 15 April 2016)	司徒惠玲女士 (於二零一六年四月十五日獲委任)	5/5
Mr. Leung Winson Kwan Yau (appointed on 24 October 2016)	梁鈞滙先生 (於二零一六年十月二十四日獲委任)	2/2
Mr. Cheng Kwok Kin, Paul (resigned on 6 December 2016)	鄭國乾先生 (於二零一六年十二月六日辭任)	4/4
Professor Ng Ka Ming (resigned on 7 March 2017)	吳嘉名教授 (於二零一七年三月七日辭任)	6/6

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In accordance with its terms of reference, the nomination committee performed the following, inter alia, work during the year ended 31 March 2017 and up to the date of this report:

1. reviewed, assessed and commented, inter alia, the policy for the nomination of Directors.
2. assessed the independence of each independent non-executive Director.
3. sourced and recommended individuals suitably qualified to become Board members.
4. approved and recommended to the Board the appointments, resignations and the retirements in Directors.
5. identified and recommended those Directors to be retired by rotation and then be re-elected as Directors in the 2017 AGM in accordance with the articles of association of the Company and the Listing Rules.
6. reviewed and assessed the nomination procedures, process and criteria.

截至二零一七年三月三十一日止年度及直至本報告日期，根據其職權範圍，提名委員會曾履行(包括其他)以下工作：

1. 審閱、評估及評論(其中包括)提名董事的政策，並就此發表意見。
2. 評估每名獨立非執行董事的獨立性。
3. 物色及建議合資格人選成為董事會成員。
4. 批准及建議董事會董事的委任、辭任及退任。
5. 確定及推薦根據本公司組織章程細則及上市規則，將於二零一七年股東週年大會上輪席告退及膺選連任的董事。
6. 審閱及評估提名程序、過程及推選準則。

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FINANCIAL REPORTING

The Directors acknowledge their responsibilities for preparing the accounts of the Company and of the Group for the year ended 31 March 2017. The accounts are prepared on a going concern basis and give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2017, and of the Group's profit and cash flow for the year then ended. In preparing the accounts for the year ended 31 March 2017, the Directors have selected appropriate accounting policies and, apart from those new and amended accounting policies as disclosed in the notes to the accounts for the year ended 31 March 2017, have applied them consistently with previous financial periods. Judgments and estimates have been made that are prudent and reasonable. The reporting responsibilities of the external auditor are set out on pages 82 to 88 of this annual report.

Internal Control System and Risk Management System

The Board is responsible for maintaining and reviewing the adequate and effectiveness of the Group's system of internal controls and risk management, (the "System"), which are designed to meet the Group's particular needs and to minimise the risks to which the Group is exposed, and are designed to manage rather than eliminate the risks to achieve business objective and can only provide reasonable and not absolute assurance against misstatements or losses. The Group's internal control framework covers (i) the setting of objectives, budgets and targets; (ii) the establishment of regular reporting of financial information, in particular, the tracking of deviations between actual performances and budgets/targets; (iii) the delegation of authority; (iv) the establishment of clear lines of accountability; and review and evaluation of the Systems.

On behalf of the Board, the audit committee has reviewed the report prepared by external independent professional firm in respect of the adequacy and effectiveness of the System of the Group for the year ended 31 March 2017, including the reliability of financial reporting, effectiveness and efficiency of operations, compliance with applicable laws and regulations, effectiveness of risk management functions and the adequacy of resources, staff qualifications and experience, training programmes of the Company's accounting and financial reporting function and budget. This is achieved primarily through approving the scope of the annual internal audit plan, reviewing the findings of internal audit work, the annual and interim financial statements, and the nature, scope of work, and report of the external independent professional firm. Base on the results of the annual review by the Audit Committee, the Board considered that the Systems are effective and adequate. There is no significant change in the nature and extent of risks and the Company's ability to respond to changes in its business and the external environment since the last annual review.

財務申報

董事知悉其負責編製本公司及本集團截至二零一七年三月三十一日止年度賬目的責任。賬目乃按持續經營基準編製，並真實及公平反映本公司及本集團於二零一七年三月三十一日的事務狀況以及本集團該年度的溢利及現金流量。於編製截至二零一七年三月三十一日止年度的賬目時，董事選擇適當的會計政策，並貫徹應用於過往財政期間（截至二零一七年三月三十一日止年度的賬目附註所披露新訂及經修訂會計政策除外）。所作判斷及估計均屬審慎合理。外聘核數師的申報責任載於本年報第82至88頁。

內部監控制度及風險管理制度

董事會負責維持本集團的內部監控及風險管理制度（「制度」）及檢討其充分性及有效性，制度乃為切合本集團的特定要求及減低本集團須承受的風險，並為管理風險而非為消除風險而設，從而達致業務目標。制度僅可就錯誤陳述或損失提供合理而非絕對的保證。本集團的內部監控框架涵蓋(i)訂定目的、預算及目標；(ii)制定財務資料的定期報告，特別是追查實際表現與預算／目標的差額；(iii)授出權力；(iv)訂定問責的界線；及審閱及評估制度。

截至二零一七年三月三十一日止年度，審核委員會已審閱外部獨立專業公司就本集團制度的充分性及有效性編製的報告，包括財務申報的可靠性、營運效益及效率、適用法例及法規的遵守情況、風險管理職能的效益，以及本公司會計及財務申報職能的資源的充裕程度、員工資歷及經驗、培訓計劃及預算。評估主要透過批核年度內部審核計劃的範疇、檢視內部審核工作的結果、審議年度及中期財務報表，以及外部獨立專業公司工作的性質、範疇及報告進行。根據審核委員會進行年度檢討結果，董事會認為制度屬有效及充分。自上年年檢後，風險的性質及程度，以及本公司在應對其業務及外在環境轉變的能力，並無發生顯著的變化。

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Process Used to Identify, Evaluate and Manage Risks

The Board monitors the Group's business risks, operating risk management and internal controls. An external audit has been conducted to carry out the internal audit functions to ensure proper compliance with the internal control systems and risk management system to identify the potential risks which may arise in the operation and financial of the Group's business for implementation of appropriate measures and policies on a continuing basis. The scope of review and the audit programme of external audit company, which are formulated based on a risk assessment approach and focuses on areas with relatively higher perceived risks, are approved by the Audit Committee at the end of the preceding financial year in conjunction with the management. The external audit company executes their functions based on a yearly plan and prepares reports for their assignments. These reports are submitted to the management, the Board and the Audit Committee for review on a regular basis. Such reports are also circulated to the external auditor on an annual basis.

Handling and Dissemination of Inside Information

The Board has approved and adopted an Inside Information Disclosure Policy (the “**Disclosure Policy**”) for the Company since 2013 for monitoring inside information to ensure compliance with the Listing Rules and the Securities and Futures Ordinance.

The Disclosure Policy sets out the obligations, guidelines and procedures for handling and dissemination of inside information to all Directors, senior management and relevant employees. These guidelines and procedures to ensure that the inside information of the Company is to be disseminated to the public in equal and timely manner in accordance with the applicable laws and regulations. The inside information should remain confidential until the disclosure of such information is appropriately approved, and the dissemination of such information is efficiently and consistently made. Disclosure must be made in a manner that the public can have an equal, timely and effective access to the information available through Stock Exchange and the Company's website.

用作辨認、評估及管理風險的程序

董事會監察本集團的業務風險、營運風險管理及內部監控。進行外部審核，執行內部審核職能，確保妥善遵守內部監控制度及風險管理制度，以識別本集團業務營運及財務方面可能產生的潛在風險，以持續執行適當措施及政策。外聘審核機構審閱及審核計劃乃根據風險評估法制定及專注於比較高潛在風險的區域，且由審核委員會會同管理層於上個財政年度結束時批准。外聘審核機構根據年度計劃執行其職能及編製其任務的報告。該等報告定期呈交予管理層、董事會及審核委員會以供審閱。該等報告亦按年度基準派發予外聘核數師。

處理及披露內幕消息

董事會自二零一三年起批准及採納內幕消息披露政策（「**披露政策**」）監控內幕消息，以確保遵守上市規則及證券及期貨條例。

披露政策載列處理及向全體董事、高級管理層及相關僱員傳播內幕消息的責任、指引及程序。該等指引及程序確保根據適用法例及法規，公平及適時地向公眾傳播本公司的內幕消息。內幕消息應於有關消息披露獲得適當批准前維持保密，且有關消息將以有效及一致的方式進行傳播。披露須以可讓公眾透過聯交所及本公司網站，公平、適時及有效的查閱相關消息的方式作出。

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COMMUNICATION WITH SHAREHOLDERS

The Company's annual general meeting is one of the principal channels of communication with its Shareholders. The Board and the management are committed to use of annual general meetings of the Company as a forum to meet with the Shareholders and to hear their views and answer their questions about the Group and its business. The chairman of the Board, and each Board Committee's chairman or his alternate did and would attend annual general meetings of the Company along with the external auditor to answer Shareholders' questions.

All Shareholders are encouraged to attend annual general meeting and exercise their right to vote. Shareholders who are unable to attend annual general meeting can appoint proxies to attend and vote at annual general meeting.

The Company did and will send the notice of the annual general meeting to Shareholders at least 20 clear business days before the annual general meeting. The Company did and would send meeting notice to Shareholders not less than 10 clear business days before any extraordinary general meetings of the Company.

Shareholders are invited to ask questions related to the business of the Company. Apart from usual business at the annual general meeting, the Board has proposed general mandates for the repurchase of shares and the issue of shares of the Company.

Further details of business to be conducted at the annual general meeting will be set out in the circular to the Shareholders to be sent together with annual report and posted on the website of the Company (www.royalmedic.com) and the Stock Exchange (www.hkexnews.hk). All resolutions be passed by way of a poll conducted and verified by the Company's branch share registrar, Tricor Investor Services Limited, as an independent scrutineer. The poll results of each of the proposed resolutions to the Board be published on the Stock Exchange (www.hkexnews.hk) and the Company's websites (www.royalmedic.com) shortly after annual general meeting and extraordinary general meeting of the Company held.

與股東溝通

本公司股東週年大會乃與股東溝通的主要渠道之一。董事會及管理層致力透過本公司股東週年大會作為與股東會面的平台，聽取股東意見並回答股東有關本集團及其業務的提問。董事會主席及各董事會委員會主席或其替任人士，已經及將會聯同外聘核數師出席本公司股東週年大會，以回答股東提問。

本公司鼓勵全體股東出席股東週年大會及行使其投票權。無法出席股東週年大會的股東可委任受委代表出席股東週年大會及於會上投票。

本公司已並將於股東週年大會舉行前最少足20個營業日向股東寄發股東週年大會通告。本公司已經及將會於任何股東特別大會舉行前最少足10個營業日向股東寄發本公司股東特別大會通告。

股東獲邀提出有關本公司業務的問題。除股東週年大會的一般例行事務外，董事會已建議給予購回及發行本公司股份的一般授權。

有關股東週年大會將進行事務的進一步詳情將載於與本年報一併寄發的致股東通函，該通函將登載於本公司網站(www.royalmedic.com)及聯交所網站(www.hkexnews.hk)。全部決議案均以按股數投票表決方式通過，並經本公司過戶登記分處卓佳證券登記有限公司作為獨立監票人核實。各項向董事會所提呈決議案的投票表決結果將會於本公司股東週年大會及股東特別大會舉行後即分別於聯交所網站(www.hkexnews.hk)及本公司網站(www.royalmedic.com)登載。

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SHAREHOLDERS' RIGHTS

Procedures for making enquiries to the Board

Shareholders should direct their questions about their shareholdings to the Company's Hong Kong branch share registrar and transfer agent, namely, Tricor Investor Services Limited, whose contact details are as follows:

Tricor Investor Services Limited

Address : Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong
Telephone : (852) 2980 1333
Fax : (852) 2810 8185
E-mail : is-enquiries@hk.tricorglobal.com
Website : <http://www.tricoris.com>
Attention : Board of Directors/Company Secretary

Shareholders and members of the investor community are welcome to send their enquiries to the Board and the company secretary as follows:

RM Group Holdings Limited

Address : 27/F., The Galaxy,
313 Castle Peak Road
Kwai Chung, Hong Kong
Telephone : (852) 2297 0000
Fax : (852) 2755 9999
E-mail : ir@royalmedic.com.hk
Website : www.royalmedic.com

Shareholders may at any time make a request for the Company's information to the extent such information is publicly available.

股東權利

向董事會查詢的程序

股東須將有關其股權的問題直接提交予本公司的香港股份過戶登記分處卓佳證券登記有限公司，其聯絡資料如下：

卓佳證券登記有限公司

地址 : 香港
皇后大道東183號
合和中心22樓
電話 : (852) 2980 1333
傳真 : (852) 2810 8185
電郵 : is-enquiries@hk.tricorglobal.com
網址 : <http://www.tricoris.com>
收件人 : 董事會／公司秘書

歡迎股東及投資界向董事會及公司秘書查詢，詳情如下：

御藥堂集團控股有限公司

地址 : 香港葵涌
青山公路313號
天際中心27樓
電話 : (852) 2297 0000
傳真 : (852) 2755 9999
電郵 : ir@royalmedic.com.hk
網址 : www.royalmedic.com

股東可隨時要求本公司提供公開資料。

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Procedures for convening extraordinary general meeting on requisition

One or more Shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company (the “**Requisition**”) to require an extraordinary general meeting of the Company to be called by the Board for the transaction of any business specified in the Requisition.

The Requisition shall be made in writing to the Board or the secretary of the Company at the principal place of business in Hong Kong and registered office of the Company in Cayman Islands as follows:

Principal place of business of the Company in Hong Kong

Address: 27/F, The Galaxy
313 Castle Peak Road
Kwai Chung, Hong Kong

Attention: Board of Director/Company Secretary

Registered office of the Company in Cayman Islands

Address: Cricket Square Hutchins Drive
P.O. Box 2681 Grand Cayman
KY1-1111 Cayman Island

Attention: Board of Director/Company Secretary

Procedures for Shareholders to put forward proposals at general meetings

Shareholders who wish to put forward proposals for the Company’s consideration at the general meetings can send their proposals to the company secretary at the principal place of business in Hong Kong as specified above.

請求召開股東特別大會的程序

一名或多名於提出請求當日持有本公司實繳股本不少於十分之一並有權在本公司股東大會上投票的股東，將隨時有權向董事會或公司秘書提出書面請求（「請求」），要求董事會就處理有關請求所指明任何事務而召開本公司股東特別大會。

請求須致函香港主要營業地點及本公司於開曼群島的註冊辦事處向董事會或公司秘書書面提出，詳情如下：

本公司香港主要營業地點

地址：香港葵涌
青山公路313號
天際中心27樓

收件人：董事會／公司秘書

本公司於開曼群島的註冊辦事處

地址：Cricket Square Hutchins Drive
P.O. Box 2681 Grand Cayman
KY1-1111 Cayman Island

收件人：董事會／公司秘書

股東於股東大會上提呈建議的程序

股東須致函上述地址的香港主要營業地點向公司秘書提呈建議，以供本公司於股東大會上考慮。

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INVESTOR RELATIONS

In order to develop and maintain a continuing investors' relationship programme to enable Shareholders and investors to better understand the Group's business, the Company has established various channels of communication with the Shareholders and the investor community:

1. Shareholders can raise any comments on the performance and future directions of the Company with the directors at the annual general meeting.
2. The Company may arrange press and analysts' conferences in relation to the results announcements, at which the chairman of the Board and/or the executive Directors are available to answer questions regarding the Group's operational and financial performances.
3. The Company's website at www.royalmedic.com contains important corporate information, annual and interim reports, as well as announcements and circulars issued by the Company to enable the Shareholders and the investor community to have timely access to updated information about the Group.
4. The Board has established a Shareholders' communication policy since 2013 and has reviewed and will review it on a regular basis to ensure its effectiveness.
5. The Company has uploaded its memorandum and articles of association of the Company on the Company's website at www.royalmedic.com and the Stock Exchange's website at www.hkexnews.hk.

投資者關係

為發展及維持長久的投資者關係計劃，以便股東及投資者更加了解本集團業務，本公司已建立多個與股東及投資界溝通的渠道：

1. 股東可就本公司表現及未來路向於股東週年大會上向董事提出任何意見。
2. 本公司可能會安排有關業績公佈的記者招待會及分析員會議，董事會主席及／或執行董事亦會出席會議回答有關本集團營運及財務表現的提問。
3. 本公司網站www.royalmedic.com載有重要的公司資料、本公司刊發的年度及中期報告以及公佈及通函，讓股東及投資界適時取得本集團的最新資料。
4. 董事會自二零一三年起制定股東溝通政策，並已及將定期檢討以確保其成效。
5. 本公司將其組織章程大綱及細則上載至本公司網站www.royalmedic.com及聯交所網站www.hkexnews.hk。

CORPORATE GOVERNANCE REPORT

企業管治報告

EXTERNAL AUDITOR

Messrs. CCIF CPA Limited (“CCIF”) has merged its business with PCP CPA Limited to form a new company operated under the name of Crowe Horwath (HK) CPA Limited (“Crowe Horwath (HK)”), the Board considered that it is in the best interests of the Company and the Shareholders as a whole if the auditor is able to continue to serve the Company under the more internationally renowned name of Crowe Horwath (HK), a member firm in Hong Kong of Crowe Horwath International. Therefore, the Board agreed and approved the appointment of the Crowe Horwath (HK) as auditor of the Company in place of the resignation of CCIF as auditor of the Company with effect on 7 March 2017 (“the Change”). Crowe Horwath (HK) holds office until the conclusion of 2017 AGM on which a resolution of re-appointment of Crowe Horwath (HK) as auditor of the Company for the coming year would be proposed. The audit committee of the Company agreed and approved the Change and the Re-appointment.

In order to maintain Crowe Horwath (HK)’s independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, the audit committee reviewed all audit services to be provided by Crowe Horwath (HK) and discusses with Crowe Horwath (HK) the nature and scope of their audit and reporting obligations.

The audit committee also reviewed and approved the engagement of Crowe Horwath (HK) to provide any non-audit services for complying with relevant legal requirements.

For the year ended 31 March 2017, Crowe Horwath (HK)

外聘核數師

陳葉馮會計師事務所有限公司(「陳葉馮」)已將其業務與華德匡成會計師事務所有限公司合併，以成立一家以國富浩華(香港)會計師事務所有限公司(「國富浩華(香港)」)之名義經營的新公司，董事會認為，倘核數師能夠以國際知名名稱國富浩華(香港)(為國富浩華國際在香港的成員公司)之名義繼續為本公司服務，將符合本公司及股東之整體最佳利益。因此，董事會已同意及批准委任國富浩華(香港)為本公司核數師，以填補陳葉馮自二零一七年三月七日起辭任本公司核數師後之空缺(「更換」)。國富浩華(香港)將任職至二零一七年股東週年大會結束時為止，會上將提呈一項續聘國富浩華(香港)為本公司下年核數師的決議案。本公司審核委員會已同意及批准更換及續聘。

為確保按適用標準維持國富浩華(香港)獨立客觀及核數程序成效，審核委員會已審閱將由國富浩華(香港)提供的全部核數服務，並就其核數性質及範疇以及申報責任與國富浩華(香港)商討。

審核委員會亦審閱及批准委聘國富浩華(香港)提供任何非核數服務，以遵守相關法例規定。

截至二零一七年三月三十一日止年度，國富浩華(香港)

Type of Services	服務類別	For the year ended 31 March 2017 截至二零一七年 三月三十一日 止年度 HK\$'000 千港元	For the year ended 31 March 2016 截至二零一六年 三月三十一日 止年度 HK\$'000 千港元
Audit services:	核數服務：		
Annual audit services	年度核數服務	990	870
Non-audit services:	非核數服務：		
Interim review services	中期審閱服務	—	220
Tax review service	稅務審閱服務	—	124
Reporting accountants and other services	申報會計師及其他服務	10	120

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ABOUT THIS REPORT

This is the first Environmental, Social and Governance Report (“ESG Report”) prepared by the Group to communicate our efforts in sustainability developments and our contributions to customers, the community and the environment for the financial year 2016/17.

The reporting framework of this report is in accordance with the disclosures requirements as set out in the “Environmental, Social and Governance Reporting Guide” under Appendix 27 to the Main Board Listing Rules issued by the Stock Exchange of Hong Kong Limited (the “ESG Guide”). A separate Corporate Governance Report adhering to the requirements of Appendix 14 to the Main Board Listing Rules issued by the Stock Exchange of Hong Kong Limited is also incorporated in our 2016/17 Annual Report.

This report covers our Hong Kong operations only as we operate mainly in Hong Kong.

OUR BACKGROUND

Headquartered in Hong Kong, we focus our business in traditional Chinese medicine and health supplements which are developed in a professional and attentive way. With strong backups and authentication by experts, we uphold our core value in improving customers’ well-being by launching quality guaranteed and effective health supplements. New elements and ideas, including modern scientific research technology and modified formulations, are infused into the manufacture of traditional Chinese medicine.

OUR PHILOSOPHY

Reacting to our researches on the Asian’s common symptoms for insomnia, constipation, overweight and nervousness from anxiety, we formulate innovative products and deliver them in an easily accessible and fashionable way aiming to relieve people from the aforementioned symptoms. This statement reflects our mission to be the guardian of customers’ health. We target to assist customers in relieving pressure, staying healthy and living longer.

We flourish our business and extend access to our innovative product profile, ensuring our sustainable growth as well as improving people’s health, creating value for our stakeholders and benefiting the community. To achieve this, we have continuously been cooperating with renowned universities in launching various new and innovative products using the intellectual knowledge base of academia.

In the last decade, we have launched innovative products like Royal Medic No. 1 Chinese Cs-4 in addressing the aforesaid symptoms as the center of our business approach. Our Royal Medic No. 1 Chinese Cs-4 product has continuously been ranked as “Number One” sales for 8 consecutive years in Hong Kong which proves that our approach is welcomed by customers.

關於本報告

這是本集團編製的首份環境、社會及管治報告（「環境、社會及管治報告」），旨在傳達我們為實現可持續發展付出的努力，以及我們於二零一六／一七財政年度對客戶、社區及環境作出的貢獻。

本報告的報告框架符合香港聯合交易所有限公司頒佈的主板上市規則附錄27「環境、社會及管治報告指引」（「環境、社會及管治報告指引」）所載的披露規定。二零一六／一七年年報亦載有根據香港聯合交易所有限公司頒佈的主板上市規則附錄14的要求單獨編製的企業管治報告。

由於我們主要在香港經營業務，因此本報告僅涵蓋我們的香港業務。

我們的背景資料

我們是一家總部位於香港的公司，主要從事傳統中藥及保健產品業務。我們以專業、嚴謹為品牌定位，以客戶健康為己任，憑藉強大的後盾支援及專家鑑定，堅持推出有質量保證及高效的保健產品。此外，我們亦為傳統中藥的生產注入新元素及新理念，包括現代科研技術及不斷改良的配方。

我們的理念

針對我們對亞洲人因焦慮症引起的失眠、便秘、超重及緊張等常見症狀的研究，我們推出創新產品，並以簡單而時尚的方式向客戶提供該等產品，旨在緩解人們的上述症狀，從而彰顯我們「為客戶健康把關」的使命。我們的目標為協助客戶緩解壓力，實現健康及長壽。

我們大力發展我們的業務，並增加創新產品的曝光度，以確保我們的可持續增長，以及改善人們的健康狀況、為持份者創造價值及為社區帶來利益。為實現上述目標，我們繼續一直與知名大學合作，利用學術界的智慧知識庫推出各種新型創新產品。

在過去十年中，我們已推出多種創新產品（如御藥堂培植蟲草菌絲體Cs-4），圍繞上述症狀制定了各種業務解決方案。我們的御藥堂培植蟲草菌絲體Cs-4產品在香港連續八年銷量「第一」，證明我們的方法深受客戶歡迎。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

BUSINESS SUSTAINABILITY AND CORPORATE RESPONSIBILITY

While developing the sustainability of our business, we have taken into careful considerations the overall welfare of our products, our customers, our community and our environment.

We have dedicated our efforts in responsible operations and products, and we have contributed in addressing the healthcare challenges in Asia. Understanding customers' concern on the pricing of healthcare products, we have also taken thoughtful and responsible approaches such as collaborating with our Distribution Facilitator to launch more one day special promotion events.

We believe that colleagues are a crucial element to sustain our business. With our responsible operating and human resources strategies, our ability to attract talents is enhanced. To nurture and retain these talents, we devote efforts to provide on-the-job coaching as well as encourage them to participate in professional and management trainings.

Our care for the community is shone through our passionate colleagues in organizing and participating in charitable activities which are fully supported by the management.

As our operations are comparatively straight forward with a corporate office, several warehouses and a small packaging plant, we have put in continuous efforts to strengthen the awareness of colleagues the importance of environmental protection. We have also promoted environmental friendly policies in our offices, such as using LED lighting for the new offices, implementing procedures for using less electricity and fuel as much as possible and proper waste management.

In summary, we definitely support the Environment and Social moves, aiming to ensure our business and the environment that we live in are sustainable.

OUR APPROACH

Being a commercially successful and responsible operating organization, we aim at assisting people in improving their health while creating values for shareholders and the community.

This report provides a performance update on our missions across four facets:

- Our behavior – our responsibility for products and customers' satisfactions
- Our talent – our attraction and retention of people
- Our community – our dedication to the community and
- Our environment – our awareness for a green environment

業務可持續性及企業責任

在確保業務可持續發展的同時，我們亦會仔細考慮產品、客戶、社區及環境的整體福祉。

我們在營運及產品方面採取負責任的態度，並為解決亞洲的醫療保健難題作出貢獻。鑒於客戶對保健產品的定價較為關注，我們亦採取體貼及負責任的方法，例如與分銷代理合作舉行更多的出位價活動。

我們認為員工是維持業務可持續發展的關鍵因素。憑藉我們負責任的營運及人力資源策略，我們有能力吸引更多人才。為培養及挽留該等人才，我們致力於提供在職訓練，並鼓勵他們參與專業及管理培訓。

我們激情洋溢的員工會不時組織及參與由管理層全力支持的慈善活動，以彰顯我們對社區的關懷。

由於我們的業務僅與公司辦公室、幾個倉庫及一個小型包裝廠緊密相關，我們一直在努力提高員工的環保意識。我們亦在辦公室推廣環保政策，例如為新辦公室安裝LED照明設施、制定工作流程以盡可能地節電節能及進行適當的廢物管理。

總而言之，我們絕對支持環境與社會活動，以確保我們的業務及我們居住的環境實現可持續發展。

我們的方針

作為一個商業成功及負責任的營運機構，我們致力於幫助人們改善健康狀況，同時為股東及社區創造價值。

本報告從四個方面闡述我們工作任務的最新表現情況：

- 我們的行為 — 我們的產品責任及客戶滿意度
- 我們的人才 — 我們如何吸引及挽留人才
- 我們的社區 — 我們的社區貢獻及
- 我們的環境 — 我們的綠色環保意識

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

OUR CORPORATE RESPONSIBILITY PRIORITIES

Our corporate responsibility priorities are the results of collective insights from our stakeholders aligned to formulate our business strategies.

We established our priorities through a comprehensive materiality assessment, identifying the areas that are most important to our stakeholders and have substantial impact on our business success. Our Board then formulated directions and set priorities in the environment, social and governance facets considering our industry, size of business, staff and communities.

Stakeholders' Engagement

For the financial year 2016/17, we started to engage our stakeholders including employees' feedback, distributors' and investors' insights via various sources. We also conducted in-depth interviews with representatives of our key stakeholder groups including investors and academia.

我們的企業責任重點

我們的企業責任重點是持份者在制定我們的業務策略時集體討論的結果。

我們透過全面的重要性評估及識別對我們的持份者最為重要及對我們的業務成功有重大影響的領域來確定工作重點，並由我們的董事會在考慮我們的行業、業務規模、員工及社區後制定環境、社會及管治方向及工作重點。

持份者的參與

於二零一六／一七財政年度，我們開始透過各種渠道聽取持份者的意見，包括員工的反饋、分銷商及投資者的見解。我們亦與包括投資者及學術界在內的重要持份者群體的代表進行深入訪談。

Stakeholders	持份者	Channels for Engaging Stakeholders 持份者的參與渠道
Customers	客戶	<ul style="list-style-type: none"> ✓ Customers' feedback via hotlines, emails, exhibitions, events and Wisdom Club 客戶透過熱線、電子郵件、展會、活動及凝智會作出反饋 ✓ Social media 社會媒體
Investors	投資者	<ul style="list-style-type: none"> ✓ Annual general meeting 股東週年大會 ✓ Announcements and notices 公佈及通告 ✓ Circulars 通函 ✓ Information disclosure on website 網站上的信息披露
Employees	僱員	<ul style="list-style-type: none"> ✓ Staff activities (volunteer services) 員工活動(志願服務) ✓ Meetings 會議 ✓ Trainings 培訓 ✓ Emails 電子郵件 ✓ Sharing sessions 分享會

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Stakeholders	持份者	Channels for Engaging Stakeholders	持份者的參與渠道
Suppliers	供應商	<ul style="list-style-type: none"> ✓ Site inspections 現場檢查 ✓ Supply chain management system 供應鏈管理系統 	
Regulatory Authorities	監管機構	<ul style="list-style-type: none"> ✓ Compliance with relevant laws and regulations 遵守相關法律及法規 	
Media	媒體	<ul style="list-style-type: none"> ✓ Interviews 訪談 	

We have evaluated all material issues by considering the importance to stakeholders and the impact on our business success and have identified the following factors that are of high priorities:

經考慮對持份者的重要程度及對企業成功的影響，我們已評估所有重大事宜，並將下列因素確定為重中之重：

- | | |
|--|---------------|
| a. Product innovation | a. 產品創新 |
| b. Product safety, quality and supply | b. 產品安全、質量及供應 |
| c. Sales and marketing practices and pricing | c. 銷售及營銷實踐及定價 |
| d. Intellectual properties | d. 知識產權 |
| e. Talent attraction and retention and | e. 人才吸引及挽留及 |
| f. Anti-bribery and corruption | f. 反賄賂及腐敗 |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

OVERVIEW OF OUR CONTINUOUS EFFORTS IN DEVELOPING SUSTAINABILITY OF OUR BUSINESS

Guardian of your Health

We aim at developing innovative health products that are affordable and improving the accessibility of health supplements for consumers in Asia. Though our business focus is currently in Hong Kong, we have future business plans to address the Asian markets.

Our Behavior – our responsibility for Products and Customers' Satisfactions

We embed our values throughout the business, formulating ways to research, develop, market and promote our products. As recognition of our efforts, both our Royal Medic Cs-4 and RM Broken Ganoderma Spore are being awarded as quality products under the “A-Mark Quality Chinese Medicines Authentication Scheme” of Hong Kong Chinese Medicine Authentication Centre (HKCMAC) during the reporting year.

Responsible Supply Chain Management

We place strong emphasis on the quality, stability and safety of all our products and we have diversified sources of suppliers. Our suppliers are from different countries and cities, including China, Hong Kong, Japan, Malaysia, Taiwan, Australia, New Zealand and USA.

We implement quality control procedures from the procurement of raw materials and intermediates, selection of suppliers and subcontractors to production, packaging and labeling.

Selection of our suppliers and subcontracting manufacturers are based on various factors including their production capacity, product quality, quality control and production environments. Potential suppliers are required to obtain certifications such as Hazard Analysis and Critical Control Point, Good Manufacturing Practices and International Organization for Standardization. Suppliers will have to provide quality check certificates and/or product analysis or send samples for laboratory testing before the raw materials/intermediates are shipped out. Upon engagement, the procurement team would work with quality assurance staff to evaluate the suppliers based on procurement procedures, after-sales service and food safety. Moreover, we conduct site audits on selected suppliers from time to time and check whether their committed quality standard is maintained.

Quality assurance is essential to protect customers and win their confidence. During the reporting period, we have complied with the relevant laws and regulations in relation to the health and safety requirements of our products.

我們在實現業務可持續發展方面作出的持續努力

為您健康把關

我們旨在開發出價格低廉的創新保健產品及提高亞洲消費者對保健產品的購買力。儘管我們目前主要在香港開展業務，但我們計劃於未來進軍亞洲市場。

我們的行為 — 我們的產品責任及客戶滿意度

我們將價值觀融入整個業務過程中，制定出研究、開發、營銷及推廣我們產品的方法。作為對我們努力的認可，於報告年度，我們的御藥堂培植蟲草菌絲體Cs-4及御藥堂破壁靈芝孢子被評為香港中藥檢定中心(HKCMAC)「香港A嘜優質中藥認證計劃」項下的優質產品。

負責任的供應鏈管理

我們非常重視所有產品的質量、穩定性及安全性，且我們擁有多元化的供應商來源。我們的供應商來自不同的國家及城市，包括中國、香港、日本、馬來西亞、台灣、澳大利亞、新西蘭及美國。

我們從採購原材料及中間體、挑選供應商及分包商到生產、包裝及打標籤均實施質量控制程序。

我們在選擇供應商及分包製造商時會基於各種考慮因素，包括其生產能力、產品質量、質量控制及生產環境。潛在供應商須獲得危害分析及關鍵控制點、生產質量管理規範及國際標準化組織等認證。在原材料/中間體出貨之前，供應商須提供質量檢驗證書及/或產品分析或寄發樣品進行實驗室測試。選定供應商後，採購團隊將與質量保證人員合作，根據採購程序、售後服務及食品安全對供應商進行評估。此外，我們會不定期對選定的供應商進行現場審核，並檢查其產品是否符合承諾的質量標準。

質量保證對保障客戶權利及贏得客戶信心至關重要。於報告期間，我們一直遵守與產品健康及安全要求有關的相關法律及法規。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

To accomplish these compliance requirements, we have stringent quality control measures to ensure highest standard of product quality. Experienced management team is actively involved in setting internal quality control policies and monitoring the product quality control process. Major quality control measures include:

1. Establishing and implementing a quality management system to monitor and inspect on environment and hygiene of in-house food packaging premises.
2. Having standard operation guidelines for handling materials to ensure that they are properly received, stored and delivered to prevent contamination.
3. Having food safety procedures and measures to control the hygiene of equipment and premises.
4. Requesting suppliers to provide a certificate of analysis prepared by them and/or a lab test report prepared by an independent testing center in the relevant jurisdiction of the Group when delivering the raw materials/intermediates.
5. Carrying out quality checks on raw materials, intermediates and finished products.
6. Co-operating with well-known universities or their authorized organizations to conduct testing and accreditation on products, such as clinical trials to ensure safety and efficacy of products.
7. Appointing third-party independent testing agencies accredited with Hong Kong Laboratory Accreditation Scheme to perform safety testing on Traditional Chinese Medicine and health supplement products before launching to the market, including heavy metals, pesticide residues and microbial counts.
8. Applying and outsourcing the latest testing and technologies to enhance quality control, such as High Performance Liquid Chromatography, DNA fingerprinting in herbs and Thin-Layer Chromatography.

In view of our support for an environmental friendly supplier, we will formally prepare policy and questionnaires for new and existing suppliers to raise and assess their awareness in managing the environmental and social risk in their own jurisdictions from 2017. Although we have selected suppliers with environmental care criteria, we do not have formal documentation on such suppliers in the past years.

為達到該等合規要求，我們已制定嚴格的質量控制措施，以確保產品質量符合最高標準。有經驗的管理團隊亦會積極參與制定內部質量管理政策及監督產品質量控制流程。主要質量控制措施包括：

1. 建立及實施質量管理體系，以監督及檢查內部食品包裝場所的環境及衛生。
2. 制定處理材料的標準操作指南，旨在確保材料被正確接收、儲存及交付以防止污染。
3. 制定食品安全程序及措施，以控制設備及場所的衛生。
4. 要求供應商在交付原材料／中間體時，由供應商提供編製的分析證書及／或由本集團所在相關司法權區的獨立測試中心編製的實驗室測試報告。
5. 對原材料、中間體及製成品進行質量檢查。
6. 與知名大學或其授權機構合作，對產品進行檢測及認證（如臨床試驗），以確保產品的安全性及有效性。
7. 委任獲香港實驗所認可計劃認證的第三方獨立檢測機構在產品入市前對傳統中藥及保健產品進行安全檢測，包括重金屬、農藥殘留及微生物總量。
8. 應用及外包最新的測試及技術以提高質量控制，如高效液相色譜、草本植物基因指紋圖譜及薄層色譜。

鑒於我們對環保供應商的支持，自二零一七年起，我們將正式編製政策及調查問卷，以提高及評估新供應商及現有供應商對其所在司法權區的環境及社會風險的管理意識。於過往年度，儘管我們一直選擇符合環保標準的供應商，但我們並無向該等供應商下發正式文件。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Advertising and labelling

We ensure that the advertisements and the product labellings are in compliance with relevant requirements of the relevant laws and regulations of Hong Kong and overseas, including the Trade Descriptions Ordinance, Undesirable Medical Advertisements Ordinance, Food and Drugs (Composition and Labelling) Regulations, Chinese Medicine Ordinance, with the following measures:

1. Checking all advertising and labelling materials by quality assurance team and legal adviser before releasing to the market.
2. Continuously updating on any new requirements of relevant laws and regulations.

Aside from ensuring safety in our packing, a very factual advertising of our products' contents is provided to allow a clear understanding of our products.

During the reporting period, there is no reported case of non-compliance of relevant laws and regulations relating to advertisements and product labellings.

Safeguarding Customers' Satisfaction

We have placed high priority for customers' satisfaction. Customers are encouraged to join our Wisdom Club where better pricing and deals are offered to members from time to time. In order to ensure that customers' personal data and needs are being attended to promptly, a customer service department is designated to handle feedbacks received from customers and related matters. We have also observed the data privacy regulations on data collected from customers.

If products need to be returned, customers can contact our customer service via service hotline where our colleagues will attend to their needs. Customers can return the products via our Distribution Facilitator and apply for a refund of the purchased price.

Protecting Intellectual Property Rights

We have shown continuous support for innovative Chinese medicine by collaborating with several universities to carry out researches on innovative products. One of the launched product is the "Bone Enhancement" with the Chinese University of Hong Kong. Though many of our products are generic, we have strived to protect our uniqueness from other similar products while not infringing the rights of others. We commercialized those valuable research findings in our innovative products and marketed them under our brand. This corporate strategy proves to be effective in brand management with the conferment of our brand as the "2016 Top Brand Ten Year Achievement Award" winner and shows the well acceptance of customers.

During the reporting period, there is no reported case of infringement of relevant laws and regulations relating to intellectual properties.

廣告及標籤

為確保廣告及產品標籤符合香港及海外相關法律及法規(包括商品說明條例、不良醫藥廣告條例、食物及藥物(成分組合及標籤)規例及中醫藥條例)的相關要求,我們已採取下列措施:

1. 質量保證團隊及法律顧問會在產品上市前對所有廣告及標籤材料進行檢查。
2. 不斷更新相關法律及法規的任何新規定。

除確保包裝的安全性外,我們亦如實公佈我們的產品成份,以便消費者清楚地了解我們的產品。

於報告期間,並無出現未遵守與廣告及產品標籤有關的相關法律及法規的報告情況。

保證客戶滿意度

我們高度重視客戶的滿意度,鼓勵客戶加入凝智會,成為會員後,可不時享有更低定價及各種優惠。為確保客戶的個人資料及需求及時獲得處理,我們指派客戶服務部處理客戶反饋及相關事宜。我們亦遵守收集客戶資料相關的資料私隱規例。

倘客戶擬退回產品,可透過服務熱線聯絡我們的客戶服務,我們的員工將處理該等客戶的需求。客戶可透過分銷代理退回產品及申請全額退款。

保護知識產權

我們與數所大學合作進行創新產品的研究,持續支持創新中藥產品,已推出的產品「骨質保」乃與香港中文大學合作研發。儘管我們的多數產品為非專利商品,我們一直致力於在不侵犯其他方權利的情況下,保護我們的獨特性不受其他同類產品影響。我們將寶貴的研究成果用於創新產品中,助其商業化,並將該等產品冠以我們的品牌,推向市場。該企業策略就品牌管理而言實屬有效,我們的品牌獲授予「二零一六年香港名牌十年成就獎」,廣受客戶歡迎。

於報告期內,概無呈報與違反知識產權相關法律法規有關的案例。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Our Talent – our attraction and retention of People

As of 31 March 2017, we have an engaging team of 169 employees, mostly located in Hong Kong.

Understanding that people in the Group are essential to sustain our business development, we allocate the necessary resources to facilitate an inspiring team with a supportive work environment.

Employment and Labour Practices

We share our support as an equal opportunity employer and we hire employees according to their capabilities without being affected by their social identity.

We have formulated a set of human resources policies in our Staff Handbook. This Staff Handbook includes guidelines on recruitment, termination, record of working hours and staff benefits which are fully implemented during the reporting period. From time to time, the Human Resources Department will review and revise these guidelines to comply with the current law and regulations in Hong Kong.

We encourage our employees to foster their capabilities. Annual appraisals are performed and promotions are based on achievements and competencies.

Undoubtedly, it is not lawful to hire child labor and forced labor as defined under the labour law.

During the reporting period, we were not aware of any non-compliance with the relevant Hong Kong labour laws and regulations.

Retention of Talent – Training

We provide our colleagues with a reasonable remuneration package and we always encourage them to advance themselves by joining professional development training, seminars and conferences. For non-professional staff and promoters, the Human Resources colleagues and sales controller will share up-to-date knowledge via internal training sessions according to their respective competency levels.

During the reporting period, we have organized an outward bound training for office staff and promoters, and five internal training sessions on marketing skills for promoters. Directors, professional and managerial staff have been sponsored to participate in various knowledge based training or management skills training.

我們的人才—我們如何吸引及挽留人才

於二零一七年三月三十一日，我們擁有僱員169人的出色團隊，且多數均位於香港。

我們了解，本集團的員工對我們業務的可持續發展至關重要，故此，我們將調撥必要資源，建立支援型工作環境，激勵團隊的工作。

僱傭及勞工常規

作為提供平等就業機會的僱主，我們分享所提供的支持，並根據員工的能力僱用人才，而不會受其社會身份的影響。

我們於員工手冊中制定一套人力資源政策。該員工手冊載列有關招聘、解約、工時記錄及員工福利的指引，於報告期內獲悉數執行。人力資源部將不時檢討及修訂該等指引，確保其符合香港現行法律法規。

我們鼓勵僱員提升自身能力。年度評估及晉升均以成績及能力為基準。

毋庸置疑，僱用勞工法律界定的童工及強迫勞工屬非法。

於報告期內，我們並不知悉存在任何不遵守香港相關勞工法律法規的事宜。

挽留人才—培訓

我們向員工提供合理薪酬待遇，且一直鼓勵彼等參加專業發展培訓、研討會及課程，提升自我水平。就非專業員工及推銷員而言，人力資源員工及銷售總監將根據彼等各自的能力水平，透過內部培訓課程分享最新知識。

於報告期內，我們為辦公室員工及推銷員組織一次外展培訓，並為推銷員組織五期有關營銷技能的內部培訓課程。董事、專業員工及管理人員均獲資助參加各種知識培訓或管理技能培訓。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Health and safety – Our safe and environmental friendly working environment

Our new office design has installed LED lightings to provide a safe and eco-friendly work environment for the employees. Policy is formulated to ensure efficient use of resources such as electricity, computers, air-conditioners, paper and stationeries.

During the reporting period, there is no work related fatal case reported and we have not observed any material non-compliance of laws and regulations relating to occupational health and safety.

Anti-bribery and corruption

The overall sustainability of the Group depends notably on the integrity of our people and awareness of this essential value is promoted by our periodic invitation of ICAC officers to share their views and cases. In addition, a “Code of Ethics” is prepared by the Group as internal guidelines for our colleagues to follow.

For proper monitoring of control, we also engage external auditors to carry out annual internal audit by which the corporate governance and control systems are assessed and reported to the management. Colleagues are encouraged to report suspected bribery or corruption cases via our whistleblowing policy. Various channels are available for reporting which will be followed up by the management team.

During the reporting period, there is no reported case of non-compliance with the anti-corruption rules and regulations.

Our Community – our dedication to the Community

We are strongly committed to the overall wellbeing of the community and we endeavor our efforts to contribute to a healthier and happier society with our products and activities.

Caring company

We have been awarded the Caring Company Logo for three Consecutive Years by the Hong Kong Council of Social Service in recognition of our outstanding performance and commitment in corporate social responsibility and community work.

Support Given to the Needy

We are committed to helping those in need in the Community and during the reporting period, we have made monthly donations to a food bank and other charitable organizations.

健康與安全 — 安全、環保的工作環境

我們的新辦公室設計已安裝LED照明設施，為員工提供安全、環保的工作環境。我們已制定相關政策，確保善用電力、電腦、空調、紙張及文具等資源。

於報告期內，概無呈報與工作相關致命案例，且我們並不知悉存在任何嚴重違反有關職業健康及安全法律法規的事宜。

反賄賂及腐敗

本集團整體持續發展主要倚賴人才的廉正，我們定期邀請廉政公署工作人員分享其觀點及案例，推動對這一寶貴價值觀的認識。另外，本集團編製了一套「道德守則」作為內部指引，以供員工遵守。

就適當的控制監督而言，我們亦委聘外部核數師開展年度內部審核，藉此評估企業管治及控制系統，並向管理層報告。我們鼓勵員工根據舉報政策報告涉嫌行賄或腐敗案件。員工可透過多種渠道舉報，管理團隊將跟進相關事宜。

於報告期內，概無呈報任何不遵守反腐敗規則規例的案例。

我們的社區 — 我們的社區貢獻

我們堅定致力於社區的總體福祉，憑藉我們的產品及活動，為建立一個更健康、更快樂的社會盡一份力。

商界展關懷

我們連續三年獲香港社會服務聯會頒授「商界展關懷」標誌，以表彰我們於企業社會責任及社區工作的卓越表現及貢獻。

援助有需要人士

我們致力於幫助社區中的有需要人士，且於報告期內，我們每月均向一所食物銀行及其他慈善組織捐贈。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Colleagues' commitment in volunteer services

We care and support volunteer services and we have enthusiastic colleagues who are committed to participate. During the reporting period, monthly visit were jointly organized with some charitable organizations to distribute free lunch boxes to the needy. Soup packs and health supplements are provided to them from time to time, aiming to improve their health. During the mid-Autumn Festival in 2016, we have also shared our love for the elderlies in certain care homes with moon cakes.

Our Environment – our awareness for a green environment

We support all environmental friendly activities that facilitate the development of a sustainable world while also accomplish our mission in safeguarding health for all in the community.

The chance of creating material greenhouse emission in our business is low as our business operation only involves a corporate office, several warehouses and a small packaging plant which has relatively little impact on environment. In addition, research and development are mainly collaborations with external professional parties.

We are affirmative of the importance of environmental protection. We have therefore, during the reporting period, managed the environmental impacts of our operations and products across their life cycle to reduce greenhouse gas emissions, water usage and waste as much as possible. Actions that we have carried out include:

1. Enhancing the management of product turnaround time and optimizing product sales life cycle to avoid wastage.
2. Handling hazardous and non-hazardous wastes in a professional manner by outsourcing to chemical waste collector, minimizing the adverse impact on the environment. We have also obtained registration of waste producer.
3. Encouraging consolidated package for bulk purchase of 6 to 24 bottles to reduce packing materials used.
4. Implementing energy saving measures and policies on the use of air-conditioning and energy in our office.

We have also designed our workplace, distribution network and packaging plant in accordance with the relevant laws and legislations in Hong Kong.

During the reporting period, we have commenced to develop our environmental policy, identify key performance indicators, and collect corresponding data. In the upcoming year, we will formulate further environmental strategies to reduce emissions, handle hazardous and non-hazardous wastes and enhance the efficiency of use of resources for sustaining the environment.

員工對義工服務的奉獻

我們關心及支持義工服務，亦有熱心員工參與其中。於報告期內，我們與部分慈善組織共同組織每月的拜訪，向有需要人士提供免費午餐盒飯，亦不時向彼等提供湯包及保健補品，以增強體質。於二零一六年中秋節，我們與部分護理院的年長者共享月餅，分享關愛。

我們的環境—我們的綠色環保意識

我們支持所有環保活動，惟該等活動有利於可持續世界的發展，亦有助於我們達致保障所有社區居民健康的使命。

就我們的業務而言，大量溫室氣體排放的機率較低，概因我們的業務營運僅涉及一個公司辦事處、數間倉庫及一家小型包裝廠，對環境的影響相對較小。此外，我們的研發主要與外部專業團體合作完成。

我們認同環保的重要性。因此，於報告期內，我們控制營運及產品於保質期內的环境影響，以盡可能減少溫室氣體排放、用水量及廢棄物。我們已採取的措施包括：

1. 改善產品周轉時間管理，優化產品銷售生命週期，避免損耗。
2. 以專業方式處理有害及無害廢物，將其外包予化學廢物收集商，盡量減少對環境的不利影響。我們亦已獲得廢物產生者登記證。
3. 鼓勵以批量購入6至24瓶的綜合包裝，減少使用包裝材料。
4. 於辦公室使用空調及能源時，實施節能措施及政策。

我們亦根據香港相關法律法規設計我們的工作場所、分銷網絡及包裝廠。

於報告期內，我們開始制定環保政策、確定關鍵績效指標及收集相關資料。我們將於未來一年內進一步制定環保策略，以減少排放物、處理有害及無害廢物以及提高資源利用效率，以便環境能夠可持續發展。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

GOING FORWARD

We will continue to uphold our philosophy across these facets of our business: products, customers, people, community and environment as we proceed with our journey in developing a sustainable business while maintaining an eco-friendly environment.

Every attempt will be used to advocate eco-friendly concepts within the organization and embed in our business priorities. With the enduring support from all our colleagues in sharing the social and environmental responsibilities, we are confident that the “Guardian of your Health” concept will channel through our top management to the entire organization and eventually influence our suppliers and customers. Our commitment to serve is absolute and we aspire to actualize our mission with all our stakeholders and contribute our share towards building a healthier green environment for the future community.

展望未來

隨著我們持續開發可持續發展的業務，與及維持生態環境友好的同時，我們將繼續於業務的各個方面（產品、客戶、員工、社區及環境）秉持我們的理念。

我們將竭盡每一分力，擁護環保理念，於業務發展中優先考慮環保事宜。憑藉所有員工就分享社會及環境責任提供的持續支援，我們堅信，「為您健康把關」理念將由最高管理層傳達至整個企業，最終對我們的供應商及客戶產生影響。我們的服務承諾真實確鑿，且我們立志與所有持份者完成使命，以便就為未來社區建立一個更為健康的綠色環境貢獻自己的力量。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



國富浩華 (香港) 會計師事務所有限公司
Crowe Horwath (HK) CPA Limited
Member Crowe Horwath International

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF RM GROUP HOLDINGS LIMITED (Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of RM Group Holdings Limited ("the Company") and its subsidiaries ("the Group") set out on pages 89 to 183, which comprise the consolidated statement of financial position as at 31 March 2017, 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 2017, 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.

獨立核數師報告 致御藥堂集團控股有限公司股東 (於開曼群島註冊成立的有限公司)

意見

本行已審計列載於第89至183頁御藥堂集團控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下合稱「貴集團」)的綜合財務報表,此綜合財務報表包括於二零一七年三月三十一日的綜合財務狀況表,以及截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表,以及綜合財務報表附註,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(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而公允地反映 貴集團於二零一七年三月三十一日的財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量,並已按照香港公司條例的披露規定妥為編製。

意見基準

我們已根據香港會計師公會頒佈的《香港審計準則》(「香港審計準則」)進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」),我們獨立於 貴集團,並已履行守則中的其他專業道德責任。我們相信,我們所獲得的審計憑證能充足及適當地為我們的意見提供基礎。

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.

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。

Key audit matters

關鍵審計事項

Impairment of inventories

存貨減值

Refer to Note 2(i) "Significant Accounting Policies", Note 5(v) "Critical Accounting Estimates" and Note 17 to the consolidated financial statements.

參閱綜合財務報表附註2(i)「主要會計政策」、附註5(v)「關鍵會計估計」及附註17。

As at 31 March 2017, the Group had total net carrying value of inventories of HK\$27,183,000 which were after the provision of HK\$3,983,000 and accounted for approximately 10% of the Group's total assets. Inventories are carried at the lower of cost and net realisable value ("NRV"). The cost of inventories may not be recoverable if those inventories are aged and damaged, or if their selling prices have declined due to changes in market condition.

於二零一七年三月三十一日，在計提撥備3,983,000港元後，貴集團存貨的總賬面淨值為27,183,000港元，佔貴集團資產總值約10%。存貨乃按成本與可變現淨值兩者中的較低者列賬。倘存貨陳舊及受損，或倘存貨的售價因市況變化而下跌，則存貨成本或會無法收回。

Management determines the lower of cost and NRV of inventories by considering condition of the individual inventory items, their ageing profile and their estimated selling price.

管理層會考慮個別存貨狀況、其老化程度及估計售價，以釐定存貨成本與可變現淨值中的較低者。

We focused on this area as the inventories as at 31 March 2017 were significant and the management's estimation of impairment provision for inventories involves significant judgement and various uncertainties as a result of changing customers' preferences, market condition and competitors' actions.

我們關注此領域乃由於在二零一七年三月三十一日的存貨金額重大，而管理層就存貨減值撥備作出的估計涉及重大判斷以及受客戶喜好變更、市場狀況及競爭者行為影響而導致的若干不確定因素。

How the matter was addressed in our audit

我們的審計如何處理該事項

In response to this key audit matter, we performed the following procedures:

針對這一關鍵審計事項，我們已進行以下程序：

- Understood and validated the control procedures performed by management in estimating the NRV of the inventories;
- 了解及確認管理層就估計存貨可變現淨值履行的控制程序；
- Observed client's inventory counts to ascertain the condition of the inventories as at the year end;
- 觀察客戶年末存貨盤點，確認年底的存貨狀況；
- Tested on a sample basis, the accuracy of the ageing profile of individual inventory items by checking to the underlying procurement documents and invoices;
- 透過核查有關採購文件及收據，對個別存貨項目老化情況的準確性進行抽樣測試；
- Tested on a sample basis, the NRV of selected inventory items, by comparing the selling price subsequent to the year end against its carrying value. Where the subsequent selling prices are lower than the carrying value, we assessed whether impairment has been properly calculated and accounted for;
- 透過比較年末後的售價與存貨的賬面值，對選定存貨項目的可變現淨值進行抽樣測試。倘其後售價低於賬面值，則我們會評估減值的計算或入賬是否屬適當；
- Tested on a sample basis, the subsequent usage/sales of selected inventory items. Where there are no significant subsequent usage/sales of the respective items after the year end, we discussed with management its assessment on estimated future utilisation/sale quantities and the estimated selling prices, corroborating explanations with the results of our NRV test, the ageing profile, sales orders received, historical margins and estimated market condition.
- 對選定存貨項目的其後用／銷量進行抽樣測試。倘有關項目於年末後並無明顯用／銷量，我們會與管理層討論其有關估計未來使用／銷量及估計售價的評估，並提供我們有關可變現淨值測試的結果、存貨老化情況、所接獲的銷售訂單、過往利潤率及估計市場狀況，以證實有關解釋。

Based on the procedures described, we found the estimations of management in relation to the impairment provision for inventories were supportable by available evidence.

基於上述程序，我們發現管理層就存貨減值撥備作出的估計與可取得的證明資料相符。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項(續)

Key audit matters

關鍵審計事項

Impairment of receivables

應收款項的減值

Refer to Note 2(h)(i) "Significant Accounting Policies", Note 5(iv) "Critical Accounting Estimates" and Note 18 "Trade and other receivables" to the consolidated financial statements.

參閱綜合財務報表附註2(h)(i)「主要會計政策」、附註5(iv)「關鍵會計估計」及附註18「應收賬款及其他應收款項」。

As at 31 March 2017, gross trade receivables of the Group amounted to HK\$41,810,000, which accounted for approximately 16% of the Group's total assets. The provision for impairment of trade receivables amounted to HK\$162,000, all of which was attributable to customers located in Hong Kong.

於二零一七年三月三十一日，貴集團的應收賬款總額為41,810,000港元，佔貴集團資產總額約16%。應收賬款減值撥備為162,000港元，當中全部源自香港的客戶。

Management performed periodic credit monitoring, which included the review of customers' credit worthiness, collection of outstanding balances and individual credit terms. If there is indicator that the receivables are impaired, management would make specific provision against individual balances with reference to the recoverable amount.

管理層定期進行信用監督，包括審查客戶的信用值、逾期結餘的收回情況和個別客戶的信貸期。如有跡象顯示應收款項存在減值的可能，管理層將參照可收回金額對個別結餘作出特定撥備。

We focused on this area due to the magnitude of the receivables and the estimation and judgement involved in the determination of the recoverable amounts of trade receivables.

我們關注此領域乃由於應收款項的重大數額，以及在釐定應收賬款可收回金額時涉及估計和判斷。

How the matter was addressed in our audit

我們的審計如何處理該事項

In response to this key audit matter, we performed the following procedures:

針對這一關鍵審計事項，我們已進行以下程序：

- Understood and validated the credit control procedures performed by management, including its procedures on periodic review on aged receivables and assessment on recoverability of these receivables;
- 理解和驗證管理層執行的信用監控程序，包括其對定期審閱逾期應收款項及評估該等應收款項可收回性的程序；
- Tested on a sample basis, the accuracy of ageing profile on trade receivables by checking to the underlying sales invoices; and
- 透過檢查相關銷售發票，以抽樣方式測試應收賬款賬齡之準確性；及
- Tested subsequent settlement of trade receivables balances. Where settlement had not been received subsequent to the year end for those unprovided aged receivables beyond the credit period as at year end, we obtained management's assessment on the recoverability of these debts and corroborated explanations with historical settlement pattern and underlying correspondence with the relevant customers.
- 測試應收賬款結餘於結算日後的償付情況。對於在年結日已超出其信貸期的未撥備逾期應收款項在年末後仍未有付款，我們取得了管理層對該等應收賬款可回收性所作的評估，並透過相關客戶過往的償付模式和有關的往來信函佐證其解釋。

Based upon the above, we found that the estimation and judgement made by management in respect of the impairment provision for receivables were supportable by the available evidence.

基於上文所述，我們發現管理層就賬款可回收性作出的估計及判斷與可取得的證明資料相符。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

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

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

綜合財務報表及其核數師報告以外的信息

董事需對其他信息負責。其他信息包括刊載於年報內的全部信息，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他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他信息，在此過程中，考慮其他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，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事就綜合財務報表承擔的責任

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要求編製真實而公允的綜合財務報表，並對其認為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

審核委員會協助董事履行監督貴集團的財務報告過程的責任。

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. This 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由於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。本報告僅向整體股東作出，除此之外本報告別無其他目的。我們概不就本報告的內容，對任何其他人士負上或承擔任何責任。

合理保證是高水平的保證，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，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，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。
- 了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

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with 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.

核數師就審計綜合財務報表承擔的 責任(續)

- 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，以便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。

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排及重大審計發現等，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他事項，以及在適用的情況下，相關的防範措施。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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.

The engagement director on the audit resulting in this independent auditor's report is Kwok Cheuk Yuen.

Crowe Horwath (HK) CPA Limited
Certified Public Accountants
Hong Kong
28 June 2017

Kwok Cheuk Yuen
Practising Certificate Number P02412

核數師就審計綜合財務報表承擔的 責任(續)

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下，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。

出具本獨立核數師報告的審計項目合夥人是郭焯源。

國富浩華(香港)會計師事務所有限公司
執業會計師
香港
二零一七年六月二十八日

郭焯源
執業證書編號P02412

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

		Note	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
		附註		
REVENUE	收益	6	220,853	189,958
Cost of sales	銷售成本		(63,732)	(42,956)
GROSS PROFIT	毛利		157,121	147,002
Other revenue and other net loss	其他收益及其他虧損淨額	7	209	204
Selling and distribution expenses	銷售及分銷開支		(43,873)	(40,293)
Administrative expenses	行政開支		(97,041)	(91,633)
PROFIT FROM OPERATIONS	經營溢利		16,416	15,280
Finance costs	融資成本	8(c)	(776)	(545)
PROFIT BEFORE TAXATION	除稅前溢利	8	15,640	14,735
Taxation	稅項	11	(3,817)	(4,314)
PROFIT FOR THE YEAR	年內溢利		11,823	10,421
OTHER COMPREHENSIVE LOSS	其他全面虧損			
Item that may be reclassified subsequently to profit or loss:	將隨後重新歸類至損益之項目：			
Exchange differences on translation of financial statements of foreign operations	換算外國業務財務報表時的匯兌差額		(504)	(358)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	年內全面收益總額		11,319	10,063

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

		Note 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Profit for the year attributable to:	以下人士應佔年內溢利：			
Owners of the Company	本公司擁有人		12,746	10,421
Non-controlling interests	非控股權益		(923)	—
			11,823	10,421
Total comprehensive income attributable to:	以下人士應佔全面收益總額：			
Owners of the Company	本公司擁有人		12,208	10,063
Non-controlling interests	非控股權益		(889)	—
			11,319	10,063
Earnings per share attributable to owners of the Company for the year (expressed in HK cents per share)	本公司擁有人應佔年內每股盈利 (以港仙為每股單位)			
— basic	— 基本	13(a)	2.4	2.0
— diluted	— 攤薄	13(b)	2.4	2.0

The notes on pages 95 to 183 form an integral part of these financial statements.

第95頁至第183頁的附註屬本財務報表的一部分。

Details of dividends payable to owners of the Company attributable to profit for the year are set out in note 12.

應付給本公司擁有人的股息應佔年內溢利的詳情載於附註12。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 March 2017 於二零一七年三月三十一日

		Note 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	54,314	54,382
Intangible assets	無形資產	16	2,752	695
Prepayments and deposits	預付款項及按金	18	707	2,422
			57,773	57,499
Current assets	流動資產			
Inventories	存貨	17	27,183	20,309
Trade and other receivables	應收賬款及其他應收款項	18	70,146	49,536
Cash and cash equivalents	現金及現金等價物	19	110,218	91,958
Bank deposits with maturity greater than three months	到期日多於三個月的銀行存款	19	–	10,156
Tax recoverable	可收回稅項		764	5,002
			208,311	176,961
Current liabilities	流動負債			
Trade and other payables	應付賬款及其他應付款項	20	16,632	15,985
Bank loans and overdrafts	銀行貸款及透支	22	30,565	36,898
Tax payable	應付稅項		2,129	–
Provisions	撥備	23	1,345	1,571
			50,671	54,454
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	24	589	626
Amount due to a non-controlling interest	應付非控股權益款項	21	1,200	–
			1,789	626
Net assets	資產淨值		213,624	179,380
EQUITY	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本	25(b)	5,286	5,163
Reserves	儲備		206,758	174,217
			212,044	179,380
Non-controlling interests	非控股權益		1,580	–
TOTAL EQUITY	權益總額		213,624	179,380

The consolidated financial statements on pages 89 to 183 were approved and authorised for issue by the Board of Directors on 28 June 2017 and are signed on its behalf by:

第89頁至183頁的綜合財務報表於二零一七年六月二十八日經由董事會批准及授權刊發，並由下列董事代表簽署：

Chan Yan Tak
陳恩德
Director
董事

Lim Ming Shing, Tony
林銘誠
Director
董事

The notes on pages 95 to 183 form an integral part of these financial statements.

第95頁至183頁的附註屬本財務報表的一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔							Non-controlling interests 非控股權益		Total Equity 權益總額
		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元 (note 25 (c)(i)) (附註 25 (c)(i))	Merger reserve 合併儲備 HK\$'000 千港元 (note 25 (c)(iii)) (附註 25 (c)(iii))	PRC statutory reserve 中國法定儲備 HK\$'000 千港元 (note 25 (c)(iv)) (附註 25 (c)(iv))	Translation reserve 換算儲備 HK\$'000 千港元 (note 25 (c)(v)) (附註 25 (c)(v))	Share option reserve 購股權儲備 HK\$'000 千港元 (note 25 (c)(vi)) (附註 25 (c)(vi))	Retained earnings 保留溢利 HK\$'000 千港元 (note 25 (c)(vii)) (附註 25 (c)(vii))	Total 總計 HK\$'000 千港元		
At 1 April 2015	於二零一五年四月一日	5,155	123,890	(10)	-	(161)	8,161	43,878	180,913	-	180,913
Changes in equity for 2016:	二零一六年權益變動：										
Profit for the year	年內溢利	-	-	-	-	-	-	10,421	10,421	-	10,421
Other comprehensive loss:	其他全面虧損：										
Exchange differences on translation of financial statements of foreign operations	換算外國業務財務報表時的匯兌差額	-	-	-	-	(358)	-	-	(358)	-	(358)
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	(358)	-	10,421	10,063	-	10,063
Share options lapsed	購股權失效	-	-	-	-	-	(1,075)	1,075	-	-	-
Shares issued under share option scheme (note 25(b)(i))	根據購股權計劃發行股(附註25(b)(i))	8	1,526	-	-	-	(222)	-	1,312	-	1,312
Dividends approved in respect of the previous year (note 12)	以往年度已批准的股息(附註12)	-	-	-	-	-	-	(12,908)	(12,908)	-	(12,908)
Appropriation to PRC statutory reserve	轉撥至中國法定儲備	-	-	-	770	-	-	(770)	-	-	-
At 31 March 2016 and 1 April 2016	於二零一六年三月三十一日及二零一六年四月一日	5,163	125,416	(10)	770	(519)	6,864	41,696	179,380	-	179,380
Changes in equity for 2017:	二零一七年權益變動：										
Profit/(loss) for the year	年內溢利/(虧損)	-	-	-	-	-	-	12,746	12,746	(923)	11,823
Other comprehensive (loss)/income:	其他全面(虧損)/收益：										
Exchange differences on translation of financial statements of foreign operations	換算外國業務財務報表時的匯兌差額	-	-	-	-	(538)	-	-	(538)	34	(504)
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	(538)	-	12,746	12,208	(889)	11,319
Disposal of partial interest in a subsidiary without losing control (note 28)	出售一間附屬公司部分權益但並未失去該附屬公司之控制權(附註28)	-	-	-	(308)	365	-	774	831	2,469	3,300
Transaction costs attributable to the disposal of partial interest in a subsidiary (note 28)	出售一間附屬公司部分權益應佔的交易成本(附註28)	-	-	-	-	-	-	(547)	(547)	-	(547)
Shares issued under share option scheme (note 25(b)(ii))	根據購股權計劃發行股(附註25(b)(ii))	123	23,468	-	-	-	(3,419)	-	20,172	-	20,172
Share options lapsed	購股權失效	-	-	-	-	-	(3,445)	3,445	-	-	-
At 31 March 2017	於二零一七年三月三十一日	5,286	148,884	(10)	462	(692)	-	58,114	212,044	1,580	213,624

The notes on pages 95 to 183 form an integral part of these financial statements.

第95頁至第183頁的附註屬本財務報表的一部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

	Note	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
	附註		
OPERATING ACTIVITIES	經營業務		
Profit before taxation	除稅前溢利	15,640	14,735
Adjustments for:	就以下各項所作調整：		
Finance costs	融資成本	8(c) 776	545
Write-down of inventories	撇減存貨	17(b) 4,961	4,386
Reversal of write-down of inventories	撇減存貨撥回	17(b) (2,012)	(1,609)
Depreciation on property, plant and equipment	物業、廠房及設備折舊	15 4,633	3,015
Amortisation of intangible assets	無形資產攤銷	16 143	134
Impairment loss of trade receivables	應收賬款減值虧損	18(b) 23	42
Reversal of impairment loss of trade receivables recognised	撥回已確認應收賬款減值虧損	18(b) –	(5)
Impairment loss of property, plant and equipment	物業、廠房及設備減值虧損	15 –	1,271
Waiver of accruals	其他應計費用減免	7 –	(29)
Bank interest income	銀行利息收入	7 (43)	(106)
Net loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損淨額	7 230	82
Net loss on disposal of subsidiaries	出售附屬公司的虧損淨額	7 –	919
Provisions for goods return	退貨撥備	23 932	1,947
		25,283	25,327
Changes in working capital	營運資金變動		
Increase in inventories	存貨增加	(9,823)	(6,943)
(Increase)/decrease in trade and other receivables	應收賬款及其他應收款項(增加)/減少	(13,918)	15,077
Increase/(decrease) in trade and other payables	應付賬款及其他應付款項增加/(減少)	647	(2,910)
Utilisation of provisions for goods return	退貨撥備提用	23 (1,158)	(1,888)
CASH GENERATED FROM OPERATIONS	來自經營業務的現金	1,031	28,663
Hong Kong Profits Tax refund	已退香港利得稅	3,930	9
Hong Kong Profits Tax paid	已繳香港利得稅	(879)	(10,871)
PRC Enterprise Income Tax paid	已繳中國企業所得稅	(519)	(2,358)
Net cash generated from operating activities	來自經營業務的現金淨額	3,563	15,443
INVESTING ACTIVITIES	投資活動		
Purchase of property, plant and equipment	購買物業、廠房及設備	15 (4,798)	(7,623)
Proceeds from sale of property, plant and equipment	銷售物業、廠房及設備的所得款項	2	46
Purchase of intangible assets	購買無形資產	16 (2,200)	(200)
Bank interest received	已收銀行利息	7 43	106
Withdrawal/(placement) of bank deposits with maturity greater than three months	提取/(存放)到期日多於三個月 的銀行存款	10,156	(68)
Deposits paid for potential acquisition	潛在收購已付按金	(5,000)	–
Acquisition of a subsidiary, net of cash acquired	收購附屬公司所產生的 淨現金流	27 –	(19,323)
Disposal of a subsidiary, net of cash disposed of	出售附屬公司所產生的淨現金流	29(b) –	878

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

	Note 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
NET CASH USED IN INVESTING ACTIVITIES			
用於投資活動的現金淨額		(1,797)	(26,184)
FINANCING ACTIVITIES			
融資活動			
Repayment of bank loans		(30,209)	(20,644)
Proceeds from new bank loans		25,513	36,720
Interest paid	8(c)	(776)	(545)
Proceeds from shares issued under share option scheme	25(b)	20,172	1,312
Proceeds from partial disposal of equity interest in a subsidiary, net of transaction costs	28	2,753	–
Proceeds from assignment of shareholder's loan to a non-controlling interest	28	1,200	–
Dividends paid to owners of the Company	12	–	(12,908)
NET CASH GENERATED FROM FINANCING ACTIVITIES		18,653	3,935
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		20,419	(6,806)
Effect of foreign exchange rate changes		(522)	(443)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		90,321	97,570
CASH AND CASH EQUIVALENTS AT END OF YEAR	19	110,218	90,321

The notes on pages 95 to 183 form an integral part of these financial statements.

第95頁至第183頁的附註屬本財務報表的一部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

1. CORPORATE INFORMATION

RM Group Holdings Limited (the “Company”) was incorporated and domiciled in the Cayman Islands under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liability on 5 December 2011. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company has established a principal place of business in Hong Kong at 27/F, The Galaxy, 313 Castle Peak Road, Kwai Chung, Hong Kong and has been registered as a non-Hong Kong company under the Hong Kong Companies Ordinance on 5 April 2012. The Company’s issued shares have been listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 11 October 2013. On 20 November 2015, the listing of the shares of the Company has been transferred from the GEM to the Main Board of the Stock Exchange (“Transfer of Listing”).

The Company is an investment holding company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the sale, marketing and distribution of health and beauty supplements and products in Hong Kong, Taiwan and the People’s Republic of China (the “PRC”). The Group’s products are mainly sold and distributed under its proprietary brand names of the companies within the Group and the private label brands specifically developed for and owned by a renowned chain of health and beauty products in Hong Kong and Macau (the “Distribution Facilitator”).

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). Significant accounting policies adopted by the Group are disclosed below.

1. 公司資料

御藥堂集團控股有限公司(「本公司」)為一間於二零一一年十二月五日根據開曼群島法例第22章公司法(一九六一年法例3，經綜合及修訂)在開曼群島註冊成立並以開曼群島為居駐地之獲豁免有限公司。其註冊辦事處位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands。本公司於香港設立主要業務地點，地址為香港新界葵涌青山公路313號天際中心27樓，並已於二零一二年四月五日根據香港公司條例註冊為非香港公司。本公司之已發行股份已自二零一三年十月十一日起於香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)上市。於二零一五年十一月二十日，本公司之股份已由聯交所創業板轉往主板上市(「轉板上市」)。

本公司主要業務為投資控股及其附屬公司(統稱為「本集團」)主要於香港、台灣及中華人民共和國(「中國」)從事銷售、推銷及分銷保健產品以及美容補品及產品。本集團的產品乃主要以本集團旗下各公司的專有品牌名稱以及專為一家港澳著名保健及美容產品連鎖店(「分銷代理」)開發及由其擁有的自家品牌進行銷售及分銷。

2. 主要會計政策

(a) 合規聲明

本財務報表乃根據香港會計師公會頒佈的所有適用香港財務報告準則(「香港財務報告準則」)(包括所有適用的個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)及香港公認會計原則編製並符合香港公司條例的披露規定。本財務報表亦遵守香港聯合交易所有限公司證券上市規則(「上市規則」)的適用披露條文。本集團採納的主要會計政策於下文披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Statement of compliance (Continued)

The HKICPA has issued certain new and revised HKFRSs which are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from the initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 March 2017 comprise the Company and its subsidiaries.

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). These financial statements are presented in Hong Kong dollars (“HKD”), rounded to the nearest thousand except for per share data. HKD is the Company’s functional and the Group’s presentation currency.

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Judgements made by management in the application of HKFRSs that have a significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 5.

2. 主要會計政策(續)

(a) 合規聲明(續)

香港會計師公會已頒佈若干新訂及經修訂香港財務報告準則，該等準則於本集團當前會計期間首次生效或可供提早採納。附註3提供與初次應用上述新發展所引致會計政策之任何變動有關之資料，該等發展於本期間及以往會計期間對本集團而言屬相關並在本財務報表中反映。

(b) 財務報表的編製基準

截至二零一七年三月三十一日止年度之綜合財務報表包括本公司及其附屬公司。

計入本集團各實體財務報表之項目乃使用該實體經營所在之主要經濟環境之貨幣(「功能貨幣」)計量。除每股數據外，該等財務報表以港元(「港元」)呈列，並四捨五入至千位數。港元為本公司之功能貨幣及本集團之呈列貨幣。

編製財務報表所用計量基準為歷史成本基準。

編製符合香港財務報告準則的財務報表，要求管理層作出可影響政策應用及所呈報資產、負債、收入及支出數額的判斷、估計及假設。這些估計及相關假設乃根據以往經驗和管理層因應當時情況認為合理的多項其他因素作出，其結果構成了管理層在無法依循其他途徑即時得知資產與負債的賬面值時所作出判斷的基礎，實際結果可能有別於估計數額。

估計及相關假設乃按持續基準檢討。倘會計估計的修訂僅影響某一期間，其影響將於該期間內確認；倘修訂對當前和未來期間均有影響，則在作出修訂的期間和未來期間內確認。

管理層就應用對財務報表有重大影響的香港財務報告準則所作的判斷，以及估計不明朗因素的主要來源，乃於附註5中討論。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the owners of the Company. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position.

2. 主要會計政策(續)

(c) 附屬公司及非控股權益

附屬公司是指本集團控制之實體。當本集團對某實體有控制權，是指本集團能夠或有權享有來自參與該實體業務之浮動回報，並能運用其權力以影響該等回報。在評估本集團是否有控制權時，只以實質權利(本集團及其他方所持有者)為考慮因素。

於附屬公司的投資計入由控制開始當日至控制終止當日的綜合財務報表。集團內公司間結餘，交易及現金流，以及集團內公司間交易所產生的任何未變現溢利，會在編製綜合財務報表時全數對銷。集團內公司間交易所引致未變現虧損的抵銷方法與未變現收益相同，但對銷額只限於並無證據顯示已出現減值的部份。

非控股權益指於附屬公司權益中並非由本公司直接或間接應佔的部份，而本集團並無就此與該等權益的持有人協定任何額外條款，致使本集團整體就該等權益承擔符合財務負債定義的合約責任。

非控股權益乃於綜合財務狀況表的權益中與本公司擁有人應佔的股權分開呈列。於本集團業績內的非控股權益在綜合損益及其他全面收益表內以年內分配予非控股權益與本公司擁有人的總溢利或虧損及全面收益總額方式列報。附屬公司的全面收益總額歸屬於本公司擁有人及非控股權益，即使此舉導致非控股權益出現虧絀結餘。非控股權益持有人提供的貸款及向該等持有人承擔的其他合約責任乃於綜合財務狀況表列作財務負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Subsidiaries and non-controlling interests (Continued)

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in the relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(h)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(d) Acquisition of a subsidiary not constituting a business

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to the financial assets and financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

2. 主要會計政策(續)

(c) 附屬公司及非控股權益(續)

本集團於現有附屬公司的所有者權益變動

本集團將不導致失去控股權的附屬公司權益變動按權益交易方式入賬，即只調整在綜合權益內的控股及非控股權益的金額以反映其相關權益的變動，但不調整商譽及確認盈虧。

當本集團失去對一家附屬公司的控股權時，將按出售該附屬公司的所有權益入賬，而所產生的盈虧則於損益確認。任何在失去控股權當日仍保留於該前附屬公司的權益按公平值確認，而此金額被視為初始確認財務資產的公平值，或(如適用)初始確認於聯營公司或合資企業投資的成本。

在本公司財務狀況表中，於附屬公司的投資是按成本減去減值虧損(見附註2(h))後入賬，除非此項投資分類為持作出售(或計入分類為持作出售之出售組別)。

(d) 收購並非構成業務的附屬公司

當本集團收購並不構成業務的資產及負債組別，則本集團識別及確認所收購個別可識別資產及所承擔負債，方式為首先將購買價按各自的公平值分配至財務資產及財務負債，購買價餘額繼而分配至其他個別可識別資產及負債，基準為按其於購買日期的相對公平值。該交易不會產生商譽或議價收購收益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Property, plant and equipment

Property, plant and equipment are stated in the statement of financial position at cost less any accumulated depreciation and any accumulated impairment losses (see note 2(h)).

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

- leasehold land classified as held under finance leases is depreciated over the unexpired term of lease;
- buildings situated on leasehold land are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years after the date of completion;
- Leasehold improvements 20% per annum or over the lease term, if shorter
- Plant and machinery 30%–33% per annum
- Furniture, fixtures and equipment 20%–33% per annum
- Motor vehicles 20% per annum

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

2. 主要會計政策(續)

(e) 物業、廠房及設備

物業、廠房及設備乃於財務狀況表按成本減任何累計折舊及任何累計減值虧損列賬(見附註2(h))。

折舊乃於物業、廠房及設備項目的估計可用年期內以直線法撇銷其成本減其估計剩餘價值(如有)，詳情如下：

- 分類為根據融資租賃持有的租賃土地按未屆滿的租賃年期折舊；
- 位於租賃土地的樓宇於未屆滿租期及其估計可用年期(即於落成日期後50年內)(以較短期者為準)以直線法折舊；
- 租賃物業裝修 每年20%
或按租約年期
(以較短者為準)
- 廠房及機器 每年30%至33%
- 傢具、裝置及設備 每年20%至33%
- 汽車 每年20%

倘若某項物業、廠房及設備項目其中部分的可用年期不同，該項目的成本會按合理基準分配至有關部分，而各部分均分開計提折舊。資產的可用年期及其剩餘價值(如有)每年檢討。

歷史成本包括收購項目的直接應佔開支。成本亦可包括從權益中轉撥的有關利用外幣購買的物業、廠房及設備的合資格現金流量對沖產生的任何收益／虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Property, plant and equipment (Continued)

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

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

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net proceeds on disposal and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

(f) Intangible assets (other than goodwill)

Intangible assets acquired separately

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

The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

—	Product development rights	7 years
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2. 主要會計政策(續)

(e) 物業、廠房及設備(續)

日後出現的成本只在涉及有關項目的未來經濟利益有可能流入本集團而項目成本能可靠計量時方列入該資產的賬面值或(按適用情況而定)分開確認為一項資產。重置部分的賬面值均取消確認。所有其他維修保養成本於其出現的財政期間於損益確認。

資產的賬面值倘超出其估計可收回金額，則即時撇減至其可收回金額。

報廢或出售物業、廠房及設備項目所產生盈虧按出售所得款項淨額與項目賬面值間的差額釐定，並於報廢或出售當日於損益確認。

(f) 無形資產(商譽除外)

個別收購的無形資產

個別收購且具備有限可使用年期的無形資產按成本減累計攤銷及任何累計減值虧損入賬。有限可使用年期之無形資產攤銷於其估計可使用年內按直線基準計提。估計可使用年期及攤銷法於各報告期末檢討，而估計之任何變動影響按未來適用法予以入賬。個別收購的無限可用年期無形資產則按成本減日後累計減值虧損入賬。

以下具有有限使用年期之無形資產由可供使用當日起攤銷，其估計可使用年期如下：

—	產品開發權	7年
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綜合財務報表附註

For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Intangible assets (other than goodwill) (Continued)

Internally-generated intangible assets — research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2. 主要會計政策(續)

(f) 無形資產(商譽除外)(續)

內部產生的無形資產 — 研發開支

研究活動的支出於產生期間確認為開支。

因開發活動(或內部項目發展階段)而從內部產生的無形資產僅會在符合以下所有條件時方予以確認：

- 完成無形資產使其可供使用或銷售的技術可行性；
- 完成無形資產使其可供使用或銷售的意向；
- 使用或銷售無形資產的能力；
- 無形資產如何產生未來經濟利益；
- 具有足夠技術、財務和其他資源以完成其發展，並使用及銷售無形資產；及
- 能夠可靠計量開發無形資產時的應佔開支。

就內部產生無形資產初步確認的金額為無形資產首次符合上述確認條件當日起所產生的開支總和。倘並無內部產生的無形資產可予確認，發展開支會於產生期間在損益中確認。

初步確認後，內部產生的無形資產乃按成本減累計攤銷及累計減值虧損，並按與已個別收購的無形資產相同的基準分開計量。

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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Intangible assets (other than goodwill) (Continued)

Club membership

Club membership with indefinite useful life is stated at cost less any impairment losses. Impairment is reviewed annually or when there is any indication that the club membership has suffered an impairment loss.

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

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(g) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) *Classification of assets leased to the Group*

Assets held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, with the following exception:

- land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

2. 主要會計政策(續)

(f) 無形資產(商譽除外)(續)

俱樂部會籍

具無限可使用年期之俱樂部會籍乃按成本減任何減值虧損列賬。俱樂部會籍將於每年或當有任何跡象顯示出現減值虧損時進行減值檢討。

倘資產之賬面值超過其估計可收回價值，其賬面值將即時被減值至其可收回價值。

終止確認無形資產

無形資產於出售時或當使用或出售預期不會產生任何日後經濟利益時終止確認。終止確認無形資產所產生的盈虧，乃按出售所得款項淨額與資產賬面值之間的差額計量，並於終止確認資產時於損益確認。

(g) 租賃資產

倘本集團釐定某項安排附帶權利，可透過付款或支付一系列款項而於協定期間內使用特定資產，有關安排(包括一項交易或一系列交易)即屬或包含租賃。該釐定乃基於有關安排性質的評估而作出，而不論有關安排是否具備租賃的法律形式。

(i) *租予本集團的資產分類*

本集團根據租賃持有的資產，而其中擁有權的絕大部分風險及利益均轉移至本集團，乃分類為根據融資租賃持有。並未向本集團轉移擁有權絕大部分風險及利益的租賃則分類為經營租賃，惟以下情況例外：

- 根據經營租賃持有自用的土地，而其公平值無法與於其上蓋興建的樓宇於租約生效時的公平值分開計量，有關土地則根據融資租賃持有入賬，惟有關樓宇亦明顯根據經營租賃持有則例外。就此而言，租賃生效的時間為本集團首次訂立租賃的時間，或從先前承租人接管租賃的時間。

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綜合財務報表附註

For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Leased assets (Continued)

(ii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged as expenses in the accounting period in which they are incurred.

(iii) Leasehold land and buildings held for own use

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

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease.

2. 主要會計政策(續)

(g) 租賃資產(續)

(ii) 經營租賃支出

倘本集團根據經營租賃擁有資產的使用權，則根據租賃作出的付款會在租期所涵蓋會計期間內，以等額分期方式自損益扣除，惟倘有其他基準更能反映租賃資產所產生收益的模式則作別論。已收取的租賃優惠在損益確認為總租賃付款淨額的一部分。或然租金在其產生的會計期間內作為費用撇銷。

(iii) 持作自用的租賃土地及樓宇

倘租賃包括土地及樓宇部分，則本集團會依照其所評估與各部分擁有權有關的絕大部分風險與報酬是否已轉移至本集團，評估各部分應獨立分類為融資或經營租賃，除非明顯兩個部分均為經營租賃，在此情況下，則整項租賃分類為經營租賃。具體而言，最低租賃款項(包括任何一次性預付款項)在租賃開始時，按租賃土地部分及樓宇部分租賃權益的相對公平值的比例分為土地及樓宇部分。

倘租賃款項能可靠地分配，入賬列為經營租賃的租賃土地權益會於綜合財務狀況表呈列為「預付租賃款項」，並於租期內按直線法攤銷。若租賃款項未能可靠地於土地及樓宇部分之間作出分配，整項租賃一般分類為融資租賃。

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For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Impairment of assets

(i) *Impairment of trade and other receivables*

Trade and other receivables are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

If any such evidence exists, impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

2. 主要會計政策(續)

(h) 資產減值

(i) *應收賬款及其他應收款項的減值*

按成本或攤銷成本列賬的應收賬款及其他應收款項於各報告期末檢討以釐定有否出現客觀減值證據。客觀減值證據包括下列引起本集團關注一項或多項虧損事件的可觀察數據：

- 債務人面臨重大財政困難；
- 違約，如逾期支付或拖欠利息或本金還款；
- 債務人有可能破產或進行其他財務重組；及
- 技術、市場、經濟或法律環境的重大變動對債務人產生不利影響。

如存在任何證據，減值虧損乃根據資產賬面值與按財務資產原實際利率（即該等資產於首次確認時計算的實際利率）貼現預期未來現金流量現值（當貼現的影響為重大時）的差額計算。倘按攤銷成本列賬的財務資產具備類似的風險特徵（例如類似逾期情況及並未單獨被評估為出現減值），則此等資產會一併進行評估。集體評估減值的財務資產的未來現金流量以信貸風險特徵與本集團類似的資產過往的損失情況為依據。

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For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Impairment of assets (Continued)

(i) *Impairment of trade and other receivables (Continued)*

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade receivables included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade receivables directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

2. 主要會計政策(續)

(h) 資產減值(續)

(i) 應收賬款及其他應收款項的減值(續)

倘於其後期間減值虧損金額有所減少，而客觀上與確認減值虧損後發生的事件有關，有關減值虧損會於損益撥回。減值虧損的撥回不應導致資產賬面值超過其在過往年度並無確認任何減值虧損情況下原應釐定的金額。

減值虧損直接以相應資產撤銷，惟就應收賬款(於應收賬款及其他應收款項內列值)確認的減值虧損除外，能否收回有關金額被視為存疑但並非不可能收回。在此情況下，呆賬的減值虧損使用備抵賬記錄。倘本集團認為收回金額可能性甚微，視為不可收回的金額會於應收賬款中直接對銷，而備抵賬內關於該債務的任何金額則會撥回。過去於備抵賬入賬的金額倘在其後收回，會於備抵賬內撥回。備抵賬的其他變動及於其後收回先前直接撇銷的金額，均於損益確認。

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For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Impairment of assets (Continued)

(ii) *Impairment of other assets*

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- intangible assets; and
- investments in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e., a cash-generating unit).

2. 主要會計政策(續)

(h) 資產減值(續)

(ii) *其他資產的減值*

內部及外部資料來源乃於各報告期末予以檢討，以識別下列資產可能出現減值或原先已確認的減值虧損不再存在或可能已減少的跡象：

- 物業、廠房及設備；
- 無形資產；及
- 於本公司財務狀況表的附屬公司的投資。

倘出現任何該等跡象，則會估計資產之可收回數額。此外，就尚無法使用之無形資產及有無限年期的無形資產而言，可收回數額均會每年作估計以釐定是否出現任何減值跡象。

計算可收回金額

資產的可收回金額為其公平值減出售成本與使用價值兩者間的較高者。於評估使用價值時，估計未來現金流量乃使用反映貨幣時間價值及資產特定風險的現時市場評估稅前貼現率貼現至其現值。倘資產產生的現金流入並非大致上獨立於來自其他資產的現金流入，則為獨立產生現金流入的最小一組資產(即現金產生單位)釐定可收回金額。

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For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Impairment of assets (Continued)

(ii) *Impairment of other assets (Continued)*

Recognition of impairment losses

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying amount of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

2. 主要會計政策(續)

(h) 資產減值(續)

(ii) 其他資產的減值(續)

確認減值虧損

當資產或資產所屬的現金產生單位的賬面值超出其可收回金額，則減值虧損於損益內確認。就現金產生單位確認的減值虧損予以分配以按比例扣除單位(或一組單位)的其他資產賬面值，惟資產的賬面值不會扣減至低於其個別公平值減出售成本(倘可計量)，或使用價值(倘可釐定)。

撥回減值虧損

倘用以釐定可收回金額的估計出現有利變動，則減值虧損予以撥回。

減值虧損的撥回限於倘於過往年度內並無確認減值虧損時原應釐定的資產賬面值。減值虧損撥回於確認撥回年度計入損益。

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For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Impairment of assets (Continued)

(iii) *Interim financial reporting and impairment*

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with HKAS 34, Interim Financial Reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 2(h)(i) and (ii)).

(i) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the first-in, first-out method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2. 主要會計政策(續)

(h) 資產減值(續)

(iii) *中期財務報告及減值*

根據香港聯合交易所有限公司證券上市規則，本集團須遵照香港會計準則第34號中期財務報告編製財政年度首六個月的中期財務報告。於中期期末，本集團採用財政年度末相同之減值測試、確認、及撥回標準（見附註2(h)(i)及(ii)）。

(i) 存貨

存貨乃按成本與可變現淨值兩者中的較低者列賬。

成本按先入先出法計算，包括所有購買成本、轉換成本及將存貨付運至其現在位置及令存貨達致現在狀況所產生的其他成本。

可變現淨值為於日常業務過程中的估計售價減完成的估計成本及銷售所需估計成本。

當存貨售出時，該等存貨的眼面值於確認有關收入期間確認為開支。將存貨撇減至可變現淨值的金額及存貨的所有虧損於撇減或虧損發生期間確認為開支。任何存貨撇減的撥回金額乃於撥回產生期間確認為已確認為開支的存貨金額的減少。

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綜合財務報表附註

For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts, except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts (see note 2(h)).

(k) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(l) Trade and other payables

Trade and other payables are initially recognised at fair value and are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

2. 主要會計政策(續)

(j) 應收賬款及其他應收款項

應收賬款及其他應收款項初步按公平值確認，其後以實際利率法按攤銷成本減呆賬減值撥備列賬，惟倘應收款項乃向關連方所提供並無固定還款期或貼現影響並不重大的免息貸款則除外。於該等情況下，應收款項乃按成本減呆賬減值撥備列賬（見附註2(h)）。

(k) 計息借貸

計息借貸初步以公平值減應佔交易成本確認。在初步確認後，計息借貸按攤銷成本列賬，而初步確認金額與贖回價值之間的任何差額連同任何應付利息及費用在借貸期間以實際利率法在損益確認。

(l) 應付賬款及其他應付款項

應付賬款及其他應付款項初步按公平值確認，其後按攤銷成本列賬，惟倘貼現的影響屬輕微則除外，於該情況乃按成本列賬。

(m) 現金及現金等價物

現金及現金等價物包括銀行存款及手頭現金、銀行及其他金融機構活期存款，以及可隨時轉換為已知金額現金及價值變動風險輕微、於取得後三個月內到期之短期高流通性之投資。須按要求償還及構成本集團現金管理一部分之銀行透支就綜合現金流量表而言亦計入現金及現金等價物之一部分。

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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Employee benefits

(i) *Short-term employee benefits and contributions to defined contribution retirement plans*

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

(ii) *Equity-settled share-based payments*

Share options granted to eligible employees

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in share option reserve within equity. The fair value is measured at grant date using the trinomial option pricing model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share option reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to the share option reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained earnings.

2. 主要會計政策(續)

(n) 僱員福利

(i) *短期僱員福利及定額供款退休計劃供款*

薪金、年度花紅、年度有薪假期、定額供款退休計劃供款及非貨幣福利的成本於僱員提供相關服務的年度計入。倘延遲付款或結算，且影響屬重大，有關數額按現值列賬。

(ii) *以股權結算以股份支付之開支* *授予合資格僱員之購股權*

授予僱員之購股權之公平值乃確認為僱員成本，而權益內之購股權儲備則相應增加。公平值於授出當日以模型三項式期權定價模式計算，並考慮購股權之授出條款及條件。倘僱員於無條件地有權獲授購股權前，符合歸屬條件，則購股權之估計總公平值在歸屬期內攤分，並需考慮購股權在歸屬期滿後行使之可能性。

於歸屬期內，需審閱預期歸屬之購股權數量。任何對過往年度已確認累計公平值所作之調整於回顧年度之損益賬內扣除／計入，除非原有僱員開支合資格確認為資產，則對購股權儲備作出相應調整。於歸屬日期，已確認為開支之金額會作調整，以反映所歸屬之實際購股權數量（同時亦相應調整購股權儲備），惟僅於未能達到有關本公司股份市價之歸屬條件時方會沒收其購股權。購股權獲行使時，過往於購股權儲備中確認的數額將轉移至股份溢價。當購股權於歸屬期後被放棄或於屆滿日仍未獲行使，過往在購股權儲備中確認的數額將撥入保留溢利。

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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Employee benefits (Continued)

(iii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of these benefits and when it recognises restructuring costs involving the payments of termination benefits.

(o) Equity-settled share-based payments for share options granted to eligible participant other than employees

Share options issued in exchange for services are measured at the fair values of the services received, unless that fair value cannot be reliably measured, in which case the services received are measured by reference to the fair value of the share options granted. The fair values of the services received are recognised as expenses, with a corresponding increase in equity (share option reserve), when the counterparties render services, unless the services qualify for recognition as assets.

(p) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

2. 主要會計政策(續)

(n) 僱員福利(續)

(iii) 終止僱用的福利

終止僱用的福利於本集團不再能夠撤回該等福利之要約，或其確認重組成本並涉及支付終止僱用的福利時，方予確認。

(o) 以股權結算以股份支付之開支授予僱員以外之合資格參與者之購股權

為換取服務而發行之購股權乃按所獲得服務之公平值計量，除非該公平值無法可靠地計量，而在此情況下，所獲得服務乃參考所授出購股權之公平值計量。除非該等服務合資格確認為資產，否則在對手方提供服務時，所獲得服務之公平值確認為開支，並在權益(購股權儲備)內作出相應增額。

(p) 所得稅

本年度所得稅包括即期稅項及遞延稅項資產與負債的變動。即期稅項及遞延稅項資產與負債的變動均在損益確認，惟與其他全面收益或直接於權益確認的項目相關者，則相關稅項金額分別於其他全面收益或直接於權益確認。

即期稅項為按本年度應課稅收入，使用於報告期末已頒佈或實際頒佈的稅率計算的預期應付稅項，並就過往年度應付稅項作出調整。

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For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Income tax (Continued)

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided that those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary differences or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future or, in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

2. 主要會計政策(續)

(p) 所得稅(續)

遞延稅項資產及負債分別由可抵扣及應課稅暫時差額產生。暫時差額為資產及負債就財務報告而言的賬面值與其稅基間的差額。遞延稅項資產亦來自未動用稅項虧損及未動用稅項抵免。

除若干有限例外情況外，所有遞延稅項負債及所有遞延稅項資產(僅限於有可能可動用未來應課稅溢利抵銷該項資產的情況)均予確認。支持確認由可扣減暫時差額所產生遞延稅項資產的未來應課稅溢利，包括將撥回目前應課稅暫時差額產生者，而此等應課稅暫時差額乃與由同一稅務當局及同一應課稅實體相關，並預期在可予扣減暫時差額預期撥回的同一期間內撥回，或在由遞延稅項資產產生的稅項虧損能轉回或轉入的期間內撥回。在評定目前應課稅暫時差額是否支持確認由未動用稅項虧損及抵免所產生遞延稅項資產時採用相同標準，即該等暫時差額由同一稅務當局向同一應課稅實體徵收，並預期在稅項虧損或抵免能應用的期間內撥回方計算在內。

遞延稅項資產和負債確認的有限例外情況包括：不影響會計或應課稅溢利(如屬業務合併的一部分則除外)的資產或負債的初次確認產生的暫時差額，以及與附屬公司的投資有關的暫時差額。如屬應課稅差額，只限於本集團可以控制撥回的時間，而且在可預見的將來不大可能撥回的差額；或如屬可予扣減的差額，則只限於可在將來撥回的差額。

所確認遞延稅項的金額乃按照資產及負債賬面值的預期變現或結算方式，採用於報告期末已頒佈或實際頒佈的稅率計量。遞延稅項資產及負債均不會貼現。

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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Income tax (Continued)

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

2. 主要會計政策(續)

(p) 所得稅(續)

遞延稅項資產的賬面值會在各報告期末予以審閱，若日後不再可能有足夠應課稅溢利用以抵扣相關稅項利益，則扣減遞延稅項資產賬面值。若日後可能有足夠應課稅溢利用以抵扣，則撥回所扣減之數額。

派發股息引起的額外所得稅在有關股息的支付責任獲確立時確認。

即期稅項結餘及遞延稅項結餘以及其變動，乃各自分開列示及並無相互抵銷。倘本公司或本集團具可依法執行權力，將即期稅項資產與即期稅項負債互相抵銷，且符合下列額外條件，則即期稅項資產可抵銷即期稅項負債，及遞延稅項資產可抵銷遞延稅項負債：

- 倘屬即期稅項資產及負債，本公司或本集團擬以淨額清償，或同時變現資產及清償負債；或
- 倘屬遞延稅項資產及負債，且其與同一稅務當局向下述者徵收的所得稅有關：
 - 同一應課稅實體；或
 - 不同應課稅實體，而在每一段未來期間，預期將清償或收回巨額遞延稅項負債或資產、擬以淨額變現即期稅項資產及清償即期稅項負債或同時變現即期稅項資產及清償即期稅項負債。

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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the “holder”) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group or the Company issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within trade and other payables. The fair value of financial guarantees issued at the time of issuance is determined by reference to fees charged in an arm’s length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group’s policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 2(q)(ii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group or the Company under the guarantee, and (ii) the amount of that claim on the Group or the Company is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

2. 主要會計政策(續)

(q) 已作出財務擔保、撥備及或然負債

(i) 已作出財務擔保

財務擔保合約指發行人(即擔保人)須就指定債務人未能根據債務工具的條款支付到期款項而蒙受的損失向擔保受益人(「持有人」)償付指定款項的合約。

倘本集團或本公司作出財務擔保，則擔保的公平值首次於應付賬款及其他應付款項內確認為遞延收入。已作出的財務擔保在簽發時的公平值乃經考慮按類似服務的公平交易原則收費釐定，當該資料是可獲得的或否則經考慮比較由貸款人就作出擔保收取的實際利率及由貸款人就未作出擔保將收取的估算利率之利率差額作為計量，該資料可作可靠計量。倘就作出擔保收取或應收取報酬，該報酬按資產類別適用的本集團政策確認。倘無收取或應收取的報酬，則於首次確認任何遞延收入時於損益即時確認開支。

初步確認為遞延收入的擔保金額於擔保年期於損益攤銷為作出財務擔保的收入。此外，倘(i)擔保持有人根據擔保可能要求本集團或本公司補償，及(ii)預期向本集團或本公司申索的金額超逾現時就有關該擔保的應付賬款及其他應收款項列賬的金額(即初步確認的金額減累計攤銷)，則根據附註2(q)(ii)確認撥備。

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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Financial guarantees issued, provisions and contingent liabilities (Continued)

(ii) Other provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of an outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of an outflow of economic benefits is remote.

(r) Revenue recognition

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

(i) Sale of goods

Revenue is recognised when goods are delivered at the customers' premises which is taken to be the point in time when the customer has accepted the goods and the related risk and rewards of ownership. Revenue is recognised after value-added tax or other sales taxes and is after deduction of any trade discounts and net of sales return.

(ii) Provision of Chinese medical consultation services

Income from provision of Chinese medical consultation services is recognised when services are provided.

(iii) Provision of health food processing services

Income from provision of health food processing services is recognised when services are rendered.

(iv) Interest income

Interest income is recognised as it accrues using the effective interest method.

2. 主要會計政策(續)

(q) 已作出財務擔保、撥備及或然負債(續)

(ii) 其他撥備及或然負債

當本集團或本公司因過往事件產生法定或推定責任，且很可能須流出經濟利益以履行責任及可作出可靠估計時，本集團會就時間或金額不確定的其他負債確認撥備。倘貨幣時間價值屬重大，撥備乃以預期履行該責任的開支的現值列賬。

倘不大可能須流出經濟利益，或金額不能可靠估計，則該責任作為或然負債披露，除非經濟利益流出的可能性微乎其微則作別論。僅因一件或多件日後事件發生或不發生而產生的可能責任亦作為或然負債披露，除非經濟利益流出的可能性微乎其微。

(r) 收益確認

收益乃按已收代價或應收代價的公平值計算。倘經濟效益可能流入本集團，以及能夠可靠地計算收益及成本(如適用)時，收益根據下列方法在損益內確認：

(i) 銷售貨品

當貨品付運至客戶處所(即客戶被視為接收貨品以及擁有權相關風險及回報)時確認收益。收益於扣除增值稅或其他銷售稅及任何貿易折扣及扣除銷售退貨後確認。

(ii) 提供中醫診症服務

提供中醫診症服務的收入於提供服務時確認。

(iii) 提供保健食品加工服務

提供保健食品加工服務產生之收入於提供服務時確認。

(iv) 利息收入

利息收入利用實際利率法於產生時確認。

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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into Hong Kong dollars at the closing foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the translation reserve.

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

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

2. 主要會計政策(續)

(s) 外幣換算

本年度的外幣交易按交易日的匯率換算。以外幣結算的貨幣資產及負債則按報告期末的匯率換算。匯兌盈虧於損益確認。

以外幣按歷史成本計算的非貨幣資產及負債使用交易日的匯率換算。以外幣按公平值計值的非貨幣資產及負債使用釐定公平值當日的匯率換算。

海外業務之業績按與交易日期通行之外匯匯率概約之匯率換算為港元。財務狀況表之項目按報告期末之收市匯率換算為港元。因此產生之匯兌差額於其他全面收益確認，並分開於換算儲備之權益中累計。

出售海外業務時(即出售本集團海外業務之全部權益、涉及失去對包含海外業務的附屬公司控制權的出售、或部分出售於一間包含海外業務的聯營公司的權益(其保留權益成為財務資產))，就本公司擁有人應佔該業務而累計入權益之所有匯兌差額，會重新分類至損益。

此外，有關部分出售包含海外業務之附屬公司但不引致本集團失去對該附屬公司之控制權，則按比例分佔之累計匯兌差額重新歸類為非控股權益，而並不於損益內確認。就所有其他部分出售(即部分出售聯營公司但不引致本集團失去重大影響力)而言，按比例分佔之累計匯兌差額重新分類至損益。

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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(u) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group's parent.

2. 主要會計政策(續)

(t) 借貸成本

與收購、建設或生產某項須經頗長時間方可作擬定用途或銷售的資產直接應佔的借貸成本予以資本化，作為該資產的部分成本。其他借貸成本均於產生期間確認為支出。

屬於合資格資產成本一部分的借貸成本在資產產生開支、借貸成本產生和使資產投入擬定用途或銷售所必須的準備工作進行時開始資本化。在使合資格資產投入擬定用途或銷售所必須的絕大部分準備工作中止或完成時，借貸成本便會暫停或停止資本化。

(u) 關連方

(a) 倘屬以下人士，即該人士或該人士的近親與本集團有關連：

- (i) 控制或共同控制本集團；
- (ii) 對本集團有重大影響；或
- (iii) 為本集團或本集團母公司的主要管理層成員。

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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Related parties (Continued)

- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

2. 主要會計政策(續)

(u) 關連方(續)

- (b) 倘符合下列任何條件，即實體與本集團有關連：
- (i) 該實體與本集團屬同一集團的成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關連)。
 - (ii) 一家實體為另一實體的聯營公司或合營企業(或另一實體為成員公司的集團旗下成員公司的聯營公司或合營企業)。
 - (iii) 兩家實體均為同一第三方的合營企業。
 - (iv) 一家實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。
 - (v) 實體為本集團或與本集團有關連的實體就僱員利益設立的離職福利計劃。
 - (vi) 實體受(a)所識別人士控制或受共同控制。
 - (vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員。
 - (viii) 實體、或一間集團之任何成員公司(為集團之一部分)向本集團或本集團之母公司提供主要管理人員服務。

個人的近親為預期可影響該等與實體買賣的個人的家庭成員或受該個人影響的家庭成員。

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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's chief operating decision maker ("CODM") for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2. 主要會計政策(續)

(v) 分部報告

經營分部及財務報表所呈報各分部項目的數額，會在定期向本集團之主要經營決策者（「主要經營決策者」）提供的財務資料中確定，以對本集團各項業務及經營地區進行資源分配及績效評估。

在財務申報上，規模重大的個別經營分部不予累集計算，除非有關分部具有類似的經濟特點，且產品及服務性質、生產工序性質、客戶類型、分銷產品或提供服務的方法以及監管環境性質相若則作別論。規模並非重大的個別經營分部倘彼此符合上述大部分標準則可累集計算。

3. 應用新訂及經修訂香港財務報告準則

香港會計師公會已頒佈若干於本集團的本會計期間首次生效的香港財務報告準則之修訂。該等修訂對本集團於本期間或以往期間的業績及財務狀況的編製或呈列方式並無重大影響。

本集團於本會計期間並無應用尚未生效的任何新訂準則或詮釋。

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4. FINANCIAL RISK MANAGEMENT AND CAPITAL DISCLOSURES

(a) Financial instruments by categories

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Financial assets	財務資產		
Financial assets included in “trade and other receivables”	列入「應收賬款及其他應收款項」的財務資產	45,972	38,845
Cash and cash equivalents	現金及現金等價物	110,218	91,958
Bank deposits with maturity greater than three months	到期日多於三個月的銀行存款	—	10,156
Loans and receivables	貸款及應收款項	156,190	140,959
Financial liabilities	財務負債		
Financial liabilities included in “trade and other payables”	列入「應付賬款及其他應付款項」的財務負債	16,632	15,985
Bank loans and overdrafts	銀行貸款及透支	30,565	36,898
Amount due to a non-controlling interest	應付非控股權益款項	1,200	—
Financial liabilities at amortised cost	按攤銷成本計量的財務負債	48,397	52,883

(b) Financial risk management and policies

The Group has exposure to the credit risk, liquidity risk, interest rate risk and currency risk arising from financial instruments. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(i) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of merely dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

In respect of trade and other receivables, in order to minimise risk, the management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. Credit evaluations of the financial position and condition of the customers and debtors of the Group are performed on all customers and debtors requiring credit over a certain amount. Debtors with overdue balances, which will be reviewed on a case-by-case basis, are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

4. 財務風險管理及資本披露

(a) 財務工具分類

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Financial assets	財務資產		
Financial assets included in “trade and other receivables”	列入「應收賬款及其他應收款項」的財務資產	45,972	38,845
Cash and cash equivalents	現金及現金等價物	110,218	91,958
Bank deposits with maturity greater than three months	到期日多於三個月的銀行存款	—	10,156
Loans and receivables	貸款及應收款項	156,190	140,959
Financial liabilities	財務負債		
Financial liabilities included in “trade and other payables”	列入「應付賬款及其他應付款項」的財務負債	16,632	15,985
Bank loans and overdrafts	銀行貸款及透支	30,565	36,898
Amount due to a non-controlling interest	應付非控股權益款項	1,200	—
Financial liabilities at amortised cost	按攤銷成本計量的財務負債	48,397	52,883

(b) 財務風險管理及政策

本集團面臨金融工具所產生的風險有信貸風險、流動資金風險、利率風險及貨幣風險。本集團承擔的有關風險以及本集團就管理該等風險所採用的財務風險管理政策及慣例載列如下。

(i) 信貸風險

信貸風險指交易對方違反合約責任而對本集團構成財務損失的風險。本集團已採納政策，僅與信譽良好的交易對方進行交易，從而減輕因違約構成財務損失的風險。

就應收賬款及其他應收款項而言，為將風險降至最低程度，管理層已實施信貸政策，持續監察該等信貸風險。本集團會對所有要求一定信貸額的客戶及債務人進行財務狀況及狀態的信貸評估。視乎個別情況而定，持有逾期結餘的債務人於獲授任何進一步信貸前，須應要求結清所有尚未清償結餘。一般而言，本集團不會向客戶收取抵押品。

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4. FINANCIAL RISK MANAGEMENT AND CAPITAL DISCLOSURES (CONTINUED)

(b) Financial risk management and policies (Continued)

(i) Credit risk (Continued)

In respect of trade and other receivables, the Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk. At the end of the reporting period, the Group has certain concentrations of credit risk of 55% (2016: 54%) of the total trade and other receivables was due from the Group's largest customer and 57% (2016: 65%) of the total trade and other receivables due from the Group's five largest customers respectively.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Further quantitative disclosures in respect of the Group's exposure of credit risk arising from trade and other receivables are set out in note 18.

(ii) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the raising of loans to cover expected cash demands, subject to Board approval. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient amount of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term. The Group relies on its liquid funds and bank borrowings as significant sources of liquidity. As at 31 March 2017, the Group has available un-utilised banking facilities of approximately HK\$5,900,000 (2016: HK\$10,562,000).

The following table set out the Group's remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay.

4. 財務風險管理及資本披露(續)

(b) 財務風險管理及政策(續)

(i) 信貸風險(續)

就應收賬款及其他應收款項而言，本集團所承受信貸風險主要受不同客戶的個別特性影響。客戶所處行業及國家的違約風險亦會影響信貸風險。於報告期末，本集團承受若干信貸集中風險，其中本集團最大客戶佔應收賬款及其他應收款項總額的55% (二零一六年：54%)，而本集團五大客戶則佔應收賬款及其他應收款項總額的57% (二零一六年：65%)。

流動資金信貸風險有限，因為對手方為獲得國際信貸評級機構給予高信貸評級的銀行。

有關本集團產生自應收賬款及其他應收款項的信貸風險的進一步定量披露載於附註18。

(ii) 流動資金風險

本集團旗下各經營實體須自行管理其現金，包括籌措貸款以應付預期現金需要，惟須待董事會批准。本集團的政策為定期監察流動資金需求以及貸款契諾的遵守情況，確保本集團備有充裕現金及取得主要金融機構提供足夠的承諾資金，以應付短期及長期的流動資金需求。本集團倚賴其流動資金及銀行借貸為其流動資金主要來源。本集團於二零一七年三月三十一日有尚未動用銀行融資約5,900,000港元(二零一六年：10,562,000港元)。

下列表格載列本集團的非衍生財務負債於報告期末的剩餘合約到期情況，該等財務負債乃根據合約未貼現現金流量(包括以按合約利率(或如屬浮動，則按報告期末的現行利率)計算的利息付款)及本集團須付款的最早日期為基準。

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4. FINANCIAL RISK MANAGEMENT AND CAPITAL DISCLOSURES (CONTINUED)

(b) Financial risk management and policies (Continued)

(ii) Liquidity risk (Continued)

Specifically, for bank loans which contain a repayment on demand clause which can be exercised at the bank's sole discretion, the analysis shows the cash outflow based on the earliest period in which the entity can be required to pay, i.e. if the lenders were to invoke their unconditional rights to call the loans with immediate effect. The maturity analysis for other bank borrowings is prepared based on the scheduled repayment dates.

As at 31 March 2017

	On demand	Within 1 year	More than 1 year	Total contractual undiscounted cash flows 合約未貼現現金流量總額	Carrying amount
	應要求 HK\$'000 千港元	一年內 HK\$'000 千港元	超過一年 HK\$'000 千港元	HK\$'000 千港元	賬面值 HK\$'000 千港元
Trade and other payables	–	16,632	–	16,632	16,632
Secured bank loans	30,565	–	–	30,565	30,565
Amount due to a non-controlling interest	–	–	1,200	1,200	1,200
	30,565	16,632	1,200	48,397	48,397

As at 31 March 2016

	On demand	Within 1 year	More than 1 year	Total contractual undiscounted cash flows 合約未貼現現金流量總額	Carrying amount
	應要求 HK\$'000 千港元	一年內 HK\$'000 千港元	超過一年 HK\$'000 千港元	HK\$'000 千港元	賬面值 HK\$'000 千港元
Trade and other payables	–	15,985	–	15,985	15,985
Secured bank loans	35,261	–	–	35,261	35,261
Secured bank overdrafts	1,637	–	–	1,637	1,637
	36,898	15,985	–	52,883	52,883

4. 財務風險管理及資本披露(續)

(b) 財務風險管理及政策(續)

(ii) 流動資金風險(續)

具體而言，對於附帶可由銀行全權酌情行使的應要求還款條款的銀行貸款，有關分析按可能須還款的最早期間（即倘貸款人擬行使其無條件權利要求即時償還貸款）呈列現金流出，其他銀行借貸的到期日分析則按預定還款日期編製。

於二零一七年三月三十一日

於二零一六年三月三十一日

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4. FINANCIAL RISK MANAGEMENT AND CAPITAL DISCLOSURES (CONTINUED)

(b) Financial risk management and policies (Continued)

(ii) Liquidity risk (Continued)

The table that follows summarises the maturity analysis of bank loans with a repayment on demand clause based on agreed scheduled repayments set out in the loan agreements. The amounts include interest payments computed using contractual rates. As a result, these amounts are greater than the amounts disclosed in the “on demand” time band in the above maturity analysis. Taking into account of the Group’s financial position, the directors of the Company do not consider it probable that the bank will exercise its discretion to demand immediate repayment. The directors of the Company believe that such bank loans will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

Maturity Analysis — Term Loans (excluding bank overdrafts) subject to a repayment on demand clause based on scheduled repayments

		On demand	Within 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total contractual undiscounted cash flows
		應要求 HK\$'000 千港元	一年內 HK\$'000 千港元	超過一年但少於兩年 HK\$'000 千港元	超過兩年但少於五年 HK\$'000 千港元	超過五年 HK\$'000 千港元	合約未貼現現金流量總額 HK\$'000 千港元
31 March 2017	二零一七年三月三十一日	–	3,795	3,795	11,384	15,051	34,025
31 March 2016	二零一六年三月三十一日	–	6,778	3,770	11,309	17,031	38,888

4. 財務風險管理及資本披露(續)

(b) 財務風險管理及政策(續)

(ii) 流動資金風險(續)

下表概列附帶應要求還款條款的銀行貸款根據貸款協議所載的協定還款時間表作出的到期日分析。有關金額包括運用合約利率計算的利息付款。因此，此等金額高於上述到期日分析中「應要求」時間範圍內披露的金額。經計及本集團的財務狀況後，本公司董事認為銀行行使要求即時還款的酌情權的可能性不大。本公司董事相信，有關銀行貸款將會根據貸款協議所載的預定還款日期償還。

到期日分析 — 根據還款時間表受限於應要求還款條款的有期貸款(不包含銀行透支)

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4. FINANCIAL RISK MANAGEMENT AND CAPITAL DISCLOSURES (CONTINUED)

(b) Financial risk management and policies (Continued)

(iii) Interest rate risk

(i) Interest rate profile

The following table details the interest rate profile of the Group's assets and liabilities at the end of the reporting period:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Fixed interest rates:	定息：		
Financial assets	財務資產		
Bank deposits with maturity greater than three months	到期日多於三個月的銀行存款	—	10,156
Net	淨值	—	10,156
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Variable interest rates:	浮息：		
Financial assets	財務資產		
Cash at bank	銀行現金	110,139	91,882
		110,139	91,882
Financial liabilities	財務負債		
Bank loans and overdrafts	銀行貸款及透支	30,565	36,898
		30,565	36,898
Net	淨值	79,574	54,984

(ii) Sensitivity analysis

At 31 March 2017, if interest rates had been 100 basis point higher with all other variables held constant, the Group's profit after tax would have increased by HK\$673,000 (2016: HK\$455,000).

At 31 March 2017, if interest rate had been 100 basis point lower with all other variables held constant, the Group's profit after tax would have decreased by HK\$673,000 (2016: HK\$455,000).

4. 財務風險管理及資本披露(續)

(b) 財務風險管理及政策(續)

(iii) 利率風險

(i) 利率概況

下表詳述本集團的資產與負債於報告期末的利率概況：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Fixed interest rates:		
Financial assets		
Bank deposits with maturity greater than three months	—	10,156
Net	—	10,156
	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Variable interest rates:		
Financial assets		
Cash at bank	110,139	91,882
	110,139	91,882
Financial liabilities		
Bank loans and overdrafts	30,565	36,898
	30,565	36,898
Net	79,574	54,984

(ii) 敏感度分析

於二零一七年三月三十一日，倘利率上調100個基點，在所有其他變量保持不變的情況下，本集團的除稅後溢利將增加673,000港元(二零一六年：455,000港元)。

於二零一七年三月三十一日，倘利率下調100個基點，在所有其他變量保持不變的情況下，本集團的除稅後溢利將減少673,000港元(二零一六年：455,000港元)。

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4. FINANCIAL RISK MANAGEMENT AND CAPITAL DISCLOSURES (CONTINUED)

(b) Financial risk management and policies (Continued)

(iii) Interest rate risk (Continued)

(ii) Sensitivity analysis (Continued)

The increased/decreased in profit after tax results mainly from higher/lower interest income from cash at bank and higher/lower interest expense on bank loan and overdrafts. Other components of equity would not be significantly affected by the changes in interest rates.

The sensitivity analysis above indicates the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period.

(iv) Currency risk

(i) Exposure to currency risk

Presently, the Group does not have a hedging policy with respect to the foreign exchange exposure. The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables and payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily United States dollars ("USD"), Renminbi ("RMB") and Hong Kong dollars ("HK\$").

In order to manage and minimize the foreign currency risk, the management will continue to manage and monitor the foreign currency exposure to ensure appropriate measures are implemented in a timely and effective manner.

4. 財務風險管理及資本披露(續)

(b) 財務風險管理及政策(續)

(iii) 利率風險(續)

(ii) 敏感度分析(續)

除稅後溢利增加／減少
主要由於銀行現金的利息收入增加／減少以及銀行貸款及透支的利息開支增加／減少所致。利率變動不會對權益的其他部分構成重大影響。

上述敏感度分析顯示於報告期末由本集團持有的浮息非衍生工具所產生的現金流量利率風險。

(iv) 貨幣風險

(i) 承受貨幣風險

現時本集團並無就外匯風險實施對沖政策。本集團所承受貨幣風險主要因進行銷售及採購所產生以外幣計值(即以營運相關功能貨幣以外貨幣計值)的應收及應付款項及現金結餘所致。導致有關風險的貨幣主要為美元(「美元」)、人民幣(「人民幣」)及港元(「港元」)。

為管理並盡量降低外幣風險，管理層會繼續管理及監察外幣風險，確保及時及有效採取適當措施。

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4. FINANCIAL RISK MANAGEMENT AND CAPITAL DISCLOSURES (CONTINUED)

(b) Financial risk management and policies (Continued)

(iv) Currency risk (Continued)

(i) Exposure to currency risk (Continued)

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities that are denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in Hong Kong dollars, translated using the spot rate at the year end date.

4. 財務風險管理及資本披露(續)

(b) 財務風險管理及政策(續)

(iv) 貨幣風險(續)

(i) 承受貨幣風險(續)

下表詳列本集團於報告期末就以實體相關功能貨幣以外貨幣計值的已確認資產或及負債所產生的貨幣風險而承受風險。就呈列而言，風險金額以港元呈列，並按年結日的即期匯率換算。

Exposure to foreign currencies (expressed in Hong Kong dollars) 所承受貨幣風險(以港元表示)

		2017 二零一七年			2016 二零一六年		
		USD 美元	RMB 人民幣	HK\$ 港元	USD 美元	RMB 人民幣	HK\$ 港元
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Cash and cash equivalents	現金及現金等價物	117	204	1,158	46	249	1,710
Trade and other receivables	應收賬款及其他應收款項	41	–	–	1,954	–	–
Trade and other payables	應付賬款及其他應付款項	(1,303)	(7)	–	(2,957)	–	–
Net exposure arising from recognised assets and liabilities	已確認資產及負債 產生的風險淨額	(1,145)	197	1,158	(957)	249	1,710

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4. FINANCIAL RISK MANAGEMENT AND CAPITAL DISCLOSURES (CONTINUED)

(b) Financial risk management and policies (Continued)

(iv) Currency risk (Continued)

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after tax (and retained earnings) that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant. In this respect, it is assumed that the pegged rate between the Hong Kong dollar and the United States dollar would be materially unaffected by any changes in movement in value of the United States dollar against other currencies.

4. 財務風險管理及資本披露(續)

(b) 財務風險管理及政策(續)

(iv) 貨幣風險(續)

(ii) 敏感度分析

下表指出本集團除稅後溢利(及保留溢利)因應本集團於報告期末有重大風險之外匯匯率如在該日出現變動而產生之即時變動(假設所有其他風險因素維持不變)。就此而言,假設港元及美元間之掛鈎匯率不會受美元兌其他貨幣之價值變動之任何變化有所重大影響。

		2017 二零一七年		2016 二零一六年	
		Increase/ (decrease) in foreign exchange rates 外幣匯率 上升/(下跌)	Effect on profit after tax and retained earnings 對除稅後溢利及 保留溢利之影響 HK\$'000 千港元	Increase/ (decrease) in foreign exchange rates 外幣匯率 上升/(下跌)	Effect on profit after tax and retained earnings 對除稅後溢利及 保留溢利之影響 HK\$'000 千港元
RMB	人民幣	5%	8	5%	10
		(5%)	(8)	(5%)	(10)
HK\$	港元	5%	58	5%	64
		(5%)	(58)	(5%)	(64)

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4. FINANCIAL RISK MANAGEMENT AND CAPITAL DISCLOSURES (CONTINUED)

(b) Financial risk management and policies (Continued)

(iv) Currency risk (Continued)

(ii) Sensitivity analysis (Continued)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the group entities' profit/loss after tax and equity measured in the respective functional currencies, translated into Hong Kong Dollars at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis is performed on the same basis for 2016.

(c) Capital management

The Group's objectives when managing capital are to ensure that entities in the Group will be able to continue as a going concern while maximising the return to the stakeholders through the optimisation of the debt and equity balance. The management reviews the capital structure by considering the cost of capital and the risks associated with each class of capital. In view of this, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt as it sees fit and appropriate.

The Group monitors capital on the basis of the net gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt/(cash) is calculated as total borrowings (including amount due to a non-controlling interest and secured bank loans and overdrafts (as detailed in note 21 and 22 respectively)) less cash and bank balances. Total capital is calculated as "equity" as shown in the consolidated statement of financial position plus net debt, if any.

4. 財務風險管理及資本披露(續)

(b) 財務風險管理及政策(續)

(iv) 貨幣風險(續)

(ii) 敏感度分析(續)

上表中所列示的分析結果乃本集團所有功能貨幣對集團各實體除稅後溢利／虧損及權益的影響的總計，該總計以報告期末的匯率折算成港元表示。

敏感性分析是假設外匯兌換率的變動應用於重新計量本集團於報告期末持有的金融工具而釐定所面臨的外幣風險。該分析與二零一六年的分析基準一致。

(c) 資本管理

於管理資本時，本集團的目標為確保本集團旗下各實體將能夠按持續經營基準繼續經營，同時透過優化債務及權益結餘將持份者回報最大化。管理層透過考慮資本成本及各類資本相關的風險，檢討資本結構。有鑑於此，本集團將透過於合適及適當時派息、發行新股以及發行新債務或贖回現有債務，平衡整體資本結構。

本集團按淨資產負債比率監察資本。有關比率乃按債務淨額除以總資本計算。債務／(現金)淨額乃按借款總額(包括應付非控股權益款項及有抵押銀行貸款及透支(詳情分別載於附註21及22))減現金及銀行結餘計算。總資本則為合併財務狀況表所列「權益」加債務淨額(如有)。

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4. FINANCIAL RISK MANAGEMENT AND CAPITAL DISCLOSURES (CONTINUED)

(c) Capital management (Continued)

The net gearing ratio of the Group as at 31 March 2016 and 2017 are as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Debts	債務	31,765	36,898
Less: Cash and bank balances (note 19)	減：現金及銀行結餘(附註19)	(110,218)	(102,114)
Net cash	現金淨額	(78,453)	(65,216)
Total capital	資本總額	213,624	179,380
Net gearing ratio	淨資產負債比率	N/A	N/A

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

(d) Fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair value as at 31 March 2016 and 2017.

4. 財務風險管理及資本披露(續)

(c) 資本管理(續)

於二零一六年及二零一七年三月三十一日，本集團的淨資產負債比率如下：

本公司或其任何附屬公司均毋須遵守外部施加的資本規定。

(d) 公平值

於二零一六年及二零一七年三月三十一日，本集團按成本或攤銷成本列賬的金融工具的眼面值與其公平值並無重大差額。

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5. CRITICAL ACCOUNTING ESTIMATES

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) *Useful lives of property, plant and equipment and intangible assets*

The Group's management determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and intangible assets. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment and intangible assets of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation and amortisation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(ii) *Impairment of property, plant and equipment*

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing its 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, which requires significant judgement relating to level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of revenue and operating costs. Changes in these estimates could have a significant impact on the carrying amounts of the assets and could result in additional impairment charge or reversal of impairment in future periods.

5. 關鍵會計估計

估計不明朗因素的主要來源

下文載述與未來有關的主要假設及於報告期末估計不明朗因素的其他主要來源，有關來源可能存在導致資產與負債賬面值於下一個財政年度須作出重大調整的重大風險。

(i) *物業、廠房及設備及無形資產的可使用年期*

本集團管理層決定其物業、廠房及設備及無形資產的估計可使用年期及相關折舊及攤銷開支。此估計乃根據在性質及功能相近的物業、廠房及設備及無形資產的實際可使用年期方面的以往經驗而定。技術創新及競爭對手因應嚴峻行業週期而採取的行動可能使估計有重大改變。倘可使用年期少於先前估計的年期，管理層將增加折舊及攤銷開支；管理層亦可能將已棄置或出售於技術上屬陳舊的資產或非策略資產予以撇銷或撇減。

(ii) *物業、廠房及設備的減值*

資產的可收回金額為其公平值減出售成本與使用價值兩者間的較高者。於評估使用價值時，估計未來現金流量乃採用反映現時市場對貨幣時間價值的評估及該資產的特定風險的稅前貼現率，貼現至其現值，此舉要求作出與收入水平及經營成本金額相關的重大判斷。於釐定可收回金額的合理約數時，本集團會採用所有可隨時獲得的資料，包括根據合理及有支持的假設及收入及經營成本的預測作出的估計。該等估計的變動可能對資產的賬面值產生重大影響，並可能於未來期間導致額外的減值支出或減值撥回。

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5. CRITICAL ACCOUNTING ESTIMATES (CONTINUED)

Key sources of estimation uncertainty (Continued)

(iii) *Impairment of intangible assets with finite useful lives*

The Group tests whether the intangible assets which have finite useful lives have suffered any impairment whenever there is any indication that the intangible assets have been impaired. The Group has made estimations and assumptions in relation to the potential future cash flows of identifiable intangible assets. This assessment involves estimations and assumptions relating to potential future revenues, appropriate discount rates and the useful lives of such assets. The recoverable amounts of these intangible assets have been determined based on the value-in-use calculations, which have been estimated using discounted cash flow method. The directors consider that the recoverable amount exceeded the carrying amount of the intangible assets and no impairment was recognised during the year.

(iv) *Impairment of receivables*

The Group estimates impairment losses for bad and doubtful debts resulting from the inability of the customers and other debtors to make the required payments. The Group bases the estimates on the ageing of the receivable balance, debtors' credit-worthiness, and historical write-off experience. If the financial condition of the customers and debtors were to deteriorate, actual impairment losses would be higher than estimated.

(v) *Write down of inventories*

The management of the Group reviews its inventories at the end of each reporting period and write down inventories to net realisable value. Management estimates the net realisable value for such items based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review on a product-by-product basis at the end of each reporting period and make allowance for obsolete items.

5. 關鍵會計估計(續)

估計不明朗因素的主要來源(續)

(iii) 具有限使用年期之無形資產減值

倘有任何跡象顯示無形資產已減值，本集團會測試具有限使用年期之其他無形資產有否出現減值。本集團就可識別無形資產潛在未來現金流量作出估計及假設。此評估涉及就該等資產之潛在未來收益、適當貼現率及使用年期作出估計及假設。該等無形資產之可收回金額按採用貼現現金流量法估計之使用價值計算釐定。董事認為，無形資產之可收回金額高於其賬面值，故年內概無確認減值。

(iv) 應收款項的減值

本集團因客戶或其他債務人無法作出所需付款而估計呆壞賬減值虧損。本集團基於應收款項之賬齡、其他債務人之信譽以及過往撇銷經驗作出一定程度之估計。倘客戶及債務人之財務狀況惡化，則真正減值虧損會比估計更大。

(v) 存貨撇減

本集團管理層於各報告期末檢討其存貨，並撇減存貨至可變現淨值。管理層主要根據最近期發票價格及現時市況估計有關項目的可變現淨值。本集團於各報告期末按逐個產品基準進行存貨檢討，並就陳舊項目作出撥備。

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5. CRITICAL ACCOUNTING ESTIMATES (CONTINUED)

Key sources of estimation uncertainty (Continued)

(vi) *Current taxation and deferred taxation*

Judgement is required in determining the amount of the provision for taxation and the timing of payment of the related taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the periods in which such determination are made.

Deferred taxation relating to certain temporary differences and tax losses are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred taxation in the periods in which such estimate is changed.

(vii) *Provisions for goods return*

The Group makes provisions for goods return based on a percentage of sales and information on actual consumer returns of goods to estimate return percentages. The provision is calculated based on these factors and is adjusted for any fluctuations in the returns estimated by management as of the end of each reporting period. The estimate has been made on the basis of historical trends of return and may vary as a result of new product components, altered manufacturing process, other events affecting product quality or change in consumer behavior.

In evaluating the adequacy of the provision, the Group prepares an analysis to determine the reasons for unutilised provisions. If the analysis determines that some carry forward provision amounts were no longer appropriate based on actual claims experience, proper adjustments will be made to release the over-accrued portion.

5. 關鍵會計估計(續)

估計不明朗因素的主要來源(續)

(vi) *即期稅項及遞延稅項*

於釐定稅項撥備金額及相關稅項的繳付時間時，須作出判斷。於日常業務過程中存在多項無法確定最終稅款的交易及計算。倘該等事項的最終稅務結果與最初記錄的金額不同，則該等差額將影響作出有關釐定期間的所得稅及遞延稅項撥備。

與若干暫時差額及稅項虧損有關的遞延稅項按管理層認為未來有可能現應課稅溢利可用作抵銷該等暫時差額或稅項虧損而確認。當預期金額與原定估計有差額時，則有關差額將會於估計出現變動的期間內影響確認遞延稅項。

(vii) *退貨撥備*

本集團根據銷售比率與消費者實際退貨資料作出退貨撥備。撥備依據該等因素計算，並按管理層於各報告期末預期的任何退貨量波動予以調整。有關估計乃基於過往退貨趨勢而釐定，可能因應新產品組合、經調整生產工序、其他影響產品質素的事件或消費者喜好轉變而有所不同。

於評估撥備是否足夠時，本集團就未動用撥備作出分析以探討箇中原因。倘若有關分析根據實際申索經驗認為部分結轉撥備金額不再合適，本集團將作出適當調整回撥超額應計部分。

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6. REVENUE

The Group is principally engaged in the sale, marketing and distribution of health and beauty supplements and products mainly in Hong Kong, Taiwan and the PRC. The products are mainly sold and distributed under the proprietary brand names of the companies within the Group and the private label brands specifically designated for the Distribution Facilitator.

Revenue represents the invoiced value of sales of health and beauty supplements and products, less sales returns and discounts and value-added tax and other sales taxes for the year. An analysis of revenue is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Health supplements	保健產品	179,844	160,870
Beauty supplements and products	美容補品及產品	26,481	27,484
Others	其他	14,528	1,604
		220,853	189,958

6. 收益

本集團主要於香港、台灣及中國從事銷售、推銷及分銷保健產品以及美容補品及產品。有關產品乃主要以本集團旗下各公司的專有品牌名稱以及專為其分銷代理而設的自家品牌進行銷售及分銷。

收益指保健產品以及美容補品及產品的銷售發票值，扣除年內銷售退回及折扣及增值稅及其他銷售稅。收益分析如下：

7. OTHER REVENUE AND OTHER NET LOSS

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Other revenue	其他收益		
Bank interest income	銀行利息收入	43	106
Total interest income on financial assets not at fair value through profit or loss	並非按公平值經損益入賬的財務資產的利息收入總額	43	106
Sundry income	雜項收入	211	889
Waiver of accruals	其他應計費用減免	—	29
		254	1,024
Other net loss	其他虧損淨額		
Net loss on disposal of subsidiaries (note 29(a) & (b))	出售附屬公司的虧損淨額 (附註29(a)及(b))	—	(919)
Net loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損淨額	(230)	(82)
Exchange gain, net	匯兌收益，淨額	185	181
		(45)	(820)
		209	204

7. 其他收益及其他虧損淨額

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8. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting) the followings:

8. 除稅前溢利

除稅前溢利乃經扣除／(計入)以下各項後得出：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
(a) Staff costs:	(a) 員工成本：		
Salaries, allowances, and other benefits (including directors' emoluments (note 9))	薪金、津貼及其他福利 (包括董事酬金(附註9))	58,982	52,257
Contributions to defined contribution retirement plans	定額供款退休計劃供款	2,176	2,043
		61,158	54,300
(b) Other items:	(b) 其他項目：		
Auditors' remuneration	核數師酬金	1,239	1,090
Cost of inventories (notes (i) below and 17(b))	存貨成本 (見下文附註(i)及附註17(b))	63,732	42,956
Depreciation on property, plant and equipment	物業、廠房及設備折舊	4,633	3,015
Amortisation of intangible assets	無形資產攤銷	143	134
Provisions for goods returns	退貨撥備	932	1,947
Operating lease charges: minimum lease payments	經營租賃開支：最低租金	1,888	3,181
Research and development costs (other than amortisation costs)	研發成本 (攤銷成本除外)	3,073	2,131
Impairment loss on trade receivables	應收賬款減值虧損	23	42
Reversal of impairment loss on trade receivables	撥回應收賬款減值虧損	—	(5)
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	—	1,271
Rent for special designated counters	特別指定櫃位租金	31,128	25,504
(c) Finance costs:	(c) 融資成本：		
Bank overdraft interest	銀行透支利息	3	8
Interest on bank loans	銀行貸款的利息	773	537
Total interest expenses on financial liabilities not at fair value through profit or loss	並非以公平值經損益入賬的財務負債的利息開支總額	776	545

Note:

- (i) For the year ended 31 March 2017, cost of inventories includes HK\$5,309,000 (2016: HK\$5,322,000) relating to staff costs, depreciation and provision for goods return, which amount is also included in the respective total amounts disclosed separately above for each of these types of expenses.

附註：

- (i) 截至二零一七年三月三十一日止年度，存貨成本為5,309,000港元(二零一六年：5,322,000港元)，與員工成本、折舊及退貨撥備有關。有關金額亦計入上文分開披露此等開支種類的總額內。

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9. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

For the year ended 31 March 2017

9. 董事及行政總裁酬金

根據香港公司條例第383(1)條及《公司(披露董事利益資料)規例》第二部分披露的董事酬金如下：

截至二零一七年三月三十一日止年度

		Fees	Salaries, allowances and benefits in kind	Retirement scheme contributions	Total
		袍金	薪金、津貼及實物福利	退休計劃供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Chairman, chief executive officer and executive director	主席、行政總裁兼執行董事				
Mr. Chan Yan Tak	陳恩德先生	–	1,800	18	1,818
Executive directors	執行董事				
Mr. Wong Mau Tai (Note xiii)	黃茂泰先生(附註xiii)	–	941	18	959
Mr. Lim Ming Shing, Tony	林銘誠先生	–	941	18	959
Mr. Lee Chi Hang, Sidney	李志恒先生	–	1,200	18	1,218
Mr. Wong Ping Yiu (Note v)	黃平耀先生(附註v)	–	468	14	482
Mr. Wang Xihua (Note vi)	王西華先生(附註vi)	–	526	9	535
Non-executive director	非執行董事				
Madam Tsang Pui Man (Note vii)	曾佩雯女士(附註vii)	135	–	–	135
Independent non-executive directors	獨立非執行董事				
Professor Ng Ka Ming (Note viii)	吳嘉名教授(附註viii)	281	–	–	281
Mr. Cheng Kwok Kin, Paul (Note ix)	鄭國乾先生(附註ix)	205	–	–	205
Ms. Szeto Wai Ling, Virginia (Note x)	司徒惠玲女士(附註x)	283	–	–	283
Mr. Leung Winson Kwan Yau (Note xi)	梁鈞濬先生(附註xi)	126	–	–	126
Mr. Tam Kin Yip (Note xii)	譚健業先生(附註xii)	16	–	–	16
		1,046	5,876	95	7,017

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9. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS (CONTINUED)

For the year ended 31 March 2016

9. 董事及行政總裁酬金(續)

截至二零一六年三月三十一日止年度

		Fees	Salaries, allowances and benefits in kind	Retirement scheme contributions	Total
		袍金	薪金、津貼及實物福利	退休計劃供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Chairman, chief executive officer and executive director 主席、行政總裁兼執行董事					
Mr. Chan Yan Tak	陳恩德先生	—	1,800	18	1,818
Executive directors 執行董事					
Mr. Wong Mau Tai	黃茂泰先生	—	916	18	934
Mr. Foo Chi Ming (Note i)	傅志明先生(附註i)	—	900	14	914
Mr. Lim Ming Shing, Tony (Note ii)	林銘誠先生(附註ii)	—	235	5	240
Mr. Lee Chi Hang, Sidney (Note iii)	李志恒先生(附註iii)	—	239	2	241
Non-executive director 非執行董事					
Madam Tsang Pui Man	曾佩雯女士	240	—	—	240
Independent non-executive directors 獨立非執行董事					
Mr. Wei Jianan (Note iv)	魏甲南先生(附註iv)	231	—	—	231
Professor Ng Ka Ming	吳嘉名教授	280	—	—	280
Mr. Cheng Kwok Kin, Paul	鄭國乾先生	280	—	—	280
		1,031	4,090	57	5,178

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For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

9. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS (CONTINUED)

Notes:

- (i) Mr. Foo Chi Ming resigned as the executive director of the Company on 1 January 2016.
- (ii) Mr. Lim Ming Shing, Tony was appointed as the executive director of the Company on 1 January 2016.
- (iii) Mr. Lee Chi Hang, Sidney was appointed as the executive director of the Company on 20 January 2016.
- (iv) Mr. Wei Jianan deceased on 2 February 2016.
- (v) Mr. Wong Ping Yiu was appointed as the executive director of the Company on 20 June 2016.
- (vi) Mr. Wang Xihua was appointed as the executive director of the Company on 24 October 2016.
- (vii) Madam Tsang Pui Man resigned as the non-executive director of the Company on 24 October 2016.
- (viii) Professor Ng Ka Ming resigned as the independent non-executive director of the Company on 7 March 2017.
- (ix) Mr. Cheng Kwok Kin, Paul resigned as the independent non-executive director of the Company on 6 December 2016.
- (x) Ms. Szeto Wai Ling, Virginia was appointed as the independent non-executive director of the Company on 15 April 2016.
- (xi) Mr. Leung Winson Kwan Yau was appointed as the independent non-executive director of the Company on 24 October 2016.
- (xii) Mr. Tam Kin Yip was appointed as the independent non-executive director of the Company on 7 March 2017.
- (xiii) Mr. Wong Mau Tai retired as the executive director of the Company on 5 April 2017.

During the year, no director of the Company has waived any emoluments and no emoluments were paid or payable by the Group to any of the directors as an inducement to join or upon joining the Group, or as compensation for loss of office.

9. 董事及行政總裁酬金(續)

附註：

- (i) 傅志明先生於二零一六年一月一日辭任本公司執行董事。
- (ii) 林銘誠先生於二零一六年一月一日獲委任為本公司執行董事。
- (iii) 李志恒先生於二零一六年一月二十日獲委任為本公司執行董事。
- (iv) 魏甲南先生於二零一六年二月二日辭世。
- (v) 黃平耀先生於二零一六年六月二十日獲委任為本公司執行董事。
- (vi) 王西華先生於二零一六年十月二十四日獲委任為本公司執行董事。
- (vii) 曾佩雯女士於二零一六年十月二十四日辭任本公司非執行董事。
- (viii) 吳嘉名教授於二零一七年三月七日辭任本公司獨立非執行董事。
- (ix) 鄭國乾先生於二零一六年十二月六日辭任本公司獨立非執行董事。
- (x) 司徒惠玲女士於二零一六年四月十五日獲委任為本公司獨立非執行董事。
- (xi) 梁鈞濤先生於二零一六年十月二十四日獲委任為本公司獨立非執行董事。
- (xii) 譚健業先生於二零一七年三月七日獲委任為本公司獨立非執行董事。
- (xiii) 黃茂泰先生於二零一七年四月五日退任本公司執行董事。

本公司董事年內概無放棄任何酬金，而本集團亦無向任何董事支付或應付任何酬金，作為彼等加入本集團或加入本集團時的獎勵或離職補償。

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10. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments paid to the five highest paid individuals (including directors and other employees) are as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Salaries and other emoluments	薪金及其他酬金	8,094	7,066
Contributions to retirement benefits scheme	退休福利計劃供款	90	90
		8,184	7,156
Number of directors	董事人數	1	2
Number of employees	僱員人數	4	3
		5	5

During the year, no emolument was paid to the five highest paid individuals (including directors and other employees) as an inducement to join or upon joining the Group or as compensation of loss of office and no bonus was paid or payable by the Group to the five highest paid individuals based on the performance of the Group.

The emoluments of the 4 (2016: 3) individuals other than directors with the highest emoluments are within the following bands:

		2017 二零一七年 Number of individuals 人數	2016 二零一六年 Number of individuals 人數
HK\$1,000,001 upto HK\$1,500,000	1,000,001港元至1,500,000港元	2	2
HK\$1,500,001 upto HK\$2,000,000	1,500,001港元至2,000,000港元	1	—
HK\$2,000,001 upto HK\$2,500,000	2,000,001港元至2,500,000港元	1	1

10. 最高薪人士

向五名最高薪人士(包括董事及其他僱員)所支付的酬金詳情如下：

於年內，並無向五名最高薪人士(包括董事及其他僱員)支付酬金作為加入本集團的獎勵或吸引加入本集團的獎勵或離職補償，亦無根據本集團的業績而向五名最高薪人士支付或應付任何花紅。

最高薪的4位(二零一六年：3位)人士(不包括董事)的酬金介乎下列組別：

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11. TAXATION

Income tax in the consolidated statement of profit or loss represents:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Current taxation	即期稅項		
Hong Kong Profits Tax	香港利得稅	3,281	2,613
PRC Enterprise Income Tax	中國企業所得稅	573	1,441
Deferred taxation (note 24)	遞延稅項(附註24)		
(Reversal)/origination of temporary differences	暫時差額的(撥回)/產生	(37)	260
		3,817	4,314

The provision for Hong Kong Profits Tax is calculated at 16.5% (2016: 16.5%) of the estimated assessable profits for the year.

The provision for PRC Enterprise Income Tax (the "EIT") is calculated at the standard rate of 25% (2016: 25%) on the estimated assessable profit for the year as determined in accordance with the relevant income tax rules and regulations of the PRC.

No provision for profits tax in the Cayman Islands, the British Virgin Islands ("BVI"), Malaysia, Macau and Taiwan have been made as the Group has no income or profit assessable for tax in these jurisdictions for the years ended 31 March 2016 and 2017.

11. 稅項

綜合損益表內的所得稅指：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Current taxation		
Hong Kong Profits Tax	3,281	2,613
PRC Enterprise Income Tax	573	1,441
Deferred taxation (note 24)		
(Reversal)/origination of temporary differences	(37)	260
	3,817	4,314

本年度之香港利得稅撥備乃按估計應課稅溢利的16.5%(二零一六年：16.5%)計算。

本年度之中國企業所得稅(「企業所得稅」)撥備乃按根據中國企業所得稅法及條例估計應課稅溢利的標準稅率25%(二零一六年：25%)計算。

由於本集團於截至二零一六年及二零一七年三月三十一日止年度內並無在開曼群島、英屬處女群島(「英屬處女群島」)、馬來西亞、澳門及台灣錄得任何應課稅收入或溢利，故並無就此等司法權區作出利得稅撥備。

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11. TAXATION (CONTINUED)

Reconciliation between tax expenses and accounting profit at the applicable tax rates:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Profit before taxation	除稅前溢利	15,640	14,735
Notional tax on profit before taxation, calculated at the rates applicable to profits in the tax jurisdictions concerned	除稅前溢利的理論稅項，按溢利在被考慮的司法權區的適用稅率計算	2,408	2,876
Tax effect on non-taxable income	毋須課稅收入的稅務影響	(4)	(396)
Tax effect on non-deductible expenses	不可扣稅開支的稅務影響	501	2,207
Tax effect of tax losses not recognised	未確認稅項虧損的稅務影響	427	370
Tax effect of temporary differences recognised	已確認暫時差額的稅務影響	19	(8)
Special tax deduction	特殊稅務寬減	(109)	(120)
Utilisation of tax losses not previously recognised	動用過往未確認稅項虧損	(453)	(641)
Others	其他	1,028	26
Actual tax expense	實際稅項支出	3,817	4,314

12. DIVIDENDS

At a meeting held on 19 June 2015, the Board recommended the payment of a final dividend of HK2.5 cents per ordinary share of the Company (totalling HK\$12,907,500) for the year ended 31 March 2015 ("2015 Final Dividend"), which was then approved by the shareholders of the Company in the annual general meeting held on 4 August 2015. The 2015 Final Dividend was paid and reflected as an appropriation of retained earnings during the year ended 31 March 2016.

The Board does not recommend the payment of any dividend for the years ended 31 March 2016 and 2017.

11. 稅項(續)

稅項開支與按適用稅率計算的會計溢利的對賬如下：

12. 股息

在二零一五年六月十九日的一次會議上，董事會建議就截至二零一五年三月三十一日止年度宣派的末期股息為本公司每股普通股2.5港仙(合共12,907,500港元)(「二零一五年末期股息」)，並由本公司股東於二零一五年八月四日舉行之股東週年大會上批准。二零一五年末期股息已付並已在二零一六年三月三十一日止年度之保留溢利的一部份中反映。

董事會不建議就截至二零一六年及二零一七年三月三十一日止年度派付任何股息。

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13. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of HK\$12,746,000 (2016: HK\$10,421,000) and the weighted average number of ordinary shares in issue of 520,714,521 ordinary shares (2016: 516,271,585 ordinary shares), calculated as follows:

Weighted average number of ordinary shares (basic)

		2017 二零一七年 Number of shares 股份數目	2016 二零一六年 Number of shares 股份數目
Issued ordinary shares at the beginning of the year	於年初之已發行普通股	516,300,000	515,500,000
Effect of shares issued under share option scheme (note 25(b)(i) and 25(b)(ii))	根據購股權計劃所發行股份之影響 (附註25(b)(i)及25(b)(ii))	4,414,521	771,585
Weighted average number of ordinary shares in issue	已發行之普通股加權平均數	520,714,521	516,271,585

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to owners of the Company of HK\$12,746,000 (2016: HK\$10,421,000) and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

Weighted average number of ordinary shares (diluted)

		2017 二零一七年 Number of shares 股份數目	2016 二零一六年 Number of shares 股份數目
Weighted average number of ordinary shares (basic)	普通股加權平均數 (基本)	520,714,521	516,271,585
Effect of deemed issue of shares under the Company's share option scheme for nil consideration	於本公司購股權計劃以代價為零所發行新股之影響	–	479,678
Weighted average number of ordinary shares (diluted)	普通股加權平均數 (攤薄)	520,714,521	516,751,263

13. 每股盈利

(a) 每股基本盈利

每股基本盈利是根據本公司擁有人應佔溢利12,746,000港元(二零一六年: 10,421,000港元)及已發行普通股之加權平均數520,714,521股(二零一六年: 516,271,585股)計算, 計算如下:

普通股加權平均數 (基本)

(b) 每股攤薄盈利

每股攤薄盈利是根據本公司擁有人應佔溢利12,746,000港元(二零一六年: 10,421,000港元)及經所有普通股潛在攤薄性影響的調整後的普通股之加權平均數計算, 計算如下:

普通股加權平均數 (攤薄)

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13. EARNINGS PER SHARE (CONTINUED)

(b) Diluted earnings per share (Continued)

The computation of diluted earnings per share for the year ended 31 March 2017 did not assume the conversion of the Company's share options because the exercise price of the Company's share options were higher than the average market price of the Company's shares during the year.

14. EMPLOYEE RETIREMENT BENEFITS

Defined contribution retirement plan

The Group operates a Mandatory Provident Fund Scheme ("the MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the plan vest immediately.

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the government of the PRC. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

The total expense recognised in profit or loss of HK\$2,176,000 (2016: HK\$2,043,000) represents contributions payable to these plans by the Group at rates specified in the rules of the plans. As at 31 March 2017, contributions of HK\$177,000 (2016: HK\$177,000) due in respect of the year ended 31 March 2017 had not been paid over to the plans. The amounts were paid subsequent to the end of the reporting period.

13. 每股盈利(續)

(b) 每股攤薄盈利(續)

計算截至二零一七年三月三十一日止年度之每股攤薄盈利時，並無假設本公司購股權之轉換，因年內本公司購股權之行使價較本公司股份的市場平均價為高。

14. 僱員退休福利

定額供款退休計劃

本集團根據香港強制性公積金計劃條例為在香港僱傭條例保障下受聘的僱員設立一項強制性公積金計劃(「強積金計劃」)。強積金計劃為一項由獨立受託人管理的定額供款退休計劃。根據強積金計劃，僱主及其僱員各自須按僱員相關收入的5%向計劃供款，最高每月相關收入為30,000港元。計劃供款即時歸屬。

本公司於中國的附屬公司僱員均參與由中國政府設立的國家管理退休福利計劃。該等附屬公司須按薪金的規定百分比向該退休福利計劃供款以支付福利。本集團對該退休福利計劃的唯一責任為作出規定的供款。

本集團為此計畫規定之特定供款率的應付供款並確認為損益的總費用為2,176,000港元(二零一六年：2,043,000港元)。於二零一七年三月三十一日，有供款177,000港元(二零一六年：177,000港元)到期並未繳交於該計畫。該款項會於報告期末後繳付。

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15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Leasehold land and buildings held for own use carried at cost 按成本列賬 持作自用的 租賃土地 及樓宇 HK\$'000 千港元	Leasehold improvements 租賃裝修 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Furniture, fixtures and equipment 傢具、裝置 及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost	成本						
At 1 April 2015	於二零一五年四月一日	14,115	5,752	1,267	2,992	1,201	25,327
Additions	添置	–	2,974	90	1,276	3,283	7,623
Purchase of assets through acquisition of a subsidiary (note 27)	收購附屬公司購買資產 (附註27)	34,649	–	–	–	–	34,649
Disposals	出售	–	–	(3)	(124)	(149)	(276)
Derecognised on disposal of a subsidiary (note 29(b))	因出售附屬公司終止確認 (附註29(b))	–	(1,341)	(42)	(125)	–	(1,508)
Exchange adjustments	匯兌調整	–	–	–	(3)	–	(3)
At 31 March 2016 and 1 April 2016	於二零一六年三月三十一日及 二零一六年四月一日	48,764	7,385	1,312	4,016	4,335	65,812
Additions	添置	–	2,267	1,318	933	280	4,798
Disposals	出售	–	(752)	–	(75)	–	(827)
Exchange adjustments	匯兌調整	–	–	–	(2)	–	(2)
At 31 March 2017	於二零一七年三月三十一日	48,764	8,900	2,630	4,872	4,615	69,781
Accumulated depreciation and impairment loss	累計折舊及減值虧損						
1 April 2015	於二零一五年四月一日	1,875	2,933	811	1,786	307	7,712
Charge for the year	年內折舊	979	935	221	464	416	3,015
Written back on disposals	出售時撥回	–	–	(3)	(45)	(100)	(148)
Written back on disposal of a subsidiary (note 29(b))	因出售附屬公司撥回 (附註29(b))	–	(375)	(18)	(26)	–	(419)
Impairment loss	減值虧損	1,271	–	–	–	–	1,271
Exchange adjustments	匯兌調整	–	–	–	(1)	–	(1)
At 31 March 2016 and 1 April 2016	於二零一六年三月三十一日及 二零一六年四月一日	4,125	3,493	1,011	2,178	623	11,430
Charge for the year	年內折舊	1,428	1,255	372	678	900	4,633
Written back on disposals	出售時撥回	–	(548)	–	(47)	–	(595)
Exchange adjustments	匯兌調整	–	–	–	(1)	–	(1)
At 31 March 2017	於二零一七年三月三十一日	5,553	4,200	1,383	2,808	1,523	15,467
Carrying amount	賬面值						
At 31 March 2017	於二零一七年三月三十一日	43,211	4,700	1,247	2,064	3,092	54,314
At 31 March 2016	於二零一六年三月三十一日	44,639	3,892	301	1,838	3,712	54,382

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15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

As at 31 March 2017, the Group has pledged its leasehold land and buildings held for own use with carrying amount of HK\$43,211,000 (2016: HK\$44,639,000) to a bank to secure banking facilities granted to the Group (Note 22).

Impairment loss of property, plant and equipment

The value of property, plant and equipment is assessed at the end of each reporting period for any indications of impairment. In consideration of the recent changes in the Hong Kong economy and the property market, the Group assessed the recoverable amounts of the leasehold land and buildings in Hong Kong and as a result the carrying amount of certain items of leasehold land and buildings were written down to their recoverable amount of HK\$32,779,000 as at 31 March 2016. An aggregate impairment loss of HK\$1,271,000 was recognised in “administrative expenses” during the year ended 31 March 2016. The estimates of recoverable amount were based on the fair values less costs of disposal of the leasehold land and buildings, using market comparison approach by reference to recent sales price of comparable properties on a price per square foot basis using market data which is publicly available, adjusted for a premium or a discount specific to the quality of the leasehold land and buildings. The fair value on which the recoverable amount is based on is categorised as a Level 3 measurement.

15. 物業、廠房及設備(續)

於二零一七年三月三十一日，本集團已抵押其持作自用的租賃土地及樓宇(賬面值為43,211,000港元(二零一六年：44,639,000港元))予一家銀行，作為獲授銀行融資的抵押品(附註22)。

物業、廠房及設備減值虧損

於每個報告期末對物業、廠房及設備的價值評估是否出現任何減值跡象。考慮到近來香港經濟及物業市場的變化，於二零一六年三月三十一日，本集團評估位於香港的特定租賃土地及樓宇的可收回金額並將其中部分租賃土地及樓宇的賬面值撇減至可收回金額32,779,000港元。截至二零一六年三月三十一日止年度，已確認總共減值虧損1,271,000港元為「行政開支」。估算可收回金額是以物業的公平值減出售成本為基礎，並運用市場比較法即參考近期市場內可比較及可公開的物業銷售呎價，以及因應物業的質素作出溢價或貼現調整。可收回金額的公平值的基礎歸類為第三級估值。

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16. INTANGIBLE ASSETS

16. 無形資產

		Club membership 俱樂部會籍 HK\$'000 千港元	Product development rights 產品開發權 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost	成本			
At 1 April 2015	於二零一五年四月一日	—	800	800
Additions	添置	—	200	200
At 31 March 2016 and 1 April 2016	於二零一六年三月三十一日及 二零一六年四月一日	—	1,000	1,000
Additions	添置	2,200	—	2,200
At 31 March 2017	於二零一七年三月三十一日	2,200	1,000	3,200
Accumulated amortisation	累計攤銷			
At 1 April 2015	於二零一五年四月一日	—	171	171
Charge for the year	年內攤銷	—	134	134
At 31 March 2016 and 1 April 2016	於二零一六年三月三十一日及 二零一六年四月一日	—	305	305
Charge for the year	年內攤銷	—	143	143
At 31 March 2017	於二零一七年三月三十一日	—	448	448
Carrying amount	賬面值			
At 31 March 2017	於二零一七年三月三十一日	2,200	552	2,752
At 31 March 2016	於二零一六年三月三十一日	—	695	695

The amortisation charge for the year is included in “administrative expenses”.

年內攤銷計入「行政開支」。

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17. INVENTORIES

- (a) Inventories in the consolidated statement of financial position comprise:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Raw materials	原材料	16,475	15,940
Finished goods	製成品	10,708	4,369
		27,183	20,309

- (b) The analysis of the amount of inventories recognised as an expense and included in the consolidated statement of profit or loss and other comprehensive income is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Carrying amount of inventories sold	已售存貨的賬面值	60,783	40,179
Write-down of inventories	撇減存貨	4,961	4,386
Reversal of write-down of inventories (note i)	撇減存貨撥回(附註i)	(2,012)	(1,609)
		63,732	42,956

Note:

- (i) The amount was resulted from the utilisation of obsolete inventories that were written down in prior years.

17. 存貨

- (a) 綜合財務狀況表內的存貨包括：

- (b) 已確認為開支並計入綜合損益及其他全面收益表的存貨金額分析如下：

附註：

- (i) 有關金額來自動用已於過往年度撇減的陳舊存貨。

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18. TRADE AND OTHER RECEIVABLES

18. 應收賬款及其他應收款項

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trade receivables	應收賬款	41,810	35,015
Less: Allowance for doubtful debts	減：呆賬撥備	(162)	(139)
		41,648	34,876
Other receivables	其他應收款項	4,324	3,969
Loans and receivables	貸款及應收款項	45,972	38,845
Prepayments	預付款項	5,154	6,589
Utility, trade and other deposits	水電費、貿易及其他按金	14,727	6,524
Deposits paid for potential acquisition	潛在收購已付按金	5,000	—
		24,881	13,113
		70,853	51,958
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Analysis of trade and other receivables:	應收賬款及其他應收款項分析如下：		
Non-current portion	非流動部份	707	2,422
Current portion	流動部份	70,146	49,536
		70,853	51,958

The amount of the Group's utility, trade and other deposits and prepayments expected to be recovered or recognised as expense after more than one year is HK\$631,000 (2016: HK\$1,074,000) and HK\$76,000 (2016: HK\$1,348,000) respectively. All of the other trade and other receivables are expected to be recovered or recognised as expense within one year.

本集團的水電費、貿易及其他按金及預付款項預期多於一年後收回或確認為開支分別為631,000港元(二零一六年：1,074,000港元)及76,000港元(二零一六年：1,348,000港元)。預期所有其他應收賬款及其他應收款項將於一年內收回或確認為開支。

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18. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables based on invoice date were as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0–30 days	0至30日	28,758	17,556
31–60 days	31至60日	8,036	6,451
61–90 days	61至90日	4,842	7,102
91–180 days	91至180日	12	199
181–365 days	181至365日	–	2,971
Over 365 days	超過365日	–	597
		41,648	34,876

Trade receivables are normally due within 0-90 days from the date of billing. Further details of the Group's credit policy are set out in note 4(b)(i).

(b) Impairment of trade receivables

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly (see note 2(h)).

Movements in the allowance for doubtful debts

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At the beginning of the year	年初	139	102
Impairment loss recognised	已確認減值虧損	23	42
Reversal of impairment loss recognised	撥回已確認減值虧損	–	(5)
At the end of the year	年末	162	139

18. 應收賬款及其他應收款項(續)

(a) 賬齡分析

於報告期末，應收賬款基於發票日期的賬齡分析如下：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0–30 days	28,758	17,556
31–60 days	8,036	6,451
61–90 days	4,842	7,102
91–180 days	12	199
181–365 days	–	2,971
Over 365 days	–	597
	41,648	34,876

應收賬款一般於發票日期起計0至90日內到期。本集團信貸政策的進一步詳情載於附註4(b)(i)。

(b) 應收賬款減值

應收賬款的減值虧損乃使用備抵賬入賬，除非本集團認為收回款項的可能性不大，而在此情況下，減值虧損乃直接與應收賬款撇銷（見附註2(h)）。

呆賬撥備變動

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At the beginning of the year	139	102
Impairment loss recognised	23	42
Reversal of impairment loss recognised	–	(5)
At the end of the year	162	139

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18. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Impairment of trade receivables (Continued)

As at 31 March 2017, trade receivables of the Group amounting to HK\$162,000 (2016: HK\$139,000) were individually determined to be impaired. The individually impaired receivables were outstanding for over 365 days. Accordingly, specific allowances for doubtful debts of HK\$23,000 (2016: HK\$42,000) were recognised.

(c) Trade receivables that are not impaired

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired are as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Neither past due nor impaired	未逾期亦無減值	36,800	24,021
Past due but not impaired	已逾期但未減值		
Less than 1 month past due	逾期少於1個月	10	18
1 to 3 months past due	逾期1至3個月	4,838	7,268
3 months to 1 year past due	逾期3個月至1年	—	3,569
Over 1 year past due	逾期超過1年	—	—
At 31 March	於三月三十一日	41,648	34,876

Receivables that were neither past due nor impaired relate to a range of customers for whom there was no significant history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

18. 應收賬款及其他應收款項(續)

(b) 應收賬款減值(續)

於二零一七年三月三十一日，本集團有162,000港元(二零一六年：139,000港元)應收賬款被個別釐定為減值。個別減值應收款項已逾期超過365日。因此，已就23,000港元(二零一六年：42,000港元)的呆賬確認特定撥備。

(c) 未減值應收賬款

並未個別或共同被視作已減值的應收賬款的賬齡分析如下：

未逾期亦無減值的應收款項與並無重大拖欠記錄的客戶有關。

已逾期但未減值的應收款項與若干獨立客戶有關，彼等於本集團有良好記錄。根據過往經驗，管理層相信，鑑於信貸質素並無重大變動，而結餘仍被視為可全數收回，故毋須就該等結餘作出減值撥備。本集團並無就該等結餘持有任何抵押品。

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19. CASH AND CASH EQUIVALENTS/BANK DEPOSITS WITH MATURITY GREATER THAN THREE MONTHS

19. 現金及現金等價物／到期日多於三個月的銀行存款

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Cash at bank and on hand	銀行及手頭現金	110,218	91,958
Bank deposits	銀行存款	–	10,156
Cash and bank balances	現金及銀行結餘	110,218	102,114
Less: Bank deposits with maturity greater than three months	減：到期日多於三個月的銀行存款	–	(10,156)
Cash and cash equivalents in the consolidated statement of financial position	於綜合財務狀況表的現金及現金等價物	110,218	91,958
Less: Bank overdrafts (note 22)	減：銀行透支(附註22)	–	(1,637)
Cash and cash equivalents in the consolidated statement of cash flows	於綜合現金流量表的現金及現金等價物	110,218	90,321

Cash at bank earns interest at floating rates based on daily bank deposit rates. Deposits with banks are made depending on the immediate cash requirements of the Group and earn interest at the respective deposit rates.

銀行現金基於每日銀行存款利率按浮息賺取利息。本集團考慮其即時現金需求向銀行存款，並按相關存款利率賺取利息。

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20. TRADE AND OTHER PAYABLES

20. 應付賬款及其他應付款項

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trade payables	應付賬款	3,142	3,745
Salary and welfare payables	應付薪金及福利	5,671	5,866
Accrued advertising expenses	應計廣告開支	3,533	3,310
Other payables and accruals	其他應付款項及應計費用	4,286	3,064
Financial liabilities measured at amortised cost 按攤銷成本計量的財務負債		16,632	15,985

As of the end of the reporting period, the ageing analysis of trade payables based on invoice dates were as follows:

於報告期末，應付賬款基於發票日期的賬齡分析如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0–30 days	0至30日	2,442	1,253
31–60 days	31至60日	603	910
61–90 days	61至90日	26	90
91–180 days	91至180日	–	1,426
Over 365 days	超過365日	71	66
		3,142	3,745

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

預期所有應付賬款及其他應付款項將於一年內結算或確認為收入或應要求償還。

21. AMOUNT DUE TO A NON-CONTROLLING INTEREST

The amount due to a non-controlling interest refers to the shareholder's loan taken up by Ms. Li Yung who acquired 40% equity interest in Apex Prospection Limited during the year ended 31 March 2017 as described in note 28. The amount due to a non-controlling interest is unsecured, interest-free and has no fixed terms of repayment.

21. 應付非控股權益款項

應付非控股權益款項指李榕女士所承購之股東貸款。如附註28所述，李榕女士於截至二零一七年三月三十一日止年度收購Apex Prospection Limited的40%股權。應付非控股權益款項為無抵押、免息及無固定還款期限。

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22. BANK LOANS AND OVERDRAFTS

The analysis of the carrying amount of bank loans and overdrafts is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Carrying amount of bank loans and overdrafts that contain a repayment on demand clause:	附帶應要求還款條款的銀行貸款及透支賬面值：		
Repayable within one year	須於一年內償還	3,091	7,712
Repayable after one year (shown under current liabilities)	須於一年後償還 (列作流動負債)	27,474	29,186
		30,565	36,898

At 31 March 2016 and 2017, the bank loans and overdrafts were analysed as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Secured bank overdrafts (note 19)	有抵押銀行透支(附註19)	–	1,637
Secured bank loans	有抵押銀行貸款	30,565	35,261
		30,565	36,898

22. 銀行貸款及透支

銀行貸款及透支賬面值的分析如下：

於二零一六年及二零一七年三月三十一日，銀行貸款及透支的分析如下：

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22. BANK LOANS AND OVERDRAFTS (CONTINUED)

As at 31 March 2017, total interest-bearing bank loans and overdrafts of approximately HK\$30,565,000 (2016: HK\$36,898,000) were due for repayment as follows:

22. 銀行貸款及透支(續)

於二零一七年三月三十一日，計息銀行貸款及透支總額約30,565,000港元(二零一六年：36,898,000港元)的還款期如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Portion of term loans and overdrafts due for repayment within one year	須於一年內償還的定期貸款及透支部分	3,091	7,712
Term loans due for repayment after one year (note):	須於一年後償還的定期貸款(附註)：		
After 1 year but within 2 years	一年後但兩年內	3,167	3,144
After 2 years but within 5 years	兩年後但五年內	9,971	9,867
Over 5 years	五年以上	14,336	16,175
		27,474	29,186
		30,565	36,898

Note: The amounts due are based on scheduled repayment dates as stipulated in the respective loan agreements.

附註：有關款項乃根據相關貸款協議所載預定還款日期列示。

All of the banking facilities are subject to the fulfillment of covenants. If the Group were in breach of the covenants, the drawn down facilities would become repayable on demand. In addition, all of the Group's bank loan agreements contain clauses which give the lender the right at its sole discretion to demand immediate repayment at any time irrespective of whether the Group has complied with the covenants and met the scheduled repayment obligations.

所有銀行融資均須履行契諾。倘若本集團違反契諾，所提取融資須應要求償還。此外，本集團全部銀行貸款協議附帶條款，賦予貸款人權利全權酌情要求本集團即時還款，而不論本集團有否違反契諾及是否如期履行還款責任。

The Group regularly monitors its compliance with these covenants, is up to date with the scheduled repayments of the term loans and does not consider it probable that the bank will exercise its discretion to demand repayment so long as the Group continues to meet these requirements. Further details of the Group's management of liquidity risk are set out in note 4(b)(ii). As at 31 March 2017, none of the covenants relating to drawn down facilities had been breached (2016: Nil).

本集團定期監察其是否遵守該等契諾，及時按預定的日期償還定期貸款，並認為在本集團持續遵守該等規定的情況下銀行不大可能行使酌情權要求償還。本集團管理流動資金風險的詳情載於附註4(b)(ii)。於二零一七年三月三十一日，本集團並無違反有關動用信貸額的契諾(二零一六年：無)。

All of the secured bank loans and overdrafts, including amounts repayable on demand, are carried at amortised cost.

所有有抵押銀行貸款及透支(包括須按要求償還的款額)乃按攤銷成本入賬。

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22. BANK LOANS AND OVERDRAFTS (CONTINUED)

None of the portion of bank loans due for repayment after one year which contain a repayment on demand clause and that is classified as a current liability is expected to be settled within one year.

As at 31 March 2017, the banking facilities of the Group are secured by the leasehold land and buildings with carrying amount of HK\$43,211,000 (2016: HK\$44,639,000) (note 15). Such banking facilities amounting to HK\$36,465,000 (2016: HK\$47,460,000) were utilised to the extent of HK\$30,565,000 (2016: HK\$36,898,000). The pledged assets will be released upon the settlement of the relevant bank borrowings.

22. 銀行貸款及透支(續)

於一年後到期償還的銀行貸款概無載有按要求償還條款，及該等貸款分類為流動負債，預期於一年內將結清。

於二零一七年三月三十一日，本集團的銀行融資以租賃土地及樓宇作抵押，其賬面值為43,211,000港元(二零一六年：44,639,000港元)(附註15)。有關銀行融資為36,465,000港元(二零一六年：47,460,000港元)，其中已動用金額為30,565,000港元(二零一六年：36,898,000港元)。該等抵押資產將於相關銀行借貸獲清償後予以解除。

23. PROVISIONS

23. 撥備

		Goods return from customers 客戶退貨 HK\$'000 千港元
At 1 April 2015	於二零一五年四月一日	1,512
Additional provisions made	增加撥備	1,947
Provisions utilised	已提用撥備	(1,888)
At 31 March 2016 and 1 April 2016	於二零一六年三月三十一日及二零一六年四月一日	1,571
Additional provisions made	增加撥備	932
Provisions utilised	已提用撥備	(1,158)
At 31 March 2017	於二零一七年三月三十一日	1,345

The Group cannot reliably estimate the amounts that may eventually be settled after more than 12 months from the end of the reporting period. Thus, the whole amount was classified as current.

Note: The provisions for goods return from customers represents the present value of the directors' best estimate of future outflow of economic benefits that will be required under the Group's obligations under the goods return policy. The estimate has been made by reference to historical goods return rate.

本集團未能確實估計最終將於報告期末起計十二個月後方結清的金額。因此，全數金額列為即期類別。

附註：客戶退貨撥備指董事對本集團在退貨政策下，根據未來經濟利益流失的最佳估計現值所需承擔的責任。有關估計乃參考過往的退貨率。

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24. DEFERRED TAX LIABILITIES

- (a) The deferred tax liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

Accelerated tax depreciation

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At the beginning of the year	年初	626	366
(Credited)/charged to profit or loss (Note 11)	於損益(計入)/扣除 (附註11)	(37)	260
At the end of the year	年末	589	626

- (b) Deferred tax assets in respect of the unused tax losses carried forward are to be recognised to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised.

The Group has not recognised deferred tax assets in respect of the tax losses of HK\$16,010,000 (2016: HK\$17,080,000) for the year ended 31 March 2017 due to the unpredictability of future profit streams. The unrecognised tax losses can be carried forward indefinitely.

At the end of the reporting period, the Group has deductible temporary differences of HK\$3,220,000 (2016: HK\$1,216,000). No deferred tax assets has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary difference can be utilised.

(c) Deferred tax liabilities not recognised

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards.

At 31 March 2017, temporary differences relating to the undistributed profits of subsidiaries amounted to HK\$4,219,000 (2016: HK\$6,706,000). Deferred tax liabilities of HK\$422,000 (2016: HK\$671,000) have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that these profits will not be distributed in the foreseeable future.

24. 遞延稅項負債

- (a) 於綜合財務狀況表確認的遞延稅項負債及於年內變動如下：

加速稅項折舊

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At the beginning of the year	626	366
(Credited)/charged to profit or loss (Note 11)	(37)	260
At the end of the year	589	626

- (b) 有關結轉未動用稅務虧損的遞延稅項資產將於日後有足夠應課稅溢利用作抵銷未動用稅務虧損時確認。

截至二零一七年三月三十一日，本集團尚未就16,010,000港元(二零一六年：17,080,000港元)的稅務虧損確認遞延稅項資產，原因為無法預測未來溢利來源。未確認稅務虧損可無限期結轉。

於報告期末，本集團的可扣減暫時差額為3,220,000港元(二零一六年：1,216,000港元)。由於不大可能有應課稅溢利可用以抵銷可扣減暫時差額，故並無就該等可扣減暫時差額確認遞延稅項資產。

(c) 未確認為遞延稅項負債

根據中國企業所得稅法，中國附屬公司由二零零八年一月一日起須就賺取溢利而宣派的股息繳納預扣稅。

於二零一七年三月三十一日，有關附屬公司未分派溢利所產生的暫時差額為4,219,000港元(二零一六年：6,706,000港元)。本集團並無就該可能分派溢利422,000港元(二零一六年：671,000港元)計提遞延稅項負債，因為本集團能夠控制有關附屬公司派息政策，且該等溢利不大可能於可見將來分派。

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25. SHARE CAPITAL AND RESERVES

(a) Reserves

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

The Company

		Share premium	Contributed surplus	Share option reserve	Retained earnings/ (accumulated losses)	Total
		股份溢價賬 HK\$'000 千港元 (note 25(c)(i)) (附註 25(c)(i))	繳入盈餘 HK\$'000 千港元 (note 25(c)(ii)) (附註 25(c)(ii))	購股權儲備 HK\$'000 千港元 (note 25(c)(vi)) (附註 25(c)(vi))	保留溢利／ (累計虧損) HK\$'000 千港元	總計 HK\$'000 千港元
At 1 April 2015	於二零一五年四月一日	123,890	38,541	8,161	1,544	172,136
Change in equity for 2016:	二零一六年權益變動：					
Loss and total comprehensive loss for the year	年內虧損及全面虧損總額	–	–	–	(337)	(337)
Dividends approved in respect of the previous year (note 12)	以往年度已批准的股息 (附註12)	–	–	–	(12,908)	(12,908)
Share options lapsed	購股權失效	–	–	(1,075)	1,075	–
Shares issued under share option scheme (note 25(b)(i))	根據購股權計劃發行股 (附註25(b)(i))	1,526	–	(222)	–	1,304
At 31 March 2016 and 1 April 2016	於二零一六年三月三十一日及 二零一六年四月一日	125,416	38,541	6,864	(10,626)	160,195
Change in equity for 2017:	二零一七年權益變動：					
Loss and total comprehensive loss for the year	年內虧損及全面虧損總額	–	–	–	(177)	(177)
Share options lapsed	購股權失效	–	–	(3,445)	3,445	–
Shares issued under share option scheme (note 25(b)(ii))	根據購股權計劃發行股 (附註25(b)(ii))	23,468	–	(3,419)	–	20,049
At 31 March 2017	於二零一七年三月三十一日	148,884	38,541	–	(7,358)	180,067

25. 股本及儲備

(a) 儲備

本集團綜合權益各個部分的年初及年末結餘對賬載於綜合權益變動表。本公司權益的各個部分於年初及年末的變動詳情載列如下：

本公司

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25. SHARE CAPITAL AND RESERVES (CONTINUED)

(b) Share capital

25. 股本及儲備(續)

(b) 股本

			Number of ordinary shares of HK\$0.01 per share 每股面值 0.01港元 的普通股數目	Nominal value ordinary shares 普通股面值 HK\$ 港元
	Note 附註			
Authorised:		法定：		
At 1 April 2015, 31 March 2016, 1 April 2016 and 31 March 2017		於二零一五年四月一日、 二零一六年三月三十一日、 二零一六年四月一日及 二零一七年三月三十一日	1,000,000,000	10,000,000
Issued and fully paid:		已發行及繳足：		
At 1 April 2015		於二零一五年四月一日	515,500,000	5,155,000
Shares issued under share option scheme	(i)	根據購股權計劃發行股	800,000	8,000
At 31 March 2016 and 1 April 2016		於二零一六年三月三十一日及 二零一六年四月一日	516,300,000	5,163,000
Shares issued under share option scheme	(ii)	根據購股權計劃發行股	12,300,000	123,000
At 31 March 2017		於二零一七年三月三十一日	528,600,000	5,286,000

The owners of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

普通股擁有人有權不時收取所宣派之股息及有權於本公司股東大會上以一股一票進行表決。所有普通股就本公司之餘下資產而言均享有同等權利。

Notes:

附註：

- (i) On 14 April 2015, share options were exercised to subscribe for 800,000 ordinary shares in the Company at a consideration of HK\$1,312,000, of which HK\$8,000 was credited to share capital and the balance of HK\$1,304,000 was credited to the share premium account. HK\$222,000 has been transferred from the share option reserve to the share premium account in accordance with policy set out in note 2(n)(ii).
- (ii) On 21 November 2016, share options were exercised to subscribe for 12,300,000 ordinary shares in the Company at a consideration of HK\$20,172,000, of which HK\$123,000 was credited to share capital and the balance of HK\$20,049,000 was credited to the share premium account. HK\$3,419,000 has been transferred from the share option reserve to the share premium account in accordance with policy set out in note 2(n)(ii).

- (i) 於二零一五年四月十四日，因行使購股權而發行800,000股普通股，代價為1,312,000港元。當中8,000港元入賬為股本，餘下1,304,000港元入賬為股份溢價賬。根據載於附註2(n)(ii)的會計政策，有222,000港元由購股權儲備轉往股份溢價賬。
- (ii) 於二零一六年十一月二十一日，因行使購股權而發行12,300,000股普通股，代價為20,172,000港元，當中123,000港元入賬為股本，餘下20,049,000港元入賬為股份溢價賬。根據載於附註2(n)(ii)的會計政策，有3,419,000港元由購股權儲備轉往股份溢價賬。

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25. SHARE CAPITAL AND RESERVES (CONTINUED)

(c) Nature and purpose of reserves

- (i) The share premium represents the difference between the nominal value of the shares of the Company and proceeds received from the issuance of shares of the Company. Under the Companies Law of the Cayman Islands, the share premium account of the Company is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company would be in a position to pay off its debts as they fall due in the ordinary course of business.
- (ii) Contributed surplus represents the difference between the nominal value of the ordinary shares issued by the Company and the net asset value of subsidiaries acquired through an exchange of shares pursuant to the group reorganisation prior to the listing of the Company's shares on the GEM of the Stock Exchange.
- (iii) Merger reserve represents the difference between the nominal values of the ordinary shares issued by the Company and the share capital of subsidiaries acquired through an exchange of shares pursuant to the group reorganisation prior to the listing of the Company's shares on the GEM of the Stock Exchange.
- (iv) Pursuant to the Articles of Association of the Group's PRC subsidiaries and relevant statutory regulations, appropriations to the statutory reserve fund were made at a 10% of profit after taxation determined in accordance with the accounting rules and regulations of the PRC. When the balance of statutory reserve fund reaches 50% of registered capital of each relevant PRC subsidiary, any further appropriation is at the discretion of the shareholders of this subsidiary. This reserve fund can be utilised in setting off accumulated losses or increasing capital of the subsidiaries provided that the balance after such conversion is not less than 25% of their registered capital, and is non-distributable other than in liquidation.
- (v) Translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 2(s).
- (vi) The share option reserve represents the fair value of the actual or estimated number of unexercised share options granted to directors of the Company, employees of a subsidiary and all other eligible participants recognised in accordance with the accounting policy adopted for equity-settled share-based payments set out in notes 2(n)(ii) and 2(o).

25. 股本及儲備(續)

(c) 儲備之性質及用途

- (i) 股份溢價指本公司股份面值與發行本公司股份收取的所得款項之間的差額。根據開曼群島公司法，本公司股份溢價賬可分派予本公司股東，惟於緊隨建議分派股息日期後，本公司須仍能償清日常業務過程中的到期債務。
- (ii) 繳入盈餘指本公司已發行普通股之面值與透過根據本公司股份於聯交所創業板上市前之重組交換股份收購附屬公司之資產淨值之差額。
- (iii) 合併儲備指本公司已發行普通股之面值與透過根據本公司股份於聯交所創業板上市前之重組交換股份收購附屬公司之股本之差額。
- (iv) 根據本集團中國附屬公司的組織章程細則及相關法定規例，向法定儲備撥款乃根據中國會計規則及規例釐定的除稅後溢利的10%作出。當法定儲備撥款結餘達到各相關中國附屬公司的50%註冊資本，將由該附屬公司之股東決定是否作進一步撥款。該儲備撥款可用於抵銷附屬公司的累計虧損或增加資本，惟相關轉換後的結餘不得低於其註冊資本的25%，且除非清盤外，不可用於分派。
- (v) 換算儲備包括所有換算海外經營之財務報表而產生之匯兌差額。該儲備乃根據附註2(s)所載之會計政策處理。
- (vi) 購股權儲備乃指根據附註2(n)(ii)及2(o)所採納會計政策以股權結算以股份支付之開支，確認授予本公司董事、附屬公司僱員及所有其他合資格參與者的實際或估計數目之尚未行使購股權之公平值。

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26. SEGMENT REPORTING

Operating segments are identified on the basis of internal reports which provides information about components of the Group. Information reported to the Board, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on brands of goods delivered.

Specifically, the Group’s reportable and operating segments under HKFRS 8 are as follows:

- Proprietary brands comprise the development, manufacturing and sales of self-developed health supplements
- Proprietary brands comprise the development, manufacturing and sales of self-developed beauty supplements and products
- Private label brands comprise the development, manufacturing and sales of health supplements
- Private label brands comprise the development, manufacturing and sales of beauty supplements and products
- Trading of goods comprise the trading and sales of health supplements
- Trading of goods comprise the trading and sales of beauty supplements and products

Other items mainly relate to the provision of Chinese medical consultation services and provision of health food processing services. These activities are excluded from the reportable operating segments as these activities are insignificant and not specifically reported to the Board.

26. 分部報告

經營分部乃按提供本集團組成部分資料的內部報告劃分。該等資料呈報予董事會，即主要經營決策者（「主要經營決策者」）以進行分配資源及按已交付貨品的品牌評估分部表現。

具體而言，本集團根據香港財務報告準則第8號的可呈報及經營分部如下：

- 包括開發、製造及銷售自行開發保健產品的專有品牌
- 包括開發、製造及銷售自行開發美容補品及產品的專有品牌
- 包括開發、製造及銷售保健產品的自家品牌
- 包括開發、製造及銷售美容補品及產品的自家品牌
- 包括買賣及銷售保健產品的商品買賣
- 包括買賣及銷售美容補品及產品的商品買賣

其他項目主要與提供中醫診症服務及提供保健食品加工服務有關。該等活動並不重大且並無具體向董事會匯報，故已自可呈報經營分部中剔除。

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26. SEGMENT REPORTING (CONTINUED)

(a) Segment results, assets and liabilities

Information regarding the Group's reportable segments as provided to the Board for the purpose of resource allocation and assessment of segment performance for the years ended 31 March 2016 and 2017 is set out below:

26. 分部報告(續)

(a) 分部業績、資產及負債

就截至二零一六年及二零一七年三月三十一日止年度資源分配及評估分部表現而提供予董事會的本集團可呈報分部的資料載列如下：

		For the year ended 31 March 2017 截至二零一七年三月三十一日止年度							
		Proprietary brands 專有品牌		Private label brands 自家品牌		Trading of goods 商品買賣		Other items	Total
		Health supplements	Beauty supplements and products 美容補品 及產品	Health supplements	Beauty supplements and products 美容補品 及產品	Health supplements	Beauty supplements and products 美容補品 及產品		
		保健產品	及產品	保健產品	及產品	保健產品	及產品	其他項目	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Revenue from external customers	來自外部客戶的收益	101,828	26,262	61,351	219	16,665	-	14,528	220,853
Cost of sales	銷售成本	(25,520)	(7,837)	(10,023)	(113)	(9,237)	-	(11,002)	(63,732)
Gross profit	毛利	76,308	18,425	51,328	106	7,428	-	3,526	157,121
Selling and distribution expenses	銷售及分銷開支	(25,199)	(3,987)	(12,697)	(36)	(1,179)	-	(775)	(43,873)
Administrative expenses	行政開支	(6,245)	(436)	(20,793)	(55)	(3,127)	-	-	(30,656)
Segment results	分部業績	44,864	14,002	17,838	15	3,122	-	2,751	82,592
Other revenue and other net loss	其他收益及其他虧損淨額								209
Unallocated head office and corporate expenses	未分配總部及公司開支								(66,385)
Finance costs	融資成本								(776)
Profit before taxation	除稅前溢利								15,640

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For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

26. SEGMENT REPORTING (CONTINUED)

(a) Segment results, assets and liabilities (Continued)

26. 分部報告(續)

(a) 分部業績、資產及負債(續)

		For the year ended 31 March 2016 截至二零一六年三月三十一日止年度							
		Proprietary brands 專有品牌		Private label brands 自家品牌		Trading of goods 商品買賣			
		Health supplements	Beauty supplements and products 美容補品 及產品	Health supplements	Beauty supplements and products 美容補品 及產品	Health supplements	Beauty supplements and products 美容補品 及產品	Other items	Total
		保健產品	及產品	保健產品	及產品	保健產品	及產品	其他項目	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Revenue from external customers	來自外部客戶的 收益	107,924	26,452	51,964	982	982	50	1,604	189,958
Cost of sales	銷售成本	(24,723)	(9,227)	(7,405)	(913)	(434)	(23)	(231)	(42,956)
Gross profit	毛利	83,201	17,225	44,559	69	548	27	1,373	147,002
Selling and distribution expenses	銷售及分銷開支	(27,130)	(4,332)	(8,205)	(107)	(115)	(2)	–	(39,891)
Administrative expenses	行政開支	(5,824)	(203)	(18,225)	(317)	(484)	–	–	(25,053)
Segment results	分部業績	50,247	12,690	18,129	(355)	(51)	25	1,373	82,058
Other revenue and other net loss	其他收益及 其他虧損淨額								204
Unallocated head office and corporate expenses	未分配總部及 公司開支								(66,982)
Finance costs	融資成本								(545)
Profit before taxation	除稅前溢利								14,735

For the purpose of assessing segment performance and allocating resources between segments, the CODM monitors the results attributable to each reportable segment with reference to sales generated by those segments and the expenses incurred by those segments. Segment results are evaluated based on reportable segment profit/loss, which is a measure of adjusted operating profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit before tax except that head office, corporate income and expenses and finance costs are excluded from such measurement. No segment assets and liabilities information is presented as, in the opinion of the directors, such information is not key indicator provided to the Group's CODM.

就評估分部表現及於分部間分配資源而言，主要經營決策者監察各可呈報分部應佔業績，並參考該等分部產生的銷售額及開支。分部業績乃根據可呈報分部溢利／虧損（即計量經調整除稅前經營溢利／虧損）進行評估。經調整除稅前溢利／虧損與本集團的除稅前溢利貫徹計量，惟有關計量並不包括總部、公司收入及開支以及融資成本。並無呈列分部資產及負債，乃因董事認為有關資料並非向本集團主要經營決策者提供的主要指標。

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26. SEGMENT REPORTING (CONTINUED)

(a) Segment results, assets and liabilities (Continued)

There are no significant inter-segment transfers or transactions.

Other segment information (included in the measure of segment profit or loss or regularly provided to the CODM)

26. 分部報告(續)

(a) 分部業績、資產及負債(續)

分部間並無重大轉讓或交易。

其他分部資料(列入分部損益計量或定期向主要經營決策者提供)

		Amortisation and Depreciation 攤銷及折舊	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Proprietary brands:	專有品牌:		
Health supplements	保健產品	443	401
Beauty supplements and products	美容補品及產品	67	56
Private label brands:	自家品牌:		
Health supplements	保健產品	176	136
Beauty supplements and products	美容補品及產品	1	3
Trading of goods:	商品買賣:		
Health supplements	保健產品	48	2
Beauty supplements and products	美容補品及產品	—	1
Unallocated	未分配	4,041	2,550
Total	總計	4,776	3,149

(b) Geographical information

The geographical location of customers is based on the location at which the goods are delivered and services provided. In presenting information on the basis of geographical, segments revenue is based on the geographical location of customers. Segment assets and capital expenditure are based on the geographical location of the assets or the location of the operation to which the assets are allocated.

(b) 地區資料

客戶的所在地乃根據交付貨物及提供服務的地區劃分。呈列地區資料時，分部收益乃根據客戶的所在地劃分。分部資產及資本開支乃根據資產的所在地區劃分或資產被分配的營運地區劃分。

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26. SEGMENT REPORTING (CONTINUED)

(b) Geographical information (Continued)

Revenue from external customers

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Hong Kong (place of domicile)	香港 (註冊地點)	220,620	178,936
The PRC	中國	—	10,559
Taiwan	台灣	233	463
		220,853	189,958

Non-current assets

非流動資產

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Hong Kong (place of domicile)	香港 (註冊地點)	57,635	57,227
The PRC	中國	121	245
Taiwan	台灣	17	27
		57,773	57,499

(c) Information about major customer

Revenues from external customer contributing 10% or more of the total revenue of the Group is as follows:

(c) 主要客戶的資料

佔本集團總營業額10%或以上的來自外部客戶收益的分析如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Customer A (note (i))	客戶甲 (附註(i))	125,419	116,071

Note:

附註：

(i) The revenues were derived from the following segments:

- Proprietary brands comprise the development, manufacturing and sales of self-developed health supplements;
- Proprietary brands comprise the development, manufacturing and sales of self-developed beauty supplements and products;
- Private label brands comprise the development, manufacturing and sales of health supplements;
- Private label brands comprise the development, manufacturing and sales of beauty supplements and products; and
- Trading of goods comprise the trading and sales of health supplements.

(i) 有關收益乃以下列分部產生：

- 包括開發、製造及銷售自行開發保健產品的專有品牌；
- 包括開發、製造及銷售自行開發美容補品及產品的專有品牌；
- 包括開發、製造及銷售保健產品的自家品牌；
- 包括開發、製造及銷售美容補品及產品的自家品牌；及
- 包括買賣及銷售保健產品的商品買賣。

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27. PURCHASE OF ASSETS AND LIABILITIES THROUGH ACQUISITION OF A SUBSIDIARY

On 23 June 2015, the Group entered into sales and purchase agreement with Mr. Chan Yan Tak, the controlling shareholder and an executive director of the Company, to acquire assets and liabilities through the acquisition of 100% equity interest in Royal Richly (Hong Kong) Limited, for a total consideration of HK\$19,410,000. Royal Richly (Hong Kong) Limited is principally engaged in property investment. This transaction was approved by the Company's independent shareholders at the extraordinary general meeting held on 14 August 2015 and the transaction was completed on 11 September 2015.

This acquisition has been accounted for as purchase of assets and liabilities through acquisition of a subsidiary. The assets and liabilities arising from the acquisition were as follows:

27. 收購附屬公司購買資產及負債

於二零一五年六月二十三日，本集團與本公司控股股東及執行董事陳恩德先生訂立買賣協議，收購御財(香港)有限公司的100%股權購買資產及負債，代價19,410,000港元。御財(香港)有限公司主要從事物業投資。此交易已獲本公司獨立股東於二零一五年八月十四日舉行之股東特別大會上批准及交易於二零一五年九月十一日完成。

本收購已計入為收購附屬公司購買資產及負債。收購所產生的資產及負債如下：

		Carrying amount at 11 September 2015 賬面值 於二零一五年 九月十一日 HK\$'000 千港元
Leasehold land and buildings held for own use (note 15)	持作自用的租賃土地及樓宇 (附註15)	34,649
Cash and bank balances	現金及銀行結餘	87
Deposits and prepayments	按金及預付款項	56
Other receivables	其他應收款項	1,459
Accruals	應付款	(44)
Bank loans	銀行貸款	(16,797)
Net assets acquired	收購資產淨值	19,410
Consideration represented:	代價為：	
Cash consideration	現金代價	19,410
Net cash outflow arising from the acquisition:	收購所產生的現金淨流出：	
Cash consideration paid	已付現金代價	(19,410)
Cash and bank balances	現金及銀行結餘	87
		(19,323)

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28. PARTIAL DISPOSAL OF A SUBSIDIARY

On 22 November 2016, Wisdom Come Medical Group Limited (“WCMG”), a subsidiary of the Company, disposed of: (1) an aggregate of 40% equity interest in Apex Prospection Limited (“Apex Prospection”) in the amount of HK\$3,300,000 and (2) 40% of the interest-free shareholder’s loan amounting to HK\$1,200,000 owing by a wholly owned subsidiary of the Apex Prospection to WCMG for an aggregate cash consideration of HK\$4,500,000 to an independent third party, Ms. Li Yung, Apex Prospection and its subsidiaries are principally engaged in the distribution of health and beauty supplements in the PRC. The Group retains 60% of the equity interest in Apex Prospection after the partial disposal. The total transaction cost of the partial disposal of Apex Prospection amounted to HK\$547,000.

28. 部分出售一間附屬公司

於二零一六年十一月二十二日，仍志醫藥集團有限公司（「仍志醫藥集團」，本公司一間附屬公司）向一名獨立第三方，李榕女士出售：(1) Apex Prospection Limited（「Apex Prospection」）合共40%股權，代價為3,300,000港元；及(2) Apex Prospection的一間全資附屬公司結欠仍志醫藥集團的免息股東貸款之40%為1,200,000港元，總現金代價為4,500,000港元。Apex Prospection及其附屬公司主要於中國從事保健產品及美容補品分銷。本集團於部分出售後保留Apex Prospection之60%股權。部分出售Apex Prospection的總交易成本為547,000港元。

29. DISPOSAL OF SUBSIDIARIES

- (a) On 21 September 2015, the Group disposed of the entire issued share capital in Century Effort Limited (“Century Effort”) to M&H Company Limited, an independent third party, at a cash consideration of HK\$1.

29. 出售附屬公司

- (a) 於二零一五年九月二十一日，本集團以1港元的現金代價，將世倡有限公司（「世倡」）的全部已發行股本出售予獨立第三方M&H Company Limited。

The net liabilities of Century Effort at the date of disposal were as follows:

於出售日期，世倡的負債淨值如下：

		HK\$'000 千港元
Consideration received:	已收代價：	
Cash received	已收現金	—
Analysis of assets and liabilities over which control was lost:	失去控制權的資產及負債分析：	
Deposits and other receivables	按金及其他應收款項	(1,747)
Other payables	其他應付款項	1,886
Net liabilities derecognised	已終止確認的負債淨值	139
Result on disposal of subsidiary:	出售附屬公司的結果：	
Consideration received	已收代價	—
Net liabilities derecognised	已終止確認的負債淨值	139
Written off of receivables due from subsidiary disposed of	撇銷出售附屬公司的應收款	(1,886)
Waiver of payables due to subsidiary disposed of	免付出售附屬公司的應付款	1,276
Loss on disposal	出售的虧損	(471)
Net cash inflow arising on disposal:	出售所產生的現金流入淨額：	
Cash consideration received	已收現金代價	—
Cash and cash equivalents disposed of	所出售的現金及現金等價物	—
		—

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29. DISPOSAL OF SUBSIDIARIES (CONTINUED)

- (b) On 29 March 2016, the Group disposed of the entire issued share capital in Mutual Act Limited ("Mutual Act") to Billion Shiner Limited, an independent third party, at a cash consideration of HK\$1,000,000.

The net liabilities of Mutual Act at the date of disposal were as follows:

29. 出售附屬公司(續)

- (b) 於二零一六年三月二十九日，本集團以1,000,000港元的現金代價，將名健有限公司(「名健」)的全部已發行股本出售予獨立第三方億倡有限公司。

於出售日期，名健的負債淨值如下：

		HK\$'000 千港元
Consideration received:	已收代價：	
Cash received	已收現金	1,000
Analysis of assets and liabilities over which control was lost:	失去控制權的資產及負債分析：	
Property, plant and equipment	物業、廠房及設備	(1,089)
Prepayments and deposits	預付款項及按金	(327)
Other receivables	其他應收款項	(546)
Receipt in advance	預收款項	90
Other payables	其他應付款項	2,107
Net liabilities derecognised	已終止確認的負債淨值	235
Result on disposal of subsidiary:	出售附屬公司的結果：	
Consideration received	已收代價	1,000
Expenses paid in connection with the disposal	與出售相關的支付費用	(122)
Net liabilities derecognised	已終止確認的負債淨值	235
Written off of receivables due from subsidiary disposed of	撇銷出售附屬公司的應收款	(2,107)
Waiver of payables due to subsidiary disposed of	免付出售附屬公司的應付款	546
Loss on disposal	出售的虧損	(448)
Net cash inflow arising on disposal:	出售所產生的現金流入淨額：	
Cash consideration received	已收現金代價	1,000
Cash and cash equivalents disposed of	所出售的現金及現金等價物	—
Expenses paid in connection with the disposal	與出售相關的支付費用	(122)
		878

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30. COMMITMENTS

(a) Capital commitments

As at 31 March 2016 and 2017, the Group had capital commitments contracted but not provided for in the financial statements as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Contracted for	合約規定		
— Property, plant and equipment	— 物業、廠房及設備	125	867

(b) Operating lease commitments

As lessee

At 31 March 2016 and 2017, the Group had outstanding commitments under non-cancellable operating leases falling due as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	一年內	2,197	1,150
In the second to fifth year, inclusive	兩年至五年內，包括首尾兩年	1,474	917
		3,671	2,067

The Group leases warehouses, office premises and shop premises under non-cancellable operating lease arrangements with lease terms of one to five years, with an option to renew the lease when all terms are renegotiated. None of the lease includes contingent rentals.

30. 承擔

(a) 資本承擔

於二零一六年及二零一七年三月三十一日，本集團有以下合約的資本承擔並未計入於財務報表：

(b) 經營租賃承擔

作為承租人

於二零一六年及二零一七年三月三十一日，本集團於不可撤銷經營租約項下有於以下期間屆滿之未償付承擔：

本集團根據不可撤銷經營租約安排租賃之倉庫，辦公室及商舖租期為一至五年，當所有條款再協商後可選擇更新租約。沒有租約包含或然租金。

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31. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group had the following transactions and balances with its related parties during the year:

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 9, highest paid employees as disclosed in note 10 and other senior management of the Group are as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Short-term employee benefits	短期僱員福利	14,136	11,692
Post-employment benefits	離職後福利	188	147
		14,324	11,839

Total remuneration is included in "Staff costs" (see note 8(a)).

總薪酬已包括在「員工成本」內(見附註8(a))。

(b) Transactions with related parties

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Rental expenses paid to a related party (note i)	租金支出付予關連方(附註i)	82	80
Rental expenses paid to Great Victor Limited (note ii)	租金支出付予柏盛有限公司(附註ii)	174	131
Rental expenses paid to Sunex Limited (note iii)	租金支出付予昌輝有限公司(附註iii)	203	68
Legal and professional fee paid to Sidney Lee & Co. (note iv)	支付予李志恒律師事務所的法律及專業費(附註iv)	700	234

31. 重大關連方交易

除於財務報表其他部分披露的交易及結餘外，本集團與關連方於年內的交易及結餘如下：

(a) 主要管理人員薪酬

本集團主要管理人員薪酬包括附註9所披露已付本公司董事的款項及附註10所披露已付本集團最高薪僱員及其他高級管理層的款項，載列如下：

(b) 與關連方交易

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31. MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with related parties (Continued)

As at 31 March 2016 and 31 March 2017, the Group had total future minimum lease payables under non-cancellable operating lease falling due as follows:

		As at 31 March 2017 於 二零一七年 三月三十一日 HK\$'000 千港元	As at 31 March 2016 於 二零一六年 三月三十一日 HK\$'000 千港元
Within one year	一年內	346	465
In the second to fifth year	兩年至五年內	118	538
		464	1,003

Notes:

- (i) The rental expenses were paid to Mr. Cheng Jonathan Chung Shing, a close family member of an independent non-executive director, Mr. Cheng Kwok Kin, Paul. Mr. Cheng Kwok Kin, Paul ceased to be a related party of the Group following his resignation as the independent non-executive director of the Company on 6 December 2016.
- (ii) The rental expenses were paid to Great Victor Limited, a company wholly-owned by Mr. Chan Yan Tak, an executive director of the Company.
- (iii) The rental expenses were paid to Sunex Limited, a company wholly-owned by Ms. Wong Chui Lan, senior management of the Group.
- (iv) The legal and professional fees represents legal service fees charged by a barrister via Sidney Lee & Co., a registered solicitors' firm in Hong Kong controlled by Mr. Lee Chi Hang, Sidney, an executive director of the Company. Sidney Lee & Co. provided such service to the Company on a complimentary basis.

附註：

- (i) 租金支出付予獨立非執行董事鄭國乾先生的近親鄭中誠先生。鄭國乾先生自其於二零一六年十二月六日辭任本公司獨立非執行董事後不再為本集團關連方。
- (ii) 租金支出付予柏盛有限公司，其為一間由本公司執行董事陳恩德先生全資擁有的公司。
- (iii) 租金支出付予昌輝有限公司，其為一間由本集團高級管理層王翠蘭女士全資擁有的公司。
- (iv) 法律及專業費用指一名大律師透過本公司執行董事李志恒先生控制的香港註冊律師事務所李志恒律師事務所收取的法律服務費用。李志恒律師事務所免費向本公司提供該服務。

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31. MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Balances with related parties

The Group leases office premises from related parties as detailed in note 31(b) under operating lease arrangements with lease terms of two to three years. The terms of the leases require the Group to pay rental deposits to the lessors. The balances of the rental deposits as at 31 March 2016 and 31 March 2017 are detailed as follows:

		As at 31 March 2017 於 二零一七年 三月三十一日 HK\$'000 千港元	As at 31 March 2016 於 二零一六年 三月三十一日 HK\$'000 千港元
Mr. Cheng Jonathan Chung Shing	鄭中誠先生	–	20
Great Victor Limited	柏盛有限公司	29	29
Sunex Limited	昌輝有限公司	34	34

(d) Purchase of assets and liabilities through acquisition of a subsidiary from an executive director of the Company

The details are set out in note 27 to the audited consolidated financial statements in this annual report.

31. 重大關連方交易(續)

(c) 關連方結餘

本集團根據詳載於附註31(b)與關連方的經營租約安排租賃之辦公室租期為二至三年。租約條款要求本集團繳付租賃按金予出租人。於二零一六年三月三十一日及二零一七年三月三十一日的租賃按金結餘詳情載列如下：

(d) 向本公司執行董事收購附屬公司購買資產及負債

詳情請參閱本年報經審核綜合財務報表附註27。

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32. EQUITY-SETTLED SHARE-BASED PAYMENTS

Pursuant to a written resolution of the Company passed on 24 September 2013, the Company has conditionally adopted a share option scheme, which has been taken effect on 11 October 2013 (the “Share Option Scheme”). The Share Option Scheme remains effective following the Transfer of Listing subject to certain immaterial amendments to the share option scheme and implemented in full compliance with the requirements of Chapter 17 of the Listing Rules.

A summary of the Share Option Scheme of the Company is as follows:

Purpose

The purpose of the Share Option Scheme is to motivate the eligible participants to optimise their performance and efficiency for the benefit of the Group and attract and retain ongoing business relationship with the eligible participants whose contributions are or will be beneficial to the Group.

Eligible Participants

Eligible participants of the Share Option Scheme include:

- (a) any director, employee or officer of any company in the Group (whether full time or part time) (“Employee”), consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or a company in which the Group holds an interest or a subsidiary of such company (“Affiliate”); or
- (b) the trustee of any trust the beneficiary of which or any discretionary trust the discretionary objects of which include any director, Employee, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or an Affiliate; or
- (c) a company beneficially owned by any director, Employee, consultant, professional, customer, supplier, agent, partner, adviser of or contractor to the Group or an Affiliate.

Total number of ordinary shares available for issue under the Share Option Scheme and the percentage of the issued share capital that it represents as at 31 March 2016 and 2017

51,500,000 ordinary shares, being 10% of shares in issue on 4 August 2014 (i.e. the date of approving the refreshment of the share option scheme mandate limit).

32. 以股權結算以股份支付之開支

根據本公司於二零一三年九月二十四日通過的書面決議案，本公司有條件採納自二零一三年十月十一日起生效的購股權計劃（「購股權計劃」）。購股權計劃於轉板上市後繼續有效（惟須對購股權計劃作出若干非重大修訂），並完全遵照上市規則第17章的規定實施。

本公司購股權計劃概要如下：

目的

購股權計劃之目標在於鼓勵合資格參與者為本集團的利益提升其表現及效率；及吸引及留聘正為、將為或預期將為本集團的利益作出貢獻的合資格參與者，或與彼等建立持續業務關係。

合資格參與者

購股權計劃之合資格參與者包括：

- (a) 本集團旗下任何公司的任何董事、僱員或高級職員（不論屬全職或兼職）（「僱員」），或為本集團或本集團於其中持有權益的公司或該等公司的附屬公司（「聯屬公司」）的諮詢人、專業人士、客戶、供應商、代理人、合夥人、顧問或承包商；或
- (b) 任何信託或任何全權信託的受託人，而有關信託的受益人或有關全權信託的全權信託人包括本集團或聯屬公司的任何董事、僱員、諮詢人、專業人士、客戶、供應商、代理人、合夥人、顧問或承包商；或
- (c) 本集團或聯屬公司的任何董事、僱員、諮詢人、專業人士、客戶、供應商、代理人、合夥人、顧問或承包商實益擁有的公司。

購股權計劃可供發行的普通股總數及其於截至二零一六年及二零一七年三月三十一日止，所佔已發行股本的百分比

51,500,000股普通股，佔於二零一四年八月四日（即批准更新購股權計劃的授權限額要求的日期）的已發行股本10%。

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32. EQUITY-SETTLED SHARE-BASED PAYMENTS (CONTINUED)

Maximum entitlement of each participant under the Share Option Scheme

The maximum entitlement of each participant under the Share Option Scheme shall not exceed 1% of the shares in issue of the Company in any 12-month period.

Any grant of further share options above this limit shall be subject to the approval of the Company's shareholders at general meeting.

Period within which the Shares must be taken up under a Share Option

A period to be determined by the Board and notified to the grantee, which shall not exceed 10 years from the date of grant of such share option.

Minimum period for which a Share Option must be held before it can be exercised

Unless otherwise determined by the Board and notified to the grantee, there is no minimum period for which a share option must be held before it can be exercised.

Amount payable on acceptance

HK\$1.00 for each lot of share options granted.

Period within which payments/calls/loans must be made/repaid

Not applicable.

Basis of determining the exercise price

The exercise price for any share under the Share Option Scheme shall be determined by the Board and notified to the grantee and shall not be less than the highest of:

- (a) the closing price of a share as stated in the Stock Exchange's daily quotations sheet on the date of grant of the share option, which must be a trading day;
- (b) the average closing price of a share as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant of the share option; and
- (c) the nominal value of a share on the date of grant of the share option.

32. 以股權結算以股份支付之開支 (續)

購股權計劃各參與者的最高配額

購股權計劃各參與者的最高配額不得超過本公司於任何十二個月期間已發行股的1%。

進一步發行超過該限額的購股權乃受限於股東大會獲本公司股東批准。

根據購股權須承購股份的期限

期限由董事會決定並通知承授人，由購股權授出日期起不得超過十年。

購股權可行使前須持有的最短期限

除由董事會另行決定並通知承授人外，購股權可行使前不須持有最短期限。

接納時須繳付的款項

每批已授出購股權1.00港元。

付款／催繳股款／作出／償還貸款的期限

不適用。

釐定行使價的基準

由本公司董事酌情釐定及通知承授人，惟不得低於下列各項的最高者：

- (a) 建議授出日期普通股在聯交所的收市價，而該日必須為營業日；
- (b) 緊接建議授出日期前五個營業日普通股在聯交所的平均收市價；及
- (c) 授出購股權日一股普通股的面值。

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32. EQUITY-SETTLED SHARE-BASED PAYMENTS (CONTINUED)

The remaining life of the scheme

The Share Option Scheme will be valid and effective until 23 September 2023, after which no further share options will be granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects. Options complying with the provisions of the Listing Rules which are granted during the duration of the scheme and remain unexercised immediately prior to 23 September 2023 shall continue to be exercisable in accordance with their terms of grant within the option period for which such share options are granted, notwithstanding the expiry of the scheme.

Movements of the share options during the years ended 31 March 2016 and 2017 are listed below in accordance with Chapter 17 of the Listing Rules:

For the year ended 31 March 2017

Category		Outstanding and exercisable as at 1 April 2016	Lapsed on 30 April 2016	Reclassification of categories of grantee	Exercised on 21 November 2016	Lapsed on 22 November 2016	Outstanding and exercisable as at 31 March 2017	Note
類別		於二零一六年 四月一日 未行使及 可行使	於 二零一六年 四月三十日 失效	承受人類別的 重新分類	於 二零一六年 十一月二十一日 行使	於 二零一六年 十一月二十二日 失效	於 二零一七年 三月三十一日 未行使及 可行使	附註
Directors	董事							
Mr. Chan Yan Tak	陳恩德先生	500,000	-	-	-	(500,000)	-	(1)
Mr. Wong Mau Tai	黃茂泰先生	5,000,000	-	-	(5,000,000)	-	-	(1), (7)
Professor Ng Ka Ming	吳嘉名教授	500,000	-	-	-	(500,000)	-	(1)
Mr. Cheng Kwok Kin, Paul	鄭國乾先生	500,000	-	-	(500,000)	-	-	(1), (7)
Subtotal	小計	6,500,000	-	-	(5,500,000)	(1,000,000)	-	
Continuous Contracts	持續合約							
Employee	僱員	12,700,000	-	(4,000,000)	(5,400,000)	(3,300,000)	-	(1), (6), (7)
All other eligible participants	所有其他合資格 參與者	5,500,000	(5,000,000)	4,000,000	(1,400,000)	(3,100,000)	-	(1), (2), (6), (7)
Total	總計	24,700,000	(5,000,000)	-	(12,300,000)	(7,400,000)	-	

32. 以股權結算以股份支付之開支 (續)

計劃的剩餘有效期

購股權計劃直至二零二三年九月二十三日有效及生效，其後不會進一步授出任何購股權，惟購股權計劃條文在所有其他方面將仍然具有十足效力及作用。即使計劃屆滿，但於計劃有效期間內授出而於緊接二零二三年九月二十三日前仍未行使且符合上市規則規定的購股權，將可於該等購股權獲授的購股權期間內依據其授出條款繼續行使。

截至二零一六年及二零一七年三月三十一日止年度，根據上市規則第17章購股權計劃項下所授出購股權的變動如下：

截至二零一七年三月三十一日止年度

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32. EQUITY-SETTLED SHARE-BASED PAYMENTS (CONTINUED)

For the year ended 31 March 2016

32. 以股權結算以股份支付之開支 (續)

截至二零一六年三月三十一日止年度

Category		Outstanding and exercisable as at 1 April 2015 於二零一五年四月一日	Lapsed on 7 July 2015 於二零一五年七月七日	Reclassification of categories of grantee 承受人類別的重新分類	Exercised on 14 April 2015 於二零一五年四月十四日	Outstanding and exercisable as at 31 March 2016 於二零一六年三月三十一日	Note
類別		未行使及可行使	失效		行使	未行使及可行使	附註
Directors	董事						
Mr. Chan Yan Tak	陳恩德先生	500,000	-	-	-	500,000	(1)
Mr. Wong Mau Tai	黃茂泰先生	5,000,000	-	-	-	5,000,000	(1)
Mr. Foo Chi Ming	傅志明先生	5,000,000	-	(5,000,000)	-	-	(1), (2)
Professor Ng Ka Ming	吳嘉名教授	500,000	-	-	-	500,000	(1)
Mr. Cheng Kwok Kin, Paul	鄭國乾先生	500,000	-	-	-	500,000	(1)
Mr. Wei Jianan	魏甲南先生	500,000	-	(500,000)	-	-	(1), (3)
Subtotal	小計	12,000,000	-	(5,500,000)	-	6,500,000	
Continuous Contracts	持續合約						
Employee	僱員	13,500,000	-	-	(800,000)	12,700,000	(1), (4)
All other eligible participants	所有其他合資格參與者	5,000,000	(5,000,000)	5,500,000	-	5,500,000	(2), (3), (5)
Total	總計	30,500,000	(5,000,000)	-	(800,000)	24,700,000	

Notes:

- The share options are exercisable at any time during the period from 22 November 2013 until 21 November 2016 (both days inclusive). The exercise price of the share option is HK\$1.64. The closing price of the shares immediately before the date on which the share options were granted was HK\$1.68. The options were lapsed on 22 November 2016.
- 5,000,000 share options held by Mr. Foo Chi Ming has been reclassified under the category of "all other eligible participants" following his resignation as an executive director with effect from 1 January 2016. The options were lapsed on 30 April 2016.
- 500,000 share options held by the late Mr. Wei Jianan, the former independent non-executive director, has been reclassified under the category of "all other eligible participants" as the share options are still exercisable by the legal personal representative of Mr. Wei Jianan until 21 November 2016.
- 800,000 share options granted to continuous contract employees were exercised on 14 April 2015. The weighted average share price at the date of exercise was HK\$2.03.

附註：

- 購股權自二零一三年十一月二十二日起至二零一六年十一月二十一日(包括首尾兩天)期間內的任何時間可予行使。購股權行使價為每股1.64港元。股份緊接購股權授出日期前的收市價為每股1.68港元。購股權已於二零一六年十一月二十二日失效。
- 傅志明先生所持有之5,000,000份購股權由其於二零一六年一月一日辭任執行董事後重新分類為「所有其他合資格參與者」。該購股權已於二零一六年四月三十日失效。
- 由於魏甲南先生之個人法律代表於二零一六年十一月二十一日前仍可行使購股權，已故前獨立非執行董事魏甲南先生持有的500,000份購股權重新分類為「所有其他合資格參與者」。
- 授予持續合約僱員之800,000份購股權於二零一五年四月十四日已行使。在行使當日的加權平均股價為2.03港元。

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32. EQUITY-SETTLED SHARE-BASED PAYMENTS (CONTINUED)

Notes: (continued)

5. 5,000,000 share options were granted to a consultant on 7 July 2014 and are exercisable at any time during the period from 7 July 2014 until 6 July 2015 (both days inclusive). The exercise price of the share options and the closing price of the shares of the Company immediately before the date on which these share options were granted was HK\$1.77 and HK\$1.74 respectively. The options were lapsed on 7 July 2015.
6. 4,000,000 share options held by an employee has been reclassified under the category of "all other eligible participants" following the resignation of an employee with effect from 1 June 2016. The options were lapsed on 22 November 2016.
7. 5,500,000 share options, 5,400,000 share options and 1,400,000 share options granted to directors, continuous contract employees and all other eligible participants were exercised on 21 November 2016, respectively. The weighted average share price at the date of exercise was HK\$2.45.
8. The exercise price of the Share Options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

The number and weighted average exercise prices of share options are as follows:

		2017 二零一七年		2016 二零一六年	
		Weighted average exercise price 加權平均 行使價 HK\$ per share 每股港元	Number of share options 購股權 數目	Weighted average exercise price 加權平均 行使價 HK\$ per share 每股港元	Number of share options 購股權 數目
Outstanding at the beginning of the year	年初未行使	1.64	24,700,000	1.66	30,500,000
Exercised during the year	年內行使	1.64	(12,300,000)	1.64	(800,000)
Lapsed during the year	年內失效	1.64	(12,400,000)	1.77	(5,000,000)
Outstanding at the end of the year	年末未行使	—	—	1.64	24,700,000
Exercisable at the end of the year	年末可行使	—	—	1.64	24,700,000

The options outstanding at 31 March 2016 had an exercise price of HK\$1.64 and a weighted average remaining contractual life of 0.65 year.

32. 以股權結算以股份支付之開支 (續)

附註：(續)

5. 5,000,000份購股權於二零一四年七月七日授予一位顧問，該購股權行使期由二零一四年七月七日起至二零一五年七月六日止(包括首尾兩天)。購股權之行使價及本公司股份緊接購股權授出日期前的收市價分別為每股1.77港元及每股1.74港元。該購股權已於二零一五年七月七日失效。
6. 一名僱員所持有之4,000,000份購股權自該僱員於二零一六年六月一日辭職後已重新分類為「所有其他合資格參與者」。該購股權已於二零一六年十一月二十二日失效。
7. 分別授予董事、持續合約僱員及所有其他合資格參與者之5,500,000份、5,400,000份及1,400,000份購股權於二零一六年十一月二十一日已獲行使。行使當日之加權平均股價為2.45港元。
8. 購股權行使價須就有關供股、發行紅股或本公司股本出現的其他類似變動而作出調整。

購股權數目及加權平均行使價如下：

於二零一六年三月三十一日，未行使之購股權的行使價為1.64港元，加權平均剩餘有效期為0.65年。

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32. EQUITY-SETTLED SHARE-BASED PAYMENTS (CONTINUED)

Fair value of share options and assumptions

The fair value of the share options granted were calculated by Peak Vision Appraisals Limited using the Trinomial Option Pricing model which is one of the commonly used models for such purpose. The value of an option varies with different variables of certain subjective assumptions. Any changes in the variables so adopted may materially affect the estimation of the fair value of an option. The inputs are as follows:

Grant date	授出日期	22 November 7 July 2014	2013 2013
		二零一四年 七月七日	二零一三年 十一月二十二日
Share price (HK\$)	股價 (港元)	1.77	1.64
Exercise price (HK\$)	行使價 (港元)	1.77	1.64
Expected life of share option (years)	預期購股權期限 (年)	1	3
Expected volatility	預期波幅	33.20%	32.32%
Dividend yield	派息率	2.41%	4.74%
Risk-free interest rate	無風險利率	0.15%	0.45%
Fair value per share option (HK\$)	每份購股權之公平值 (港元)	0.2150	0.2779

Expected volatility was derived by reference to the volatilities of companies operating in the same industry as the Company as sourced from Bloomberg.

At 31 March 2016, 24,700,000 share options were fully vested and exercisable. 12,300,000 share options were exercised during the year ended 31 March 2017 and 12,400,000 share options were lapsed on 22 November 2016.

33. ULTIMATE HOLDING COMPANY AND CONTROLLING SHAREHOLDERS

At 31 March 2017, the directors of the Company consider the ultimate holding company of the companies comprising the Group is Able Island Group Limited ("Able Island"), a company incorporated in the BVI. The controlling shareholders of the Group are Mr. Chan Yan Tak and Able Island. The ultimate holding company does not produce financial statements for public use.

32. 以股權結算以股份支付之開支 (續)

購股權之公平值及假設

已授出購股權公平值乃由瀑鋒評估有限公司就此採用其中一種最常用的模型三項式期權定價模型計算。購股權價值會隨著若干主觀假設的不同變數而改變。所採用變數的任何改變可能會嚴重影響購股權公平值的估算。該模型的輸入數據如下：

Grant date	授出日期	22 November 7 July 2014	2013 2013
		二零一四年 七月七日	二零一三年 十一月二十二日
Share price (HK\$)	股價 (港元)	1.77	1.64
Exercise price (HK\$)	行使價 (港元)	1.77	1.64
Expected life of share option (years)	預期購股權期限 (年)	1	3
Expected volatility	預期波幅	33.20%	32.32%
Dividend yield	派息率	2.41%	4.74%
Risk-free interest rate	無風險利率	0.15%	0.45%
Fair value per share option (HK\$)	每份購股權之公平值 (港元)	0.2150	0.2779

預期波幅乃經參考與本公司在同一行業經營的公司波幅得出，有關資料乃來自彭博。

於二零一六年三月三十一日，24,700,000份購股權已悉數歸屬及可予行使。12,300,000份購股權已於二零一七年三月三十一日年度內行使，而12,400,000份購股權已於二零一六年十一月二十二日失效。

33. 最終控股公司及控股股東

於二零一七年三月三十一日，本公司董事認為，本集團各公司的最終控股公司為於英屬處女群島註冊成立的Able Island Group Limited ("Able Island")。本集團的控股股東為陳恩德先生及Able Island。最終控股公司並沒有提供財務報表作公開用途。

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綜合財務報表附註

For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

34. PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries at the end of reporting period are as follows:

34. 主要附屬公司

於報告期末，主要附屬公司之詳情如下：

Name 名稱	Place of incorporation/ establishment and operation 註冊成立／創立 及營運地點	Class of shares held 持有股份 類別	Particulars of issued and paid-up capital 已發行及繳足 普通股本詳情	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務
				Direct 直接 %	Indirect 間接 %	
Noble State Holdings Limited 御國控股有限公司	BVI 英屬處女群島	Ordinary 普通	US\$11 11美元	100	–	Investment holding 投資控股
Creation Chance Limited 天凱有限公司	Hong Kong 香港	Ordinary 普通	1 ordinary share 1股普通股	–	100	Sale of health and beauty supplements and products and provision of general administrative services 銷售保健及美容補品及產品及 提供一般行政服務
CULegend Company Limited 仍志中大中藥傳承有限公司	Hong Kong 香港	Ordinary 普通	1 ordinary share 1股普通股	–	100	Trading of products under the proprietary brand of “LEGEND” 買賣「中大中藥傳承」專有品牌產品
Eastern Bright (Asia) Limited 東耀(亞洲)有限公司	Hong Kong 香港	Ordinary 普通	1 ordinary share 1股普通股	–	100	Providing management services to other Group companies 向其他集團成員公司提供管理服務
Good Wealth Trading Limited 益財貿易有限公司	Hong Kong 香港	Ordinary 普通	10,000 ordinary shares 10,000股普通股	–	100	Trading of health supplements 買賣保健產品
Health Proof International Company Limited 康寶庫國際有限公司	Hong Kong 香港	Ordinary 普通	1 ordinary share 1股普通股	–	100	License holding 持有牌照
Hong Kong Ever Spring Medicine Factory Limited 香港四時春製藥廠有限公司	Hong Kong 香港	Ordinary 普通	1 ordinary share 1股普通股	–	100	Manufacturing and sale of health and beauty supplements and products 生產及銷售保健及美容補品及產品
Kiwi Lab International Company Limited 奇異立寶國際有限公司	Hong Kong 香港	Ordinary 普通	1 ordinary share 1股普通股	–	100	License holding 持有牌照

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For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

34. PRINCIPAL SUBSIDIARIES (CONTINUED)

34. 主要附屬公司(續)

Name 名稱	Place of incorporation/ establishment and operation 註冊成立／創立 及營運地點	Class of shares held 持有股份 類別	Particulars of issued and paid-up capital 已發行及繳足 普通股本詳情	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務
				Direct 直接 %	Indirect 間接 %	
Medalist Limited	BVI 英屬處女群島	Ordinary 普通	US\$1 1美元	–	100	Trademark holding 持有商標
Power Regal International Limited 力宏國際有限公司	Hong Kong 香港	Ordinary 普通	1 ordinary share 1股普通股	–	100	Property investment 物業投資
Rich Sunny Investment Limited 富樺投資有限公司	Hong Kong 香港	Ordinary 普通	1 ordinary share 1股普通股	–	100	Property investment and investment holding 物業投資及投資控股
Royal Medic Chinese Medicine Clinic Limited 御藥堂中醫中藥坊有限公司	Hong Kong 香港	Ordinary 普通	3 ordinary shares 3股普通股	–	100	Provision of Chinese medical consultation services and trading of health products 提供中醫診症服務及保健產品貿易
Royal Medic (Holdings) Limited 御藥堂(控股)有限公司	Hong Kong 香港	Ordinary 普通	100 ordinary shares 100股普通股	–	100	License holding 持有牌照
Royal Richly (Hong Kong) Limited 御財(香港)有限公司	Hong Kong 香港	Ordinary 普通	1 ordinary share 1股普通股	–	100	Property investment 物業投資
Sunny Regent (Asia) Limited 日駿(亞洲)有限公司	Hong Kong 香港	Ordinary 普通	1 ordinary share 1股普通股	–	100	Providing management services to other Group companies 向其他集團成員公司提供管理服務

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34. PRINCIPAL SUBSIDIARIES (CONTINUED)

34. 主要附屬公司(續)

Name 名稱	Place of incorporation/ establishment and operation 註冊成立／創立 及營運地點	Class of shares held 持有股份 類別	Particulars of issued and paid-up capital 已發行及繳足 普通股本詳情	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務
				Direct 直接 %	Indirect 間接 %	
Super Pioneer Holdings Limited 創鋒集團有限公司	Hong Kong 香港	Ordinary 普通	1 ordinary share 1股普通股	—	100	Providing management services to other Group companies 向其他集團成員公司提供管理服務
Wisdom Come Medical Group Limited 仍志醫藥集團有限公司	Hong Kong 香港	Ordinary 普通	101 ordinary shares 101股普通股	—	100	Investment holding 投資控股
Wisdom Healthcare Co., Limited 盈智健康事業有限公司	Taiwan 台灣	Registered 已註冊	NT10,000,000 10,000,000元 新台幣	—	100	Trading of health and beauty supplements and products 保健及美容補品及產品貿易
Wisdom Health Products Company Limited 盈智健康產品有限公司	Hong Kong 香港	Ordinary 普通	2 ordinary shares 2股普通股	—	100	Trading of health and beauty supplements and products, provision of health food processing services and investment holding 保健及美容補品及產品貿易、提供 保健食品加工服務及投資控股
御藥堂保健品(上海) 有限公司*	The PRC 中國	Registered 已註冊	HK\$1,000,000 1,000,000港元	—	60	Sales of health and beauty supplements and products 銷售保健及美容補品及產品
珠海御藥堂保健品 有限公司*	The PRC 中國	Registered 已註冊	HK\$1,000,000 1,000,000港元	—	60	Sales of health and beauty supplements and products 銷售保健及美容補品及產品

* Registered under the laws of the PRC as a wholly foreign-owned enterprise.

* 根據中國法律註冊為全外資擁有企業。

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綜合財務報表附註

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35. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2017

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and new standards which are not yet effective for the year ended 31 March 2017 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers and the related Amendments ¹
HKFRS 16	Leases ⁴
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration ¹
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 7	Disclosure Initiative ²
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses ²
Amendments to HKAS 40	Transfers of Investment Property ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014-2016 Cycle ⁵

¹ Effective for annual periods beginning on or after 1 January 2018

² Effective for annual periods beginning on or after 1 January 2017

³ Effective for annual periods beginning on or after a date to be determined

⁴ Effective for annual periods beginning on or after 1 January 2019

⁵ Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate.

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

35. 截至二零一七年三月三十一日止年度已頒佈但尚未生效之修訂、新準則及詮釋之可能性影響

截至本財務報表刊發日期，香港會計師公會已頒佈於截至二零一七年三月三十一日止年度尚未生效且並無於本財務報表中採納的若干修訂及新準則。其中包括以下可能與本集團有關者。

香港財務報告準則 金融工具 ¹ 第9號	
香港財務報告準則 來自與客戶合約的 第15號 收益及相關修訂 ¹	
香港財務報告準則 租賃 ⁴ 第16號	
香港(國際財務報告 詮釋委員會) – 外幣交易及 詮釋第22號 預付代價 ¹	
香港財務報告準則 以股份支付交易的 第2號修訂 分類及計量 ¹	
香港財務報告準則 投資者與其聯營公司 第10號及香港 或合營企業之間的 會計準則第28號 資產出售或投入 ³ 修訂	
香港會計準則 披露計劃 ² 第7號修訂	
香港會計準則 就未變現虧損確認 第12號修訂 遞延稅項資產 ²	
香港會計準則 投資物業轉讓 ¹ 第40號修訂	
香港財務報告準則 香港財務報告準則 修訂 二零一四年至 二零一六年週期的 年度改進 ⁵	

¹ 於二零一八年一月一日或之後開始的年度期間生效

² 於二零一七年一月一日或之後開始的年度期間生效

³ 於待釐定日期或之後開始的年度期間生效

⁴ 於二零一九年一月一日或之後開始的年度期間生效

⁵ 於二零一七年一月一日或二零一八年一月一日或之後開始的年度期間生效，如適用。

本集團正在評估該等修訂及新準則在首次應用期間預期產生之影響。至目前為止，本集團認為採納上述修訂及新準則不大可能會對綜合財務報表構成重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

36. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

36. 公司層面的財務狀況表

	Note	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Non-current assets			
Investments in subsidiaries		38,561	38,551
Prepayments		48	79
		38,609	38,630
Current assets			
Prepayments and deposits		5,408	436
Amounts due from subsidiaries		64,049	52,211
Cash and cash equivalents		80,868	80,090
		150,325	132,737
Current liabilities			
Accruals		3,284	2,229
Amount due to a subsidiary		10	3,323
Tax payable		287	457
		3,581	6,009
Net assets		185,353	165,358
EQUITY			
Equity attributable to owners of the Company			
Share capital	25(b)	5,286	5,163
Reserves	25(a)	180,067	160,195
TOTAL EQUITY		185,353	165,358

Approved and authorised for issue by the board of directors on 28 June 2017.

經董事會於二零一七年六月二十八日批准及授權發佈。

Chan Yan Tak
陳恩德
Director
董事

Lim Ming Shing, Tony
林銘誠
Director
董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

37. EVENTS AFTER THE REPORTING PERIOD

(a) Acquisition of a subsidiary

On 9 January 2017, the Company entered into a sale and purchase agreement with an independent third party vendor, Saffron Production Company Limited, to acquire the entire interest of Star Root Limited (“Star Root”), a company incorporated in the BVI, at a cash consideration of HK\$50,000,000. Star Root and its subsidiary are principally engaged in the online advertising agency business. The management considers that such acquisition will enable the Group to partner with and access to an online information platform in Hong Kong and PRC to expand the sales and advertising channels for the Group’s products, provide an additional income and cash flow stream for the Group and further diversify the Group’s overall business. The acquisition was completed on 13 April 2017. As the acquisition completed in less than three months before the date of approval of these consolidated financial statements, it is not practicable to complete the initial accounting for the business combination.

Details of the acquisition of Star Root are set out in the Company’s announcements dated 9 January 2017 and 18 April 2017 respectively.

(b) Memorandum of understanding of the acquisition of the equity interest in a company incorporated in the BVI

On 11 April 2017, the Company entered into a non-legally binding memorandum of understanding with potential vendors (the “Potential Vendors”) for the acquisition of the entire or partial equity interest in a company established in the BVI with limited liability (the “Target Company”) and its subsidiary (together, the “Target Group”). The Company and the Potential Vendors shall negotiate with one another on the amount and payment terms of the consideration of the acquisition in the formal agreement. The Target Group is principally engaged in the business of service provision of the WeChat Pay Cross-Border Solutions to Tenpay, an integrated online payment platform, and the retail merchants in Hong Kong. Up to the date of approval of these consolidated financial statements, there is no formal agreement signed and the transaction is not yet completed.

Further details are set out in the Company’s announcement dated 11 April 2017.

37. 報告期後事項

(a) 收購一間附屬公司

於二零一七年一月九日，本公司與獨立第三方出售方盛富製作有限公司訂立買賣協議，以收購Star Root Limited（「Star Root」，一間於英屬處女群島註冊成立之公司）之全部權益，現金代價為50,000,000港元。Star Root及其附屬公司主要從事線上廣告代理業務。管理層認為，此收購事項將使本集團可與香港及中國線上資訊平台合作及接洽，以拓展本集團產品之銷售及推廣渠道，可為本集團提供額外的收入及現金流來源，並進一步多元化本集團之整體業務。收購事項已於二零一七年四月十三日完成。由於收購事項已於批准該等綜合財務報表日期前少於三個月內完成，故完成業務合併之初始會計並不可行。

收購Star Root之詳情分別載於本公司日期為二零一七年一月九日及二零一七年四月十八日之公佈。

(b) 收購一間於英屬處女群島註冊成立之公司股權之諒解備忘錄

於二零一七年四月十一日，本公司與潛在賣方（「潛在賣方」）就收購一間於英屬處女群島成立之有限責任公司（「目標公司」，連同其附屬公司，統稱「目標集團」）之全部或部分股權，訂立不具法律約束力之諒解備忘錄。本公司將就正式協議內收購代價之金額及支付條款與潛在賣方進行磋商。目標集團主要於香港從事向財付通（綜合線上支付平台）及零售商戶提供微信支付境外收單解決方案服務。直至批准該等綜合財務報表日期，尚未簽訂正式協議，交易亦未達成。

進一步詳情載於本公司日期為二零一七年四月十一日之公佈。

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37. EVENTS AFTER THE REPORTING PERIOD (CONTINUED)

(c) Placing of convertible bonds

On 24 April 2017, the Company and Wealth Link Securities Limited (the “Placing Agent”), entered into a placing agreement pursuant to which the Placing Agent has conditionally agreed to procure, on the best efforts basis, placees to subscribe for the convertible bonds in an aggregate principal amount of up to HK\$300,000,000 at the conversion price of HK\$4.65 and the conversion price of any outstanding convertible bonds on the date of the first anniversary of the date of issue of the convertible bonds shall be reset to HK\$4.00. On 9 May 2017 and 31 May 2017, the Company and the Placing Agent entered into a supplemental placing agreement and a second supplemental agreement respectively to amend certain terms of the Placing Agreement.

The placing of convertible bonds was not completed up to the date of approval of these consolidated financial statements.

37. 報告期後事項(續)

(c) 配售可換股債券

於二零一七年四月二十四日，本公司與富滙證券有限公司(「配售代理」)訂立配售協議，據此，配售代理已有條件同意盡其最大努力促使承配人按換股價4.65港元認購本金總額最多300,000,000港元之可換股債券，而自發行可換股債券日期起計第一週年當日，任何未償還的可換股債券之換股價將重置為4.00港元。於二零一七年五月九日及二零一七年五月三十一日，本公司與配售代理訂立補充配售協議及第二份補充協議，分別修訂配售協議之若干條款。

配售可換股債券直至批准該等綜合財務報表日期尚未完成。

FINANCIAL SUMMARY

財務概要

RESULTS

業績

		2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue	收益	163,767	169,684	227,677	189,958	220,853
Profit before taxation	除稅前溢利	46,484	447	39,915	14,735	15,640
Taxation	稅項	(7,220)	(6,180)	(8,394)	(4,314)	(3,817)
Profit/(loss) for the year	年內溢利／(虧損)	39,264	(5,733)	31,521	10,421	11,823
Profit/(loss) for the year attributable to owners of the Company	本公司擁有人應佔 年內溢利／(虧損)	39,264	(5,733)	31,521	10,421	12,746

ASSETS AND LIABILITIES

資產及負債

		2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Total assets	總資產	82,929	186,589	209,743	234,460	266,084
Total liabilities	總負債	(44,378)	(18,458)	(28,830)	(55,080)	(52,460)
Total equity	權益總額	38,551	168,131	180,913	179,380	213,624
Equity attributable to owners of the Company	本公司擁有人 應佔權益	38,551	168,131	180,913	179,380	212,044

Note: The figures for the year ended 31 March 2013 have been extracted from the Prospectus.

附註：截至二零一三年三月三十一日止年度的數據乃摘錄自配售章程。



RM Group Holdings Limited
御藥堂集團控股有限公司