Annexure A - Historical Financial Information

ANGY (CHINA) MEDICAL LIMITED

ACCOUNTANT'S REPORT

ANGY (CHINA) MEDICAL LIMITED

ACCOUNTANT'S REPORT

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ACCOUNTANT'S REPORT

To Director
Angy (China) Medical Limited

Dear Sirs,

INTRODUCTION

We set out below our report on the financial information relating to Angy (China) Medical Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") comprising the combined statements of financial position of the Group as at 31 December 2014, 2015 and the nine months ended 30 September 2016, the statement of financial position of the Company as at 31 December 2014, 2015 and 30 September 2016, and the combined statements of profit or loss, the combined statements of profit or loss and other comprehensive income, the combined statements of changes in equity and the combined statements of cash flows of the Group, for each of the years ended 31 December 2014, 2015 and the nine months ended 30 September 2016 (the "Relevant Periods"), together with the explanatory information thereto (the "Financial Information"), for inclusion in the Information Memorandum of the Company dated 30 September 2016 (the "Information Memorandum").

The Company was incorporated in the Hong Kong on 2 August 2010 with limited liability. The Company became the holding company of the companies now comprising the Group, details of which are set out in note 1(b) as below.

All the companies now comprising the Group have adopted 31 December as their financial year end date. Details of the companies comprising the Group that are subject to audit during the Relevant Periods and the names of the respective auditors are set out in note 25.

The director of the Company have prepared the combined financial statements of the Group for the Relevant Periods (the "Underlying Financial Statements") on the same basis as used in the preparation of the Financial Information set out in Section B below. The Underlying Financial Statements for each of the years ended 31 December 2014, 2015 and the nine months ended 30 September 2016 were audited by us under separate terms of engagement with the Company in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The Financial Information has been prepared by the director of the Company for inclusion in the Information Memorandum in connection with the listing of CDIs of the Company on the National Stock Exchange of Australia Limited based on the Underlying Financial Statements, with no adjustments made thereon, and in accordance with the applicable disclosure provisions of the Rules Governing the Listing of National Stock Exchange of Australia Limited (the "Listing Rules").

DIRECTOR'S RESPONSIBILITY FOR THE FINANCIAL INFORMAITON

The director of the Company are responsible for the preparation of the Financial Information that gives a true and fair view in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA and the applicable disclosure provisions of the Listing Rules, and for such internal control as the director of the Company determine is necessary to enable the preparation of the Financial Information that is free from material misstatement, whether due to fraud or error.

REPORTING ACCOUNTANT'S RESPONSIBILITY

Our responsibility is to form an opinion on the Financial Information based on our procedures performed in accordance with Auditing Guideline "Prospectuses and the Reporting Accountant" (Statement 3.340) issued by the HKICPA. We have not audited any financial statements of the Company, its subsidiaries or the Group in respect of any period subsequent to 30 September 2016.

OPINION

In our opinion, the Financial Information gives, for the purpose of this report, on the basis of preparation set out in note 1(b) of Section B below, a true and fair view of the financial position of the Group as at 31 December 2014, 2015 and the nine months ended 30 September 2016 and the Company as at 31 December 2014, 2015 and 30 September 2016 and the Group's financial performance and cash flows for the Relevant Periods then ended.

JS CPA & CO. (formerly known as C. Y. Ng & Co.)
Certified Public Accountants (Practising)
Hong Kong
Date: 12 December 2016

ANGY (CHINA) MEDICAL LIMITED

A. COMBINED FINANCIAL INFORMATION
1. COMBINED STATEMENTS PROFIT OR LOSS

	Section B Note	For the year ended 31 December 2014 HK$	For the year ended 31 December 2015 HK$	For the nine months ended 30 September 2016 HK$
Revenue	3	72,330,053	85,701,693	58,999,852
Costs of sales		(60,405,132)	(57,430,980)	(38,663,336)
Gross profit		11,924,921	28,270,713	20,336,516
Other revenue	4(a)	728,743	547,519	22,191
Other net income	4(b)	189,826	125,025	425,908
Selling and distribution expenses		(6,864,475)	(7,059,926)	(3,823,061)
General and administrative expenses		(12,605,526)	(13,627,501)	(11,372,438)
(Loss) / Profit before taxation	5	(6,626,511)	8,255,830	5,589,116
Income tax	6	635,898	(1,832,405)	(572,441)
(Loss) / Profit for the year / period		(5,990,613)	6,423,425	5,016,675

The accompanying notes form part of the Financial Information.

2. COMBINED STATEMENTS PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the year ended 31 December 2014 HK$	For the year ended 31 December 2015 HK$	For the nine months ended 30 September 2016 HK$
(Loss) / Profit for the year / period	(5,990,613)	6,423,425	5,016,675
Other comprehensive income / (loss) for the year / period			
- Exchange differences on translation of financial statements of overseas subsidiary	34,570	(76,310)	(325,522)
Total comprehensive (loss) / income for the year attributable to equity owners of the Company	(5,956,043)	6,347,115	4,691,153
(Loss) / Profit attributable to:			
Equity shareholders of the Company	(5,990,613)	6,423,425	4,727,909
Non-controlling interests	-	-	288,766
Total (loss) / profit for the year / period	(5,990,613)	6,423,425	5,016,675
Total comprehensive (loss) / income attributable to:			
Equity shareholders of the Company	(5,956,043)	6,347,115	4,415,979
Non-controlling interests	-	-	275,174
Total comprehensive (loss) / income for the year / period	(5,956,043)	6,347,115	4,691,153

The accompanying notes form part of the Financial Information.

3. COMBINED STATEMENTS OF FINANCIAL POSITION

	Note	As at 31 December 2014 HK$	As at 31 December 2015 HK$	As at 30 September 2016 HK$
Non-current asset				
Property, plant and equipment	11	1,147,935	691,967	625,280
Goodwill	12	-	-	285,167
		1,147,935	691,967	910,447
Current assets				
Inventories	13	10,837,548	23,210,019	26,607,868
Trade and other receivables	14	2,426,941	6,354,967	14,211,800
Non-current assets held-for-sale and discontinued operations	15	2,280,000	-	-
Cash and cash equivalents	16	8,198,374	4,398,552	2,162,330
Deferred tax asset	18(b)	1,141,718	413,006	-
		24,884,581	34,376,544	42,981,998
Current liabilities				
Trade and other payables	17	20,416,686	22,913,994	24,047,804
Amount due to a director	22(b)	1,239,056	453,587	3,491,187
Current taxation	18(a)	178,994	1,156,035	748,917
		21,834,736	24,523,616	28,287,908
Net current assets		3,049,845	9,852,928	14,694,090
NET ASSETS		4,197,780	10,544,895	15,604,537
CAPITAL AND RESERVES	19			
Share capital		10,000,000	10,000,000	10,000,000
Reserves		(5,802,220)	544,895	4,960,874
Total equity attributable to equity shareholders of the Company		4,197,780	10,544,895	14,960,874
Non-controlling interest		-	-	643,663
TOTAL EQUITY		4,197,780	10,544,895	15,604,537

The accompanying notes form part of the Financial Information.

4. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	As at 31 December 2014 HK$	As at 31 December 2015 HK$	As at 30 September 2016 HK$
Non-current asset			
Investment in a subsidiary	8,800,000	8,800,000	8,800,000
Property, plant and equipment	217,000	124,000	54,250
	9,017,000	8,924,000	8,854,250
Current assets			
Trade and other receivables	-	9,500	433,628
Amount due from a subsidiary	4,975,504	8,558,033	6,104,559
Non-current assets held-for-sale and discontinued operations	2,280,000	-	-
Cash and cash equivalents	4,500,205	1,190,905	796,427
	11,755,709	9,758,438	7,334,614
Current liabilities			
Trade and other payables	6,498,179	1,469,445	607,195
Amount due to a director	1,239,056	453,587	614,628
Current tax liability	60,284	665,773	463,652
	7,797,519	2,588,805	1,685,475
Net current assets	3,958,190	7,169,633	5,649,139
NET ASSETS	12,975,190	16,093,633	14,503,389
CAPITAL AND RESERVES			
Share capital	10,000,000	10,000,000	10,000,000
Reserves	2,975,190	6,093,633	4,503,389
TOTAL EQUITY	12,975,190	16,093,633	14,503,389

The accompanying notes form part of the Financial Information.

5. COMBINED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity owners of the Company					
	Share capital	Exchange reserve	Retained earnings / (Accumulated losses)	Sub-total	Non-controlling interest	Total
	HK$	HK$	HK$	HK$	HK$	HK$
Balance at 1 January 2014	10,000,000	17,771	136,052	10,153,823	-	10,153,823
Changes in equity for 2014:						
Loss for the year	-	-	(5,990,613)	(5,990,613)	-	(5,990,613)
Other comprehensive profit for the year - Exchange differences on translation of financial statements of overseas subsidiary	-	34,570	-	34,570	-	34,570
Total comprehensive loss for the year	-	34,570	(5,990,613)	(5,956,043)	-	(5,956,043)
Balance at 31 December 2014 and at 1 January 2015	10,000,000	52,341	(5,854,561)	4,197,780	-	4,197,780
Changes in equity for 2015:						
Profit for the year	-	-	6,423,425	6,423,425	-	6,423,425
Other comprehensive income for the year - Exchange differences on translation of financial statements of overseas subsidiary	-	(76,310)	-	(76,310)	-	(76,310)
Total comprehensive income for the year	-	(76,310)	6,423,425	6,347,115	-	6,347,115
Balance at 31 December 2015 and at 1 January 2016	10,000,000	(23,969)	568,864	10,544,895	-	10,544,895
Acquisition from subsidiary	-	-	-	-	368,489	368,489
Changes in equity for the nine months ended 30 September 2016						
Profit for the period	-	-	4,727,909	4,727,909	288,766	5,016,675
Other comprehensive income for the period - Exchange differences on translation of financial statements of overseas subsidiary	-	(311,930)	-	(311,930)	(13,592)	(325,522)
Total comprehensive income for the period	-	(311,930)	4,727,909	4,415,979	275,174	4,691,153
Balance 30 September 2016	10,000,000	(335,899)	5,296,773	14,960,874	643,663	15,604,537

The accompanying notes form part of the Financial Information.

6. COMBINED STATEMENTS OF CASH FLOWS

	For the year ended 31 December 2014 HK$	For the year ended 31 December 2015 HK$	For the nine months ended 30 September 2016 HK$
Operating activities			
(Loss) / Profit before tax	(6,626,511)	8,255,830	5,589,116
Adjustments for:			
Bank interest income	(181,656)	(8,261)	(1,098)
Depreciation	520,435	491,613	445,864
Operating (loss) / profit before changes in working capital	(6,287,732)	8,739,182	6,033,882
Increase in inventories	(332,418)	(12,372,471)	(3,397,849)
Increase in trade and other receivables	(1,240,058)	(3,928,026)	(7,712,328)
Increase in trade and other payables	2,515,277	2,497,308	721,042
Increase / (Decrease) in amount due to a director	4,214,895	(785,469)	3,037,600
Cash used in operating activities	(1,130,036)	(5,849,476)	(1,317,653)
Bank interest income	181,656	8,261	1,098
Hong Kong profits tax paid	(164,595)	(126,651)	-
Overseas profits tax paid	(301,197)	-	(566,554)
Net cash used in operating activities	(1,414,172)	(5,967,866)	(1,883,109)
Investing activities			
Payment for purchases property, plant and equipment	(469,821)	(44,199)	(193,843)
Net cash inflow for acquisition of a subsidiary	-	-	148,140
Proceeds from the non-current assets held-for-sale securities	3,353,739	2,280,000	-
Net cash generated from / (used in) investing activities	2,883,918	2,235,801	(45,703)

The accompanying notes form part of the Financial Information.

6. COMBINED STATEMENTS OF CASH FLOWS

	For the year ended 31 December 2014 HK$	For the year ended 31 December 2015 HK$	For the nine months ended 30 September 2016 HK$
Net increase / (decrease) in cash and cash equivalents	1,469,746	(3,732,065)	(1,928,812)
Exchange difference	25,012	(67,757)	(307,410)
Cash and cash equivalents at the beginning of the year / period	6,703,616	8,198,374	4,398,552
Cash and cash equivalents at the end of the year / period	8,198,374	4,398,552	2,162,330

The accompanying notes form part of the Financial Information.

B. NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The Financial Information set out in this report has been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Further details of the significant accounting policies adopted by Angy (China) Medical Limited (the "Company") and its subsidiary (together referred to as the "Group") are set out in the remainder of this note 1 under Section B.

The HKICPA has issued a number of new and revised HKFRSs. For the purpose of preparing the Financial Information, the Group has adopted all these new and revised HKFRSs to the Relevant Periods, except for any new standards or interpretations that are not yet effective for the Relevant Periods. The revised and new accounting standards and interpretations issued but not yet effective for the Relevant Periods and not adopted in this Financial Information are set out in note 24.

The Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of National Stock Exchange of Australia Limited (the "Listing Rules").

The accounting policies set out below have been applied consistently to all periods presented in the Financial Information.

(b) Basis of preparation of the Financial Information

The Financial Information comprises the Company and its subsidiary. The Financial Information has been prepared using the principles of merger accounting as if the Group had always been in existence as further explained below.

The combined statements of profit or loss, the combined statements of profit or loss and other comprehensive income, the combined statements of changes in equity and the combined statements of cash flow of the Group for the Relevant Periods as set out in Section A of this report include the results of operations of the companies now comprising the Group as if the current group structure had been in existence and remained unchanged throughout the Relevant Periods. The combined statements of financial position of the Group as at 31 December 2014, 2015 and the nine months ended 30 September 2016 as set out in Section A of this report have been prepared to present the state of affairs of the companies now comprising the Group as at those dates as if the current group structure had been in existence as at the respective dates.

B. NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation of the Financial Information (continued)

Intra-group balances and transactions are eliminated in full in preparing the Financial Information. 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.

As at the date of approval of this Financial Information, the Company had direct or indirect interests in the following subsidiary, all of which are private company. The particulars of these subsidiary are set out below:

Name of company	Place of incorporation and business	Particulars of issued and paid up capital	Proportion of ownership interest held by the Company	Principal activities
Angy (Guangzhou) Medical Technology Company Limited	The People's Republic of China	HK$8,800,000	100%	Medical equipment maintenance; commission agents; provide consulting services, computer technology development, technical services; import and export; and wholesale
盈時(廣州)專用設備制造有限公司	The People's Republic of China	HK$2,500,000	60%	Manufacturing of medical equipment

(c) Basis of measurement and use of estimates and judgements

The Financial Information are presented in Hong Kong dollars ("HK$"), rounded to the nearest thousand, which is the functional currency of the Company and its subsidiary carrying on business in Hong Kong. The measurement basis used in the preparation of the Financial Information is the historical cost basis.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Basis of measurement and use of estimates and judgements (continued)

The preparation of the Financial Information 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 values 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 significant effect on the Financial Information and major sources of estimation uncertainty are discussed in note 2.

(d) Business combinations

(i) Business combinations involving entities under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The assets and liabilities obtained are measured at the carrying amounts as recorded by the entity being combined at the combination date. The difference between the carrying amount of the net assets obtained and the carrying amount of consideration paid for the combination (or the total face value of shares issued) is adjusted to equity. The combination date is the date on which one combining entity effectively obtains control of the other combining entities.

(ii) Business combinations involving entities not under common control

A business combination involving entities not under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the business combination. The acquirer, at the acquisition date, allocates the cost of the business combination by recognising the acquiree's identifiable assets, liabilities and contingent liabilities at their fair value at that date.

B. NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Subsidiaries and non-controlling interests

Subsidiaries are entity 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.

The financial statements of subsidiary is included in the Financial Information 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 Financial Information. 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. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests'proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders 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 equity shareholders of the Company. 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 in accordance with notes 1(m) depending on the nature of the liability.

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 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 the former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as 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.

B. NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Goodwill

Goodwill represents the excess of

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognized immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to cash generating units, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 1(k)(ii)).

On disposal of a cash generating unit, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(g) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

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 disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

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 improvement	20%
Motor vehicle	30%
Office equipment	19% - 33.33%
Furniture and fixtures	19% - 20%

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.

B. NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Non-current assets held-for-sale and discontinued operations

Non-current assets or disposal groups are classified as held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. The Company must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

(i) 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.

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 asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

(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 (see note 1(k)(i)), 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.

(k) Impairment of assets

(i) Impairment of trade and other receivables

Trade and other receivables that are stated at cost or amortised cost 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:

B. NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Impairment of assets (continued)

(i) Impairment of trade and other receivables (continued)

- 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.

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.

B. NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) 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 property, plant and equipment may be impaired or, an impairment loss previously recognised no longer exists or may have decreased:

If any such indication exists, the asset's recoverable amount is estimated.

- 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).

- Recognition of impairment losses

  An impairment loss is recognised in profit or loss if 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 value 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 reporting period in which the reversals are recognised.

B. NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average 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.

(m) Trade and other payables

Trade and other payables are initially recognised at fair value. Trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand 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.

(o) Employee benefits

(i) Short term employee benefits

Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the reporting period 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.

B. NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Employee benefits (continued)

(ii) Retirement benefits

Contributions to defined contribution retirement plans are recognised as an expense in profit or loss as incurred.

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$25,000 prior to June 2014 or HK$30,000. Contributions to the plan vest immediately.

The entity within the Group in the PRC participates in PRC local retirement schemes organised by relevant government authorities for its employees in the PRC and contributes to these schemes based on certain percentage of the salaries of the employees on a monthly basis, up to a maximum fixed monetary amount, as stipulated by the relevant government authorities. The government authorities undertake to assume the retirement contribution obligations payable to all existing and future retired employees under these schemes. Contributions to these schemes vest immediately.

(p) Income tax

Income tax for the reporting period 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 reporting period, 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.

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.

B. NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Income tax (continued)

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 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 difference 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 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.

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.

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 Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

B. NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Income tax (continued)

- in the case of current tax assets and liabilities, 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.

(q) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group 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 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 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 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 risks and rewards of ownership. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

B. NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Revenue recognition (continued)

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method.

(s) Translation of foreign currencies

Foreign currency transactions during the reporting period 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 at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(t) Related parties

(1) 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.

B. NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Related parties (continued)

(2) 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 (1).

(vii) A person identified in (1)(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.

(u) Segment reporting

Operating segments, and the amounts of each segment item reported in the Financial Information, are identified from the financial information provided regularly to the Group's chief operating decision maker for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Segment reporting (continued)

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The Group's financial position and results of operations are sensitive to accounting methods, assumptions and estimates that underlie the preparation of the Financial Information. Management bases the assumptions and estimates on historical experience and on other factors that the management believes to be reasonable and which form the basis for making judgments about matters that are not readily apparent from other sources. On an on-going basis, management evaluates its estimates. Actual results may differ from those estimates as facts, circumstances and conditions change.

The selection of significant accounting policies, the judgments and other uncertainties affecting application of those policies and the sensitivity of reporting results to changes in conditions and assumptions are factors to be considered when reviewing the Financial Information. The significant accounting policies are set out in note 1 above.

The key sources of estimation uncertainty are as follows:

(a) Impairment for property, plant and equipment

If circumstances indicate that the carrying amounts of property, plant and equipment may not be recoverable, the assets may be considered "impaired", and an impairment loss may be recognised to reduce the carrying amounts to the recoverable amount in accordance with the accounting policy for impairment of these assets as described in note 1(k)(ii). The recoverable amount is the greater of the fair value less costs of disposal and the value in use. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgment relating to level of revenue and amount of operating costs. Management uses all readily available information in determining an amount that is a reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of revenue and amount of operating costs. Changes in these estimates could have a significant impact on the carrying value of the assets and could result in additional impairment charge or reversal of impairment in future periods.

2. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

(b) Assessment of economic useful lives of property, plant and equipment

Management estimates the useful lives of property, plant and equipment based on the periods over which the assets are expected to be available for use. Management reviews annually their estimated useful lives, based on factors that include asset utilisation, internal technical evaluation, technological changes, environmental and anticipated use of the assets tempered by related industry benchmark information. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of property, plant and equipment would increase depreciation charges and decrease the carrying amount of property, plant and equipment.

(c) Impairment for trade receivables

Management estimates impairment losses for trade receivables (which are recorded in an allowance account for doubtful debts) resulting from the inability of the customers to make the required payments. Management bases its estimates on the ageing of the trade receivables balance, customer credit-worthiness and historical write-off experience. If the financial condition of the customers were to deteriorate, actual write-offs would be higher than expected and could significantly affect the results in future periods.

(d) Net realisable value of inventories

As described in note 1(l), net realisable value of inventories is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale. These estimates are based on the current market conditions and the historical experience of selling the products with similar nature. Any change in the assumptions would increase or decrease the amount of inventories write-down or the related reversals of write-down made in prior periods and affect the Group's net assets value. Management reassesses these estimates at the end of each reporting period to ensure inventories are shown at the lower of cost and net realisable value.

(e) Recognition of income taxes and deferred tax assets

Determining income tax provision involves judgment on the future tax treatment of certain transactions. Management evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatments of such transactions are reconsidered periodically to take into account all changes in tax legislation. Deferred tax assets are recognised in respect of deductible temporary differences, unused tax losses and unused tax credits. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax loses and unused tax credits can be utilised, management's judgment is required to assess the probability of future taxable profits. Management's assessment is revised as necessary and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

B. NOTES TO THE FINANCIAL STATEMENTS

3. REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are trading of medical instrument during the Relevant Periods.

Revenue represents the sales value of goods supplied to customers. The amount of each significant category of revenue during the Relevant Periods is as follows:

	For the year ended 31 December 2014 HK$	For the year ended 31 December 2015 HK$	For the nine months ended 30 September 2016 HK$
Medical instrument	72,330,053	85,701,693	58,999,852

(b) Segment reporting

HKFRS 8 "Operating Segments" requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the Group's chief operating decision maker (i.e., the board of director of the Company) for the purpose of resources allocation and performance assessment. On this basis, the Group has determined that it only has one operating segment which is the retail and wholesale of medical instrument products.

(i) Information about geographical area

The following table sets out information about the geographical location of the Group's revenue from external customers and the Group's property, plant and equipment ("specified non-current assets"). The geographical location of customers is based on the location at which the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset.

B. NOTES TO THE FINANCIAL STATEMENTS

3. REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

(i) Information about geographical area (continued)

The geographical information of the Group's revenue from external customers for the years ended 31 December 2014, 2015 and for the nine months ended 30 September 2016, and specified non-current assets as at 31 December 2014, 2015 and for the nine months ended 30 September 2016 is set out below:

	Revenue from external customers		
	For the year ended 31 December 2014 HK$	For the year ended 31 December 2015 HK$	For the nine months ended 30 September 2016 HK$
Mainland China	72,330,053	85,701,693	58,999,852

	Specified non-current assets		
	For the year ended 31 December 2014 HK$	For the year ended 31 December 2015 HK$	For the nine months ended 30 September 2016 HK$
Hong Kong (place of domicile)	217,000	124,000	54,250
Mainland China	930,935	567,967	571,030
	1,147,935	691,967	625,280

(ii) Information about major customers

For the years ended 31 December 2014, 2015 and nine months ended 30 September 2016, the Group's customer base includes 2, 1 and 1 customer(s), respectively of the medical instrument segment with whose transactions have exceeded 10% of the Group's revenue. Revenue from sales of medical instrument to this customer, including sales to entities which are known to the Group to be under common control amounted to approximately HK$25,352,000, HK$13,921,000 and HK$7,561,000 respectively.

B. NOTES TO THE FINANCIAL STATEMENTS

4. OTHER REVENUE AND NET INCOME

(a) Other revenue

	For the year ended 31 December 2014 HK$	For the year ended 31 December 2015 HK$	For the nine months ended 30 September 2016 HK$
Bank interest income	181,656	8,261	1,098
Exhibition income	312,782	427,491	-
Maintenance income	153,657	67,831	-
Others	80,648	43,936	21,093
	728,743	547,519	22,191

(b) Other net income

	For the year ended 31 December 2014 HK$	For the year ended 31 December 2015 HK$	For the nine months ended 30 September 2016 HK$
Net foreign exchange gain	189,826	125,025	425,908

B. NOTES TO THE FINANCIAL STATEMENTS

5. (LOSS) / PROFIT BEFORE TAXATION

(Loss) / Profit before taxation is arrived at after charging:

(a) Staff costs (including director's remuneration)

	For the year ended 31 December 2014 HK$	For the year ended 31 December 2015 HK$	For the nine months ended 30 September 2016 HK$
Contributions to defined contribution retirement plans	681,306	809,041	250,586
Salaries, wages and other benefits	7,409,657	8,220,884	6,557,690
	8,090,963	9,029,925	6,808,276

(b) Other items

	For the year ended 31 December 2014 HK$	For the year ended 31 December 2015 HK$	For the nine months ended 30 September 2016 HK$
Depreciation for property, plant and equipment	520,435	491,613	445,864
Operating lease charges in respect of properties - minimum lease payments	1,541,642	1,738,715	1,431,778
Auditors' remuneration - audit services	39,500	68,800	88,400
Cost of inventories (Note 13)	60,405,132	57,430,980	38,663,336

B. NOTES TO THE FINANCIAL STATEMENTS

6. INCOME TAX IN THE COMBINED STATEMENTS OF PROFIT OR LOSS

(a) Income tax in the combined statements of profit or loss represents:

	For the year ended 31 December 2014 HK$	For the year ended 31 December 2015 HK$	For the nine months ended 30 September 2016 HK$
Current tax – Hong Kong profits tax			
Provision for the year	342,471	605,489	-
Current tax - Overseas			
Provision for the year	163,349	498,204	159,435
Deferred tax			
Origination and reversal of temporary differences	(1,141,718)	728,712	413,006
Total	(635,898)	1,832,405	572,441

The provision for Hong Kong Profits Tax for each of the Relevant Periods is calculated at 16.5% of the estimated assessable profits for the year. Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant tax jurisdictions.

(b) Reconciliation between tax expense and accounting (loss) / profit at applicable tax rates:

	For the year ended 31 December 2014 HK$	For the year ended 31 December 2015 HK$	For the nine months ended 30 September 2016 HK$
(Loss) / Profit before taxation	(6,626,511)	8,255,830	5,589,116
Notional tax on (loss) / profit before taxation, calculated at the rates applicable to profits in the tax jurisdictions concerned	(1,093,374)	1,362,212	922,204
Tax effect of non-deductible expenses	1,141,719	7,699	-
Tax effect of non-taxable income	(7,708)	(728,720)	(483,282)
Temporary difference	(21,483)	11,048	8,501
Tax effect of tax losses not recognised	-	-	253,890
Recognition of deferred tax previously not recognised	(1,141,718)	728,712	413,006
Tax effect of different taxation rate in other jurisdictions	506,666	471,454	(541,878)
One off reduction	(20,000)	(20,000)	-
Actual tax expense	(635,898)	1,832,405	572,441

B. NOTES TO THE FINANCIAL STATEMENTS

7. DIRECTOR'S REMUNERATION

The remuneration of the director's for the Relevant Periods is set out below:

For the year ended 31 December 2014

	Director's fee HK$	Salaries, allowances and benefits in kind HK$	Contribution to defined contribution plan HK$	Total HK$
Executive director				
Ao Zhenming	-	500,000	-	500,000

For the year ended 31 December 2015

	Director's fee HK$	Salaries, allowances and benefits in kind HK$	Contribution to defined contribution plan HK$	Total HK$
Executive director				
Ao Zhenming	-	500,000	-	500,000

For the nine months ended 30 September 2016

	Director's fee HK$	Salaries, allowances and benefits in kind HK$	Contribution to defined contribution plan HK$	Total HK$
Executive director				
Ao Zhenming	-	375,000	-	375,000

Notes:

(i) No director received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for loss of office during the Relevant Periods. No director waived or agreed to waive any emoluments during the Relevant Periods.

(ii) The Company did not have any share option scheme for the purchase of ordinary shares in the Company during the Relevant Periods.

B. NOTES TO THE FINANCIAL STATEMENTS

8. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, 1 is director of the Company for the years ended 31 December 2014, 2015 and for the nine months ended 30 September 2016 whom emoluments are disclosed in note 7. The aggregate of the emoluments in respect of the remaining individuals are as follows:

	For the year ended 31 December 2014 HK$	For the year ended 31 December 2015 HK$	For the nine months ended 30 September 2016 HK$
Salaries and other emoluments	1,949,896	1,565,628	1,140,217
Contributions to retirement benefits schemes	110,200	101,573	71,441
	2,060,096	1,667,201	1,211,658

The emoluments of the above individuals with the highest emoluments are within the following bands:

	For the year ended 31 December 2014 HK$	For the year ended 31 December 2015 HK$	For the nine months ended 30 September 2016 HK$
HK$Nil – HK$500,000	4	5	5
HK$500,001 – HK$1,000,000	1	-	-

No emoluments were paid or payable by the Group to these employees as an inducement to join or upon joining the Group or as compensation for loss of office during the Relevant Periods.

9. EARNINGS PER SHARE

Earnings per share information is not presented as its inclusion, for the purpose of the Financial Information, is not considered meaningful due to the preparation of the results of the Group for the Relevant Periods on the combined basis as disclosed in note 1(b) of Section B above.

10. DIVIDEND

No dividend has been declared by the Company since its incorporation.

B. NOTES TO THE FINANCIAL STATEMENTS

11. PROPERTY, PLANT AND EQUIPMENT

Group

	Leasehold improvement HK$	Office equipment HK$	Motor vehicle HK$	Total HK$
Cost				
At 1 January 2014	857,706	676,314	-	1,534,020
Additions	-	159,821	310,000	469,821
Exchange adjustments	7,194	5,673	-	12,867
At 31 December 2014	864,900	841,808	310,000	2,016,708
At 1 January 2015	864,900	841,808	310,000	2,016,708
Additions	-	44,199	-	44,199
Exchange adjustments	(12,012)	(11,691)	-	(23,703)
At 31 December 2015	852,888	874,316	310,000	2,037,204
At 1 January 2016	852,888	874,316	310,000	2,037,204
Additions from acquisition of a subsidiary	79,509	119,632	-	199,141
Additions	-	198,147	-	198,147
Exchange adjustments	151,649	(229,690)	-	(78,041)
At 30 September 2016	1,084,046	962,405	310,000	2,356,451
Accumulated depreciation				
At 1 January 2014	196,373	148,656	-	345,029
Charge for the year	172,812	254,623	93,000	520,435
Exchange adjustments	1,815	1,494	-	3,309
At 31 December 2014	371,000	404,773	93,000	868,773
At 1 January 2015	371,000	404,773	93,000	868,773
Charge for the year	158,098	240,515	93,000	491,613
Exchange adjustments	(6,888)	(8,261)	-	(15,149)
At 31 December 2015	522,210	637,027	186,000	1,345,237
At 1 January 2016	522,210	637,027	186,000	1,345,237
Charge for the period	225,470	150,644	69,750	445,864
Exchange adjustments	(28,121)	(31,809)	-	(59,930)
At 30 September 2016	719,559	755,862	255,750	1,731,171

B. NOTES TO THE FINANCIAL STATEMENTS

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group (continued)

	Leasehold improvement HK$	Office equipment HK$	Motor vehicle HK$	Total HK$
Carrying amount				
At 30 September 2016	364,487	206,543	54,250	625,280
At 31 December 2015	330,678	237,289	124,000	691,967
At 31 December 2014	493,900	437,035	217,000	1,147,935

12. GOODWILL

	HK$
Cost	
At 1 January 2014, 31 December 2014 and 31 December 2015	-
Additions	285,167
At 30 September 2016	285,167
Accumulated amortisation	
At 1 January 2014, 31 December 2014, 31 December 2015 and 30 September 2016	-
Carrying amount	
30 September 2016	285,167
31 December 2015	-
31 December 2014	-

B. NOTES TO THE FINANCIAL STATEMENTS

12. GOODWILL (CONTINUED)

Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's cash-generating units (CGU) identified according to country of operation and operating segment as follows:

	For the year ended 31 December 2014 HK$	For the year ended 31 December 2015 HK$	For the nine months ended 30 September 2016 HK$
Medical instrument	-	-	285,167

13. INVENTORIES

	For the year ended 31 December 2014 HK$	For the year ended 31 December 2015 HK$	For the nine months ended 30 September 2016 HK$
Goods for resale	10,837,548	23,210,019	26,607,868

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	For the year ended 31 December 2014 HK$	For the year ended 31 December 2015 HK$	For the nine months ended 30 September 2016 HK$
Carrying amount of inventories sold	60,405,132	57,430,980	38,663,336

B. NOTES TO THE FINANCIAL STATEMENTS

14. TRADE AND OTHER RECEIVABLES

	For the year ended 31 December 2014 HK$	For the year ended 31 December 2015 HK$	For the nine months ended 30 September 2016 HK$
Trade receivables	49,235	4,946,338	12,488,000
Other receivables	1,747,487	1,210,939	1,048,857
Deposits and prepayments	630,219	197,690	674,943
	2,426,941	6,354,967	14,211,800

(a) Ageing analysis of trade receivables

As of the end of each reporting period, the ageing analysis of trade receivables (which are included in trade and other receivables), based on the invoice date, is as follows:

	For the year ended 31 December 2014 HK$	For the year ended 31 December 2015 HK$	For the nine months ended 30 September 2016 HK$
Less than 1 month	49,235	4,804,418	12,438,968
1 – 6 months	-	141,920	17,830
Over 6 months	-	-	31,202
	49,235	4,946,338	12,488,000

Trade receivables are normally due within 30 days to 120 days. Further details on the Group's credit policy are set out in note 21(a).

(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 1(k)(i)). At 31 December 2014, 2015 and for the nine months ended 30 September 2016, none of trade receivables was individually determined to be impaired.

14. TRADE AND OTHER RECEIVABLES (CONTINUED)

(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:

	For the year ended 31 December 2014 HK$	For the year ended 31 December 2015 HK$	For the nine months ended 30 September 2016 HK$
Neither past due nor impaired	49,235	4,946,338	12,438,968
1 to 3 months past due	-	-	17,830
Over 3 months past due	-	-	31,202
	49,235	4,946,338	12,488,000

Receivables that were neither past due nor impaired relate to a range of customers for whom there was no recent 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.

15. NON-CURRENT ASSETS HELD-FOR-SALE AND DISCONTINUED OPERATIONS

The assets and liabilities related to Plus Trend (HK) Limited, a 60% owned subsidiary of the Company, have been presented as held-for-sale following the approval of the Group's management and shareholders on 1 April 2015 to sell Plus Trend (HK) Limited in Hong Kong. The completion date for the transaction was 1 April 2015.

	For the year ended 31 December 2014 HK$	For the year ended 31 December 2015 HK$	For the nine months ended 30 September 2016 HK$
Unlisted shares, at cost	2,280,000	-	-

B. NOTES TO THE FINANCIAL STATEMENTS

15. NON-CURRENT ASSETS HELD-FOR-SALE AND DISCONTINUED OPERATIONS (CONTINUED)

At 31 December 2014, the Company had interests in the following company:

Name of company	Place of incorporation and business	Particulars of issued and paid up capital	Proportion of ownership interest held by the Company	Principal activity
Plus Trend (HK) Limited	Hong Kong	HK$3,800,000	60%	Dormant

Disposal of interest in a subsidiary

On 1 April 2015, the Company disposed all the interest in Plus Trend (HK) Limited at a consideration of HK$2,280,000. There was no gain or loss on disposal of the subsidiary.

16. CASH AND CASH EQUIVALENTS

	For the year ended 31 December 2014 HK$	**For the year ended 31 December 2015 HK$**	**For the nine months ended 30 September 2016 HK$**
Cash and cash equivalents in the combined statements of financial position and combined statements of cash flows:			
- Cash at bank and on hand	8,198,374	4,398,552	2,162,330

As at 31 December 2014, 2015 and for the nine months ended 30 September 2016, cash and cash equivalents in the amount of approximately HK$3,702,000, HK$3,214,000 and HK$1,366,000, respectively, are denominated in Renminbi. Of these, as at 31 December 2014, 2015 and for the nine months ended 30 September 2016, HK$3,698,000, HK$3,207,000 and HK$1,365,000, respectively, are placed with financial institutions in the PRC, the remittance of which are subject to relevant rules and regulations of foreign exchange control promulgated by the PRC Government.

B. NOTES TO THE FINANCIAL STATEMENTS

17. TRADE AND OTHER PAYABLES

	For the year ended 31 December 2014 HK$	For the year ended 31 December 2015 HK$	For the nine months ended 30 September 2016 HK$
Trade payables	7,032,685	12,407,179	10,009,866
Other accruals and payables	13,384,001	10,506,815	14,037,938
	20,416,686	22,913,994	24,047,804

Ageing analysis of trade payables

As at 31 December 2014, 2015 and for the nine months ended 30 September 2016, the ageing analysis of trade payables, based on the invoice date, is as follows:

	For the year ended 31 December 2014 HK$	For the year ended 31 December 2015 HK$	For the nine months ended 30 September 2016 HK$
Less than 1 month	5,865,677	10,965,462	9,984,975
1 – 6 months	1,167,008	1,415,649	-
Over 6 months	-	26,068	24,891
	7,032,685	12,407,179	10,009,866

18. INCOME TAX IN THE COMBINED STATEMENTS OF FINANCIAL POSITION

(a) Current taxation in the combined statements of financial position represents:

	For the year ended 31 December 2014 HK$	For the year ended 31 December 2015 HK$	For the nine months ended 30 September 2016 HK$
Provision for Hong Kong Profits Tax for the year	342,471	605,489	-
Profits Tax provision relating to prior years	(2,586)	-	-
	339,885	605,489	-
Provisional Profits Tax paid	(324,240)	52,342	463,652
	15,645	657,831	463,652
Provision for Overseas tax	163,349	498,204	285,265
Tax payable	178,994	1,156,035	748,917

(b) Deferred tax assets recognised

The components of deferred tax assets recognised in the combined statements of financial position and the movements during the years / period are as follows:

Deferred tax arising from unrealised profit arising from intra-group transactions:

	For the year ended 31 December 2014 HK$	For the year ended 31 December 2015 HK$	For the nine months ended 30 September 2016 HK$
At 1 January	-	1,141,718	413,006
Credited / (charged) to profit or loss	1,141,718	(728,712)	(413,006)
At 31 December / 30 September	1,141,718	413,006	-

Reconciliation to the combined statements of financial position is as follows:

	For the year ended 31 December 2014 HK$	For the year ended 31 December 2015 HK$	For the nine months ended 30 September 2016 HK$
Net deferred tax assets recognised in the combined statements of financial position	1,141,718	413,006	-

19. CAPITAL AND RESERVES

(a) Movement in component of equity

The reconciliation between the opening and closing balances of each component of the Group's combined equity is set out in the combined statements of changes in equity.

(b) Share capital

	For the year ended 31 December 2014 HK$	For the year ended 31 December 2015 HK$	For the nine months ended 30 September 2016 HK$
Issued and fully paid:			
10,000,000 ordinary shares of HK$1 each	10,000,000	10,000,000	10,000,000

(c) Exchange reserve

The exchange 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 1(s).

(d) Dividends

Dividends during each of the years ended 31 December 2014, 2015 and for the nine months ended 30 September 2016 represented dividends declared by the companies now comprising the Group to the Controlling Shareholders for each of the years ended 31 December 2014, 2015 and for the nine months ended 30 September 2016, after elimination of intra-group dividends. The rates for dividend and the number of shares ranking for dividends are not presented as such information is not considered meaningful for the purpose of this Financial Information.

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for equity owners and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

19. CAPITAL AND RESERVES (CONTINUED)

(e) Capital management (continued)

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to capital structure in light of changes in economic conditions.

The Group monitors its capital structure with reference to its debt position. The Group's strategy was to maintain the equity and debt position and ensure there is adequate working capital to service its debt obligation. At 31 December 2014, 2015 and 30 September 2016, the ratio of the Group's total liabilities over its total assets was 83%, 70% and 64%, respectively.

Neither the Company nor any of its subsidiary are subject to any externally imposed capital requirements.

20. FINANCIAL INSTRUMENTS BY CATEGORY

The table below is an analysis of the carrying amounts of financial instruments by category as at the end of each of the Relevant Periods:

	For the year ended 31 December 2014 HK$	For the year ended 31 December 2015 HK$	For the nine months ended 30 September 2016 HK$
Financial assets			
Loans and receivables			
Trade receivables	49,235	4,946,338	12,488,000
Other receivables	1,747,487	1,210,939	1,048,857
Cash and cash equivalents	8,198,374	4,398,552	2,162,330
	9,995,096	10,555,829	15,699,187
Financial liabilities			
Financial liabilities measured at amortised cost			
Trade payables	7,032,685	12,407,179	10,009,866
Other accruals and payables	13,384,001	10,506,815	14,037,938
Amount due to a director	1,239,056	453,587	3,491,187
	21,655,742	23,367,581	27,538,991

21. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

The Group's major financial instruments include trade and other receivables, cash and cash equivalents, trade and other payables and amount due a director. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables and cash at banks. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade and other receivables, individual credit evaluations are performed on all customers and debtors requiring credit over a certain amount. These evaluations focus on the past history of making payments of the customers/debtors when due and current ability to pay, and take into account information specific to the customers/debtors as well as pertaining to the economic environment in which the customers/ debtors operate.

Cash is deposited with financial institutions with sound credit ratings and the Group has exposure limit to any single financial institution. Given their high credit ratings, management does not expect any of these financial institutions will fail to meet their obligations.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer/debtor rather than the industry or country in which the customers/debtors operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers/debtors. As at 31 December 2014, 2015 and 30 September 2016, Nil, 86% and 11% of the trade debtors, respectively, were due from the Group's largest customers; and Nil, 86% and 19% of the trade debtors, respectively, were due from the Group's five largest customers.

The credit risk is also concentrated on amounts due from Controlling Shareholders of the Group. In order to minimise the credit risk, the management of the Group closely monitors the exposure and reviews the recoverable amounts of such receivables to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Group consider that the Group's credit risk is significantly reduced.

The Group does not provide any guarantees which would expose the Group to credit risk.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 14.

21. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash outflows (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:

	At 31 December 2014			
	On demand or within 1 year HK$	More than 1 year but less than 2 years HK$	Total HK$	Carrying amount HK$
Trade and other payables	20,416,686	-	20,416,686	20,416,686
Amount due to a director	1,239,056	-	1,239,056	1,239,056
	21,655,742	-	21,655,742	21,655,742

	At 31 December 2015			
	On demand or within 1 year HK$	More than 1 year but less than 2 years HK$	Total HK$	Carrying amount HK$
Trade and other payables	22,887,926	26,068	22,913,994	22,913,994
Amount due to a director	453,587	-	453,587	453,587
	23,341,513	26,068	23,367,581	23,367,581

21. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Liquidity risk (continued)

	At 30 September 2016			
	On demand or within 1 year HK$	More than 1 year but less than 2 years HK$	Total HK$	Carrying amount HK$
Trade and other payables	24,022,913	24,891	24,047,804	24,047,804
Amount due to a director	3,491,187	-	3,491,187	3,491,187
	27,514,100	24,891	27,538,991	27,538,991

(c) Currency risk

(i) Exposure to currency risk

For presentation purposes, the Group's financial information is shown in Hong Kong dollars ("HKD"). The companies within the Group, whose functional currencies are different from Hong Kong dollars, have translated their financial information into HKD for combination purpose.

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, 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 Euros, United States dollars and Renminbi.

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities 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 reporting dates.

21. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Currency risk (continued)

(i) Exposure to currency risk (continued)

	At 31 December 2014		
	Euros HK$	United States dollars HK$	Renminbi HK$
Trade and other receivables	-	-	2,426,941
Cash and cash equivalents	2,272,153	1,003,454	3,702,273
Trade and other payables	(622,312)	-	(13,918,507)
Gross exposure arising from recognised assets and liabilities	1,649,841	1,003,454	(7,789,293)

	At 31 December 2015		
	Euros HK$	United States dollars HK$	Renminbi HK$
Trade and other receivables	-	-	6,345,467
Cash and cash equivalents	313,371	70,131	3,214,261
Trade and other payables	-	(271,250)	(21,444,549)
Gross exposure arising from recognised assets and liabilities	313,371	(201,119)	(11,884,821)

	At 30 September 2016		
	Euros HK$	United States dollars HK$	Renminbi HK$
Trade and other receivables	-	-	13,778,172
Cash and cash equivalents	746,603	6,067	1,326,446
Trade and other payables	-	-	(23,440,609)
Gross exposure arising from recognised assets and liabilities	746,603	6,067	(8,335,991)

21. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Currency risk (continued)

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after taxation 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.

	At 31 December 2014		At 31 December 2015		At 30 September 2016	
	Increase / (decrease) in foreign exchange rate	Effect on profit after taxation and retained earning	Increase / (decrease) in foreign exchange rate	Effect on profit after taxation and retained earnings	Increase / (decrease) in foreign exchange rate	Effect on profit after taxation and retained earnings
	HK$	HK$	HK$	HK$	HK$	HK$
Euros	5%	82,492	5%	15,669	5%	37,330
	(5%)	(82,492)	(5%)	(15,669)	(5%)	(37,330)
United States dollars	5%	50,172	5%	(10,005)	5%	303
	(5%)	(50,172)	(5%)	10,005	(5%)	(303)
Renminbi	5%	(389,464)	5%	(594,241)	5%	(416,799)
	(5%)	389,464	(5%)	594,241	(5%)	416,799

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit after taxation and equity measured in the respective functional currency, translated to Hong Kong dollars at the exchange rate ruling at the end of the reporting periods 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 periods, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currency of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency.

(d) Fair value of financial instruments carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2014, 2015 and 30 September 2016.

22. MATERIAL RELATED PARTY TRANSACTIONS

During the years ended 31 December 2014, 2015 and for the nine months ended 30 September 2016, the transactions or balances with the following parties were considered to be related party transactions:

Name of party	Relationship with the Group
Ao Zhenming	Executive director and one of the Controlling Shareholders

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's director as disclosed in note 7, is as follows:

	For the year ended 31 December 2014 HK$	For the year ended 31 December 2015 HK$	For the nine months ended 30 September 2016 HK$
Salaries, wages and other benefits	500,000	500,000	375,000

Total remuneration is included in "staff costs" (see note 5(a)).

(b) Financial arrangements

	For the year ended 31 December 2014 HK$	For the year ended 31 December 2015 HK$	For the nine months ended 30 September 2016 HK$
Amount due to a director - Ao Zhenming	1,239,056	453,587	3,491,187

Note

(i) The outstanding balances with the party is unsecured, interest free, non-trade in nature and have no fixed repayment terms.

23. COMMITMENTS

(a) Capital commitments outstanding at 31 December 2015 not provided for in the financial statements were as follows:

	For the year ended 31 December 2014 HK$	For the year ended 31 December 2015 HK$	For the nine months ended 30 September 2016 HK$
Authorised but not contracted for	-	-	1,676,012

(b) At 31 December 2014, 2015 and 30 September 2016, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	For the year ended 31 December 2014 HK$	For the year ended 31 December 2015 HK$	For the nine months ended 30 September 2016 HK$
Within 1 year	1,794,374	985,187	915,656
After 1 year but within 5 years	1,152,398	164,931	589,464
	2,946,772	1,150,118	1,505,120

The Group leases a number of properties under operating leases. The leases typically run for an initial period of 1 to 3 years, with an option to renew the leases when all terms are renegotiated. Certain rentals for the use of shops are determined by reference to the revenue of the relevant shops for the year and the rentals for certain shops will be escalated by a fixed percentage per annum.

24. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE RELEVANT PERIODS

Up to the date of issuance of this Financial Information, the HKICPA has issued the following amendments and new standards which are not yet effective for the Relevant Periods and which have not been early adopted in this Financial Information. These include the following which may be relevant to the Group.

HKFRS 9	Financial Instruments[3]
HKFRS 14	Regulatory deferral accounts[5]
HKFRS 15	Revenue from Contracts with Customers[3]
HKFRS 16	Leases[4]
Amendments to HKFRS 2	Classification and measurement of share-based payment transactions[3]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[1]
Amendments to HKAS 1	Disclosure Initiative[1]
Amendments to HKAS 7	Disclosure initiative[2]
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses[2]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants [1]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[6]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle[1]

1 Effective for annual periods beginning on or after 1 January 2016
2 Effective for annual periods beginning on or after 1 January 2017
3 Effective for annual periods beginning on or after 1 January 2018
4 Effective for annual periods beginning on or after 1 January 2019
5 Effective for an entity that first adopts HKFRS for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group
6 Effective for annual periods beginning on or after a date to be determined

HKFRS 9 "Financial Instruments"

HKFRS 9 replaces the existing guidance in HKAS 39 "Financial Instruments: Recognition and Measurement". HKFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from HKAS 39.

The Group does not plan to early adopt this standard and is currently assessing the financial impact of this standard to the Group's financial position and performance. However, at the date of issuance of this Financial Information, the Group anticipates that this standard is not expected to have any significant impact on the Group's financial position and performance.

24. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE RELEVANT PERIODS (CONTINUED)

HKFRS 15 "Revenue from contracts with customers"

HKFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and HK(IFRIC)-Int 13 "Customer Loyalty Programs"

It also includes guidance on when to capitalise costs of obtaining or fulfilling a contract not otherwise addressed in other standards, and includes expanded disclosure requirements.

This standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

The five steps are as follows:

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

HKFRS 15 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

An entity may adopt HKFRS 15 on a full retrospective basis. Alternatively, it may choose to adopt it from the date of initial application by adjusting opening balances at that date. Transitional disclosures are different depending on the approach adopted by the entity.

The Group does not plan to early adopt this standard and is currently assessing the financial impact of this standard to the Group's financial position and performance. However, at the date of issuance of this Financial Information, the Group anticipates that this standard is not expected to have any significant impact on the Group's financial position and performance.

24. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE RELEVANT PERIODS (CONTINUED)

HKFRS 16 "Leases"

HKFRS 16 provides comprehensive guidance for the identification of lease arrangements and their treatment by lessees and lessors. In particular, HKFRS 16 introduces a single lessee accounting model, whereby assets and liabilities are recognised for all leases, subject to limited exceptions. It replaces HKAS 17 "Leases" and the related interpretations including HK(IFRIC)-Int 4 "Determining whether an arrangement contains a lease".

For lessee accounting, HKFRS 16 introduces a single accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

For lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or financial leases, and to account for those two types of leases differently.

Amendments to HKFRSs and HKASs

The Group has already commenced the assessment of what the impact of these amendments 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 Financial Information.

B. NOTES TO THE FINANCIAL STATEMENTS

25. INFORMATION OF STATUTORY FINANCIAL STATEMENTS OF THE COMPANIES COMPRISING THE GROUP

The statutory financial statements of the companies now comprising the Group, which were prepared in accordance with the relevant accounting rules and regulations applicable to enterprises in the countries in which they were incorporated, were audited during the Relevant Periods by their respective statutory auditors as indicated below:

Name of company	Financial year	Statutory auditor
Angy (China) Medical Limited	Year ended 31 December 2014	JS CPA & CO. (formerly known as C. Y. Ng & Co.)
	Year ended 31 December 2015	JS CPA & CO. (formerly known as C. Y. Ng & Co.)
	Nine months ended 30 September 2016	JS CPA & CO. (formerly known as C. Y. Ng & Co.)
Angy (Guangzhou) Medical Technology Company Limited	Year ended 31 December 2014	廣州天河加德會計師事務所(普通合伙)
	Year ended 31 December 2015	廣州天河加德會計師事務所(普通合伙)
	Nine months ended 30 September 2016	

The statutory financial statements of these companies for the nine months ended 30 September 2016 were not available as of the date of approval of this Financial Information.

26. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company and its subsidiary in respect of any period subsequent to 30 September 2016.