

香港交易及結算所有限公司及香港聯合交易所有限公司對本公告內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本公告全部或任何部份內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。



China Regenerative Medicine International Limited
中國再生醫學國際有限公司

(於開曼群島註冊成立之有限公司)

(股份代號：8158)

**截至二零一七年十二月三十一日止年度之
全年業績公佈**

中國再生醫學國際有限公司(「本公司」)董事會(「董事會」)謹此公佈本公司及其附屬公司(統稱「本集團」)截至二零一七年十二月三十一日止年度之全年經審核業績。本公告列載本公司二零一七年度報告(「年報」)之全文，並符合香港聯合交易所有限公司GEM證券上市規則(「GEM上市規則」)中有關全年業績初步公告附載的資料的相關規定。年報的印刷版本將於適當時候寄發予本公司的股東，其時並發佈於GEM的網站www.hkgem.com及本公司的網站www.crimi.hk。

ANNUAL REPORT
年報 2017

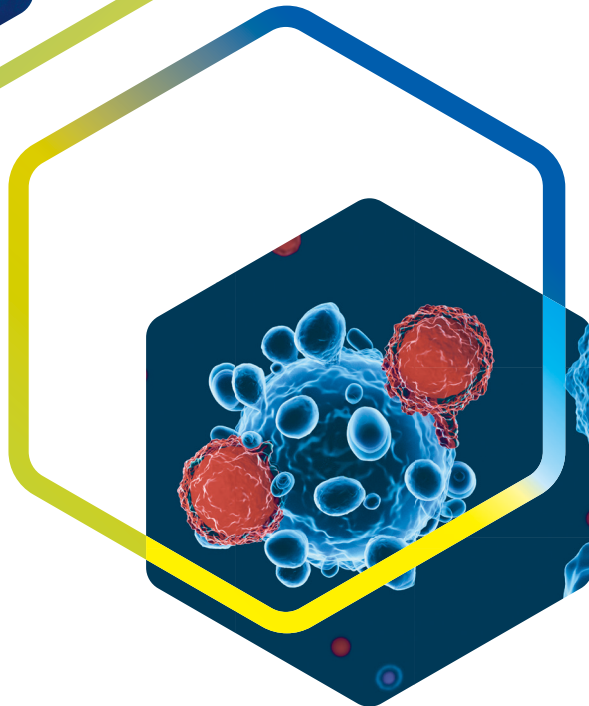
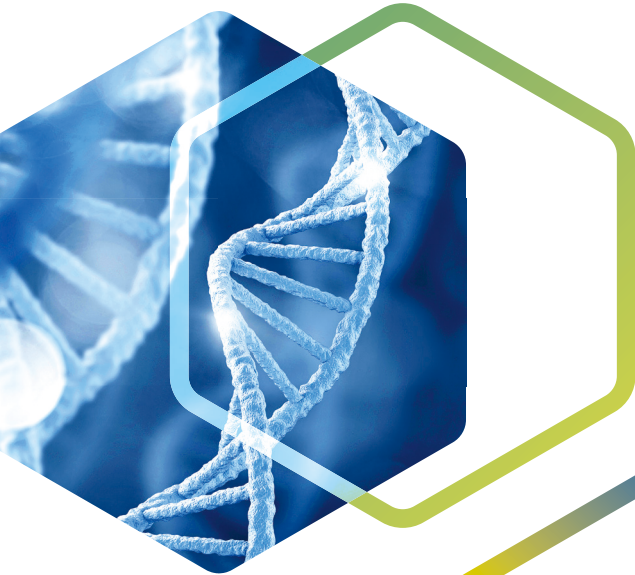
CHINA REGENERATIVE MEDICINE

INTERNATIONAL LIMITED

中國再生醫學國際有限公司

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

Stock Code 股份代號 : 8158



CRMI
中國再生醫學

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the “Directors”) of China Regenerative Medicine International Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

香港聯合交易所有限公司(「聯交所」)GEM之特點

GEM之定位乃為相比其他在聯交所上市之公司帶有較高投資風險之公司提供一個上市之市場。有意投資之人士應了解投資於該等公司之潛在風險，並應經過審慎周詳之考慮後方作出投資決定。GEM之較高風險及其他特點表示GEM較適合專業及其他資深投資者。

鑒於在GEM上市之公司屬新興性質，在GEM買賣之證券可能會較在主板買賣之證券承受較大之市場波動風險，同時無法保證在GEM買賣之證券會有高流通量之市場。

香港交易及結算所有限公司及聯交所對本報告之內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就本報告全部或任何部份內容而產生或因依賴該等內容而引致之任何損失承擔任何責任。

本報告旨在遵照聯交所GEM證券上市規則(「GEM上市規則」)之規定，提供有關中國再生醫學國際有限公司(「本公司」)之資料。本公司董事(「董事」)對此共同及個別承擔全部責任。董事在作出一切合理查詢後確認，就彼等所知及所信，本報告所載資料在各重要方面均屬準確完備，沒有誤導或欺詐成分，且並無遺漏任何其他事項，足以令致本報告或其所載任何陳述產生誤導。



CONTENTS

目錄

Corporate Information 公司資料	3
Chairman's Statement 主席報告	6
Management Discussion and Analysis 管理層討論及分析	7
Biographical Details of Directors and Chief Executives 董事及最高行政人員簡介	59
Corporate Governance Report 企業管治報告	66
Environmental, Social and Governance Report 2017 二零一七年環境、社會及管治報告	92
Directors' Report 董事會報告	116
Independent Auditor's Report 獨立核數師報告	139
Consolidated Statement of Profit or Loss and Other Comprehensive Income 綜合損益及其他全面收入表	145
Consolidated Statement of Financial Position 綜合財務狀況表	146
Consolidated Statement of Changes in Equity 綜合權益變動表	148
Consolidated Statement of Cash Flows 綜合現金流量表	150
Notes to the Financial Statements 財務報表附註	152
Financial Summary 財務摘要	256



CORPORATE INFORMATION

公司資料

DIRECTORS

Executive Directors

Chen Chunguo (*Chief Executive Officer*)
Ray Yip (re-designated from non-executive Director to executive Director with effect from 8 September 2017)
Shao Zhengkang (resigned with effect from 8 September 2017)
Wong Sai Hung (resigned with effect from 30 November 2017)

Non-executive Directors

Cui Zhanfeng (*Chairman of the Board*)
Xiong Chengyu
Wang Hui (re-designated from independent non-executive Director to non-executive Director with effect from 1 June 2017 and resigned with effect from 8 September 2017)

Independent Non-executive Directors

Chan Bing Woon
Wong Yiu Kit Ernest
Fang Jun (appointed with effect from 29 December 2017)
Pang Chung Fai Benny
Lui Tin Nang (resigned with effect from 15 September 2017)

COMPANY SECRETARY

Cheng Chai Fu

AUDIT COMMITTEE

Wong Yiu Kit Ernest (*chairman of Audit committee*)
(appointed as chairman with effect from 15 September 2017)
Cui Zhanfeng
Xiong Chengyu
Chan Bing Woon
Fang Jun (appointed with effect from 29 December 2017)
Pang Chung Fai Benny
Ray Yip (resigned with effect from 8 September 2017)
Wang Hui (resigned with effect from 8 September 2017)
Lui Tin Nang (resigned with effect from 15 September 2017)

董事

執行董事

陳春國(*行政總裁*)
葉雷(自二零一七年九月八日起由非執行董事調任為執行董事)
邵政康(自二零一七年九月八日起辭任)
黃世雄(自二零一七年十一月三十日起辭任)

非執行董事

崔占峰(*董事會主席*)
熊澄宇
王輝(自二零一七年六月一日起由獨立非執行董事調任為非執行董事並自二零一七年九月八日起辭任)

獨立非執行董事

陳炳煥
黃耀傑
方俊(自二零一七年十二月二十九日起獲委任)
彭中輝
呂天能(自二零一七年九月十五日起辭任)

公司秘書

鄭濟富

審核委員會

黃耀傑(*審核委員會主席*)
(自二零一七年九月十五日起獲委任為主席)
崔占峰
熊澄宇
陳炳煥
方俊(自二零一七年十二月二十九日起獲委任)
彭中輝
葉雷(自二零一七年九月八日起辭任)
王輝(自二零一七年九月八日起辭任)
呂天能(自二零一七年九月十五日起辭任)

CORPORATE INFORMATION

公司資料

NOMINATION COMMITTEE

Cui Zhanfeng (*chairman of Nomination Committee*)

(appointed as committee member with effect from 8 September 2017 and appointed as committee chairman with effect from 15 September 2017)

Chen Chunguo

Chan Bing Woon

Wong Yiu Kit Ernest

Fang Jun (appointed with effect from 29 December 2017)

Pang Chung Fai Benny

Wong Sai Hung (resigned with effect from 8 September 2017)

Shao Zheng kang (resigned with effect from 8 September 2017)

Ray Yip (resigned with effect from 8 September 2017)

Wang Hui (resigned with effect from 8 September 2017)

Lui Tin Nang (resigned with effect from 15 September 2017)

REMUNERATION COMMITTEE

Pang Chung Fai Benny (*chairman of Remuneration Committee*)

Ray Yip

Xiong Chengyu (appointed with effect from 8 September 2017)

Chan Bing Woon

Wong Yiu Kit Ernest

Fang Jun (appointed with effect from 29 December 2017)

Wong Sai Hung (resigned with effect from 8 September 2017)

Shao Zheng kang (resigned with effect from 8 September 2017)

Chen Chunguo (resigned with effect from 8 September 2017)

Wang Hui (resigned with effect from 8 September 2017)

Lui Tin Nang (resigned with effect from 15 September 2017)

REGISTERED OFFICE

P.O. Box 309

Ugland House

Grand Cayman

KY1-1104

Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

10th Floor, Everbright Centre

108 Gloucester Road

Wanchai

Hong Kong

COMPLIANCE OFFICER

Chen Chunguo (appointed with effect from 30 November 2017)

Wong Sai Hung (resigned with effect from 30 November 2017)

提名委員會

崔占峰(*提名委員會主席*)

(自二零一七年九月八日起獲委任為委員會成員並自二零一七年九月十五日起獲委任為委員會主席)

陳春國

陳炳煥

黃耀傑

方俊(自二零一七年十二月二十九日起獲委任)

彭中輝

黃世雄(自二零一七年九月八日起辭任)

邵政康(自二零一七年九月八日起辭任)

葉雷(自二零一七年九月八日起辭任)

王輝(自二零一七年九月八日起辭任)

呂天能(自二零一七年九月十五日起辭任)

薪酬委員會

彭中輝(*薪酬委員會主席*)

葉雷

熊澄宇(自二零一七年九月八日起獲委任)

陳炳煥

黃耀傑

方俊(自二零一七年十二月二十九日起獲委任)

黃世雄(自二零一七年九月八日起辭任)

邵政康(自二零一七年九月八日起辭任)

陳春國(自二零一七年九月八日起辭任)

王輝(自二零一七年九月八日起辭任)

呂天能(自二零一七年九月十五日起辭任)

註冊辦事處

P.O. Box 309

Ugland House

Grand Cayman

KY1-1104

Cayman Islands

總辦事處及香港主要營業地點

香港

灣仔

告士打道108號

光大中心10樓

監察主任

陳春國(自二零一七年十一月三十日起獲委任)

黃世雄(自二零一七年十一月三十日起辭任)

CORPORATE INFORMATION

公司資料

AUTHORISED REPRESENTATIVES

Chen Chunguo (appointed with effect from 8 September 2017)
Ray Yip (appointed with effect from 30 November 2017)
Shao Zhengkang (resigned with effect from 8 September 2017)
Wong Sai Hung (resigned with effect from 30 November 2017)

PRINCIPAL BANKERS

Dah Sing Bank, Limited
36th Floor, Everbright Centre
108 Gloucester Road
Hong Kong

Hang Seng Bank Limited
83 Des Voeux Road Central
Hong Kong

AUDITOR

BDO Limited
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

LEGAL ADVISER ON THE CAYMAN ISLANDS LAW

Maples and Calder
53rd Floor, The Center
99 Queen's Road Central
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
P.O. Box 1093
Boundary Hall
Cricket Square
Grand Cayman
KY1-1102
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
Suites 3301-04, 33/F.
Two Chinachem Exchange Square, 338 King's Road
North Point
Hong Kong

COMPANY WEBSITE

www.crmi.hk

STOCK CODE

8158

授權代表

陳春國(自二零一七年九月八日起獲委任)
葉雷(自二零一七年十一月三十日起獲委任)
邵政康(自二零一七年九月八日起辭任)
黃世雄(自二零一七年十一月三十日起辭任)

主要往來銀行

大新銀行有限公司
香港
告士打道108號
光大中心36樓

恒生銀行有限公司
香港
德輔道中83號

核數師

香港立信德豪會計師事務所有限公司
香港
干諾道中111號
永安中心25樓

法律顧問(開曼群島法律)

Maples and Calder
香港
皇后大道中99號
中環中心53樓

開曼群島股份過戶登記總處

Maples Fund Services (Cayman) Limited
P.O. Box 1093
Boundary Hall
Cricket Square
Grand Cayman
KY1-1102
Cayman Islands

香港股份過戶登記分處及 股份過戶辦事處

聯合證券登記有限公司
香港
北角
英皇道338號華懋交易廣場2期
33樓3301-04室

公司網址

www.crmi.hk

股份代號

8158

CHAIRMAN'S STATEMENT

主席報告

Our company, China Regenerative Medicine International Limited ("CRMI" or the "Company" and together with its subsidiaries, the "Group"), has been evolving – we changed the annual report date. Now our financial year end date has changed to 31 December, in line with the end date of Gregorian Calendar year. This report covers the eight months ended 31 December 2017.

We were not totally immunised from the recent turbulence in the global stock market. Our share price ended lower than the beginning of this report period, which is disappointing. This is just another reminder that no public company can be isolated from international influence and we must remain open-minded and embrace the world as a whole. We whole-heartedly thank our shareholders for their patience and understanding.

I would also like to thank our distributors, collaborators and partners, who helped us to bring our products to the patients, and our employees in CRMI for their contributions to the Company.

I would like to end my brief report with important positive notes. The Group invested in a fund, the Haitong International ZhongHua Finance Acquisition Fund I, L.P (the "Fund"), and the latter completed the acquisition of the business of Obagi Medical Products, Inc ("Obagi") in November 2017. Obagi is a well-known U.S cosmeceuticals brand. As a result of our investment in the Fund and the Fund's acquisition of Obagi, the Group has the opportunity to explore collaboration with Obagi directly, which will be strategically important to the Group to link regenerative medicine to cosmeceuticals. Another exciting news is CRMI attained the Hong Kong's Most Valuable Companies Awards (HKMVC) and we were recognised for our 'leading research and development ("R&D") capabilities, extraordinarily product quality and high acknowledgement' in the market. We know we are good, but it is always pleasing to know other people believe we are good too.



Professor Zhanfeng Cui, PhD, DSc, FREng
27 March 2018

本公司中國再生醫學國際有限公司(「中國再生醫學」或「本公司」)及其附屬公司(統稱「本集團」)與時俱進，對年報日期作出變更。現今，本公司的年結日已變更為十二月三十一日，與公曆日曆年的財政年度年結日相符一致。實際上，本報告涵蓋截至二零一七年十二月三十一日止的八個月。

近期，全球股市動盪不定，本公司亦未能完全幸免。與本報告期間期初相比，本公司股份於期末的股價有所回落。此情形再次提醒我們，公眾公司無法在國際大環境中獨善其身，必須敞開胸懷，擁抱世界。我們衷心感謝全體股東對本公司的耐心及理解。

本人亦感謝協助我們將公司產品帶給患者的分銷商、合作商及業務夥伴，以及為公司作出貢獻的中國再生醫學員工。

在結束本簡報之前，本人謹此宣佈幾條令人振奮的重大消息。本集團已投資一隻基金—Haitong International ZhongHua Finance Acquisition Fund I, L.P(「基金」)，後者於二零一七年十一月完成收購Obagi Medical Products Inc.(「Obagi」)的業務。Obagi為美國知名的藥妝品牌。本集團對基金作出投資及基金收購Obagi，令本集團有機會與Obagi直接展開合作，從而可將再生醫學與藥妝品結具有重大的策略性意義。另一個好消息是，中國再生醫學榮獲香港最有價值企業卓越企業大獎，本公司「領先的研發能力、卓越的產品質量及高度的市場認可」獲得肯定。我們知道自己很優秀，但知道他人亦認可我們很優秀也是件令人開心的事。

崔占峰教授，PhD, DSc, FREng
二零一八年三月二十七日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Group further deepened and refined various management systems under the strategic planning of further strengthening its industrial layout and market expansion in the period from 1 May 2017 to 31 December 2017 (“Fiscal Year 2017”) and continued its effective promotion of the four main lines of management and control, namely operation management, financial management, human resources management and technical management, to continuously improve the management standards of the enterprise, and at the same time, achieved good results on the expansion of various industrial chains such as tissue engineering, cosmetics and cells as well as investment and merge and acquisition (“M&A”) businesses.

OPERATIONS REVIEW

1. Further consolidated the foundation of the Group’s management

Following the planning and reviewing of fiscal year 2016, the Group clearly defined four main lines of management and control, namely the operation management line, financial management line, human resources management line and technical management line, and fully implemented the Group’s operation and management of various divisions and subsidiaries. At the same time, it established the “2+3” business strategy, defined Fiscal Year 2017 as the “Year of Management Effectiveness”, set “Management Improvement” and “Operational Effectiveness” as the objectives and established a business strategy of focusing on the market and striving for effectiveness, so as to continuously improve the Group’s operating results.

On this basis, in Fiscal Year 2017, the Group continued to optimize and refine various management systems and management processes, strengthened operation and management system construction and system optimization, improved financial accounting management system and optimized the approval process, and formulated a performance appraisal system for all employees and implemented the system to improve management efficiency, which have all shown good results. By constantly consolidating the foundation of the Group’s management, the rights and responsibilities of the three-tier organizational system, i.e. the Group, the business divisions and the subsidiaries, have been clearly defined, bringing smoother communication and improved management.

本集團於2017年5月1日至2017年12月31日止期間（「2017財年」）在進一步加強產業佈局、拓展市場的戰略規劃下，進一步深化、細化各項管理制度，繼續通過運營管理、財務管理、人力資源管理及技術管理四條管控主線的有效推進，持續提升企業經營管理水平，同時在拓展組織工程、化妝品、細胞等各條產業鏈以及投資併購業務上都取得了較好的經營成果。

業務回顧

1. 進一步夯實集團管理基礎

經過2016財年的規劃和梳理，集團明確了將財務管理、人力資源管理、運營管理和技術管理作為四條核心管控主線，全面實施集團對各事業部、各子公司的經營管理；同時確立「2+3」經營策略，將2017財年確定為「管理創效年」，將「管理提升」和「經營創效」作為工作目標，確立以市場為中心，聚焦市場要效益的經營策略，不斷提升集團的經營業績。

在此基礎上，2017財年集團不斷優化、細化各項管理制度和管理流程，加強運營管理體系建設和制度優化，完善財務覈算管理制度及審批流程優化，通過制定全員績效考核制度並實施提升管理效能等，都取得了比較好的成果。通過不斷夯實集團的基礎管理，集團、事業部、子公司三級組織體系的管理權責明晰、溝通順暢及管理水平提升都有了比較大的改觀。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATIONS REVIEW (CONT'D)

II. *Further strengthened budget management and performance management*

The Group started full-scale budget management and performance appraisal in Fiscal Year 2017 to further clarify responsibilities and promote the implementation of various business objectives. Through budget management and business performance appraisal, the performance objectives awareness of each unit's management teams was further enhanced, and the operating responsibilities of each unit were further clarified, which highlighted the management- and performance-centered management tone of Group.

In the meantime, in implementing performance management in the human resources system, the Group formulated a performance appraisal scheme to fully mobilize its staff, further improving the construction of the Group's human resources management system and enhancing the standards of human resources management.

III. *Further optimized the industrial structure*

In Fiscal Year 2017, the Group further advanced its industrial layout in accordance with the management standards and status of each industry segment of the Group, added the newly acquired industries to the Group's industrial segments and optimized its organizational structure.

1. ***Cosmetics segment restructuring and introduction of a new product line***

According to the strategy of the Group's cosmetics business of comprehensive introduction of international brands, the Group further implemented the requirements of the Board of Directors on accelerating market-oriented operation and enhancing the profitability of the Company by adjusting the product lines structure of its original cosmetics sector, stopping the operation of AMYbio cosmetics and strengthening the market expansion of the Ascara product lines.

業務回顧(續)

II. **進一步強化預算管理及績效管理**

本集團在2017財年開始，全面推行預算管理和經營業績考核工作，以進一步明確責任、推進落實各項經營目標。通過預算管理和經營業績考核，進一步提高了各單位經營管理團隊的業績目標意識，進一步明確了各單位經營責任，營造了集團重管理、重業績的管理氛圍。

同時，在人力資源體系推行績效管理工作，集團制定了績效考核方案，充分調動員工工作積極性，進一步完善了集團人力資源管理體系建設，提升了人力資源管理水平。

III. **進一步優化產業結構**

本集團在2017財年，根據集團各產業板塊的經營水平及管理現狀，進一步推進產業佈局，將新併購的產業加入集團產業板塊，同時對組織架構也進行了優化。

1. **化妝品板塊進行結構調整，併入新的產品線**

根據本集團化妝品板塊全面引入國際化品牌的經營策略，進一步貫徹落實董事會關於加快市場化運作、提高公司盈利能力的要求，集團對原有化妝品板塊的產品線進行了結構調整，停止艾美雅化妝品的經營，加強對阿卡蘭產品線的市場拓展。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATIONS REVIEW (CONT'D)

III. Further optimized the industrial structure (Cont'd)

2. Market launch and effective linkage between mainland China and Hong Kong in the cell segment

The cell segment is a brand-new business of the Group starting from Fiscal Year 2017 to explore a chain of cell storage and services that effectively connects the Group's subsidiaries in Tianjin and Suzhou as well as the subsidiary currently being set up in Changzhou and Hong Kong International Regenerative Center and BioCell Technology Limited. The Group formed a cell marketing team in the Cell Division in Beijing and laid out marketing plans to cover the domestic regional markets. Through service function improvement and service flow optimization of the Hong Kong International Regenerative Center, we have formed a synergy for the cell businesses in mainland China and Hong Kong.

IV. Further expanded the Group's domestic industrial strategic layout

In order to realize the effective integration and rational distribution of existing industries and future businesses of the Group, through repeated inspections in the People's Republic of China (the "PRC"), the Group decided to start by establishing an international research institute in Shanghai, which will take the lead in forming an industries park for the related tissue engineering, cell and cosmetic segments and the product lines proposed to be acquired through investment and M&A to achieve the Group's new industrial strategic layout in the PRC through setting up an important strategic foothold in Shanghai.

The Group has set up an investment and development center in Shanghai and decided to invest in Shanghai Lingang Songjiang Science and Technology Park after inspecting various industries parks in Shanghai. We are currently conducting further communication and expect to finalize the investment-related plan and sign the cooperation agreement in January of fiscal year 2018.

業務回顧(續)

III. 進一步優化產業結構(續)

2. 細胞板塊全面啟動市場並形成國內與香港的有效聯動

細胞板塊是本集團2017財年全面開始啟動的新業務，為了探索一條有效銜接本集團國內天津、蘇州公司以及建設中的常州公司和香港國際再生醫學中心和百奧公司的細胞存儲及服務鏈條，在北京細胞事業部組建了細胞市場營銷團隊並佈局國內區域市場，通過完善香港國際再生醫學中心的服務功能和優化服務流程，為國內與香港的細胞業務形成合力。

IV. 進一步拓展集團國內產業佈局

為了實現本集團現有產業及未來業務的有效整合和合理佈局，通過在國內反覆考察，本集團確定在上海以設立國際研究院為龍頭，將相關組織工程板塊、細胞及化妝品板塊和擬投資併購的相關產品線建成產業園區，通過佔領國內上海戰略高地，實現本集團在國內新的產業佈局。

本集團在上海已成立投資發展中心，通過上海各園區的考察，確定在上海臨港松江科技城進行投資，目前正在進行深入溝通，有望於2018財年一月份確定投資相關方案並簽訂合作協議。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATIONS REVIEW (CONT'D)

V. *Further accelerated investment and M&A, and explored new products and new channels*

The Group has always been committed to finding suitable business opportunities to further enrich its existing product lines in the areas of tissue engineering and cosmetics, etc.

As disclosed in the announcements of the Company dated 31 March 2017, 18 July 2017 and 7 November 2017, China Regenerative Medicine Limited, a wholly-owned subsidiary of the Company, subscribed a limited partnership interest in Haitong International ZhongHua Finance Acquisition Fund I, L.P. (the "Fund") with an investment commitment of US\$35 million (equivalent to approximately HK\$272 million). The Fund was set up to invest in companies in the skin care and medical products industries. In November 2017, the Fund completed the full acquisition of the business of Obagi Medical Products ("Obagi"), a US drug store brand under the international biopharmaceutical company, Valeant Pharmaceuticals International, Inc. In order for the Group to fully realise the benefits of the Fund's acquisition of Obagi, and through the Group's investment in the Fund, the Group is exploring the opportunity to collaborate with Obagi to customize its products for sale and distribution through the Company's networks in Greater China. As Obagi is a leading US professional skin care brand, which introduced Nu-Derm as early as in 1988 to specialise in professional skin care products, its stellar products will become the knock-out products to be sold and distributed through the Group, and will deepen the Group's presence in the drug store industry and become a new profit contribution driver. Obagi's products include:

Obagi C20 Whitening Lotion: significantly improves skin tone, and could be referred to as the most effective whitening essence.

Obagi C10 Whitening Lotion: developed specially for Asian skin, it uses patented technology to help VC better penetrate the skin to ensure that the skin can be truly absorb VC.

Obagi Skin Correction Gel: contains 4% Obagi-HQ Factor, which corrects the entire skin tone and inhibits skin pigmentation.

業務回顧(續)

V. *進一步加快投資併購，拓展新產品和新渠道*

本集團一直致力於尋找合適商機，以進一步豐富現有在組織工程、化妝品等領域的產品線。

誠如本公司日期為2017年3月31日、2017年7月18日及2017年11月7日之公告所披露，本公司全資附屬公司中國再生醫學國際有限公司認購於Haitong International ZhongHua Finance Acquisition Fund I, L.P. (「基金」)之有限合夥權益，投資承諾金額35,000,000美元(相等於約272,000,000港元)。成立基金主要用於投資皮膚護理及醫療產品行業公司。於2017年11月，基金完成對國際生物醫藥企業 Valeant Pharmaceuticals International, Inc 旗下美國藥妝品牌 Obagi Medical Products (「Obagi」)之業務的全面收購。為實現基金收購Obagi之裨益，以及透過本集團投資於基金，本集團正探索與Obagi的合作機遇，特製可透過本集團網絡於大中華市場銷售及分銷的產品。Obagi是美國專業護膚品牌的領導者，早在1988年，就引入Nu-Derm立足專業護膚品領域，其明星產品將透過本集團作為拳頭產品銷售及分銷，推動本集團深耕藥妝行業，並成為新的利潤增長點。Obagi產品主要有：

Obagi C20美白美容液：能明顯提亮膚色，堪稱最有效的美白精華。

Obagi C10美白美容液：是專門根據亞洲人皮膚改良的產品，運用專利技術讓VC能更好的滲入皮膚，保證皮膚能夠真正的吸收到VC。

Obagi膚色修正露：含有4%的Obagi-HQ因子，對整個皮膚顏色進行修正，抑制皮膚色素生成。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATIONS REVIEW (CONT'D)

V. *Further accelerated investment and M&A, and explored new products and new channels (Cont'd)*

Obagi Eye Cream: a refreshing moisturizing eye cream and a unique formula to effectively alleviate the dryness of delicate eye skin.

Obagi Healthy Skin Repair Series: systematically improves the skin texture and helps the skin restore healthy young radiance.

Further, as disclosed in the announcement of the Company dated 10 December 2017, the Group entered into a framework agreement in relation to the acquisition of Lung Hang Investments Limited, a pharmaceutical company, the sales and distribution networks of which in the production, distribution, trading and sales of Chinese patent medicines, chemical raw medicine, biochemical products, chemical pharmaceuticals and health food products can help with the channel expansion of the Group's existing tissue engineering and other products.

VI. *Further expanded the market to improve business performance*

The Group set out to expand its market of various product lines, enhance its product awareness and market share in the Fiscal Year 2017. The Group formulated a detailed business plan and market expansion strategy at the beginning of Fiscal Year 2017 and integrated resources to fully support such plans and strategy. Through continuous efforts throughout the period, all product lines achieved good results in terms of sales performance and recorded a significant year-on-year growth comparing to fiscal year 2016, thus laying the foundation for further market development in fiscal year 2018.

業務回顧(續)

V. *進一步加快投資併購，拓展新產品和新渠道(續)*

Obagi眼霜：屬於質地清爽的滋潤型眼霜，獨特的配方有效緩解嬌柔眼部肌膚的乾燥狀況。

Obagi健康肌膚還原系列：能夠系統的改善肌膚質地，恢復健康年輕光彩。

此外，誠如本公司日期為2017年12月10日之公佈所披露，本集團對醫藥公司Lung Hang Investments Limited的收購已達成框架協議，通過該公司從事中成藥、化學原料藥、生化產品、化學藥劑及保健食品的生產、分銷、貿易及銷售業務的銷售渠道網絡，更可以助力本集團現有組織工程等產品的渠道拓展。

VI. *進一步拓展市場，提高經營業績*

2017財年是本集團各產品線拓展市場、提升產品知名度和佔有率的起步之年。本集團在2017財年之初制定了詳細的經營計劃及市場拓展策略，並整合資源全力保障。通過全年的不斷推進，各產品線都在銷售業績上都取得了較好的成果，同比2016財年都有了較大幅度的增長，為2018財年的進一步市場發力奠定了基礎。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATIONS REVIEW (CONT'D)

VI. Further expanded the market to improve business performance (Cont'd)

At present, products and operations for each business line of the Group are as follows:

1. Tissue engineering product line

The Group's tissue engineering product lines are situated in our three subsidiaries in Xi'an, Shaanxi and Shenzhen. The tissue engineering products include:

(1) Tissue Engineered Skin with Living Human Cells – ActivSkin®

ActivSkin®, being the first tissue-engineered skin approved by China Food and Drug Administration, is the only tissue-engineered skin containing living cells in the PRC. It is mainly used for healing deep 2nd degree and 3rd degree burn and scald wounds. It can relieve pain, shorten healing time and reduce scars in treating burns and scalds.

(2) Acellular Corneal Stroma – Acornea

Acornea is the world's first bio-engineering cornea that has completed clinical trials and has been successfully launched to market, establishing China's leading position in regenerative medicine research of corneal disease in the world. The total effective rate of clinical trials of Acornea reached 94.44% with the healing effect similar to that of donated cornea. In 2016, Acornea was reported by BBC as one of the five major scientific and technological revolutions from China, which had great contributions to the world. Its academic status allowed China to seize the initiative in the field of biomedical competition in the world.

業務回顧(續)

VI. 進一步拓展市場，提高經營業績(續)

目前集團各產業鏈的產品及業務有：

1. 組織工程產品線

本集團組織工程產品線在陝西、西安及深圳共有三家子公司，組織工程產品有：

(1) 人體活細胞組織工程皮膚－安體膚®

安體膚®是國內唯一含有活細胞的組織工程皮膚，是第一個獲得國家食品藥品監督管理局批准的組織工程皮膚，主要用於深II度、III度燒燙傷創面修復。其在治療燒傷和燙傷方面可以減輕患者疼痛，縮短愈合時間，減少疤痕。

(2) 脫細胞角膜基質－艾欣瞳

生物工程角膜「艾欣瞳」是全球首個完成臨床試驗並成功上市的生物工程角膜，使我國在角膜病的再生醫學研究領域走在世界前列，臨床試驗總有效率達到94.44%，愈後效果接近人捐獻角膜。2016年艾欣瞳作為英國BBC重點報道貢獻世界的中國5大科技革命，其學術地位使中國在世界生物醫藥領域的激烈競爭中搶佔了先機。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATIONS REVIEW (CONT'D)

VI. Further expanded the market to improve business performance (Cont'd)

1. Tissue engineering product line (Cont'd)

(3) Calcined Bovine Bone – Gegreen

Gegreen is a protein-detracted bone substitute material for inducing natural bone regeneration, which is the first independently developed material for oral bone grafts in the PRC. It is made by extracting material from epiphysis cancellous bone of bovine femur, and then goes through the process of virus inactivation, degreasing, protein detracting and low-temperature calcination. It is extensively used for jawbone defect restoration, particularly in dental implantation and treatment of periodontal defects.

(4) Acellular Anal Fistula Repair Stroma – Asiunin

Asiunin is applied to simple anal fistula disease without going through fistulotomy operation which is traditionally used to cure anal fistula in western medicine. Fistulotomy operation has a chance to harm the sphincter muscle and causes relapses. It is believed that the relapse rate when using Asiunin for simple anal fistula is comparatively lower, bringing in revolutionary changes to anal fistula treatment. It can completely reshape the perianal tissue and protect the anal sphincter mechanism. Through minimally invasive operation, it can speed up the healing rate and shorten the hospitalization period.

(5) Oral Cavity Repair Membrane with Excellent Regeneration Capacity – Megreen

Megreen, a new product developed by Shaanxi Reshine Biotech Co. Ltd., a subsidiary of the Group, is currently in the process of applying for registration. Megreen is made from the bovine pericardium tissue with collagen as the main component through decellularization, virus inactivation and other treatments, which retains a natural three dimensional structure. Megreen can be widely used in the repair of oral cavity tissue with its advantages of natural double-layer membrane structure, superior mechanical performance and longer degradation time.

業務回顧(續)

VI. 進一步拓展市場，提高經營業績(續)

1. 組織工程產品線(續)

(3) 天然煅燒骨修復材料－酪瑞

酪瑞是一種可引導天然骨再生的脫蛋白質骨替代材料，是中國自主研發的第一款專業口腔植骨材料。取材於牛股骨骨骺松質骨，經病毒來活、脫脂去蛋白以及低溫鍛燒處理而成，可廣泛應用於頷骨缺損修復，特別是用於牙科種植及牙周骨缺損的治療。

(4) 脫細胞肛瘻修復基質－瑞栓寧

瑞栓寧應用於治療肛瘻疾病，無須進行西醫傳統治療肛瘻的瘻管切開術，瘻管切開術或會損害括約肌而引起復發。使用瑞栓寧，採用脫細胞肛瘻修復基質治療肛瘻之復發率較低，帶來肛瘻治療方式的革命性變革，可以使肛周組織完全塑形重建，保護肛門括約肌性能。通過微創性手術方式，可以加快愈合速度，縮短患者住院時間。

(5) 卓越再生能力的口腔修復膜－膜瑞

膜瑞是集團陝西瑞盛公司研發的新品，目前處於辦理註冊階段。膜瑞是由牛心包膜組織為原料，主要成分為膠原蛋白，通過脫細胞、病毒滅活等處理後製備而成，保留天然的三維空間結構。利用膜瑞天然的雙層膜結構和出色的力學性能，以及降解時間更長的特性，可廣泛用於口腔組織的修復。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATIONS REVIEW (CONT'D)

VI. *Further expanded the market to improve business performance (Cont'd)*

1. **Tissue engineering product line (Cont'd)**

(6) *Cell Sheet-Autologous Chondrocyte Implantation – CS-ACI*

CS-ACI is a cartilage repair technology based on the world's leading cell sheet preparative technology. It is used for tissue repair and functional reconstruction of damaged articular cartilage. As the first 4th generation of autologous chondrocyte treatment technology developed by China, CSACI is used to produce transparent cartilage as a substitute for exogenous material to avoid cell loss. In addition, since suture is not necessary and it takes shorter time in the operation, it has a broad clinical prospect.

2. **Cosmetics product line**

(1) *Skincare cosmetics brand – Ascara*

The Group imports the original skincare cosmetics brand – Ascara with a history of more than 40 years from Switzerland. Ascara has various functions, such as skin relieving, anti-aging, skin whitening, anti-freckle and so on. It is a foreign high-end skincare product line targeted at the mass market. It has built an omni-channel sales network centering DS and then radiating to CS, covering e-commerce platforms and assisted by regional distributors.

業務回顧(續)

VI. *進一步拓展市場，提高經營業績(續)*

1. **組織工程產品線(續)**

(6) *自體軟骨細胞膜片移植技術－瑞骨術*

瑞骨術是基於國際領先的細胞膜片製備技術研發的軟骨修復技術，可以幫助損傷關節軟骨的組織修復及功能重建。是國內首創第四代自體軟骨細胞治療技術，利用瑞骨術生成透明軟骨，替代外源材料，確保細胞無流失，同時手術無須縫合時間短，有廣泛的臨床前景。

2. **化妝品產品線**

(1) *阿卡蘭理護化妝品品牌*

本集團原裝進口瑞士具有40多年歷史的精準理護化妝品品牌阿卡蘭，該產品具有舒緩、抗老、美白、祛斑等功能，是為面向大眾市場的國外高端護膚產品線，營銷渠道以DS為點，以CS為線，電商為面，區域經銷商為輔，打造全渠道的銷售網絡。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATIONS REVIEW (CONT'D)

VI. Further expanded the market to improve business performance (Cont'd)

3. Cell storage, preparation and services product line

Currently, the Group has established four cell storage and preparation centers in Tianjin, Suzhou (Jiangsu Province), Changzhou (Jiangsu Province) and Hong Kong. Further, the Group established Hong Kong International Regenerative Centre to address healthcare needs of customers at home and abroad.

(1) Tianjin Weikai

The Group's subsidiary Tianjin Weikai focuses on the R&D and applications of cell culture equipment and cell products, as well as providing cell-related outsourcing technical services. The self-developed 3DFlo cell culture instrument ensured the high quality cell reproduction and established an in vitro model to simulate in-vivo physical condition by utilizing automated continuous perfusion cell culture technology. Meanwhile, Tianjin Weikai has established a close cooperation relationship with Institute of Chemical Physics, Chinese Academy of Sciences and other scientific research institutes at home and abroad.

(2) AK Suzhou

In 2016, the Group's subsidiary AK (Suzhou) expanded the Phase II Cell Preparation Center. It provides high standards of service and equipment for cell clinical research, testing and applications leveraging on the Oxford R&D team's unique cell processing technology and reagent formula. Its core technologies include human cell separation, purification, cultivation, amplification, storage and transportation, as well as the development and production of automated closed cell bioreactors.

業務回顧(續)

VI. 進一步拓展市場，提高經營業績(續)

3. 細胞儲存、製備及服務產品線

本集團目前在天津市、江蘇省蘇州市、江蘇省常州市和香港，分別建有四個細胞存儲製備中心，同時在香港建有國際再生醫學中心，服務於國內及海外人士的健康需求。

(1) 天津衛凱公司

本集團所屬天津衛凱公司專注於細胞培養設備、細胞產品研發和應用，並提供細胞相關外包技術服務。自主研發的3DFlo細胞培養儀，利用自動化、連續灌注式細胞培養技術，確保了高質量的細胞繁殖，建立了模擬體內生理狀況的體外模型。同時，天津衛凱公司已與中科院化物所等國內外科研院所建立了密切合作關係。

(2) 奧凱(蘇州)公司

本集團所屬奧凱(蘇州)公司，二零一六年擴建了二期細胞製備中心，其利用牛津研發團隊獨特細胞加工技術和試劑配方訣竅為細胞臨床研究、試驗和應用提供高標準服務及設備，其核心技術包括人體細胞分離、純化、培養、擴增、儲存和運輸，以及自動化封閉式細胞擴增器的開發和生產。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATIONS REVIEW (CONT'D)

VI. *Further expanded the market to improve business performance (Cont'd)*

3. **Cell storage, preparation and services product line (Cont'd)**

(3) *Changzhou branch company, Jiangsu Province*

Changzhou branch company of the Group has been identified as the technology transformation unit of Engineering Technology Research Center for Tumor Immunotherapy of Jiangsu Province, mainly responsible for industrial transformation and clinical applications of the R&D results achieved by the center. The scope of business mainly covers cellular therapy, cell storage, genetic testing, biological agents manufacturing.

(4) *Hong Kong International Regenerative Centre*

The Hong Kong International Regenerative Centre ("HKIRC"), being the first large-scale comprehensive health care base for precision medicine in Hong Kong, was established by the Group at the Miramar Center in Tsim Sha Tsui, Hong Kong. In possession of precise medical technology, combining with precise physical examination and genetic testing, the centre aims to provide precise healthcare to meet the physical and mental needs from customers, including precise cellular therapy and precise medical beauty.

(5) *BioCell Technology Limited*

Located at Phase 3 of Hong Kong Science Park in Shatin, our China Stem Cell Clinical Applications Centre has started construction. Stem cell clinical application facilities meet the clean room standards from EMA, FDA, CFDA, TGA and GMP PIC/S. As Asia's first international cell and gene preparation center.

4. **Hospital Management Division of the Group**

The Group has obtained approval to establish a comprehensive medical institution in Hainan Bo'ao Lecheng International Medical Tourism Zone to further enrich and expand the Group's industrial lines and channels. The planning and design of the proposed hospital was completed in 2017, with steady progress made to date.

業務回顧(續)

VI. *進一步拓展市場，提高經營業績(續)*

3 · 細胞儲存、製備及服務產品線(續)

(3) *江蘇常州公司*

本集團常州公司為江蘇省腫瘤免疫治療工程技術研究中心的技術轉化單位，主要負責將中心的研發成果進行產業轉化、應用於臨床。業務主要包括細胞治療、細胞儲存、基因檢測、生物製劑製造等。

(4) *香港國際再生醫學中心*

本集團在香港尖沙咀美麗華中心設立的香港國際再生醫學中心(「HKIRC」)是目前香港首家大型綜合精準醫療基地。該中心以精準醫療技術為核心，結合精準體檢和基因檢測，為客戶身體和心理健康需求提供精準醫療，包括精準細胞治療和精準醫美項目。

(5) *百奧生物科技有限公司*

本集團在位於沙田的香港科學園三期開始建設中國乾細胞臨床應用中心，乾細胞臨床應用設施符合EMA、FDA、CFDA、TGA和GMP PIC/S潔淨室的標準，成為亞洲首家面向國際的細胞與基因製備中心。

4 · 集團醫院管理部

本集團已獲准進駐海南博鰲樂城國際醫療旅遊先行區建設綜合性醫療機構，進一步豐富和拓展集團產業線及渠道。2017年已完成擬建設醫院的規劃設計，目前正在穩步推進。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATIONS REVIEW (CONT'D)

VI. Further expanded the market to improve business performance (Cont'd)

5. Overseas Business Division of the Group

The Group has completed the establishment and began operation of its offices in the United States and the United Kingdom, and the Japanese office is being set-up. In Fiscal Year 2017, with active expansion of overseas offices, it has established contacts with a number of companies and channels. The overseas sales of its tissue engineering products have already entered the implementation phase.

BUSINESS OUTLOOK

The Group initiated market strategies and operational policies outright during the year. By fully optimising its organisational structure, integrating operational teams, seeking quality talent with extensive industrial experience, and streamlining the management system and process, the Group further improved its industrial layout and market expansion. Besides, technology and product upgrades enabled the Group to cater to market and clinical application needs.

Meanwhile, the Group invested and established its own international research institute in Shanghai to strengthen cooperation with scientific research institutes at home and abroad, including Oxford University. In order to continuously enhance the Group's technology competitiveness of products and its role as an industry leader, the Group expanded the scope of product research and development as well as application of its products for commercial use. All these ensured the sustainable, healthy and steady development of the Group.

FUTURE PROSPECT

The fiscal year 2018 is an important year for the industrial strategic layout and market expansion of the Group. The Group will further adjust and optimize its organizational structure, improve its management and control processes, continue to strengthen the introduction of high-level management personnel, aggressively expand the marketing and sales of various industrial chains such as tissue engineering, cosmetics, and cells, etc., continue to enhance the operating performance of each industry and the profitability of the Company. At the same time, it will continue to seek investment opportunities in line with the strategic development of the Group both at home and abroad to promote the sustainable and steady development of the Group.

業務回顧(續)

VI. 進一步拓展市場，提高經營業績(續)

5. 集團海外事業部

本集團已完成在美國、英國的公司設立及運營，日本公司正在籌建中。2017財年通過海外公司的積極拓展，已與多家公司及渠道建立聯繫，本集團的組織工程產品的海外銷售已進入啟動實施階段。

業務展望

本集團在本年度全面啟動市場戰略和經營策略，通過全面優化集團組織架構、整合經營團隊並優選富有豐富行業經驗的高層次人才、完善管理制度和管理流程的基礎上，將進一步做好產業佈局和市場拓展；通過技術升級和產品升級，適應市場和臨床應用需要。

同時，通過在上海投資建設本集團國際研究院、將進一步做好與牛津大學等國內外科研院所的合作，並拓展新產品研發和轉化領域，以持續提升本集團產品技術優勢和行業領先地位，確保本集團持續、健康、穩定發展。

未來前景

2018財年是集團產業佈局和市場拓展的重要一年，本集團將進一步調整、優化組織架構，完善各項管控流程，繼續加強管理團隊高層次人才的引入，繼續積極拓展組織工程、化妝品、細胞等各條產業鏈的市場銷售工作力度，持續提升各產業的經營業績水平和公司盈利能力，同時繼續在國內外尋找符合本集團戰略發展的投資機會，促進本集團持續、穩步發展。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

Result

During the year, the Group made a change to the date of annual report, meaning the year-end date is changed from 30 April to 31 December. This report covers the eight months from 1 May to 31 December 2017 while the previous annual report covered the twelve months from 1 May 2016 to 30 April 2017.

The Group's revenue for the period ended 31 December 2017 was approximately HK\$503.7 million, representing an increase of approximately HK\$146.7 million or 41.1% as compared to the Group's revenue of approximately HK\$357.0 million for the previous year ended 30 April 2017. The overall increase in revenue was attributable to an increase in revenue from two segments, namely cosmetic and others and medical equipment. Gross profit increased by 7.1% to approximately HK\$147.3 million during the period, which was in line with the increase in revenue.

The Group recorded a revenue of approximately HK\$122.6 million from sales of tissue engineering products for the period ended 31 December 2017, representing a slight decrease of 2.9% from last year because there are only eight months results in this period compared to 12 months results in last year. (for the year starting from 1 May 2016 to 30 April 2017: HK\$126.3 million).

The Group recorded a revenue of approximately HK\$2.1 million from provision of cell therapy service and sales of cell related medical equipment for the period ended 31 December 2017, representing a decrease of 22.2% from last year (for the year starting from May 2016 to April 2017: HK\$2.7 million). The decrease was attributable to there are only eight months results in this period compared to 12 months results in last year.

The Group recorded a revenue of approximately HK\$67.5 million from sales of cosmetic and other products for the period ended 31 December 2017, representing an increase of 50.3% from last year (for the year starting from 1 May 2016 to 30 April 2017: HK\$44.9 million). The increase in sales was attributable to the Group's successful expansion of the Hong Kong and Taiwanese markets.

財務回顧

業績

本集團於本年度對年報日期作出變更，即年結日由四月三十日變更為十二月三十一日，本報告涵蓋二零一七年五月一日至十二月三十一日止的八個月，而上一年度則涵蓋二零一六年五月一日至二零一七年四月三十日止的十二個月。

本集團截至二零一七年十二月三十一日止期間之收益約503,700,000港元，較本集團截至二零一七年四月三十日止上一年度收益約357,000,000港元，增加約146,700,000港元或41.1%。收益之整體增加乃由於2個分部（即化妝品及其他以及醫療設備）之收益增加。毛利於本期間增加7.1%至約147,300,000港元，與收益增加一致。

截至二零一七年十二月三十一日止期間，本集團銷售組織工程產品錄得約122,600,000港元收益，較去年輕微下跌2.9%（二零一六年五月一日至二零一七年四月三十日止年度：126,300,000港元），此乃由於本期間僅有八個月之業績，去年則有十二個月之業績。

截至二零一七年十二月三十一日止期間，本集團提供細胞療法服務及銷售細胞相關醫療設備錄得約2,100,000港元收益，較去年減少22.2%（二零一六年五月至二零一七年四月止年度：2,700,000港元）。此乃由於本期間僅有八個月之業績，去年則有十二個月之業績。

截至二零一七年十二月三十一日止期間，本集團化妝品及其他產品錄得收益約67,500,000港元，較去年增加50.3%（二零一六年五月一日至二零一七年四月三十日止年度：44,900,000港元）。銷售增加乃由於本年度本集團成功開拓香港及台灣市場。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW (CONT'D)

Result (Cont'd)

Sales of medical equipment for the period ended 31 December 2017 was approximately HK\$311.5 million, representing an increase of 70.1% as compared to last year (for the year starting from 1 May 2016 to 30 April 2017: HK\$183.1 million) because the Group has continued to further develop distribution channels to enhance sales.

During the period under review, the Group incurred a loss attributable to owners of the Company of approximately HK\$158.5 million, as compared to a loss of approximately HK\$184.5 million for last year. Loss for the Group decreased from last year, which is mainly attributable to the corresponding increase in gross profit as a result of increase in sales of our owned products and other income of approximately HK\$35.2 million generated from the disposal of a subsidiary for the period but were offset by (i) decrease in interest income from loan receivable and bank balance, (ii) increase in advertising promotion expense to improve sales. During the period ended 31 December 2017, the per share loss attributable to the owners of the Company was HK\$0.901 cent (for the year ended 30 April 2017: HK\$1.049 cents).

The Group's total operating expenses for the period ended 31 December 2017 was approximately HK\$328.3 million, representing a decrease of 15.7% as compared to last year. The expenses mainly consisted of (i) staff cost of HK\$101.4 million (for the year starting from 1 May 2016 to 30 April 2017: HK\$131.7 million); (ii) advertising, marketing and promotion expenses of HK\$63.1 million (for the year starting from 1 May 2016 to 30 April 2017: HK\$38.2 million); (iii) the amortization of intangible assets of approximately HK\$30.4 million (for the year starting from 1 May 2016 to 30 April 2017: HK\$41.0 million); and (iv) research and development costs of HK\$26.7 million (for the year starting from 1 May 2016 to 30 April 2017: HK\$56.0 million).

財務回顧(續)

業績(續)

截至二零一七年十二月三十一日止期間，醫療設備銷售為約311,500,000港元，較去年增長70.1%(二零一六年五月一日至二零一七年四月三十日止年度：183,100,000港元)，此乃由於本集團繼續進一步發展分銷渠道以增加銷量。

於回顧期間內，本集團產生本公司擁有人應佔虧損約158,500,000港元，而上一年度虧損約為184,500,000港元。本集團虧損自上一年度減少，乃主要由於自有產品的銷售額增加使毛利相應增加，且本期間錄得約35,200,000港元為出售一間子公司的其他收入，惟被(i)應收貸款及銀行結餘之利息收入下降，(ii)廣告推廣開支增加以增加銷量所抵銷。截至二零一七年十二月三十一日止期間，本公司擁有人應佔每股虧損為0.901港仙(至二零一七年四月三十日止年度：1.049港仙)。

本集團截至二零一七年十二月三十一日止期間之營運開支總額約為328,300,000港元，較去年減少15.7%。開支主要包括(i)員工成本101,400,000港元(二零一六年五月一日至二零一七年四月三十日止年度：131,700,000港元)；(ii)廣告及市場推廣開支63,100,000港元(二零一六年五月一日至二零一七年四月三十日止年度：38,200,000港元)；(iii)無形資產攤銷約30,400,000港元(二零一六年五月至二零一七年四月三十日止年度：41,000,000港元)；及(iv)研發成本26,700,000港元(二零一六年五月一日至二零一七年四月三十日止年度：56,000,000港元)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW (CONT'D)

Net Assets

Net assets of the Group amounted to approximately HK\$1,813.3 million as at 31 December 2017, as compared to approximately HK\$1,907.9 million as at 30 April 2017, representing a decrease of 5.0%, which was mainly attributable to the loss incurred for the period.

Liquidity and Financial Resources

Cash and Cash Equivalents

As at 31 December 2017, the Group had cash and cash equivalents of approximately HK\$244.4 million (30 April 2017: HK\$571.7 million). The decrease in cash and cash equivalent of approximately HK\$327.3 million was mainly due to the following: (i) the Group has made investments in available-for-sale financial assets and acquisition of subsidiary of approximately HK\$575.3 million; (ii) repayment of bank loans and payment of bank borrowings interests of HK\$53.2 million; and (iii) utilisation of working capital to support the operation with the amounts of HK\$193.3 million, whereas it was offset by the proceeds of HK\$472.5 million from the shareholder's loans.

Working Capital and Gearing Ratio

As at 31 December 2017, the Group had current assets of approximately HK\$1,176.4 million (30 April 2017: HK\$1,017.1 million), while its current liabilities stood at approximately HK\$761.7 million (30 April 2017: 176.3 million), representing a net current asset position with a working capital ratio (current assets to current liabilities) of 1.54 (30 April 2017: 5.77).

As at 31 December 2017, the gearing ratio of the Group, calculated as total bank borrowings to total equity, was 0.4 (30 April 2017: 0.4).

Capital Structure

During the period ended 31 December 2017, there was no material change to the Group's capital structure. As at 31 December 2017, the total number of issued shares of the Company was 17,585,790,000 (30 April 2017: 17,585,790,000).

財務回顧(續)

淨資產

本集團於二零一七年十二月三十一日之淨資產為約1,813,300,000港元，較二零一七年四月三十日約1,907,900,000港元減少5.0%，此乃主要由於期內產生虧損。

流動資金及財務資源

現金及現金等值項目

於二零一七年十二月三十一日，本集團擁有現金及現金等值項目約244,400,000港元（二零一七年四月三十日：571,700,000港元）。現金及現金等值項目減少約327,300,000港元乃主要由於：(i) 本集團投資於可供出售金融資產及收購附屬公司約575,300,000港元；(ii) 償還銀行貸款及支付銀行借款利息53,200,000港元；及(iii) 撥出營運資金193,300,000港元用於支持營運；惟被股東貸款所得款項472,500,000港元所抵銷。

營運資金比率及資產負債比率

於二零一七年十二月三十一日，本集團流動資產約1,176,400,000港元（二零一七年四月三十日：1,017,100,000港元），而其流動負債則約761,700,000港元（二零一七年四月三十日：176,300,000港元），即處於淨流動資產狀況，而營運資金比率（流動資產比流動負債）為1.54（二零一七年四月三十日：5.77）。

於二零一七年十二月三十一日，本集團之資產負債比率（銀行總借款相對總權益計算）為0.4（二零一七年四月三十日：0.4）。

資本結構

截至二零一七年十二月三十一日止期間，本集團資本結構概無重大變動。於二零一七年十二月三十一日，本公司已發行股份總數為17,585,790,000股（二零一七年四月三十日：17,585,790,000股）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FOREIGN EXCHANGE EXPOSURE

The Group's business transactions, assets and liabilities are principally denominated in Renminbi and Hong Kong dollars. The Directors consider the risk of foreign exchange exposure of the Group is manageable. The management will continue to monitor the foreign exchange exposure of the Group and is prepared to take prudent measures such as hedging when appropriate actions are required.

MATERIAL ACQUISITIONS OR DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

As disclosed in the announcement of the Company dated 18 October 2017, the Company entered into a sale and purchase agreement with an independent Buyer (the "Buyer") through Shaanxi Aierfu ActivTissue Engineering Co., Ltd.[#] ("Shaanxi Aierfu"), being its indirect wholly-owned subsidiary, whereby Shaanxi Aierfu disposed all equity interests in Shaanxi Aimiya Bio-Technology Company Limited ("Shaanxi Aimiya", being a direct wholly-owned subsidiary of Shaanxi Aierfu) to the Buyer (the "Disposal"), at a consideration of approximately RMB17.3 million (equivalent to approximately HK\$20.8 million).

Further, on 18 October 2017, Shaanxi Aierfu also entered into an assignment agreement with the Buyer to sell and assign the loan owed by Shaanxi Aimiya to Shaanxi Aierfu amounted to approximately RMB22.7 million (equivalent to approximately HK\$27.4 million) (the "Loan"), at a consideration equivalent to the loan amount. Such consideration was determined after arm's length negotiation between Shaanxi Aierfu and the Buyer.

The total consideration of the Disposal and the assignment of the Loan amounted to RMB40 million (equivalent to HK\$48.2 million). The Company had received a total of RMB40 million (equivalent to HK\$48.2 million) from the said transactions as at 27 March 2018.

Save as disclosed above, the Group has no material acquisitions/disposals of subsidiaries and associate during the period from 1 May 2017 to 31 December 2017.

外匯風險

本集團的業務交易、資產及負債主要以人民幣及港元計值。董事認為本集團之外匯風險受控。管理層將繼續監控本集團的外匯風險，並於情況有需要時採取對沖等審慎措施。

附屬公司及聯營公司之重大收購或出售事項

誠如本公司日期為二零一七年十月十八日之公告所披露，本公司透過其間接全資附屬公司陝西艾爾膚組織工程有限公司(「陝西艾爾膚」)與一名獨立第三方買方(「買方」)訂立買賣協議，據此陝西艾爾膚向買方出售陝西艾美雅生物科技有限公司(「陝西艾美雅」，為陝西艾爾膚之直接全資附屬公司)之全部股權(「出售事項」)，代價為約人民幣17,300,000元(相當於約20,800,000港元)。

此外，於二零一七年十月十八日，陝西艾爾膚亦與買方訂立轉讓協議，以出售及轉讓陝西艾美雅結欠陝西艾爾膚金額約人民幣22,700,000元(相當於約27,400,000港元)之貸款(「貸款」)，代價相當於貸款金額，該代價乃由陝西艾爾膚與買方公平磋商後釐定。

出售事項及貸款轉讓之代價總額為人民幣40,000,000元(相當於48,200,000港元)，於二零一八年三月二十七日，本公司已就上述交易收取合共人民幣40,000,000元(相當於48,200,000港元)。

除上文所披露者外，由二零一七年五月一日至二零一七年十二月三十一日止期間，本集團並無重大收購/出售附屬公司及聯屬公司。

[#] for identification only

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS

Jiangsu Ding Xuan Contractual Arrangements

Collectively, on 1 August 2016, the exclusive business cooperation agreement, the exclusive option agreement, the equity pledge agreement, the power of attorney and the consent letter of spouse, entered into among (i) 江蘇頤澤生物科技有限公司 (Jiangsu Yi Ze Biotechnology Company Limited[#]) (“Jiangsu Yi Ze”), a company established in the PRC, a wholly owned subsidiary of SCI Therapeutics Limited, a company incorporated in Hong Kong under limited liabilities, being owned as to (a) 80% by CRMI Medical Bio-Tech Limited, formerly known as Enlighten On Enterprise Limited, a company incorporated in the British Virgin Islands with limited liability, an indirect wholly owned subsidiary of the Company, and (b) 20% by Mr. Shi Yufang respectively as at the date of this report), (ii) 江蘇鼎鉉生物科技有限公司 (Jiangsu Ding Xuan Biotechnology Company Limited[#]) (“Jiangsu Ding Xuan”), a limited liability company established in the PRC to engage in the business of providing services and equipment for human cell and stem cell related clinical applications in the PRC, including but not limited to the R&D on human stem cell technologies and equipment for human stem cell processing and for trading of its related equipment), the then (iii) registered shareholders of Jiangsu Ding Xuan and their spouses (if any).

Particulars and main business of the operating entity

At the date of this report, Jiangsu Ding Xuan is currently owned by Ms. Xu Jie as to 50% and Mr. Dai Lifeng as to 50% (hereinafter collectively referred to as the “Jiangsu Ding Xuan Shareholders”). Jiangsu Ding Xuan is controlled by the Group through Jiangsu Yi Ze by way of Jiangsu Ding Xuan Contractual Arrangements pursuant to which Jiangsu Yi Ze controls Jiangsu Ding Xuan.

Jiangsu Ding Xuan is established to engage in the business of providing services and equipment for human cell and stem cell related clinical applications in the PRC, including but not limited to the R&D on human stem cell technologies and equipment for human stem cell processing and for trading of its related equipment.

合約安排

江蘇鼎鉉合約安排

於二零一六年八月一日，獨家業務合作協議、獨家購股權協議、股權質押協議、授權委託書及配偶同意函之統稱，由以下訂約方訂立：(i) 江蘇頤澤生物科技有限公司(「江蘇頤澤」，一間於中國成立之公司，為華康生物治療有限公司(一間於香港註冊成立之有限公司)之全資附屬公司，於本報告日期其分別由(a)中國再生醫學生物技術有限公司(前稱安迪企業有限公司，一間於英屬處女群島註冊成立之有限公司，為本公司之一間間接全資附屬公司)擁有80%及(b)時玉舫先生擁有20%)，(ii) 江蘇鼎鉉生物科技有限公司(「江蘇鼎鉉」，一間於中國成立之有限公司，於中國從事為人體細胞及幹細胞相關臨床應用提供服務及設備之業務，包括但不限於人體幹細胞技術及人體幹細胞處理設備之研發及買賣相關設備)，(iii) 江蘇鼎鉉當時登記股東及彼等的配偶(如有)。

經營實體之詳情及主要業務

於本報告日期，江蘇鼎鉉現時由徐潔女士及戴立峰先生(下文統稱「江蘇鼎鉉股東」)分別擁有50%及50%。江蘇鼎鉉由本集團透過江蘇頤澤藉助江蘇鼎鉉合約安排之方式控制，據此，江蘇頤澤控制江蘇鼎鉉。

江蘇鼎鉉之成立宗旨為於中國從事為人體細胞及幹細胞相關臨床應用提供服務及設備之業務，包括但不限於人體幹細胞技術及人體幹細胞處理設備之研發及買賣相關設備。

[#] for identification only

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (CONT'D)

Major terms of the Jiangsu Ding Xuan Contractual Arrangements

(a) Irrevocable power of attorney

Parties:

Jiangsu Ding Xuan Shareholders

Terms:

An indefinite term upon execution and shall continue to be valid until the contracts under Jiangsu Ding Xuan Contractual Arrangements including their respective supplemental agreements (“Jiangsu Ding Xuan Main Obligations”) have been terminated or discharged in full.

Main Subject:

Jiangsu Ding Xuan Shareholders shall, among other things, irrevocably authorise Jiangsu Yi Ze and its respective successors to act on their behalf on all matters in relation to their equity interests in Jiangsu Ding Xuan, including attending shareholders' meeting, signing minutes of shareholders' meeting and shareholders' resolutions, exercising their full shareholder's rights under the articles of association of Jiangsu Ding Xuan and applicable PRC laws and regulations, including but not limited to shareholders' voting right, appointment of the legal representative, director, supervisor and senior management of Jiangsu Ding Xuan, filing documents with the relevant governmental authorities or regulatory bodies, acquisition and disposition of the equity interest of Jiangsu Ding Xuan held by Jiangsu Ding Xuan Shareholders or making decision on the liquidation of Jiangsu Ding Xuan and the formulation of the profit sharing plans of Jiangsu Ding Xuan, provided that the exercise of the power(s) of attorney shall not cause breach to the Jiangsu Ding Xuan Contractual Arrangements.

合約安排(續)

江蘇鼎鉉合約安排之主要條款

(a) 不可撤回授權委託書

訂約方：

江蘇鼎鉉股東

年期：

於簽署後無限年期並將持續有效，直至江蘇鼎鉉合約安排(包括其各份補充協議)(「江蘇鼎鉉主債權」)項下之合約均已獲全面終止或解除。

主體事項：

江蘇鼎鉉股東將(其中包括)不可撤回授權江蘇頤澤及其各自之繼任者代為處理有關其於江蘇鼎鉉之股權之所有事宜，包括出席股東大會、簽署股東大會之大會記錄及股東決議案、根據江蘇鼎鉉之組織章程及適用中國法律及法規悉數行使其股東權利(包括但不限於股東之投票權)、委任江蘇鼎鉉之法定代表人、董事、監事及高級管理人員、向相關政府機關或監管機構登記備案、收購及處置江蘇鼎鉉股東持有江蘇鼎鉉的股權或者就江蘇鼎鉉的清盤事宜作出決定以及制定江蘇鼎鉉利潤分配方案等，惟行使授權委託書中規定之權利不得違反江蘇鼎鉉合約安排。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (CONT'D)

Major terms of the Jiangsu Ding Xuan Contractual Arrangements (Cont'd)

(b) Exclusive business cooperation agreement

Parties:

- (i) Jiangsu Yi Ze
- (ii) Jiangsu Ding Xuan

Terms:

The exclusive business cooperation agreement commences from 1 August 2016 and is effective perpetually, unless otherwise terminated in accordance with its terms.

Main Subject:

Jiangsu Ding Xuan should appoint Jiangsu Yi Ze as exclusive service provider for its business operations, including but not limited to, technical R&D, technical support, technical consultation, technical training and other management and corporate consultation services.

(c) Exclusive option agreement

Parties:

- (i) Jiangsu Yi Ze
- (ii) Jiangsu Ding Xuan Shareholders
- (iii) Jiangsu Ding Xuan

Terms:

The exclusive option agreement commences from 1 August 2016 and is effective until all the shares of Jiangsu Ding Xuan have been transferred from the Jiangsu Ding Xuan Shareholders to Jiangsu Yi Ze and/or any person(s) designated by Jiangsu Yi Ze.

合約安排(續)

江蘇鼎鉉合約安排之主要條款(續)

(b) 獨家業務合作協議

訂約方：

- (i) 江蘇頤澤
- (ii) 江蘇鼎鉉

年期：

獨家業務合作協議自二零一六年八月一日開始及永久有效，除非根據其條款終止。

主體事項：

江蘇鼎鉉將委聘江蘇頤澤為其業務營運之獨家服務提供商，包括但不限於技術研發、技術支援、技術諮詢、技術培訓及其他相關管理及企業諮詢服務。

(c) 獨家購股權協議

訂約方：

- (i) 江蘇頤澤
- (ii) 江蘇鼎鉉股東
- (iii) 江蘇鼎鉉

年期：

獨家購股權協議自二零一六年八月一日開始及直至江蘇鼎鉉之所有股份已由江蘇鼎鉉股東轉讓予江蘇頤澤及／或江蘇頤澤指定之任何人士前有效。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (CONT'D)

Major terms of the Jiangsu Ding Xuan Contractual Arrangements (Cont'd)

(c) Exclusive option agreement (Cont'd)

Main Subject:

Jiangsu Ding Xuan Shareholders and Jiangsu Ding Xuan irrevocably agreed, to the extent permitted under the laws of the PRC, to transfer to Jiangsu Yi Ze and/or any person(s) designated by Jiangsu Yi Ze at any time and from time to time, all or part of their equity interests in Jiangsu Ding Xuan, or all or part of the assets of Jiangsu Ding Xuan.

Jiangsu Yi Ze may exercise its rights under the paragraph above at any time and in any manner at its sole discretion as permitted under the laws of the PRC. The exercise price of each of the rights under the paragraph above shall be the lowest price permitted under the laws of the PRC, subject to any other price as required by the PRC government authorities. Upon Jiangsu Ding Xuan and/or Jiangsu Ding Xuan Shareholders receive(s) the said consideration, they unconditionally transfer the said consideration to Jiangsu Yi Ze or any person(s) designated by Jiangsu Yi Ze.

Jiangsu Ding Xuan Shareholders and Jiangsu Ding Xuan jointly and/or severally undertake that, among other things, without having obtained the prior written consent from Jiangsu Yi Ze, they will not (i) amend the articles of association of Jiangsu Ding Xuan; (ii) increase or decrease the registered capital of Jiangsu Ding Xuan; (iii) dispose of, transfer, mortgage, create any security interest or third party rights in its equity interests in Jiangsu Ding Xuan; (iv) appoint any director(s) or executive director(s) of Jiangsu Ding Xuan; and (v) pay dividends in any manners. Jiangsu Ding Xuan Shareholders further undertake that, without having obtained the written consent from Jiangsu Yi Ze, they and their respective related persons will not engage in any business which is in competition with the businesses of Jiangsu Ding Xuan.

合約安排(續)

江蘇鼎鉉合約安排之主要條款(續)

(c) 獨家購股權協議(續)

主體事項：

江蘇鼎鉉股東及江蘇鼎鉉不可撤回同意，於中國法律准許之範圍內，隨時及不時向江蘇頤澤及／或江蘇頤澤指定之任何人士轉讓其於江蘇鼎鉉之全部或部份股權或江蘇鼎鉉之全部或部份資產。

在中國法律准許之情況下，江蘇頤澤可全權酌情於任何時間及以任何方式行使上段所述權利。上段所述各項權利之行使價格將為中國法律准許之最低價格，惟須受中國政府機關所規定之任何其他價格規限。於江蘇鼎鉉及／或江蘇鼎鉉股東收到上述代價後，彼等將無條件轉讓上述代價予江蘇頤澤或江蘇頤澤指定之任何人士。

江蘇鼎鉉股東及江蘇鼎鉉共同及／或個別承諾，(其中包括)如未獲江蘇頤澤事先書面同意，彼等將不會(i)修訂江蘇鼎鉉之組織章程細則；(ii)增加或減少江蘇鼎鉉之註冊資本；(iii)將其於江蘇鼎鉉之股權出售、轉讓、抵押、設置任何擔保權益或第三方權利；(iv)委任江蘇鼎鉉之任何董事或執行董事；及(v)以任何方式派付股息。江蘇鼎鉉股東進一步承諾，如未獲江蘇頤澤書面同意，彼等及彼等各自之關連人士將不會從事任何與江蘇鼎鉉業務構成競爭之業務。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (CONT'D)

Major terms of the Jiangsu Ding Xuan Contractual Arrangements (Cont'd)

(d) *Equity pledge agreement*

Parties:

- (i) Jiangsu Yi Ze
- (ii) Jiangsu Ding Xuan Shareholders
- (iii) Jiangsu Ding Xuan

Terms:

Effective from the registration of the pledged equity interests under the equity pledge agreement at the relevant PRC administration for industry and commerce until all the obligations of Jiangsu Ding Xuan Shareholders and Jiangsu Ding Xuan (including but not limited to Jiangsu Ding Xuan Main Obligations) are satisfied or discharged in full. The registration of the pledged equity interests under the equity pledge agreement at the relevant PRC administration for industry and commerce has been completed.

Main Subject:

Jiangsu Ding Xuan Shareholders pledged all equity interests in Jiangsu Ding Xuan legally held by Jiangsu Ding Xuan Shareholders (including present or future registered capital and their rights and benefits, whether through increase of capital and/or transfer of equity interest) to Jiangsu Yi Ze.

(e) *Consent letters of spouse*

Parties:

The spouses of Jiangsu Ding Xuan Shareholders

Terms:

An indefinite term upon execution and shall continue to be valid until the Jiangsu Ding Xuan Main Obligations are satisfied or discharged in full.

合約安排(續)

江蘇鼎鉉合約安排之主要條款(續)

(d) *股權質押協議*

訂約方：

- (i) 江蘇頤澤
- (ii) 江蘇鼎鉉股東
- (iii) 江蘇鼎鉉

年期：

自於有關中國工商行政機關登記股權質押協議項下之已抵押股權起生效，直至江蘇鼎鉉股東及江蘇鼎鉉之所有債權(包括但不限於江蘇鼎鉉主債權)均已經完全被滿足或被解除。已完成於有關中國工商行政機關登記股權質押協議項下之已抵押股權。

主體事項：

江蘇鼎鉉股東向江蘇頤澤質押江蘇鼎鉉股東合法持有之全部江蘇鼎鉉股權(包括現有或未來註冊股本及其權利及利益，無論是透過增加股本及/或轉讓股權之方式)。

(e) *配偶同意函*

訂約方：

江蘇鼎鉉股東之配偶

年期：

於簽署後無限年期並將持續有效，直至江蘇鼎鉉主債權均已經完全被滿足或被解除。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (CONT'D)

Major terms of the Jiangsu Ding Xuan Contractual Arrangements (Cont'd)

(e) Consent letters of spouse (Cont'd)

Main Subject:

The spouses of Jiangsu Ding Xuan Shareholders unconditionally agreed to the Jiangsu Ding Xuan Contractual Arrangements.

The spouses of Jiangsu Ding Xuan Shareholders undertake and declare that the equity respectively owned by Jiangsu Ding Xuan Shareholders in Jiangsu Ding Xuan contemplated on Jiangsu Ding Xuan Contractual Arrangements shall be Jiangsu Ding Xuan Shareholders' personal property respectively; and further, the said spouses undertake that they shall not take any act that causes or will cause any conflict and/or impediment to the Jiangsu Ding Xuan Contractual Arrangements.

Reason for using the Jiangsu Ding Xuan Contractual Arrangements and the significance to the Group

As advised by the legal adviser of the Company, the principal business of Jiangsu Ding Xuan involves technology for human stem cell research & development and applications which is regarded as prohibited business for foreign entity under the PRC Law. As such, the Group cannot acquire the equity interest in Jiangsu Ding Xuan at that time. Having regard to such foreign investment restrictions, the Jiangsu Ding Xuan Contractual Arrangements were designed to provide Jiangsu Yi Ze and, thus the Group, with effective control over the financial and operational policies of Jiangsu Ding Xuan and (to the extent permitted by PRC laws and regulations) the right to acquire the equity interest in Jiangsu Ding Xuan.

合約安排(續)

江蘇鼎鉉合約安排之主要條款(續)

(e) 配偶同意函(續)

主體事項：

江蘇鼎鉉股東之配偶無條件同意江蘇鼎鉉合約安排。

江蘇鼎鉉股東之配偶承諾及聲明，江蘇鼎鉉合約安排中涉及的江蘇鼎鉉股東各自持有於江蘇鼎鉉之股權分別為江蘇鼎鉉股東之個人財產；並進一步承諾不會採取任何導致或將導致與江蘇鼎鉉合約安排相衝突及／或阻礙之行為。

採用江蘇鼎鉉合約安排之理由及對本集團之重要性

據本公司法律顧問告知，江蘇鼎鉉的主要業務涉及人體幹細胞研發及應用技術，根據中國法律被視為外資企業受禁止類業務。因此，本集團當時無法收購江蘇鼎鉉之股權。經計及該等海外投資限制，設立江蘇鼎鉉合約安排之目的乃為江蘇頤澤乃至本集團提供對江蘇鼎鉉財務及經營策略之有效控制及（於中國法律及法規准許之範圍內）收購江蘇鼎鉉股權之權利。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (CONT'D)

Reason for using the Jiangsu Ding Xuan Contractual Arrangements and the significance to the Group (Cont'd)

Revenue and assets subject to the Jiangsu Ding Xuan Contractual Arrangements

The revenue, net loss and total assets subject to the Jiangsu Ding Xuan Contractual Arrangements are set out as follows:

合約安排(續)

採用江蘇鼎鉉合約安排之理由及對本集團之重要性(續)

江蘇鼎鉉合約安排之收益及資產

江蘇鼎鉉合約安排之收益、淨虧損及總資產載列如下：

		Period from 1 May 2017 to 31 December 2017 自二零一七年 五月一日起至 二零一七年 十二月三十一日 止期間 (HK\$'000) (千港元)	Year ended 30 April 2017 截至二零一七年 四月三十日 止年度 (HK\$'000) (千港元)
Revenue	收益	-	-
Net loss	淨虧損	3,910	2,876
Total assets	總資產	9,034	9,281

For the period from 1 May 2017 to 31 December 2017, the revenue and net loss subject to Jiangsu Ding Xuan Contractual Arrangements amounted to nil and approximately 2.35% of the revenue and net loss of the Group respectively. As at 31 December 2017, the total assets subject to Jiangsu Ding Xuan Contractual Arrangements amounted to approximately 0.26% of the total assets of the Group.

自二零一七年五月一日至二零一七年十二月三十一日止期間，江蘇鼎鉉合約安排之收益及淨虧損佔本集團收益及淨虧損為零及約2.35%。於二零一七年十二月三十一日，江蘇鼎鉉合約安排之總資產佔本集團總資產約0.26%。

For the year ended 30 April 2017, the revenue and net loss subject to Jiangsu Ding Xuan Contractual Arrangements amounted to nil and approximately 1.44% of the revenue and net loss of the Group respectively. As at 30 April 2017, the total assets subject to Jiangsu Ding Xuan Contractual Arrangements amounted to approximately 0.32% of the total assets of the Group.

截至二零一七年四月三十日止年度，江蘇鼎鉉合約安排之收益及淨虧損佔本集團收益及淨虧損為零及約1.44%。於二零一七年四月三十日，江蘇鼎鉉合約安排之總資產佔本集團總資產約0.32%。

Material changes

Save as disclosed in this report, there has not been any material changes in Jiangsu Ding Xuan Contractual Arrangements and/or the circumstances under which they were adopted.

重大變動

除本報告所披露者外，江蘇鼎鉉合約安排及／或採納該等合約安排的情況並無任何重大變動。

Unwinding of Jiangsu Ding Xuan Contractual Arrangements

Up to the date of this report, there has not been any unwinding of any Jiangsu Ding Xuan Contractual Arrangements, nor has there been any failure to unwind any Jiangsu Ding Xuan Contractual Arrangements when the restrictions that led to the adoption of the Jiangsu Ding Xuan Contractual Arrangements are removed.

解除江蘇鼎鉉合約安排

截至本報告日期，並無任何江蘇鼎鉉合約安排被解除，亦無於導致採納江蘇鼎鉉合約安排的限制經移除後出現無法解除任何江蘇鼎鉉合約安排的情況。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (CONT'D)

Risks associated with the Jiangsu Ding Xuan Contractual Arrangements and actions taken by the Company to mitigate the risks

The Group does not have any direct equity ownership in Jiangsu Ding Xuan and has relied on the Jiangsu Ding Xuan Contractual Arrangements, as the case may be, to control, operate, and be entitled to the economic benefits and risks arising from the respective businesses of Jiangsu Ding Xuan in the PRC. However, there are risks involved with the operations of Jiangsu Yi Ze under the Jiangsu Ding Xuan Contractual Arrangements, as the case may be.

- (i) ***There is no assurance that the Jiangsu Ding Xuan Contractual Arrangements could comply with future changes in the regulatory requirements in the PRC and the PRC government may determine that the Jiangsu Ding Xuan Contractual Arrangements do not comply with applicable regulations***

Current PRC laws and regulations prohibit foreign ownership of companies engage in the businesses concerning technology for research & development and applications of human stem cells, gene diagnose and therapy. The businesses of Jiangsu Ding Xuan are regarded as design and manufacturing of preclinical cell and stem cell related equipment which involves in technology for human stem cell research & development and applications, in addition to providing contract research services. The Company is a company incorporated under the laws of the Cayman Islands. Jiangsu Yi Ze may not engage in the businesses concerning technology for human stem cell research & development and applications in the PRC under current PRC laws. As a result, the Group will have to conduct the business of Jiangsu Ding Xuan in the PRC through the Jiangsu Ding Xuan Contractual Arrangements.

Despite the fact that there is no indication that the Jiangsu Ding Xuan Contractual Arrangements will be interfered or objected by any PRC regulatory authorities, to the best knowledge of the Directors, there is a possibility that the Ministry of Commerce and other competent authorities may have different opinions on the interpretation of the relevant regulations and would not agree that the Jiangsu Ding Xuan Contractual Arrangements comply with the current PRC laws, regulations or rules or those that may be adopted in future, and the authorities may deny the validity, effectiveness and enforceability of the Jiangsu Ding Xuan Contractual Arrangements.

If the authorities may deny the validity, effectiveness and enforceability of any of the Jiangsu Ding Xuan Contractual Arrangements, it could have a material adverse impact on the Group's businesses, financial condition and results of operations.

合約安排(續)

與江蘇鼎鉉合約安排有關之風險及本公司採取之降低風險之措施

本集團並無於江蘇鼎鉉擁有任何直接所有權權益，並已倚賴江蘇鼎鉉合約安排(視情況而定)於中國控制、運營江蘇鼎鉉各自之業務，並有權享有或承擔其經濟利益及風險。然而，江蘇鼎鉉合約安排(視情況而定)項下存有涉及江蘇頤澤經營業務之風險。

- (i) **概不能保證江蘇鼎鉉合約安排能夠遵守未來中國監管規定之變動及中國政府可能釐定江蘇鼎鉉合約安排並無遵守適用法規**

現行中國法律及法規禁止外資公司從事有關人體幹細胞研發及應用、基因診斷及治療技術之業務。除提供合同式研究服務外，江蘇鼎鉉之業務為設計及生產臨床前細胞及幹細胞相關設備，其中涉及人體幹細胞研發及應用技術。本公司為一間根據開曼群島法律註冊成立之公司。根據現行中國法律，江蘇頤澤不可於中國從事有關人體幹細胞研發及應用技術之業務。因此，本集團將須透過江蘇鼎鉉合約安排於中國進行江蘇鼎鉉之業務。

儘管並無跡象顯示江蘇鼎鉉合約安排將遭任何中國監管機構干預或反對，惟就董事所深知，商務部及其他主管機構可能對相關法規之詮釋持有異議，並將認為江蘇鼎鉉合約安排不符合現行或未來可能採納之中國法律、法規或規則，而該等機構可能否認江蘇鼎鉉合約安排之有效性、效力及可強制執行性。

倘該等機構否認任何江蘇鼎鉉合約安排之有效性、效力及可強制執行性，其可能對本集團之業務、財務狀況及經營業績產生重大不利影響。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (CONT'D)

Risks associated with the Jiangsu Ding Xuan Contractual Arrangements and actions taken by the Company to mitigate the risks (Cont'd)

- (ii) ***The Jiangsu Ding Xuan Contractual Arrangements may not be as effective in providing control over and entitlement to the economic interests in the Project Company (namely “Jiangsu Ding Xuan as the case may be”) as direct ownership***

The Jiangsu Ding Xuan Contractual Arrangements may not be as effective in providing the Group with control over and entitlement to the economic interests in the Project Company as direct ownership. If Jiangsu Yi Ze had direct ownership of Jiangsu Ding Xuan, Jiangsu Yi Ze would be able to directly exercise its rights as a shareholder to effect changes in the board of directors of Jiangsu Ding Xuan. However, under the Jiangsu Ding Xuan Contractual Arrangements, Jiangsu Yi Ze can only look to and rely on Jiangsu Ding Xuan and the Jiangsu Ding Xuan Shareholders to perform their contractual obligations under the Jiangsu Ding Xuan Contractual Arrangements such that Jiangsu Yi Ze can exercise effective control over Jiangsu Ding Xuan. The Jiangsu Ding Xuan Shareholders may not act in the best interests of Jiangsu Ding Xuan or may not perform its/their obligations under the Jiangsu Ding Xuan Contractual Arrangements, and in that case, Jiangsu Yi Ze may replace the Jiangsu Ding Xuan Shareholders by its other nominees pursuant to the Jiangsu Ding Xuan Contractual Arrangements. However, if any dispute relating to the Jiangsu Ding Xuan Contractual Arrangements remains unresolved, Jiangsu Yi Ze will have to enforce its rights under the Jiangsu Ding Xuan Contractual Arrangements and seek to interpret the terms of the Jiangsu Ding Xuan Contractual Arrangements in accordance with the PRC laws and will be subject to uncertainties in the PRC legal system.

合約安排(續)

與江蘇鼎鉉合約安排有關之風險及本公司採取之降低風險之措施(續)

- (ii) 江蘇鼎鉉合約安排於控制項目公司(指「江蘇鼎鉉(視情況而定)」)及享有其經濟利益方面可能不如直接擁有權有效

江蘇鼎鉉合約安排於向本集團提供對項目公司之控制權及令其享有項目公司之經濟利益方面可能不如直接擁有權有效。倘江蘇頤澤直接擁有江蘇鼎鉉，江蘇頤澤將可直接行使作為股東之權利變更江蘇鼎鉉之董事會。然而，根據江蘇鼎鉉合約安排，江蘇頤澤僅可指望及依賴江蘇鼎鉉與江蘇鼎鉉股東履行其於江蘇鼎鉉合約安排項下之合約義務，從而使江蘇頤澤可行使對江蘇鼎鉉之實際控制權。江蘇鼎鉉股東可能不會以江蘇鼎鉉之最佳利益行事，或可能不履行彼等於江蘇鼎鉉合約安排項下之義務，在此情況下，江蘇頤澤可根據江蘇鼎鉉合約安排安排其他代名人取代江蘇鼎鉉股東。然而，倘有關江蘇鼎鉉合約安排之任何爭議未獲解決，江蘇頤澤將強制行使其於江蘇鼎鉉合約安排項下之權利及尋求根據中國法律詮釋江蘇鼎鉉合約安排之條款並將面臨中國法律制度中之不明朗因素。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (CONT'D)

Risks associated with the Jiangsu Ding Xuan Contractual Arrangements and actions taken by the Company to mitigate the risks (Cont'd)

- (ii) ***The Jiangsu Ding Xuan Contractual Arrangements may not be as effective in providing control over and entitlement to the economic interests in the Project Company (namely “Jiangsu Ding Xuan as the case may be”) as direct ownership (Cont'd)***

Since the legal environment in the PRC is different from that in Hong Kong and other jurisdictions, the uncertainties in the PRC legal system could limit the ability of the Group to enforce the Jiangsu Ding Xuan Contractual Arrangements. There is no assurance that such arbitration result will be in favour of the Group and/or that there will not be any difficulties in enforcing any arbitral awards granted, including specific performance or injunctive relief and claiming damages by the Group. As the Group may not be able to obtain sufficient remedies in a timely manner, its ability to exert effective control over Jiangsu Ding Xuan and the conduct of the businesses concerning technology for human stem cell research & development and applications could be materially and adversely affected, and may disrupt the business of the Group and have a material adverse impact on Group's business, prospects and results of operation.

- (iii) ***Potential conflicts of interest among Jiangsu Yi Ze, Jiangsu Ding Xuan, the Jiangsu Ding Xuan Shareholders may exist***

Jiangsu Yi Ze shall rely on the Jiangsu Ding Xuan Contractual Arrangements to exercise control over and to draw the economic benefits from Jiangsu Ding Xuan. Jiangsu Yi Ze may not be able to provide sufficient incentives to the Jiangsu Ding Xuan Shareholders for the purpose of encouraging them to act in the best interests of Jiangsu Yi Ze, other than stipulating the relevant obligations in the Jiangsu Ding Xuan Contractual Arrangements. The Jiangsu Ding Xuan Shareholders may breach the Jiangsu Ding Xuan Contractual Arrangements in the event of conflicts of interest or deterioration of its/their relationship with Jiangsu Yi Ze, the results of which may have a material adverse impact on Jiangsu Yi Ze's business, prospects and results of operation.

合約安排(續)

與江蘇鼎鉉合約安排有關之風險及本公司採取之降低風險之措施(續)

- (ii) 江蘇鼎鉉合約安排於控制項目公司(指「江蘇鼎鉉(視情況而定)」)及享有其經濟利益方面可能不如直接擁有權有效(續)

由於中國法律環境有別於香港及其他司法權區，故中國法律制度中之不明朗因素將可能限制本集團強制執行江蘇鼎鉉合約安排之能力。概不保證有關仲裁結果將有利於本集團及／或強制執行所授出之任何仲裁裁決不會遭遇任何困難，包括執行授予本集團之具體履行或禁制令救濟及由本集團提出賠償。由於本集團可能無法及時取得足夠補救措施，故其對江蘇鼎鉉行使實際控制權之能力及進行人體幹細胞技術研發及應用業務可能受重大不利影響，並可能中斷本集團之業務及對本集團之業務、前景及經營業績產生重大不利影響。

- (iii) 江蘇頤澤、江蘇鼎鉉及江蘇鼎鉉股東之間可能存在潛在利益衝突

江蘇頤澤將倚賴江蘇鼎鉉合約安排對江蘇鼎鉉行使控制權及自其抽取經濟利益。除於江蘇鼎鉉合約安排中訂明有關義務外，江蘇頤澤可能無法就鼓勵江蘇鼎鉉股東以江蘇頤澤之最佳利益行事而向江蘇鼎鉉股東提供足夠激勵。江蘇鼎鉉股東可能於出現利益衝突事件或其與江蘇頤澤之關係惡化時違反江蘇鼎鉉合約安排，其結果可能對江蘇頤澤之業務、前景及經營業績產生重大不利影響。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (CONT'D)

Risks associated with the Jiangsu Ding Xuan Contractual Arrangements and actions taken by the Company to mitigate the risks (Cont'd)

(iii) Potential conflicts of interest among Jiangsu Yi Ze, Jiangsu Ding Xuan, the Jiangsu Ding Xuan Shareholders may exist (Cont'd)

It is not assured that if conflicts arise, the Jiangsu Ding Xuan Shareholders will act in the best interests of Jiangsu Yi Ze or that the conflicts will be resolved in favour of Jiangsu Yi Ze. If any of the Jiangsu Ding Xuan Shareholders fails to perform its obligations under the respective Jiangsu Ding Xuan Contractual Arrangements, Jiangsu Yi Ze may have to rely on legal remedies under the PRC laws through legal proceedings, which may be expensive, time-consuming and disruptive to Jiangsu Yi Ze's operations and will be subject to uncertainties as stated above.

(iv) The Jiangsu Ding Xuan Contractual Arrangements may be subject to scrutiny of the PRC tax authorities and additional tax may be imposed

Jiangsu Ding Xuan Contractual Arrangements may be subject to scrutiny of the PRC tax authorities and additional tax may be imposed on the Jiangsu Yi Ze, as the case may be. Jiangsu Yi Ze, as the case may be, may face adverse tax consequences if the PRC tax authorities determine that the Jiangsu Ding Xuan Contractual Arrangements were not entered into based on arm's length negotiations. If the PRC tax authorities determine that the Jiangsu Ding Xuan Contractual Arrangements were not entered into on an arm's length basis, they may adjust the income and expenses of Jiangsu Yi Ze, as the case may be, for the PRC tax purposes, which could result in higher tax liabilities on Jiangsu Yi Ze, as the case may be.

The operation results of Jiangsu Yi Ze, as the case may be, may be materially and adversely affected if the tax liabilities of Jiangsu Yi Ze, Jiangsu Ding Xuan increase significantly or if they are required to pay interest on late payments.

合約安排(續)

與江蘇鼎鉉合約安排有關之風險及本公司採取之降低風險之措施(續)

(iii) 江蘇頤澤、江蘇鼎鉉及江蘇鼎鉉股東之間可能存在潛在利益衝突(續)

概不保證當發生衝突時，江蘇鼎鉉股東將以江蘇頤澤之最佳利益行事或衝突將以對江蘇頤澤有利之方式解決。倘任何江蘇鼎鉉股東未能履行其於各份江蘇鼎鉉合約安排項下之責任，江蘇頤澤可能須透過法律訴訟依賴中國法律下之法律補救，此舉可能昂貴、耗時及中斷江蘇頤澤之營運，且可能面臨上文所述之不明朗因素。

(iv) 江蘇鼎鉉合約安排可能會受中國稅務機關審查並徵收額外稅項

江蘇鼎鉉合約安排可能會受中國稅務機關審查，而江蘇頤澤(視情況而定)可能被徵收額外稅項。倘中國稅務機關釐定江蘇鼎鉉合約安排並非根據公平磋商訂立，則江蘇頤澤(視情況而定)可能面臨不利稅務後果。倘中國稅務機關釐定江蘇鼎鉉合約安排並非按公平基準訂立，其可能就中國稅務目的調整江蘇頤澤(視情況而定)之收入與開支，此舉可導致江蘇頤澤(視情況而定)承擔更高之稅務負債。

倘江蘇頤澤、江蘇鼎鉉之稅務負債大幅增加或倘彼等須就逾期付款而支付利息，江蘇頤澤(視情況而定)之經營業績則可能受重大不利影響。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (CONT'D)

Risks associated with the Jiangsu Ding Xuan Contractual Arrangements and actions taken by the Company to mitigate the risks (Cont'd)

(v) Ability to acquire the entire equity interests in or assets of the Project Company

Jiangsu Yi Ze's ability to acquire the entire equity interests in or assets of Jiangsu Ding Xuan may be subject to various limitations and substantial costs. In case Jiangsu Yi Ze exercises its options to acquire all or part of the equity interests and/or assets of Jiangsu Ding Xuan under the relevant exclusive option agreement, the acquisition of the entire equity interests in or the assets of Jiangsu Ding Xuan may only be conducted to the extent as permitted by the applicable PRC laws and will be subject to necessary approvals and relevant procedures under applicable PRC laws. In addition, the abovementioned acquisitions may be subject to a minimum price limitation (such as an appraised value for the entire equity interests in or all assets of Jiangsu Ding Xuan) or other limitations as imposed by applicable PRC laws. Further, a substantial amount of other costs (if any), expenses and time may be involved in transferring the ownership of Jiangsu Ding Xuan, which may have a material adverse impact on Jiangsu Yi Ze's businesses, prospects and results of operation.

合約安排(續)

與江蘇鼎鉉合約安排有關之風險及本公司採取之降低風險之措施(續)

(v) 收購項目公司全部股權或資產之能力

江蘇頤澤收購江蘇鼎鉉之全部股權或資產之能力可能面臨多項限制及大量成本。倘江蘇頤澤根據相關獨家購股權協議行使其購股權以收購江蘇鼎鉉之全部或部份股權及／或資產，收購江蘇鼎鉉之全部股權或資產僅可於適用中國法律准許之情況下進行，並須受適用中國法律項下之必要批准及相關程序所規限。此外，上述收購可能須受適用中國法律施加之最低價格限制(例如江蘇鼎鉉之全部股權或所有資產之評估價值)或其他限制所規限。另外，轉讓江蘇鼎鉉之擁有權可能涉及大量其他成本(如有)、費用及時間，其可能對江蘇頤澤之業務、前景及經營業績造成重大不利影響。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (CONT'D)

AK Suzhou Contractual Arrangements

In April and August 2015, the Group completed the respective acquisitions of Tianjin Weikai and AK Suzhou through contractual arrangements. Save as disclosed in this report, there have been no changes to such Contractual Arrangements since the respective completion dates.

Collectively, the exclusive business cooperation agreement, the exclusive option agreement, the equity pledge agreement, the power of attorney and the consent letter of spouse, entered into among (i) AK Subsidiary (蘇州博凱生物技術諮詢服務有限責任公司 (Suzhou Bo Kai Biomedical Consultation Service Ltd.*)), a company established in the PRC, an indirect wholly owned subsidiary of Frame Sharp Limited (a company incorporated in the British Virgin Islands, being owned as to (a) 70% by CRMI Medical Bio-Tech Limited (“CRMI Medical”), formerly known as Enlighten On Enterprise Limited, a company incorporated in the British Virgin Islands with limited liability, an indirect wholly owned subsidiary of the Company, and (b) 30% by Remed Tiger Limited (“Remed Tiger”), a company incorporated in the Republic of Seychelles, being owned as to 100% by Mr. Zhang Xumao) respectively as at the date of this report), (ii) AK Suzhou (奧凱(蘇州)生物技術有限公司 (AK (Suzhou) Biomedical Ltd.*)), a limited liability company established in the PRC to engage in the business of providing services and equipment for human cell and stem cell related clinical applications in the PRC, including but not limited to the R&D on human stem cell technologies and equipment for human stem cell processing and for trading of its related equipment), the then (iii) registered shareholders of AK Suzhou and their spouses (if any).

Particulars and main business of the operating entity

At the date of this report, AK Suzhou is currently owned as to 30% by Ms. Cui Keyan and as to 70% by Mr. Dai Yumin (the former executive Director of the Company, which had resigned from his directorship of the Company with effect from 30 April 2016) (hereinafter collectively referred to as the “Suzhou Biomedical Shareholders”). AK Suzhou is controlled by the Group through AK Subsidiary by way of AK Suzhou Contractual Arrangements pursuant to which AK Subsidiary controls AK Suzhou.

AK Suzhou is established to engage in the business of providing services and equipment for human cell and stem cell related clinical applications in the PRC, including but not limited to the R&D on human stem cell technologies and equipment for human stem cell processing and for trading of its related equipment.

* for identification only

合約安排(續)

奧凱(蘇州)合約安排

於二零一五年四月及八月，本集團透過合約安排分別完成收購天津衛凱及奧凱(蘇州)。除本報告所披露者外，自各完成日期起，該等合約安排並無任何變動。

獨家業務合作協議、獨家購股權協議、股權質押協議、授權委託書及配偶同意函之統稱，由以下訂約方訂立：(i)奧凱附屬公司(蘇州博凱生物技術諮詢服務有限責任公司，一間於中國成立之公司，為 Frame Sharp Limited(一間於英屬處女群島註冊成立之公司)之間接全資附屬公司，於本報告日期其分別由(a)中國再生醫學生物技術有限公司(「中國再生醫學生物技術」，前稱安迪企業有限公司，一間於英屬處女群島註冊成立之有限公司，為本公司之一間間接全資附屬公司)擁有70%，及(b)Remed Tiger Limited(「Remed Tiger」，一間於塞舌爾共和國註冊成立之公司，由張旭茂先生全資擁有)擁有30%，(ii)奧凱(蘇州)奧凱(蘇州)生物技術有限公司，一間於中國成立之有限公司，於中國從事為人體細胞及幹細胞相關臨床應用提供服務及設備之業務，包括但不限於人體幹細胞技術及人體幹細胞處理設備之研發及買賣相關設備)，(iii)奧凱(蘇州)當時登記股東及彼等的配偶(如有)。

經營實體之詳情及主要業務

於本報告日期，奧凱(蘇州)現時由崔科研女士及戴昱敏先生(本公司之前任執行董事，自二零一六年四月三十日起辭任本公司之董事職務)(下文統稱「蘇州生物技術股東」)分別擁有30%及70%。奧凱(蘇州)由本集團透過奧凱附屬公司藉助奧凱(蘇州)合約安排之方式控制，據此，奧凱附屬公司控制奧凱(蘇州)。

奧凱(蘇州)之成立宗旨為於中國從事為人體細胞及幹細胞相關臨床應用提供服務及設備之業務，包括但不限於人體幹細胞技術及人體幹細胞處理設備之研發及買賣相關設備。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (CONT'D)

AK Suzhou Contractual Arrangements (Cont'd)

Major terms of the AK Suzhou Contractual Arrangements

a) *Irrevocable power of attorney*

Parties:

Suzhou Biomedical Shareholders

Terms:

An indefinite term upon execution and shall continue to be valid until the contracts under AK Suzhou Contractual Arrangements including their respective supplemental agreements (“AK Suzhou Main Obligations”) have been terminated or discharged in full.

Main Subject:

Suzhou Biomedical Shareholders shall, among other things, irrevocably authorise AK Subsidiary and its respective successors to act on their behalf on all matters in relation to their equity interests in AK Suzhou, including attending shareholders' meeting, signing minutes of shareholders' meeting and shareholders' resolutions, exercising their full shareholder's rights under the articles of association of AK Suzhou and applicable PRC laws and regulations, including but not limited to shareholders' voting right, appointment of the legal representative, director, supervisor and senior management of AK Suzhou, filing documents with the relevant governmental authorities or regulatory bodies, acquisition and disposition of the equity interest of AK Suzhou held by Suzhou Biomedical Shareholders or making decision on the liquidation of AK Suzhou and the formulation of the profit sharing plans of AK Suzhou, provided that the exercise of the power(s) of attorney shall not cause breach to the AK Suzhou Contractual Arrangements.

合約安排(續)

奧凱(蘇州)合約安排(續)

奧凱(蘇州)合約安排之主要條款

a) **不可撤回授權委託書**

訂約方：

蘇州生物技術股東

年期：

於簽署後無限年期並將持續有效，直至奧凱(蘇州)合約安排(包括其各份補充協議)(「奧凱(蘇州)主債權」)項下之合約均已獲全面終止或解除。

主體事項：

蘇州生物技術股東將(其中包括)不可撤回授權奧凱附屬公司及其各自之繼任者代為處理有關其於奧凱(蘇州)之股權之所有事宜，包括出席股東大會、簽署股東大會之大會記錄及股東決議案、根據奧凱(蘇州)之組織章程及適用中國法律及法規悉數行使其股東權利(包括但不限於股東之投票權)、委任奧凱(蘇州)之法定代表人、董事、監事及高級管理人員、向相關政府機關或監管機構登記備案、收購及處置蘇州生物技術股東持有奧凱(蘇州)的股權或者就奧凱(蘇州)的清盤事宜作出決定以及制定奧凱(蘇州)利潤分配方案等，惟行使授權委託書中規定之權利不得違反奧凱(蘇州)合約安排。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (CONT'D)

AK Suzhou Contractual Arrangements (Cont'd)

Major terms of the AK Suzhou Contractual Arrangements (Cont'd)

b) Exclusive business cooperation agreement

Parties:

- (i) AK Subsidiary
- (ii) AK Suzhou

Terms:

10 years commencing from 7 August 2015. The exclusive business cooperation agreement will be automatically extended for another 10 years if AK Subsidiary has no intention to terminate upon its expiry. The said automatic 10-year extension will continue until AK Subsidiary gives confirmation regarding the termination of the term.

Main Subject:

AK Suzhou should appoint AK Subsidiary as exclusive service provider for its business operations, including but not limited to, technical R&D, technical support, technical consultation, technical training and other management and corporate consultation services.

c) Exclusive option agreements

Parties:

- (i) AK Subsidiary
- (ii) Suzhou Biomedical Shareholders
- (iii) AK Suzhou

Terms:

10 years commencing from the date of the respective exclusive option agreements. The exclusive option agreement will be automatically extended for another 10 years if AK Subsidiary has no intention to terminate upon its expiry. The said automatic 10-year extension will continue until AK Subsidiary gives confirmation regarding the termination of the term.

合約安排(續)

奧凱(蘇州)合約安排(續)

奧凱(蘇州)合約安排之主要條款(續)

b) 獨家業務合作協議

訂約方：

- (i) 奧凱附屬公司
- (ii) 奧凱(蘇州)

年期：

由二零一五年八月七日起為期10年。期滿後假若奧凱附屬公司沒有終止的意向表示，則獨家業務合作協議將自動延期10年。此自動延期10年將持續進行，直至奧凱附屬公司作出終止年期確認。

主體事項：

奧凱(蘇州)將委聘奧凱附屬公司為其業務營運之獨家服務提供商，包括但不限於技術研發、技術支援、技術諮詢、技術培訓及其他相關管理及企業諮詢服務。

c) 獨家購股權協議

訂約方：

- (i) 奧凱附屬公司
- (ii) 蘇州生物技術股東
- (iii) 奧凱(蘇州)

年期：

由各獨家購股權協議日期起為期10年。期滿後假若奧凱附屬公司沒有終止的意向表示，則獨家購股權協議將自動延期10年。此自動延期10年將持續進行，直至奧凱附屬公司作出終止年期確認。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (CONT'D)

AK Suzhou Contractual Arrangements (Cont'd)

Major terms of the AK Suzhou Contractual Arrangements (Cont'd)

c) *Exclusive option agreements (Cont'd)*

Main Subject:

Suzhou Biomedical Shareholders and AK Suzhou irrevocably agreed, to the extent permitted under the laws of the PRC, to transfer to AK Subsidiary or any person(s) designated by AK Subsidiary at any time and from time to time, all or part of their equity interests in AK Suzhou, or all or part of the assets of AK Suzhou.

AK Subsidiary may exercise its rights under the paragraph above at any time and in any manner at its sole discretion as permitted under the laws of the PRC. The exercise price of each of the rights under the paragraph above shall be the lowest price permitted under the laws of the PRC, subject to any other price as required by the PRC government authorities. Upon AK Suzhou and/or Suzhou Biomedical Shareholders receive(s) the said consideration, they unconditionally transfer the said consideration to AK Subsidiary or any person(s) designated by AK Subsidiary.

Suzhou Biomedical Shareholders and AK Suzhou jointly and/or severally undertake that, among other things, without having obtained the prior written consent from AK Subsidiary, they will not (i) amend the articles of association of AK Suzhou; (ii) increase or decrease the registered capital of AK Suzhou; (iii) dispose of, transfer, mortgage, create any security interest or third party rights in its equity interests in AK Suzhou; (iv) appoint any director(s) or executive director(s) of AK Suzhou; and (v) pay dividends in any manners. Suzhou Biomedical Shareholders further undertake that, without having obtained the written consent from AK Subsidiary, they and their respective related persons will not engage in any business which is in competition with the businesses of AK Suzhou.

合約安排(續)

奧凱(蘇州)合約安排(續)

奧凱(蘇州)合約安排之主要條款(續)

c) *獨家購股權協議(續)*

主體事項：

蘇州生物技術股東及奧凱(蘇州)不可撤回同意，於中國法律准許之範圍內，隨時及不時向奧凱附屬公司或奧凱附屬公司指定之任何人士轉讓其於奧凱(蘇州)之全部或部份股權或奧凱(蘇州)之全部或部份資產。

在中國法律准許之情況下，奧凱附屬公司可全權酌情於任何時間及以任何方式行使上段所述權利。上段所述各項權利之行使價格將為中國法律准許之最低價格，惟須受中國政府機關所規定之任何其他價格規限。於奧凱(蘇州)及／或蘇州生物技術股東收到上述代價後，彼等將無條件轉讓上述代價予奧凱附屬公司或其指定之任何人士。

蘇州生物技術股東及奧凱(蘇州)共同及／或個別承諾，(其中包括)如未獲奧凱附屬公司事先書面同意，彼等將不會(i)修訂奧凱(蘇州)之組織章程細則；(ii)增加或減少奧凱(蘇州)之註冊資本；(iii)將其於奧凱(蘇州)之股權出售、轉讓、抵押、設置任何擔保權益或第三方權利；(iv)委任奧凱(蘇州)之任何董事或執行董事；及(v)以任何方式派付股息。蘇州生物技術股東進一步承諾，如未獲奧凱附屬公司書面同意，彼等及彼等各自之關連人士將不會從事任何與奧凱(蘇州)業務構成競爭之業務。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (CONT'D)

AK Suzhou Contractual Arrangements (Cont'd)

Major terms of the AK Suzhou Contractual Arrangements (Cont'd)

d) Equity pledge agreements

Parties:

- (i) AK Subsidiary
- (ii) Suzhou Biomedical Shareholders
- (iii) AK Suzhou

Terms:

Effective from the registration of the pledged equity interests under the equity pledge agreement at the relevant PRC administration for industry and commerce until all the obligations of Suzhou Biomedical Shareholders and AK Suzhou (including but not limited to AK Suzhou Main Obligations) are satisfied or discharged in full. The registration of the pledged equity interests under the equity pledge agreement at the relevant PRC administration for industry and commerce has been completed.

Main Subject:

Suzhou Biomedical Shareholders pledged all equity interests in AK Suzhou legally held by Suzhou Biomedical Shareholders (including present or future registered capital and their rights and benefits, whether through increase of capital and/or transfer of equity interest) to AK Subsidiary.

e) Consent letter of spouse

Parties:

The spouses of Suzhou Biomedical Shareholders

Terms:

An indefinite term upon execution and shall continue to be valid until the AK Suzhou Main Obligations are satisfied or discharged in full.

合約安排(續)

奧凱(蘇州)合約安排(續)

奧凱(蘇州)合約安排之主要條款(續)

d) 股權質押協議

訂約方：

- (i) 奧凱附屬公司
- (ii) 蘇州生物技術股東
- (iii) 奧凱(蘇州)

年期：

自於有關中國工商行政機關登記股權質押協議項下之已抵押股權起生效，直至蘇州生物技術股東及奧凱(蘇州)之所有債權(包括但不限於奧凱(蘇州)主債權)均已經完全被滿足或被解除。已完成於有關中國工商行政機關登記股權質押協議項下之已抵押股權。

主體事項：

蘇州生物技術股東向奧凱附屬公司質押蘇州生物技術股東合法持有之全部奧凱(蘇州)股權(包括現有或未來註冊股本及其權利及利益，無論是透過增加股本及/或轉讓股權之方式)。

e) 配偶同意函

訂約方：

蘇州生物技術股東之配偶

年期：

於簽署後無限年期並將持續有效，直至奧凱(蘇州)主債權均已經完全被滿足或被解除。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (CONT'D)

AK Suzhou Contractual Arrangements (Cont'd)

Major terms of the AK Suzhou Contractual Arrangements (Cont'd)

e) *Consent letter of spouse (Cont'd)*

Main Subject:

The spouses of Suzhou Biomedical Shareholders unconditionally agreed to the AK Suzhou Contractual Arrangements.

The spouses of Suzhou Biomedical Shareholders undertake and declare that the equity respectively owned by Suzhou Biomedical Shareholders in AK Suzhou contemplated on AK Suzhou Contractual Arrangements shall be Suzhou Biomedical Shareholders' personal property respectively; and further, the said spouses undertake that they shall not take any act that causes or will cause any conflict and/or impediment to the AK Suzhou Contractual Arrangements.

Reason for using the AK Suzhou Contractual Arrangements and the significance to the Group

As advised by the legal adviser of the Company, the principal business of AK Suzhou involves technology for human stem cell research & development and applications which is regarded as prohibited business for foreign entity under the PRC Law. As such, the Group cannot acquire the equity interest in AK Suzhou at that time. Having regard to such foreign investment restrictions, the AK Suzhou Contractual Arrangements were designed to provide AK Subsidiary and, thus the Group, with effective control over the financial and operational policies of AK Suzhou and (to the extent permitted by PRC laws and regulations) the right to acquire the equity interest in AK Suzhou.

合約安排(續)

奧凱(蘇州)合約安排(續)

奧凱(蘇州)合約安排之主要條款(續)

e) *配偶同意函(續)*

主體事項：

蘇州生物技術股東之配偶無條件同意奧凱(蘇州)合約安排。

蘇州生物技術股東之配偶承諾及聲明，奧凱(蘇州)合約安排中涉及的蘇州生物技術股東各自持有於奧凱(蘇州)之股權分別為蘇州生物技術股東之個人財產；並進一步承諾不會採取任何導致或將導致與奧凱(蘇州)合約安排相衝突及／或阻礙之行為。

採用奧凱(蘇州)合約安排之理由及對本集團之重要性

據本公司法律顧問告知，奧凱(蘇州)的主要業務涉及人體幹細胞研發及應用技術，根據中國法律被視為外資企業受禁止類業務。因此，本集團當時無法收購奧凱(蘇州)之股權。經計及該等海外投資限制，設立奧凱(蘇州)合約安排之目的乃為奧凱附屬公司乃至本集團提供對奧凱(蘇州)財務及經營策略之有效控制及(於中國法律及法規准許之範圍內)收購奧凱(蘇州)股權之權利。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (CONT'D)

合約安排(續)

AK Suzhou Contractual Arrangements (Cont'd)

奧凱(蘇州)合約安排(續)

Revenue and assets subject to the AK Suzhou Contractual Arrangements

奧凱(蘇州)合約安排之收益及資產

The revenue, net loss and total assets subject to the AK Suzhou Contractual Arrangements are set out as follows:

奧凱(蘇州)合約安排之收益、淨虧損及總資產載列如下：

		Period from 1 May 2017 to 31 December 2017 自二零一七年 五月一日起至 二零一七年 十二月三十一日 止期間 (HK\$'000) (千港元)	Year ended 30 April 2017 截至二零一七年 四月三十日 止年度 (HK\$'000) (千港元)
Revenue	收益	736	247
Net loss	淨虧損	4,968	8,612
Total assets	總資產	76,964	73,901

For the period from 1 May 2017 to 31 December 2017, the revenue and net loss subject to AK Suzhou Contractual Arrangements amounted to approximately 0.15% and 2.99% of the revenue and net loss of the Group respectively. As at 31 December 2017, the total assets subject to AK Suzhou Contractual Arrangements amounted to approximately 2.18% of the total assets of the Group.

自二零一七年五月一日至二零一七年十二月三十一日止期間，奧凱(蘇州)合約安排之收益及淨虧損分別佔本集團收益及淨虧損約0.15%及2.99%。於二零一七年十二月三十一日，奧凱(蘇州)合約安排之總資產佔本集團總資產約2.18%。

For the year ended 30 April 2017, the revenue and net loss subject to AK Suzhou Contractual Arrangements amounted to approximately 0.07% and 4.32% of the revenue and net loss of the Group respectively. As at 30 April 2017, the total assets subject to AK Suzhou Contractual Arrangements amounted to approximately 2.56% of the total assets of the Group.

截至二零一七年四月三十日止年度，奧凱(蘇州)合約安排之收益及淨虧損分別佔本集團收益及淨虧損約0.07%及4.32%。於二零一七年四月三十日，奧凱(蘇州)合約安排之總資產佔本集團總資產約2.56%。

Material changes

重大變動

Save as disclosed in this report, there has not been any material changes in AK Suzhou Contractual Arrangements and/or the circumstances under which they were adopted.

除本報告所披露者外，奧凱(蘇州)合約安排及/或採納該等合約安排的情況並無任何重大變動。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (CONT'D)

AK Suzhou Contractual Arrangements (Cont'd)

Unwinding of AK Suzhou Contractual Arrangements

Up to the date of this report, there has not been any unwinding of any AK Suzhou Contractual Arrangements, nor has there been any failure to unwind any AK Suzhou Contractual Arrangements when the restrictions that led to the adoption of the AK Suzhou Contractual Arrangements are removed.

Tianjin Weikai Contractual Arrangements

Collectively, the exclusive business cooperation agreement, the exclusive option agreement, the equity pledge agreement, the power of attorney and the consent letter of spouse, entered into among (i) Tianjin Subsidiary (Tianjin Weisheng Biotechnology Consulting Limited, a company incorporated in the PRC with Royal Noble Development Limited as its sole shareholder (a company incorporated in Hong Kong with Passion Stream Limited as its sole shareholder, a company incorporated in the British Virgin Islands, being owned as to 70% and 30% by the CRMI Medical and Remed Tiger respectively)), (ii) Tianjin Weikai (天津衛凱生物工程有限有限公司 (Tianjin Weikai Bioeng Ltd.*)), a company incorporated in the PRC to engage in the business of designs and manufacturing of pre-clinical cell and stem cell related equipment, especially in 3D cell culture bio-reactors and their related consumables, as well as providing CRO services i.e. contract research services which mainly include drug screening, drug efficacy, toxicity assays in the drug development services to local institutions and hospitals), the then (iii) registered shareholders of Tianjin Weikai and their spouses (if any).

Particulars and main business of the operating entity

At the date of this report, Tianjin Weikai is currently owned as to 30% by Mr. Cui Zhanyong and as to 70% by Mr. Dai Yumin (hereinafter collectively referred to as the "Tianjin Weikai Shareholders"). Tianjin Weikai is controlled by the Group through Tianjin Subsidiary by way of Tianjin Weikai Contractual Arrangements pursuant to which Tianjin Subsidiary controls Tianjin Weikai.

Tianjin Weikai engages in the business of design and manufacturing of pre-clinical cell and stem cell related equipment, especially in 3D cell culture bio-reactors and their related consumables as well as providing CRO services.

* for identification only

合約安排(續)

奧凱(蘇州)合約安排(續)

解除奧凱(蘇州)合約安排

截至本報告日期，並無任何奧凱(蘇州)合約安排被解除，亦無於導致採納奧凱(蘇州)合約安排的限制經移除後出現無法解除任何奧凱(蘇州)合約安排的情況。

天津衛凱合約安排

獨家業務合作協議、獨家購股權協議、股權質押協議、授權委託書及配偶同意函之統稱，由以下訂約方訂立：(i)天津附屬公司(天津衛盛生物技術諮詢服務有限公司，一間於中國註冊成立之公司，凱爵發展有限公司(一間於香港註冊成立之公司，Passion Stream Limited(一間於英屬處女群島註冊成立之公司，由中國再生醫學生物技術及Remed Tiger分別擁有70%及30%權益)為其唯一股東)為其唯一股東)，(ii)天津衛凱(天津衛凱生物工程有限有限公司，一間於中國註冊成立之公司，從事設計和製造臨床前的細胞和幹細胞相關的設備業務，特別是在三維細胞灌培養物反應器及其相關的耗材，以及提供合同式技術研究服務，其中主要包括藥物篩選，藥物的療效，為當地機構和醫院的藥效提供毒性檢測服務)，(iii)天津衛凱當時之登記股東及彼等之配偶(如有)。

經營實體之詳情及主要業務

於本報告日期，天津衛凱現時由崔佔永先生及戴昱敏先生(下文統稱「天津衛凱股東」)分別擁有30%及70%權益。天津衛凱由本集團透過天津附屬公司以天津衛凱合約安排之方式控制，據此，天津附屬公司控制天津衛凱。

天津衛凱從事臨床前的細胞和幹細胞相關的設備之設計和製造(特別是在三維細胞灌培養物反應器及其相關的耗材)業務以及提供合同式技術研究服務。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (CONT'D)

Tianjin Weikai Contractual Arrangements (Cont'd)

Major terms of the Tianjin Weikai Contractual Arrangements

a) *Irrevocable Power(s) of Attorney*

Parties:

Tianjin Weikai Shareholders

Terms:

An indefinite term upon execution and shall continue to be valid until the contracts under Tianjin Weikai Contractual Arrangements including their respective supplemental agreements ("Tianjin Weikai Main Obligations") are satisfied or discharged in full.

Main Subject:

Tianjin Weikai Shareholders shall, among other things, irrevocably authorise any representative and its respective successors appointed by Tianjin Subsidiary to act on their behalf all matters in relation to its equity interests in Tianjin Weikai, including attending shareholders' meeting, signing minutes of shareholders' meeting and shareholders' resolutions, exercising their full shareholder's rights under the articles of association of Tianjin Weikai and applicable PRC laws and regulations, including but not limited to shareholders' voting right, appointment of the legal representative, director, supervisor and senior management of Tianjin Weikai, filing documents with the relevant governmental authorities or regulatory bodies, acquisition and disposition of the shareholdings of Tianjin Weikai held by Tianjin Weikai Shareholders or making decision on the liquidation of Tianjin Weikai and the formulation of the profit sharing plans of Tianjin Weikai, provided that the exercise of the power(s) of attorney shall not cause to breach the Tianjin Weikai Contractual Arrangements.

合約安排(續)

天津衛凱合約安排(續)

天津衛凱合約安排之主要條款

a) 不可撤回授權委託書

訂約方：

天津衛凱股東

年期：

於簽署後無限年期並將持續有效，直至天津衛凱合約安排(包括其各份補充協議)「天津衛凱主債權」項下之合約均已獲全面達成或解除。

主體事項：

天津衛凱股東將(其中包括)不可撤回授權天津附屬公司委任之任何代表及其各自之繼任者代為處理有關其於天津衛凱之股權之所有事宜，包括出席股東大會、簽署股東大會之大會記錄及股東決議案、根據天津衛凱之組織章程及適用中國法律及法規悉數行使其股東權利(包括但不限於股東之投票權)、委任天津衛凱之法定代表人、董事、監事及高級管理人員、向相關政府機關或監管機構登記備案、收購及處置天津衛凱股東持有天津衛凱的股權或者就天津衛凱的清盤事宜作出決定以及制定天津衛凱利潤分配方案等，惟行使授權委託書中規定之權利不得違反天津衛凱合約安排。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (CONT'D)

Tianjin Weikai Contractual Arrangements (Cont'd)

Major terms of the Tianjin Weikai Contractual Arrangements (Cont'd)

b) *Exclusive business cooperation agreement*

Parties:

- (i) Tianjin Subsidiary
- (ii) Tianjin Weikai

Terms:

10 years commencing from 17 April 2015. The exclusive business cooperation agreement will be automatically extended for another 10 years if Tianjin Subsidiary has no intention to terminate upon its expiry. The said automatic 10-year extension will continue until Tianjin Subsidiary gives confirmation regarding the termination of the term.

Main Subject:

Tianjin Weikai should appoint Tianjin Subsidiary as service provider for its business operations, including but not limited to, technical R&D, technical support, technical consultation, technical training and other management and corporate consultation services.

c) *Exclusive option agreements*

Parties:

- (i) Tianjin Subsidiary
- (ii) Tianjin Weikai Shareholders
- (iii) Tianjin Weikai

Terms:

10 years commencing from the date of the respective exclusive option agreements. The exclusive option agreement will be automatically extended for another 10 years if Tianjin Subsidiary has no intention to terminate upon its expiry. The said automatic 10-year extension will continue until Tianjin Subsidiary gives confirmation regarding the termination of the term.

合約安排(續)

天津衛凱合約安排(續)

天津衛凱合約安排之主要條款(續)

b) 獨家業務合作協議

訂約方：

- (i) 天津附屬公司
- (ii) 天津衛凱

年期：

由二零一五年四月十七日起為期10年。期滿後假若天津附屬公司沒有終止的意向表示，則獨家業務合作協議將自動延期10年。此自動延期10年將持續進行，直至天津附屬公司作出終止年期確認。

主體事項：

天津衛凱將委聘天津附屬公司為其業務營運之服務提供商，包括但不限於技術研發、技術支援、技術諮詢、技術培訓及其他相關管理及企業諮詢服務。

c) 獨家購股權協議

訂約方：

- (i) 天津附屬公司
- (ii) 天津衛凱股東
- (iii) 天津衛凱

年期：

由各獨家購股權協議日期起為期10年。期滿後假若天津附屬公司沒有終止的意向表示，則獨家購股權協議將自動延期10年。此自動延期10年將持續進行，直至天津附屬公司作出終止年期確認。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (CONT'D)

Tianjin Weikai Contractual Arrangements (Cont'd)

Major terms of the Tianjin Weikai Contractual Arrangements (Cont'd)

c) *Exclusive option agreements (Cont'd)*

Main Subject:

Tianjin Weikai Shareholders and Tianjin Weikai shall irrevocably agree, to the extent permitted under the laws of the PRC, to transfer to Tianjin Subsidiary or any person(s) designated by Tianjin Subsidiary at any time and from time to time, all or part of its equity interests in Tianjin Weikai, or all or part of the assets of Tianjin Weikai.

Tianjin Subsidiary may exercise its rights under the paragraph above at any time and in any manner at its sole discretion as permitted under the laws of the PRC. The exercise price of each of the rights under the paragraph above shall be the lowest price permitted under the laws of the PRC, subject to any other price as required by the PRC government authorities. Upon Tianjin Weikai and/or Tianjin Weikai Shareholders receive(s) the said consideration, they unconditionally transfer the said consideration to Tianjin Subsidiary or any person(s) designated by Tianjin Subsidiary.

Tianjin Weikai Shareholders and Tianjin Weikai jointly and/or severally undertake that, among other things, without having obtained the written consent from Tianjin Subsidiary, they will not (i) amend the articles of association of Tianjin Weikai; (ii) increase or decrease the registered capital of Tianjin Weikai; (iii) dispose of, transfer, mortgage, create any security interest or third party rights in its equity interests in Tianjin Weikai; (iv) appoint any director(s) or executive director(s) of Tianjin Weikai; (v) pay dividends in any manners. Tianjin Weikai Shareholders further undertake that, without having obtained the written consent from Tianjin Subsidiary, they and their respective related persons will not engage in any business which is in competition with the businesses of Tianjin Weikai.

合約安排(續)

天津衛凱合約安排(續)

天津衛凱合約安排之主要條款(續)

c) 獨家購股權協議(續)

主體事項：

天津衛凱股東及天津衛凱不可撤回同意，於中國法律准許之範圍內，隨時及不時向天津附屬公司或天津附屬公司指定之任何人士轉讓其於天津衛凱之全部或部份股權或天津衛凱之全部或部份資產。

在中國法律准許之情況下，天津附屬公司可全權酌情於任何時間及以任何方式行使上段所述權利。上段所述各項權利之行使價格將為中國法律准許之最低價格，惟須受中國政府機關所規定之任何其他價格規限。於天津衛凱及／或天津衛凱股東收到上述代價後，彼等將無條件轉讓上述代價予天津附屬公司或其指定之任何人士。

天津衛凱股東及天津衛凱共同及／或個別承諾，(其中包括)如未獲天津附屬公司書面同意，彼等將不會(i)修訂天津衛凱之組織章程細則；(ii)增加或減少天津衛凱之註冊資本；(iii)將其於天津衛凱之股權出售、轉讓、抵押、設置任何擔保權益或第三方權利；(iv)委任天津衛凱之任何董事或執行董事；(v)以任何方式派付股息。天津衛凱股東進一步承諾，如未獲天津附屬公司書面同意，彼等及彼等各自之關連人士將不會從事任何與天津衛凱業務構成競爭之業務。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (CONT'D)

Tianjin Weikai Contractual Arrangements (Cont'd)

Major terms of the Tianjin Weikai Contractual Arrangements (Cont'd)

d) *Equity pledge agreement*

Parties:

- (i) Tianjin Subsidiary
- (ii) Tianjin Weikai Shareholders
- (iii) Tianjin Weikai

Terms:

Effective from the registration of the pledged equity interests under the equity pledge agreement at the relevant PRC administration for industry and commerce until all the obligations of Tianjin Weikai Shareholders and Tianjin Weikai (including but not limited to Tianjin Weikai Main Obligations) are satisfied or discharged in full. The registration of the pledged equity interests under the equity pledge agreement at the relevant PRC administration for industry and commerce has been completed.

Main Subject:

Tianjin Weikai Shareholders pledged all equity interests in Tianjin Weikai held by Tianjin Weikai Shareholders (including present or future registered capital and their rights and benefits, whether through increase of capital and/or transfer of equity interest) to Tianjin Subsidiary.

e) *Consent letter of spouse*

Parties:

The spouses of Tianjin Weikai Shareholders

Terms:

An indefinite term upon execution and shall continue to be valid until the Tianjin Weikai Main Obligations are satisfied or discharged in full.

合約安排(續)

天津衛凱合約安排(續)

天津衛凱合約安排之主要條款(續)

d) 股權質押協議

訂約方：

- (i) 天津附屬公司
- (ii) 天津衛凱股東
- (iii) 天津衛凱

年期：

自於有關中國工商行政機關登記股權質押協議項下之已抵押股權起生效，直至天津衛凱股東及天津衛凱之所有債權(包括但不限於天津衛凱主債權)均已經完全被滿足或被解除。於有關中國工商行政機關登記股權質押協議項下之已抵押股權已完成。

主體事項：

天津衛凱股東向天津附屬公司質押天津衛凱股東持有之全部天津衛凱股權(包括現有或未來註冊股本及其權利及利益(無論是透過增加股本及/或轉讓股權之方式))。

e) 配偶同意函

訂約方：

天津衛凱股東之配偶

年期：

於簽署後無限年期並將持續有效，直至天津衛凱主債權均已經完全被滿足或被解除。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (CONT'D)

Tianjin Weikai Contractual Arrangements (Cont'd)

Major terms of the Tianjin Weikai Contractual Arrangements (Cont'd)

e) *Consent letter of spouse (Cont'd)*

Main Subject:

The spouses of Tianjin Weikai Shareholders shall unconditionally agree to the Tianjin Weikai Contractual Arrangements.

The spouses of Tianjin Weikai Shareholders undertake and declare that the equity respectively owned by Tianjin Weikai Shareholders in Tianjin Weikai contemplated on the Tianjin Weikai Contractual Arrangements shall be Tianjin Weikai Shareholders' personal property respectively; and further, the said spouses undertake that they shall not take any act that causes or will cause any conflict and/or impediment to the Tianjin Weikai Contractual Arrangements.

Reason for using the Tianjin Weikai Contractual Arrangements and the significance to the Group

As advised by the legal adviser of the Company, the principal business of AK Suzhou which involves technology for human stem cell research & development and applications is regarded as prohibited business for foreign entity under the PRC Law. As such, the Group cannot acquire the equity interest in Tianjin Weikai at that time. Having regard to such foreign investment restrictions, the Tianjin Weikai Contractual Arrangements were designed to provide Tianjin Subsidiary and, thus the Group, with effective control over the financial and operational policies of Tianjin Weikai and (to the extent permitted by PRC laws and regulations) the right to acquire the equity interest in Tianjin Weikai.

合約安排(續)

天津衛凱合約安排(續)

天津衛凱合約安排之主要條款(續)

e) *配偶同意函(續)*

主體事項：

天津衛凱股東之配偶無條件同意天津衛凱合約安排。

天津衛凱股東之配偶承諾及聲明，天津衛凱合約安排中涉及的天津衛凱股東各自持有於天津衛凱之股權分別為天津衛凱股東之個人財產；並且其不會採取任何與天津衛凱合約安排相衝突及／或阻礙之行為。

採用天津衛凱合約安排之理由及對本集團之重要性

據本公司法律顧問告知，奧凱(蘇州)的主要業務涉及人體幹細胞研發及應用技術，根據中國法律被視為外資企業受禁止類業務。因此，本集團當時無法收購天津衛凱之股權。經計及該等海外投資限制，設立天津衛凱合約安排之目的乃為天津附屬公司乃至本集團提供對天津衛凱財務及經營策略之有效控制及(於中國法律及法規准許之範圍內)收購天津衛凱股權之權利。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (CONT'D)

Tianjin Weikai Contractual Arrangements (Cont'd)

Revenue and assets subject to the Tianjin Weikai Contractual Arrangements

The revenue, net loss and total assets subject to the Tianjin Weikai Contractual Arrangements are set out as follows:

合約安排(續)

天津衛凱合約安排(續)

受天津衛凱合約安排規限之收益及資產

天津衛凱合約安排之收益、淨虧損及總資產載列如下：

		Period from 1 May 2017 to 31 December 2017 由二零一七年 五月一日起至 二零一七年 十二月三十一 止期間 (HK\$'000) (千港元)	Year ended 30 April 2017 截至二零一七年 四月三十日 止年度 (HK\$'000) (千港元)
Revenue	收益	742	2,149
Net loss	淨虧損	7,317	5,583
Total assets	總資產	101,990	107,254

For the period from 1 May 2017 to 31 December 2017, the revenue and net loss subject to Tianjin Weikai Contractual Arrangements amounted to approximately 0.15% and 4.40% of the revenue and net loss of the Group respectively. As at 31 December 2017, the total assets subject to Tianjin Weikai Contractual Arrangements amounted to approximately 2.89% of the total assets of the Group.

自二零一七年五月一日至二零一七年十二月三十一日止期間，天津衛凱合約安排之收益及淨虧損分別佔本集團收益及淨虧損之約0.15%及4.40%。於二零一七年十二月三十一日，天津衛凱合約安排之總資產佔本集團總資產約2.89%。

For the year ended 30 April 2017, the revenue and net loss subject to Tianjin Weikai Contractual Arrangements amounted to approximately 0.60% and 2.80% of the revenue and net loss of the Group respectively. As at 30 April 2017, the total assets subject to Tianjin Weikai Contractual Arrangements amounted to approximately 3.71% of the total assets of the Group.

截至二零一七年四月三十日止年度，天津衛凱合約安排之收益及淨虧損分別佔本集團收益及淨虧損之約0.60%及2.80%。於二零一七年四月三十日，天津衛凱合約安排之總資產佔本集團總資產約3.71%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (CONT'D)

Tianjin Weikai Contractual Arrangements (Cont'd)

Material changes

Save as disclosed in this report, there has not been any material changes in Tianjin Weikai Contractual Arrangements and/or the circumstances under which they were adopted.

Unwinding of Tianjin Weikai Contractual Arrangements

Up to the date of this report, there has not been any unwinding of any Tianjin Weikai Contractual Arrangements, nor has there been any failure to unwind any Tianjin Weikai Contractual Arrangements when the restrictions that led to the adoption of the Tianjin Weikai Contractual Arrangements are removed.

Risks associated with the AK Suzhou Contractual Arrangements and Tianjin Weikai Contractual Arrangements and actions taken by the Company to mitigate the risks

The Group does not have any direct equity ownership in AK Suzhou and/or Tianjin Weikai and has relied on the AK Suzhou Contractual Arrangements and/or Tianjin Weikai Contractual Arrangements, as the case may be, to control, operate, and be entitled to the economic benefits and risks arising from the respective businesses of AK Suzhou and/or Tianjin Weikai in the PRC. However, there are risks involved with the operations of AK Subsidiary and/or Tianjin Subsidiary under the AK Suzhou Contractual Arrangements and/or Tianjin Weikai Contractual Arrangements, as the case may be.

合約安排(續)

天津衛凱合約安排(續)

重大變動

除於本報告披露者外，天津衛凱合約安排及／或採納該等合約安排的情況並無任何重大變動。

解除天津衛凱合約安排

截至本報告日期，並無任何天津衛凱合約安排被解除，亦無於導致採納天津衛凱合約安排的限制經移除後出現無法解除任何天津衛凱合約安排的情況。

與奧凱(蘇州)合約安排及天津衛凱合約安排有關之風險及本公司採取之降低風險之措施

本集團並無於奧凱(蘇州)及／或天津衛凱擁有任何直接所有權權益，並已倚賴奧凱(蘇州)合約安排及／或天津衛凱合約安排(視情況而定)於中國控制、運營奧凱(蘇州)及／或天津衛凱各自之業務，並有權享有或承擔其經濟利益及風險。然而，奧凱(蘇州)合約安排及／或天津衛凱合約安排(視情況而定)項下存有涉及奧凱附屬公司及／或天津附屬公司經營業務之風險。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (CONT'D)

Risks associated with the AK Suzhou Contractual Arrangements and Tianjin Weikai Contractual Arrangements and actions taken by the Company to mitigate the risks (Cont'd)

- (i) ***There is no assurance that the AK Suzhou Contractual Arrangements and Tianjin Weikai Contractual Arrangements could comply with future changes in the regulatory requirements in the PRC and the PRC government may determine that the AK Suzhou Contractual Arrangements and Tianjin Weikai Contractual Arrangements do not comply with applicable regulations***

Current PRC laws and regulations prohibit foreign ownership of companies engage in the businesses concerning technology for research & development and applications of human stem cells, gene diagnose and therapy. The businesses of AK Suzhou and Tianjin Weikai are regarded as design and manufacturing of pre-clinical cell and stem cell related equipment which involves in technology for human stem cell research & development and applications, in addition to providing contract research services. The Company is a company incorporated under the laws of the Cayman Islands. AK Subsidiary and Tianjin Subsidiary may not engage in the businesses concerning technology for human stem cell research & development and applications in the PRC under current PRC laws. As a result, the Group will have to conduct the business of AK Suzhou and Tianjin Weikai in the PRC through the AK Suzhou Contractual Arrangements and Tianjin Weikai Contractual Arrangements respectively.

Despite the fact that there is no indication that the AK Suzhou Contractual Arrangements and Tianjin Weikai Contractual Arrangements will be interfered or objected by any PRC regulatory authorities, to the best knowledge of the Directors, there is a possibility that the Ministry of Commerce and other competent authorities may have different opinions on the interpretation of the relevant regulations and would not agree that the AK Suzhou Contractual Arrangements and Tianjin Weikai Contractual Arrangements comply with the current PRC laws, regulations or rules or those that may be adopted in future, and the authorities may deny the validity, effectiveness and enforceability of the AK Suzhou Contractual Arrangements and Tianjin Weikai Contractual Arrangements.

If the authorities may deny the validity, effectiveness and enforceability of any of the AK Suzhou Contractual Arrangements and Tianjin Weikai Contractual Arrangements, it could have a material adverse impact on the Group's businesses, financial condition and results of operations.

合約安排(續)

與奧凱(蘇州)合約安排及天津衛凱合約安排有關之風險及本公司採取之降低風險之措施(續)

- (i) ***概不能保證奧凱(蘇州)合約安排及天津衛凱合約安排能夠遵守未來中國監管規定之變動及中國政府可能釐定奧凱(蘇州)合約安排及天津衛凱合約安排並無遵守適用法規***

現行中國法律及法規禁止外資公司從事有關人體幹細胞研發及應用、基因診斷及治療技術之業務。除提供合同式研究服務外，奧凱(蘇州)及天津衛凱之業務為設計及生產臨床前細胞及幹細胞相關設備，其中涉及人體幹細胞研發及應用技術。本公司為一間根據開曼群島法律註冊成立之公司。根據現行中國法律，奧凱附屬公司及天津附屬公司不可於中國從事有關人體幹細胞研發及應用技術之業務。因此，本集團將須分別透過奧凱(蘇州)合約安排及天津衛凱合約安排於中國進行奧凱(蘇州)及天津衛凱之業務。

儘管並無跡象顯示奧凱(蘇州)合約安排及天津衛凱合約安排將遭任何中國監管機構干預或反對，惟就董事所深知，商務部及其他主管機構可能對相關法規之詮釋持有異議，並將認為奧凱(蘇州)合約安排及天津衛凱合約安排不符合現行或未來可能採納之中國法律、法規或規則，而該等機構可能否認奧凱(蘇州)合約安排及天津衛凱合約安排之有效性、效力及可強制執行性。

倘該等機構否認任何奧凱(蘇州)合約安排及天津衛凱合約安排之有效性、效力及可強制執行性，其可能對本集團之業務、財務狀況及經營業績產生重大不利影響。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (CONT'D)

Risks associated with the AK Suzhou Contractual Arrangements and Tianjin Weikai Contractual Arrangements and actions taken by the Company to mitigate the risks (Cont'd)

- (ii) **The AK Suzhou Contractual Arrangements and Tianjin Weikai Contractual Arrangements may not be as effective in providing control over and entitlement to the economic interests in the Project Company (“either AK Suzhou or Tianjin Weikai or both as the case may be”) as direct ownership**

The AK Suzhou Contractual Arrangements and Tianjin Weikai Contractual Arrangements may not be as effective in providing the Group with control over and entitlement to the economic interests in the Project Company as direct ownership. If AK Subsidiary had direct ownership of AK Suzhou, AK Subsidiary would be able to directly exercise its rights as a shareholder to effect changes in the board of directors of AK Suzhou. However, under the AK Suzhou Contractual Arrangements, AK Subsidiary can only look to and rely on AK Suzhou and the Suzhou Biomedical Shareholders to perform their contractual obligations under the AK Suzhou Contractual Arrangements such that AK Subsidiary can exercise effective control over AK Suzhou. The Suzhou Biomedical Shareholders may not act in the best interests of AK Suzhou or may not perform its/their obligations under the AK Suzhou Contractual Arrangements, and in that case, AK Subsidiary may replace the Suzhou Biomedical Shareholders by its other nominees pursuant to the AK Suzhou Contractual Arrangements. However, if any dispute relating to the AK Suzhou Contractual Arrangements remains unresolved, AK Subsidiary will have to enforce its rights under the AK Suzhou Contractual Arrangements and seek to interpret the terms of the AK Suzhou Contractual Arrangements in accordance with the PRC laws and will be subject to uncertainties in the PRC legal system.

合約安排(續)

與奧凱(蘇州)合約安排及天津衛凱合約安排有關之風險及本公司採取之降低風險之措施(續)

- (ii) 奧凱(蘇州)合約安排及天津衛凱合約安排於控制項目公司(「指奧凱(蘇州)或天津衛凱，或兩者(視情況而定)」)及享有其經濟利益方面可能不如直接擁有權有效

奧凱(蘇州)合約安排及天津衛凱合約安排於向本集團提供對項目公司之控制權及令其享有項目公司之經濟利益方面可能不如直接擁有權有效。倘奧凱附屬公司直接擁有奧凱(蘇州)，奧凱附屬公司將可直接行使作為股東之權利變更奧凱(蘇州)之董事會。然而，根據奧凱(蘇州)合約安排，奧凱附屬公司僅可指望及依賴奧凱(蘇州)與蘇州生物技術股東履行其於奧凱(蘇州)合約安排項下之合約義務，從而使奧凱附屬公司可行使對奧凱(蘇州)之實際控制權。蘇州生物技術股東可能不會以奧凱(蘇州)之最佳利益行事，或可能不履行彼等於奧凱(蘇州)合約安排項下之義務，在此情況下，奧凱附屬公司可根據奧凱(蘇州)合約安排安排其他代名人取代蘇州生物技術股東。然而，倘有關奧凱(蘇州)合約安排之任何爭議未獲解決，奧凱附屬公司將強制行使其於奧凱(蘇州)合約安排項下之權利及尋求根據中國法律詮釋奧凱(蘇州)合約安排之條款並將面臨中國法律制度中之不明朗因素。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (CONT'D)

Risks associated with the AK Suzhou Contractual Arrangements and Tianjin Weikai Contractual Arrangements and actions taken by the Company to mitigate the risks (Cont'd)

- (ii) **The AK Suzhou Contractual Arrangements and Tianjin Weikai Contractual Arrangements may not be as effective in providing control over and entitlement to the economic interests in the Project Company (“either AK Suzhou or Tianjin Weikai or both as the case may be”) as direct ownership (Cont'd)**

It will be the same situation for the Tianjin Weikai Contractual Arrangements. If Tianjin Subsidiary had direct ownership of Tianjin Weikai, Tianjin Subsidiary would be able to directly exercise its rights as a shareholder to effect changes in the board of directors of Tianjin Weikai. However, under the Tianjin Weikai Contractual Arrangements, Tianjin Subsidiary can only look to and rely on Tianjin Weikai and the Tianjin Weikai Shareholders to perform their contractual obligations under the Tianjin Weikai Contractual Arrangements such that Tianjin Subsidiary can exercise effective control over Tianjin Weikai. The Tianjin Weikai Shareholders may not act in the best interests of Tianjin Weikai or may not perform its/their obligations under the Tianjin Weikai Contractual Arrangements, and in that case, Tianjin Subsidiary may replace the Tianjin Weikai Shareholders by its other nominees pursuant to the Tianjin Weikai Contractual Arrangements. However, if any dispute relating to the Tianjin Weikai Contractual Arrangements remains unresolved, Tianjin Subsidiary will have to enforce its rights under the Tianjin Weikai Contractual Arrangements and seek to interpret the terms of the Tianjin Weikai Contractual Arrangements in accordance with the PRC laws and will be subject to uncertainties in the PRC legal system.

The AK Suzhou Contractual Arrangements and Tianjin Weikai Contractual Arrangements are governed by the PRC laws. When a dispute arises under any of the AK Suzhou Contractual Arrangements and Tianjin Weikai Contractual Arrangements, the relevant parties thereto shall settle the dispute through negotiation in an amicable manner. In case the dispute is not resolved, the parties to the dispute may have to rely on legal remedies under the PRC laws. The AK Suzhou Contractual Arrangements and Tianjin Weikai Contractual Arrangements provided that dispute will be submitted to the China International Economic and Trade Arbitration Commission for arbitration to be conducted in Beijing. The decision of such arbitration is final and binding on the parties to the dispute.

合約安排(續)

與奧凱(蘇州)合約安排及天津衛凱合約安排有關之風險及本公司採取之降低風險之措施(續)

- (ii) 奧凱(蘇州)合約安排及天津衛凱合約安排於控制項目公司(「指奧凱(蘇州)或天津衛凱，或兩者(視情況而定)」)及享有其經濟利益方面可能不如直接擁有權有效(續)

此情況同樣適用於天津衛凱合約安排。倘天津附屬公司直接擁有天津衛凱，天津附屬公司將可直接行使作為股東之權利變更天津衛凱之董事會。然而，根據天津衛凱合約安排，天津附屬公司僅可指望及依賴天津衛凱與天津衛凱股東履行其於天津衛凱合約安排項下之合約義務，從而使天津附屬公司可行使對天津衛凱之實際控制權。天津衛凱股東可能不會以天津衛凱之最佳利益行事，或可能不履行彼等於天津衛凱合約安排項下之義務，在此情況下，天津附屬公司可根據天津衛凱合約安排安排其他代名人取代天津衛凱股東。然而，倘有關天津衛凱合約安排之任何爭議未獲解決，天津附屬公司將強制行使其於天津衛凱合約安排項下之權利及尋求根據中國法律詮釋天津衛凱合約安排之條款並將面臨中國法律制度中之不明朗因素。

奧凱(蘇州)合約安排及天津衛凱合約安排受中國法律規管。倘任何一份奧凱(蘇州)合約安排及天津衛凱合約安排出現爭議，其有關訂約方將透過磋商以友好方式解決爭議。倘未能解決爭議，則爭議方可能須依賴中國法律項下之法律補救措施。奧凱(蘇州)合約安排及天津衛凱合約安排規定，爭議將提交至中國國際經濟貿易仲裁委員會並於北京進行仲裁。有關仲裁裁決為最終定論且對有關爭議方均具有約束力。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (CONT'D)

Risks associated with the AK Suzhou Contractual Arrangements and Tianjin Weikai Contractual Arrangements and actions taken by the Company to mitigate the risks (Cont'd)

- (ii) **The AK Suzhou Contractual Arrangements and Tianjin Weikai Contractual Arrangements may not be as effective in providing control over and entitlement to the economic interests in the Project Company (“either AK Suzhou or Tianjin Weikai or both as the case may be”) as direct ownership (Cont'd)**

Since the legal environment in the PRC is different from that in Hong Kong and other jurisdictions, the uncertainties in the PRC legal system could limit the ability of the Group to enforce the AK Suzhou Contractual Arrangements and Tianjin Weikai Contractual Arrangements. There is no assurance that such arbitration result will be in favour of the Group and/or that there will not be any difficulties in enforcing any arbitral awards granted, including specific performance or injunctive relief and claiming damages by the Group. As the Group may not be able to obtain sufficient remedies in a timely manner, its ability to exert effective control over AK Suzhou and/or Tianjin Weikai and the conduct of the businesses concerning technology for human stem cell research & development and applications could be materially and adversely affected, and may disrupt the business of the Group and have a material adverse impact on Group's business, prospects and results of operation.

- (iii) **Potential conflicts of interest among the respective shareholders and the Project Company may exist**

- (a) *Potential conflicts of interest among AK Subsidiary, AK Suzhou, the Suzhou Biomedical Shareholders may exist*

AK Subsidiary shall rely on the AK Suzhou Contractual Arrangements to exercise control over and to draw the economic benefits from AK Suzhou. AK Subsidiary may not be able to provide sufficient incentives to the Suzhou Biomedical Shareholders for the purpose of encouraging them to act in the best interests of AK Subsidiary, other than stipulating the relevant obligations in the AK Suzhou Contractual Arrangements. The Suzhou Biomedical Shareholders may breach the AK Suzhou Contractual Arrangements in the event of conflicts of interest or deterioration of its/their relationship with AK Subsidiary, the results of which may have a material adverse impact on AK Subsidiary's business, prospects and results of operation.

合約安排(續)

與奧凱(蘇州)合約安排及天津衛凱合約安排有關之風險及本公司採取之降低風險之措施(續)

- (ii) **奧凱(蘇州)合約安排及天津衛凱合約安排於控制項目公司(「指奧凱(蘇州)或天津衛凱，或兩者(視情況而定)」)及享有其經濟利益方面可能不如直接擁有權有效(續)**

由於中國法律環境有別於香港及其他司法權區，故中國法律制度中之不明朗因素將可能限制本集團強制執行奧凱(蘇州)合約安排及天津衛凱合約安排之能力。概不保證有關仲裁結果將有利於本集團及/或強制執行所授出之任何仲裁裁決不會遭遇任何困難，包括執行授予本集團之具體履行或禁制令救濟及由本集團提出賠償。由於本集團可能無法及時取得足夠補救措施，故其對奧凱(蘇州)及/或天津衛凱行使實際控制權之能力及進行人體幹細胞技術研發及應用業務可能受重大不利影響，並可能中斷本集團之業務及對本集團之業務、前景及經營業績產生重大不利影響。

- (iii) **有關股東及項目公司之間可能存在潛在利益衝突**

- (a) *奧凱附屬公司、奧凱(蘇州)及蘇州生物技術股東之間可能存在潛在利益衝突*

奧凱附屬公司將倚賴奧凱(蘇州)合約安排對奧凱(蘇州)行使控制權及自其抽取經濟利益。除於奧凱(蘇州)合約安排中訂明有關義務外，奧凱附屬公司可能無法就鼓勵蘇州生物技術股東以奧凱附屬公司之最佳利益行事而向蘇州生物技術股東提供足夠激勵。蘇州生物技術股東可能於出現利益衝突事件或其與奧凱附屬公司之關係惡化時違反奧凱(蘇州)合約安排，其結果可能對奧凱附屬公司之業務、前景及經營業績產生重大不利影響。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (CONT'D)

Risks associated with the AK Suzhou Contractual Arrangements and Tianjin Weikai Contractual Arrangements and actions taken by the Company to mitigate the risks (Cont'd)

(iii) Potential conflicts of interest among the respective shareholders and the Project Company may exist (Cont'd)

- (a) *Potential conflicts of interest among AK Subsidiary, AK Suzhou, the Suzhou Biomedical Shareholders may exist (Cont'd)*

It is not assured that if conflicts arise, the Suzhou Biomedical Shareholders will act in the best interests of AK Subsidiary or that the conflicts will be resolved in favour of AK Subsidiary. If any of the Suzhou Biomedical Shareholders fails to perform its obligations under the respective AK Suzhou Contractual Arrangements, AK Subsidiary may have to rely on legal remedies under the PRC laws through legal proceedings, which may be expensive, time-consuming and disruptive to AK Subsidiary's operations and will be subject to uncertainties as stated above.

- (b) *Potential conflicts of interest among Tianjin Subsidiary, Tianjin Weikai, the Tianjin Weikai Shareholders may exist*

Tianjin Subsidiary shall rely on the Tianjin Weikai Contractual Arrangements to exercise control over and to draw the economic benefits from Tianjin Weikai. Tianjin Subsidiary may not be able to provide sufficient incentives to the Tianjin Weikai Shareholders for the purpose of encouraging them to act in the best interests of Tianjin Subsidiary, other than stipulating the relevant obligations in the Tianjin Weikai Contractual Arrangements. The Tianjin Weikai Shareholders may breach the Tianjin Weikai Contractual Arrangements in the event of conflicts of interest or deterioration of its/their relationship with Tianjin Subsidiary, the results of which may have a material adverse impact on Tianjin Subsidiary's business, prospects and results of operation.

合約安排(續)

與奧凱(蘇州)合約安排及天津衛凱合約安排有關之風險及本公司採取之降低風險之措施(續)

(iii) 有關股東及項目公司之間可能存在潛在利益衝突(續)

- (a) *奧凱附屬公司、奧凱(蘇州)及蘇州生物技術股東之間可能存在潛在利益衝突(續)*

概不保證當發生衝突時，蘇州生物技術股東將以奧凱附屬公司之最佳利益行事或衝突將以對奧凱附屬公司有利之方式解決。倘任何蘇州生物技術股東未能履行其於各份奧凱(蘇州)合約安排項下之責任，奧凱附屬公司可能須透過法律訴訟依賴中國法律下之法律補救，此舉可能昂貴、耗時及中斷奧凱附屬公司之營運，且可能面臨上文所述之不明朗因素。

- (b) *天津附屬公司、天津衛凱及天津衛凱股東之間可能存在潛在利益衝突*

天津附屬公司將倚賴天津衛凱合約安排對天津衛凱行使控制權及自其抽取經濟利益。除於天津衛凱合約安排中訂明有關義務外，天津附屬公司可能無法就鼓勵天津衛凱股東以天津附屬公司之最佳利益行事而向天津衛凱股東提供足夠激勵。天津衛凱股東可能於出現利益衝突或其與天津附屬公司之關係惡化時違反天津衛凱合約安排，其結果可能對天津附屬公司之業務、前景及經營業績產生重大不利影響。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (CONT'D)

Risks associated with the AK Suzhou Contractual Arrangements and Tianjin Weikai Contractual Arrangements and actions taken by the Company to mitigate the risks (Cont'd)

(iii) Potential conflicts of interest among the respective shareholders and the Project Company may exist (Cont'd)

- (b) *Potential conflicts of interest among Tianjin Subsidiary, Tianjin Weikai, the Tianjin Weikai Shareholders may exist (Cont'd)*

It is not assured that if conflicts arise, the Tianjin Weikai Shareholders will act in the best interests of Tianjin Subsidiary or that the conflicts will be resolved in favour of Tianjin Subsidiary. If any of the Tianjin Weikai Shareholders fails to perform its obligations under the respective Tianjin Weikai Contractual Arrangements, Tianjin Subsidiary may have to rely on legal remedies under the PRC laws through legal proceedings, which may be expensive, time-consuming and disruptive to Tianjin Subsidiary's operations and will be subject to uncertainties as stated above.

(iv) The AK Suzhou Contractual Arrangements and Tianjin Weikai Contractual Arrangements may be subject to scrutiny of the PRC tax authorities and additional tax may be imposed

The AK Suzhou Contractual Arrangements and Tianjin Weikai Contractual Arrangements may be subject to scrutiny of the PRC tax authorities and additional tax may be imposed on the Tianjin Subsidiary and/or AK Subsidiary, as the case may be. Tianjin Subsidiary and/or AK Subsidiary, as the case may be, may face adverse tax consequences if the PRC tax authorities determine that the AK Suzhou Contractual Arrangements and Tianjin Weikai Contractual Arrangements were not entered into based on arm's length negotiations. If the PRC tax authorities determine that the AK Suzhou Contractual Arrangements and Tianjin Weikai Contractual Arrangements were not entered into on an arm's length basis, they may adjust the income and expenses of Tianjin Subsidiary and/or AK Subsidiary, as the case may be, for the PRC tax purposes, which could result in higher tax liabilities on Tianjin Subsidiary and/or AK Subsidiary, as the case may be.

合約安排(續)

與奧凱(蘇州)合約安排及天津衛凱合約安排有關之風險及本公司採取之降低風險之措施(續)

(iii) 有關股東及項目公司之間可能存在潛在利益衝突(續)

- (b) *天津附屬公司、天津衛凱及天津衛凱股東之間可能存在潛在利益衝突(續)*

概不保證當發生衝突時，天津衛凱股東將以天津附屬公司之最佳利益行事或衝突將以對天津附屬公司有利之方式解決。倘任何天津衛凱股東未能履行其於各份天津衛凱合約安排項下之責任，天津附屬公司可能須透過法律訴訟依賴中國法律下之法律補救，此舉可能昂貴、耗時及中斷天津附屬公司之營運，且可能面臨上文所述之不明朗因素。

(iv) 奧凱(蘇州)合約安排及天津衛凱合約安排可能會受中國稅務機關審查並徵收額外稅項

奧凱(蘇州)合約安排及天津衛凱合約安排可能會受中國稅務機關審查，而天津附屬公司及／或奧凱附屬公司(視情況而定)可能被徵收額外稅項。倘中國稅務機關釐定奧凱(蘇州)合約安排及天津衛凱合約安排並非根據公平磋商訂立，則天津附屬公司及／或奧凱附屬公司(視情況而定)可能面臨不利稅務後果。倘中國稅務機關釐定奧凱(蘇州)合約安排及天津衛凱合約安排並非按公平基準訂立，其可能就中國稅務目的調整天津附屬公司及／或奧凱附屬公司(視情況而定)之收入與開支，此舉可導致天津附屬公司及／或奧凱附屬公司(視情況而定)承擔更高之稅務負債。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (CONT'D)

Risks associated with the AK Suzhou Contractual Arrangements and Tianjin Weikai Contractual Arrangements and actions taken by the Company to mitigate the risks (Cont'd)

- (iv) The AK Suzhou Contractual Arrangements and Tianjin Weikai Contractual Arrangements may be subject to scrutiny of the PRC tax authorities and additional tax may be imposed (Cont'd)**

The operation results of the Tianjin Subsidiary and/or AK Subsidiary, as the case may be, may be materially and adversely affected if the tax liabilities of AK Subsidiary, Tianjin Subsidiary, Tianjin Weikai or AK Suzhou increase significantly or if they are required to pay interest on late payments.

- (v) Ability to acquire the entire equity interests in or assets of the Project Company**

- (a) AK Subsidiary's ability to acquire the entire equity interests in or assets of AK Suzhou may be subject to various limitations and substantial costs*

In case AK Subsidiary exercises its options to acquire all or part of the equity interests and/or assets of AK Suzhou under the relevant exclusive option agreement, the acquisition of the entire equity interests in or the assets of AK Suzhou may only be conducted to the extent as permitted by the applicable PRC laws and will be subject to necessary approvals and relevant procedures under applicable PRC laws. In addition, the abovementioned acquisitions may be subject to a minimum price limitation (such as an appraised value for the entire equity interests in or all assets of AK Suzhou) or other limitations as imposed by applicable PRC laws. Further, a substantial amount of other costs (if any), expenses and time may be involved in transferring the ownership of AK Suzhou, which may have a material adverse impact on AK Subsidiary's businesses, prospects and results of operation.

合約安排(續)

與奧凱(蘇州)合約安排及天津衛凱合約安排有關之風險及本公司採取之降低風險之措施(續)

- (iv) 奧凱(蘇州)合約安排及天津衛凱合約安排可能會受中國稅務機關審查並徵收額外稅項(續)**

倘奧凱附屬公司、天津附屬公司、天津衛凱或奧凱(蘇州)之稅務負債大幅增加或倘彼等須就逾期付款而支付利息，天津附屬公司及／或奧凱附屬公司(視情況而定)之經營業績則可能受重大不利影響。

- (v) 收購項目公司全部股權或資產之能力**

- (a) 奧凱附屬公司收購奧凱(蘇州)之全部股權或資產之能力可能面臨多項限制及大量成本**

倘奧凱附屬公司根據相關獨家購股權協議行使其購股權以收購奧凱(蘇州)之全部或部份股權及／或資產，收購奧凱(蘇州)之全部股權或資產僅可於適用中國法律准許之情況下進行，並須受適用中國法律項下之必要批准及相關程序所規限。此外，上述收購可能須受適用中國法律施加之最低價格限制(例如奧凱(蘇州)之全部股權或所有資產之評估價值)或其他限制所規限。另外，轉讓奧凱(蘇州)之擁有權可能涉及大量其他成本(如有)、費用及時間，其可能對奧凱附屬公司之業務、前景及經營業績造成重大不利影響。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (CONT'D)

Risks associated with the AK Suzhou Contractual Arrangements and Tianjin Weikai Contractual Arrangements and actions taken by the Company to mitigate the risks (Cont'd)

(v) Ability to acquire the entire equity interests in or assets of the Project Company (Cont'd)

- (b) *Tianjin Subsidiary's ability to acquire the entire equity interests in or assets of Tianjin Weikai may be subject to various limitations and substantial costs*

In case Tianjin Subsidiary exercises its options to acquire all or part of the equity interests and/or assets of Tianjin Weikai under the exclusive option agreement, the acquisition of the entire equity interests in or the assets of Tianjin Weikai may only be conducted to the extent as permitted by the applicable PRC laws and will be subject to necessary approvals and relevant procedures under applicable PRC laws. In addition, the abovementioned acquisitions may be subject to a minimum price limitation (such as an appraised value for the entire equity interests in or all assets of Tianjin Weikai) or other limitations as imposed by applicable PRC laws. Further, a substantial amount of other costs (if any), expenses and time may be involved in transferring the ownership of Tianjin Weikai, which may have a material adverse impact on Tianjin Subsidiary's businesses, prospects and results of operation.

In light of the above risks associated with the AK Suzhou Contractual Arrangements and Tianjin Weikai Contractual Arrangements, the Group has adopted a set of procedures, systems and internal control measures to ensure the sound and effective operation of the Group and the implementation of the AK Suzhou Contractual Arrangements and Tianjin Weikai Contractual Arrangements. Such procedures, systems and internal control measures include (i) regular discussions of matters relating to compliance and regulatory enquiries from governmental authorities, if any, by the board of directors of the Company at board meetings; and (ii) retaining legal adviser and/or other professional to assist the Group to deal with specific issues arising from the AK Suzhou Contractual Arrangements and Tianjin Weikai Contractual Arrangements, if so required.

合約安排(續)

與奧凱(蘇州)合約安排及天津衛凱合約安排有關之風險及本公司採取之降低風險之措施(續)

(v) 收購項目公司全部股權或資產之能力(續)

- (b) *天津附屬公司收購天津衛凱之全部股權或資產之能力可能面臨多項限制及大量成本*

倘天津附屬公司根據相關獨家購股權協議行使其購股權以收購天津衛凱之全部或部份股權及／或資產，收購天津衛凱之全部股權或資產僅可於適用中國法律准許之情況下進行，並須受適用中國法律項下之必要批准及相關程序所規限。此外，上述收購可能須受適用中國法律施加之最低價格限制(例如天津衛凱之全部股權或所有資產之評估價值)或其他限制所規限。另外，轉讓天津衛凱之擁有權可能涉及大量其他成本(如有)、費用及時間，其可能對天津附屬公司之業務、前景及經營業績造成重大不利影響。

就上述與奧凱(蘇州)合約安排及天津衛凱合約安排有關之風險而言，本集團已採納一系列程序、制度及內部監控措施，以確保本集團的穩健經營及奧凱(蘇州)合約安排及天津衛凱合約安排的有效落實。該等程序、制度及內部監控措施包括(i)本公司董事會定期於董事會會議上討論來自政府機關的合規事宜及監管查詢(如有)；及(ii)聘請法律顧問及／或其他專業人士協助本集團處理奧凱(蘇州)合約安排及天津衛凱合約安排產生的具體問題(如有需要)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OTHER COMMITMENTS

The Company signed two sponsorship agreements with the University of Oxford for the researches on cell therapy and tissue engineering. The Company agreed to provide GBP9.0 million (equivalent to approximately HK\$90.1 million) to the University of Oxford by instalments over the period covered by the agreements. As at 31 December 2017, the Company has paid GBP4.75 million (equivalent to approximately HK\$52.5 million) to the University of Oxford.

CHARGES IN ASSETS AND CONTINGENT LIABILITIES

As at 31 December 2017, bank loans of HK\$771.8 million were secured by the Group's pledged bank deposits with carrying amounts of HK\$818.1 million (April 2017: HK\$794.7 million). As at 31 December 2017, the Group had no material contingent liabilities (April 2017: Nil).

DETAILS OF FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

On 15 July 2017, China Regenerative Medicine Limited, a wholly-owned subsidiary of the Company, and Haitong International ZhongHua Finance GP Ltd. invested in Haitong International ZhongHua Finance Acquisition Fund I, L.P. (the "Fund") whose investment objective was to acquire, hold and dispose skin therapy and medical product industries portfolio companies. The Company's initial capital investment in this regard was US\$75 million (equivalent to approximately HK\$585 million). On 7 November 2017, the Company's capital investment in the Fund was reduced to US\$35 million (equivalent to approximately HK\$272 million).

Save as disclosed above, the Group did not have any plans for material investment or capital assets during the period.

其他承擔

本公司與牛津大學就細胞治療及組織工程的研究訂立兩份贊助協議。本公司同意於協議涵蓋期間向牛津大學分期提供9,000,000英鎊(相當於約90,100,000港元)。截至二零一七年十二月三十一日，本公司已向牛津大學支付4,750,000英鎊(相當於約52,500,000港元)。

資產抵押及或有負債

於二零一七年十二月三十一日，771,800,000港元銀行貸款由本集團之賬面值為818,100,000港元之已抵押銀行存款(二零一七年四月：794,700,000港元)作抵押。於二零一七年十二月三十一日，本集團並無重大或有負債(二零一七年四月：無)。

重大投資或資本資產未來計劃之詳情

於二零一七年七月十五日，本公司之全資附屬公司中國再生醫學有限公司與Haitong International ZhongHua Finance GP Ltd.投資Haitong International ZhongHua Finance Acquisition Fund I, L.P. (「該基金」)，該基金之投資目標為收購、持有及出售皮膚治療及醫療產品行業組合公司。本公司就此作出之初始資金投資為75,000,000美元(相當於約585,000,000港元)。於二零一七年十一月七日，本公司於該基金之資金投資削減至35,000,000美元(相當於約272,000,000港元)。

除上文所披露者外，於期內本集團並無關於重大投資或資本資產之任何計劃。



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

EMPLOYEE INFORMATION AND REMUNERATION POLICIES

僱員資料及薪酬政策

As at 31 December 2017, the Group had 449 (April 2017: 542) employees located in Hong Kong and Mainland China. As an equal opportunity employer, the Group's remuneration and bonus policies are determined with reference to the performance and experience of individual employees. The total amount of employee remuneration (including that of the Directors and retirement benefits scheme contributions) of the Group for the period was approximately HK\$101.4 million (1 May 2016 to 30 April 2017: HK\$131.7 million). In addition, the Group may offer options to employees as a recognition of and reward for their efforts and contributions to the Group.

於二零一七年十二月三十一日，本集團共有僱員449名(二零一七年四月：542名)，分佈於香港及中國內地。本集團作為平等機會僱主，其薪酬及獎金政策均以僱員個別表現及經驗釐定。本期間本集團之僱員薪酬總額(包括董事薪金及退休福利計劃供款)約為101,400,000港元(二零一六年五月一日至二零一七年四月三十日：131,700,000港元)。此外，本集團可向僱員授出購股權以肯定及獎勵彼等的努力及對本集團作出的貢獻。

BIOGRAPHICAL DETAILS OF DIRECTORS AND CHIEF EXECUTIVES

董事及最高行政人員簡介

EXECUTIVE DIRECTORS

Mr. Chen Chunguo (“Mr. Chen”), aged 45, is an executive Director and the chief executive officer of the Company (“CEO”). He is also a member of the nomination committee of the Company (“Nomination Committee”). Mr. Chen joined the Company in October 2016 as the president and re-designated as the CEO in February 2017. Mr. Chen has 20 years of relevant experience and has accumulated abundant experience in investment and M&A as well as corporation management. He also serves as a director of some subsidiaries of the Company. He graduated from Dongbei University of Finance and Economics and obtained a master’s degree. From 1996 to 2012, Mr. Chen served as the president of 大連實德集團 (Dalian Shide Group Co., Ltd.#) (“Dalian Shide”) who was responsible for the overall management of this 3000-employee group. Under his management, he established 8 production bases across the country for new construction materials, all of which were put into operation successfully, and developed over 100 distribution channels, making “Shide Profiles” one of the well-known brands in the PRC. During his tenure with Dalian Shide, he led the investment in and acquisition of 河北凌雲股份有限公司 (Lingyun Industrial Corporation Limited# (SSE code: 600480)) and 寧夏大元股份有限公司 (Ningxia Dayuan Chemical Co., Ltd.# (SSE code: 600146)), and invested in a number of financial institutions such as 大連銀行股份有限公司 (Bank of Dailian Co., Ltd.#), 太平洋保險股份有限公司 (China Pacific Insurance Co., Ltd.#), 生命人壽保險股份有限公司 (Sino Life Insurance Co., Ltd.#), 華匯人壽保險股份有限公司 (Sino-Conflux Insurance Company Ltd.#), 鐵嶺銀行股份有限公司 (Bank of Tieling Co., Ltd.#) and 景順長城基金管理有限公司 (Invesco Great Wall Fund Management Company Limited#), etc. During such period, he also formed 大連實德石化有限公司 (Dalian Shide Petrochemicals., Ltd.#), 實德集團控股有限公司 (港資) (Shide Group (Hong Kong) Holdings Co., Ltd.#), 大連實德足球俱樂部 (Dalian Shide Football Club#), 大連實德投資有限公司 (Dalian Shide Investment Co., Ltd.#) and other dozens of companies. In total, Mr. Chen managed nearly a hundred of parents and subsidiaries and a billion-dollar group during his tenure with in Dalian Shide. From 2012 to 2016, as president of 大連海潤來集團 (Hairunlai Group Co., Ltd.#), Mr. Chen has led the investment in and acquisition of 盛銀互聯網金融株式會社 (Shengyin Internet Financial Services Co., Ltd.#, based in Korea) and the investment in 百斯頓環球食品有限公司 (Beston Global Food Company Limited), based in Australia, 河北唐宋互聯網大數據有限公司 (Chinatsi Big Data Inc.#) and 國金金融租賃有限公司 (Guojin Financial Leasing Co., Ltd.#), etc. In addition, Mr. Chen has integrated the group’s resources and implemented an overall transition in the group. Mr. Chen is also the chairman of 上海湧涵股權投資有限公司 (Shanghai Yonghan Equity Investment Co., Ltd.#).

for identification only

執行董事

陳春國先生(「陳先生」)，45歲，為執行董事兼本公司行政總裁(「行政總裁」)。彼亦為本公司提名委員會(「提名委員會」)之成員。陳先生於二零一六年十月加盟本公司擔任總裁，並於二零一七年二月調任為行政總裁。陳先生擁有20年相關經驗，於投資併購及企業管理方面擁有豐富的經驗。彼亦出任本公司若干附屬公司之董事。彼畢業於東北財經大學，持有碩士學位。於一九九六年至二零一二年，陳先生在大連實德集團(「大連實德」)就職總裁，期間負責整體管理僱員達3000人之集團。在彼之管理下，彼組建了全國八個新型建材生產基地，並全部順利投入生產運營，成功搭建了100多家銷售網路，「實德型材」成為中國知名品牌之一。於彼在大連實德之期間，彼投資及收購了河北凌雲股份有限公司(上海證券交易所代號：600480)及寧夏大元股份有限公司(上海證券交易所代號：600146)，並已投資大連銀行股份有限公司、太平洋保險股份有限公司、生命人壽保險股份有限公司、華匯人壽保險股份有限公司、鐵嶺銀行股份有限公司及景順長城基金管理有限公司等眾多金融機構。於此期間，彼亦組建了大連實德石化有限公司、實德集團控股有限公司(港資)、大連實德足球俱樂部、大連實德投資有限公司等幾十家實體公司。陳先生於大連實德任職期間共管理了近百家母子公司，及數十億資產的集團公司。二零一二年至二零一六年，陳先生在大連海潤來集團就職總裁職務，投資及收購了韓國盛銀互聯網金融株式會社，亦投資了澳洲的百斯頓環球食品有限公司、河北唐宋互聯網大數據有限公司及國金金融租賃有限公司等公司。此外，陳先生已整合了集團資源，並對集團實施了全面轉型工作。陳先生亦為上海湧涵股權投資有限公司董事長。

BIOGRAPHICAL DETAILS OF DIRECTORS AND CHIEF EXECUTIVES

董事及最高行政人員簡介

EXECUTIVE DIRECTORS (CONT'D)

Dr. Ray Yip (“Dr. Yip”), aged 67, is an executive Director. He is also a member of the remuneration committee of the Company (“Remuneration Committee”). Dr. Yip joined the Group in February 2017 as a non-executive Director. He had been re-designated as an executive Director in September 2017. He is an international public health leader who has made a significant contribution to global health in the areas of nutrition, maternal and child health, HIV/AIDS and tobacco control. Dr. Yip has been working on emergency response to war and famine, long term program and policy development effort in the PRC in recent years. Dr. Yip was the founding director of the Chinese office of U.S. Centers for Disease Control and Prevention (the “CDC”) in 2013, and the China program director of the Bill and Melinda Gates Foundation (the “Foundation”) in 2017. Dr. Yip is known as a specialist for health and medical issues in the PRC.

Dr. Yip's major contributions to the global health include: refining the international criteria for screening for malnutrition and anemia and increasing the awareness of diarrhea as a major contributor to acute malnutrition. His work in the PRC has resulted in the mainstreaming of hepatitis B vaccine for routine immunization, the adoption of hospital-based delivery as a strategy which significantly reduced maternal mortality, transformation of the national AIDS response to one targeting those high-risk groups by accepting the role of civil society and assisting in engineering the policy support for tobacco control at the top level.

Dr. Yip established the Foundation's mission in China by assisting the government in addressing the key public health issues such as HIV and tobacco. He also transformed the Foundation's strategy in giving it a new focus “China-for-Africa” which includes identifying successful Chinese experience and technology to assist in the development of Africa. Since 2017, Dr. Yip has served as a special advisor focusing on health and clean energy for bgC3, a think-tank headed by Bill Gates.

Dr. Yip served at the faculty of the University of California-San Francisco between 1990 and 1994 and was an adjunct professor at the Friedman School and Nutrition Science and Policy of Tufts University between 2006 and 2010. Currently, Dr. Yip is an adjunct professor at the Research Centre for Public Health of Tsinghua University.

Dr. Yip graduated from the Medical School and the School of Public Health of the University of Minnesota, and he was then certified as a pediatric hematologist-oncologist.

執行董事(續)

葉雷博士(「葉博士」)，67歲，為執行董事。彼亦為本公司薪酬委員會(「薪酬委員會」)之成員。葉博士於二零一七年二月加入本集團擔任非執行董事。彼已於二零一七年九月調任為執行董事。彼為國際公共健康先鋒，已在全球營養、母嬰健康、艾滋病及控煙等健康領域作出重要貢獻。葉博士近年一直在中國參與戰爭及飢餓應急救援、長遠計劃及政策制定。葉博士於二零一三年成為美國疾病控制與預防中心(「疾控中心」)中國辦事處的創始主任，及於二零一七年成為比爾及梅琳達·蓋茨基金會(「基金會」)中國項目主任。葉博士於中國為公認的健康及醫療專家。

葉博士對全球健康的主要貢獻包括：完善營養不良和貧血篩查的國際標準及宣傳腹瀉是急性營養不良的主要原因。其於中國的工作已產生以下積極影響：常規免疫接種乙肝疫苗成為主流；採用醫院分娩策略，顯著降低孕產婦死亡率；借助民間力量將全國性的艾滋病應對轉化為集中關注高風險人群；及協助推動控煙獲得政府高層的政策支持。

葉博士為基金會設立的中國任務為協助政府解決艾滋病及吸煙等主要公共健康問題。彼亦轉變基金會的策略，賦予其新的焦點「中-非」(China-for-Africa)，其中包括發現中國的成功經驗及技術，為非洲發展提供幫助。自二零一七年起，葉博士一直擔任bgC3(由比爾蓋茨領導的智囊團)的特別顧問，專注於健康及清潔能源領域。

葉博士曾於一九九零年至一九九四年間在加州大學三藩市分校任教，並曾於二零零六年至二零一零年間擔任塔夫茨大學弗裡曼營養學與政策學院的副教授。葉博士現為清華大學公共健康研究中心副教授。

葉博士畢業於明尼蘇達大學醫學院及公共衛生學院，隨後獲得小兒血液腫瘤科的行醫執照。

BIOGRAPHICAL DETAILS OF DIRECTORS AND CHIEF EXECUTIVES

董事及最高行政人員簡介

NON-EXECUTIVE DIRECTORS

Professor Cui Zhanfeng, PhD, DSc FREng, (“Prof. Cui”), aged 55, is a non-executive Director and the chairman of the Board of the Company. He is also the chairman of the Nomination Committee and a member of the audit committee of the Company (“Audit Committee”). Prof. Cui joined the Group in November 2013 as consultant. He also holds directorship in one of the subsidiaries of the Company. Prof. Cui obtained his Bachelor’s degree of Science from Inner Mongolia Polytechnic University, the PRC in 1982, and a master’s degree of Science in 1984 and doctor’s degree of Philosophy in 1987 from Dalian University of Technology, the PRC. Prof. Cui was a postdoctoral Fellow in the Bioengineering Unit, Strathclyde University, the United Kingdom from 1988 to 1991 and a Lecturer in Edinburgh University from 1991 to 1994. He moved to the Oxford University as a University Lecturer from 1994 to 1999 and was promoted to a Reader in 1999. In 2000, he was elected to the Donald Pollock Chair of Chemical Engineering in the Oxford University at the age of 37. He is also a Professorial Fellow of Hertford College, the Oxford University. He was a visiting professor to Georgia Institute of Technology, the United States of America (“USA”) in 1999 and University of Minnesota, USA in 2004, and to several universities in China. He is a Chartered Scientist, a Chartered Engineer, and a Fellow of the Institution of Chemical Engineers. Prof. Cui was awarded the Doctor of Science (DSc) by the Oxford University in 2009. In 2013, Prof. Cui was elected to a Fellow of the Royal Academy of Engineering (FREng).

Prof. Cui was the first Chinese who was elected to a Statutory Chair in the Oxford University. He has a wide range of collaborative activities in the PRC with Chinese Universities and Chinese Academy of Sciences. He was a Chang Jiang Scholar of the Ministry of Education of the PRC and has acted as an adviser to several governmental organisations, including the Overseas Chinese Affairs Office of the State Council.

非執行董事

崔占峰教授，PhD, DSc FREng (「崔教授」)，55歲，為非執行董事兼本公司董事會主席。彼亦為提名委員會主席及本公司審核委員會(「審核委員會」)之成員。崔教授於二零一三年十一月加盟本集團擔任顧問。彼現亦於本公司一間附屬公司擔任董事職務。崔教授於一九八二年在中國內蒙古工學院獲取其理學學士學位，其後分別於一九八四年和一九八七年在中國大連理工大學獲取理學碩士及哲學博士學位。於一九八八年至一九九一年，崔教授為英國斯特拉斯大學生物工程研究所資深博士及於一九九一年至一九九四年，曾為愛丁堡大學的講師。其後，於一九九四年至一九九九年，履職英國牛津大學大學講師一職，並於一九九九年晉升為副教授。彼更於二零零零年，即年僅37歲之時，被推選為牛津大學化學工程學Donald Pollock終身教授。彼亦為牛津大學赫特福德(Hertford)學院院士。彼於一九九九年曾擔任美利堅合眾國(「美國」)佐治亞理工學院和於二零零四年美國密尼蘇達大學及中國幾所大學的客座教授。彼為化學工程師學會英國特許科學家、特許工程師及理事。於二零零九年，崔教授獲牛津大學授予科學博士學位。於二零一三年，崔教授當選為英國皇家工程院院士。

崔教授是第一位在牛津大學被選為終身教授的中國人。彼與中國之大學及中國科學院均有廣泛的合作。彼曾為中國教育部長江學者講座教授，並擔任若干中國政府機構之顧問(包括國務院僑辦諮詢專家)。

BIOGRAPHICAL DETAILS OF DIRECTORS AND CHIEF EXECUTIVES

董事及最高行政人員簡介

NON-EXECUTIVE DIRECTORS (CONT'D)

Professor Xiong Chengyu (“Prof. Xiong”), aged 63, is a non-executive Director. He is also a member of each of the Audit Committee and the Remuneration Committee. Prof. Xiong joined the Group in March 2017. Prof. Xiong is currently a professor and a doctoral supervisor of the School of Journalism and Communication of Tsinghua University in the PRC. Prof. Xiong has extensive experience in new media studies, media development and journalism. He was a member of each of 國家信息化專家諮詢委員會委員 (the Advisory Committee for State Informatisation[#]) and 國家互聯網發展與管理專家諮詢委員會委員 (the Advisory Committee for Internet Development and Management[#]), and served as a vice dean of the School of Journalism and Communication of Tsinghua University in the PRC. Prof. Xiong currently serves as a member of the University Academic Committee and the chairman of the National Research Center of Cultural Industries in Tsinghua University in the PRC. Prof. Xiong was an independent director of each of 湖南電廣傳媒股份有限公司 (Hunan TV & Broadcast Intermediary Co., Ltd.[#]) (Shenzhen Stock Exchange: 000917) and 中南出版傳媒集團股份有限公司 (China South Publishing & Media Group Co., Ltd.[#]) (Shanghai Stock Exchange: 601098). He currently serves as an independent director of 江蘇省廣電有線信息網絡股份有限公司 (Jiangsu Broadcasting Cable Information Network Corporation Limited[#]) (Shanghai Stock Exchange: 600959).

非執行董事(續)

熊澄宇教授(「熊教授」)，63歲，為非執行董事。彼亦為審核委員會及薪酬委員會各自之成員。熊教授於二零一七年三月加入本集團。熊教授現為中國清華大學新聞與傳播學院教授及博士生導師。熊教授於新媒體研究、媒體發展及新聞方面擁有豐富經驗。彼歷任國家信息化專家諮詢委員會委員、國家互聯網發展與管理專家諮詢委員會委員及中國清華大學新聞與傳播學院副院長等職務。熊教授現任中國清華大學學術委員會委員及國家文化產業研究中心主任。熊教授曾分別擔任湖南電廣傳媒股份有限公司(深交所：000917)及中南出版傳媒集團股份有限公司(上交所：601098)之獨立董事。彼目前擔任江蘇省廣電有線信息網絡股份有限公司(上交所：600959)之獨立董事。

[#] for identification only

BIOGRAPHICAL DETAILS OF DIRECTORS AND CHIEF EXECUTIVES

董事及最高行政人員簡介

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Bing Woon, SBS, JP, (“Mr. Chan”), aged 72, is an independent non-executive Director. He is also a member of the each of the Audit Committee, the Nomination Committee and the Remuneration Committee. Mr. Chan joined the Group in March 2014. Mr. Chan is a consultant of Yung, Yu, Yuen & Co., Solicitors and Notaries. He has about 40 years’ experience in the legal profession. Mr. Chan has been involved in numerous public duties including being Advisor of the Joint Mediation Helpline Office. He is also a fellow member of the Hong Kong Institute of Directors, a council member of the Hong Kong Society of Notaries, a general accredited mediator of Hong Kong International Arbitration Centre and the Law of Society of Hong Kong, and the chairman of the Hospital Governing Committee of Castle Peak Hospital and Siu Lam Hospital. Mr. Chan was a member of the Hospital Authority and a past chairman of the Hong Kong Mediation Council. He is currently an independent non-executive director of Kwoon Chung Bus Holdings Limited (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 306).

Mr. Wong Yiu Kit Ernest (“Mr. Wong”), aged 50, is an independent non-executive Director. He is also the chairman of the Audit Committee, and a member of each of the Nomination Committee and the Remuneration Committee. Mr. Wong joined the Group in February 2017. He has over 25 years of experience in venture capital, corporate finance, business development and general management. Mr. Wong has served as the president and group chief financial officer of KVB Kunlun Holdings Limited (“KVB”) since November 2011 and as the chief financial officer and the company secretary of KVB’s group company, KVB Kunlun Financial Group Limited (the shares of which are listed on the Stock Exchange, stock code: 6877) since October 2014. Mr. Wong has also served as an independent non-executive director of Renheng Enterprise Holdings Limited (HKEx stock code: 3628) since October 2011, HongDa Financial Holding Limited (HKEx stock code: 1822) since July 2014, Legend Strategy International Holdings Group Company Limited (HKEx stock code: 1355) since November 2016, Progressive Path Group Holdings Limited (HKEx stock code: 1581) since November 2016 and Common Splendor International Health Industry Limited (HKEx stock code: 286) since September 2017.

Mr. Wong also served several positions at Adamas Finance Asia Limited (LSE stock code: ADAM), including its executive director from May 2008 to February 2014, its chief financial officer from May 2008 to October 2011 and its non-executive director since February 2014.

獨立非執行董事

陳炳煥先生(銀紫荊星章、太平紳士)(「陳先生」)，72歲，為獨立非執行董事。彼亦為審核委員會、提名委員會及薪酬委員會各自之成員。陳先生於二零一四年三月加入本集團。陳先生為翁余阮律師行之顧問律師。彼於法律界有近四十年經驗。陳先生亦擔任多項公職包括為聯合調解專線辦事處顧問。彼亦為香港董事學會資深會員、香港國際公證人協會理事、香港國際仲裁中心及香港律師會認可調解員，及青山醫院及小欖醫院之醫院管治委員會主席。陳先生曾為香港醫院管理局成員及香港調解會前任主席。彼現時為冠忠巴士集團有限公司(其股份於聯交所主板上市，股份代號：306)之獨立非執行董事。

黃耀傑先生(「黃先生」)，50歲，為獨立非執行董事。彼亦為本公司審核委員會主席以及提名委員會及薪酬委員會各自之成員。黃先生於二零一七年二月加入本集團。彼於創業投資、企業財務、業務發展及一般管理方面擁有逾25年經驗。黃先生自二零一一年十一月起擔任KVB Kunlun Holdings Limited(「KVB」)之總裁及集團財務總監，及自二零一四年十月起擔任KVB集團公司昆侖國際金融集團有限公司(其股份於聯交所上市，股份代號：6877)之財務總監及公司秘書。黃先生亦自二零一一年十月起、自二零一四年七月起、自二零一六年十一月起、自二零一六年十一月起及自二零一七年九月分別擔任仁恒實業控股有限公司(香港聯交所股份代號：3628)、弘達金融控股有限公司(香港聯交所股份代號：1822)、枋濬國際集團控股有限公司(香港聯交所股份代號：1355)、進昇集團控股有限公司(香港聯交所股份代號：1581)及同佳國際健康產業集團有限公司(香港聯交所股份代號：286)之獨立非執行董事。

黃先生亦於Adamas Finance Asia Limited(倫敦證券交易所股份編號：ADAM)擔任數職，包括自二零零八年五月至二零一四年二月期間擔任執行董事、自二零零八年五月至二零一一年十月期間擔任財務總監及自二零一四年二月起擔任非執行董事。

BIOGRAPHICAL DETAILS OF DIRECTORS AND CHIEF EXECUTIVES

董事及最高行政人員簡介

INDEPENDENT NON-EXECUTIVE DIRECTORS (CONT'D)

Mr. Wong obtained a bachelor's degree in business administration from The University of Hong Kong in 1991, a master's degree of science in investment management from The Hong Kong University of Science and Technology in 1998 and a master's degree of science in electronic engineering from The Chinese University of Hong Kong in 2008.

Mr. Wong was admitted as a fellow member of the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales in November 1999, October 2002 and January 2018, respectively. He was admitted as a chartered financial analyst of the Institute of Chartered Financial Analysts in September 1998. He is also acting as the president of the Hong Kong University Graduates Association, the deputy chairman of the HKU Convocation, the court member of The University of Hong Kong, a committee member of the Association of Chartered Certified Accountants Hong Kong.

Dr. Fang Jun ("Dr. Fang"), aged 55, is an independent non-executive Director. He is also a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee. Dr. Fang joined the Group in December 2017. He served as an executive member and the executive vice-chairman of the Cross-straits Medicine Exchange Association of the National Health and Family Planning Commission of the PRC[#] (中華人民共和國國家衛生和計劃生育委員會海峽兩岸醫藥衛生交流協會), an executive member and the vice-chairman of China Sexology Association[#] (中國性學會), the publisher and the executive chief editor of the China Sexology Journal[#] (《中國性科學》) and the deputy head of the Sexology Research Center of Peking University Health Science Center[#] (北京大學醫學部性學研究中心). Dr. Fang also assumed various positions such as the executive member and the secretary general of Wu Jieping Medical Foundation (吳階平醫學基金會). Dr. Fang graduated from Peking University Health Science Center with a master's degree in Social Medicine and Health Service Management and a doctorate degree in Epidemiology and Health Statistics.

Dr. Fang is also an independent non-executive director of HongDa Financial Holding Limited, a company listed on the Stock Exchange (1822.HK).

獨立非執行董事(續)

黃先生於一九九一年獲得香港大學工商管理學學士學位，於一九九八年獲得香港科技大學投資管理學理學碩士學位，及於二零零八年獲得香港中文大學電子工程理學碩士學位。

黃先生分別於一九九九年十一月、二零零二年十月及二零一八年一月分別獲准成為英國特許公認會計師公會、香港會計師公會及英格蘭和威爾士特許會計師公會資深會員。彼於一九九八年九月獲准成為特許財務分析師學會之特許財務分析師。彼亦為香港大學畢業同學會會長、香港大學畢業生議會副主席、香港大學校董、特許公認會計師公會香港分會理事會委員。

方俊博士(「方博士」)，55歲，為獨立非執行董事。彼亦為審核委員會、提名委員會及薪酬委員會各自之成員。方博士於二零一七年十二月加入本集團。彼擔任中華人民共和國國家衛生和計劃生育委員會海峽兩岸醫藥衛生交流協會之常務理事兼執行副會長、中國性學會之理事兼副理事長、《中國性科學》之出版人兼執行主編及北京大學醫學部性學研究中心之副主任。方博士亦曾擔任吳階平醫學基金會之理事兼秘書長等多個職位。方博士畢業於北京大學醫學部，獲頒社會醫學與衛生事業管理碩士學位及流行病與衛生統計學博士學位。

方博士亦於弘達金融控股有限公司(一間於聯交所上市的公司(1822.HK))擔任獨立非執行董事。

[#] for identification only

BIOGRAPHICAL DETAILS OF DIRECTORS AND CHIEF EXECUTIVES

董事及最高行政人員簡介

INDEPENDENT NON-EXECUTIVE DIRECTORS (CONT'D)

Mr. Pang Chung Fai Benny (“Mr. Pang”), aged 45, is an independent non-executive Director. He is also the chairman of the Remuneration Committee, and a member of each of the Audit Committee and the Nomination Committee. Mr. Pang joined the Group in September 2012. He is the managing partner of Benny Pang & Co which specializes in capital markets and general corporate and commercial work. Mr. Pang is also an executive director and a vice chairman of Huabang Financial Holdings Limited (previously known as Goldenmars Technology Holdings Limited) (“Huabang”), the shares of which are listed on the Stock Exchange, stock code: 3638, since January 2017. He was an independent non-executive director of Huabang since June 2012. Between 1997 and 2017, Mr. Pang practiced as a lawyer with several international law firms in Hong Kong and Sydney. He received his bachelor’s degree in laws with honours from Bond University, Australia, in 1996. In 1997, Mr. Pang obtained his graduate diploma in legal practice and master’s degree in laws from The College of Law, Sydney and the University of New South Wales, Australia, respectively. He has been admitted as a legal practitioner of the Supreme Court of New South Wales, Australia since 1997 and as a solicitor of the High Court of Hong Kong since 2009. Mr. Pang is a member of both the Law Society of New South Wales, Australia and the Law Society of Hong Kong. He is currently an independent non-executive director of Yuanda China Holdings Limited (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 2789) and Sanbase Corporation Limited (the shares of which are listed on GEM of the Stock Exchange, stock code: 8501).

獨立非執行董事(續)

彭中輝先生(「彭先生」)，45歲，為獨立非執行董事。彼亦為薪酬委員會主席，以及審核委員會及提名委員會各自之成員。彭先生於二零一二年九月加入本集團。彼為Benny Pang & Co的主理合夥人，Benny Pang & Co專門從事資本市場以及一般企業及商業工作。彭先生亦自二零一七年一月起為華邦金融控股有限公司(前稱晶芯科技控股有限公司)(「華邦」，其股份於聯交所上市，股份代號：3638)之執行董事及副主席。彼自二零一二年六月起為華邦之獨立非執行董事。自一九九七年至二零一七年，彭先生於香港及悉尼多家國際律師事務所執業為律師。彼於一九九六年畢業於澳大利亞邦德大學，獲得法學榮譽學士學位。於一九九七年，彭先生於悉尼法律學院及澳大利亞新南威爾斯大學分別獲得法律執業研究課程文憑及法律碩士學位。彼於一九九七年獲澳大利亞新南威爾斯最高法院認可為執業律師，並於二零零九年獲香港高等法院認可為律師。彭先生是澳大利亞新南威爾斯律師公會及香港律師會的成員。彼現任遠大中國控股有限公司(其股份於聯交所主板上市，股份代號：2789)及莊皇集團公司(其股份於聯交所GEM上市，股份代號：8501)獨立非執行董事。

for identification purposes only



CORPORATE GOVERNANCE REPORT

企業管治報告

Pursuant to Rule 18.44(2) of the GEM Listing Rules, the Board is pleased to present hereby the corporate governance report of the Company for the eight months ended 31 December 2017 (the "Reporting Period"), i.e. from 1 May 2017 to 31 December 2017.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining a high standard of corporate governance practices. The Group believes that high standard of corporate governance provides a framework and solid foundation for achieving, attracting and retaining the high standard and quality of the Group's management, promoting high standards of sound internal control, accountability and transparency to all shareholders of the Company ("Shareholders") and also meeting the expectations of the Group's various stakeholders.

The Company has complied with all the code provisions as set out in the Corporate Governance Code and Corporate Governance Report contained in the Appendix 15 of the GEM Listing Rules (the "CG Code") throughout the Reporting Period, with the exception of code provision A.6.7 of the CG Code.

Under code provision A.6.7 of the CG Code, independent non-executive Directors and other non-executive Directors, as equal board members, should attend general meetings and develop a balanced understanding of the views of Shareholders. One of the non-executive Directors, Mr. Wang Hui, did not attend the Company's annual general meeting held on 8 September 2017 (the "AGM") due to his engagements in other business commitments. Other Board members, including members of each of the Audit Committee, the Nomination Committee and the Remuneration Committee, attended the AGM and made themselves available to answer questions to ensure effective communication with the Shareholders.

根據GEM上市規則第18.44(2)條規定，董事會欣然呈報本公司於截至二零一七年十二月三十一日止八個月(「報告期間」)(即二零一七年五月一日至二零一七年十二月三十一日)的企業管治報告。

企業管治常規

董事會致力維持高水平之企業管治常規。本集團認為，高水平之企業管治有助建立完善機制及鞏固根基，提升本集團管理層之水平、吸引並挽留良才、加強內部監控、提高本公司的全體股東(「股東」)問責性及透明度，亦能滿足本集團各持份者之期望。

本公司於報告期間已遵守GEM上市規則附錄十五所載之企業管治守則及企業管治報告(「企業管治守則」)之所有守則條文，惟企業管治守則之守則條文第A.6.7條除外。

根據企業管治守則之守則條文第A.6.7條，獨立非執行董事及其他非執行董事作為與其他董事擁有同等地位的董事會成員，應出席股東大會，對公司股東的意見有公正的了解。一名非執行董事王輝先生因須參與其他業務，故而未能出席於二零一七年九月八日舉行之本公司股東週年大會(「股東週年大會」)。其他董事會成員，包括審核委員會、提名委員會及薪酬委員會之成員，均出席該股東週年大會解答疑問，以確保與股東的有效溝通。

CORPORATE GOVERNANCE REPORT

企業管治報告

CODES AND POLICIES

Securities Dealing Code

The Company has adopted a code of conduct regarding Directors' securities transactions as set out in the GEM Listing Rules as the required standard for securities transactions by the Directors. Having made specific enquiry of all Directors, each of the Directors, has confirmed that they have fully complied with the required standards of dealings regarding securities transaction by the Directors as set out on the GEM Listing Rules throughout the Reporting Period.

Code of Ethics

The Company adopts a Code of Ethics that applies to the Company's principal executive officer and senior financial officers in the conduct and practice of financial management and lays down the key principles that they shall follow and advocate, which include honest and ethical conduct; full, fair, accurate, timely and understandable disclosure; compliance with the GEM Listing Rules and accounting standards and regulations; prompt internal reporting; and accountability for adherence to the code. The Code of Ethics is also intended to promote the ethical standards of all the employees, officers and Directors in the workplace, and advocate high standards of professional conduct and work performance.

BOARD OF DIRECTORS

The Board is responsible to the Shareholders for leadership and control of the Company and is collectively responsible for promoting the success of the Company and its businesses by directing and supervising the Company's affairs.

Board Composition

Details of the membership of the Board together with their roles and functions are posted on the Stock Exchange and the Company's website and such information shall be updated as soon as practicable whenever there are changes.

The composition of the Board reflects a balance of skills and experience desirable for an effective leadership of the Company.

As at 31 December 2017, the Board had eight Directors, including two executive Directors; two non-executive Directors, and four independent non-executive Directors.

守則及政策

證券交易守則

本公司已採納GEM上市規則所載董事進行證券交易之操作守則作為董事進行證券交易之規定標準。經向全體董事作出特別垂詢後，各董事已確認彼等於報告期間，已全面遵守載於GEM上市規則董事進行證券交易之買賣規定標準。

道德操守

本公司採納適用於本公司最高行政人員及高級財務主管在進行財務管理方面之道德操守，並已制定彼等須遵守及奉行之主要原則，其中包括誠實及道德操守；披露資料全面、公平、準確、及時且可理解；遵守GEM上市規則及會計準則及規例；快速內部呈報；及遵守守則之責任。道德操守擬提升所有僱員、高級職員及董事於工作場所的道德水平，並且推廣高水平之專業操守及工作表現。

董事會

董事會須就領導及監管本公司之事宜向股東負責，並須共同負責指導及監管本公司事務，務求令本公司及其業務再創佳績。

董事會之組成

董事會成員之詳情，連同彼等之角色及職責，載於聯交所及本公司網站，而當有關資料有所變動時，在切實可行的範圍內將作更新。

董事會之組成體現本公司於有效領導所需之技能及經驗方面取得之平衡。

於二零一七年十二月三十一日，董事會有八名董事，包括兩名執行董事、兩名非執行董事及四名獨立非執行董事。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (CONT'D)

Board Composition (Cont'd)

Given below are names of the Directors as at the date of this report:

Executive Directors

Mr. Chen Chunguo	(Chief Executive Officer and member of the Nomination Committee)
Dr. Ray Yip	(member of the Remuneration Committee)

Non-executive Directors

Professor Cui Zhanfeng	(Chairman of the Board, chairman of the Nomination Committee and member of the Audit Committee)
Professor Xiong Chengyu	(member of each of the Audit Committee and the Remuneration Committee)

Independent non-executive Directors

Mr. Chan Bing Woon	(member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee)
Mr. Wong Yiu Kit Ernest	(chairman of the Audit Committee, member of each of the Nomination Committee and the Remuneration Committee)
Dr. Fang Jun	(member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee)
Mr. Pang Chung Fai Benny	(chairman of the Remuneration Committee, member of each of the Audit Committee and the Nomination Committee)

Biographical details of each director are set out in the section "Biographical Details of Directors and Chief Executives" on pages 59 to 65 of this annual report.

There is no financial, business, family or other material/relevant relationship amongst the Directors.

董事會(續)

董事會之組成(續)

於本報告日期，董事姓名如下：

執行董事

陳春國先生	(行政總裁及提名委員會成員)
葉雷博士	(薪酬委員會成員)

非執行董事

崔占峰教授	(董事會主席、提名委員會主席及審核委員會成員)
熊澄宇教授	(審核委員會及薪酬委員會成員)

獨立非執行董事

陳炳煥先生	(審核委員會、提名委員會及薪酬委員會成員)
黃耀傑先生	(審核委員會主席及提名委員會及薪酬委員會成員)
方俊博士	(審核委員會、提名委員會及薪酬委員會成員)
彭中輝先生	(薪酬委員會主席及審核委員會及提名委員會成員)

各董事的簡介詳情載於本年報第59至第65頁「董事及最高行政人員簡介」一節。

董事之間並無財務、業務、家族或其他重大／有關關係。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (CONT'D)

Functions of the Board

The Board focuses on overall strategies and policies with particular attention paid to the growth and financial performance of the Group.

The principle functions of the Board are to:

- establish the strategic direction and development of the Group;
- determine the broad policies, strategies and objectives of the Group;
- approve annual budgets, major funding proposals, investment and divestment proposals;
- oversee the processes for evaluating the adequacy and integrity of internal controls, risk management, financial reporting and compliance;
- approve the nominations of Directors by Nomination Committee and appointment of external auditors;
- ensure accurate, adequate and timely reporting to, and communication with Shareholders;
- monitor and manage potential conflicts of interest of management, Board members and Shareholders, including misuse of corporate assets and abuse in related party transactions; and assume responsibility for corporate governance.

The Board delegates day-to-day management, administration and operations of the Group to the executive Directors and senior management, while reserving certain key matters for its approval. The management is responsible for the implementation of the Company's strategies and policies, while the progress and development are periodically reviewed by Directors. During the Reporting Period, the management provided all members of the Board with monthly management updates ("Monthly Management Updates") in accordance with the code provision C.1.2 of the CG Code. The Monthly Management Updates contained latest financials with summaries of key events of the Group, giving a balanced and understandable assessment of the Company's performance, position and prospects.

董事會(續)

董事會之職能

董事會專注於整體策略及政策，特別重視本集團之增長及財務表現。

董事會之主要職責為：

- 訂立本集團之策略指引及發展；
- 釐定本集團之宏觀政策、策略及目標；
- 審批年度預算、主要融資建議、投資及撤資建議；
- 監管衡量內部監控、風險管理、財務呈報及遵守法規方面是否充足及完善之程序；
- 批准提名委員會之董事提名以及委任外聘核數師；
- 確保向股東作出準確、充足和及時之呈報及溝通；
- 監管及管理管理層、董事會成員及股東之間之潛在利益衝突，包括不當使用公司資產及在關連人士交易中濫用職權；及承擔企業管治之責任。

董事會將本集團之日常管理、行政及運作授權執行董事及高級管理人員處理，但若干主要事宜仍須獲董事會審批。管理層負責實施本公司之策略及政策，進展及發展由董事定期檢討。於報告期間，根據企業管治守則之守則條文第C.1.2條，管理層已向董事會全體成員提供月度更新資料(「月度更新資料」)。月度更新資料包含最新的財務數據與本集團主要事件的摘要，其就本公司之表現、狀況及前景作出一個平衡及易於理解的評估。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (CONT'D)

Board Diversity Policy

The Company recognises and embraces the benefits of diversity in the boardroom and has adopted the board diversity policy (“Board Diversity Policy”). The Board Diversity Policy sets out the approach to achieve diversity on the Board.

The Board has set measurable objectives to implement the Board Diversity Policy. The Nomination Committee has primary responsibility for identifying and giving recommendation suitably qualified candidates to become members of the Board. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate Board decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Board has also regularly reviewed the contribution of each Director as to whether the Director is spending sufficient time to perform his/her responsibilities to the Board.

The Board considers that the current composition of the Board, with core competencies in areas such as accounting and finance, business and management, medical science, legal profession, marketing management, media development and M&A, is appropriate for the businesses of the Company. The Board will review its composition from time to time taking into consideration of the specific needs for the overall Company and its subsidiaries’ businesses.

Continuing Professional Development

The Company Secretary is responsible for updating the Board on governance and regulatory matters.

Training will be provided to newly appointed director to his/her individual needs. This includes introduction to the Group business activities, their responsibilities and duties, and other regulatory requirements.

The Company will arrange and/or introduce training courses and/or reading materials for Directors to develop and explore their knowledge and skills.

董事會(續)

董事會成員多元化政策

本公司認定並確信董事會成員多元化的好處及已採納董事會成員多元化政策(「董事會成員多元化政策」)。董事會成員多元化政策列載董事會為達致成員多元化而採取的方針。

董事會已訂立可衡量的目標以實行董事會成員多元化政策。提名委員會主要負責物色及推薦合適的合資格董事會成員候選人。甄選候選人將按一系列多元化範疇為基準，包括但不限性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。最終將按候選人的長處及可為董事會提供的貢獻而作決定。

董事會亦就董事是否付出足夠時間履行其對董事會之職責定期檢討各董事之貢獻。

董事會認為目前董事會之組成，在會計及財務、商業及管理、醫療科學、法律專業、營銷管理、媒體發展及併購等領域各具專長，符合本公司業務需要。董事會將考慮本公司及其附屬公司整體業務之特定需求，不時檢討其組成。

持續專業發展

公司秘書負責向董事會提供有關管治及規管事宜之最新消息。

本公司將按新委任董事之個人需要給予他/她培訓，當中包括講解本集團業務、彼等之責任及職責以及其他監管規定。

本公司將為董事安排及/或介紹培訓課程及/或閱讀資料以發展及提升彼等知識及技能。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (CONT'D)

Continuing Professional Development (Cont'd)

According to the code provision A.6.5 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills, ensuring that their contribution to the Board remains informed and relevant. During the Reporting Period, all Directors participated in continuous professional development and had provided the Company with records (if any) on their participation. The individual training record of each Director for the Reporting Period is set out below:

Directors and Types of continuous professional development programmes

Cui Zhanfeng	A, B, C
Chen Chunguo	A, B, C
Ray Yip	A, B, C
Xiong Chengyu	A, B, C
Chan Bing Woon	A, B, C
Wong Yiu Kit Ernest	A, B, C
Fang Jun	A, B, C
Pang Chung Fai Benny	A, B, C

- A. attending seminars/meetings/forums/conferences/courses/workshops organized by professional bodies or regulators
- B. reading journals/newsletters/seminar materials/publications/magazines
- C. reading memoranda issued or materials provided by the Company

All information and materials aforesaid relate, but not limited to the latest development of the GEM Listing Rules, other applicable legal and regulatory matters as well as directors' duties and responsibilities.

Directors' and Officers' Liabilities

The Company has arranged for appropriate insurance covering the liabilities of the Directors that may arise out of the corporate activities, which is in compliance with the CG Code. The insurance coverage is reviewed on an annual basis.

董事會(續)

持續專業發展(續)

根據企業管治守則之守則條文第A.6.5條，所有董事均需參與持續專業發展，以培養及更新彼等之知識及技能，確保彼等對董事會之貢獻及具備相關資訊及切合所需。於報告期間，所有董事均參與持續專業發展，並已向本公司提供記錄(如有)。各董事於本報告期間的個人培訓記錄載於下文：

董事及持續專業發展課程類別

崔占峰	甲、乙、丙
陳春國	甲、乙、丙
葉雷	甲、乙、丙
熊澄宇	甲、乙、丙
陳炳煥	甲、乙、丙
黃耀傑	甲、乙、丙
方俊	甲、乙、丙
彭中輝	甲、乙、丙

- 甲：參加由專業或監管機構舉辦的研討會／會議／論壇／討論會／課程／研究會
- 乙：閱讀期刊／通訊／研討會材料／出版物／雜誌
- 丙：閱讀本公司刊發的備忘錄或提供的資料

前述所有信息及資料均有關，但不限於GEM上市規則、其他適用法律及監管事宜的最新發展，以及董事的職責和責任等。

董事及高級職員之責任

本公司已安排適當保險，為董事在公司事務中可能產生之責任提供保障，此做法符合企業管治守則。投保範圍每年皆進行檢討。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (CONT'D)

Appointment, Election and Re-election

Appointment of new Directors is a matter for consideration by the Nomination Committee. It reviews the profiles of the candidates and makes recommendations to the Board on the appointment, nomination and retirement of the Directors.

According to the Company's articles of association, one-third of the Directors are required to retire from office at each annual general meeting, provided that every Director shall be subject to retirement by rotation at least once in every three years. The Directors who will retire at the annual general meeting of the Company shall be those appointed by the Board during the year and those who have been the longest in office since their last election or re-election.

Directors' Responsibility for the Financial Statements

The following sets out the responsibilities for the Directors in relation to the quarterly, interim and annual financial statements:

Annual Report and Financial Statements

The Directors acknowledge their responsibility to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the Group and in presenting the quarterly, interim and annual financial statements, and announcements to Shareholders, the Directors aim to present a balanced and understandable assessment of the Group's position and prospects.

Accounting Policy

The Directors consider that in preparing the financial statements, the Group uses appropriate accounting policies that are consistently applied, and that all applicable accounting standards are followed.

董事會(續)

委任、選舉及重選

委任新董事一事，須由提名委員會考慮。提名委員會將審閱候選人之簡歷，並就委任、提名董事及董事退任等事宜向董事會作出建議。

根據本公司之組織章程細則，三分之一董事須於各股東週年大會退任，而各董事亦須最少每三年輪席退任一次。於本公司股東週年大會退任之董事須為董事會年內委任之董事及自最近獲選或重選以來任職最長之董事。

董事對財務報表之責任

以下載列董事有關季度、中期及年度財務報表之責任：

年報及財務報表

董事確認其有責任在每個財政年度，編製能真實及公平反映本集團財政狀況之財務報表，而向股東提呈季度、中期及年度財務報表以及公告時，董事希望能向股東呈列其對於本集團狀況及前景的平衡且易於理解的評估。

會計政策

董事認為於編製財務報表時，本集團貫徹應用合適之會計政策，且亦已遵循所有適用之會計準則。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (CONT'D)

Directors' Responsibility for the Financial Statements (Cont'd)

Accounting Records

The Directors are responsible for ensuring that the Group keeps accounting records which disclose with reasonable accuracy the financial position of the Group and which enable the preparation of financial statements in accordance with the Hong Kong Financial Reporting Standards as promulgated by the Hong Kong Institute of Certified Public Accountants.

Safeguarding Assets

The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent or detect fraud and other irregularities.

Going Concern

The Directors, having made appropriate enquiries, consider that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate to adopt the going concern basis in preparing the financial statements.

Board and General Meetings

The Board schedules four meetings a year at approximately quarterly intervals and organises additional meetings as and when required. The Directors can attend meetings in person or through other means of electronic communication in accordance with the Company's articles of association. Notice of at least fourteen days is given of a regular Board meeting to give all Directors an opportunity to attend.

董事會(續)

董事對財務報表之責任(續)

會計記錄

董事須負責確保本集團存置會計記錄，有關記錄應合理準確地披露本集團之財務狀況，並且可用於根據香港會計師公會頒佈之香港財務報告準則而編製之財務報表。

保障資產

董事負責採取所有合理及所需措施，保障本集團之資產，並且預防或發現欺詐及其他違規行為。

持續經營

董事經作出適當查詢後，認為本集團有充足資源，在可預見將來持續經營，且基於此理由，採納持續經營基準編製財務報表乃屬適當。

董事會及股東大會

董事會每年安排四次會議，大約每季舉行一次，並將於有需要時組織額外會議。董事可親自或透過本公司組織章程細則所容許之其他電子通訊方式出席會議。本公司將在定期董事會會議前最少十四天，向所有董事發出通知，讓其有機會出席會議。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (CONT'D)

董事會(續)

Board and General Meetings (Cont'd)

董事會及股東大會(續)

For other Board and committee meetings, reasonable notice time is generally given. During the Reporting Period, the Board held six meetings, of which four were regular meetings. The following table shows the attendance of individual Directors at the meetings held during the Reporting Period:

其他董事會及委員會會議一般都於合理時間發出通知。於報告期間，董事會共舉行九次會議，其中四次為定期會議。下表載列個別董事報告期間出席會議之情況：

Name of Directors 董事姓名 (From 1 May 2017 to 31 December 2017) (二零一七年五月一日至二零一七年十二月三十一日期間)		Attendance/ Number of General Meetings entitled to attend 出席/有權出席 股東大會數目	Attendance/ Number of Board Meetings entitled to attend 出席/有權出席 董事會會議數目
Executive Directors 執行董事			
Chen Chunguo 陳春國		1/2	5/6
Ray Yip (re-designated from non-executive Director to executive Director with effect from 8 September 2017)	葉雷 (自二零一七年九月八日起由非執行董事調任為執行董事)	1/2	6/6
Shao Zhengkang (resigned with effect from 8 September 2017)	邵政康 (自二零一七年九月八日起辭任)	2/2	4/4
Wong Sai Hung (resigned with effect from 30 November 2017)	黃世雄 (自二零一七年十一月三十日起辭任)	2/2	3/4
Non-executive Directors 非執行董事			
Cui Zhanfeng 崔占峰		2/2	5/6
Xiong Chengyu 熊澄宇		1/2	6/6
Wang Hui (re-designated from independent non-executive Director to non-executive Director with effect from 1 June 2017 and resigned with effect from 8 September 2017)	王輝 (自二零一七年六月一日起由獨立非執行董事調任為非執行董事並自二零一七年九月八日起辭任)	0/2	3/4
Independent Non-executive Directors 獨立非執行董事			
Chan Bing Woon 陳炳煥		2/2	6/6
Wong Yiu Kit Ernest 黃耀傑		1/2	6/6
Fang Jun (appointed with effect from 29 December 2017)	方俊 (自二零一七年十二月二十九日起獲委任)	0/0	0/0
Pang Chung Fai Benny 彭中輝		2/2	6/6
Lui Tin Nang (resigned with effect from 15 September 2017)	呂天能 (自二零一七年九月十五日起辭任)	2/2	4/4

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (CONT'D)

Board and General Meetings (Cont'd)

Board papers are circulated at least three days (or other agreed period) before the regular Board meetings and/or other Board/Committees meetings to enable the Directors to make informed decisions on matters to be raised at the Board meetings. In addition, the Company has maintained a procedure for the Directors to seek independent professional advice, in appropriate circumstances, at the Company's expense in discharging their duties to the Company.

The company secretary of the Company (the "Company Secretary") prepares minutes and/or written resolutions and keeps records of matters discussed and decisions resolved at all Board meetings. The Company Secretary also keeps the minutes, which are open for inspection at any reasonable time on reasonable notice by any Director.

CHAIRMAN AND CEO

Under code provision A.2.1 of the CG Code, the role of the Chairman and the CEO should be separated and should not be performed by the same individual. The division of responsibilities between the Chairman and the CEO should be clearly established and set out in writing.

The positions of the Chairman and the CEO were held by Professor Cui Zhanfeng and Mr. Chen Chunguo, respectively.

The segregation of duties ensures a clear distinction of responsibilities between the Chairman and the CEO which allows a balance of power between the Board and the management of the Group, and ensures their independence and accountability. There is no financial, business, family or other material/relevant relationship between the Chairman and the CEO.

董事會(續)

董事會及股東大會(續)

董事會文件於定期董事會會議，及／或其他董事會／委員會會議舉行前最少三日(或其他協定時間)向董事傳閱，以使董事能就將於董事會會議提出之事宜，作出知情決定。此外，本公司已訂立一套程序，讓董事在合適情況下，於履行其對本公司之職責時，尋求獨立專業意見，開支由本公司支付。

本公司的公司秘書(「公司秘書」)為所有董事會會議上討論之事宜以及議決之決定，編製會議記錄及／或書面決議案並保存有關記錄。公司秘書亦保存會議記錄，並可於任何董事作出合理通知後，在任何合理時間供索閱。

主席及行政總裁

根據企業管治守則守則條文第A.2.1條，主席與行政總裁的角色應有區分，並不應由一人同時兼任。主席與行政總裁之職責分工應清楚界定並以書面列載。

主席及行政總裁的職務分別由崔占峰教授及陳春國先生擔任。

職能劃分可確保主席及行政總裁能各司其職，制衡董事會與本集團管理層之間之權力，並且確保其獨立性及問責性。主席與行政總裁之間並無財務、業務、家族或其他重大／有關關係。

CORPORATE GOVERNANCE REPORT

企業管治報告

CHAIRMAN AND CEO (CONT'D)

Professor Cui Zhanfeng, as the Chairman during the Reporting Period, has taken overall responsibility for providing leadership for the Board. He ensures that:

- the Board functions effectively, and that all key and appropriate issues are properly briefed and discussed by the Board in a timely manner;
- the responsibilities for drawing up the agenda for each Board meeting and, where appropriate, taking into account any matters proposed by each Director for inclusion in the agenda;
- good corporate governance practices and procedures are established and encourages all Directors to make full and active participation to the affairs of the Group; and
- the Board acts in the best interests of the Group.

Mr. Chen Chunguo as the CEO during the Reporting Period, was responsible for the day-to-day management of the business of the Group, attends to formulation and successful implementation of policies, and assumes full accountability to the Board for all operations of the Group.

Mr. Chen possesses extensive experience in investment, M&A and corporate management. He has given valuable experience and contribution to the Group. Working with the management team of each core business division, he ensures the smooth operations and development of the Group. He maintains a continuing dialogue with the Chairman and all Directors to keep them fully informed of all major business development and issues.

NON-EXECUTIVE DIRECTORS

Under code provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term and are subject to re-election. All non-executive Directors (including independent non-executive Directors) are appointed for a term of two years and they are required to retire by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company.

主席及行政總裁(續)

於報告期間，崔占峰教授作為主席整體負責領導董事會。彼確保：

- 董事會有效運作，而且董事會已及時獲妥為告知並討論所有主要及適當事務；
- 編製各董事會會議之議程之責任，並且在適當情況下，將各董事建議之任何事宜，納入議程內；
- 已制定良好企業管治常規及程序，並鼓勵所有董事全面及積極參與本集團事務；及
- 董事會以本集團之最佳利益行事。

於報告期間，陳春國先生作為行政總裁負責本集團日常業務管理，專注於制定及成功落實政策，並就本集團一切業務對董事會負責。

陳先生於投資、併購及企業管理方面擁有豐富經驗。彼為本集團帶來寶貴的經驗和貢獻。彼與各核心業務分部之管理隊伍合作，確保本集團營運及發展暢順。彼持續與主席及所有董事溝通，讓彼等能全面掌握所有主要業務發展及事宜。

非執行董事

根據守則條文第A.4.1條，非執行董事之委任應有指定任期，並須接受重選。本公司之全體非執行董事(包括獨立非執行董事)按兩年之年期獲委任且須根據本公司組織章程細則於本公司股東週年大會上輪席退任及膺選連任。

CORPORATE GOVERNANCE REPORT

企業管治報告

INDEPENDENT NON-EXECUTIVE DIRECTORS

During the Reporting Period, in compliance with Rules 5.05A, 5.05(1) and (2) of the GEM Listing Rules, there were four independent non-executive Directors representing more than one-third of the board so that there is a strong element of independence in the Board to exercise independent judgment and of sufficient caliber and number for their views to carry weight. Amongst them, at least one of the independent non-executive Directors have professional qualifications, or accounting or related financial management expertise.

The independent non-executive Directors have the same duties of care and skill and fiduciary duties as the executive Directors. Their functions include, but not limited to:

- participating in Board meetings to bring in independent judgment to bear on issues of corporate strategy, corporate performance, accountability, resources, key appointments and standard of conducts;
- taking the lead when potential conflicts of interests arise;
- serving on the Audit Committee, the Nomination Committee and the Remuneration Committee, if invited; and
- scrutinising the Group's performance in achieving agreed corporate goals and objectives, and monitoring the reporting of performance.

The Company has received an annual written confirmation from each of the independent non-executive Directors of their independence to the Company pursuant to the requirements of the Rule 5.09 of the GEM Listing Rules. The Company considers that all of the independent non-executive Directors are independent.

獨立非執行董事

於報告期間，根據GEM上市規則第5.05A、5.05(1)及(2)條，董事會擁有四名獨立非執行董事，超過董事會成員的三分之一，此舉足以確保董事會內有足夠獨立人士，行使獨立判斷，以及在資歷及人數上均足以作出具影響力之建議。其中，最少一名獨立非執行董事具備專業資格或會計或相關財務管理專業知識。

獨立非執行董事與執行董事同具有審慎行事之責任及技能以及誠信責任。彼等之職能包括但不限於：

- 參與董事會會議，於企業策略、企業表現、問責性、資源、重要任命及操守準則等事宜上作出獨立判斷；
- 於出現潛在利益衝突時擔當領導角色；
- 於獲邀請時加入審核委員會、提名委員會及薪酬委員會；及
- 觀察本集團於達致協定之企業目標及目的方面之表現，並監察表現之呈報。

本公司已接獲各獨立非執行董事之年度書面確認，確認其對本公司之獨立性。根據GEM上市規則第5.09條，本公司認為全體獨立非執行董事均為獨立人士。

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE FUNCTION

According to code provision D.3 of the CG code, the Board is responsible for performing the corporate governance duties of the Company in accordance with the written terms of reference adopted by the Board on 15 March 2012. The Board shall have the following duties and responsibilities for performing the corporate governance duties of the Company:

- to develop and review the Company's policies and practices on corporate governance and make recommendations;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- to review the Company's compliance with the code provisions and disclosure in the corporate governance report in the annual report of the Company.

During the Reporting Period, the Board has performed the above corporate governance functions through discussion in the Board meeting and by reviewing the Company's policies and practices from time to time in accordance with the legal and regulatory requirements.

CORPORATE GOVERNANCE STRUCTURE

The Board is charged with the duty to put in place a proper corporate governance structure of the Company. It is primarily responsible for setting directions, formulating strategies, monitoring performance and managing risks of the Group. Under the Board, there are currently 3 subcommittees, namely the Audit Committee, the Nomination Committee and the Remuneration Committee. All these committees perform their distinct roles in accordance with their respective terms of reference and assist the Board in supervising certain functions of the senior management.

企業管治職能

根據企業管治守則之守則條文第D.3條，董事會須根據董事會於二零一二年三月十五日採納的書面職權範圍負責履行本公司之企業管治職責。董事會於履行本公司之企業管治職責方面擁有以下職責及責任：

- 制定及審閱本公司企業管治政策及常規並提出意見；
- 審閱及監察董事及高級管理層的培訓及持續專業發展；
- 審閱及監察本公司在遵守法律及監管規定方面的政策及常規；
- 制定、審閱及監察僱員及董事的操守準則及合規手冊(如有)；及
- 審閱本公司遵守守則條文的情況及在本公司年報中企業管治報告的披露。

於報告期間，董事會透過於董事會會議討論及根據法律和監管規定不時審閱本公司的政策及常規，履行上述企業管治職能。

企業管治架構

董事會有責任為本公司建立一套良好之企業管治架構。董事會主要負責為本集團訂立指引、制定策略、監管表現及管理風險。董事會轄下現有兩個委員會，即審核委員會、提名委員會及薪酬委員會。各委員會根據其職權範圍履行本身獨特之職責，並協助董事會監管高級管理人員之特定工作。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES

Audit Committee

According to Rule 5.28 of the GEM Listing Rules, the Company has to establish an audit committee comprising of at least three members who must be non-executive directors only, and the majority thereof must be independent non-executive directors, at least one of whom must have appropriate professional qualifications, or accounting or related financial management expertise. The Audit Committee has been established since 4 July 2001 with written terms of reference which was revised on 16 March 2016 in compliance with the code provision C.3.3 and C.3.7 of the CG Code.

During the Reporting Period, following the nomination of Dr. Fang Jun on 29 December 2017 as a member of the Audit Committee, the total members of the Audit Committee are six and majority are independent non-executive Directors.

Mr. Wong Yiu Kit Ernest has served as chairman of the Audit Committee. The quorum shall be any two members.

The terms of reference of the Audit Committee has been posted on the websites of the Stock Exchange and the Company. The principal functions of the Audit Committee include:

- to consider and recommend the appointment, re-appointment and removal of external auditors;
- to approve the remuneration and terms of engagement of external auditors, any questions of resignation or dismissal of external auditors;
- to review and monitor external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
- to discuss with external auditors the nature and scope of the audit and reporting obligations before the audit commences;
- to develop and implement policy on engaging an external auditors to supply non-audit services and to make recommendations on any measures for improvements to be taken;

董事委員會

審核委員會

根據GEM上市規則第5.28條，本公司須設立審核委員會，其中最少三名成員須為非執行董事，而審核委員會大部份成員必須為獨立非執行董事，其中最少一名必須具備適當專業資格或會計或相關財務管理專業知識。審核委員會自二零零一年七月四日成立，其職權範圍根據企業管治守則守則條文第C.3.3條及第C.3.7條已於二零一六年三月十六日作出修訂。

於報告期間，繼方俊博士於二零一七年十二月二十九日獲提名為審核委員會成員後，審核委員會的成員總數為六名，且大多數成員為獨立非執行董事。

黃耀傑先生一直擔任審核委員會主席。法定人數應為任何兩名成員。

審核委員會之職權範圍載於聯交所及本公司網站。審核委員會之主要職能包括：

- 考慮及推薦委任、續聘及罷免外聘核數師；
- 批准外聘核數師之酬金及聘用條款，以及有關外聘核數師之辭任或罷免問題；
- 檢討及監察外聘核數師之獨立性及客觀性，以及根據適用標準進行審核程序之有效性；
- 在開始審核前，與外聘核數師討論審核之性質及範疇，以及呈報之責任；
- 制定及落實聘用外聘核數師提供非審核服務之政策，並就將採取之任何改善措施作出推薦建議；

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES (CONT'D)

Audit Committee (Cont'd)

- to review the quarterly, interim and annual financial statements and the quarterly, interim and annual reports before submission to the Board, focusing particularly on:
 - (i) any changes in accounting policies and practices;
 - (ii) major judgmental areas;
 - (iii) significant adjustments resulting from audit;
 - (iv) the going concern assumptions and any qualifications;
 - (v) compliance with accounting principles and standards; and
 - (vi) compliance with the GEM Listing Rules and legal requirements in relation to financial reporting;
- to review the Group's financial controls, internal control and risk management systems and ensure that the management has performed its duty to have an effective internal control system;
- to consider major investigations findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response;
- to review the external auditors' management letter, any material queries raised by the auditors to management about accounting records, financial accounts or systems of control and management's response and to ensure that the Board will provide a timely response to the issues raised; and
- to review the Group's financial and accounting policies and practices.

The Audit Committee has explicit authority to investigate into any matter under the scope of its duties and the authority to obtain independent professional advice. It is given full access to and assistance from the management and reasonable resources to discharge its duties properly.

董事委員會(續)

審核委員會(續)

- 檢討季度、中期及年度財務報表，以及季度、中期及年度報告，再提交董事會，當中尤其關注：
 - (i) 會計政策及常規之任何變動；
 - (ii) 主要涉及判斷之範疇；
 - (iii) 因審核而作出之重大調整；
 - (iv) 持續經營假設以及任何保留意見；
 - (v) 遵守會計原則及準則；及
 - (vi) 遵守與財務呈報有關之GEM上市規則及法律規定；
- 檢討本集團之財務監控、內部監控及風險管理制度，並確保管理層已履行其職責，維繫有效之內部監控制度；
- 考慮因受董事會授權或自發對風險管理及內部監控事宜進行調查所獲得的任何重大調查發現及管理層的回應；
- 審閱外聘核數師致管理層函件、核數師就會計記錄、財務賬目或監控制度而對管理層提出的任何重大問題，以及管理層的回應，並且確保董事會及時回應所提出的問題；及
- 檢討本集團之財務及會計政策與慣例。

審核委員會具明確權力，調查其職責範圍內之任何事宜，並且有權獲取獨立專業意見。委員會可全面接觸管理層及獲得協助，並且獲取合理資源以妥為履行其職責。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES (CONT'D)

Audit Committee (Cont'd)

During the Reporting Period, the Audit Committee has met once with the external auditor without the presence of the management.

The Group's results for the three months ended 31 July 2017, six months ended 31 October 2017, and audited consolidated financial statements for the eight months ended 31 December 2017 have been reviewed by the Audit Committee.

During the Reporting Period, four meetings of the Audit Committee were held to review and supervise the financial reporting process and internal control of the Group. The following table shows the attendance of the members of Audit Committee at the meetings of the Audit Committee held during the Reporting Period:

Name of Audit Committee Members 審核委員會成員姓名		Attendance/ Number of Meetings entitled to attend 出席/有權 出席會議數目
(From 1 May 2017 to 31 December 2017) (二零一七年五月一日至二零一七年十二月三十一日期間)		
Non-executive Directors		
Cui Zhanfeng	非執行董事	
Xiong Chengyu	崔占峰	3/4
Ray Yip (resigned with effect from 8 September 2017)	熊澄宇	4/4
Wang Hui (resigned with effect from 8 September 2017)	葉雷 (自二零一七年九月八日起辭任)	3/3
	王輝 (自二零一七年九月八日起辭任)	2/3
Independent Non-executive Directors		
Chan Bing Woon	獨立非執行董事	
Wong Yiu Kit Ernest (appointed as chairman with effect from 15 September 2017)	陳炳煥	4/4
Fang Jun (appointed with effect from 29 December 2017)	黃耀傑 (自二零一七年九月十五日起獲委任為主席)	4/4
Pang Chung Fai Benny	方俊 (自二零一七年十二月二十九日起獲委任)	0/0
Lui Tin Nang (resigned with effect from 15 September 2017)	彭中輝	3/4
	呂天能 (自二零一七年九月十五日起辭任)	3/3

Full minutes of the Audit Committee are kept by the Company Secretary. Minutes are drafted and finalised in sufficient details and are circulated to all members of the Audit Committee, as the case may be, for their comments and records within reasonable time after the conclusion of the meetings.

董事委員會(續)

審核委員會(續)

於報告期間，審核委員會在沒有任何管理層在場之情況下，已與外聘核數師會面一次。

審核委員會已審閱本集團截至二零一七年七月三十一日止三個月及截至二零一七年十月三十一日止六個月之業績以及截至二零一七年十二月三十一日止八個月之經審核綜合財務報表。

於報告期間，審核委員會共舉行四次會議，以檢討及監察本集團之財務呈報程序及內部監控。下表載列審核委員會成員報告期間出席審核委員會會議之情況：

審核委員會之完整會議記錄由公司秘書保存。會議記錄之初稿及定稿內容詳盡並於會議結束後之合理時間內，向審核委員會所有成員傳閱(視情況而定)，以供其提供意見及作記錄。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES (CONT'D)

Nomination Committee

According to code provision A.5.1 of the CG Code, the Company has to set up a nomination committee with a majority of the members thereof being independent non-executive directors. The Nomination Committee has been established since 22 July 2005 with written terms of reference which was revised on 16 March 2016 in compliance with code provision A.5.2 of the CG code.

During the Reporting Period, following the nomination of Dr. Fang Jun on 29 December 2017 as a member of the Nomination Committee on, the total members of the Nomination Committee are six and majority are independent non-executive Directors.

Professor Cui Zhanfeng has served as chairman of the Nomination Committee. The Nomination Committee is scheduled to meet at least once a year. The quorum shall be any two members.

The terms of reference of the Nomination Committee has been posted on the websites of the Stock Exchange and the Company. The principal functions of the Nomination Committee include:

- to make recommendations to the Board on all new appointments or re-appointments of Directors, the establishment of a succession plan for Directors, in particular the Chairman and the CEO and the composition of the Board;
- to identify and nominate qualified individuals, subject to the approval of the Board, to be additional Directors or to fill vacancy in the Board as and when they arise;
- to assess the effectiveness of the Board as a whole and the contribution by each Director to the Board;
- to review the Board structure, size, composition (including the skills, knowledge and experience) and diversity as well as the independent element of the Board on an annual basis and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- to develop the criteria for selection of Directors; and
- to assess the independence of independent non-executive Directors.

The chairman of the Nomination Committee will report to the Board on its proceedings and recommendations after each meeting.

董事委員會(續)

提名委員會

根據企業管治守則之守則條文第A.5.1條，本公司已設立提名委員會，而其大多數成員為獨立非執行董事。提名委員會自二零零五年七月二十二日成立，其職權範圍根據企業管治守則之守則條文第A.5.2條已於二零一六年三月十六日作出修訂。

於報告期間，繼方俊博士於二零一七年十二月二十九日獲提名為提名委員會成員後，提名委員會成員總數為六名，且大多數成員為獨立非執行董事。

崔占峰教授一直擔任提名委員會主席。提名委員會預定每年最少舉行一次會議。法定人數為任兩名成員。

提名委員會之職權範圍刊載於聯交所及本公司網站。提名委員會之主要職責包括：

- 就所有新委任或再委任董事、制定董事更替計劃(尤其主席及行政總裁)以及董事會之組成而向董事會作出推薦建議；
- 物色及提名合資格人士，在獲董事會批准下，出任新增董事或在有需要時填補董事會空缺；
- 評估董事會整體之效能，以及各董事對董事會之貢獻；
- 每年檢討董事會架構、規模、組成(包括技能、知識及經驗)及多元化，以及董事會之獨立性，並就任何擬作出之變動向董事會提出推薦建議以配合本公司企業策略；
- 制定甄選董事之準則；及
- 評估獨立非執行董事之獨立性。

提名委員會之主席將於每次會議後，向董事會報告委員會之進程及推薦建議。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES (CONT'D)

Nomination Committee (Cont'd)

During the Reporting Period, five meetings of the Nomination Committee were held to review and recommend the structure, size, composition and diversity of the Board. Altogether the members of the Board bring a wide range of knowledge and experience to the Board, which contributes to the effective direction of the Company. The following table shows the attendance of the members of Nomination Committee at the meetings of the Nomination Committee held during the Reporting Period:

Name of Nomination Committee Members 提名委員會成員姓名		Attendance/ Number of Meetings entitled to attend 出席/有權 出席會議數目	
(From 1 May 2017 to 31 December 2017) (二零一七年五月一日至二零一七年十二月三十一日期間)			
Executive Directors		執行董事	
Cui Zhanfeng	(appointed as chairman with effect from 8 September 2017)	崔占峰	(自二零一七年九月八日起獲委任為主席) 1/1
Chen Chunguo		陳春國	4/5
Wong Sai Hung	(resigned with effect from 8 September 2017)	黃世雄	(自二零一七年九月八日起辭任) 3/4
Shao Zhengkang	(resigned with effect from 8 September 2017)	邵政康	(自二零一七年九月八日起辭任) 4/4
Independent Non-executive Directors		獨立非執行董事	
Ray Yip	(resigned with effect from 8 September 2017)	葉雷	(自二零一七年九月八日起辭任) 4/4
Wang Hui	(resigned with effect from 8 September 2017)	王輝	(自二零一七年九月八日起辭任) 3/4
Independent Non-executive Directors		獨立非執行董事	
Chan Bing Woon		陳炳煥	5/5
Wong Yiu Kit Ernest		黃耀傑	5/5
Fang Jun	(appointed with effect from 29 December 2017)	方俊	(自二零一七年十二月二十九日起獲委任) 0/0
Pang Chung Fai Benny		彭中輝	5/5
Lui Tin Nang	(resigned with effect from 15 September 2017)	呂天能	(自二零一七年九月十五日起辭任) 4/4

Remuneration Committee

According to Rule 5.34 of the GEM Listing Rules, the Company has to set up a remuneration committee with a majority of the members thereof being independent non-executive directors. The Remuneration Committee has been established since 22 July 2005 with written terms of reference which was revised on 16 March 2016 in compliance with code provision B.1.2 of the CG code.

董事委員會(續)

提名委員會(續)

於報告期間，提名委員會曾舉行五次會議，藉以檢討董事會架構、規模、組成及多元化並提供建議。另外各董事會成員為董事會帶來廣泛的知識和經驗，這有助於本公司的有效領導。下表載列提名委員會之成員報告期間出席提名委員會會議之情況：

薪酬委員會

根據GEM上市規則第5.34條，本公司須設立薪酬委員會，而其大多數成員為獨立非執行董事。薪酬委員會自二零零五年七月二十二日成立，其職權範圍根據企業管治守則守則條文第B.1.2條已於二零一六年三月十六日作出修訂。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES (CONT'D)

Remuneration Committee (Cont'd)

During the Reporting Period, following the nomination of Dr. Fang Jun on 29 December 2017 as a member of the Remuneration Committee, the total members of the Remuneration Committee are six and majority are independent non-executive Directors.

Mr. Pang Chung Fai Benny has served as chairman of the Remuneration Committee. The Remuneration Committee is scheduled to meet at least once a year. The quorum shall be any two members.

The terms of reference of the Remuneration Committee has been posted on the websites of the Stock Exchange and the Company. The principal functions of the Remuneration Committee include:

- to review and approve the management's remuneration proposals with reference to the board's corporate goals and objectives.
- to recommend a fair and transparent framework of executive remuneration for the Board and senior management of the Company, including share option scheme, based on the skill, knowledge, involvement in the Company's affairs and by reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions;
- to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management, including benefits-in-kind, pension rights, and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- to make recommendations to the Board on the remuneration of the non-executive Directors.

No Directors can determine their own remuneration package. The chairman of the Remuneration Committee will report to the Board on its proceedings and recommendations after each meeting. In developing remuneration policies and making recommendation as to the remuneration of the Directors and senior management, the Remuneration Committee takes into account of the corporate goals and objectives of the Group as well as the performance of those individual Directors and senior management.

董事委員會(續)

薪酬委員會(續)

於報告期間，繼方俊博士於二零一七年十二月二十九日獲提名為薪酬委員會成員後，薪酬委員會的成員總數為六名，且大多數成員為獨立非執行董事。

彭中輝先生一直擔任薪酬委員會主席。薪酬委員會預定每年最少舉行一次會議。法定人數為任兩名成員。

薪酬委員會之職權範圍已刊載於聯交所及本公司網站。薪酬委員會之主要職責包括：

- 參考董事會之企業方針及目標，檢討及批准管理層薪酬建議。
- 根據行政人員之技能、知識、對本公司事務之參與程度並參考本公司之表現及盈利能力，以及業界之薪酬基準及當時市況，為董事會及本公司高級管理人員推薦一套公平及具透明度之行政人員薪酬制度(包括購股權計劃)；
- 就個別執行董事及高級管理層之薪酬待遇(包括實物利益、退休金權利及賠償金，包括喪失或終止彼等職務或委任之任何應付賠償)向董事會提供建議；
- 就非執行董事之薪酬向董事會提供建議。

董事概不得釐定彼等本身之酬金組合。薪酬委員會之主席於每次舉行會議後，將向董事會報告有關之進程及推薦意見。在制定薪酬政策及就董事與高級管理層之薪酬提供推薦建議方面，薪酬委員會會考慮本集團之企業方針及目標，以及該等個別董事與高級管理層之表現。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES (CONT'D)

Remuneration Committee (Cont'd)

The remuneration package of Directors and senior management includes the following:

(a) Basic salary

The basic salary (inclusive of statutory employer contributions to Provident Fund) of each executive Director/senior management is recommended by the Remuneration Committee, taking into account the performance of the individual, the inflation price index and information from independent sources on the rates of salary for similar jobs in a selected group of comparable organisations.

(b) Fees

Fees paid/payable to the executive Directors are determined by the Board after considering the individual's relative performance against the comparable organisations. The fees paid/payable to the non-executive Directors take into account factors such as effort and time spent, and responsibilities of these Directors.

(c) Bonus scheme

The Group operates a bonus scheme for all employees, including the executive Directors and senior management. The criteria for the scheme is the level of profit achieved from certain aspects of the Group's business activities against targets, together with an assessment of corporate and individual's performance during the Reporting Period. Bonuses payable to the executive Directors/senior management are reviewed by the Remuneration Committee and approved by the Board to ensure alignment of their interests with those of Shareholders.

(d) Benefits in kind

Other customary benefits (such as private medical cover) are made available as appropriate.

(e) Share option scheme

The Group operates a share option scheme for participants, including Directors, senior management, employees, suppliers and customers. The terms of the scheme are set out in note 34 to the financial statements. The movement of share options under the share option scheme adopted by the Company on 14 September 2011 during the the Reporting Period is set out on pages 120 to 128 of this annual report.

董事委員會(續)

薪酬委員會(續)

董事及高級管理人員之酬金組合包括下列各項：

(a) 基本薪金

各執行董事／高級管理人員之基本薪金(包括向公積金作出之法定僱主供款)，由薪酬委員會經考慮個人表現、通脹物價指數及經選定可資比較機構組別類似職位之薪金(來自獨立資料來源)之資料而作出推薦建議。

(b) 袍金

已付／應付執行董事之袍金，由董事會經考慮個人表現，並比對可資比較機構之袍金後釐定。已付／應付非執行董事之袍金，經考慮該等董事之工作量及所花費時間及職責而釐定。

(c) 花紅計劃

本集團就所有員工(包括執行董事及高級管理人員)設立花紅計劃。該計劃之準則是本集團若干範疇業務所達致之盈利水平與目標之比較，以及企業及個人報告期間之表現評估。薪酬委員會將檢討應付執行董事／高級管理人員之花紅，並由董事會批准，以確保符合股東整體利益。

(d) 實物利益

其他一般福利(例如私人醫療保障)將於適當時候提供。

(e) 購股權計劃

本集團為參與者，包括董事、高級管理人員、僱員、供應商及客戶設立購股權計劃。計劃之條款載於財務報表附註34。本公司於二零一一年九月十四日所採納之購股權計劃於報告期間之購股權變動載於本年報第120頁至第128頁。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES (CONT'D)

Remuneration Committee (Cont'd)

Directors' emoluments comprise payments to the Directors by the Company in connection with the management of the affairs of the Company. The amounts paid to each Director for the eight months ended 31 December 2017 are set out in note 9 to the financial statements.

During the Reporting Period, five meetings of the Remuneration Committee were held to review the remuneration package of the Board and the senior management. The following table shows the attendance of the members of Remuneration Committee at the meetings of the Remuneration Committee held during the Reporting Period:

董事委員會(續)

薪酬委員會(續)

董事酬金包括本公司向董事支付有關管理本公司事務之酬金。截至二零一七年十二月三十一日止八個月向各董事支付之金額載於財務報表附註9。

於報告期間，薪酬委員會曾舉行五次會議，藉以檢討董事會及高級管理層之薪酬組合。下表載列薪酬委員會之成員報告期間出席薪酬委員會會議之情況：

Name of Remuneration Committee Members 薪酬委員會成員姓名		Attendance/ Number of Meetings entitled to attend 出席/有權 出席會議數目
(From 1 May 2017 to 31 December 2017) (二零一七年五月一日至二零一七年十二月三十一日期間)		
Executive Directors 執行董事		
Ray Yip		5/5
Wong Sai Hung	(resigned with effect from 8 September 2017)	3/4
Shao Zhengkang	(resigned with effect from 8 September 2017)	4/4
Chen Chunguo	(resigned with effect from 8 September 2017)	3/4
Independent Non-executive Directors 獨立非執行董事		
Xiong Chengyu	(appointed with effect from 8 September 2017)	1/1
Wang Hui	(resigned with effect from 8 September 2017)	3/4
Independent Non-executive Directors 獨立非執行董事		
Chan Bing Woon		5/5
Wong Yiu Kit Ernest		5/5
Fang Jun	(appointed with effect from 29 December 2017)	0/0
Pang Chung Fai Benny		5/5
Lui Tin Nang	(resigned with effect from 15 September 2017)	4/4

CORPORATE GOVERNANCE REPORT

企業管治報告

COMPANY SECRETARY AND COMPLIANCE OFFICER

The Company Secretary is responsible to the Board for ensuring that Board procedures are followed and that the Board is fully briefed on all legislative, regulatory and corporate governance development and accounts for such when making decisions. The compliance officer is directly responsible for advising on and assisting the Board in implementing procedures to ensure the Company complies with the GEM Listing Rules and other relevant Laws and regulations applicable to the Company.

According to Rule 5.15 of the GEM Listing Rules, in each financial year an issuer's company secretary must take no less than 15 hours of relevant professional training. During the Reporting Period, the Company Secretary has complied with the rule by taking more than 15 hours of relevant training courses and seminars.

AUDITOR'S REMUNERATION

For the eight months ended 31 December 2017, auditor's remuneration of HK\$1,022,000 (HK\$1,133,000 for the year starting from 1 May 2016 to 30 April 2017) was charged to the Group. Among such fee, HK\$950,000 (HK\$790,000) was paid for the audit service provided by BDO Limited, the existing auditor of the Company who was appointed on 13 December 2010. There was no non-audit service provided by BDO Limited during the Reporting Period.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has the overall responsibilities for maintaining a sound and effective internal control system of the Group. The Group's internal control system includes policies and procedures and limits of authority governing the authority level and business processes. It is designed to help achieve business objectives, to safeguard assets against unauthorized use or disposition, to maintain proper accounting records for the provision of reliable financial information and to ensure compliance with relevant legislations and regulations. The system is intended to manage rather than to eliminate or eradicate risks.

Risk Management Process

The Group has performed risk management procedures including risk identifications, risk assessments, risk prioritization as well as risk owner appointment. Management's inputs on risk exposures were obtained through risk identification questionnaires. Identified risks have been further assessed and evaluated by the Management across the business lines. The risks have been evaluated in terms of their impacts and the likelihood of their occurrences. As part of the evaluation process, the risks have been prioritized based on the evaluation results. Follow up action on key identified risks are being taken by the management.

公司秘書及監察主任

公司秘書須向董事會負責，確保已妥善依從董事會程序，而且董事會已全面獲悉所有法律、監管規定及企業管治之發展，同時確保董事會在作出決定時已考慮有關事宜。監察主任直接負責執行確保公司符合GEM上市規則及適合於公司的其他有關法例及現例的程序而向董事會提供意見及協助。

根據GEM上市規則第5.15條，於每個財政年度發行人的公司秘書須參加不少於15小時的相關專業培訓。於報告期間，公司秘書已遵守規則，參與超過15個小時的相關培訓課程和研討會。

核數師酬金

於截至二零一七年十二月三十一日止八個月，本集團已支付核數師酬金1,022,000港元(二零一六年五月一日至二零一七年四月三十日止年度：1,133,000港元)。有關費用中，950,000港元(790,000港元)乃就香港立信德豪會計師事務所有限公司(本公司之現任核數師，於二零一零年十二月十三日獲委任)提供之審核服務而支付。於報告期間，香港立信德豪會計師事務所有限公司概無提供非審核服務。

風險管理和內部控制

董事會有整體責任，維持健全有效集團內部控制系統。集團的內部控制系統包括一連串管理制度及明確授權的管理架構，以幫助集團達成業務目標、防範資產在未經授權下使用或處置、保持合適的會計記錄以提供可靠的財務信息、並確保遵守有關法律和法規。內部控制系統旨在管理風險，而不是消除或完全根除風險。

風險管理程序

集團已進行了一系列的風險管理程序，包括風險識別，風險評估及排序和風險負責人的任命。管理層通過問卷調查，識別業務範圍的風險。各業務範圍的管理層根據已識別的風險的影響及發生的可能性作進一步評估。風險會根據評估結果進行排序。管理層將對已識別的風險採取後續行動。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

Risk Governance Structure

The Group has established an enterprise risk management structure in line with the “Three Lines of Defense” model that defines the three layers of roles and responsibilities of oversight, risk monitoring and review as well as risk and control ownership.

The Group’s operating units are the first line of defense. They are responsible for the day-to-day risk management and control procedures. The second line of defense is led by the Group’s Management who are responsible for the design, implementation and monitoring over the Group’s risk exposure. The third line of defense comprises the Audit Committee and the Group’s internal auditor department. The third line of defense is responsible for the independent assessment of the effectiveness of our risk management and internal control systems. The external auditor of the Group further complements the third line of defense by independently auditing material internal controls over the Group’s financial reporting processes and reports on material control weaknesses to the Audit Committee on a regular basis.

Internal Control

The Group has an Internal Audit Department, which reports directly to the Audit Committee, to provide the Audit Committee and the Board with useful information and recommendations on the adequacy and effectiveness of the Group’s internal control system. During the Report Period under review, internal audit reports are submitted to the Audit Committee and the Board for review with recommendations adopted to further enhance the effectiveness of the internal controls which complied with the international and professional standards.

Procedures and Internal Controls for Handling and Dissemination of Insider Information

The Group complies with requirements of the Securities and Futures Ordinance (“SFO”) and the GEM Listing Rules. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the safe harbours as provided in the SFO. Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensure that information contained in announcements are not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

風險管理和內部控制(續)

風險管治結構

集團已按照「三道防線」的模式建立了企業風險管理架構，該模式定義了監督、風險監測和審查、風險和控制所有權的三個角色和職責。

集團的業務部門是第一道防線，負責日常的風險管理和控制過程。第二道防線由集團管理層領導，負責風險管理系統的設計、實施和監測。第三道防線由審核委員會和集團的內部審核部門組成，負責對集團的風險管理和內部控制系統進行獨立評估。集團的外部審計人員對集團財務報告過程中的內部控制也會進行獨立審計，進一步補充了第三道防線，並定期向審核委員會報告重大控制弱項。

內部控制

本集團設有直接向審核委員會匯報的內部審核部門，以就本集團內部監控系統是否充足和有效向審核委員會及董事會提供有用資料及推薦建議。於報告期間，內部審核報告向審核委員會及董事會提交以供審閱而推薦建議將獲採納，以進一步提升內部監控的成效，此舉符合國際及專業標準。

處理及發放內幕消息的程序及內部監控

本公司遵守證券及期貨條例(「證券及期貨條例」)及GEM上市規則之規定。除非有關消息屬於證券及期貨條例下任何安全港條文的範圍，否則本集團必須在合理地切實可行的範圍內盡快向公眾披露任何內幕消息。本集團在向公眾全面披露有關消息前，應確保該消息絕對保密。若本集團認為無法保持所需的機密性，或該消息可能已外泄，便應即時向公眾披露該消息。本集團致力確保公告所載的資料不得在某事關重要的事實方面屬虛假或具誤導性，或因遺漏某事關重要的事實而屬虛假或具誤導性。該等資料必須以清晰及持平的方式呈述，即須平等地披露正面及負面事實。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

Procedures and Internal Controls for Handling and Dissemination of Insider Information (Cont'd)

Additional procedures for handling and dissemination of inside information including but not limited to the following:

- (a) access of information is restricted to a limited number of employees on a need-to-know basis;
- (b) pre-clearance on dealing in the securities of the Company by designated members of the Group; and
- (c) notification of regular black-out period and securities dealing restriction to relevant Directors and employees.

INVESTOR RELATIONS AND SHAREHOLDERS' RIGHT

The Company values communication with Shareholders and investors. The Company uses two-way communication channels to account to Shareholders and investors for the performance of the Company. Enquiries and suggestions from Shareholders or investors are welcomed, and enquiries from Shareholders or investors may be put to the Board through the following channels to the Company Secretary:

1. By mail to the Company's head office at 10th Floor, Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong;
2. By telephone at (852) 3966 8388;
3. By fax at (852) 2802 0026; or
4. By email at info@crmi.hk

The Company uses a number of formal communication channels to account to Shareholders and investors for the performance of the Company. These include (i) the publication of quarterly, interim and annual reports; (ii) the annual general meeting or extraordinary general meeting providing a forum for Shareholders to raise comments and exchanging views with the Board; (iii) updated and key information of the Group available on the websites of the Stock Exchange and the Company; (iv) the Company's website offering communication channel between the Company and its Shareholders and investors; and (v) the Company's share registrars in Hong Kong serving the Shareholders in respect of all share registration matters.

風險管理和內部控制(續)

處理及發放內幕消息的程序及內部監控(續)

處理及發放內幕消息的其他程序包括但不限於下列者：

- (a) 資料僅限部分僱員按須知基準查閱；
- (b) 預先審批本集團指定成員買賣本公司證券；及
- (c) 通知董事及相關僱員有關常規禁制期及證券交易限制。

投資者關係及股東權利

本公司重視與股東及投資者之溝通。本公司使用雙向溝通渠道向股東及投資者匯報本公司之表現。歡迎股東或投資者提出查詢及建議，股東或投資者可透過以下渠道向公司秘書查詢並提交董事會：

1. 郵寄至本公司總辦事處，地址為香港灣仔告士打道108號光大中心10樓；
2. 致電(852) 3966 8388；
3. 傳真至(852) 2802 0026；或
4. 電郵至info@crmi.hk

本公司利用多個正式通訊渠道向股東及投資者報告本公司之表現。此等渠道包括(i)刊發季度、中期及年度報告；(ii)舉行股東週年大會或股東特別大會，提供予股東提出意見以及與董事會交流觀點的平台；(iii)於聯交所及本公司網站登載本集團之最新重要資訊；(iv)本公司網站作為本公司與其股東及投資者溝通之渠道；及(v)本公司之香港股份過戶登記處為股東處理所有股份登記事宜。

CORPORATE GOVERNANCE REPORT

企業管治報告

INVESTOR RELATIONS AND SHAREHOLDERS' RIGHT (CONT'D)

The Company aims to provide its Shareholders and investors with high standards of disclosure and financial transparency. The Board is committed to providing clear and detailed information of the Group and on a timely and regular basis to Shareholders through the publication and/or dispatching of quarterly, interim and annual reports, circular, notices, and other announcements.

The Company strives to take into consideration its Shareholders' views and inputs, and address Shareholders' concerns. Shareholders are encouraged to attend the annual general meeting (for which at least 20 clear business days' notice will be given). The Chairman as well as chairmen of the Audit Committee, the Nomination Committee and the Remuneration Committee, or in their absence, the Directors are available to answer Shareholders' questions on the Group's businesses at the meeting. To comply with code provision E.1.2 of the CG Code, the chairman of the board should attend the annual general meeting. He should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. The management will ensure the external auditor to attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence. All Shareholders have statutory rights to call for extraordinary general meetings and put forward agenda items for consideration by Shareholders.

According to the Company's articles of association, general meetings shall be convened on the written requisition of any two or more Shareholders deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. General meetings may also be convened on the written requisition of any one member of the Company which is a recognised clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionist, provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. The poll will be conducted by the share registrar of the Company and the results of the poll are published on the Stock Exchange's and the Company's websites.

投資者關係及股東權利(續)

本公司旨在為其股東及投資者作出高標準披露及財務透明度。董事會致力透過刊發及／或寄發季度、中期及年度報告、通函、通告及其他公告，定期向股東提供清晰、詳盡及即時之本集團資料。

本公司力求採納其股東之意見及建議，並回應股東關注之事宜。本公司亦鼓勵股東出席股東週年大會，通告會於大會舉行前最少足20個營業日發出。主席以及審核委員會、提名委員會及薪酬委員會主席(或倘彼等未能出席大會則為董事)可於會上解答股東有關本集團業務之提問。為遵守企業管治守則之守則條文第E.1.2條，董事會主席須出席股東週年大會，亦須邀請審核、薪酬、提名及任何其他委員會(倘適用)的主席出席。管理層亦會確保外聘核數師出席股東週年大會，回答有關審核工作、核數師報告之編製及內容、會計政策，以及核數師的獨立性等問題。全體股東享有法定權利召開股東特別大會，並提呈議程供股東考慮。

根據本公司組織章程細則，股東大會可應任何兩名或以上股東的書面要求而召開，有關要求須送達本公司於香港的主要辦事處(或倘本公司不再設置上述主要辦事處，則為註冊辦事處)，當中列明大會的主要商議事項並由請求人簽署，惟該等請求人於送達要求之日須持有本公司附帶於本公司股東大會投票權的不少於十分之一繳足股本。股東大會亦可應本公司任何一名股東(為一間認可結算所(或其代名人))的書面要求而召開，有關要求須送達本公司於香港的主要辦事處(或倘本公司不再設置上述主要辦事處，則為註冊辦事處)，當中列明大會的主要商議事項並由請求人簽署，惟該請求人於送達要求之日須持有本公司附帶於股東大會投票權的不少於十分之一繳足股本。投票將由本公司股份過戶登記處處理，且投票結果會於聯交所及本公司網站登載。

CORPORATE GOVERNANCE REPORT

企業管治報告

INVESTOR RELATIONS AND SHAREHOLDERS' RIGHT (CONT'D)

If a Shareholder wishes to propose a person (the "Candidate") for election as a Director at a general meeting, he/she shall deposit a written notice (the "Notice") at the Company's head office in Hong Kong at 10th Floor, Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong. The Notice (i) must include the personal information of the Candidate as required by Rule 17.50(2) of the GEM Listing Rules and his/her contact details; and (ii) must be signed by the Shareholder concerned including the information/documents to verify the identity of the Shareholder and signed by the Candidate indicating his/her willingness to be elected and consent of publication of his/her personal data. The period for lodgement of the Notice shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such meeting. In order to ensure the Shareholders have sufficient time to receive and consider the proposal of election of the Candidate as a Director without adjourning the general meeting, Shareholders are urged to submit and lodge the Notice as soon as practicable, say at least 15 business days prior to the date of the general meeting appointed for such election.

The Board has established a shareholders communication policy on 15 March 2012 and will review it on a regular basis to ensure its effectiveness to comply with the code provision E.1.4 of the CG code.

In order to promote effective communication, the Company also maintains a website (www.crimi.hk) which includes the latest information relating to the Group and its businesses.

CONSTITUTIONAL DOCUMENTS

During the Reporting Period, there had been no significant changes in the constitutional documents of the Company.

投資者關係及股東權利(續)

倘股東擬提名個別人士(「候選人」)於股東大會上參選為本公司董事，彼須將書面通知(「通知」)送交本公司的香港總辦事處，地址為香港灣仔告士打道108號光大中心10樓。該通知(i)須根據GEM上市規則第17.50(2)條之規定包含候選人的個人資料及其聯絡詳情；及(ii)須經有關股東簽署及載有核實股東身份之資料／文件，以及候選人簽署以表示彼願意接受委任及同意公佈其個人資料。遞交通知之期間不得早於寄發舉行有關選舉之股東大會之有關通告翌日開始，亦不得遲於有關大會舉行日期前七日結束。為確保股東有充足時間以接收及考慮有關選舉候選人為董事的建議而無需將股東大會押後，本公司促請股東於實際可行情況下儘早遞交通知(即於舉行以委任董事的股東大會日期前至少十五個營業日前提交)。

董事會已於二零一二年三月十五日設立股東通訊政策，並將定期檢討以確保其有效遵守企業管治守則之守則條文第E.1.4條。

為了有效增進溝通，本公司亦設立網站(www.crimi.hk)，披露有關本集團及其業務之最新資料。

章程文件

於報告期間，本公司的章程文件概無任何重大變動。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2017

二零一七年環境、社會及管治報告

ABOUT THIS REPORT

China Regenerative Medicine International Limited (“CRMI”) (Stock Code: 8158) and its subsidiaries (hereinafter “the Group”) are pleased to present the Environmental, Social and Governance Report (the “ESG Report”) for the eight months ended 31 December 2017 (the “Reporting Period”) and express commitment of the Group to sustainability. This is the second ESG Report of the Group which discloses the management, policies, performance, targets and feedbacks of the business in providing services of the Group in People’s Republic of China (the “PRC”) and Hong Kong in relation to sustainable development. The Group would like to take this opportunity to present ESG performance to all investors and stakeholders, and put forward the commitments and contributions on social responsibility.

Report Compilation Basis

This ESG Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (“ESG Reporting Guide”) enclosed in Appendix 20 to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (“HKEx ESG Reporting Guide”) to fulfil all general disclosure requirements.

For details of the Group’s financial performance and corporate governance issues, please refer to the previous sections of the annual report of which this ESG Report forms part.

Source of Data

The data and case studies reported in this ESG Report were prepared based on internal statistics, internal policy documents and other internal records. The Group hereby confirms that no false or misleading statements were made in this ESG Report.

This ESG Report contains forward-looking statements that are based on several assumptions and expectations at the time of its publication. Those assumptions and expectations are deemed to be reliable after internal reviewing process. The statements consist of known and unknown risks and uncertainties, which implies that actual results may differ from the expectations, forecasts and conclusions made herein. No guarantee is expressed as to the accuracy of the statements and the Group expressly disclaims any liability for and assume no responsibility to correct or update those forward-looking statements in the event that any of the statements does not materialize or turns out to be incorrect.

關於本報告

中國再生醫學國際有限公司(「中國再生醫學」)(股份代號：8158)及其附屬公司(以下統稱「本集團」)欣然提呈截至二零一七年十二月三十一日止八個月(「報告期間」)之環境、社會及管治報告(「環境、社會及管治報告」)並展現本集團對可持續發展的承擔。這是本集團的第二份環境、社會及管治報告，其披露本集團於中華人民共和國(「中國」)及香港提供服務時有關可持續發展的業務管理、政策、表現、目標及反饋。本集團謹藉此機會向全部投資者及持份者呈報環境、社會及管治表現，並就社會責任作出承諾及貢獻。

報告編製基準

本環境、社會及管治報告乃根據香港聯合交易所有限公司頒佈的GEM證券上市規則附錄二十所載環境、社會及管治報告指引(「環境、社會及管治報告指引」)(「香港交易所環境、社會及管治報告指引」)編製，以符合所有一般披露規定。

有關本集團財務表現及企業管治事宜之詳情，請參閱本環境、社會及管治報告構成其一部份之年報之前述章節。

數據來源

本環境、社會及管治報告的數據和案例乃基於內部統計數據、內部政策文件及其他內部記錄編製。本集團謹此確認本環境、社會及管治報告並無作出任何虛假或具誤導性的陳述。

本環境、社會及管治報告包含前瞻性陳述，有關陳述乃基於本報告發佈之時的若干假設及預期。該等假設及預期須於進行內部審閱程序後，方會被視為可靠。有關陳述包括已知及未知風險及不確定性因素，意味著實際結果可能與本報告所作預期、預測及結論有所不同。本集團並不會就該等陳述的準確性作出任何保證，且明確豁免並概不承擔更正或更新本報告所載前瞻性陳述的責任及倘因任何前瞻性陳述不能實現或變成不正確而引致的責任。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2017

二零一七年環境、社會及管治報告

OUR VALUE

The Group currently focuses on four major business segments, namely tissue engineering, cell, cosmetic and others and medical equipment. ActivSkin®, the only tissue-engineered skin developed in the PRC that contains living cells, engraved a leading position in tissue engineering and regenerative medicine industry. Patients whom applied the ActivSkin® can shorten healing time for burns and scalds, and relieve pain. 'Acornea', the world's first bio-engineered cornea which completed its clinical trials and obtained China Food and Drug Administration ("CFDA") approval for commercialization, helps elevate the Group as well as the nation to the world stage of regenerative medicine research.

Other tissue engineering products of CRMI include: Calcined Bovine Bone – "Gegreen", Acellular Anal Fistula Repair Stroma – "Asiunin", Cell Sheet-Autologous Chondrocyte Implantation – "CS-ACI", Guided Tissue Regeneration Biological Membrane – "Megreen". Also, CRMI collaborated with Mila D'Opiz Group in Switzerland to establish Shanghai Hesidi Cosmetics Company Limited, which is mainly responsible for the entire business of the renowned Swiss skincare brand "Ascara" in the PRC.

我們的價值

本集團目前專注於組織工程、細胞、化妝品及其他以及醫療設備四個主要業務板塊。其中，中國唯一具有活細胞的組織工程皮膚安體膚®，奠定了本集團在組織工程及再生醫學領域的領導地位。安體膚®主要用於縮短燒燙傷患者的康復時間，並減輕患者的痛苦。生物工程角膜「艾欣瞳」是全球首個完成臨床試驗並獲得國家食品藥品監督管理總局（「藥監總局」）上市批准的生物工程角膜，使本集團及中國在再生醫學研究領域走在世界前沿。

中國再生醫學的其他組織工程產品包括：天然煨燒骨修復材料「骼瑞」、脫細胞肛瘻修復基質「瑞栓寧」、自體軟骨細胞膜片移植技術「瑞骨術」、引導組織再生生物膜「膜瑞」等。此外，中國再生醫學已與瑞士Mila D'Opiz集團成立上海赫絲蒂化妝品有限公司，並由其負責瑞士著名生物護膚產品「阿卡蘭」在中國的全部業務。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2017

二零一七年環境、社會及管治報告

OUR VALUE (CONT'D)

我們的價值(續)



A value-creating business – this is what the Group aims to be. The Group achieves this goal by leveraging the biological science research competence to create a positive impact to the world. The research contributes the society by catalyzing bio-pharmaceutical research and development. The services make biological sciences research more efficient by shortening the time required for biotechnology research procedures. Since the Group is brave in taking innovative steps, it has contributed to breakthroughs in medical and biological science research over the years – thus living out our value.

成為一家創造價值的公司，是本集團銳意追求的目標。本集團致力憑藉在生物科學研究領域的能力，為世界創造積極的影響。本集團的研究不斷推動生物醫藥研發的發展，為社會作出貢獻。我們的服務可有效縮短生物技術研究程序所需的時間，提高生物科學研究效率。多年來，憑藉勇於創新的精神，本集團成功實現多項醫療及生物科學研究突破，充分彰顯企業價值。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2017

二零一七年環境、社會及管治報告

OUR VALUE (CONT'D)

The Group's Corporate Social Responsibility Model

The ESG Report provides detailed explanation with regard to the Group's corporate social responsibility model, shown in below, on different aspects, including stakeholder communication, employee welfare, health and safety, environmental protection, fair operation, social contribution and maintaining sustainability.



我們的價值(續)

本集團的企業社會責任模式

環境、社會及管治報告詳細介紹了本集團下列企業社會責任模式，包括持份者溝通、僱員福利、健康與安全、環境保護、公平營運、社會貢獻及維持可持續發展等方面。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2017

二零一七年環境、社會及管治報告

OUR VALUE (CONT'D)

The Group's Corporate Social Responsibility Model (Cont'd)

The Group continually strengthens communication and relationship with investors. Designated senior management personnel keep close contact with shareholders and investors through email, teleconference, one-to-one meetings, participation in broker forums and non-trading roadshow or other forms, so as to ensure shareholders and investors can get latest information of the Group in a fair and timely manner, helping them make investment decisions. The Group will give a detailed and timely response to inquiries from investors. The Group has made a materiality evaluation to identify material matters in the Group's businesses which have significant influence on economy, environment and society, and are most important for stakeholders. In accordance with evaluation results, the Group hopes to make the commitments and undertake the responsibilities to all stakeholders.

STAKEHOLDER ENGAGEMENT AND MATERIALITY

The Group understands that the long-term success is due to the commitment to the sustainability of businesses and the diligent and innovative employees who deliver quality services to the clients and business partners and make worthwhile contributions to several stakeholders of the Group.

The Group has consolidated and identified different groups of stakeholders that are related to its main business. These stakeholders include customers, employees, government, media and shareholders/investors.

The Group regards stakeholder's opinions as a key to the long term success and sustainable development. The Group will increase the involvement of stakeholders via constructive conversation in order to achieve long-term prosperity.

我們的價值(續)

本集團的企業社會責任模式(續)

本集團持續加強與其投資者的溝通及關係。特定高級管理人員通過電郵、電話會議、一對一會面、出席經紀座談會及非交易路演等形式與股東及投資者保持緊密聯繫，以確保股東及投資者能夠公平、及時地得到本集團最新資訊以協助彼等作出投資決定。本集團會對投資者的查詢作出詳盡及適時的回應。本集團已進行重要性評估以識別反映本集團業務於經濟、環境及社會方面具有重大影響的事項及對持份者而言屬最為重要的事項。根據評估結果，本集團希望對所有利益相關方作出承諾以及承擔責任。

持份者的參與及重要性

本集團明白長期的成功需依靠業務的可持續發展及勤奮創新、向客戶及商業夥伴提供優質服務及對本集團之若干持份者作出有價值的貢獻的僱員。

本集團已綜合及識別涉及其主要業務的數個不同持份者分組。該等持份者包括客戶、僱員、政府、媒體及股東／投資者。

本集團認為持份者的意見乃是長期成功及可持續發展的關鍵。本集團將透過建設性對話增加持份者的參與，以實現長期繁榮發展。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2017

二零一七年環境、社會及管治報告

STAKEHOLDER ENGAGEMENT AND MATERIALITY 持份者的參與及重要性(續) (CONT'D)

Stakeholder 持份者	Communication Channels 溝通渠道
Customers 客戶	<ol style="list-style-type: none"> 1. Company news updates 公司新聞更新 2. Conference 會議 3. Customer Service Hotline 客戶服務熱線 4. Email, facsimile and phone contacts 電郵、傳真及電話聯絡方式
Employees 僱員	<ol style="list-style-type: none"> 1. E-mail 電郵 2. Internal website 內部網站 3. Regular meetings 例會
Government 政府	<ol style="list-style-type: none"> 1. Cooperate with the government and regulatory authorities on compliance inspections 配合政府及監管機構的合規檢查 2. Conference 會議 3. Email, facsimile and phone contacts 電郵、傳真及電話聯絡方式
Media 媒體	<ol style="list-style-type: none"> 1. Company website 公司網站 2. Press releases 新聞發佈
Shareholders/Investors 股東／投資者	<ol style="list-style-type: none"> 1. Annual General Meeting 股東週年大會 2. Company news updates 公司新聞更新 3. Email, facsimile and phone contacts 電郵、傳真及電話聯絡方式 4. HKEx Website: Announcements, Notices, Reports, etc. 香港交易所網站：公告、通告、報告等 5. Press releases 新聞發佈



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2017

二零一七年環境、社會及管治報告

ENVIRONMENTAL ASPECTS

The Group recognizes the importance of good environmental stewardship and is committed to protect and conserve the environment. The Group hopes that the concept of environmental sustainability lies in all aspects of daily operation.

Specifically, the Group strives to balance quality, price and environmental impact when consuming resources and materials. The Group is closely monitoring the energy consumption and water consumption through the concept that it is part of the communication priorities to educate staffs on the rationale of environmentally friendly choices, and for making them available.

As principal operation is based in the PRC, the Group is principally subject to the PRC environmental laws and regulations such as Environmental Protection Law of the PRC (中華人民共和國環境保護法), Law on the Prevention and Control of Water Pollution of the PRC (中華人民共和國水污染防治法), and Law on the Prevention and Control of Atmospheric Pollution of the PRC (中華人民共和國大氣污染防治法). The senior management team are delegated to perform the maintenance of the Group's sustainability. The representatives of each operational department, will actively manages business in an environmentally and socially responsible manner. The Group will meet annually to review the key processes and identify possible aspects underlying the operation of such department. The senior management team will also discuss on any significant aspects identified, and design measures accordingly. These measures will be documented for reference to ensure effective implementation.

環境層面

本集團明白到良好的環境管理的重要性，並致力保護環境。本集團希望環境可持續發展的理念貫徹於日常營運的各個層面。

具體而言，在消耗資源及材料的同時，本集團致力於維持質量、價格及環境影響的平衡。本集團密切監控能源消耗及耗水量，而該理念亦是本集團對員工進行環保選擇概念及應用培訓的重要課題之一。

由於本集團主要在中國營運，故本集團主要遵守中國環境法律及法規，例如中華人民共和國環境保護法、中華人民共和國水污染防治法及中華人民共和國大氣污染防治法。高級管理層團隊獲指派維護本集團的可持續發展。各經營管理團隊之代表積極地以環保及對社會負責之方式管理業務。本集團將每年舉行會議以檢討主要流程及識別有關部門的營運可能涉及的層面。高級管理層團隊亦將就所識別的任何重大層面進行討論及制定相應措施。該等措施將存檔作參考以確保有效實施。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2017

二零一七年環境、社會及管治報告

ENVIRONMENTAL ASPECTS (CONT'D)

環境層面(續)

The Group's ultimate goal is to minimize the adverse impact of the businesses on the environment. The efforts being made throughout the Reporting Period can be concluded as follows:

本集團的最終目標是將業務對環境的不利影響降至最低。本集團於報告期間所作的工作總結如下：

Practice 常規	
1.	Avoiding generating waste that polluted the environment 避免產生污染環境的廢料
2.	Compliance with all relevant laws, regulations, rules and requirements of environmental protection 遵守所有環境保護相關的法律、法規、規章及要求
3.	Creation of an environment for sustainable development 創造可持續發展的環境
4.	Provision of training for employees on the protection of the environment 為員工提供有關保護環境的培訓
5.	Reduction in the consumption of various resources including raw materials and fuel 減少各種資源的消耗，包括原材料及燃料
6.	Reduction in the generation of waste, recycling and reusing as much as possible of the waste 減少廢料產生，並盡可能對廢料進行回收和循環再用
7.	Using environmentally friendly materials as well as design, technology and raw materials capable of conserving energy and reducing waste 在設計、技術與原材料的使用上，盡量採用環保材料、可節約能源和減少廢料
8.	Vigorous promotion and implementation of the recyclable economy, minimizing and avoiding negative effects due to the Group's development and the environment 大力推進和實施循環經濟，減少和避免因本集團的發展對環境造成的負面影響

During the Reporting Period, the Group has conducted comprehensive inspection regarding the environmental management situations of all controlling subsidiaries to facilitate the improvement and promotion of controlling subsidiaries on environmental management, and demanded the completion of its construction and implementation with stipulated deadlines, ensuring effective sustainable development of the Group. During the Reporting Period, there was no environmental pollution incident in the Group.

於報告期間，本集團對所有控股附屬公司的環境管理狀況實施了全覆蓋式的檢查，促進控股附屬公司在環境管理方面的改善與提高；限期完成管理體系構建和實施，有效確保本集團的可持續發展。於報告期間，本集團未發生任何環境污染事件。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2017

二零一七年環境、社會及管治報告

ENVIRONMENTAL ASPECTS (CONT'D)

Use of Resources

The Group understands that an excellent resource management system can improve the efficiency of utilization of resources. Resources consumed in the daily business operation are mainly electricity, water and paper.

The Group collect the electricity usage and sewage usage every year in order to control the subsidiaries to avoid the waste of energy as well as implement the strategy for energy saving and carbon reduction. The following figures indicate the energy and water consumption of the major operations in Shenzhen and Xi'an for the Reporting Period.

Consumption of resources in Shenzhen operation

Resources 資源	Unit 單位	Consumption 消耗量
Electricity 電力	kWh 千瓦時	Approximate 427,000 約427,000
per employee electricity consumption (kWh/employee) 每名僱員耗電量(千瓦時/人)		Approximate 6,470 約6,470
Water 水	Ton 噸	Approximate 3,011 約3,011
per employee water consumption (Ton/employee) 每名僱員用水量(噸/人)		Approximate 46 約46

Consumption of resources in Xi'an operation

Resources 資源	Unit 單位	Consumption 消耗量
Electricity 電力	kWh 千瓦時	Approximate 391,000 約391,000
per employee electricity consumption (kWh/employee) 每名僱員耗電量(千瓦時/人)		Approximate 4,344 約4,344
Water 水	Ton 噸	Approximate 1,628 約1,628
per employee water consumption (Ton/employee) 每名僱員用水量(噸/人)		Approximate 18 約18

環境層面(續)

資源使用

本集團明白良好的資源管理體系能有效提升資源使用效率。日常業務營運耗用的資源包括電力、水及紙張。

本集團每年收集用電量及用水量，以控制附屬公司，避免能源浪費，並實施節能減碳策略。以下數據顯示報告期間深圳及西安主要業務的能耗及用水量。

深圳業務的資源消耗量

西安業務的資源消耗量

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2017

二零一七年環境、社會及管治報告

ENVIRONMENTAL ASPECTS (CONT'D)

Use of Resources (Cont'd)

The Group has monitored the use of resource, specified the duties and authority of relevant staff, and avoided resource wastage. Measures aimed at controlling the use of the electricity and fuel in air-conditioning, lighting, machinery and vehicles, as well as water consumption in its operations and daily usage by the Group's staff are put in place. For example, the Group arrange air-conditioning and light zoning in offices to minimize unnecessary energy wastage. After the work is done, all electric equipment must be turned off. In addition, the Group arranges for the equipment and vehicles to undergo regular maintenance in order to improve the performance of equipment and to dispose high energy consumption equipment as part of the efforts to conserve resources at source.

Currently, water resources supply comes from the regional government via its domestic water supply. The Group is strengthening the management of water usage and the inspection of water conservation. The Group has adopted internal guidelines and provides staff education to promote water conservation, as well as routinely inspects and upkeeps water supply facilities, to reduce water wastage. Rectifications would be implemented whenever a water leakage was found.

The Group encourages employees to go paperless as much as possible by liming print outs as well as communicating via e-mail as opposed to fax. Employees are also encouraged to re-use paper and conserve paper usage by printing double-sided to the extent practicable.

Management of Wastes

The Group has taken several measures to deal with wastes. The Group strictly complied with local regulations to identify and manage the substances to ensure safe treatment, transportation, storage, use, recycle or reuse and disposal for them. The Group also conforms to industry practices in order to reduce wastes. The main emissions of the operation include daily wastes, polluted water and exhaust gas. The Group intends to minimize environmental impacts associated with wastes generated from the operations. In this regard, the Group promotes the "3-R" concept which aims at minimizing, to the extent practicable, the amount of wastes produced during the course of the Group's business operations. The term "3-R" represents:

環境層面(續)

資源使用(續)

本集團已監管資源的使用情況，明確列出相關員工的職責權限，杜絕資源浪費。本集團對空調、照明、機器及車輛運行所用的電力及燃料，以及營運和本集團員工日常的水消耗，推行了各種針對性的控制措施。例如，本集團對辦公室的空調系統及燈光區進行調節，以減少不必要的能源浪費。工作完成後，所有的電子設備必需關閉。此外，本集團安排設備及車輛進行定期保養，以提升設備效能及處置高耗能設備，努力從源頭上節約資源。

當前，水資源供應乃由政府當地供水部門提供。本集團正加強用水管理，並檢查節約用水。本集團已採納內部指引及對員工進行教育以促進節約用水以及定期檢查及維護供水設施以減少水浪費。如發現漏水情況，將會進行整頓。

本集團鼓勵僱員盡量無紙化辦公，減少打印並以電郵(而非傳真)通訊。為免浪費用紙，集團亦鼓勵員工在切實可行情況重用紙張及採用雙面打印。

廢物管理

本集團已採取多項措施處理廢物。本集團嚴格遵守當地法規識別和管理物料，以確保安全處理、運輸、儲存、使用、回收或再利用及處置材料。本集團亦遵循業界常規以減少廢物。本集團營運的主要排放物包括日常廢物、污水及廢氣。本集團致力減輕營運產生廢物的相關環境影響。本集團已就此方面推行「3-R」理念，旨在於切實可行的情況下減少本集團在業務經營過程中所產生的廢棄物數量。「3-R」指：

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2017

二零一七年環境、社會及管治報告

ENVIRONMENTAL ASPECTS (CONT'D)

環境層面(續)

Management of Wastes (Cont'd)

廢物管理(續)

	Concept 理念	Practice 實踐
(a)	Reduction 減廢	Reducing the volume of daily wastes generated to the extent practicable, by using alternative materials, processes and procedures 透過使用替代材料、流程及程序於切實可行的情況下減少產生日常廢棄物的數量
(b)	Reuse 循環再用	Reusing wastes generated and returning unused materials 循環再用產生的廢棄物及歸還未使用的材料
(c)	Recycling 循環再造	Converting waste materials into usable materials or extracting useful substances from them, such as recycling packaging material and paper 將廢料轉換為可用材料或自其中提取有用物質，例如循環再造包裝材料及紙張

In the production process of the Group, hazardous wastes may be generated. The hazardous waste discharge of the Group has satisfied the regulatory requirements of government departments due to effective recovery and disposal of wastes.

本集團於生產過程中可能產生有害廢棄物。本集團遵守政府部門有關有害廢棄物排放的監管要求，有效回收及處置廢棄物。

Hazardous wastes are collected with leakage-proof containers (e.g. scrap metal bucket) to avoid leakage during transfer. A hazardous wastes warehouse is established for collection and classified storage of hazardous wastes. Eventually, a qualified company will be engaged to transport the wastes out for disposal.

本集團使用防漏容器(如廢金屬桶)收集有害廢棄物，以避免轉移過程中出現洩漏。本集團建立有害廢棄物倉庫，以收集及分類儲存有害廢棄物。最後，本集團會聘請合資格公司將有害廢棄物運出銷售。

Emission of Greenhouse Gases

溫室氣體排放

In the global trend of emission reduction, the Group has complied with local regulations, as well as conforms to industry practices in order to reduce the emission of greenhouse gases. Greenhouse gases emitted by the Group are principally from transport vehicles commissioned. In addition, the use of electricity by the Group is also indirectly attributable to generation of greenhouse gases, most notably carbon dioxide, in the electricity generation process.

面對全球減排的大趨勢，本集團除遵守當地法規外，亦遵循業界常規以減少溫室氣體排放。本集團的溫室氣體主要排放自在用的運輸車輛。此外，本集團的用電亦間接產生溫室氣體，最為顯著的是發電過程中產生的二氧化碳。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2017

二零一七年環境、社會及管治報告

ENVIRONMENTAL ASPECTS (CONT'D)

環境層面(續)

Emission of Greenhouse Gases (Cont'd)

溫室氣體排放(續)

Emission data from the operation unit of Shenzhen and Xi'an are set out as follows:

深圳及西安經營單位的排放數據載列如下：

Main Operation

主要經營單位

Resources 資源	Unit 單位	Total 總計
Shenzhen 深圳		
Electricity 電力	kWh 千瓦時	Approximate 427,000 約427,000
Carbon dioxide equivalent emission for electricity consumption (Note 1) 就電力消耗的二氧化碳當量排放(附註1)	Ton 噸	Approximate 384.1 約384.1
Water 水	M ³ 立方米	Approximate 3,011 約3,011
Carbon dioxide equivalent emission for water consumption 就用水的二氧化碳當量排放	Ton 噸	Approximate 1.3 約1.3
Xi'an 西安		
Electricity 電力	kWh 千瓦時	Approximate 391,000 約391,000
Carbon dioxide equivalent emission for electricity consumption (Note 1) 就電力消耗的二氧化碳當量排放(附註1)	Ton 噸	Approximate 369.7 約369.7
Water 水	M ³ 立方米	Approximate 1,628 約1,628
Carbon dioxide equivalent emission for water consumption 就用水的二氧化碳當量排放	Ton 噸	Approximate 0.7 約0.7

Note 1: emission factor is sourced from the China Southern Power Grid in 2016. The figures are calculated in accordance with the "Reporting Guidance on Environmental KPIs".

附註1：排放因素來自二零一六年中國南方電網。數據乃根據「環保關鍵績效指標報告指引」計算。

During the Reporting Period, the Group did not receive any complaints, fines, sanctions or any other parties in respect of any environmental protection issues or breaches of environmental regulations, and had not experienced any material environmental incidents arising from daily activities. During the Reporting Period, no material administrative sanctions or penalties were imposed upon the Group for the violation of environmental laws or regulations which had an adverse impact on its operations.

於報告期間，本集團並無接獲有關任何環保問題或違反環保法規的任何投訴、罰款及制裁，亦無遭致因日常活動產生的任何重大環境事故。於報告期間，本集團並無就違反環境法律或法規而遭致重大行政制裁或處罰而對營運產生不利影響。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2017

二零一七年環境、社會及管治報告

SOCIAL ASPECTS

Labor Standards

The Group has set up a comprehensive set of human resource policies stipulating rules on recruitment, compensation, training, welfare, promotion guidelines and dismissal. In order to safeguard benefits for the employees, the Group abides by Labor Law of the PRC (中華人民共和國勞動法), Labor Contract Law of the PRC (中華人民共和國勞動合同法), the Employment Ordinance of Hong Kong (香港僱傭條例) and employment laws applicable to relevant jurisdictions where operations are located. Labor contracts or employment agreements are entered into between the Group and the employees. Moreover, the Group regularly monitors information related to employment to prevent non-compliance with labor laws and regulations.

As the Group strictly adhered to the Law of the PRC on the Protection of Minors (中華人民共和國未成年人保護法), the Employment Ordinance of Hong Kong and other laws and regulations in all aspects, the Group does not permit forced labor or child labor under any circumstances. All new employees' identification card should be checked before they entry the Group to ensure their age meets requirements of laws and regulations.

Recruitment Process

In order to increase efficiency in hiring and to ensure consistency and compliance in the recruitment and selection process, as well as to promote a fair opportunities to each candidates, the Group has detailed recruitment policies in place. An objective and carefully documented recruitment process will ensure that any discrimination risks are minimized and will give us the best possible chance of identifying the right candidate. Regardless of nationality, gender, age, race, religious belief or disability, etc, candidates with relevant professional qualifications and working experience receive equal consideration for employment.

社會層面

勞工準則

本集團已就僱傭、薪酬、培訓、福利、晉升指引及解僱設立一套全面的人力資源政策規定。為保障僱員福利，本集團遵守中華人民共和國勞動法、中華人民共和國勞動合同法、香港僱傭條例及營運所在地司法機構的適用僱傭法律。勞動合同或僱傭協議乃由本集團與僱員訂立。此外，本集團定期監察僱傭相關資訊以避免不符合勞動法律及法規事宜。

本集團於各個方面均嚴格遵守中華人民共和國未成年人保護法、香港僱傭條例及其他法律及法規，在任何情況下本集團均不允許強迫勞工或聘請童工。所有新僱員於聘入本集團前均須核查其身份證，以確保彼等符合相關法律及法規的規定。

招募程序

為了提高招聘僱員的效率，並確保招聘及甄選過程中的一致性與合規性，以及為每位候選人提供公平的機會，本集團已確立詳細的招聘政策。客觀且小心記錄的招聘程序確保降低任何歧視風險，並為我們物色合適候選人提供最佳機會。不論國籍、性別、年齡、種族、宗教信仰或殘障等，具備相關專業資格及工作經驗的求職者在招聘過程中均享有平等對待。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2017

二零一七年環境、社會及管治報告

SOCIAL ASPECTS (CONT'D)

社會層面(續)

Labor Standards (Cont'd)

勞工準則(續)

Team Profile

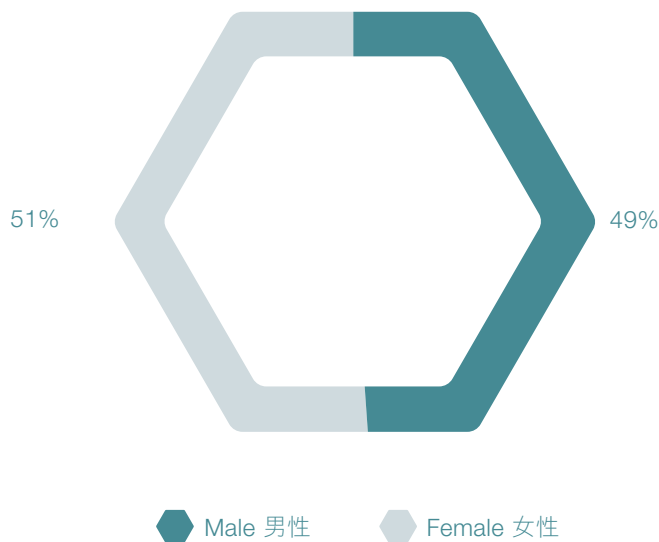
團隊情況

The Group actively recruits talents in a fair and equitable manner through social media such as online platforms and newspaper advertisements. Across the Group's diversified business portfolio, as of 31 December 2017, the Group has a workforce of 449 in a number of locations in the PRC and Hong Kong. The composition of staffs is as follows:

本集團積極利用線上平台及報章廣告等社會媒體公平公正地招募人才。在本集團多元化的業務組合中，本集團截至二零一七年十二月三十一日已在中國及香港聘有449名員工。員工組成如下：

TOTAL WORKFORCE BY GENDER

按性別劃分的員工總數



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2017

二零一七年環境、社會及管治報告

SOCIAL ASPECTS (CONT'D)

Labor Standards (Cont'd)

Team Profile (Cont'd)

Categorized by employee's gender, male employees accounted for approximately 49% and female employees accounted for the remaining 51%. The Group believes in equality of opportunity and treatment between male and female employees because it is just and fair and promotes good business and better performance. The Group recognizes that equality at work between male and female employees means (a) discrimination is not existed in the recruitment process to get the best candidates for the appropriate vacancies; and (b) equality of opportunity in providing assignments based on candidate's merit and choice.

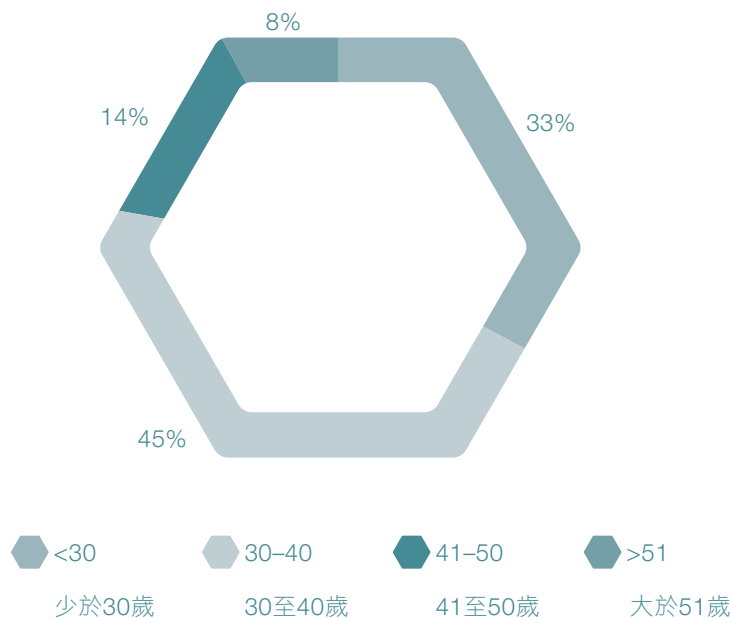
社會層面(續)

勞工準則(續)

團隊情況(續)

按僱員性別分類，男性僱員佔約49%，而女性僱員佔餘下51%。本集團認為男女僱員之間的機會及待遇平等，屬公平公正並促進良好業務發展及更佳表現。本集團認可男女僱員間工作中的平等指(a)招聘過程中不存在歧視，以就適當的空缺錄取最佳候選人；及(b)分派任務時根據候選人的才能及意願為候選人提供平等的機會。

TOTAL WORKFORCE BY AGE
按年齡劃分的員工總數



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2017

二零一七年環境、社會及管治報告

SOCIAL ASPECTS (CONT'D)

社會層面(續)

Labor Standards (Cont'd)

勞工準則(續)

Team Profile (Cont'd)

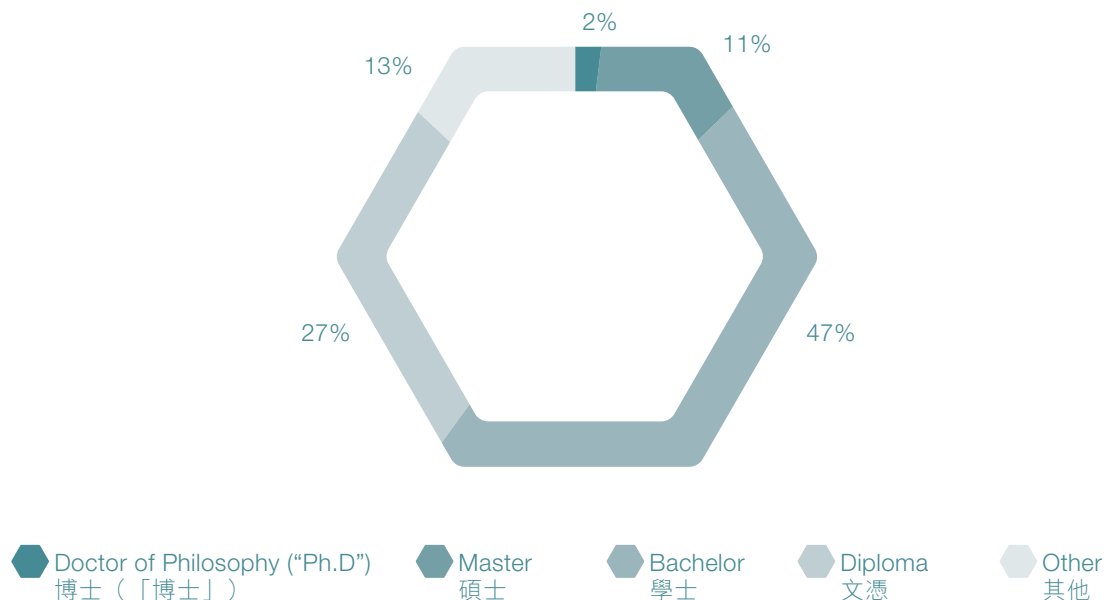
團隊情況(續)

As for employee distribution by age, aged below 30 accounted for approximately 33%; aged 30 to 40 accounted for approximately 45%; aged 41 to 50 accounted for approximately 14%; and aged above 51 accounted for approximately 8%.

按僱員年齡分類，30歲以下佔約33%；30至40歲佔約45%；41至50歲佔約14%；及51歲以上佔約8%。

TOTAL WORKFORCE BY EDUCATION

按教育水平劃分的員工總數



Professionals in different fields are the Group's precious assets. Categorized by education level, employees with Ph.D background accounted for approximately 2% of the total number of employees; employees with Master degree accounted for approximately 11%; employees with Bachelor degree accounted for approximately 47%; employees with diploma accounted for approximately 31%; and others accounted for the remaining 9%.

各個領域的專業人才是本集團的寶貴資產。按教育水平分類，擁有博士學歷的僱員佔僱員總數的約2%；擁有碩士學位的僱員佔約11%；擁有學士學位的僱員佔約47%；擁有畢業文憑的僱員佔約31%；而其他僱員佔餘下9%。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2017

二零一七年環境、社會及管治報告

SOCIAL ASPECTS (CONT'D)

Health and Safety

Safe, effective and cozy workplace is essential to support the precious asset, employees. In addition to the international labor standards and laws, the Group has created internal guidelines and systems specific to industry to make sure employees would discharge their duties effectively. The Group insists on the identification of safety risks of various job positions so that the injuries and diseases can be prevented effectively.

Remuneration, Benefits and Holidays

The Group provides our employees "5 Insurances and 1 Pension", business trip allowance, birthday allowance, wedding allowance, body check, and holiday allowance. Employees are entitled to national holidays, company holidays, annual leave, funeral leave, marital leave, maternity leave and sick leave as well. In addition, The Group also adopted measures, such as distributing gifts and benefits, as well as holiday lengthening, to further enhance the benefits system and its staff satisfaction.

Staff Development and Training

The Group recognizes the importance of empowerment through development and training in the Group. Equipping employees with the appropriate knowledge not simply benefits the long term development, but the society as a whole.

社會層面(續)

健康及安全

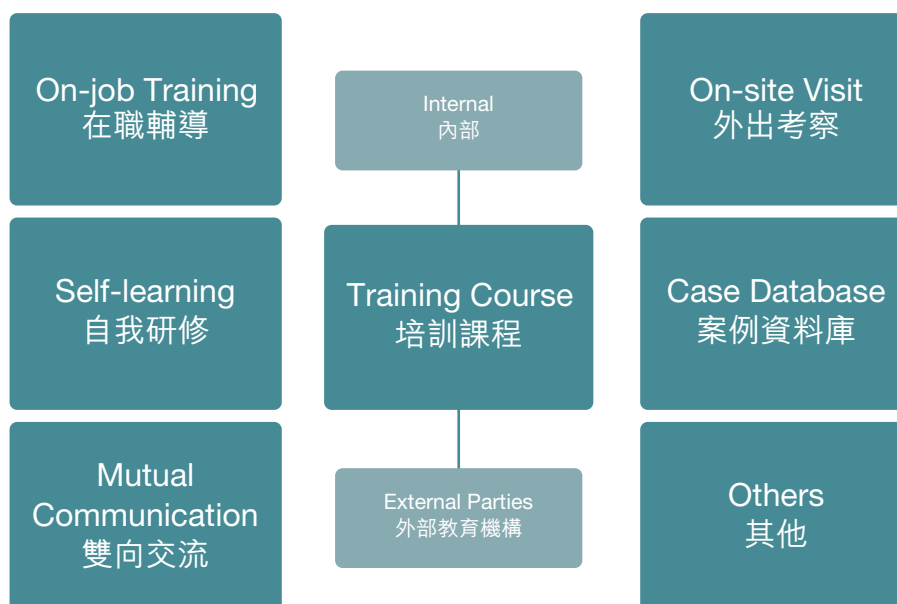
安全、有效及舒適的工作環境對於支持本集團的寶貴資產，僱員至關重要。除國際勞工準則及法律外，本集團已制定專門針對本行業的內部指引及制度，以確保僱員能有效地履行職責。本集團強調要識別不同工作崗位的安全風險，以便有效避免工傷及職業病的發生。

薪酬、福利及假期

本集團為僱員提供「五險一金」、差旅津貼、生日津貼、結婚津貼、體檢及假日津貼。僱員亦可享受國家法定節假日、公司假期，年假，喪假，婚假，產假和病假。此外，本集團亦採取派發禮品及福利以及延長假期等措施，進一步提升福利制度及員工滿意度。

員工發展和培訓

本集團深明僱員發展與培訓對本集團之重要性，提升僱員適當的知識，不但有利於本集團的長遠發展，對整個社會亦有莫大裨益。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2017

二零一七年環境、社會及管治報告

SOCIAL ASPECTS (CONT'D)

社會層面(續)

Staff Development and Training (Cont'd)

員工發展和培訓(續)

Understanding that employees are a vital factor for success in the competitive industry and promotion of innovation, during the Reporting Period the Group continued to provide a wide range of training opportunities. The comprehensive training and development opportunities include, but not limited to the followings:

僱員是競爭性行業取得成功和促進創新之關鍵因素，有見及此，本集團於本期間內持續提供一連串廣泛的培訓機會。綜合培訓和發展機會包括但不限於以下各項：

Training & Development 發展和培訓	Target 對象	Summary of Training 培訓概要
Induction Training 新員工入職培訓	New employees 新僱員	Introduction of the Group's vision, mission, culture, organizational structure, rules and regulations as well as trainings on operational standards, job specifications, work procedures and customer service etiquette for each department of the Group 本集團之願景、使命、文化、組織架構、規則及規例介紹以及本集團各部門的操作準則、工作說明、工作流程和客戶服務禮儀培訓
Measures for Implementation of Work Safety in Production 安全生產管理規程	Manufacturing departments 製造部門	Internal training focusing on work safety in the daily operation 專注日常營運的工作安全的內部培訓
Reinforcement Class for Managerial Representatives in Medical Equipment Business 醫療器械企業管理者代表提高班	Management team 管理團隊	Comprehensive training specific to the management team on building effective coaching techniques; mastering problem analysis and decision making; strengthening interpersonal skills; and recognizing team success with enthusiasm 專門針對管理團隊設立有效輔導技能培訓；掌控問題分析及決策培訓；增強人際交往技巧；及熱情表彰團隊成功的相關管理技巧的綜合培訓
Measures for the Supervision and Administration of Medical Devices 醫療器械經營監督管理辦法	Related departments 生產流程相關部門	Training on the measures deliberated and adopted at the executive meeting of the CFDA 對藥監總局常務會議審議通過的措施進行相關培訓
Director's Induction Training 董事入職訓練	Directors 董事	Specific induction training for directors 董事具體入職培訓
Training on Emotional Management 情緒管理課程	Employees 僱員	Training is provided to ensure the mental health of employees 提供培訓，以確保僱員心理健康
Training on Detection Technology, Detection Measures and CRO Service Process Management 檢測技術、檢測手段及委託研究 機構服務流程管理	Risk Management Department 風險管理部	Sessions regarding the detection technologies and CRO service process 有關檢測技術及委託研究機構服務流程的研討會
Fire Safety Training 消防安全基礎知識培訓	All employees 全體僱員	Training on fire prevention and fire escape 預防火災及消防逃生培訓

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2017

二零一七年環境、社會及管治報告

SOCIAL ASPECTS (CONT'D)

Staff Development and Training (Cont'd)

Through comprehensive, diversified and systematic development mechanism, the Group broadens the international perspectives of the employees, deepen their professional knowledge, strengthen corporate vision and bring out creative ideas to the ever-changing environment.

Supply Chain Management

Suppliers are the Group's long-term business partners. Stability, safety and effectivity of product quality is directly influenced by the selection of suppliers. To effectively manage the supply chain, the Group has developed a comprehensive system for assessing new and existing suppliers. The Group has further regulated the operational procedures of evaluation and approval for main suppliers, and clarified the suppliers' qualification, selection principle, quality evaluation methods, evaluation standard, and approval procedure for main supplier. The Group requires suppliers to comply with local laws and regulations in all aspects. Most of the supplies of the Group are procured from the PRC. The PRC government has strict laws and regulations governing social and environmental risks.

Agency Contracts Management

The majority of the Group's business and product distribution are relied on agents to introduce and promote the products to hospitals for sale. Therefore, the management of the agents is very crucial to the Group. To avoid inefficiencies in agents and to strengthen the sales performance, the Group has tailor-made contracts for each agent in accordance with its selling ability and respective target customers in the PRC. The contracts clarify the province or area in which the agents are responsible for, as well as the hospitals they cooperate with. The contracts also list out the compensation they get, and the sales amount that is targeted to be achieved during the contract period. The Group will evaluate agents from time to time following their performance against the contract terms. The Group believes that the management of agency contracts can help to control the quality of agents and to implement the business strategy efficiently.

社會層面(續)

員工發展和培訓(續)

透過全面、多元化及系統化的發展機制，本集團拓闊僱員的國際視野、深化其專業知識、強化企業願景及針對瞬息萬變的環境提出創見。

供應鏈管理

供應商是本集團的長期業務合作夥伴。供應商的甄選直接影響產品質量的穩定性、安全性及有效性。為有效管理供應鏈，本集團已建立一套全面的評估系統去評估新進及現有供應商。本集團已制定供應商管理政策，對主要供應商的評估及審批操作程序進行規範，明確對主要供應商的供應商品質要求、甄選原則、質評方法、評價標準及審批程序。本集團要求供應商在各個方面遵守當地法律及法規。本集團用品大部份是從中國採購。中國政府制定有嚴格的社會及環境風險監管法律法規。

代理合約的管理

本集團大部分的業務及產品分銷依賴於代理商向醫院引薦及推廣產品以供銷售。故此，代理商的管理對本集團而言至關重要。為避免代理商效率低下並提升其銷售表現，本集團根據代理商的銷售能力及其在中國的目標客戶為各代理商量身定制合約。合約明確了代理商負責的省份或區域，及彼等可以合作的醫院。合約亦載列出彼得獲得的報酬及合約期內須達致的目標銷售額。本集團將不時根據合約條款評估代理商的表現。本集團認為，對代理合約的管理有助於控制代理商的質量，並有效實施業務策略。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2017

二零一七年環境、社會及管治報告

SOCIAL ASPECTS (CONT'D)

Anti-corruption

To ensure honest, loyal behaviors and ethical conduct among employees, the Group has adopted code of ethics and anti-corruption regulations, so as to enable employees' conducts and behavior to be monitored throughout daily operations. The Group performs annual self-evaluation to look at the implementation of code of ethics and relevant regulations, the objective of which is to ensure the thoroughness and consistency in actual operations and management practices, with a view to balancing and safeguarding interests of the stakeholders and establishing long-term partnerships. The Group employs independent auditors to carry out external audits on the Group, aiming at preventing corruptive behaviors within the Group through internal supervision and external audits.

During the Reporting Period, the Group was not aware of any material non-compliance with any relevant standards, rules, codes and regulations. There were no complaints of corruption against the Group or any of the Group's employees during the Reporting Period.

Product Responsibility

The Group strives for products and services excellence across all the business activities. To protect the samples from contamination in the laboratory, the Group has devised procedures for operations in the laboratory. The Group also requires the laboratory technicians to wear protection suits and to regularly clean and disinfect the laboratory equipment, in order to maintain workplace hygiene and prevent the cross-contamination of the products.

Apart from the hygiene control in laboratory, the Group also understands the importance of an accurate testing result. Thus, the Group has developed policies in relation to the management and maintenance of laboratory equipment, especially the calibration of laboratory equipment. Our equipment is calibrated externally by professionals and internally when necessary to ensure its accuracy. Qualified personnel is assigned to each equipment for the daily management and maintenance, to make sure equipment that we are using is in good condition. Damaged equipment will not be used until they are fixed by the suppliers.

Also, listening to customers about their experiences with products and services is the key to the Group's success. The Group constantly interacts with customers by reviewing their enquiries and feedback so that performance can be tracked regularly. Also, the Group is dedicated to provide after-sale maintenance and operational technical supporting services to customers. Training is provided to employees in offering comprehensive services to customers.

社會層面(續)

反貪污

為確保僱員的誠實、忠誠行為及道德操守，本集團已採納道德守則及反貪污法規，以使僱員的行為及態度於整個日常營運中均受到監察。本集團進行年度自我評估以檢查道德守則及相關條例的落實情況，其目的旨在確保實際營運及管理慣例得到完全一致的履行，從而平衡及保障持份者的利益及建立長期夥伴關係。本集團委聘獨立核數師以對本集團進行外部審核，藉以透過內部監督及外部審核，防止本集團內出現貪污行為。

於報告期間內，本集團並不知悉有任何重大未遵守有關標準、規則、守則及規例的情況。於報告期間概無針對本集團或本集團任何僱員有關貪污的投訴。

產品責任

在業務經營中，本集團不斷在產品及服務上精益求精。為避免實驗室樣本受污染，本集團就實驗室運作制定程序。本集團亦規定實驗室技術人員穿著防護服及定期清潔消毒實驗室設備，以維持工作場所衛生及防止產品交叉污染。

除控制實驗室的衛生狀況外，本集團亦了解到準確測試結果的重要性。因此，本集團已制定有關政策，管理及維護實驗室設備(特別是實驗室設備校準工作)。我們的設備由專業人士進行外部校準工作，有需要時本集團內部人員亦會做校準工作，確保設備的準確度。合資格人員獲指派對各項設備進行日常管理及維護，確保我們使用的設備保持良好狀況。損壞的設備需由供應商修理後方可使用。

聆聽客戶對產品及服務的體驗是本集團成功的關鍵。本集團透過檢討客戶查詢及反饋與客戶保持互動，定期追蹤表現。本集團亦悉心為客戶提供售後維護及營運技術支援服務，並對僱員進行培訓，務求為客戶提供全面的服務。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2017

二零一七年環境、社會及管治報告

SOCIAL ASPECTS (CONT'D)

Intellectual Property and Confidential Information

The Group has stringent measures in place to protect operational and customer data privacy. Non-disclosure agreements are signed by all suppliers. A systematic approach is implemented internally to ensure that only designated employees have access to sensitive and confidential information. No confirmed cases of data leakage were identified during the Reporting Period.

Privacy

In accordance with the Law of the PRC against Unfair Competition (中華人民共和國反不正當競爭法), refer to matters that are not known by the general public, can bring economic benefits to the Group, are of practicality, and include technical secrets and operational information protected by the Group's confidentiality measures. Furthermore, the clients' privacy is our first prioritized concern, the Group regulates and educates all level of employees to have professional ethics and never leak any confidential information of clients to third parties.

In view of the customer confidential information, the Group implemented a strict confidentiality system. According to the system, the Group should enter into a confidentiality agreement with the client who provides the confidential information. Meanwhile, for ensuring no betraying confidential matters, risk control department of the Group is responsible for investigating the confidential information to delimit secrecy scope and ascertain information-security. The Group also provides employees with education regarding confidentiality, including specifies the confidentiality obligation of employees in employee manual.

社會層面(續)

知識產權及保密資料

本集團已制定有嚴格的措施保護營運數據及客戶資料的私隱。所有供應商均已簽署保密協議。集團內部有系統地執行有關措施，確保僅指定僱員可取閱敏感及保密資料。報告期間並無發現經證實的數據洩露事件。

隱私

根據中華人民共和國反不正當競爭法，商業秘密系指不為公眾所知悉，能為本集團帶來經濟利益，具有實用性並經本集團採取保密措施的技術秘密和經營信息。此外，客戶的隱私是我們首要關注的問題，本集團規定並教育各級員工秉持職業道德，絕不將客戶的任何機密信息透露給第三方。

本集團對獲悉的客戶機密資料實施嚴格的保密制度。根據該等制度，對於提供機密資料的客戶，本集團會與其簽訂相關的保密協定。同時，集團的風險管控部門負責審核該等信息，劃定保密範圍及確定相應的保密措施，以保證客戶機密資料不發生外泄的情況。本集團亦為員工提供保密教育，包含在員工手冊中載明員工的保密義務。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2017

二零一七年環境、社會及管治報告

SOCIAL ASPECTS (CONT'D)

The Community

With the market's focus on corporate behavior, the short-sighted behavior of maximizing financial returns to shareholders is no longer the management goal of business. The Group stays proactive in fulfilling the responsibilities as a corporate citizen of the community. As a responsible corporation, the Group is committed to extending the efforts from own operation to the wider society. The Group believes that staff members are the core value makers in the society. The Group will continue to pool the strengths and commit itself in increasing community participation, balance of interests of stakeholders and strives to build a corporate-community relationship that promotes harmony, security and prosperity.

Although the Group has not established and documented a specific community policy, social care is deep-seated in the Group's corporate culture. Employees are encouraged to participate in various charitable events and community service.

社會層面(續)

社區

隨著市場對企業行為的關注，追求最大財務績效以回饋股東此一短視行為已經不是業務管理的目標。本集團積極履行作為一家企業公民於社區的責任。作為負責任的企業，本集團矢志在發展自身業務營運的同時，將更多精力投放於更為廣闊的社會當中。本集團相信員工是為社會創造價值的核心力量。本集團將繼續集眾人力量，增加社區參與，平衡持份者的利益，致力構建推動和諧、安全及繁榮的企業與社區關係。

儘管本集團並未訂立及記錄具體的社區政策，但關懷社會的概念已深深植根於本集團的企業文化當中。本集團鼓勵僱員參與各類慈善活動及社區服務。

Aspect 層面	Description 描述	Details 詳情
Aspect A1: Emissions 層面A1： 排放物	<p>General Disclosure 一般披露</p> <p>Information on: 有關廢氣及溫室氣體排放、向水及土地排污、有害及無害廢棄物的產生等的：</p> <p>(a) the policies; and 政策；及</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer 遵守對發行人有重大影響的相關法律及法規</p> <p>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. 的資料。</p>	For more details, please refer to pages 98 to 103. 有關更多詳情，請參閱第98至103頁。
Aspect A2: Use of Resources 層面A2： 資源使用	<p>General Disclosure 一般披露</p> <p>Policies on the efficient use of resources, including energy, water and other raw materials. 有效使用資源(包括能源、水及其他原材料)的政策。</p>	For more details, please refer to pages 98 to 101. 有關更多詳情，請參閱第98至101頁。
Aspect A3: The Environment and Natural Resources 層面A3： 環境及天然資源	<p>General disclosure 一般披露</p> <p>Policies on minimizing the issuer's significant impact on the environment and natural resources. 減低發行人對環境及天然資源造成重大影響的政策。</p>	For more details, please refer to pages 98 to 103. 有關更多詳情，請參閱第98至103頁。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2017

二零一七年環境、社會及管治報告

Aspect 層面	Description 描述	Details 詳情
Aspect B1: Employment 層面B1： 僱傭	<p>General Disclosure 一般披露</p> <p>Information on: 有關以下各項的資料：</p> <p>(a) the policies; and 政策；及</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer 遵守對發行人有重大影響的相關法律及法規</p>	For more details, please refer to Page 104. 有關更多詳情，請參閱第104頁。
Aspect B2: Health and Safety 層面B2： 健康與安全	<p>General Disclosure 一般披露</p> <p>Information on: 有關以下各項的資料：</p> <p>(a) the policies; and 政策；及</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer 遵守對發行人有重大影響的相關法律及法規</p>	For more details, please refer to pages 104 and 108. 有關更多詳情，請參閱第104及108頁。
Aspect B3: Development and Training 層面B3： 發展及培訓	<p>General disclosure 一般披露</p> <p>Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。</p>	For more details, please refer to pages 108 to 110. 有關更多詳情，請參閱第108至110頁。
Aspect B4: Labor Standards 層面B4： 勞工準則	<p>General disclosure 一般披露</p> <p>Information on: 有關防止童工或強制勞工的：</p> <p>(a) the policies; and 政策；及</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer 遵守對發行人有重大影響的相關法律及法規</p> <p>relating to preventing child and forced labor. 的資料。</p>	For more details, please refer to pages 104 to 107. 有關更多詳情，請參閱第104至107頁。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2017

二零一七年環境、社會及管治報告

Aspect 層面	Description 描述	Details 詳情
Aspect B5: Supply Chain Management 層面B5： 供應鏈管理	General Disclosure 一般披露 Policies on managing environmental and social risks of the supply chain. 有關管理供應鏈的環境及社會風險的政策。	For more details, please refer to Page 110. 有關更多詳情，請參閱第110頁。
Aspect B6: Product Responsibility 層面B6： 產品責任	General Disclosure 一般披露 Information on: 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer 遵守對發行人有重大影響的相關法律及法規 relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 的資料。	For more details, please refer to Page 111. 有關更多詳情，請參閱第111頁。
Aspect B7: Anti-corruption 層面B7： 反貪污	General Disclosure 一般披露 Information on: 有關防止賄賂、勒索、欺詐及洗黑錢的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer 遵守對發行人有重大影響的相關法律及法規 relating to bribery, extortion, fraud and money laundering. 的資料。	For more details, please refer to Page 111. 有關更多詳情，請參閱第111頁。
Aspect B8: Community Investment 層面B8： 社區投資	General Disclosure 一般披露 Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. 有關以社區參與來了解發行人營運所在社區需要和確保其業務活動會考慮社區利益的政策。	For more details, please refer to Page 113. 有關更多詳情，請參閱第113頁。

DIRECTORS' REPORT

董事會報告

The Directors present to the Shareholders the Company's annual report and audited consolidated financial statements for the eight months ended 31 December 2017 (the "Reporting Period").

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are engaged in the R&D of bio-medical and healthcare products, and medical techniques; the provision of the production and sales of tissue engineering products and its related by-products; as well as sales and distribution of medical products and equipment.

BUSINESS REVIEW

A fair review of the Group's business during the Reporting Period as well as discussion and analysis of the Group's performance under review and the material factors underlyings its financial performance and financial position are provided in sections headed "Chairman's Statement" on page 6 and "Management Discussion and Analysis" on pages 7 to 58 of the annual report and the notes to the consolidated financial statements.

RESULTS AND DIVIDENDS

Results of the Group for the eight months ended 31 December 2017 are set out in the consolidated statement of profit or loss and other comprehensive income on page 145.

The Directors do not recommend the payment of a final dividend.

CLOSURE OF THE REGISTER OF MEMBERS

The forthcoming annual general meeting is scheduled to be held on Friday, 11 May 2018 (the "AGM"). For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 8 May 2018 to Friday, 11 May 2018, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to attend and vote at the AGM, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, Union Registrars Limited, Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, for registration not later than 4:00 p.m. on Monday, 7 May 2018.

董事謹此向股東提呈本公司截至二零一七年十二月三十一日止八個月(「報告期間」)之年報及經審核綜合財務報表。

主要業務

本公司乃一間投資控股公司，其附屬公司之主要業務為從事生物醫學和醫療保健產品及醫療技術之研發；提供組織工程產品及其相關副產品的生產及銷售；以及銷售及分銷醫療產品及設備。

業績回顧

有關本集團報告期間業務之公允審查以及對本集團回顧年度的業績與其財務業績及財務狀況相關的重大因素之討論及分析載於本年報第6頁之「主席報告」及第7至第58頁之「管理層討論及分析」以及綜合財務報表附註。

業績及股息

本集團截至二零一七年十二月三十一日止八個月之業績載於第145頁之綜合損益及其他全面收入表內。

董事並不建議派發末期股息。

暫停辦理股份過戶登記手續

應屆股東週年大會(「股東週年大會」)計劃於二零一八年五月十一日(星期五)舉行。為釐定出席股東週年大會並於會上投票之股東資格，本公司將由二零一八年五月八日(星期二)至二零一八年五月十一日(星期五)(包括首尾兩天)暫停辦理股份過戶登記手續，有關期間內股份轉讓將不予受理。為出席股東週年大會並於會上投票，本公司之未登記股東應確保所有股份過戶文件連同有關股票須最遲於二零一八年五月七日(星期一)下午四時正前，送達本公司之香港股份過戶登記分處聯合證券登記有限公司，地址為香港北角英皇道338號華懋交易廣場2期33樓3301-04室，以辦理登記手續。

DIRECTORS' REPORT

董事會報告

FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the past five financial years is set out on page 256.

SHARE CAPITAL

Details of movements in the share capital of the Company during the Reporting Period are set out in note 29 to the financial statements.

RESERVES

The Company's reserves available for distribution to Shareholders as at 31 December 2017 amounted to approximately HK\$2,051,657,000 (As at 30 April 2017: HK\$2,263,445,000).

Details of movements in the reserves of the Group and the Company during the Reporting Period are set out in the consolidated statement of changes in equity on page 148 and note 31 to the financial statements, respectively.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Reporting Period are set out in note 14 to the financial statements.

財務摘要

本集團過去五個財政年度之業績以及資產與負債摘要載於第256頁。

股本

本公司股本於報告期內之變動詳情載於財務報表附註29內。

儲備

於二零一七年十二月三十一日，本公司可供分派予股東之儲備約為2,051,657,000港元(二零一七年四月三十日：2,263,445,000港元)。

本集團及本公司於報告期內之儲備變動詳情，分別載於第148頁之綜合權益變動表及財務報表附註31。

物業、廠房及設備

本集團於報告期內有關物業、廠房及設備之變動詳情載於財務報表附註14內。

DIRECTORS' REPORT

董事會報告

DIRECTORS

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

Executive Directors

Chen Chunguo	(Chief Executive Officer)
Ray Yip	(re-designated from non-executive Director to executive Director with effect from 8 September 2017)
Shao Zhengkang	(resigned with effect from 8 September 2017)
Wong Sai Hung	(resigned with effect from 30 November 2017)

Non-Executive Directors

Cui Zhanfeng	(Chairman of the Board)
Xiong Chengyu	
Wang Hui	(re-designated from independent non-executive Director to non-executive Director with effect from 1 June 2017 and resigned with effect from 8 September 2017)

Independent Non-Executive Directors

Chan Bing Woon	
Wong Yiu Kit Ernest	
Fang Jun	(appointed with effect from 29 December 2017)
Pang Chung Fai Benny	
Lui Tin Nang	(resigned with effect from 15 September 2017)

In accordance with article 116 of the Company's articles of association, Professor Cui Zhanfeng and Mr. Chan Bing Woon shall retire from office by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

In accordance with article 99 of the Company's articles of association, Dr. Ray Yip and Dr. Fang Jun shall hold office until the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

DIRECTORS' AND CHIEF EXECUTIVES' BIOGRAPHIES

Biographical details of the Directors and chief executives of the Company are set out on pages 59 to 65 of this annual report.

董事

於年內及截至本報告日期止之董事如下：

執行董事

陳春國	(行政總裁)
葉雷	(自二零一七年九月八日起由非執行董事調任為執行董事)
邵政康	(自二零一七年九月八日起辭任)
黃世雄	(自二零一七年十一月三十日起辭任)

非執行董事

崔占峰	(董事會主席)
熊澄宇	
王輝	(自二零一七年六月一日起由獨立非執行董事調任為非執行董事並自二零一七年九月八日起辭任)

獨立非執行董事

陳炳煥	
黃耀傑	
方俊	(自二零一七年十二月二十九日起獲委任)
彭中輝	
呂天能	(自二零一七年九月十五日起辭任)

根據本公司組織章程細則第116條，崔占峰教授及陳炳煥先生須於應屆股東週年大會上輪值告退，惟符合資格並願意膺選連任。

根據本公司組織章程細則第99條，葉雷博士及方俊博士須留任至應屆股東週年大會，惟符合資格並願意膺選連任。

董事及最高行政人員簡介

董事及本公司最高行政人員之簡介詳情載於本年報第59至第65頁。

DIRECTORS' REPORT

董事會報告

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors, non-executive Directors and independent non-executive Directors has signed an appointment letter with the Company for a term of two years commencing from the date of appointment. After the expiry of the appointment letter(s), the Director(s) shall agree to continue to hold office as a Director, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company. In the event that the Director(s) is successfully re-elected at the conclusion of the annual general meeting of the Company, the Director(s) shall enter into a supplemental letter with the Company for continuation of his/her appointment for a term of two years.

None of the Directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

PERMITTED INDEMNITY PROVISION

During the Reporting Period, each Director is entitled to be indemnified out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which he/she may incur or sustain in or about the execution of the duties of his/her office or otherwise in relation thereto, save for matters in respect of his/her fraud or dishonesty.

DIRECTORS' INTERESTS IN CONTRACTS

Save as those set out in note 35 to the financial statements and under heading "CONNECTED TRANSACTIONS" in this report, none of the Directors had a significant beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the Reporting Period.

董事之服務合約

每一位執行董事、非執行董事及獨立非執行董事已與本公司訂立聘任函，自委任日起計任期兩年。聘任函屆滿之後，董事可同意繼續留任為董事，惟須根據本公司之章程細則於本公司之股東週年大會上輪席退任及膺選連任。於本公司股東週年大會完結時，倘若董事膺選連任成功，董事將與本公司訂立補充函，延續其任期兩年。

擬於應屆股東週年大會上膺選連任之董事概無與本公司訂立於一年內不可由本公司無償(法定賠償除外)終止之服務合約。

獲准許之彌償條文

於報告期內，各董事就按本身之職位執行其職務時或與此有關或在其他方面與之相關者而可能蒙受或招致之所有法律行動、費用、指控、損失、損害及開支，可從本公司之資產及溢利獲得彌償保證，惟有關其本身之欺詐或不誠實事宜除外。

董事之合約權益

除財務報表附註35及本報告「關連交易」一節所載者外，概無董事直接或間接地於本公司或其任何附屬公司於報告期間所訂立且與本集團業務有關連之任何重大合約中擁有重大實益利益。

DIRECTORS' REPORT

董事會報告

SHARE OPTIONS

Share Option Scheme

The share option scheme (the "Share Option Scheme") was adopted on 14 September 2011 for the primary purpose of providing incentives to directors and eligible employees of the Company.

The movement of share options under the share option scheme adopted by the Company on 14 September 2011 during the eight months ended 31 December 2017 was as below:

購股權

購股權計劃

於二零一一年九月十四日，本公司採納購股權計劃（「購股權計劃」），主要目的為向本公司董事及合資格僱員提供獎勵。

於截至二零一七年十二月三十一日止八個月，本公司於二零一一年九月十四日採納之購股權計劃項下之購股權變動如下：

Movement of Share Options during the eight months ended 31 December 2017
截至二零一七年十二月三十一日止八個月之購股權變動

Eligible persons	Date of grant	Exercise price (HK\$)	Vesting schedule and exercise period of the Share Options	Exercisable portion of the Share Options granted	Outstanding as at 30 April 2017					Outstanding as at 31 December 2017
					Granted	Exercised	Reclassified	Lapsed	於二零一七年四月三十日尚未行使	
合資格人士	授出日期	行使價 (港元)	購股權之歸屬時間表及可行使期間	已授出購股權之可行使部份	已授出	已行使	已重新分類	已失效	於二零一七年十二月三十一日尚未行使	
Directors 董事	16/9/2015 二零一五年九月十六日	0.45	16 September 2016 to 15 September 2017 (both days inclusive) (the "1st Period") 二零一六年九月十六日至二零一七年九月十五日 (包括首尾兩日) (「第一個期間」)	Up to 20% ("1st Options") 最多20% (「第一份購股權」)	37,010,000	NIL 無	NIL 無	(19,590,000)	(3,500,000)	13,920,000
			16 September 2017 to 15 September 2018 (both days inclusive) (the "2nd Period") 二零一七年九月十六日至二零一八年九月十五日 (包括首尾兩日) (「第二個期間」)	Up to 20% ("2nd Options") (together with any 1st Options which have not been exercised during the 1st Period) 最多20% (「第二份購股權」) (連同於第一個期間尚未行使之任何第一份購股權)						
			16 September 2018 to 15 September 2019 (both days inclusive) (the "3rd Period") 二零一八年九月十六日至二零一九年九月十五日 (包括首尾兩日) (「第三個期間」)	Up to 20% ("3rd Options") (together with any 1st and 2nd Options which have not been exercised during the 1st Period and 2nd Period) 最多20% (「第三份購股權」) (連同於第一個期間及第二個期間尚未行使之任何第一份及第二份購股權)						

DIRECTORS' REPORT

董事會報告

SHARE OPTIONS (CONT'D)

Share Option Scheme (Cont'd)

購股權(續)

購股權計劃(續)

Movement of Share Options during the eight months ended 31 December 2017
截至二零一七年十二月三十一日止八個月之購股權變動

Eligible persons	Date of grant	Exercise price (HK\$)	Vesting schedule and exercise period of the Share Options	Exercisable portion of the Share Options granted	Outstanding as at 30 April 2017 於二零一七年四月三十日尚未行使	Granted	Exercised	Reclassified	Lapsed	Outstanding as at 31 December 2017 於二零一七年十二月三十一日尚未行使
合資格人士	授出日期	行使價(港元)	購股權之歸屬時間表及可行使期間	已授出購股權之可行使部份		已授出	已行使	已重新分類	已失效	
			16 September 2019 to 15 September 2020 (both days inclusive) (the "4th Period") 二零一九年九月十六日至二零二零年九月十五日(包括首尾兩日)(「第四個期間」)	Up to 20% ("4th Options") (together with any 1st, 2nd and 3rd Options which have not been exercised during the 1st Period, 2nd Period and 3rd Period) 最多20%(「第四份購股權」)(連同於第一個期間、第二個期間及第三個期間尚未行使之任何第一份、第二份及第三份購股權)						
			16 September 2020 to 15 September 2025 (both days inclusive) (the "5th Period") 二零二零年九月十六日至二零二五年九月十五日(包括首尾兩日)(「第五個期間」)	Up to 20% ("5th Options") (together with any 1st, 2nd, 3rd and 4th Options which have not been exercised during the 1st Period, 2nd Period, 3rd Period and 4th Period) 最多20%(「第五份購股權」)(連同於第一個期間、第二個期間、第三個期間及第四個期間尚未行使之任何第一份、第二份、第三份及第四份購股權)						
	9/9/2016 二零一六年九月九日	0.291	9 September 2017 to 8 September 2018 (both days inclusive) (the "First Period") 二零一七年九月九日至二零一八年九月八日(包括首尾兩日)(「第一個期間」)	Up to 20% ("First Options") 最多20%(「第一份購股權」)	60,200,000	NIL 無	NIL 無	(47,000,000)	(4,500,000)	8,700,000
			9 September 2018 to 8 September 2019 (both days inclusive) (the "Second Period") 二零一八年九月九日至二零一九年九月八日(包括首尾兩日)(「第二個期間」)	Up to 20% ("Second Options") (together with any First Options which have not been exercised during the First Period) 最多20%(「第二份購股權」)(連同於第一個期間尚未行使之任何第一份購股權)						

DIRECTORS' REPORT

董事會報告

SHARE OPTIONS (CONT'D)

Share Option Scheme (Cont'd)

購股權(續)

購股權計劃(續)

Movement of Share Options during the eight months ended 31 December 2017
截至二零一七年十二月三十一日止八個月之購股權變動

Eligible persons	Date of grant	Exercise price (HK\$)	Vesting schedule and exercise period of the Share Options	Exercisable portion of the Share Options granted	Movement of Share Options during the eight months ended 31 December 2017					Outstanding as at 31 December 2017
					Granted	Exercised	Reclassified	Lapsed	Outstanding as at 30 April 2017	
合資格人士	授出日期	行使價 (港元)	購股權之歸屬時間表及可行使期間	已授出購股權之可行使部份	已授出	已行使	已重新分類	已失效	於二零一七年四月三十日尚未行使	於二零一七年十二月三十一日尚未行使
			9 September 2019 to 8 September 2020 (both days inclusive) (the "Third Period") 二零一九年九月九日至二零二零年九月八日 (包括首尾兩日) (「第三個期間」)	Up to 20% ("Third Options") (together with any First and Second Options which have not been exercised during the First Period and Second Period) 最多20% (「第三份購股權」) (連同於第一個期間及第二個期間尚未行使之任何第一份及第二份購股權)						
			9 September 2020 to 8 September 2021 (both days inclusive) (the "Fourth Period") 二零二零年九月九日至二零二一年九月八日 (包括首尾兩日) (「第四個期間」)	Up to 20% ("Fourth Options") (together with any First, Second and Third Options which have not been exercised during the First Period, Second Period and Third Period) 最多20% (「第四份購股權」) (連同於第一個期間、第二個期間及第三個期間尚未行使之任何第一份、第二份及第三份購股權)						
			9 September 2021 to 8 September 2025 (both days inclusive) (the "Fifth Period") 二零二一年九月九日至二零二五年九月八日 (包括首尾兩日) (「第五個期間」)	Up to 20% ("Fifth Options") (together with any First, Second, Third and Fourth Options which have not been exercised during the First Period, Second Period, Third Period and Fourth Period) 最多20% (「第五份購股權」) (連同於第一個期間、第二個期間、第三個期間及第四個期間尚未行使之任何第一份、第二份、第三份及第四份購股權)						

DIRECTORS' REPORT

董事會報告

SHARE OPTIONS (CONT'D)

Share Option Scheme (Cont'd)

購股權(續)

購股權計劃(續)

Movement of Share Options during the eight months ended 31 December 2017
截至二零一七年十二月三十一日止八個月之購股權變動

Eligible persons	Date of grant	Exercise price (HK\$)	Vesting schedule and exercise period of the Share Options	Exercisable portion of the Share Options granted	Outstanding as at 30 April 2017 於二零一七年四月三十日尚未行使	Granted	Exercised	Reclassified	Lapsed	Outstanding as at 31 December 2017 於二零一七年十二月三十一日尚未行使
合資格人士	授出日期	行使價(港元)	購股權之歸屬時間表及可行使期間	已授出購股權之可行使部份		已授出	已行使	已重新分類	已失效	
	25/1/2017 ^{*1} 二零一七年一月二十五日 ^{*1}	0.3025	1 April 2020 to 31 March 2021 ^{*2} (both days inclusive) (the "A Period") 二零二零年四月一日至二零二一年三月三十一日 ^{*2} (包括首尾兩日)(「A期間」)	Up to 30% ("A Options") 最多30%(「A類購股權」)	500,000,000	NIL 無	NIL 無	NIL 無	NIL 無	500,000,000
			1 April 2021 to 31 March 2022 ^{*2} (both days inclusive) (the "B Period") 二零二一年四月一日至二零二二年三月三十一日 ^{*2} (包括首尾兩日)(「B期間」)	Up to 30% ("B Options") (together with any A Options which have not been exercised during the A Period) 最多30%(「B類購股權」) (連同於A期間尚未行使之任何A類購股權)						
			1 April 2022 to 24 January 2027 ^{*2} (both days inclusive) (the "C Period") 二零二二年四月一日至二零二七年一月二十四日 ^{*2} (包括首尾兩日)(「C期間」)	Up to the remaining balance of the options granted (together with any A and B Options which have not been exercised during the A Period and B Period) 最多為已授出購股權之結餘 (連同於A期間及B期間尚未行使之任何A類及B類購股權)						
Others 其他	16/9/2015 二零一五年九月十六日	0.45	For Grantees other than new employees who have joined the Company for less than 12 months or are yet to commence work with the Company on the relevant date of grant (as the case may be): 就於相關授出日期之承授人(除加入本公司少於十二個月或仍未開始於本公司任職之新僱員外)而言(視情況而定):		99,560,000	NIL 無	NIL 無	19,590,000	(18,924,000)	100,226,000
			1st Period 第一個期間	1st Options 第一份購股權						
			2nd Period 第二個期間	2nd Options (together with any 1st Options which have not been exercised during the 1st Period) 第二份購股權(連同於第一個期間尚未行使之任何第一份購股權)						

DIRECTORS' REPORT

董事會報告

SHARE OPTIONS (CONT'D)

Share Option Scheme (Cont'd)

購股權(續)

購股權計劃(續)

Movement of Share Options during the eight months ended 31 December 2017
截至二零一七年十二月三十一日止八個月之購股權變動

Eligible persons	Date of grant	Exercise price (HK\$)	Vesting schedule and exercise period of the Share Options	Exercisable portion of the Share Options granted	Outstanding as at 30 April 2017 於二零一七年四月三十日尚未行使	Granted	Exercised	Reclassified	Lapsed	Outstanding as at 31 December 2017 於二零一七年十二月三十一日尚未行使
合資格人士	授出日期	行使價(港元)	購股權之歸屬時間表及可行使期間	已授出購股權之可行使部份		已授出	已行使	已重新分類	已失效	
			3rd Period 第三個期間	3rd Options (together with any 1st and 2nd Options which have not been exercised during the 1st Period and 2nd Period) 第三份購股權(連同於第一個期間及第二個期間尚未行使之任何第一份及第二份購股權)						
			4th Period 第四個期間	4th Options (together with any 1st, 2nd and 3rd Options which have not been exercised during the 1st Period, 2nd Period and 3rd Period) 第四份購股權(連同於第一個期間、第二個期間及第三個期間尚未行使之任何第一份、第二份及第三份購股權)						
			5th Period 第五個期間	5th Options (together with any 1st, 2nd, 3rd and 4th Options which have not been exercised during the 1st Period, 2nd Period, 3rd Period and 4th Period) 第五份購股權(連同於第一個期間、第二個期間、第三個期間及第四個期間尚未行使之任何第一份、第二份、第三份及第四份購股權)						

For Grantees who are new employees who have joined the Company for less than 12 months or are yet to commence work with the Company on the relevant date of grant (as the case may be):

就於相關授出日期之承授人(為加入本公司少於十二個月或仍未開始於本公司任職之新僱員)而言(視情況而定):

16 March 2017 to 15 March 2018 (both days inclusive) (the "Period 1")
二零一七年三月十六日至二零一八年三月十五日(包括首尾兩日)(「期間1」)

Up to 20% ("Options 1")
最多20%(「購股權1」)

DIRECTORS' REPORT

董事會報告

SHARE OPTIONS (CONT'D)

Share Option Scheme (Cont'd)

購股權(續)

購股權計劃(續)

Movement of Share Options during the eight months ended 31 December 2017
截至二零一七年十二月三十一日止八個月之購股權變動

Eligible persons	Date of grant	Exercise price (HK\$)	Vesting schedule and exercise period of the Share Options	Exercisable portion of the Share Options granted	Outstanding as at 30 April 2017 於二零一七年四月三十日尚未行使	Granted	Exercised	Reclassified	Lapsed	Outstanding as at 31 December 2017 於二零一七年十二月三十一日尚未行使
合資格人士	授出日期	行使價(港元)	購股權之歸屬時間表及可行使期間	已授出購股權之可行使部份		已授出	已行使	已重新分類	已失效	
			16 March 2018 to 15 March 2019 (both days inclusive) (the "Period 2") 二零一八年三月十六日至二零一九年三月十五日(包括首尾兩日)(「期間2」)	Up to 20% ("Options 2") (together with any Options 1 which have not been exercised during the Period 1) 最多20%(「購股權2」)(連同於期間1尚未行使之任何購股權1)						
			16 March 2019 to 15 March 2020 (both days inclusive) (the "Period 3") 二零一九年三月十六日至二零二零年三月十五日(包括首尾兩日)(「期間3」)	Up to 20% ("Options 3") (together with any Options 1 and 2 which have not been exercised during the Periods 1 and 2) 最多20%(「購股權3」)(連同期間1及2尚未行使之任何購股權1及2)						
			16 March 2020 to 15 March 2021 (both days inclusive) (the "Period 4") 二零二零年三月十六日至二零二一年三月十五日(包括首尾兩日)(「期間4」)	Up to 20% ("Options 4") (together with any Options 1, 2 and 3 which have not been exercised during the Periods 1, 2 and 3) 最多20%(「購股權4」)(連同於期間1、2及3尚未行使之任何購股權1、2及3)						
			16 March 2021 to 15 September 2025 (both days inclusive) 二零二一年三月十六日至二零二五年九月十五日(包括首尾兩日)	Up to 20% (together with any Options 1, 2, 3 and 4 which have not been exercised during the Periods 1, 2, 3 and 4) 最多20%(連同於期間1、2、3及4尚未行使之任何購股權1、2、3及4)						
	9/9/2016 二零一六年九月九日	0.291	For Grantees other than new employees who have joined the Company for less than 12 months or are yet to commence work with the Company on the relevant date of grant (as the case may be): 就於相關授出日期之承授人(除加入本公司少於十二個月或仍未開始於本公司任職之新僱員外)而言(視情況而定):		139,030,000	NIL 無	NIL 無	47,000,000	(38,046,000)	147,984,000
			the First Period 第一個期間	the First Options 第一份購股權						

DIRECTORS' REPORT

董事會報告

SHARE OPTIONS (CONT'D)

Share Option Scheme (Cont'd)

購股權(續)

購股權計劃(續)

Movement of Share Options during the eight months ended 31 December 2017
截至二零一七年十二月三十一日止八個月之購股權變動

Eligible persons	Date of grant	Exercise price (HK\$)	Vesting schedule and exercise period of the Share Options	Exercisable portion of the Share Options granted	Outstanding as at 30 April 2017	Granted	Exercised	Reclassified	Lapsed	Outstanding as at 31 December 2017
					於二零一七年四月三十日尚未行使					於二零一七年十二月三十一日尚未行使
合資格人士	授出日期	行使價 (港元)	購股權之 歸屬時間表及 可行使期間	已授出購股權之 可行使部份		已授出	已行使	已重新分類	已失效	
			the Second Period 第二個期間	the Second Options (together with any First Options which have not been exercised during the First Period) 第二份購股權(連同於第一個期間尚未行使之任何第一份購股權)						
			the Third Period 第三個期間	the Third Options (together with any First and Second Options which have not been exercised during the First Period and Second Period) 第三份購股權(連同於第一個期間及第二個期間尚未行使之任何第一份及第二份購股權)						
			the Fourth Period 第四個期間	the Fourth Options (together with any First, Second and Third Options which have not been exercised during the First Period, Second Period and Third Period) 第四份購股權(連同於第一個期間、第二個期間及第三個期間尚未行使之任何第一份、第二份及第三份購股權)						
			the Fifth Period 第五個期間	the Fifth Options (together with any First, Second, Third and Fourth Options which have not been exercised during the First Period, Second Period, Third Period and Fourth Period) 第五份購股權(連同於第一個期間、第二個期間、第三個期間及第四個期間尚未行使之任何第一份、第二份、第三份及第四份購股權)						

DIRECTORS' REPORT

董事會報告

SHARE OPTIONS (CONT'D)

Share Option Scheme (Cont'd)

購股權(續)

購股權計劃(續)

Movement of Share Options during the eight months ended 31 December 2017
截至二零一七年十二月三十一日止八個月之購股權變動

Eligible persons	Date of grant	Exercise price (HK\$)	Vesting schedule and exercise period of the Share Options	Exercisable portion of the Share Options granted	Outstanding as at 30 April 2017	Granted	Exercised	Reclassified	Lapsed	Outstanding as at 31 December 2017
					於二零一七年四月三十日尚未行使					於二零一七年十二月三十一日尚未行使
合資格人士	授出日期	行使價 (港元)	購股權之歸屬時間表及可行使期間	已授出購股權之可行使部份		已授出	已行使	已重新分類	已失效	

For Grantees who are new employees who have joined the Company for less than 12 months or are yet to commence work with the Company on the relevant date of grant (as the case may be):

就於相關授出日期之承授人(為加入本公司少於十二個月或仍未開始於本公司任職之新僱員)而言(視情況而定):

9 March 2018 to 8 March 2019 (both days inclusive) (the "I Period") 二零一八年三月九日至二零一九年三月八日 (包括首尾兩日) (「期間I」)	Up to 20% ("Options I") 最多20% (「購股權I」)
9 March 2019 to 8 March 2020 (both days inclusive) (the "II Period") 二零一九年三月九日至二零二零年三月八日 (包括首尾兩日) (「期間II」)	Up to 20% ("Options II") (together with any Options I which have not been exercised during the I Period) 最多20% (「購股權II」) (連同於期間I尚未行使之任何購股權I)
9 March 2020 to 8 March 2021 (both days inclusive) (the "III Period") 二零二零年三月九日至二零二一年三月八日 (包括首尾兩日) (「期間III」)	Up to 20% ("Options III") (together with any Options I and II which have not been exercised during the I and II Periods) 最多20% (「購股權III」) (連同於期間I及II尚未行使之任何購股權I及II)
9 March 2021 to 8 March 2022 (both days inclusive) (the "IV Period") 二零二一年三月九日至二零二二年三月八日 (包括首尾兩日) (「期間IV」)	Up to 20% ("Options IV") (together with any Options I, II and III which have not been exercised during the I, II and III Periods) 最多20% (「購股權IV」) (連同於期間I、II及III尚未行使之任何購股權I、II及III)

DIRECTORS' REPORT

董事會報告

SHARE OPTIONS (CONT'D)

Share Option Scheme (Cont'd)

購股權(續)

購股權計劃(續)

Movement of Share Options during the eight months ended 31 December 2017
截至二零一七年十二月三十一日止八個月之購股權變動

Eligible persons	Date of grant	Exercise price (HK\$)	Vesting schedule and exercise period of the Share Options	Exercisable portion of the Share Options granted	Outstanding as at 30 April 2017	Granted	Exercised	Reclassified	Lapsed	Outstanding as at 31 December 2017
					於二零一七年四月三十日尚未行使					於二零一七年十二月三十一日尚未行使
合資格人士	授出日期	行使價 (港元)	購股權之歸屬時間表及可行使期間	已授出購股權之可行使部份		已授出	已行使	已重新分類	已失效	
			9 March 2022 to 8 September 2025 (both days inclusive) 二零二二年三月九日至二零二五年九月八日 (包括首尾兩日)	Up to 20% (together with any Options I, II, III and IV which have not been exercised during the I, II, III and IV Periods) 最多20% (連同於期間I、II、III及IV尚未行使之任何購股權、II、III及IV)						

*1 References are made to the announcements of the Company dated 25 January 2017, 20 March 2017 and the circular dated 26 June 2017 in relation to the conditional grant of Share Options to Mr. Chen Chunguo to subscribe for up to an aggregate of 500,000,000 ordinary shares. On 17 July 2017, the Shareholders excluding Mr. Chen and his associates (the "Independent Shareholders") has approved the resolution at the extraordinary general meeting (the "EGM"), please refer to the announcement dated 17 July 2017 for details.

*2 Reference is made to the announcement of the Company dated 28 September 2017 in relation to the change of financial year end date, the Vesting Schedule and exercise period of the share options granted to Mr. Chen changed accordingly.

Save as disclosed above, no further share options were granted, outstanding, lapsed, cancelled or exercised for the eight months ended 31 December 2017.

*1 茲提述本公司日期為二零一七年一月二十五日、二零一七年三月二十日之公告及日期為二零一七年六月二十六日之通函，內容有關向陳春國先生有條件授出可認購合共最多500,000,000股普通股之購股權。於二零一七年七月十七日，股東(不包括陳先生及其聯繫人)(「獨立股東」)已於股東特別大會(「股東特別大會」)上批准該決議案，詳情請參閱日期為二零一七年七月十七日之公告。

*2 茲提述本公司日期為二零一七年九月二十八日內容有關更改財政年度結算日之公告，向陳先生授出之購股權的歸屬計劃及行使期相應予以更改。

除上文所披露者外，截至二零一七年十二月三十一日止八個月，概無其他購股權已授出、尚未行使、失效、註銷或已行使。

DIRECTORS' REPORT

董事會報告

DIRECTORS AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2017, the following Directors and chief executives of the Company had or were deemed to have interest or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules related to securities transactions by the Directors to be notified to the Company and the Stock Exchange:

Long Positions

Interests in the shares and underlying shares of the Company

董事及最高行政人員於股份及相關股份之權益及淡倉

於二零一七年十二月三十一日，下列董事及本公司最高行政人員於本公司及其相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份或債券中，擁有或被視作擁有(i)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益或淡倉（包括彼等根據證券及期貨條例有關條文被當作或視作擁有之權益或淡倉）；或(ii)根據證券及期貨條例第352條須記入該條所述登記冊之權益或淡倉；或(iii)根據GEM上市規則第5.46至5.67條有關董事進行證券交易之規定須知會本公司及聯交所之權益或淡倉：

好倉

於本公司股份及相關股份之權益

Name of Directors/ chief executives	Capacity	Aggregate long position in the shares and underlying shares 於股份及相關股份 之好倉總計	Approximate percentage of the issued share capital 佔已發行股本 概約百分比
董事／最高行政人員姓名	身份		
Chen Chunguo (Note 1) 陳春國(附註1)	Beneficial owner 實益擁有人	500,000,000	2.84%
Cui Zhanfeng (Note 2) 崔占峰(附註2)	Beneficial owner 實益擁有人	78,630,000	0.45%
Pang Chung Fai Benny (Note 3) 彭中輝(附註3)	Beneficial owner 實益擁有人	4,410,000	0.03%
Chan Bing Woon (Note 3) 陳炳煥(附註3)	Beneficial owner 實益擁有人	4,230,000	0.02%

DIRECTORS' REPORT

董事會報告

DIRECTORS AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (CONT'D)

Long Positions (Cont'd)

Interests in the shares and underlying shares of the Company (Cont'd)

Notes:

1. Mr. Chen Chunguo ("Mr. Chen") is an executive Director and the CEO.

On 25 January 2017, he was conditionally granted 500,000,000 Share Options by the Company under the Share Option Scheme entitling him to subscribe for up to an aggregate of 500,000,000 shares of the Company at the exercise price of HK\$0.3025 per share, subject to the terms and conditions of the Share Option Scheme. On 17 July 2017, the Independent Shareholders has approved the resolution at the EGM.

Assuming the Share Options granted to Mr. Chen on 25 January 2017 have been exercised in full, Mr. Chen shall hold an aggregate of 500,000,000 shares of the Company as beneficial owner.

By virtue of the SFO, Mr. Chen shall be deemed to be interested in 500,000,000 shares of the Company as at 31 December 2017.

2. Professor Cui Zhanfeng ("Prof. Cui") is a non-executive Director and the Chairman. Prof. Cui personally holds 65,000,000 shares of the Company.

On 16 September 2015, he was granted 9,630,000 Share Options by the Company under the Share Option Scheme entitling him to subscribe for 9,630,000 shares of the Company at the exercise price of HK\$0.45 per share, subject to the terms and conditions of the Share Option Scheme.

On 9 September 2016, he was granted 4,000,000 Share Options by the Company under the Share Option Scheme entitling him to subscribe for 4,000,000 shares of the Company at the exercise price of HK\$0.291 per share, subject to the terms and conditions of the Share Option Scheme.

Assuming the Share Options granted to Prof. Cui on 16 September 2015 and 9 September 2016 have been exercised in full, Prof. Cui shall hold an aggregate of 13,630,000 shares of the Company as beneficial owner.

By virtue of the SFO, Prof. Cui shall be deemed to be interested in an aggregate of 78,630,000 shares of the Company as at 31 December 2017.

董事及最高行政人員於股份及相關股份之權益及淡倉(續)

好倉(續)

於本公司股份及相關股份之權益(續)

附註：

1. 陳春國先生(「陳先生」)為執行董事及行政總裁。

於二零一七年一月二十五日，彼獲本公司根據購股權計劃有條件授予500,000,000份購股權，賦予其權利可按每股0.3025港元之行使價認購合共最多500,000,000股本公司股份，惟須遵守購股權計劃之條款及條件。於二零一七年七月十七日，獨立股東已於股東特別大會上批准該決議案。

假設於二零一七年一月二十五日授予陳先生的購股權獲悉數行使，陳先生將作為實益擁有人持有合共500,000,000股本公司股份。

根據證券及期貨條例，於二零一七年十二月三十一日，陳先生應被視為於500,000,000股本公司股份中擁有權益。

2. 崔占峰教授(「崔教授」)為非執行董事及主席。崔教授個人持有65,000,000股本公司股份。

於二零一五年九月十六日，彼獲本公司根據購股權計劃授予9,630,000份購股權，賦予其權利可按每股0.45港元之行使價認購9,630,000股本公司股份，惟須遵守購股權計劃之條款及條件。

於二零一六年九月九日，彼獲本公司根據購股權計劃授予4,000,000份購股權，賦予其權利可按每股0.291港元之行使價認購4,000,000股本公司股份，惟須遵守購股權計劃之條款及條件。

假設於二零一五年九月十六日及二零一六年九月九日授予崔教授的購股權獲悉數行使，崔教授將作為實益擁有人持有合共13,630,000股本公司股份。

根據證券及期貨條例，於二零一七年十二月三十一日，崔教授應被視為於合共78,630,000股本公司股份中擁有權益。

DIRECTORS' REPORT

董事會報告

DIRECTORS AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (CONT'D)

Long Positions (Cont'd)

Interests in the shares and underlying shares of the Company (Cont'd)

Notes: (Cont'd)

3. Mr. Pang Chung Fai Benny ("Mr. Pang") and Mr. Chan Bing Woon ("Mr. Chan") are the independent non-executive Directors. On 16 September 2015, Mr. Pang and Mr. Chan were granted 2,010,000 and 1,930,000 Share Options respectively by the Company under the Share Option Scheme entitling each of them to subscribe for 2,010,000 and 1,930,000 shares of the Company respectively at the exercise price of HK\$0.45 per share, subject to the terms and conditions of the Share Option Scheme.

On 9 September 2016, Mr. Pang and Mr. Chan, were granted 2,400,000 and 2,300,000 Share Options respectively by the Company under the Share Option Scheme entitling each of them to subscribe for 2,400,000 and 2,300,000 shares of the Company respectively at the exercise price of HK\$0.291 per share, subject to the terms and conditions of the Share Option Scheme.

Assuming the Share Options granted to Mr. Pang and Mr. Chan on 16 September 2015 and 9 September 2016 have been exercised in full, Mr. Pang and Mr. Chan shall hold 4,410,000 and 4,230,000 shares of the Company respectively as beneficial owners.

By virtue of the SFO, Mr. Pang and Mr. Chan shall be deemed to be interested in 4,410,000 and 4,230,000 shares of the Company respectively as at 31 December 2017.

Save as disclosed above, as at 31 December 2017, none of the Directors nor the chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange.

董事及最高行政人員於股份及相關股份之權益及淡倉(續)

好倉(續)

於本公司股份及相關股份之權益(續)

附註：(續)

3. 彭中輝先生(「彭先生」)及陳炳煥先生(「陳先生」)為獨立非執行董事。於二零一五年九月十六日，彭先生及陳先生分別獲本公司根據購股權計劃授予2,010,000份及1,930,000份購股權，賦予彼等各自權利分別可按每股0.45港元之行使價認購2,010,000股及1,930,000股本公司股份，惟須遵守購股權計劃之條款及條件。

於二零一六年九月九日，彭先生及陳先生分別獲本公司根據購股權計劃授予2,400,000份及2,300,000份購股權，賦予彼等各自權利可分別按每股0.291港元之行使價認購2,400,000股及2,300,000股本公司股份，惟須遵守購股權計劃之條款及條件。

假設於二零一五年九月十六日及二零一六年九月九日授予彭先生及陳先生的購股權獲悉數行使，彭先生及陳先生分別將作為實益擁有人持有4,410,000股及4,230,000股本公司股份。

根據證券及期貨條例，於二零一七年十二月三十一日，彭先生及陳先生將被視為分別於4,410,000股及4,230,000股本公司股份中擁有權益。

除上文所披露者外，於二零一七年十二月三十一日，概無董事或本公司最高行政人員於本公司及其相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債券中擁有或被視作擁有(i)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益或淡倉(包括彼等根據證券及期貨條例有關條文被當作或視作擁有之權益或淡倉)；或(ii)根據證券及期貨條例第352條須記入該條所述登記冊之權益或淡倉；或(iii)根據GEM上市規則第5.46至5.67條有關董事進行證券交易之規定須知會本公司及聯交所之權益或淡倉。

DIRECTORS' REPORT

董事會報告

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

So far as known to the Directors, as at 31 December 2017, the following parties (not being the Directors or chief executives of the Company) had, or were deemed to have, interests or short positions in the shares, underlying shares or debentures of the Company (i) which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO; or (ii) which were required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein:

Long positions

Interests in the shares and underlying shares of the Company

主要股東及其他人士於股份及相關股份之權益

據董事所知，於二零一七年十二月三十一日，下列人士（非董事或本公司最高行政人員）於本公司股份、相關股份或債券中，擁有或被視作擁有(i)根據證券及期貨條例第XV部第2及3分部之條文須向本公司及聯交所披露之權益或淡倉；或(ii)根據證券及期貨條例第336條須記入該條所述登記冊內之權益或淡倉：

好倉

於本公司股份及相關股份之權益

Name of Shareholders 股東姓名／名稱	Capacity 身份	Aggregate long position in the shares and underlying shares 於股份及相關股份之好倉總計	Approximate percentage of the issued share capital 佔已發行股本概約百分比
China Orient Asset Management Co., Ltd (Note 4) 中國東方資產管理股份有限公司(附註4)	Held by controlled corporation 由受控法團持有	5,047,180,319	28.70%
All Favour Holdings Limited (Note 5) 全輝控股有限公司(附註5)	Beneficial owner 實益擁有人	3,708,100,319	21.09%
Dai Yumin (Note 5) 戴昱敏(附註5)	Held by controlled corporation 由受控法團持有	3,708,100,319	21.09%
	Held by his spouse 由其配偶持有	7,715,000	0.04%
	Beneficial owner 實益擁有人	1,293,845,000	7.36%
China Dragon Asia Champion Fund Series SPC (Note 6) (附註6)	Investment manager 投資經理	1,414,644,300	8.04%

DIRECTORS' REPORT

董事會報告

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES (CONT'D)

Long positions (Cont'd)

Interests in the shares and underlying shares of the Company (Cont'd)

Notes:

4. Based on Form 2 filed on 24 January 2018 by China Orient Asset Management Co., Ltd ("COAMC"), Optimus Prime Management Ltd. ("Optimus") has a security interest in 4,663,180,319 shares of the Company and China Orient Asset Management (International) Holding Limited ("COAMI") has an interest in 384,000,000 shares of the Company. Optimus is wholly owned by China Orient Alternative Investment Fund ("COAIF"). COAIF is owned to 45% by COAMI. COAMI is owned as to (i) 50% by Wise Leader Assets Ltd. ("Wise Leader") which is wholly owned by Dong Yin Development (Holdings) Limited ("Dong Yin"); and (ii) 50% by Dong Yin which is wholly owned by COAMC. By virtue of the SFO, Wise Leader, Dong Yin and COAMC are deemed to be interested in 384,000,000 shares of the Company held by COAMI, and COAIF, COAMI, Wise Leader, Dong Yin and COAMC are deemed to be interested in 4,663,180,319 shares of the Company held by Optimus as security interest. As a result, Dong Yin, Wise Leader and COAMC are deemed to be interested in an aggregate of 5,047,180,319 shares of the Company as at 31 December 2017.

5. All Favour Holdings Limited ("All Favour") is beneficially owned as to (i) 40% by Nat-Ace Wood Industry Ltd. ("Nat-Ace Wood Industry") and 20% by Honour Top Holdings Limited which are both ultimately wholly owned by Mr. Dai Yumin ("Mr. Dai"), and (ii) 40% by Mr. Dai. Moreover, All Favour has been the beneficial owner of 3,708,100,319 shares of the Company.

By virtue of the SFO, Mr. Dai and Nat-Ace Wood Industry are deemed to be interested in 3,708,100,319 shares of the Company in which All Favour is interested as of 31 December 2017.

Ms. Deng Shufen ("Ms. Deng"), the spouse of Mr. Dai has beneficial interests in 7,715,000 shares of the Company as at 31 December 2017. By virtue of the SFO, Mr. Dai was deemed to be interested in 7,715,000 shares of the Company held by Ms. Deng as at 31 December 2017.

On 16 September 2015, Mr. Dai was granted 17,500,000 Share Options by the Company under the Share Option Scheme entitling him to subscribe for 17,500,000 shares of the Company at the exercise price of HK\$0.45 per share, subject to the terms and conditions of the Share Option Scheme. Moreover, Mr. Dai personally holds 1,276,345,000 shares of the Company. Assuming the Share Options granted to Mr. Dai has been exercised in full, Mr. Dai shall hold an aggregate of 1,293,845,000 shares of the Company as beneficial owner.

主要股東及其他人士於股份及相關股份之權益(續)

好倉(續)

於本公司股份及相關股份之權益(續)

附註:

4. 根據中國東方資產管理股份有限公司(「東方資產」)於二零一八年一月二十四日提交的表格2, Optimus Prime Management Ltd. (「Optimus」) 於4,663,180,319股本公司股份中持有保證權益且中國東方資產管理(國際)控股有限公司(「東方國際」)於384,000,000股本公司股份中擁有權益。Optimus由China Orient Alternative Investment Fund (「COAIF」)全資擁有, COAIF則由東方國際擁有45%。東方國際分別由(i)Wise Leader Assets Ltd. (「Wise Leader」, 由東銀發展(控股)有限公司(「東銀」)全資擁有)擁有50%; 及(ii)東銀(由東方資產全資擁有)擁有50%。根據證券及期貨條例, Wise Leader、東銀及東方資產被視為於東方國際所持有的384,000,000股本公司股份中擁有權益, 而COAIF、東方國際、Wise Leader、東銀及東方資產被視為於Optimus持作保證權益的4,663,180,319股本公司股份中擁有權益。因此, 於二零一七年十二月三十一日, 東銀、Wise Leader及東方資產被視為於合共5,047,180,319股本公司股份中擁有權益。

5. 全輝控股有限公司(「全輝」)由(i)邦強木業有限公司(「邦強木業」)實益擁有40%及Honour Top Holdings Limited實益擁有20%, 而該等公司均由戴昱敏先生(「戴先生」)最終全資擁有, 及(ii)戴先生實益擁有40%。此外, 全輝為3,708,100,319股本公司股份之實益擁有人。

根據證券及期貨條例, 截至二零一七年十二月三十一日, 戴先生及邦強木業被視為於全輝擁有權益的3,708,100,319股本公司股份中擁有權益。

鄧淑芬女士(「鄧女士」), 為戴先生之配偶, 於二零一七年十二月三十一日於7,715,000股本公司股份中實益擁有權益。根據證券及期貨條例, 於二零一七年十二月三十一日, 戴先生被視為於鄧女士持有的7,715,000股本公司股份中擁有權益。

於二零一五年九月十六日, 戴先生獲本公司根據購股權計劃授予17,500,000份購股權, 賦予其權利可按每股0.45港元之行使價認購17,500,000股本公司股份, 惟須遵守購股權計劃之條款及條件。此外, 戴先生個人持有1,276,345,000股本公司股份。假設授予戴先生之購股權獲悉數行使, 戴先生將作為實益擁有人持有合共1,293,845,000股本公司股份。

DIRECTORS' REPORT

董事會報告

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES (CONT'D)

Long positions (Cont'd)

Interests in the shares and underlying shares of the Company (Cont'd)

Notes: (Cont'd)

5. (Cont'd)

By virtue of the SFO, Mr. Dai, together with his deemed interests in Ms. Deng and All Favour, was deemed to be interested in an aggregate of 5,009,660,319 shares of the Company as at 31 December 2017.

The Company was informed by All Favour that it has pledged its interests in 3,708,100,319 shares of the Company in favour of Optimus Prime Management Ltd.

6. Based on Form 2 filed on 14 August 2017 by China Dragon Asia Champion Fund Series SPC ("China Dragon"), China Dragon holds 1,414,644,300 shares of the Company as an Investment manager.

Save as disclosed above, as at 31 December 2017, the Directors are not aware that there is any other party (other than the Directors and the chief executives of the Company) who had, or was deemed to have, interests or short positions in the shares, underlying shares and debentures of the Company (i) which would fall to be disclosed to the Company and Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO; or (ii) which were required, pursuant to section 336 of the SFO, to be entered in the register referred to therein.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the heading "DIRECTORS AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES" in this report, at no time during the Reporting Period were the rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or chief executive of the Company or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or its subsidiaries a party to any arrangement to enable the Directors to acquire such rights or benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

主要股東及其他人士於股份及相關股份之權益(續)

好倉(續)

於本公司股份及相關股份之權益(續)

附註：(續)

5. (續)

根據證券及期貨條例，於二零一七年十二月三十一日，連同彼被視為於鄧女士及全輝擁有之權益，戴先生被視為於合共5,009,660,319股本公司股份中擁有權益。

本公司獲全輝告知，其已將其於3,708,100,319股本公司股份中的權益抵押予Optimus Prime Management Ltd.。

6. 根據China Dragon Asia Champion Fund Series SPC (「China Dragon」)於為二零一七年八月十四日提交的表格2，China Dragon作為投資經理持有1,414,644,300股本公司股份。

除上文所披露者外，於二零一七年十二月三十一日，董事概不知悉任何其他人士(董事及本公司最高行政人員除外)於本公司股份、相關股份及債券中，擁有或被視作擁有(i)根據證券及期貨條例第XV部第2及3分部之條文須向本公司及聯交所披露之權益或淡倉；或(ii)根據證券及期貨條例第336條須記入該條所述登記冊內之權益或淡倉。

董事收購股份或債權證之權利

除本報告「董事及最高行政人員於股份及相關股份之權益及淡倉」一節所披露者外，於報告期間任何時間，任何董事或本公司最高行政人員或彼等各自之配偶或未滿18歲子女概無獲授可透過收購本公司股份或債權證而獲益之任何權利，彼等亦無行使任何上述權利；本公司或其附屬公司亦無訂立任何安排，使董事可透過收購本公司或任何其他法團之股份或債權證以獲取該等權利或利益。

DIRECTORS' REPORT

董事會報告

CONNECTED TRANSACTION

The Company had not entered into any connected transaction during the Reporting Period which is required to be disclosed under the GEM Listing Rules.

EMOLUMENTS OF DIRECTORS AND CHIEF EXECUTIVES AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and chief executives and the five highest paid individuals of the Group are set out in note 9 to the financial statements.

EMOLUMENT POLICY

A Remuneration Committee is set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market practices.

The Company has adopted a share option scheme as incentive to Directors and eligible employees, details of the scheme are set out in note 34 to the financial statements.

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors or the substantial shareholders of the Company, or any of their respective close associates (as defined under the GEM Listing Rules) had any interest in a business that competes or may compete with the business of the Group.

MAJOR CUSTOMERS AND SUPPLIERS

Sales to the Group's five largest customers accounted for approximately 48% of the Group's total turnover for the year. In particular, sales to the largest customer of the Group accounted for approximately 14% of the Group's total turnover for the year.

Purchases from the Group's five largest suppliers accounted for approximately 79% of the Group's total purchases for the year. In particular, purchases from the Group's largest supplier accounted for approximately 30% of the Group's total purchases for the year.

None of the Directors of the Company, their close associates (as defined under GEM Listing Rules) or any Shareholder (which to the knowledge of the Directors of the Company own more than 5% of the Company's issued share capital) had any beneficial interests in the Group's five largest customers or suppliers.

關連交易

本公司於報告期間概無訂立任何根據GEM上市規則須予披露的關連交易。

董事及最高行政人員以及五位最高薪人士之酬金

董事及最高行政人員以及本集團五位最高薪人士之酬金詳情載於財務報表附註9。

薪酬政策

成立薪酬委員會旨在根據本集團之經營業績、個人表現及可資比較之市場慣例，檢討本集團之薪酬政策及本集團全體董事及高級管理層之薪酬架構。

本公司已採納一項購股權計劃，作為對董事及合資格僱員之獎勵，該計劃之詳情載於財務報表附註34。

董事於競爭性業務之權益

董事或本公司主要股東或彼等各自之任何緊密聯繫人(定義見GEM上市規則)概無在與本集團業務產生競爭或可能產生競爭之業務中擁有任何權益。

主要客戶及供應商

本集團向五大客戶的銷售佔本集團本年度總營業額約48%。就此而言，本集團向最大客戶的銷售佔本集團本年度的總營業額約14%。

本集團向五大供應商的採購佔本集團本年度總採購額約79%。就此而言，本集團向最大供應商的採購佔本集團本年度的總採購額約30%。

概無本公司董事、其緊密聯繫人(定義見GEM上市規則)或任何股東(就本公司董事所悉，持有本公司已發行股本超過5%之股東)於本集團五大客戶或供應商擁有任何實益權益。

DIRECTORS' REPORT

董事會報告

USE OF PROCEEDS

The following table sets out the revised use and actual use of the net proceeds from the placings as at 31 December 2017:

所得款項用途

下表載列截至二零一七年十二月三十一日止，配售所得款項淨額之經修訂用途及實際用途：

Date of announcement 公告日期	Fund raising activities 集資活動	Revised use of the net proceeds 所得款項淨額之經修訂用途	Total net proceeds 所得款項淨值總額 (HKD Million) (百萬港元)	Utilised 已動用 (HKD Million) (百萬港元)	Unutilised 未動用 (HKD Million) (百萬港元)
10 November 2014, 6 February 2015 and 5 March 2015 二零一四年十一月十日、二零一五年 二月六日及二零一五年三月五日	Placing of 3,300,000,000 new shares and grant of share options under specific mandate under the First Placing 於第一次配售項下根據特別授權 配售3,300,000,000股新股份及 授出購股權	(a) Used for existing operations and products development and expansions in tissue engineering	73.0	73.0	-
		(a) 用於組織工程之現有營運和產品開發以 及擴展			
		(b) Used for broadening R&D coverage, opportunities in regenerative medicine and stem cell related industries, and other investments	269.0	269.0	-
		(b) 用於擴展研發覆蓋範圍、把握再生醫學 及幹細胞相關產業的戰略投資機會和其 他投資			
		(c) Settlement of consideration under the Sale and Purchase Agreement	475.0	475.0	-
		(c) 清償買賣協議項下之代價			
		Sub-total 小計	817.0	817.0	-
23 March 2015 and 22 April 2015 二零一五年三月二十三日及 二零一五年四月二十二日	Placing of 977,300,000 new shares under general mandate under the Second Placing 於第二次配售項下根據一般授權配售 977,300,000股新股份	(a) Used for existing operations and products development and expansions in tissue engineering	64.6	64.6	-
		(a) 用於組織工程之現有營運和產品開發以 及擴展			
		(b) Used for broadening R&D coverage, capturing strategic investment opportunities in regenerative medicine and stem cell related industries, and other investments	81.4	81.4	-
		(b) 用於擴展研發覆蓋範圍、把握再生醫學 及幹細胞相關產業的戰略投資機會和其 他投資			
		(c) Settlement of consideration under the Sale and Purchase Agreement	130.0	130.0	-
		(c) 清償買賣協議項下之代價			
		Sub-total 小計	276.0	276.0	-

DIRECTORS' REPORT

董事會報告

USE OF PROCEEDS (CONT'D)

所得款項用途(續)

Date of announcement 公告日期	Fund raising activities 集資活動	Revised use of the net proceeds 所得款項淨額之經修訂用途	Total net proceeds 所得款項淨值總額 (HKD Million) (百萬港元)	Utilised 已動用 (HKD Million) (百萬港元)	Unutilised 未動用 (HKD Million) (百萬港元)
10 July 2015 and 30 July 2015 二零一五年七月十日及 二零一五年七月三十日	Placing of 1,150,000,000 new shares under general mandate under the Third Placing 於第三次配售項下根據一般授權配售 1,150,000,000股新股份	(a) Money lending operation (a) 放債業務	150.0	120.0	30.0
		(b) Medical equipment trading (b) 醫療設備貿易	50.0	50.0	-
		(c) General working capital (c) 一般營運資金	256.0	256.0	-
		Sub-total 小計	456.0	426.0	30.0
		Total 總計	1,549.0	1,519.0	30.0

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

For the eight months ended 31 December 2017, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

購買、贖回或出售本公司上市證券

於截至二零一七年十二月三十一日止八個月，本公司及其任何附屬公司概無購買、贖回或出售任何本公司上市證券。

CORPORATE GOVERNANCE

The Company maintains a high standard of corporate governance practices. Details of the corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 66 to 91. The Directors believe the long term financial performance as opposed to short term rewards is a corporate governance objective. The Board would not take undue risks to make short term gains at the expense of long term objectives.

企業管治

本公司一直維持高水平之企業管治常規。本公司所採納之企業管治常規詳情乃載於第66至第91頁之企業管治報告。董事相信，企業管治目標乃著眼於長期財務表現而非局限於短期回報。董事會不會冒不必要之風險，以獲取短期收益而犧牲遠景規劃。

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Company has maintained the prescribed public float under the GEM Listing Rules.

足夠之公眾持股量

根據本公司所獲之公開資料，以及據董事於本年報日期所知，本公司一直維持GEM上市規則規定之公眾持股量。



DIRECTORS' REPORT

董事會報告

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors the written confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers all of the independent non-executive Directors are independent.

AUDIT COMMITTEE

The Audit Committee has six members, comprising of our non-executive Directors and independent non-executive Directors, namely Mr. Wong Yiu Kit Ernest (the chairman of Audit Committee), Professor Cui Zhanfeng, Professor Xiong Chengyu, Mr. Chan Bing Woon, Dr. Fang Jun and Mr. Pang Chung Fai Benny. The Audit Committee has reviewed the Company's audited consolidated financial statements for the eight months ended 31 December 2017.

PRE-EMPTIVE RIGHTS

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

AUDITOR

A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint BDO Limited as auditor of the Company.

On behalf of the Board

Chen Chunguo
Executive Director

Hong Kong, 27 March 2018

獨立非執行董事

本公司已接獲各獨立非執行董事根據GEM上市規則第5.09條就其獨立性發出之書面確認。本公司認為全體獨立非執行董事均為獨立人士。

審核委員會

審核委員會有六位成員，包括非執行董事及獨立非執行董事，即黃耀傑先生(審核委員會主席)、崔占峰教授、熊澄宇教授、陳炳煥先生、方俊博士及彭中輝先生。審核委員會已審閱截至二零一七年十二月三十一日止八個月之本公司經審核綜合財務報表。

優先購買權

本公司之組織章程細則或開曼群島法例並無載列優先購買權條文，以規定本公司須按比例基準向本公司現有股東發售新股份。

核數師

有關續聘香港立信德豪會計師事務所有限公司為本公司核數師之決議案，將於本公司應屆股東週年大會上提呈。

代表董事會

陳春國
執行董事

香港，二零一八年三月二十七日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



Tel : +852 2218 8288
Fax : +852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

電話：+852 2218 8288
傳真：+852 2815 2239
www.bdo.com.hk

香港干諾道中111號
永安中心25樓

TO THE SHAREHOLDERS OF CHINA REGENERATIVE MEDICINE INTERNATIONAL LIMITED

中國再生醫學國際有限公司

(incorporated in the Cayman Islands with limited liability)

致中國再生醫學國際有限公司各股東
(於開曼群島註冊成立之有限公司)

OPINION

We have audited the consolidated financial statements of China Regenerative Medicine International Limited (the “Company”) and its subsidiaries (together “the Group”) set out on pages 145 to 255, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period from 1 May 2017 to 31 December 2017, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the period from 1 May 2017 to 31 December 2017 in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with HKICPA’s *Code of Ethics for Professional Accountants* (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

意見

本核數師(以下簡稱「我們」)已審計列載於第145至255頁的中國再生醫學國際有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一七年十二月三十一日的綜合財務狀況表與自二零一七年五月一日起至二零一七年十二月三十一日止期間的綜合損益及其他全面收入表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則真實而中肯地反映 貴集團於二零一七年十二月三十一日的綜合財務狀況及自二零一七年五月一日起至二零一七年十二月三十一日止期間的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露規定妥為擬備。

意見的基礎

我們已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審計。我們在該等準則下承擔的責任在本報告核數師就審計綜合財務報表須承擔的責任部份作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則(「守則」)，我們獨立於 貴集團，並已履行該等規定及守則中的其他道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS

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

Impairment of goodwill, other intangible assets and property, plant and equipment

(Refer to notes 14, 16 and 18 to the consolidated financial statements)

As at 31 December 2017, the carrying amounts of goodwill, other intangible assets and property, plant and equipment are HK\$202 million, HK\$445 million and HK\$295 million respectively. These assets are mainly relating to Aierfu Business, Reshine Business, Weikai Business and AK Business and are assessed annually for impairment. The Group has made losses for current and previous years. These situations increase the risk that the carrying value of these assets may be impaired.

Impairment tests require the estimation of recoverable values of the relevant cash generating units to which these assets belong, using a discounted cash flows valuation technique, as detailed in note 16 to the consolidated financial statements.

We have identified such impairment assessment as a key audit matter because of their significance to the consolidated financial statements and it involves a significant degree of judgement made by management which includes:

- Preparing future cash flow forecasts for Aierfu Business, Reshine Business, Weikai Business and AK Business; and
- Selecting and applying appropriate growth and discount rates

The Group engages an independent external valuer to assist the management in assessing the recoverable values.

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

商譽、其他無形資產及物業、廠房及設備之減值

(請參閱綜合財務報表附註14、16及18)

於二零一七年十二月三十一日，有關艾爾膚業務、瑞盛業務、衛凱業務及奧凱業務的商譽、其他無形資產及物業、廠房及設備之賬面金額分別為202,000,000港元、445,000,000港元及295,000,000港元，及每年均進行減值評估。貴集團於本年度及過往年均錄得虧損。此虧損狀況增加該等資產賬面值可能會出現減值的風險。

減值測試要求使用貼現現金流量估值法估計該等資產所屬相關現金產生單位的可收回金額，如綜合財務報表附註16所詳述。

我們將減值評估確定為關鍵審計事項，此乃由於其對綜合財務報表實屬重大及涉及管理層作出之重大判斷，其中包括：

- 編製艾爾膚業務、瑞盛業務、衛凱業務及奧凱業務的未來現金流量預測；及
- 選擇及採用合適增長率及貼現率。

貴集團亦委聘獨立外聘估值師協助管理層評估可收回金額。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (CONT'D)

Our response

Our procedures in relation to the management's impairment assessment included:

- Assessing the accuracy of management's forecast by comparing previous budgets to actual results;
- Assessing the reasonableness of the key assumptions of the forecast based on our knowledge of the industry and evidence provided;
- Assessing the appropriateness of the valuation methodologies;
- Reconciling input data to supporting evidence and checking the mathematical accuracy of the calculation of the valuations; and
- Evaluating the independent external valuer's competence, capabilities and objectivity.

OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises the annual report but does not include the consolidated financial statements and our auditor's report thereon.

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

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

關鍵審計事項(續)

我們的回應

我們有關管理層減值評估的程序包括：

- 透過比較過往預算與實際業績評估管理層所作出預測的準確性；
- 基於我們的行業知識及獲提供的憑證，評估預測之關鍵假設的合理性；
- 評估所採用評估方法之合適性；
- 核對輸入數據與支持憑證及檢查計算估值之計算精確性；及
- 評估獨立外聘估值師的才能、能力及客觀性。

年報的其他資料

董事須對其他資料負責。其他資料包括年報，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他資料，我們亦不對該等資料發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀上文所識別的其他資料，在此過程中，考慮其他資料是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為其他資料存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATE FINANCIAL STATEMENTS

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

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

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

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

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

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

董事就綜合財務報表須承擔的責任

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

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

董事亦負責監督貴集團的財務申報過程。審核委員會協助董事履行其於此方面的責任。

核數師就審計綜合財務報表須承擔的責任

我們的目標是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。根據我們的委聘條款，本報告僅向閣下(作為整體)作出，除此之外別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

合理保證是高水平的保證，但不能保證按照香港審計準則進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
 - Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
 - 了解與審計相關的內部控制，以就此設計適當的審計程序，但目的並非對 貴集團內部控制的有效性發表意見。
 - 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
 - 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應修訂我們的意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
 - 評價綜合財務報表(包括披露資料)的整體列報方式、結構和內容，以及綜合財務報表是否中肯反映相關交易和事項。

核數師就審計綜合財務報表須承擔的 責任(續)

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



INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

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

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

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

BDO Limited

Certified Public Accountants

Lam Pik Wah

Practising Certificate Number P05325

Hong Kong, 27 March 2018

核數師就審計綜合財務報表須承擔的 責任(續)

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

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

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

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

香港立信德豪會計師事務所有限公司

執業會計師

林碧華

執業證書號碼：P05325

香港，二零一八年三月二十七日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 綜合損益及其他全面收入表

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

			Period from 1 May 2017 to 31 December 2017 自二零一七年 五月一日起至 二零一七年 十二月三十一 止期間 HK\$'000 千港元	Year ended 30 April 2017 截至 二零一七年 四月三十日 止年度 HK\$'000 千港元
Revenue	收益	5	503,680	356,987
Cost of sales	銷售成本		(356,384)	(219,462)
Gross profit	毛利		147,296	137,525
Other income	其他收入	5	49,909	45,144
Selling and distribution expenses	銷售及分銷開支		(89,270)	(66,796)
Administrative and other expenses	行政及其他開支		(238,984)	(322,464)
Finance costs	財務費用	7	(24,901)	(24,426)
Fair value (loss)/gain on contingent consideration receivables	應收或然代價之公平值 (虧損)/收益	17	(15,876)	20,097
Loss before income tax	除所得稅前虧損	8	(171,826)	(210,920)
Income tax credit	所得稅抵免	11	5,610	11,728
Loss for the period/year	本期間/年度虧損		(166,216)	(199,192)
Other comprehensive income	其他全面收入			
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至損益之項目:</i>			
Exchange gain/(loss) on translation of financial statements of foreign operations	換算海外業務財務報表之滙兌收益/(虧損)		31,621	(37,777)
Available for sales financial assets	可供出售金融資產		(13,163)	-
Other comprehensive income for the period/year	本期間/年度其他全面收入		18,458	(37,777)
Total comprehensive income for the period/year	本期間/年度全面總收入		(147,758)	(236,969)
Loss for the period/year attributable to:	以下人士應佔本期間/年度虧損:			
Owners of the Company	本公司擁有人		(158,492)	(184,502)
Non-controlling interests	非控股股東權益		(7,724)	(14,690)
			(166,216)	(199,192)
Total comprehensive income for the period/year attributable to:	以下人士應佔本期間/年度全面總收入:			
Owners of the Company	本公司擁有人		(142,500)	(215,988)
Non-controlling interests	非控股股東權益		(5,258)	(20,981)
			(147,758)	(236,969)
Loss per share for loss for the period/year attributable to owners of the Company	本公司擁有人應佔本期間/年度虧損之每股虧損	13		
- basic (HK cents)	- 基本(港仙)		(0.901)	(1.049)
- diluted (HK cents)	- 攤薄(港仙)		(0.901)	(1.049)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2017 於二零一七年十二月三十一日

			31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元	30 April 2017 二零一七年 四月三十日 HK\$'000 千港元
		Notes 附註		
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	294,653	220,114
Land use rights	土地使用權	15	4,416	4,219
Goodwill	商譽	16	202,292	196,983
Contingent consideration receivables	應收或然代價	17	32,502	46,259
Other intangible assets	其他無形資產	18	444,745	425,716
Deposits for acquisition of property, plant and equipment	購置物業、廠房及設備 之按金		491	70,136
Deposits for acquisition of subsidiaries	收購附屬公司之按金	33	100,000	–
Pledged bank deposits	已抵押銀行存款	23	818,062	794,743
Available-for-sale financial assets	可供出售金融資產	19	454,456	112,928
			2,351,617	1,871,098
Current assets	流動資產			
Inventories	存貨	20	28,750	60,567
Trade receivables	應收貿易賬項	21	279,806	39,117
Deposits, prepayments and other receivables	按金、預付款項及 其他應收賬項	21	490,673	333,679
Financial assets at fair value through profit or loss	按公平值於損益列賬之金 融資產	22	12,154	12,036
Available-for-sale financial assets	可供出售金融資產	19	120,600	–
Cash and cash equivalents	現金及現金等值項目	23	244,373	571,732
			1,176,356	1,017,131
Current liabilities	流動負債			
Trade payables	應付貿易賬項	24	238,346	38,993
Accrued charges and other payables	應計費用及其他應付賬項	25	147,869	104,689
Shareholder loans	股東貸款	26	372,542	–
Bank borrowings	銀行借款	27	–	28,345
Current tax liabilities	當期稅項負債		2,976	4,267
			761,733	176,294
Net current assets	流動資產淨值		414,623	840,837

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2017 於二零一七年十二月三十一日

		Notes 附註	31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元	30 April 2017 二零一七年 四月三十日 HK\$'000 千港元
Total assets less current liabilities	總資產減流動負債		2,766,240	2,711,935
Non-current liabilities	非流動負債			
Shareholder loans	股東貸款	26	100,000	–
Bank borrowings	銀行借款	27	771,840	725,632
Deferred taxation	遞延稅項	28	81,076	78,411
			952,916	804,043
Net assets	資產淨值		1,813,324	1,907,892
EQUITY	權益			
Share capital	股本	29	175,858	175,858
Reserves	儲備		1,584,174	1,701,179
Equity attributable to owners of the Company	本公司擁有人應佔權益		1,760,032	1,877,037
Non-controlling interests	非控股股東權益		53,292	30,855
Total equity	總權益		1,813,324	1,907,892

On behalf of the directors

代表董事

Mr. Chen Chunguo
陳春國先生
Director
董事

Dr. Ray Yip
葉雷博士
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

		Attributable to owners of the Company 本公司擁有人應佔							Non- controlling interests 非控股 股東權益	Total 合計	
		Share capital 股本 HK\$'000 千港元 (note 29) (附註29)	Share premium 股份溢價 HK\$'000 千港元	Translation reserve 換算儲備 HK\$'000 千港元	Special reserve 特殊儲備 HK\$'000 千港元	Other reserve 其他儲備 HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Sub-total 小計 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 May 2016	於二零一六年五月一日	175,922	3,198,791	(17,747)	(200)	(410,463)	44,943	(924,882)	2,066,364	51,836	2,118,200
Loss for the year	本年度虧損	-	-	-	-	-	-	(184,502)	(184,502)	(14,690)	(199,192)
Other comprehensive income	其他全面收入										
Exchange loss on translation of financial statements of foreign operations	換算海外業務財務報表之滙兌虧損	-	-	(31,486)	-	-	-	-	(31,486)	(6,291)	(37,777)
Total comprehensive income for the year	本年度全面總收入	-	-	(31,486)	-	-	-	(184,502)	(215,988)	(20,981)	(236,969)
Issue of share options (note 34)	發行購股權(附註34)	-	-	-	-	-	28,520	-	28,520	-	28,520
Lapse of share options (note 34)	已失效購股權(附註34)	-	-	-	-	-	(38,789)	38,789	-	-	-
Shares repurchased and cancelled	已購回及註銷股份	(64)	(1,795)	-	-	-	-	-	(1,859)	-	(1,859)
At 30 April 2017	於二零一七年四月三十日	175,858	3,196,996	(49,233)	(200)	(410,463)	34,674	(1,070,595)	1,877,037	30,855	1,907,892

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

		Attributable to owners of the Company 本公司擁有人應佔								Non-controlling interests 非控股股東權益	Total 合計	
		Share capital 股本	Share premium 股份溢價	Translation reserve 換算儲備	Special reserve 特殊儲備	Other reserve 其他儲備	Share option reserve 購股權儲備	Available-for-sale financial assets 可供出售金融資產儲備	Accumulated losses 累計虧損	Sub-total 小計		
		HK\$'000 千港元 (note 29) (附註29)	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 30 April 2017 and 1 May 2017	於二零一七年四月三十日及二零一七年五月一日	175,858	3,196,996	(49,233)	(200)	(410,463)	34,674	-	(1,070,595)	1,877,037	30,855	1,907,892
Loss for the period	本期間虧損	-	-	-	-	-	-	-	(158,492)	(158,492)	(7,724)	(166,216)
Other comprehensive income	其他全面收入											
Exchange gain on translation of financial statements of foreign operations	換算海外業務財務報表之滙兌收益	-	-	29,155	-	-	-	-	-	29,155	2,466	31,621
Available-for-sale financial assets	可供出售金融資產	-	-	-	-	-	-	(13,163)	-	(13,163)	-	(13,163)
Total comprehensive income for the period	本期間全面總收入	-	-	29,155	-	-	-	(13,163)	(158,492)	(142,500)	(5,258)	(147,758)
Acquisition of a subsidiary (note 39)	收購附屬公司(附註39)	-	-	-	-	-	-	-	-	-	27,695	27,695
Issue of share options (note 34)	發行購股權(附註34)	-	-	-	-	-	25,495	-	-	25,495	-	25,495
Lapse of share options (note 34)	已失效購股權(附註34)	-	-	-	-	-	(7,240)	-	7,240	-	-	-
At 31 December 2017	於二零一七年十二月三十一日	175,858	3,196,996	(20,078)	(200)	(410,463)	52,929	(13,163)	(1,221,847)	1,760,032	53,292	1,813,324

The special reserve represents the difference between the nominal value of the shares of the acquired subsidiaries and the nominal value of the Company's shares issued for their acquisition at the time of the Group's reorganisation in 2001.

特殊儲備指本集團於二零零一年重組時，被收購附屬公司股份面值與本公司就收購該等附屬公司而予以發行之本公司股份面值之差額。

The other reserve represents the difference between the fair value of consideration paid to increase the shareholding in a subsidiary, Shaanxi Aierfu Activtissue Engineering Company Limited and the amount of adjustment to non-controlling interests during the years ended 30 April 2011, 2013 and 2014.

其他儲備指於截至二零一一年、二零一三年及二零一四年四月三十日止年度就增加於一間附屬公司，陝西艾爾膚組織工程有限公司，之股權所付代價之公平值與非控股股東權益調整金額之差額。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

		Period from 1 May 2017 to 31 December 2017 自二零一七年 五月一日起至 二零一七年 十二月三十一 止期間	Year ended 30 April 2017 截至 二零一七年 四月三十日 止年度
	Notes 附註	HK\$'000 千港元	HK\$'000 千港元
Cash flows from operating activities	經營活動之現金流量		
Loss before income tax	除所得稅前虧損	(171,826)	(210,920)
Adjustments for:	經調整：		
Amortisation of land use rights	土地使用權攤銷	69	102
Amortisation of other intangible assets	其他無形資產攤銷	30,428	40,997
Depreciation	折舊	10,494	14,181
Interest income	利息收入	(10,265)	(20,128)
Gain on disposal of a subsidiary	出售附屬公司之收益	(35,206)	-
Gain on disposals of property plant and equipment, net	出售物業、廠房及設備之收益(淨額)	(1)	(48)
Gain on financial assets at fair value through profit or loss	按公平值於損益列賬之金融資產之收益	(118)	(2,006)
Fair value loss/(gain) on contingent consideration receivables	應收或然代價之公平值虧損/(收益)	15,876	(20,097)
Written off property, plant and equipment	撇銷物業、廠房及設備	427	-
Equity-settled share-base payment expenses	以權益結算之股權支付費用	25,495	28,520
Interest expenses	利息費用	24,901	24,426
Operating loss before working capital changes	營運資金變動前之經營虧損	(109,726)	(144,973)
Decrease/(Increase) in inventories	存貨減少/(增加)	34,483	(51,600)
Increase in trade receivables	應收貿易賬項增加	(238,292)	(19,125)
Increase in deposits, prepayments and other receivables	按金、預付款項及其他應收賬項增加	(120,291)	(237,278)
Increase in trade payables	應付貿易賬項增加	197,266	37,423
Increase/(Decrease) in accrued charges and other payables	應計費用及其他應付賬項增加/(減少)	44,560	(34,962)
Increase in financial assets at fair value through profit or loss	按公平值於損益列賬之金融資產增加	-	(10,030)
Cash used in operations	經營業務耗用之現金	(192,000)	(460,545)
Income taxes paid	已付所得稅	(1,291)	(348)
Net cash used in operating activities	經營活動耗用現金淨額	(193,291)	(460,893)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

		Period from 1 May 2017 to 31 December 2017 自二零一七年 五月一日起至 二零一七年 十二月三十一 止期間 HK\$'000 千港元	Year ended 30 April 2017 截至 二零一七年 四月三十日 止年度 HK\$'000 千港元
	Notes 附註		
Cash flows from investing activities	投資活動之現金流量		
Interest received	已收利息	437	29,563
Increase in pledged deposits	已抵押存款增加	-	(235,870)
Increase in deposits for acquisition of subsidiaries	收購附屬公司按金增加	(100,000)	-
Payment of deposits for acquisition of property, plant and equipment	支付購置物業、廠房及設備按金	-	(52,202)
Purchase of property, plant and equipment	購置物業、廠房及設備	(6,067)	(70,947)
Purchase of other intangible assets	購置其他無形資產	(3,475)	(2,576)
Purchases of available-for-sale financial assets	購置可供出售金融資產	(475,291)	(112,928)
Net cash inflow from acquisition of subsidiary	收購附屬公司之現金流入淨額	5	-
Net cash inflow from disposal of subsidiary	出售附屬公司之現金流入淨額	24,911	-
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	9	227
Net cash used in investing activities	投資活動耗用現金淨額	(559,471)	(444,733)
Cash flows from financing activities	融資活動之現金流量		
Shares repurchased and cancelled	已購回及註銷股份	-	(1,859)
Proceeds from shareholder's loans	股東貸款所得款項	472,542	-
Proceeds from bank borrowings	銀行借款所得款項	-	725,632
Repayments of bank borrowings	償還銀行借款	(28,345)	(514,208)
Interest paid on bank borrowings	已付銀行借款之利息	(24,901)	(24,426)
Net cash generated from financing activities	融資活動所得現金淨額	419,296	185,139
Net decrease in cash and cash equivalents	現金及現金等值項目之減少淨額	(333,466)	(720,487)
Cash and cash equivalents at beginning of the year	年初之現金及現金等值項目	571,732	1,300,825
Effect of exchange rate changes on cash and cash equivalents	匯率變動對現金及現金等值項目之影響	6,107	(8,606)
Cash and cash equivalents at end of the period/year	期末／年末之現金及現金等值項目	244,373	571,732

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

1. GENERAL INFORMATION

China Regenerative Medicine International Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law (Revision 2001) of Cayman Islands on 20 April 2001. The address of its registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and its principal place of business is 10th Floor, Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong. The Company’s shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company is an investment holding company. Details of the activities of its principal subsidiaries are set out in note 36 to the financial statements. The Company and its subsidiaries are collectively referred to as the “Group” hereafter.

The consolidated financial statements for the current financial period cover the period from 1 May 2017 to 31 December 2017 as during the period, the directors have resolved to change the Company’s financial year end date from 30 April to 31 December so that the financial year end date of the Company is aligned with that of its operating subsidiaries in the PRC.

As a result of the aforesaid change of the financial year end date, the consolidated financial statements of the Group for the current period cover the 8-month period from 1 May 2017 to 31 December 2017. The corresponding amounts presented as comparative figures in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity and related notes cover a 12-month period from 1 May 2016 to 30 April 2017 and therefore may not be comparable with amounts shown for the current period.

The financial statements for the period from 1 May 2017 to 31 December 2017 were approved for issue by the board of directors on 27 March 2018.

1. 一般資料

中國再生醫學國際有限公司(「本公司」)於二零一一年四月二十日根據開曼群島公司法(二零一一年修訂版)在開曼群島註冊成立為獲豁免有限公司。其註冊辦事處及主要營業地點之地址分別為P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands及香港灣仔告士打道108號光大中心10樓。本公司股份於香港聯合交易所有限公司(「聯交所」)GEM上市。

本公司乃一間投資控股公司，其主要附屬公司之業務詳情載於財務報表附註36。本公司及其附屬公司下文統稱為「本集團」。

本財政期間之綜合財務報表涵蓋自二零一七年五月一日起至二零一七年十二月三十一日止期間，原因為董事已於期內議決將本公司之財政年度年結日由四月三十日更改為十二月三十一日，以令本公司之財政年度年結日與其中國附屬公司之年結日相符一致。

於上文所述更改財政年度年結日後，本集團本財政期間之綜合財務報表涵蓋自二零一七年五月一日起至二零一七年十二月三十一日止八個月期間。綜合損益及其他全面收入表、綜合現金流量表及綜合權益變動表以及相關附註內呈列作為比較數字之相應數額涵蓋自二零一六年五月一日起至二零一七年四月三十日止十二個月期間，故而無法與本期間所呈列之數額相比較。

自二零一七年五月一日起至二零一七年十二月三十一日止期間之財務報表已於二零一八年三月二十七日獲董事會批准刊發。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements on pages 145 to 255 have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on GEM of the Stock Exchange (“GEM Listing Rules”).

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new or amended HKFRSs and the impacts on the Group’s financial statements, if any, are disclosed in note 3.

The financial statements have been prepared on the historical cost basis except for contingent consideration receivable, financial assets at fair value through profit or loss and certain available-for-sale financial assets, which are stated at fair value. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management’s best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

2. 主要會計政策概要

2.1 編製基準

載於第145至255頁之財務報表乃依據香港財務報告準則(「香港財務報告準則」，該統稱包括由香港會計師公會(「香港會計師公會」)頒佈之所有適用個別香港財務報告準則、香港會計準則及詮釋)而編製。財務報表亦包括香港公司條例及聯交所GEM證券上市規則(「GEM上市規則」)之適用披露規定。

用以編製此等財務報表之主要會計政策概述於下文。除另有列明者外，此等政策已貫徹應用於所有呈報年度。採納新訂或經修訂之香港財務報告準則及對本集團財務報表之影響(如有)乃於附註3中披露。

財務報表乃按歷史成本基準編製，惟應收或然代價、按公平值於損益列賬之金融資產及若干可供出售金融資產以公平值列值。計量基準詳述於下文之會計政策中。

務請注意，編製財務報表時會採用會計估計及假設。儘管此等估計乃基於管理層對現時事件及行動之最深切了解及判斷而作出，惟實際結果最終或會有別於估計之情況。涉及高度判斷或複雜性之範疇或涉及對財務報表有重大影響之假設及估計之範疇披露於附註4。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 *Business combination and basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisition or up to the effective dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

2. 主要會計政策概要(續)

2.2 業務合併及綜合基準

綜合財務報表包括本公司及其附屬公司之財務報表。集團公司之間內部公司交易及結餘以及未變現之溢利乃於編製綜合財務報表時全部對銷。除非交易顯示所轉讓之資產出現減值，該虧損會於損益中確認，否則未變現虧損亦須對銷。

年內收購或出售之附屬公司，其業績由收購生效日期起計或直至出售生效日期止(如適用)列入綜合損益及其他全面收入表內。當需要時，附屬公司之財務報表會被調整，使其會計政策與本集團其他成員公司所採用者一致。

收購附屬公司或業務按收購會計法入賬。收購成本乃按收購日期所轉讓之資產、所產生之負債及本集團(作為收購方)發行之股權之公平值總額計量。被收購之可識別資產及所承擔負債主要按收購日期之公平值計量。本集團先前所持被收購方之股權以收購日期的公平值重新計量，而所產生之收益或虧損則於損益中確認。本集團可按每宗交易選擇按公平值或按應佔被收購方可識別資產淨值之比例計量相當於目前於附屬公司擁有權之非控股股東權益。所有其他非控股股東權益均按公平值計量，除非香港財務報告準則要求另一種計量基準，則作別論。與收購相關的成本在發生時支銷，除非其在發行權益工具時發生，在該情況下，有關成本從權益中扣除。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Business combination and basis of consolidation (Cont'd)

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

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

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

2. 主要會計政策概要(續)

2.2 業務合併及綜合基準(續)

收購方將予轉讓之任何或然代價均按收購日期的公平值確認。其後代價調整僅於計算期間(最長為收購日期起計12個月)內所取得有關於收購日期的公平值之新資料時,方可於商譽中確認。分類為資產或負債之或然代價的所有其他其後調整均於損益中確認。

本集團於附屬公司的權益變動(並無導致失去控制權)列作權益交易入賬。本集團之權益與非控股股東權益之賬面值均予以調整,以反映其於附屬公司相對權益之變動。非控股股東權益之調整金額與已付或已收代價公平值之間的任何差額均直接於權益中確認,並撥歸予本公司擁有人。

倘本集團失去附屬公司之控制權,出售之損益乃按下列兩者之差額計算:(i)已收代價之公平值與任何保留權益之公平值總額,與(ii)該附屬公司之資產(包括商譽)及負債與任何非控股股東權益先前之賬面值。先前就該附屬公司於其他全面收入確認之金額按出售相關資產或負債所規定之相同方式入賬。

收購後,相當於目前於附屬公司擁有權益之非控股股東權益之賬面值為該等權益於初始確認時之金額加上非控股股東權益應佔權益其後變動之部份。即使會導致非控股股東權益出現虧絀結餘,全面總收入乃歸屬於該等非控股股東權益。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Subsidiaries

A subsidiary is an investee over which the Group is able to exercise control. The Group controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, investments in subsidiaries are carried at cost less impairment loss, if any. The results of the subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

2.4 Foreign currency translation

The financial statements are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Company.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2. 主要會計政策概要(續)

2.3 附屬公司

附屬公司是本集團能夠對其行使控制權之接受投資方。如果符合下列全部三個因素，則本集團控制接受投資方：可對接受投資方行使權力，承擔來自接受投資方之風險或有權獲得來自接受投資方之可變動回報，及能夠運用其權力來影響有關可變動回報。每當事實及情況顯示任何該等控制權因素可能出現變動時，則會重新評估是否擁有控制權。

於本公司之財務狀況表內，於附屬公司之投資按成本減去減值虧損(如有)列賬。本公司將附屬公司業績入賬時以已收和應收股息為基礎。

2.4 外幣換算

本財務報表乃以港元(「港元」)呈列，港元亦為本公司之功能貨幣。

於綜合實體之個別財務報表中，外幣交易按照交易當日通行之匯率換算為個別實體之功能貨幣。於報告日，以外幣計值之貨幣資產及負債按報告當日通行之匯率換算。因結算該等交易及於報告日重新換算貨幣資產及負債而產生之滙兌收益及虧損均於損益中確認。按歷史成本以外幣計值的非貨幣項目並無重新換算。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Foreign currency translation (Cont'd)

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into HK\$. Assets and liabilities have been translated into HK\$ at the closing rates at the reporting date. Income and expenses have been converted into HK\$ at the exchange rates ruling at the transaction dates, or at the average rate over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the translation reserve in equity.

When a foreign operation is sold, such exchange differences are reclassified from equity to profit or loss as part of the gain or loss on sale.

2.5 Property, plant and equipment

Buildings held for own use which are situated on leasehold land, where the fair value of the building could be measured separately from the fair value of the leasehold land at the inception of the lease, and other items of property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

2. 主要會計政策概要(續)

2.4 外幣換算(續)

於綜合財務報表中，海外業務所有原先以不同於本集團呈報貨幣呈列之個別財務報表，均已折算為港元。資產及負債均以報告日之收市匯率換算為港元。收入與開支則按交易當日之匯率或報告期之平均匯率(倘匯率並無大幅波動)折算為港元。該程序產生之任何差額均已於其他全面收入中確認及於權益內之換算儲備中分開累計處理。

於海外業務出售時，該等匯兌差額乃重新由權益劃分為損益，作為銷售收益或虧損之一部份。

2.5 物業、廠房及設備

建於租賃土地上之持作自用樓宇，其公平值可於租賃開始時與租賃土地之公平值分開計量，其他物業、廠房及設備項目(在建工程除外)乃按成本減累計折舊及累計減值虧損列值。資產成本包括收購價及將資產帶至其運營狀況及地點作預定用途的任何直接應佔成本。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Property, plant and equipment (Cont'd)

Depreciation on property, plant and equipment is provided to write off the cost less their residual values over their estimated useful lives, using the straight-line method, at the following rates per annum:

Buildings	over 50 years or the terms of the leases, whichever is shorter
Leasehold improvement	33%
Furniture and equipment	5%–25%
Computer equipment	33%
Motor vehicles	20%–25%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

The gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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

2.6 Land use rights

Upfront payments made to acquire land held under an operating lease are stated at costs less accumulated amortisation and any accumulated impairment losses. The determination if an arrangement is or contains a lease and the lease is an operating lease is detailed in note 2.13. Amortisation is calculated on the straight-line method over the term of the lease/right of use except where an alternative basis is more representative of the time pattern of benefits to be derived by the Group from use of the land.

2. 主要會計政策概要(續)

2.5 物業、廠房及設備(續)

物業、廠房及設備乃按下列年利率，於估計可使用年內以直線法計提折舊，以撇減其成本減去其殘值：

樓宇	以五十年或租賃期(以較短者為準)計算
租賃物業裝修	33%
傢俬及設備	5%–25%
電腦設備	33%
汽車	20%–25%

於各報告日會審閱資產之殘值、減值方法及可使用年期，並於適當時進行調整。

報廢或出售產生之收益或虧損會按銷售所得款項與資產賬面值間之差額釐定，並於損益中確認。

倘與該項目有關之未來經濟利益有可能流入本集團，而項目成本能可靠地計量方會將其後成本列入資產賬面值或確認為獨立資產(如適用)。所有其他成本(如維修及保養)會於產生之財政期間內從損益中扣除。

2.6 土地使用權

收購經營租賃項下所持有土地之預付款項乃按成本減累計攤銷及任何累計減值虧損列賬。釐定一項安排是否屬於或包含租賃以及該租賃是否屬於經營租賃乃於附註2.13中詳述。攤銷乃於租賃/使用權期間按直線法計算，惟倘有另一種基準更能反映本集團透過使用有關土地可產生收益之時間模式除外。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Goodwill

Goodwill is initially recognised at cost being the excess of the aggregate of consideration transferred and the amount recognised for non-controlling interests over the fair value of identifiable assets, liabilities and contingent liabilities acquired.

Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is recognised in profit or loss on the acquisition date, after re-assessment.

Goodwill is measured at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (see note 2.17).

On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of gain or loss on disposal.

2.8 Intangible assets (other than goodwill) and research and development activities

Acquired intangible assets are recognised initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on straight-line basis over their estimated useful lives. Amortisation commences when the intangible assets are available for use. The following useful lives are applied:

Trademark	15 years
Patents	7–15 years
Capitalised development costs	10 years
Licensing agreement	7 years

2. 主要會計政策概要(續)

2.7 商譽

商譽初步以成本確認，指所轉讓之代價及確認為非控股股東權益之金額的總和超出所收購可識別資產、負債及或有負債公平值之差額。

倘可識別資產、負債及或有負債公平值超出已付代價之公平值，則有關差額於重估後於收購日期於損益中確認。

商譽乃按成本減去累計減值虧損後計量。商譽會分配至現金產生單位，並且每年接受減值檢測(見附註2.17)。

其後出售附屬公司時，釐定出售之收益或虧損金額時應計入已資本化商譽之應佔金額。

2.8 無形資產(商譽除外)及研發活動

收購之無形資產初步按成本確認。初步確認後，有限可使用年期之無形資產按成本減累計攤銷及任何累計減值虧損列值。有限可使用年期之無形資產按直線法於其估計可使用年期內攤銷。無形資產一旦可供使用即開始攤銷。有關無形資產適用以下可使用年期：

商標	15年
專利	7–15年
資本化之開發成本	10年
特許權協議	7年

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Intangible assets (other than goodwill) and research and development activities (Cont'd)

Expenditure on internally developed products is capitalised if it can be demonstrated that:

- It is technically feasible to develop the product for it to be sold;
- Adequate resources are available to complete the development;
- There is an intention to complete and sell the product;
- The Group is able to sell the product;
- Sale of the product will generate future economic benefits; and
- Expenditure on the project can be measured reliably.

Capitalised development costs are amortised over the periods the Group expects to benefit from selling the products developed. The amortisation expense is recognised in profit or loss.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in profit or loss as incurred.

2.9 Financial assets

Financial assets are classified into loans and receivables, financial assets at fair value through profit or loss and available-for-sale financial assets. Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade date. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

2. 主要會計政策概要(續)

2.8 無形資產(商譽除外)及研發活動(續)

內部開發產品的費用於可證明下列情況下予以資本化：

- 開發產品，以致其可供出售在技術上可行；
- 擁有可供完成開發之充足資源；
- 有完成及銷售該產品之意向；
- 本集團有能力銷售該產品；
- 銷售該產品將產生未來經濟利益；及
- 該項目開支能可靠計量。

資本化之開發成本乃於本集團預期將從銷售已開發產品獲利之期間攤銷。攤銷費用於損益中確認。

不符合上述標準之開發費用及內部項目在研究階段之費用乃於產生時於損益中確認。

2.9 金融資產

金融資產分為貸款及應收賬項、按公平值於損益列賬之金融資產及可供出售金融資產。購入金融資產時，管理層會依據購入該金融資產之目的，於初步確認時確定其種類，並於許可及適當時在各報告日重新評估有關分類。

所有金融資產於及僅於本集團參與訂立該工具之合約條文時方予確認。金融資產之一般買賣於交易日期確認。初步確認金融資產時，會按公平值計量，倘為並非按公平值於損益列賬之投資，則加上直接應佔交易成本。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Financial assets (Cont'd)

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

At each reporting date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, impairment loss is determined and recognised based on the classification of the financial asset.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss.

Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments or financial guarantee contracts.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial asset at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

2. 主要會計政策概要(續)

2.9 金融資產(續)

倘收取投資產生之現金流量之權利失效或被轉讓，且擁有權之絕大部份風險及回報已經轉移，即終止確認金融資產。

於各報告日，金融資產均被檢討以釐定其是否有任何減值之客觀證據。如果存在任何有關證據，減值虧損乃按其金融資產的分類確定和確認。

按公平值於損益列賬之金融資產

按公平值於損益列賬之金融資產包括持作買賣金融資產以及於初步確認時指定為按公平值於損益列賬之金融資產。

倘購買金融資產之目的旨在近期出售，則有關金融資產分類為持作買賣。衍生工具(包括單獨嵌入式衍生工具)亦分類為持作買賣，除非被指定為有效對沖工具或金融擔保合約。

倘一份合約含有一份或以上嵌入式衍生工具，則整份混合合約可指定為按公平值於損益列賬之金融資產，惟嵌入式衍生工具並無導致現金流量出現重大變動，或明確禁止分列嵌入式衍生工具則除外。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Financial assets (Cont'd)

Financial assets at fair value through profit or loss (Cont'd)

Financial assets may be designated at initial recognition as at fair value through profit or loss if the following criteria are met:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis; or
- The assets are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy and information about the group of financial assets is provided internally on that basis to the key management personnel; or
- The financial asset contains an embedded derivative that would need to be separately recorded.

Subsequent to initial recognition, the financial assets included in this category are measured at fair value with changes in fair value recognised in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

2. 主要會計政策概要(續)

2.9 金融資產(續)

按公平值於損益列賬之金融資產(續)

倘符合以下條件，則可於初步確認時將金融資產指定為按公平值於損益列賬：

- 該分類消除或大幅減少按不同基準計量資產或確認其收益或虧損所導致之不一致入賬方法；或
- 該等資產為根據明文規定之風險管理政策按公平值基準管理及評估表現之金融資產組別一部份；而有關金融資產組別之資料亦按此基準對內提供給主要管理人員；或
- 金融資產包括需獨立列賬之嵌入式衍生工具。

於初步確認後，列入此類別之金融資產將按公平值計量，其公平值變動在損益確認。

貸款及應收賬項

貸款及應收賬項為具有固定或可確定付款，但於活躍市場中無報價之非衍生金融資產。貸款及應收賬項隨後以實際利率法計算之攤銷成本(減任何減值虧損)計量。攤銷成本按計及任何收購折讓或溢價後計算，包括屬實際利率及交易成本一部份之費用。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Financial assets (Cont'd)

Available-for-sale financial assets

These assets are non-derivative financial assets that are designated as available-for-sale or are not included in other categories of financial assets. Subsequent to initial recognition, these assets are carried at fair value with changes in fair value recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary instruments, which are recognised in profit or loss.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses.

Impairment of financial assets

At each reporting date, financial assets other than at fair value through profit or loss are reviewed to determine whether there is any objective evidence of impairment.

Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of the Group about one or more of the following loss events:

- Significant financial difficulty of the debtor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- Granting concession to a debtor because of debtor's financial difficulty; and
- It becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

2. 主要會計政策概要(續)

2.9 金融資產(續)

可供出售金融資產

該等資產被界定為可供出售或不計入金融資產其他分類之非衍生金融資產。經初步確認後，該等資產按公平值列賬，其公平值變動於其他全面收入中確認，惟減值虧損及貨幣工具之滙兌收益及虧損除外。減值虧損及貨幣工具之滙兌收益及虧損於損益內確認。

於活躍市場上並無市場報價且其公平值無法可靠計量之可供出售股本投資以及與交付相關無報價權益工具掛鈎及以此結付之衍生工具須按成本減任何已確認減值虧損後予以計量。

金融資產減值

於各報告日，除按公平值於損益列賬之金融資產外，金融資產均被檢討以釐定其是否有任何減值之客觀證據。

個別金融資產之客觀減值證據包括引致本集團對下列一項或多項虧損事件關注之可觀察數據：

- 債務人面對重大財務困難；
- 違反合約，例如未能如期或拖欠償還利息或本金；
- 因債務人財務困難而向其授予寬免；及
- 債務人可能會破產或經歷其他財務重組。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Financial assets (Cont'd)

Impairment of financial assets (Cont'd)

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in the group.

Loans and receivables

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognised in profit or loss of the period in which the impairment occurs.

If, in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss of the period in which the reversal occurs.

2. 主要會計政策概要(續)

2.9 金融資產(續)

金融資產減值(續)

有關某一組金融資產之虧損事件包括顯示該組金融資產之估計未來現金流量出現可計量跌幅之可觀察數據。該等可觀察數據包括但不限於組別內債務人之付款狀況，以及與組別內資產拖欠情況有關之國家或當地經濟狀況出現不利變動。

貸款及應收賬項

倘有客觀證據表明按攤銷成本入賬之貸款及應收賬項出現減值虧損，則虧損金額按資產之賬面值與估計未來現金流量(不包括未產生之未來信貸虧損)按金融資產之原本實際利率(即初步確認時計算之實際利率)貼現之現值兩者間之差額計算。虧損金額於減值出現期間之損益中確認。

倘若於其後期間減值虧損金額減少，而有關減幅可客觀地與確認減值後發生之事件聯繫，則撥回過往確認之減值虧損，惟於撥回減值當日不得導致金融資產賬面值超過如無確認減值之原有攤銷成本。撥回金額於撥回發生期間在損益內確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Financial assets (Cont'd)

Available-for-sale financial assets

When a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income and accumulated in equity and there is objective evidence that the asset is impaired, an amount is removed from equity and recognised in profit or loss as an impairment loss. That amount is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Reversals in respect of investment in equity instruments classified as available-for-sale and stated at fair value are not recognised in profit or loss. The subsequent increase in fair value is recognised directly in other comprehensive income. Impairment losses in respect of debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversal of impairment losses in such circumstances are recognised in profit or loss.

For financial assets other than financial assets at fair value through profit or loss, available-for-sale financial assets and loan and receivables that are stated at amortised cost, impairment losses are written off against the corresponding assets directly. Where the recovery of trade receivables is considered doubtful but not remote, the impairment losses for doubtful receivables are recorded using an allowance account. When the Group is satisfied that recovery of trade receivables is remote, the amount considered irrecoverable is written off against trade receivables directly and any amounts held in the allowance account in respect of that receivable are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

2. 主要會計政策概要(續)

2.9 金融資產(續)

可供出售金融資產

當可供出售金融資產之公平值減少已於其他全面收入中確認並於權益內累計及有客觀證據表明資產減值時，有關金額乃從權益中剔除並於損益內確認作為減值虧損。該金額按資產收購成本(扣除任何本金償還及攤銷)及當時公平值，減該資產先前於損益內確認之任何減值虧損計量。

分類為可供出售並按公平值列賬之權益工具投資之撥回，不得於損益中確認。公平值之隨後增加直接於其他全面收入中確認。倘公平值之隨後增加客觀上與減值虧損確認之後發生之事項有關，則債務證券之減值虧損將予撥回。在此情況，減值虧損之撥回於損益內確認。

就金融資產(按公平值於損益列賬之金融資產、可供出售金融資產及按攤銷成本列賬之貸款及應收賬項除外)而言，減值虧損乃直接與相應資產撇銷。倘應收貿易賬項被認為有可能但並非不能收回，則屬呆賬之應收賬項減值虧損會使用撥備賬列賬。當本集團信納不大可能收回應收貿易賬項時，則被認為屬不可收回之金額乃直接自應收貿易賬項中撇銷，而於撥備賬內就有關應收賬項持有之任何金額會予以撥回。其後收回過往自撥備賬扣除之金額乃撥回至撥備賬。撥備賬之其他變動及其後收回過往直接撇銷之金額乃於損益中確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average method. In the case of work in progress and finished goods, cost also comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses.

2.11 Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand, time deposits with banks within original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.12 Financial liabilities

The Group's financial liabilities include trade payables, accrued charges and other payables, bank borrowings and shareholder's loans.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised in accordance with the Group's accounting policy for borrowing costs (see note 2.20).

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

2. 主要會計政策概要(續)

2.10 存貨

存貨按成本及可變現淨值兩者之較低者列賬。成本按加權平均法釐定。在製品及製成品之成本亦包括直接材料、直接勞工及按適當比例計算之生產成本。可變現淨值乃按照日常業務過程中之估計售價減估計完成成本及適當銷售開支計算。

2.11 現金及現金等值項目

現金及現金等值項目包括銀行及手頭現金，以及原到期日為三個月或以下可隨時轉換為已知數額現金且價值變動風險較少之銀行定期存款。

2.12 金融負債

本集團之金融負債包括應付貿易賬項、應計費用及其他應付賬項、銀行借款以及股東貸款。

金融負債在本集團成為工具合約條文一方時確認。所有與利息相關之支出均根據本集團的會計政策確認為借款成本(見附註2.20)。

當負債項下之責任獲解除或註銷或屆滿時，則取消確認金融負債。

倘一項現有金融負債被同一借款人按基本上不同之條款提供之其他債項取代，或現有負債條款被重大修改，該取代或修改會被視作取消確認原有負債及確認一項新負債，且各賬面值間之差額會在損益中確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Financial liabilities (Cont'd)

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowing using effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Other financial liabilities

Other financial liabilities are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

2. 主要會計政策概要(續)

2.12 金融負債(續)

借款

借款初步按公平值(扣除已產生的交易成本)確認。借款其後按已攤銷成本列賬，所得款項(扣除交易成本)與贖回價值之間的任何差額於借款期採用實際利率法於損益中確認。

除非本集團有無條件權利將償還負債的期限延遲至報告日後最少十二個月，否則借款歸類為流動負債。

其他金融負債

其他金融負債初步按其公平值確認，隨後採用實際利率法按攤銷成本計量。

實際利息法

實際利息法乃就有關期間計算金融資產或金融負債之攤銷成本及分配利息收入或利息開支之方法。實際利率是將估計未來現金收入或付款透過金融資產或金融負債之預期年期或(倘適用)更短期間準確折現之利率。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Leases

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

(i) Classification of assets leased to the Group

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

- land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon, at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease (see note 2.6). For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

(ii) Operating lease charges as the lessee

Where the Group has the right to use of assets held under operating leases, payments made under the leases are charged to profit or loss on a straight line basis over the lease terms except where an alternative basis is more representative of the time pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rental are charged to profit or loss in the accounting period in which they are incurred.

2. 主要會計政策概要(續)

2.13 租賃

倘本集團決定於協定期限內將特定資產使用權出讓以換取一筆或一連串款項之安排，包括一項交易或一連串交易之該項安排屬於或包括一項租賃。該項決定乃基於安排內容之實質評估而作出，而不論該項安排是否採取租賃之法律形式。

(i) 租予本集團之資產分類

就本集團根據租賃持有之資產而言，如有關租賃將擁有權之絕大部份風險及回報轉移至本集團，則會被分類為根據融資租賃持有之資產。不會向本集團轉移絕擁有權之絕大部份風險及回報之租賃乃分類為經營租賃，惟以下情況例外：

- 根據經營租賃持作自用之土地，而其公平值無法與租賃初始時座落其上之建築物之公平值分開計量，則會按根據融資租賃持有之物業列賬，惟倘該樓宇亦根據經營租賃持有則除外(見附註2.6)。就該等目的而言，該租賃之開始時間為本集團最初訂立有關租賃或自前承租人轉租之時間。

(ii) 作為承租人之經營租賃

支出如本集團是以經營租賃獲得資產之使用權，其租賃之支出於租賃期間以直線法自損益中扣除。如有另一種基準更能反映其租賃資產所產生收益之時間模式除外。已收取之租賃獎勵金額已在損益表中確認為已付淨租金總額之組成部份。或有租金在其產生之會計期間內自損益中扣除。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

Any transaction costs associated with the issuing of shares are deducted from share premium (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

2.15 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods, the rendering of services and the use by others of the Group's assets yielding interest, net of rebates and discounts. 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 as follows:

Sales of goods are recognised upon transfer of significant risks and rewards of ownership to the customer. This is usually taken as the time when the goods are delivered and the customer has accepted the goods.

Interest income is recognised on a time-proportion basis using the effective interest method.

2.16 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred government grants and are recognised in profit or loss on a straight line basis over the expected lives of the related assets.

2. 主要會計政策概要(續)

2.14 股本

普通股乃分類為權益。股本乃使用已發行股份之面值釐定。

任何與發行股份有關之交易成本會自股份溢價中扣除(減去任何相關所得稅利益)，惟以權益交易直接應佔之增加成本為限。

2.15 收益確認

收益包括銷售貨物、提供服務及他人使用本集團資產所產生之權益扣除回佣及折扣之已收或應收代價之公平值。倘經濟利益將會流入本集團且收益及成本(如適用)能可靠計量，則收益按以下基準確認：

銷售貨物乃於擁有權的大部份風險及回報轉嫁予客戶時予以確認。通常於貨物交付及客戶接獲貨物時確認。

利息收入以實際利息法按時間比例確認。

2.16 政府補貼

當能夠合理地保證本集團會符合所有附帶條件以及補貼將可收取時，政府補貼按其公平值確認入賬。與成本有關之政府補貼遞延及按擬補償之成本配合所需期間在損益中確認。與購置物業、廠房及設備有關之政府補貼列作遞延政府補貼計入非流動負債，並按有關資產之預期可使用年期以直線法於損益中確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Impairment of non-financial assets

Goodwill arising on an acquisition of subsidiaries, other intangible assets, property, plant and equipment, land use rights and interests in subsidiaries are subject to impairment testing.

Goodwill is tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value less costs of disposal and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill in particular is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the goodwill is monitored for internal management purpose.

Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost to sell, or value in use, if determinable.

2. 主要會計政策概要(續)

2.17 非金融資產減值

收購附屬公司所產生之商譽、其他無形資產、物業、廠房及設備、土地使用權及於附屬公司之權益須進行減值檢測。

不論是否出現任何減值跡象，商譽須至少每年進行一次減值檢測。所有其他資產則在出現未必能收回有關資產賬面值之跡象時進行減值檢測。

減值虧損按資產之賬面值超出其可收回金額之差額，即時確認為開支。可收回金額為公平值減銷售成本與使用價值兩者中之較高者。

評估使用價值時，估計未來現金流量採用稅前折現率折現至其現值，以反映現時市場對金錢之時間價值及有關資產特有風險之評估。

就評估減值而言，倘資產產生之現金流入大致上並不獨立於其他資產，可收回金額則按可獨立產生現金流入之最少資產組合(即現金產生單位)釐定。因此，部份資產個別進行減值檢測，另有部份按現金產生單位檢測。商譽分配至該等預期可受惠於相關業務合併協同效應之現金產生單位，即本集團內就內部管理目的而監控商譽之最小單位。

就已分配商譽之現金產生單位確認之減值虧損，初步計入商譽賬面值。除資產賬面值將不會調減至低於其個別公平值減銷售成本或使用價值(如可釐定)外，任何剩餘減值虧損將按比例自該現金產生單位之其他資產扣除。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Impairment of non-financial assets (Cont'd)

An impairment loss on goodwill is not reversed in subsequent periods including impairment losses recognised in an interim period. In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

2.18 Employee benefits

(i) Retirement benefits

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer's contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in the Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a percentage of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

2. 主要會計政策概要(續)

2.17 非金融資產減值(續)

商譽減值虧損(包括中期確認之減值虧損)不會於其後期間撥回。就其他資產而言，倘用於釐定資產可收回款額之估計出現有利變動時，則撥回減值虧損，惟以資產賬面值不得高於倘並無確認減值虧損時原應釐定之賬面值(扣除任何折舊或攤銷)為限。

2.18 僱員福利

(i) 退休福利

本集團遵照強制性公積金計劃條例設立一項定額供款強制性公積金退休福利計劃(「強積金計劃」)，對象為合資格參與強積金計劃之僱員。供款按僱員基本薪金之某一百分比作出，並於按照強積金計劃之規則應付時於損益中扣除。強積金計劃之資產與本集團之資產分開，並由獨立管理基金持有。本集團為強積金計劃作出之僱主供款在作出時全數歸僱員所有。

本集團於中國大陸營運之附屬公司所聘僱員，須參與由地方政府籌辦之中央退休金計劃。該等附屬公司須撥備薪金成本之某一百分比作為中央退休金計劃供款。有關供款根據中央退休金計劃之規定於應支付時在損益中內扣除。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Employee benefits (Cont'd)

(ii) Short-term employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

2.19 Share-based payments

Where share options are awarded to employees and others providing similar services, the fair value of the options at the date of grant is recognised in profit or loss over the vesting period with a corresponding increase in share-based payment reserve within equity. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at the end of each reporting period so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

All employee services received in exchange for the grant of any share-based compensation are measured at fair values. These are indirectly determined by reference to the equity instruments awarded. The value is appraised at the grant date and excludes the impact of any non-market vesting conditions.

2. 主要會計政策概要(續)

2.18 僱員福利(續)

(ii) 短期僱員福利

僱員有權享有年假，且於僱員支取年假時確認入賬。本集團已為截至報告日止因僱員提供服務而享有之年假之估計負債作出撥備。

非累計賠償缺席(如病假及產假)於僱員支取有關假期時確認入賬。

2.19 以股份為基礎之付款

凡向僱員及提供類似服務之其他人士授出購股權，購股權於授出當日之公平值於歸屬期間在損益內確認，並於權益內之以股份為基礎之付款儲備中作相應增加。非市場歸屬條件會一併考慮，方法為調整於各報告期末預期歸屬之權益工具數目，使於歸屬期間確認之累積數額，最終根據最後歸屬之購股權數目確認。市場歸屬條件為授出購股權之公平值計算因素之一。只要符合所有其他歸屬條件，不論是否符合市場歸屬條件，均會作出扣除。累積開支不會因市場歸屬條件未能達成而調整。

以提供任何以股份為基礎之補償而換取之所有僱員服務按公平值計量。此乃參考所授出之權益工具而間接釐定。價值乃於授出日期評估，且並不包括任何非市場歸屬條件之影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Share-based payments (Cont'd)

All share-based compensation is recognised as an expense in profit or loss with a corresponding credit to share-based payment reserve, net of deferred tax where applicable. If vesting periods or other vesting conditions apply, the expense is recognised over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates. No adjustment to expense recognised in prior periods is made if fewer share options ultimately are exercised than originally vested.

Where the terms and conditions of options are modified before they vest, the increase in fair value of the options, measured immediately before and after the modification, is also recognised in profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees and others providing similar services, the fair value of goods or services received is recognised in profit or loss unless the goods or services qualify for recognition as assets. A corresponding increase in equity is recognised. For cash-settled share based payments, a liability is recognised at the fair value of the goods or services received.

At the time when the share options are exercised, the amount previously recognised in share-based payment reserve will be transferred to share premium. When the vested share options are lapsed, forfeited or still not exercised at the expiry date, the amount previously recognised in share-based payment reserve will be transferred to accumulated losses.

2. 主要會計政策概要(續)

2.19 以股份為基礎之付款(續)

所有以股份為基礎之補償均於損益確認為開支，並在除去遞延稅項(倘適用)後相應增加以股份為基礎之付款儲備。倘歸屬期或其他歸屬條件適用，則開支會於歸屬期內按照對預期歸屬之購股權數目作出之最佳可得估計確認。非市場歸屬條件包括在預期可行使之購股權數目之假設內。倘有任何跡象顯示預期歸屬之購股權數目與過往之估計不同，則會於其後修訂估計。倘最終行使之購股權較原先歸屬者少，則毋須對過往期間已確認之開支進行調整。

若購股權歸屬前其條款及條件被修改，緊接修改前後計量之購股權公平值增加亦會於餘下歸屬期在損益確認。

凡權益工具授予僱員及其他提供相似服務之人士以外之人士，所收取貨品或服務之公平值於損益確認，除非貨品或服務合資格確認為資產則作別論。權益亦會確認相應增加。至於以現金結算之股份為基礎之付款，負債乃按所收取貨品或服務之公平值確認。

行使購股權時，過往於以股份為基礎之付款儲備確認之金額將轉撥至股份溢價。倘已歸屬之購股權失效、被沒收或於到期時尚未行使，則過往於以股份為基礎之付款儲備確認之金額將轉撥至累計虧損。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Borrowing costs

Borrowing costs incurred for the acquisition, construction or production of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

Borrowing costs are capitalised as part of the cost of a qualified asset when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are being undertaken. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

2.21 Accounting for income taxes

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, tax authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

2. 主要會計政策概要(續)

2.20 借款成本

借款成本就收購、建造或生產任何合資格資產所產生之借款成本，於完成及準備資產作擬定用途的期間內撥充資本。合資格資產是指必須要一段長時間方可達致擬定用途或出售的資產。其他借款成本於產生時支銷。

在產生資產開支、借款成本及使資產投入擬定用途或銷售所必須的準備工作進行期間，借款成本乃撥充資本，作為合資格資產成本的一部份。在使合資格資產投入擬定用途或銷售所必須的絕大部份準備工作完成時，借款成本便會停止資本化。

2.21 所得稅之會計方法

所得稅包括當期稅項及遞延稅項。

當期所得稅資產及／或負債包括本期或以往報告期(且於報告日尚未支付)，向稅務當局繳納稅金之責任或來自稅務當局之索償，其乃根據年內應課稅溢利，按有關財政期間之適用稅率及稅法計算。當期稅項資產或負債之一切變動均於損益中確認為稅項開支之一部份。

遞延稅項乃按於資產及負債在報告日於財務報表之賬面值與其各自之稅基之暫時差異以負債法計算。遞延稅項負債一般就所有應課稅暫時差異確認。倘可能出現應課稅溢利(包括現有應課稅暫時差異)以動用可扣減暫時差異、未動用稅項虧損及未動用稅務抵免，則就所有可扣減暫時差異、可結轉之稅項虧損以及其他未動用稅務抵免確認遞延稅項資產。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Accounting for income taxes (Cont'd)

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

Deferred tax liabilities are recognised for taxable temporary difference arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

Current tax assets and current tax liabilities are presented in net if, and only if,

- (a) The Group has the legally enforceable right to set off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2. 主要會計政策概要(續)

2.21 所得稅之會計方法(續)

倘因商譽或初步確認(業務合併除外)某交易之資產及負債產生之暫時差異對應課稅或會計損益無影響，則不確認遞延稅項資產及負債。

於附屬公司之投資產生之應課稅暫時差異會確認遞延稅項負債，惟倘本集團可控制暫時差異之撥回及暫時差異將不會於可見將來撥回則作別論。

遞延稅項乃按預期於負債清償或資產變賣期間適用之稅率計算(不作貼現)，惟有關稅率必須為於報告日已實施或大致上實施之稅率。

遞延稅項資產或負債變動乃於損益中獲確認，而倘與其他全面收入或直接扣除自或直接計入權益之項目有關，則於其他全面收入或直接於權益中確認。

當期稅項資產與當期稅項負債只會於以下情況以淨額呈列：

- (a) 本集團依法有強制執行權可以將已確認金額對銷；及
- (b) 計劃以淨額基準結算或同時實現資產及結清負債。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Accounting for income taxes (Cont'd)

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

- (a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - (i) the same taxable entity; or
 - (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.22 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors, being the chief operating decision makers of the Group, for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major product and service lines.

The Group has identified the following operating and reportable segments:

Tissue engineering – production and sale of tissue engineering products;

Stem cell – cellular and stem cell therapy, and sales and distribution of stem cell medical equipment and other services;

2. 主要會計政策概要(續)

2.21 所得稅之會計方法(續)

本集團只會在以下情況下以淨額呈列遞延稅項資產及遞延稅項負債：

- (a) 該實體依法有強制執行權可以將當期稅項資產與當期稅項負債對銷；及
- (b) 遞延稅項資產與遞延稅項負債是關於同一稅務機關就以下任何一項所徵收的所得稅：
 - (i) 同一應課稅實體；或
 - (ii) 計劃於各段未來期間(而預期在有關期間內將結清或收回大額的遞延稅項負債或資產)以淨額基準結算當期稅項負債與資產或同時變現資產及結清負債的不同應課稅實體。

2.22 分部報告

根據向執行董事(即本集團首席經營決策者)呈報以供彼等決定本集團各業務成分的資源分配及評核該等成分表現的定期內部財務資料，本集團確認經營分部及編製分部資料。向執行董事呈報的內部財務資料內的業務成分乃依據本集團主要產品及服務種類確定。

本集團已確認以下經營分部及須予呈報分部：

組織工程—組織工程產品生產及銷售；

幹細胞—細胞及幹細胞療法，以及幹細胞醫療設備銷售及分銷及其他服務；

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 Segment reporting (Cont'd)

Cosmetic and others – production and sales of cosmetic, healthcare and other products; and

Medical equipment – trading of medical equipment.

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in its financial statements prepared under HKFRSs, except that:

- fair value gain on contingent consideration receivables
- finance costs
- income tax
- corporate income and expenses which are not directly attributable to the business activities of any operating segment

are not included in arriving at the operating results of the operating segment.

Segment assets include all assets except contingent consideration receivable, available-for-sale financial assets, financial assets at fair value through profit or loss and corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment, which primarily applies to the Group's headquarter.

Segment liabilities exclude corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment. These include deferred tax liabilities and liabilities incurred for financing rather than operating purposes.

2. 主要會計政策概要(續)

2.22 分部報告(續)

化妝品及其他—化妝品、醫療保健及其他產品的生產及銷售；及

醫療設備—買賣醫療設備。

本集團根據香港財務報告準則第8號就報告分部業績所採用的計量政策，與根據香港財務報告準則於財務報表所採用的相同，惟以下所述者除外：

- 應收或然代價之公平值收益
- 財務費用
- 所得稅
- 並非直接歸屬於任何經營分部之業務活動的企業收入及開支

於計算經營分部的經營業績時並不包括在內。

除未直接歸屬於任何經營分部之業務活動之應收或然代價、可供出售金融資產、按公平值於損益列賬之金融資產及企業資產並不歸類於某一分部(即其主要為本集團總部所用)外，分部資產包括所有資產。

分部負債不包括未直接歸屬於任何經營分部之業務活動且並不歸類於某一分部之企業負債。該等分部負債包括遞延稅項負債及因融資(而非營運目的)而產生之負債。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of key management personnel of the Group or the Company's parent.
- (b) An entity is related to the Group if any of the following conditions apply:
- (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 the employees of the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).

2. 主要會計政策概要(續)

2.23 關連人士

- (a) 倘屬以下人士，即該人士或該人士之近親家族成員與本集團有關連：
- (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本公司母公司的主要管理層成員。
- (b) 倘符合下列任何條件，即實體與本集團有關連：
- (i) 該實體與本集團屬同一集團之成員公司（即各母公司、附屬公司及同系附屬公司彼此間有關連）。
 - (ii) 一間實體為另一實體的聯營公司或合營企業（或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業）。
 - (iii) 兩間實體均為同一第三方的合營企業。
 - (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。
 - (v) 實體為本集團或與本集團有關連之實體就僱員利益設立的離職福利計劃。
 - (vi) 實體受(a)所識別人土控制或受共同控制。
 - (vii) 於(a)(i)所識別人土對實體有重大影響力或屬該實體（或該實體的母公司）主要管理層成員。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Related parties (Cont'd)

(b) (Cont'd)

- (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 and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

2.24 Provision 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, which it is probable will result in an outflow of economic benefits that can be reliably estimated.

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, the existence of which 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.

2. 主要會計政策概要(續)

2.23 關連人士(續)

(b) (續)

- (viii) 向本集團或向本集團母公司提供主要管理層人員服務的實體或集團任何成員公司。

有關人士之近親家族成員為預期於買賣實體時將影響該人士或受該人士影響之該等家族成員，包括：

- (i) 該人士之子女及配偶或家庭伴侶；
- (ii) 該人士配偶或家庭伴侶之子女；及
- (iii) 該人士或其配偶或家庭伴侶之受養人。

2.24 撥備及或有負債

當本集團因過往事項須承擔法律或推定責任，而該責任可能導致可靠估計的經濟利益流出時，該等未確定時間或金額之負債則確認為撥備。

當不大可能有經濟利益流出，或未能可靠地估計該金額，則該責任披露為或有負債，除非經濟利益流出之可能性極微則作別論。可能須承擔的責任，(其存在僅由一項或多項未來事項是否發生而確定)亦會披露為或有負債，除非經濟利益流出之可能性極微則作別論。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS

3.1 Adoption of new or amended HKFRSs

During the period, the Group has adopted all the new or amended HKFRSs which are first effective for the reporting year and relevant to the Group. Except as explained below, the adoption of these new or amended HKFRSs did not result in material changes to the Group's accounting policies.

Amendments to HKAS 7 – Disclosure Initiative

The amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The adoption of the amendments has led to the additional disclosure presented in the notes to the statement of cash flows, note 41.

Amendments to HKAS 12 – Recognition of Deferred Tax Assets for Unrealised Losses

The amendments relate to the recognition of deferred tax assets and clarify some of the necessary considerations, including how to account for deferred tax assets related to debt instruments measured of fair value.

The adoption of the amendments has no impact on these financial statements as the clarified treatment is consistent with the manner in which the Group has previously recognised deferred tax assets.

3. 採納香港財務報告準則

3.1 採納新訂或經修訂香港財務報告準則

期內，本集團已採納所有於報告年度首次生效並與本集團有關之新訂或經修訂香港財務報告準則。除下文載述者外，採納該等新訂或經修訂香港財務報告準則並不會導致本集團會計政策出現重大變動。

香港會計準則第7號之修訂－披露主動性

有關修訂引入額外披露規定，使財務報表使用者能夠評估融資活動產生的負債變化。採納此等修訂導致於現金流量表附註之附註41中呈列額外披露。

香港會計準則第12號之修訂－就未實現虧損確認遞延稅項資產

有關修訂涉及確認遞延稅項資產，並澄清一些必要的考慮因素，包括按公平值計量之債務工具的相關遞延稅項資產應如何入賬。

採納此等修訂對本財務報表並無影響，因為澄清後的處理方式與本集團先前確認遞延稅項資產的方式一致。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (CONT'D)

3.1 Adoption of new or amended HKFRSs (Cont'd)

Annual improvements to HKFRSs 2014–2016 Cycle – Amendments to HKFRS 12, Disclosure of Interests in Other Entities

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 12, Disclosure of Interests in Other Entities, to clarify that the disclosure requirements of HKFRS 12, other than the requirements to disclose summarised financial information, also apply to an entity's interests in other entities classified as held for sale or discontinued operations in accordance with HKFRS 5, Non-Current Assets Held for Sale and Discontinued Operations.

The adoption of the amendments to HKFRS 12 has no impact on these financial statements as the latter treatment is consistent with the manner in which the Group has previously dealt with disclosures relating to its interests in other entities classified as held for sale or discontinued operations in accordance with HKFRS 5.

3. 採納香港財務報告準則(續)

3.1 採納新訂或經修訂香港財務報告準則(續)

香港財務報告準則二零一四年至二零一六年週期之年度改進 – 香港財務報告準則第12號之修訂，披露於其他實體之權益

根據年度改進過程頒佈之此等修訂對現時並不明確之多項準則作出微細且並不急切之修訂。其中包括對香港會計準則第12號披露於其他實體之權益之修訂，以釐清香港財務報告準則第12號的披露規定(披露財務資料概要除外)亦適用於實體於根據香港財務報告準則第5號持作出售之非流動資產及已終止經營業務分類為持作出售之其他實體或已終止經營業務之權益。

採納香港財務報告準則第12號之修訂對本財務報表並無影響，因為後者的處理方式與本集團先前處理有關其於根據香港財務報告準則第5號分類為持作出售之其他實體或已終止經營業務之權益之披露之方式一致。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (CONT'D)

3.2 New or amended HKFRSs that have been issued but are not yet effective

At the date of this report, the following new or amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

Annual Improvements to HKFRSs 2014-2016 Cycle	Amendments to HKFRS 1, First-time adoption of Hong Kong Financial Reporting Standards ¹
Annual Improvements to HKFRSs 2014-2016 Cycle	Amendments to HKAS 28, Investments in Associates and Joint Ventures ¹
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKFRS 3 Business Combinations, HKFRS 11 Joint Arrangements, HKAS 12 Income Taxes and HKAS 23 Borrowing Costs ²
Amendments to HKFRS 2	Classification and Measurement of Share-Based Payment Transactions ¹
HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers ¹
Amendments to HKFRS 15	Revenue from Contracts with Customers (Clarifications to HKFRS 15) ¹
Amendments to HKFRS 17	Insurance Contracts ⁴
Amendments to HKAS 28	Long-term Interests in Associates and Joint Venture ²
Amendments to HKAS 40	Transfers of Investment Property ¹
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration ¹
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ²
HKFRS 16	Leases ²
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

3. 採納香港財務報告準則(續)

3.2 已經頒佈但尚未生效之新訂或經修訂香港財務報告準則

於本報告日期，若干新訂或經修訂之香港財務報告準則已經頒佈但尚未生效，亦未由本集團提前採納。

香港財務報告準則二零一四年至二零一六年週期之年度改進	香港財務報告準則第1號之修訂，首次採納香港財務報告準則 ¹
香港財務報告準則二零一四年至二零一六年週期之年度改進	香港會計準則第28號之修訂，於聯營公司及合營企業之投資 ¹
香港財務報告準則二零一五年至二零一七年週期之年度改進	香港財務報告準則第3號業務合併、香港財務報告準則第11號合營安排、香港會計準則第12號所得稅及香港會計準則第23號借貸成本之修訂 ²
香港財務報告準則第2號之修訂	以股份支付之交易之分類及計量 ¹
香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第15號	客戶合約收益 ¹
香港財務報告準則第15號之修訂	客戶合約收益之澄清(香港財務報告準則第15號之澄清) ¹
香港財務報告準則第17號之修訂	保險合約 ⁴
香港會計準則第28號之修訂	於聯營公司及合營企業之長期權益 ²
香港會計準則第40號之修訂	轉撥投資物業 ¹
香港(國際財務報告詮釋委員會)－詮釋第22號	外幣交易及預付代價 ¹
香港財務報告準則第9號之修訂	負值補償之預付特點 ²
香港財務報告準則第16號	租賃 ²
香港(國際財務報告詮釋委員會)－詮釋第23號	所得稅處理之不確定性 ²
香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合營企業之間的資產出售或出讓 ³

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (CONT'D)

3.2 *New or amended HKFRSs that have been issued but are not yet effective (Cont'd)*

- 1 Effective for annual periods beginning on or after 1 January 2018
- 2 Effective for annual periods beginning on or after 1 January 2019
- 3 The amendments were originally intended to be effective for periods beginning on or after 1 January 2016. The effective date has now been deferred/removed. Early application of the amendments of the amendments continue to be permitted.
- 4 Effective for annual periods beginning on or after 1 January 2021

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. The Directors are currently assessing the impact of the new or amended HKFRSs upon initial application. So far, the Directors have preliminarily concluded that the initial application of these HKFRSs will not result in material financial impact on the consolidated financial statements. Information on new or amended HKFRSs that are expected to have an impact on the Group's accounting policies is provided below.

Amendments to HKFRS 2 – Classification and Measurement of Share-based Payment Transactions

This standard is effective for accounting periods beginning on or after 1 January 2018. The amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The directors of the Company anticipate that this amendment does not result in any significant impact on the Group's financial position and results of operations.

3. 採納香港財務報告準則(續)

3.2 已經頒佈但尚未生效之新訂或經修訂香港財務報告準則(續)

- 1 於二零一八年一月一日或之後開始之年度期間生效
- 2 於二零一九年一月一日或之後開始之年度期間生效
- 3 該等修訂最初計劃於二零一六年一月一日或之後開始之年度期間生效。生效日期現已押後/剔除。有關修訂繼續允許提前應用。
- 4 於二零二一年一月一日或之後開始之年度期間生效

董事預期，本集團將於有關規定生效日期後之首個期間在會計政策中採納所有有關規定。董事現正評估首次應用新訂或經修訂香港財務報告準則之影響。迄今，董事作出之初步結論為首次應用此等香港財務報告準則將不會對綜合財務報表造成重大財務影響。有關預期對本集團會計政策產生影響之新訂或經修訂香港財務報告準則之資料提供如下。

香港財務報告準則第2號之修訂 – 以股份為基礎之支付交易之分類及計量

此項準則對二零一八年一月一日或之後開始之會計期間生效。有關修訂規定歸屬及非歸屬條件對以現金結算以股份為基礎之支付計量的會計處理；預扣稅責任具有淨額結算特徵的以股份為基礎之支付交易；以及交易類別由現金結算變更為權益結算之以股份為基礎之支付條款及條件的修訂。本公司董事預期此項修訂不會對本集團的財務狀況及經營業績造成任何顯著影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (CONT'D)

3.2 *New or amended HKFRSs that have been issued but are not yet effective (Cont'd)*

HKFRS 9 – Financial Instruments

This standard is effective for accounting periods beginning on or after 1 January 2018. HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at fair value through other comprehensive income. All other debt and equity instruments are measured at fair value through profit or loss.

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at fair value through profit or loss replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

3. 採納香港財務報告準則(續)

3.2 已經頒佈但尚未生效之新訂或經修訂香港財務報告準則(續)

香港財務報告準則第9號 – 金融工具

該項準則於二零一八年一月一日或之後開始之會計期間生效。香港財務報告準則第9號引進有關金融資產分類及計量之新規定。以持有資產收取合約現金流的商業模式持有(商業模式測試)，且合約現金流僅為本金及未償還本金之利息(合約現金流特徵測試)的債務工具，一般按攤銷成本計量。倘債務工具之實體商業模式之目的為同時持有及收取合約現金流以及出售金融資產，則符合合約現金流特徵測試，按公平值於其他全面收入列賬計量。實體可於初步確認時作出不可撤銷之選擇，以按公平值於其他全面收入列賬計量並非持作買賣之權益工具。所有其他債務及權益工具以按公平值於損益列賬計量。

香港財務報告準則第9號就並非按公平值於損益列賬計量之所有金融資產納入新的預期虧損減值模式(取代香港會計準則第39號之已產生虧損模式)，並納入新的一般對沖會計規定，以使實體於財務報表內更好地反映其風險管理活動。

香港財務報告準則第9號遵從香港會計準則第39號有關金融負債之確認、分類及計量規定，惟指定按公平值於損益列賬計量之金融負債除外，因負債信貸風險變動引致之公平值變動金額於其他全面收入確認，除非其會產生或擴大會計錯配風險則作別論。此外，香港財務報告準則第9號保留香港會計準則第39號有關終止確認金融資產及金融負債之規定。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (CONT'D)

3.2 *New or amended HKFRSs that have been issued but are not yet effective (Cont'd)*

HKFRS 9 – Financial Instruments (Cont'd)

The Group does not expect the new rules to have a significant impact on the classification and measurement of its financial assets. There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from HKAS 39 Financial Instruments: Recognition and Measurement and have not been changed.

During the period from 1 May 2017 to 31 December 2017 and year ended 30 April 2017, there were no significant impairment for the Group's financial assets. The directors of the Company anticipate that the implementation of HKFRS 9 is not expected to result in any significant impact on the Group's financial position and results of operations.

HKFRS 15 – Revenue from Contracts with Customers

This standard is effective for accounting periods beginning on or after 1 January 2018. The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

3. 採納香港財務報告準則(續)

3.2 已經頒佈但尚未生效之新訂或經修訂香港財務報告準則(續)

香港財務報告準則第9號 – 金融工具(續)

本集團預期新規則並不會對其金融資產的分類和計量產生顯著影響。本集團對金融負債的會計處理將不受影響，因為新規定僅影響指定為按公平值於損益列賬之金融負債的會計處理而本集團並無任何有關負債。已從香港會計準則第39號金融工具：確認及計量轉移終止確認規則以及並無作出更改。

於自二零一七年五月一日起至二零一七年十二月三十一日止期間及截至二零一七年四月三十日止年度，本集團金融資產並無重大減值。本公司董事預期，實行香港財務報告準則第9號應不會對本集團的財務狀況及經營業績造成任何顯著影響。

香港財務報告準則第15號 – 客戶合約收益

該準則於二零一八年一月一日或之後開始之會計期間生效。此項新準則確立單一收益確認框架。該框架的核心原則為實體應確認收益以使用金額描述向客戶轉讓承諾之商品或服務，該金額反映該實體預期有權就交換該等商品及服務所收取的代價。香港財務報告準則第15號取代現行收益確認指引(包括香港會計準則第18號收益、香港會計準則第11號建築合約及相關詮釋)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (CONT'D)

3.2 *New or amended HKFRSs that have been issued but are not yet effective (Cont'd)*

HKFRS 15 – Revenue from Contracts with Customers (Cont'd)

HKFRS 15 requires the application of a 5-step approach to revenue recognition:

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

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under existing HKFRSs. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

Amendments to HKFRS 15 – Revenue from Contracts with Customers (Clarifications to HKFRS 15)

This standard is effective for accounting periods beginning on or after 1 January 2018. The amendments to HKFRS 15 included clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

The directors of the Company anticipate that the application of HKFRS 15 in the future will not have a material impact on the amounts reported to the consolidated financial statements of the Group in the future based on the existing business model of the Group as at 31 December 2017.

3. 採納香港財務報告準則(續)

3.2 已經頒佈但尚未生效之新訂或經修訂香港財務報告準則(續)

香港財務報告準則第15號 – 客戶合約收益(續)

香港財務報告準則第15號要求以五個步驟確認收益：

- 步驟1： 識別與客戶所訂立合約
- 步驟2： 識別合約之履約責任
- 步驟3： 釐定交易價格
- 步驟4： 將交易價格分配至各履約責任
- 步驟5： 於達致各履約責任時確認收益

香港財務報告準則第15號包含與特定收益相關議題的特定指引，該等指引或會更改香港財務報告準則現時應用方法。該準則亦顯著提升與收益相關的質化與量化披露。

香港財務報告準則第15號之修訂 – 香港財務報告準則第15號「客戶合約收益」的澄清

此項準則對二零一八年一月一日或之後開始之會計期間生效。香港財務報告準則第15號之修訂包括對識別履約責任作出澄清；應用委託人相對於代理人之概念；知識產權之許可；及過渡規定。

本公司董事預期，根據本集團於二零一七年十二月三十一日的現行業務模式，日後應用香港財務報告準則第15號不會對本集團未來之綜合財務報表所呈報的金額產生重大影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (CONT'D)

3.2 *New or amended HKFRSs that have been issued but are not yet effective (Cont'd)*

Amendments to HKFRS 9 – Prepayment Features with Negative Compensation

This amendment is effective for accounting periods beginning on or after 1 January 2019. The amendments clarify that prepayable financial assets with negative compensation can be measured at amortised cost or at fair value through other comprehensive income if specified conditions are met – instead of at fair value through profit or loss. The directors of the Company anticipate that this amendment does not result in any significant impact on the Group's financial position and results of operations.

HKFRS 16 – Leases

This standard is effective for accounting periods beginning on or after 1 January 2019. HKFRS 16, which upon the effective date will supersede HKAS 17 "Leases" and related interpretations, introduces a single lessee 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. Specifically, under HKFRS 16, 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. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

3. 採納香港財務報告準則(續)

3.2 已經頒佈但尚未生效之新訂或經修訂香港財務報告準則(續)

香港財務報告準則第9號之修訂 – 負值補償之預付特點

此項修訂對二零一九年一月一日或之後開始之會計期間生效。有關修訂澄清，倘符合指定條件，負值補償的可預付金融資產可按攤銷成本或按公平值於其他全面收入列賬之方式計量 – 而非按公平值於損益列賬之方式計量。本公司董事預期，此項修訂不會對本集團的財務狀況及經營業績造成任何顯著影響。

香港財務報告準則第16號 – 租賃

此項準則對二零一九年一月一日或之後開始之會計期間生效。香港財務報告準則第16號由生效日期起將取代香港會計準則第17號「租賃」及相關詮釋，其引入單一承租人會計處理模式，並規定承租人就為期超過12個月之所有租賃確認資產及負債，除非相關資產為低價值資產則作別論。具體而言，根據香港財務報告準則第16號，承租人須確認使用權資產(表示其有權使用相關租賃資產)及租賃負債(表示其有責任支付租賃款項)。因此，承租人應確認使用權資產折舊及租賃負債利息，並將租賃負債之現金還款分類為本金部分及利息部分，並於現金流量表內呈列。此外，使用權資產及租賃負債初步按現值基準計量。計量包括不可撤銷租賃付款，亦包括承租人合理地肯定將行使選擇權延續租賃或行使選擇權終止租賃之情況下，將於選擇權期間內作出之付款。此會計處理方法與承租人會計法顯著不同，後者適用於根據原準則即(香港會計準則第17號)分類為經營租賃之租賃。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (CONT'D)

3.2 *New or amended HKFRSs that have been issued but are not yet effective (Cont'd)*

HKFRS 16 – Leases (Cont'd)

In respect of the 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 finance leases, and to account for those two types of leases differently.

HKFRS 16 will primarily affect the Group's accounting as a lessee of leases for property, plant and equipment which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of profit or loss over the period of the lease. As set out in Note 32, the future aggregate minimum lease payments under non-cancellable operating lease of the Group as at 31 December 2017 amounted to HK\$90,108,000. Based on current leasing patterns, the Group do not expect the adoption of HKFRS 16 as compared with the current accounting policy would result in significant impact on the Group's results but it is expected that the certain portion of the lease commitment will be required to be recognised in the consolidated statement of financial position as right-of-use assets and lease liabilities.

HK(IFRIC)-Int 22 – Foreign Currency Transactions and Advance Consideration

This Interpretation is effective for accounting periods beginning on or after 1 January 2018. The Interpretation provides guidance on determining the date of the transaction for determining an exchange rate to use for transactions that involve advance consideration paid or received in a foreign currency and the recognition of a non-monetary asset or non-monetary liability. The Interpretations specifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part thereof) is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

3. 採納香港財務報告準則(續)

3.2 *已經頒佈但尚未生效之新訂或經修訂香港財務報告準則(續)*

香港財務報告準則第16號 – 租賃(續)

就出租人會計處理而言，香港財務報告準則第16號大致沿用香港會計準則第17號之出租人會計處理規定。因此，出租人繼續將其租賃分類為經營租賃或融資租賃，並且對兩類租賃進行不同之會計處理。

香港財務報告準則第16號將主要影響本集團(作為承租人)有關物業、廠房及設備租賃的會計處理，該等租賃目前分類為經營租賃。預期應用新會計模式將導致資產及負債之增加以及影響到於租期內在損益表確認開支之時間性。誠如附註32所載，於二零一七年十二月三十一日，本集團根據不可撤銷經營租賃之未來最低應付租金總額為90,108,000港元。根據現行租賃模式，本集團預期相較於現行會計政策而言，採納香港財務報告準則第16號不會對本集團業績造成顯著影響，但預期租賃承擔之若干部份將須於綜合財務狀況表中確認為使用權資產及租賃負債。

香港(國際財務報告詮釋委員會) – 詮釋第22號 – 外幣交易及預付代價

此項詮釋對二零一八年一月一日或之後開始之會計期間生效。該詮釋就以下事項提供指引，即如何為釐定用於涉及以外幣支付或收取預付代價的交易的匯率而釐定交易日期，以及如何確認非貨幣資產或非貨幣負債。該等詮釋指出，釐定首次確認相關資產、開支或收入(或當中部份)所使用之匯率之交易日期為實體首次確支付或收取預付代價產生的非貨幣資產或非貨幣負債之日。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (CONT'D)

3.2 *New or amended HKFRSs that have been issued but are not yet effective (Cont'd)*

HK(IFRIC)-Int 22 – Foreign Currency Transactions and Advance Consideration (Cont'd)

The directors of the Company anticipate that this interpretation does not result in any significant impact on the Group's financial position and results of operations.

HK(IFRIC)-Int 23 – Uncertainty over Income Tax Treatments

This Interpretation is effective for accounting periods beginning on or after 1 January 2019. The Interpretation supports the requirements of HKAS 12, Income Taxes, by providing guidance over how to reflect the effects of uncertainty in accounting for income taxes.

Under the Interpretation, the entity shall determine whether to consider each uncertain tax treatment separately or together based on which approach better predicts the resolution of the uncertainty. The entity shall also assume the tax authority will examine amounts that it has a right to examine and have full knowledge of all related information when making those examinations. If the entity determines it is probable that the tax authority will accept an uncertain tax treatment, then the entity should measure current and deferred tax in line with its tax filings. If the entity determines it is not probable, then the uncertainty in the determination of tax is reflected using either the "most likely amount" or the "expected value" approach, whichever better predicts the resolution of the uncertainty.

The directors of the Company anticipate that this interpretation does not result in any significant impact on the Group's financial position and results of operations.

3. 採納香港財務報告準則(續)

3.2 已經頒佈但尚未生效之新訂或經修訂香港財務報告準則(續)

香港(國際財務報告詮釋委員會) – 詮釋第22號 – 外幣交易及預付代價(續)

本公司董事預期此項詮釋不會對本集團的財務狀況及經營業績造成任何顯著影響。

香港(國際財務報告詮釋委員會) – 詮釋第23號 – 所得稅處理之不確定性

此項詮釋對二零一九年一月一日或之後開始之會計期間生效。該詮釋透過就如何反映所得稅會計處理涉及的不確定性因素提供指引，為香港會計準則第12號所得稅的規定提供支持。

根據該詮釋，實體須釐定分別或集中考慮各項不確定稅項處理，以更好預測不確定性因素的解決方式。實體亦須假設稅務機關將會檢討其有權檢討的金額，並在作出上述檢討時完全知識所有相關資料。如實體釐定稅務機關可能會接受一項不確定稅項處理，則實體應按與其稅務申報相同的方式計量即期及遞延稅項。否則，釐定稅項涉及的不確定性因素採用「最可能金額」或「預期值」法兩者中能更好預測不確定性因素解決方式的方法來反映。

本公司董事預期此項詮釋不會對本集團的財務狀況及經營業績造成任何顯著影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of trade and other receivables

The Group's management determines the impairment of trade and other receivables on a regular basis. This estimate is based on the credit history of its customers or debtors and current market conditions. Management reassesses the impairment of trade and other receivables at the reporting date.

Estimated impairment of goodwill, other intangible assets and property, plant and equipment related to cash-generating units

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in note 2.17. The carrying values of other intangible assets and property, plant and equipment are reviewed for impairment when there are any indications that the carrying value of other intangible assets and property, plant and equipment may not be recoverable. The recoverable amounts of cash-generating units have been determined based on value-in-use/fair value less costs of disposal calculations. These calculations require the use of estimates about future cash flows and discount rates.

4. 關鍵會計估計及判斷

本集團根據過往經驗及其他因素，包括對當前情況相信屬合理的未來事件的預期，持續就估計及判斷進行評估。

本集團就未來作出估計及假設。所達致的會計估計（按照定義）甚少與有關實際結果一致。具有可引致於下個財政年度對資產及負債賬面值作出重大調整的重大風險的估計及假設論述如下：

貿易及其他應收賬項減值

本集團管理層定期釐定貿易及其他應收賬項減值。估計乃根據客戶或債務人信貸記錄及現時市況作出。管理層於報告日對貿易及其他應收賬項之減值重新評估。

有關現金產生單位之商譽、其他無形資產以及物業、廠房及設備之估計減值

本集團根據附註2.17所述會計政策每年測試商譽是否已有所減值。其他無形資產以及物業、廠房及設備之賬面值乃於存在跡象表明其他無形資產以及物業、廠房及設備之賬面值可能無法收回時進行減值評核。現金產生單位的可收回數額已按使用價值／公平值減銷售成本釐定。該等計算法需就未來現金流及折現率作出估計。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Estimated impairment of goodwill, other intangible assets and property, plant and equipment related to cash-generating units (Cont'd)

In the process of estimating expected future cash flows, management makes assumptions about future revenues and profits. The assumptions about future revenues are mainly based on the actual financial performance of the Group's revenue from respective cash generating unit for the year, the current market demand of the products in the PRC, the current supply of the similar products in the market, the estimated utilisation of the Group's production capacity and the management's current assessment of the economic outlook. The unit selling price is assumed to remain constant throughout the forecasted period. The assumptions about future profits are mainly based on the available market data of the profit margin ratio of companies engaged in respective cash generating unit in the PRC and global market. As these assumptions relate to future events and circumstances, the actual results may vary and may cause a material adjustment to the carrying amount of goodwill, other intangible assets and property, plant and equipment within the next financial year.

Determining the appropriate discount rate involves estimating the appropriate adjustment for market risk and for asset specific risk factors. The management has taken consideration of risk-free rate (reference to the yield of the long term bond issued in the PRC), the cost of equity and debt of the companies in respective industry and other possible risk factors such as the market capitalisation of the Group in estimating the discount rate. Details of the estimates of the recoverable amounts of cash generating units are disclosed in note 16.

4. 關鍵會計估計及判斷(續)

有關現金產生單位之商譽、其他無形資產以及物業、廠房及設備之估計減值(續)

於估計預期未來現金流的過程中，管理層就未來收益及溢利作出假設。有關未來收益的假設乃主要基於本集團年內來自相關現金產生單位的收益的實際財務表現、產品於中國的目前市場需求、於市場類似產品的目前供應、估計利用本集團的生產能力及管理層對目前經濟前景的評估。假設單位售價於整個預測期間維持不變。有關未來溢利的假設乃主要基於在中國及全球市場涉及相關現金產生單位的市盈率的可用市場數據。由於該等假設乃關乎未來事件及情況，實際結果可能有所偏差，並可能導致於下一財政年度對商譽、其他無形資產以及物業、廠房及設備賬面值作出重大調整。

釐定適當折現率涉及對市場風險及資產特定風險因素之適當調整作出估計。管理層已考慮無風險率(參考中國已發行長期債券的收益率)、於相關行業的公司之股本及債務成本及其他可能風險因素，例如本集團於估計折現率時的市場資本。現金產生單位的可收回金額的估計詳情乃於附註16披露。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees/consultants by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 34.

Contingent consideration receivables

Where the fair value of contingent consideration receivables cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets, where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgments include considerations of inputs such as probability-adjusted profit/loss, marketability discount and minority discount. Changes in assumptions about these factors could affect the reported fair value of contingent consideration receivables.

Impairment of available-for-sale financial assets

The directors review available-for-sale financial assets at the end of each reporting period to assess whether they are impaired. The Group records impairment charges on available-for-sale financial assets when there has a significant or prolonged decline in the fair value below their costs. The determination of what is significant or prolonged required judgement. In making this judgement, the directors evaluate, among other factors, historical financial performance and financial position of the available-for-sale equity investments.

4. 關鍵會計估計及判斷(續)

以股份為基礎之付款交易

本集團參考僱員／顧問獲授權權益工具當日之公平值估量與彼等進行股權結算交易之成本。估計以股份為基礎之付款交易的公平值須根據授權條款及條件釐定最為適當的估值模型。該估計亦須釐定估值模型最為合適的數據(包括購股權預期年限、波幅及股息回報率)並就此作出假設。用於估計以股份為基礎之付款費用交易的公平值之假設及模型於附註34披露。

應收或然代價

倘應收或然代價之公平值無法從活躍市場得出，其公平值使用估值技術(包括貼現現金流量模型)釐定。在可行的情況下，該等模型的數據根據可觀察市場得出；倘不可行，則須作出一定判斷以設定公平值。該等判斷包括可能性調整溢利／虧損、市場流動折現率及少數折讓等數據之考量。該等因素假設之變化可影響應收或然代價之呈報公平值。

可供出售金融資產減值

董事於各報告期末檢討可供出售金融資產以評估有否出現減值。當可供出售金融資產之公平值大幅或長期跌至低於其成本時，本集團則錄得可供出售金融資產減值支出。釐訂大幅或長期須作出判斷。在作出此項判斷時，董事評估(包括其他因素)可供出售股本投資的歷史財務表現及財務狀況。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

5. REVENUE AND OTHER INCOME

The Group's turnover represents revenue from its principal activities, measured at the net invoiced value of goods sold, after allowances for returns and trade discounts during the years presented.

Other income recognised during the year is as follows:

5. 收益及其他收入

本集團之營業額指於呈報年度內來自其主要活動，按扣除退貨及貿易折扣後之已售貨品發票淨值計算之收益。

本年度內已確認其他收入如下：

		Period from 1 May 2017 to 31 December 2017 自二零一七年 五月一日起至 二零一七年 十二月三十一 止期間 HK\$'000 千港元	Year ended 30 April 2017 截至 二零一七年 四月三十日 止年度 HK\$'000 千港元
Bank interest income	銀行利息收入	9,967	12,813
Fair value gain on financial assets at fair value through profit or loss	按公平值於損益列賬之金融 資產公平值收益	118	2,006
Gain on disposals of property, plant and equipment	出售物業、廠房及設備之收益	1	48
Gain on disposal of subsidiary (note 40)	出售附屬公司之收益(附註40)	35,206	-
Government grant income	政府補貼收入	2,351	11,322
Interest income on loan receivables	應收貸款之利息收入	298	7,315
Gain on purchase and sale of Debt Receivables (note)	買賣應收債務之收益(附註)	-	10,843
Others	其他	1,968	797
		49,909	45,144

Note: On 1 November 2016, the Group entered into a sale and purchase agreement with independent third parties to acquire the debt receivables and the associated security package of Shenzhen Longzhu Hospital (the "Debt Receivables") for a consideration of RMB520 million. On 22 November 2016, the Group entered into another sale and purchase agreement with another independent third party (the "Buyer") to dispose the Debt Receivables for a consideration of RMB530 million. Accordingly, a gain on purchase and sale of Debt Receivables of RMB10 million (equivalent to HK\$11 million) was recognised in profit or loss during the year ended 30 April 2017.

附註：於二零一六年十一月一日，本集團與獨立第三方訂立了買賣協議以收購深圳龍珠醫院所結欠之應收債務及相關抵押組合（「應收債務」），代價為人民幣520,000,000元。於二零一六年十一月二十二日，本集團與另一獨立第三方（「買家」）訂立了另一份買賣協議以出售應收債務，代價為人民幣530,000,000元。因此，截至二零一七年四月三十日止年度，於損益確認買賣應收債務之收益人民幣10,000,000元（相當於11,000,000港元）。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

6. SEGMENT INFORMATION

The executive directors have identified the Group's four business lines as operating segments as further described in note 2.22. The operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

6. 分部資料

執行董事已確認本集團四條業務線為經營分部(詳情載於附註2.22)。根據經調整分部經營業績就該等經營分部實施監控及作出策略決策。

	Tissue engineering 組織工程		Cell 細胞		Cosmetic and others 化妝品及其他		Medical equipment 醫療設備		Total 合計	
	Period from 1 May 2017 to 31 December 2017 自二零一七年 五月一日起至 二零一七年 十二月三十一日 止期間 HK\$'000 千港元	Year ended 30 April 2017 截至 二零一七年 四月三十日 止年度 HK\$'000 千港元	Period from 1 May 2017 to 31 December 2017 自二零一七年 五月一日起至 二零一七年 十二月三十一日 止期間 HK\$'000 千港元	Year ended 30 April 2017 截至 二零一七年 四月三十日 止年度 HK\$'000 千港元	Period from 1 May 2017 to 31 December 2017 自二零一七年 五月一日起至 二零一七年 十二月三十一日 止期間 HK\$'000 千港元	Year ended 30 April 2017 截至 二零一七年 四月三十日 止年度 HK\$'000 千港元	Period from 1 May 2017 to 31 December 2017 自二零一七年 五月一日起至 二零一七年 十二月三十一日 止期間 HK\$'000 千港元	Year ended 30 April 2017 截至 二零一七年 四月三十日 止年度 HK\$'000 千港元	Period from 1 May 2017 to 31 December 2017 自二零一七年 五月一日起至 二零一七年 十二月三十一日 止期間 HK\$'000 千港元	Year ended 30 April 2017 截至 二零一七年 四月三十日 止年度 HK\$'000 千港元
Revenue	收益									
- From external customers	122,563	126,281	2,149	2,724	67,497	44,926	311,471	183,066	503,680	356,987
- From intersegment revenue	-	2	-	-	-	187	-	-	-	189
Reportable segment revenue	122,563	126,283	2,149	2,724	67,497	45,113	311,471	183,066	503,680	357,176
Reportable segment (loss)/profit	(713)	538	(51,147)	(60,380)	10,854	(10,023)	(9,957)	(1,233)	(50,963)	(61,098)
Amortisation of land use rights	69	102	-	-	-	-	-	-	69	102
Amortisation of other intangible assets	25,474	33,682	4,954	7,315	-	-	-	-	30,428	40,997
Depreciation	5,626	7,768	3,751	2,174	577	633	25	34	9,979	10,599
Interest income	5,694	2,702	7	78	186	280	11	17	5,898	3,077
Reportable segment assets	1,060,411	1,003,750	319,366	320,783	121,163	149,159	411,069	79,725	1,911,999	1,553,417
Additions to non-current segment assets during the period/year	29,781	3,810	30,719	66,214	627	3,118	-	4	61,127	73,146
Reportable segment liabilities	89,095	65,380	35,254	13,899	27,225	51,726	228,746	2,680	380,320	133,685

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

6. SEGMENT INFORMATION (CONT'D)

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the financial statements as follows:

6. 分部資料(續)

本集團經營分部列示的總額與本集團於財務報表列示的關鍵財務數據對賬如下：

		Period from 1 May 2017 to 31 December 2017	Year ended 30 April 2017
		自二零一七年 五月一日起至 二零一七年 十二月三十一 止期間	截至 二零一七年 四月三十日 止年度
		HK\$'000	HK\$'000
		千港元	千港元
Total of reportable segments' revenue	須予呈報分部收益總額	503,680	357,176
Less: Elimination of intersegment revenue	減：對銷分部間收益	-	(189)
Group revenue	集團收益	503,680	356,987
Total of reportable segments' loss	須予呈報分部虧損總額	(50,963)	(61,098)
Gain on disposal of a subsidiary	出售附屬公司之收益	35,206	-
Unallocated corporate income	未分配企業收入	4,120	18,429
Unallocated corporate expenses	未分配企業開支	(119,412)	(163,922)
Fair value (loss)/gain on contingent consideration receivables	應收或然代價之公平值 (虧損)/收益	(15,876)	20,097
Finance costs	財務費用	(24,901)	(24,426)
Group's consolidated loss before income tax	本集團之除所得稅前綜合虧損	(171,826)	(210,920)

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

6. SEGMENT INFORMATION (CONT'D)

6. 分部資料(續)

		31 December 2017	30 April 2017
		二零一七年 十二月三十一日	二零一七年 四月三十日
		HK\$'000	HK\$'000
		千港元	千港元
Total of reportable segments' assets	須予呈報分部資產總額	1,911,999	1,553,417
Available-for-sale financial assets	可供出售金融資產	575,056	112,928
Financial assets at fair value through profit or loss	按公平值於損益列賬之金融資產	12,154	12,036
Deposit for acquisition of subsidiaries	收購附屬公司之按金	100,000	-
Contingent consideration receivables	應收或然代價	32,502	46,259
Cash and cash equivalents	現金及現金等值項目	6,575	288,405
Pledged bank deposits	已抵押銀行存款	818,062	794,743
Other corporate assets	其他企業資產	71,625	80,441
Group assets	集團資產	3,527,973	2,888,229
Total of reportable segments' liabilities	須予呈報分部負債總額	380,320	133,685
Bank borrowings	銀行借款	771,840	753,977
Shareholder's loans	股東貸款	472,542	-
Deferred taxation	遞延稅項	81,076	78,411
Other corporate liabilities	其他企業負債	8,871	14,264
Group liabilities	集團負債	1,714,649	980,337

Unallocated corporate expenses mainly included staff costs, exchange loss, equity-settled share-based payments, rental and other expenses not directly attributable to the business activities of any operating segments.

未分配企業開支主要包括非直接由任何經營分部之業務活動產生的員工成本、滙兌虧損、以權益結算之股權支付費用、租金及其他開支。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

6. SEGMENT INFORMATION (CONT'D)

The Group's revenue from external customers and its non-current assets other than contingent consideration receivables, available-for-sale financial assets and pledged deposits ("Specified non-current assets") are divided into the following geographical areas:

6. 分部資料(續)

本集團來自外界客戶的收益及其非流動資產(應收或然代價、可供出售金融資產及已抵押存款除外)(「特定非流動資產」)按地區分析如下：

		Revenue from external customers 來自外界客戶的收益		Specified non-current assets 特定非流動資產	
		Period from 1 May 2017 to 31 December 2017 自二零一七年 五月一日起至 二零一七年 十二月三十一日 止期間 HK\$'000 千港元	Year ended 30 April 2017 截至 二零一七年 四月三十日 止年度 HK\$'000 千港元	Period from 1 May 2017 to 31 December 2017 自二零一七年 五月一日起至 二零一七年 十二月三十一日 止期間 HK\$'000 千港元	Year ended 30 April 2017 截至 二零一七年 四月三十日 止年度 HK\$'000 千港元
Hong Kong	香港	13,377	328	83,723	123,705
The PRC (domicile)	中國(主體所在地)	490,303	356,659	962,874	793,463
		503,680	356,987	1,046,597	917,168

During the period from 1 May 2017 to 31 December 2017, 14% and 10% of the Group's revenue depended on one customer in medical equipment segment and one customer in tissue engineering segment respectively. As at 31 December 2017, 0% and 1% of the Group's trade receivables were due from these two customers respectively.

自二零一七年五月一日起至二零一七年十二月三十一日止期間，本集團收益的14%及10%分別來自於醫療設備分部之一名客戶及組織工程分部之一名客戶。於二零一七年十二月三十一日，本集團應收貿易賬項的0%及1%分別來自該兩名客戶。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

6. SEGMENT INFORMATION (CONT'D)

During the year ended 30 April 2017, 46% and 33% of the Group's revenue depended on one customer in medical equipment segment and one customer in tissue engineering segment respectively. As at 30 April 2017, 0% and 18% of the Group's trade receivables were due from these two customers respectively.

The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on (1) the physical location of the assets (for property, plant and equipment and land use rights) and (2) location of operations (for goodwill and other intangible assets). The Company is an investment holding company where the Group has majority of its operation and workforce in the PRC, and therefore, the PRC is considered as the Group's country of domicile for the purpose of the disclosures as required by HKFRS 8 "Operating Segment".

7. FINANCE COSTS

6. 分部資料(續)

截至二零一七年四月三十日止年度，本集團收益的46%及33%分別來自於醫療設備分部之一名客戶及組織工程分部之一名客戶。於二零一七年四月三十日，本集團應收貿易賬項的0%及18%分別來自該兩名客戶。

客戶所在地點乃根據所提供之服務或交付貨品之地點劃分。特定非流動資產之地點乃根據(1)資產實際所在地(適用於物業、廠房及設備和土地使用權)及(2)經營所在地(適用於商譽及其他無形資產)劃分。本公司為一間投資控股公司，而本集團大多數營運及勞動力均在中國，因此，中國被認為是根據香港財務報告準則第8號「經營分部」規定而披露之本集團之主體所在地。

7. 財務費用

		Period from 1 May 2017 to 31 December 2017 自二零一七年 五月一日起至 二零一七年 十二月三十一 止期間 HK\$'000 千港元	Year ended 30 April 2017 截至 二零一七年 四月三十日 止年度 HK\$'000 千港元
Interest on bank borrowings	銀行借款之利息	24,901	24,426

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

8. LOSS BEFORE INCOME TAX

8. 除所得稅前虧損

		Period from 1 May 2017 to 31 December 2017 自二零一七年 五月一日起至 二零一七年 十二月三十一 止期間 HK\$'000 千港元	Year ended 30 April 2017 截至 二零一七年 四月三十日 止年度 HK\$'000 千港元
Loss before income tax has been arrived at after charging/(crediting):	除所得稅前虧損已扣除/(計入)下列各項：		
Amortisation of land use rights	土地使用權攤銷	69	102
Amortisation of other intangible assets, included in administrative expenses	其他無形資產攤銷 (已包括在行政開支中)	30,428	40,997
Auditor's remuneration	核數師酬金	1,022	1,133
Depreciation	折舊	10,494	14,181
Advertising and marketing, included in selling and distribution expenses	廣告及市場推廣開支 (已包括在銷售及分銷開支中)	63,128	38,218
Equity-settled share-based payments	以權益結算之股權支付費用	25,495	28,520
Exchange difference, net	滙兌差額(淨額)	(1,648)	18,224
Operating lease rentals in respect of office premises	辦公室物業之經營租賃租金	22,677	23,169
Research and development costs	研發成本	30,194	58,623
Less: Capitalisation to other intangible assets	減：資本化至其他無形資產	(3,475)	(2,576)
		26,719	56,047
Employee benefit expense (including directors' emoluments (note 9)) (note 10)	僱員福利開支(包括董事酬金(附註9))(附註10)	101,414	131,746
Less: Employee benefit expenses included in research and development costs	減：包括在研發成本內之僱員福利開支	(2,878)	(5,304)
		98,536	126,442

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

9. DIRECTORS' AND CHIEF EXECUTIVE OFFICERS' EMOLUMENTS

9. 董事及最高行政人員酬金

		Fees	Salaries and allowances	Contribution to defined contribution plans	Equity-settled share-based payments	Total
		袍金	薪金及津貼	定額供款計劃之供款	以權益結算之股權支付費用	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Period from 1 May 2017 to 31 December 2017	自二零一七年五月一日起至二零一七年十二月三十一日止期間					
Executive directors	執行董事					
Mr. Chen Chunguo	陳春國先生	-	3,465	12	9,821	13,298
Mr. Ray Yip (re-designated from non-executive director to executive director on 8 September 2017)	葉雷先生 (於二零一七年九月八日由非執行董事調任為執行董事)	400	800	-	-	1,200
Mr. Wong Sai Hung (resigned on 30 November 2017)	黃世雄先生 (於二零一七年十一月三十日辭任)	-	840	11	1,284	2,135
Dr. Shao Zhengkang (resigned on 8 September 2017)	邵政康博士 (於二零一七年九月八日辭任)	-	635	8	1,014	1,657
Independent non-executive directors	獨立非執行董事					
Mr. Chan Bing Woon	陳炳煥先生	160	-	-	188	348
Mr. Wong Yiu Kit Ernest	黃耀傑先生	160	-	-	-	160
Mr. Pang Chung Fai Benny	彭中輝先生	160	-	-	196	356
Dr. Fang Jun (appointed on 29 December 2017)	方俊博士(於二零一七年十二月二十九日獲委任)	-	-	-	-	-
Mr. Lui Tin Nang (resigned on 8 September 2017)	呂天能先生 (於二零一七年九月十五日辭任)	140	-	-	-	140
Non-executive directors	非執行董事					
Professor Cui Zhanfeng	崔占峰教授	800	-	-	601	1,401
Professor Xiong Chengyu	熊澄宇教授	400	-	-	-	400
Mr. Wang Hui (re-designated from independent non-executive director to non-executive director on 1 June 2017 and resigned on 8 September 2017)	王輝先生 (於二零一七年六月一日由獨立非執行董事調任為非執行董事並於二零一七年九月八日辭任)	182	-	-	14	196
		2,402	5,740	31	13,118	21,291

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

9. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (CONT'D)

9. 董事及最高行政人員酬金(續)

		Fees	Salaries and allowances	Contribution to defined contribution plans	Equity-settled share-based payments	Total
		袍金	薪金及津貼	定額供款計劃之供款	以權益結算之股權支付費用	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Year ended 30 April 2017	截至二零一七年四月三十日止年度					
Executive directors	執行董事					
Mr. Chen Chunguo (appointed as president on 25 October 2016 and re-designated as chief executive officer on 23 February 2017; appointed as executive director on 25 January 2017)	陳春國先生 (於二零一六年十月二十五日獲委任為總裁及於二零一七年二月二十三日調任為行政總裁；於二零一七年一月二十五日獲委任為執行董事)	770	-	5	-	775
Mr. Wong Sai Hung	黃世雄先生	-	1,440	18	1,374	2,832
Dr. Shao Zhengkang (ceased to be chief executive officer on 23 February 2017)	邵政康博士 (於二零一七年二月二十三日不再擔任行政總裁)	1,800	150	18	1,317	3,285
Independent non-executive directors	獨立非執行董事					
Mr. Lui Tin Nang	呂天能先生	240	-	-	137	377
Mr. Pang Chung Fai Benny	彭中輝先生	240	-	-	137	377
Mr. Chan Bing Woon	陳炳煥先生	240	-	-	132	372
Mr. Wang Hui	王輝先生	240	-	-	120	360
Mr. Wong Yiu Kit Ernest (appointed on 23 February 2017)	黃耀傑先生 (於二零一七年二月二十三日獲委任)	44	-	-	-	44
Non-executive directors	非執行董事					
Professor Cui Zhanfeng (appointed on 7 October 2016)	崔占峰教授 (於二零一六年十月七日獲委任)	682	-	-	645	1,327
Dr. Ray Yip (appointed on 23 February 2017)	葉雷博士 (於二零一七年二月二十三日獲委任)	110	-	-	-	110
Professor Xiong Chengyu (appointed on 20 March 2017)	熊澄宇教授 (於二零一七年三月二十日獲委任)	70	-	-	-	70
Mr. Yang Zhengguo (resigned on 5 August 2016)	楊正國先生 (於二零一六年八月五日辭任)	316	-	-	-	316
Professor Deng Shaoping (retired on 9 September 2016)	鄧紹平教授 (於二零一六年九月九日退任)	430	-	-	-	430
Mr. Wang Jianjun (retired on 9 September 2016)	王建軍先生 (於二零一六年九月九日退任)	360	-	-	-	360
Mr. Cao Fushun (resigned on 18 July 2016)	曹福順先生 (於二零一六年七月十八日辭任)	258	-	-	-	258
		5,800	1,590	41	3,862	11,293

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

9. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (CONT'D)

There was no arrangement under which a director waived or agreed to waive any remuneration during the period (Year ended 30 April 2017: Nil).

No emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group, or as compensation for loss of office.

Salaries, allowances and other benefits paid to or for the executive directors are generally emoluments in respect of those persons' other services in connection with the management of the affairs of the Company and its subsidiaries.

Employees' emoluments

The five individuals whose emoluments including share-based payment expenses were the highest in the Group for the year included four (30 April 2017: three) directors whose emoluments are reflected in the analysis presented above. The emoluments of the remaining one individual (30 April 2017: two) were as follows:

9. 董事及最高行政人員酬金(續)

期內概無董事放棄或同意放棄任何酬金之安排(截至二零一七年四月三十日止年度：無)。

本集團並無向董事支付任何酬金，作為加入本集團或於加入本集團時之獎勵或離職補償。

支付予執行董事之袍金、薪金及津貼通常為就該等人士有關管理本公司及其附屬公司事務的其他服務支付之酬金。

僱員酬金

本集團年內五名最高薪人士(其酬金包括以股份為基礎之付款開支)包括四名(二零一七年四月三十日：三名)董事，其酬金反映於上述分析內。餘下一名(二零一七年四月三十日：兩名)人士的酬金如下：

		Period from 1 May 2017 to 31 December 2017 自二零一七年 五月一日起至 二零一七年 十二月三十一 止期間 HK\$'000 千港元	Year ended 30 April 2017 截至 二零一七年 四月三十日 止年度 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	1,890	2,464
Retirement benefits scheme contributions	退休福利計劃供款	12	30
Equity-settled share-based payments	以權益結算之股權支付費用	292	359
		2,194	2,853

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

9. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (CONT'D)

The emoluments of the highest paid non-director individuals fell within the following band:

Nil to HK\$1,000,000	零至1,000,000港元
HK\$1,500,001 – HK\$2,000,000	1,500,001港元 – 2,000,000港元
HK\$2,000,001 – HK\$2,500,000	2,000,001港元 – 2,500,000港元

9. 董事及最高行政人員酬金(續)

非董事的最高薪人士的酬金介乎以下範圍以內：

Number of individual 人數	
Period from 1 May 2017 to 31 December 2017 自二零一七年 五月一日起至 二零一七年 十二月三十一 止期間	Year ended 30 April 2017 截至 二零一七年 四月三十日 止年度
-	1
-	1
1	-

10. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

Wages and salaries	工資及薪金
Equity-settled share-based payments	以權益結算之股權支付費用
Pension costs – defined contribution plans	退休金成本 – 定額供款計劃
Other staff benefits	其他員工福利

10. 僱員福利開支(包括董事酬金)

Period from 1 May 2017 to 31 December 2017 自二零一七年 五月一日起至 二零一七年 十二月三十一 止期間	Year ended 30 April 2017 截至 二零一七年 四月三十日 止年度
HK\$'000 千港元	HK\$'000 千港元
69,145	90,191
23,173	24,597
7,002	10,377
2,094	6,581
101,414	131,746

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

11. INCOME TAX CREDIT

Hong Kong Profits Tax is calculated at 16.5% (Year ended 30 April 2017: 16.5%) of the estimated assessable profit for the period. The PRC enterprise income tax of 25% (Year ended 30 April 2017: 25%) is applicable to the Group's PRC subsidiaries except that Shenzhen AiNear Cornea Engineering Company Limited and Tianjin Weikai Bioeng Ltd are granted the tax benefit for the National High-Tech Enterprise for three years starting from the calendar year ended 31 December 2016. They are subject to income tax rate of 15%. Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the Group operates.

11. 所得稅抵免

香港利得稅乃按期內估計應課稅溢利的16.5%(截至二零一七年四月三十日止年度:16.5%)計算。本集團中國附屬公司適用25%(截至二零一七年四月三十日止年度:25%)之中國企業所得稅,惟深圳艾尼爾角膜工程有限公司及天津衛凱生物工程於截至二零一六年十二月三十一日止年度起計三個年度內作為國家高新技術企業而獲授稅項優惠,只須按15%之所得稅率繳稅。海外利得稅乃根據本期間估計應課稅溢利按本集團經營所在地之現行稅率計算。

		Period from 1 May 2017 to 31 December 2017 自二零一七年 五月一日起至 二零一七年 十二月三十一 止期間 HK\$'000 千港元	Year ended 30 April 2017 截至 二零一七年 四月三十日 止年度 HK\$'000 千港元
Profits tax – for the current year	利得稅 – 本年度		
Over provision in respect of prior years	過往年度超額撥備	–	(4,382)
Deferred taxation (note 28)	遞延稅項(附註28)	(5,610)	(7,346)
Income tax credit	所得稅抵免	(5,610)	(11,728)

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

11. INCOME TAX CREDIT (CONT'D)

Reconciliation between income tax credit and accounting loss at applicable tax rates:

11. 所得稅抵免(續)

按適用稅率計算之所得稅抵免及會計虧損之對賬如下：

		Period from 1 May 2017 to 31 December 2017 自二零一七年 五月一日起至 二零一七年 十二月三十一 止期間 HK\$'000 千港元	Year ended 30 April 2017 截至 二零一七年 四月三十日 止年度 HK\$'000 千港元
Loss before income tax	除所得稅前虧損	(171,826)	(210,920)
Notional tax calculated at the rates applicable to the loss in the tax jurisdictions concerned	按有關稅項司法權區之虧損適用之稅率計算的名義稅項	(36,082)	(43,294)
Tax effect of expenses not deductible for tax purpose	不可用作扣稅之開支的稅務影響	36,235	43,617
Tax effect of income not taxable for tax purpose	毋須課稅收入的稅務影響	(1,211)	(5,357)
Tax effect of tax losses not recognised	尚未確認稅項虧損的稅務影響	3,041	3,125
Utilisation of previously unrecognised tax losses	動用過往尚未確認之稅項虧損	(7,593)	(5,437)
Over provision in respect of prior years	過往年度超額撥備	-	(4,382)
Income tax credit	所得稅抵免	(5,610)	(11,728)

12. DIVIDENDS

The directors do not recommend the payment of a dividend for the period (Year ended 30 April 2017: Nil).

12. 股息

董事並不建議派付本期間股息(截至二零一七年四月三十日止年度：無)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

13. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

13. 每股虧損

本公司擁有人應佔每股基本及攤薄虧損乃根據以下數據計算：

		Period from 1 May 2017 to 31 December 2017 自二零一七年 五月一日起至 二零一七年 十二月三十一 止期間 HK\$'000 千港元	Year ended 30 April 2017 截至 二零一七年 四月三十日 止年度 HK\$'000 千港元
Loss for the period/year attributable to owners of the Company for the purpose of basic loss per share	用以計算每股基本虧損之本公司擁有人應佔本期間／年度虧損	(158,492)	(184,502)

		Period from 1 May 2017 to 31 December 2017 自二零一七年 五月一日起至 二零一七年 十二月三十一 止期間 '000 千股	Year ended 30 April 2017 截至 二零一七年 四月三十日 止年度 '000 千股
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic loss per share	用以計算每股基本虧損之普通股加權平均數	17,585,790	17,587,434

For the period from 1 May 2017 to 31 December 2017 and year ended 30 April 2017, diluted loss per share attributable to owners of the Company was the same as basic loss per share because the impact of the exercise of share options was anti-dilutive.

自二零一七年五月一日起至二零一七年十二月三十一日止期間及截至二零一七年四月三十日止年度，由於行使購股權具反攤薄影響，故本公司擁有人應佔每股攤薄虧損與每股基本虧損相同。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Buildings 樓宇 HK\$'000 千港元	Leasehold improvement 租賃物業裝修 HK\$'000 千港元	Furniture and equipment 傢俬及設備 HK\$'000 千港元	Computer equipment 電腦設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 May 2016	於二零一六年五月一日						
Cost	成本	108,666	12,777	80,386	2,615	3,171	207,615
Accumulated depreciation	累計折舊	(5,484)	(7,360)	(18,384)	(1,576)	(2,058)	(34,862)
Net book amount	賬面淨值	103,182	5,417	62,002	1,039	1,113	172,753
Year ended 30 April 2017	截至二零一七年四月三十日止年度						
Opening net book amount	期初賬面淨值	103,182	5,417	62,002	1,039	1,113	172,753
Exchange differences	滙兌差額	(5,904)	(189)	(2,976)	(99)	(58)	(9,226)
Disposal	出售	(84)	-	(95)	-	-	(179)
Additions	添置	-	47,793	21,202	621	1,331	70,947
Depreciation	折舊	(2,495)	(3,681)	(7,074)	(407)	(524)	(14,181)
Closing net book amount	期末賬面淨值	94,699	49,340	73,059	1,154	1,862	220,114
At 30 April 2017	於二零一七年四月三十日						
Cost	成本	102,331	60,189	99,497	3,289	4,531	269,837
Accumulated depreciation	累計折舊	(7,632)	(10,849)	(26,438)	(2,135)	(2,669)	(49,723)
Net book amount	賬面淨值	94,699	49,340	73,059	1,154	1,862	220,114
Period from 1 May 2017 to 31 December 2017	自二零一七年五月一日起至二零一七年十二月三十一日止期間						
Opening net book amount	期初賬面淨值	94,699	49,340	73,059	1,154	1,862	220,114
Exchange differences	滙兌差額	5,940	214	3,521	34	104	9,813
Disposal	出售	-	-	(8)	-	-	(8)
Additions	添置	-	43,766	30,080	1,866	-	75,712
Written off	撇銷	-	(422)	(2)	(3)	-	(427)
Disposal of a subsidiary (note 40)	出售附屬公司(附註40)	-	-	(1,435)	(60)	-	(1,495)
Acquisition of a subsidiary (note 39)	收購附屬公司(附註39)	-	-	1,419	19	-	1,438
Depreciation	折舊	(1,647)	(2,350)	(5,795)	(370)	(332)	(10,494)
Closing net book amount	期末賬面淨值	98,992	90,548	100,839	2,640	1,634	294,653
At 31 December 2017	於二零一七年十二月三十一日						
Cost	成本	108,847	104,096	134,582	5,086	4,825	357,436
Accumulated depreciation	累計折舊	(9,855)	(13,548)	(33,743)	(2,446)	(3,191)	(62,783)
Net book amount	賬面淨值	98,992	90,548	100,839	2,640	1,634	294,653

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

As at 31 December 2017 and 30 April 2017, all the Group's buildings are situated in the PRC and are held under medium term leases.

As at 30 April 2017, certain of the Group's property, plant and equipment with net carrying amount of HK\$78,027,000 were pledged to secure the bank borrowings granted to the Group (note 27). Such bank borrowings were fully repaid and the pledge of assets were released during the period.

During the period, the directors reviewed the carrying amount of property, plant and equipment. The details of the impairment assessment are stated in note 16.

14. 物業、廠房及設備(續)

於二零一七年十二月三十一日及二零一七年四月三十日，本集團所有樓宇均位於中國且以中期租賃形式持有。

於二零一七年四月三十日，本集團賬面淨值78,027,000港元之若干物業、廠房及設備已予抵押，以為本集團獲授之銀行借款提供擔保(附註27)。期內，該等銀行借款已悉數償還，且資產抵押已解除。

期內，董事已審查物業、廠房及設備之賬面值。減值評估之詳情載於附註16。

15. LAND USE RIGHTS

Opening net carrying amount 期初賬面淨值
Exchange differences 滙兌差額
Amortisation 攤銷

Closing net carrying amount 期末賬面淨值

15. 土地使用權

	31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元	30 April 2017 二零一七年 四月三十日 HK\$'000 千港元
Opening net carrying amount	4,219	4,584
Exchange differences	266	(263)
Amortisation	(69)	(102)
Closing net carrying amount	4,416	4,219

The Group's land use rights represent payments to acquire interests in the usage of lands situated in the PRC, which are held under medium-term leases.

As at 30 April 2017, the Group's entire land use rights were pledged to secure the bank borrowings granted to the Group (note 27). Such bank borrowings were fully repaid and the pledge of assets were released during the period.

本集團之土地使用權指收購位於中國之土地之使用權益(以中期租賃形式持有)之支付款項。

於二零一七年四月三十日，本集團之全部土地使用權已予抵押，以為本集團獲授之銀行借款提供擔保(附註27)。期內，該等銀行借款已悉數償還，且資產抵押已解除。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

16. GOODWILL

The goodwill arose from (1) the acquisition of FD(H) Investments Limited and its subsidiaries, which are engaged in the production and sales of tissue engineering products, in 2008 and the acquisition of Shenzhen Kechuang Guangtai Technology Co., Ltd (“Kechuang”), which is engaged in development and sales of information technology software related to lamellar keratoplasty recording during the period (note 39) (“Aierfu Business”); (2) the acquisition of Maylion Management Limited and its subsidiary (“Reshine Business”), which is engaged in bio-medical engineering, research and development of regenerative medical products in relation to tissue engineering technology in December 2013; (3) the acquisition of Passion Stream Limited and its subsidiaries (“Weikai Business”), which is engaged in the design and manufacturing of pre-clinical cell and stem cell related equipment, especially in 3D cell culture bio-reactors and their related consumables, as well as provision of CRO services in April 2015; and (4) the acquisition of Frame Sharp Limited and its subsidiaries (“AK Business”), which is principally engaged in providing service and equipment for human cell and stem cell related clinical applications in August 2015.

16. 商譽

商譽乃產生自(1)二零零八年收購FD(H) Investments Limited及其附屬公司，其從事生產及銷售組織工程產品；及期內收購深圳科創廣泰技術有限公司(「深圳科創」)，其從事開發及銷售與板層角膜移植記錄相關之信息技術軟件(附註39)(「艾爾膚業務」)；(2)二零一三年十二月收購美倫管理有限公司及其附屬公司(「瑞盛業務」)，其從事生物醫學工程、有關組織工程技術的再生醫療產品的研發；(3)二零一五年四月收購Passion Stream Limited及其附屬公司(「衛凱業務」)，其從事臨床前細胞和幹細胞相關設備之設計和製造(特別是在三維細胞灌培養物反應器和彼等相關的耗材)以及提供合同式技術研究服務；及(4)二零一五年八月收購Frame Sharp Limited及其附屬公司(「奧凱業務」)，其主要從事為人體細胞及幹細胞相關臨床應用提供服務及設備。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

16. GOODWILL (CONT'D)

16. 商譽(續)

The net carrying amount of goodwill can be analysed as follows:

商譽之賬面淨值之分析如下：

		Aierfu Business 艾爾膚業務 HK\$'000 千港元	Reshine Business 瑞盛業務 HK\$'000 千港元	Weikai Business 衛凱業務 HK\$'000 千港元	AK Business 奧凱業務 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 May 2016	於二零一六年五月一日					
Gross carrying amount	總賬面值	141,310	152,615	96,213	8,902	399,040
Accumulated impairment	累計減值	-	(152,615)	(49,442)	-	(202,057)
Net carrying amount	賬面淨值	141,310	-	46,771	8,902	196,983
Year ended 30 April 2017	截至二零一七年 四月三十日止年度					
Opening net carrying amount	期初賬面淨值	141,310	-	46,771	8,902	196,983
Closing net carrying amount	期末賬面淨值	141,310	-	46,771	8,902	196,983
At 30 April 2017	於二零一七年四月三十日					
Gross carrying amount	總賬面值	141,310	152,615	96,213	8,902	399,040
Accumulated impairment	累計減值	-	(152,615)	(49,442)	-	(202,057)
Net carrying amount	賬面淨值	141,310	-	46,771	8,902	196,983
Period from 1 May 2017 to 31 December 2017	自二零一七年五月一日起至二零 一七年十二月三十一日止期間					
Opening net carrying amount	期初賬面淨值	141,310	-	46,771	8,902	196,983
Acquisition of a subsidiary (note 39)	收購附屬公司(附註39)	5,309	-	-	-	5,309
Closing net carrying amount	期末賬面淨值	146,619	-	46,771	8,902	202,292
At 31 December 2017	於二零一七年十二月三十一日					
Gross carrying amount	總賬面值	146,619	152,615	96,213	8,902	404,349
Accumulated impairment	累計減值	-	(152,615)	(49,442)	-	(202,057)
Net carrying amount	賬面淨值	146,619	-	46,771	8,902	202,292

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

16. GOODWILL (CONT'D)

For the purpose of impairment testing, goodwill is allocated to four cash generating units, Aierfu Business, Reshine Business, Weikai Business and AK Business.

The recoverable amounts for these cash-generating units have been determined based on value-in-use ("VIU")/fair value less cost of disposal ("FVLCD") calculation using discounted cash flow technique, covering detailed five-year budget plans. Cash flows beyond the five-year period are extrapolated using the estimated growth rates as stated below. The discount rates used for VIU and FVLCD are pre-tax and post-tax respectively and reflect specific risks relating to the relevant cash-generating unit.

The key assumptions used for recoverable amounts are as follows:

		Basis 基準		Growth rate 增長率		Discount rate 折現率	
		31 December 2017 二零一七年 十二月三十一日	30 April 2017 二零一七年 四月三十日	31 December 2017 二零一七年 十二月三十一日	30 April 2017 二零一七年 四月三十日	31 December 2017 二零一七年 十二月三十一日	30 April 2017 二零一七年 四月三十日
Aierfu Business	艾爾膚業務	VIU 使用價值	VIU 使用價值	3%	3%	23%	22%
Reshine Business	艾爾膚業務	VIU 使用價值	VIU 使用價值	3%	3%	28%	28%
Weikai Business	艾爾膚業務	FVLCD 公平值減出售成本	FVLCD 公平值減出售成本	3%	3%	22%	20%
AK Business	艾爾膚業務	FVLCD 公平值減出售成本	FVLCD 公平值減出售成本	3%	3%	22%	20%

The key assumptions are those regarding the discount rate, growth rate and budgeted gross margin, which had been determined based on the market comparables and budgeted revenue, which had been determined based on the management's expectation for the market development and the production capacity of relevant cash generating units.

Apart from the considerations described above in determining the recoverable amount of the cash-generating unit, the Group's management is not currently aware of any other probable changes that would necessitate changes in their key assumptions. However, the estimate of recoverable amount of the Group's cash generating units is particularly sensitive to the discount rate applied.

The recoverable amount has been determined by an independent professional valuer, Hong Kong Appraisal Advisory Limited with the discounted cash flow approach. The recoverable amounts of these cash generating units are classified as level 3 measurement.

16. 商譽(續)

為進行減值檢測，商譽會分配至四個現金產生單位，艾爾膚業務、瑞盛業務、衛凱業務及奧凱業務。

該等現金產生單位的可收回金額已根據使用貼現現金流量法(按詳盡五年預算計劃)計算之使用價值(「使用價值」)/公平值減出售成本(「公平值減出售成本」)計算釐定。五年期以後之現金流量乃按以下所列估計增長率推算。用於使用價值/公平值減出售成本的折現率分別為除稅前及除稅後，並反映相關現金產生單位之特定風險。

可收回金額所使用的主要假設如下：

主要假設為有關折現率、增長率及預算毛利率，彼等根據市場可比較值及預算收益(其根據管理層對市場的發展和相關現金產生單位的生產能力之預期釐定)釐定。

除上述釐定現金產生單位可收回金額之考慮因素外，本集團之管理層現時並不知悉任何其他可能之變化，令其需要修改主要假設。然而，本集團現金產生單位的可收回金額之估計對所採用之折現率尤為敏感。

可收回金額乃由獨立專業估值師香港評值國際有限公司使用貼現現金流量法釐定。該等現金產生單位的可收回金額被列為第三級計量。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

16. GOODWILL (CONT'D)

As at 31 December 2017 and 30 April 2017, based on the results of the reviews of the recoverable amount of the cash generating units containing goodwill, the recoverable amounts exceeded the carrying amounts of the relevant assets less liabilities of the cash generating units, the management considered that there was no impairment to be recognised in profit or loss for the period from 1 May 2017 to 31 December 2017 and year ended 30 April 2017.

17. CONTINGENT CONSIDERATION RECEIVABLES

At 1 May	於五月一日
Fair value (loss)/gain	公平值(虧損)/收益
Exchange differences	滙兌差額

At 31 December	於十二月三十一日
-----------------------	-----------------

There are profit guarantees for the acquisitions of Weikai Business and AK Business.

For Weikai Business, the vender guaranteed to the Group that cumulative total net profits for the years ended 31 December 2015 to 2018 will not be less than RMB25,000,000, or he will transfer part of the shares of Passion Stream Limited (a 70% indirectly owned subsidiary of the Group) held by him and classified as non-controlling interests in the consolidated financial statements, based on the percentage of the shortfall in total net profit over the guaranteed total net profit. The adjustment will be settled after the end of the four-year period.

For AK Business, the vendor guaranteed to the Group that cumulative total net profits for the years ended 31 December 2015 to 2018 will not be less than RMB8,000,000, or he will transfer part of the shares of Frame Sharp Limited (a 70% indirectly owned subsidiary of the Group) held by him and classified as non-controlling interests in the consolidated financial statement, based on the percentage of the shortfall in total net profit over the guaranteed total net profit. The adjustment will be settled after the end of the four-year period.

16. 商譽(續)

於二零一七年十二月三十一日及二零一七年四月三十日，根據對現金產生單位(包括商譽)可收回金額的審查結果，現金產生單位相關資產減負債的可收回金額超過其賬面值，管理層認為毋須於自二零一七年五月一日起至二零一七年十二月三十一日止期間及截至二零一七年四月三十日止年度的損益內確認減值。

17. 應收或然代價

	31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元	30 April 2017 二零一七年 四月三十日 HK\$'000 千港元
At 1 May	46,259	28,030
Fair value (loss)/gain	(15,876)	20,097
Exchange differences	2,119	(1,868)
At 31 December	32,502	46,259

收購衛凱業務及奧凱業務均有溢利保證。

有關衛凱業務，賣方向本集團保證，截至二零一五年至二零一八年十二月三十一日止年度之累計總溢利淨額將不少於人民幣25,000,000元，否則其將轉讓所持部份 Passion Stream Limited (本集團70%間接附屬公司)之股份(根據總溢利淨額與保證總溢利淨額間之差額百分比，於綜合財務報表內分類為非控股股東權益)。有關調整將於四年期結束後結算。

有關奧凱業務，賣方向本集團保證，截至二零一五年至二零一八年十二月三十一日止年度之累計總溢利淨額將不少於人民幣8,000,000元，否則其將轉讓其所持部份 Frame Sharp Limited (本集團70%間接附屬公司)之股份(根據總溢利淨額與保證總溢利淨額間之差額百分比，於綜合財務報表內分類為非控股股東權益)。有關調整將於四年期結束後結算。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

17. CONTINGENT CONSIDERATION RECEIVABLES (CONT'D)

The contingent consideration receivables represent the fair value of the profit guarantees in accordance with the share purchase agreements for the acquisition of Weikai Business and AK Business and are estimated by independent professional valuers, Hong Kong Appraisal Advisory Limited. As at 31 December 2017 and 30 April 2017, the fair value of the contingent consideration receivables were estimated by applying probability weighted discounted cash flow approach based on the estimated total profits expected by management of the Group to be earned by the Weikai Business and AK Business for the four years ended 31 December 2018 and the estimated fair values of the shares of Passion Stream Limited and Frame Sharp Limited held by the non-controlling interests.

The fair value of contingent consideration receivables is a level 3 recurring fair value measurement. Significant unobservable inputs for the valuation approach are as follows:

17. 應收或然代價(續)

應收或然代價指根據收購衛凱業務及奧凱業務之股份購買協議的溢利保證之公平值，乃由獨立專業估值師香港評值國際有限公司估計。於二零一七年十二月三十一日及二零一七年四月三十日，應收或然代價之公平值乃使用機率加權貼現現金流估值法根據本集團管理層預期截至二零一八年十二月三十一日止四個年度衛凱業務及奧凱業務賺取之估計溢利總額以及非控股股東權益所持Passion Stream Limited及Frame Sharp Limited股份之估計公平值而估計得出。

應收或然代價之公平值為第三級經常性公平值計量。估值法之重大非可觀察數據如下所示：

	Weikai Business 衛凱業務		AK Business 奧凱業務	
	31 December 2017 二零一七年 十二月三十一日	30 April 2017 二零一七年 四月三十日	31 December 2017 二零一七年 十二月三十一日	30 April 2017 二零一七年 四月三十日
Marketability discount on the fair value of shares 股份公平值之市場流動折現率	20.89%	20.89%	20.89%	20.89%

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

17. CONTINGENT CONSIDERATION RECEIVABLES (CONT'D)

Higher marketability discount on the fair value of shares of Passion Stream Limited and Frame Sharp Limited will result in corresponding lower fair values.

As at 31 December 2017 and 30 April 2017, it is estimated that with all other variables held constant, the sensitivity analysis of the change in significant unobservable inputs to the fair values of contingent consideration receivables is as follows:

17. 應收或然代價(續)

Passion Stream Limited 及 Frame Sharp Limited之股份公平值之市場流動折現率升高將導致公平值相應減少。

於二零一七年十二月三十一日及二零一七年四月三十日，預計所有其他變數保持不變，應收或然代價之公平值根據重大非可觀察數據變化之敏感度分析如下：

		Decrease in fair values of contingent consideration receivables 應收或然代價之公平值減少			
		Weikai Business 衛凱業務		AK Business 奧凱業務	
		31 December 2017 二零一七年 十二月三十一日	30 April 2017 二零一七年 四月三十日	31 December 2017 二零一七年 十二月三十一日	30 April 2017 二零一七年 四月三十日
Increase in the marketability discount by 5%	市場流動折現率升高5%	5%	5%	5%	5%

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

18. OTHER INTANGIBLE ASSETS

18. 其他無形資產

		Trademark 商標 HK\$'000 千港元	Patents 專利 HK\$'000 千港元	Development costs 發展成本 HK\$'000 千港元	Licensing agreement 特許權協議 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 May 2016	於二零一六年五月一日					
Cost	成本	79,984	497,839	115,370	-	693,193
Accumulated amortisation and impairment losses	累計攤銷及減值虧損	(40,014)	(166,679)	-	-	(206,693)
Net book amount	賬面淨值	39,970	331,160	115,370	-	486,500
Year ended 30 April 2017	截至二零一七年四月三十日止年度					
Opening net book amount	期初賬面淨值	39,970	331,160	115,370	-	486,500
Additions	添置	-	-	2,576	-	2,576
Exchange differences	滙兌差額	-	(15,556)	(6,807)	-	(22,363)
Amortisation	攤銷	(5,330)	(32,223)	(3,444)	-	(40,997)
Closing net book amount	期末賬面淨值	34,640	283,381	107,695	-	425,716
At 30 April 2017	於二零一七年四月三十日					
Cost	成本	79,984	473,372	111,095	-	664,451
Accumulated amortisation and impairment losses	累計攤銷及減值虧損	(45,344)	(189,991)	(3,400)	-	(238,735)
Net book amount	賬面淨值	34,640	283,381	107,695	-	425,716
Period from 1 May 2017 to 31 December 2017	自二零一七年五月一日起至二零一七年十二月三十一日止期間					
Opening net book amount	期初賬面淨值	34,640	283,381	107,695	-	425,716
Additions	添置	-	-	3,475	-	3,475
Acquisition of a subsidiary (note 39)	收購附屬公司(附註39)	-	-	-	23,393	23,393
Exchange differences	滙兌差額	-	14,238	8,351	-	22,589
Amortisation	攤銷	(3,553)	(21,922)	(2,332)	(2,621)	(30,428)
Closing net book amount	期末賬面淨值	31,087	275,697	117,189	20,772	444,745
At 31 December 2017	於二零一七年十二月三十一日					
Cost	成本	79,984	493,470	123,216	23,393	720,063
Accumulated amortisation and impairment losses	累計攤銷及減值虧損	(48,897)	(217,773)	(6,027)	(2,621)	(275,318)
Net book amount	賬面淨值	31,087	275,697	117,189	20,772	444,745

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

18. OTHER INTANGIBLE ASSETS (CONT'D)

As at 31 December 2017, the carrying amounts of other intangible assets of HK\$116,107,000, HK\$228,269,000, HK\$49,371,000 and HK\$50,998,000 are related to four cash generating units, Aierfu Business, Reshine Business, Weikai Business and AK Business respectively. These other intangible assets were mainly arising from the business combinations as stated in note 16.

During the period, the directors reviewed the carrying amounts of the other intangible assets. The details of the impairment assessment are stated in note 16.

18. 其他無形資產(續)

於二零一七年十二月三十一日，其他無形資產之賬面值116,107,000港元、228,269,000港元、49,371,000港元及50,998,000港元分別與四個現金產生單位(即艾爾膚業務、瑞盛業務、衛凱業務及奧凱業務)有關。該等其他無形資產主要來自附註16所述之業務合併。

期內，董事已審查其他無形資產之賬面值。減值評估之詳情載於附註16。

19. AVAILABLE-FOR-SALE FINANCIAL ASSETS

19. 可供出售金融資產

		31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元	30 April 2017 二零一七年 四月三十日 HK\$'000 千港元
Non-current			
	非流動		
Unlisted equity securities – unlisted PRC company, at cost	非上市股本證券 – 非上市 中國公司，按成本	112,928	112,928
Unlisted private equity fund – Overseas, at cost	非上市私募股本基金 – 海外， 按成本	214,691	–
Unlisted private equity fund – Overseas, at fair value	非上市私募股本基金 – 海外， 按公平值	126,837	–
		454,456	112,928
Current			
	流動		
Unlisted equity securities – unlisted PRC company, at cost	非上市股本證券 – 非上市 中國公司，按成本	120,600	–

Unlisted equity securities in private companies and certain private equity funds are measured at cost less impairment losses as the variability in the range of reasonable fair value estimates is significant and the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value. The directors of the Company are of the opinion that the fair value cannot be measured reliably.

Except for the unlisted equity securities in PRC company of HK\$120,600,000, the Group does not intend to dispose of available-for-sale financial assets.

鑒於合理公平值估計範疇之變動屬重大及於估計公平值時該範疇內各估計的可能性不能合理評估及使用，私人公司之非上市股本證券及若干私募股本基金按成本減減值虧損計量。本公司董事認為公平值並不能可靠計量。

除中國公司之非上市股本證券120,600,000港元外，本集團不擬出售可供出售金融資產。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

20. INVENTORIES

20. 存貨

		31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元	30 April 2017 二零一七年 四月三十日 HK\$'000 千港元
Raw materials	原材料	8,093	3,716
Work in progress	在製品	1,176	1,728
Finished goods	製成品	17,286	9,310
Goods in transit	在運品	2,195	45,813
		28,750	60,567

21. TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

21. 應收貿易賬項、按金、預付款項 及其他應收賬項

		31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元	30 April 2017 二零一七年 四月三十日 HK\$'000 千港元
Trade receivables	應收貿易賬項	279,806	39,117
Deposits	按金	14,887	14,509
Prepayments	預付款項	315,977	138,518
Bank interest receivables	應收銀行利息	17,276	7,448
Other receivables	其他應收賬項	142,533	173,204
		490,673	333,679

As at 31 December 2017 and 30 April 2017, prepayments mainly represented by the prepaid promotion expenses and purchases of medical equipment for trading. Other receivables mainly represented payment made to an agent for identification and negotiation of potential acquisition opportunities. Management considered that prepayments and other receivables will be utilised/repaid within 12 months from the reporting date and classified as current assets.

於二零一七年十二月三十一日及二零一七年四月三十日，預付款項主要指預付促銷費及採購醫療設備以供貿易。其他應收賬項主要指就物色及磋商潛在收購商機而支付予一名代理的賬項。管理層認為預付款項及其他應收賬項將於報告日期起計12個月內動用/償還，並分類為流動資產。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

21. TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (CONT'D)

As at 31 December 2017, ageing analysis of trade receivables based on sales invoice date and net of provisions, is as follows:

		31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元	30 April 2017 二零一七年 四月三十日 HK\$'000 千港元
0-90 days	0-90天	259,744	12,348
Over 90 days but less than 1 year	超過90天但少於1年	19,770	18,590
1 year or over 1 year	1年或1年以上	292	8,179
		279,806	39,117

The Group allows an average credit period of 60-180 days (30 April 2017: 60-180 days) to its customers.

The carrying amount of trade receivables is considered as reasonable approximation of their fair value. Impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtors and default or delinquency in payments are considered indicators that the trade receivable is impaired. All of the Group's trade receivables have been reviewed for indicators of impairment.

21. 應收貿易賬項、按金、預付款項及其他應收賬項(續)

於二零一七年十月三十一日，應收貿易賬項按銷售發票日期及扣除撥備後之賬齡分析如下：

		31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元	30 April 2017 二零一七年 四月三十日 HK\$'000 千港元
0-90 days	0-90天	259,744	12,348
Over 90 days but less than 1 year	超過90天但少於1年	19,770	18,590
1 year or over 1 year	1年或1年以上	292	8,179
		279,806	39,117

本集團給予其客戶之平均信貸期為60-180天(二零一七年四月三十日：60-180天)。

應收貿易賬項之賬面值被視為其公平值之合理約數。當有客觀證據表明本集團將未能夠按應收賬項之原訂條款收回全部欠款時，則會確定應收貿易賬項出現減值。債務人面對重大財務困難，以及未能如期或拖欠還款，均被視為應收貿易賬項出現減值之跡象。本集團所有應收貿易賬項已進行減值跡象審閱。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

21. TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (CONT'D)

In addition, some of the unimpaired trade receivables are past due as at the reporting date. Ageing analysis of trade receivables not impaired is as follows:

		31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元	30 April 2017 二零一七年 四月三十日 HK\$'000 千港元
0-90 days	0-90天	13,149	8,605
Over 90 days past due but less than 1 year	超過90天但少於1年	328	13,516
1 year or over 1 year	1年或1年以上	49	8,178
		13,526	30,299

Trade receivables that were past due but not impaired related to customers that had a good track record of credit with the Group. Based on past credit history, 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 to be fully recoverable. The Group did not hold any collateral in respect of trade receivables that were past due but not impaired.

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

These represented the listed equity securities in Hong Kong held for trading purposes. The balances at the reporting dates are stated at fair values which have been determined by reference to the quoted bid prices at the reporting dates.

21. 應收貿易賬項、按金、預付款項及其他應收賬項(續)

此外，於報告日，部份並無減值之應收貿易賬項乃逾期未付。並無減值之應收貿易賬項之賬齡分析如下：

逾期但無減值之應收貿易賬項涉及與本集團有良好信貸記錄的客戶。根據過往的信貸記錄，管理層相信，由於信貸質素並無發生重大變動，且該等結餘仍被視為可全數收回，故毋須就該等結餘計提減值撥備。本集團並無就逾期但無減值之應收貿易賬項持有任何抵押品。

22. 按公平值於損益列賬之金融資產

該等資產指香港上市股本證券且持作買賣用途。於報告日之結餘按公平值(經參考報告日之報價釐定)列賬。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

23. CASH AND CASH EQUIVALENTS/PLEDGED BANK DEPOSITS

23. 現金及現金等值項目／已抵押銀行存款

		31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元	30 April 2017 二零一七年 四月三十日 HK\$'000 千港元
Cash and bank balances	現金及銀行結餘	244,373	571,732
Cash and cash equivalents	現金及現金等值項目	244,373	571,732
Pledged deposits (note (a))	已抵押存款(附註(a))	818,062	794,743

(a) The deposits are pledged to banks to secure bank loans (as detailed in note 27 to the financial statements). These deposits earn interests from 1.44% to 2.10% (April 2017: 2.10% to 3.68%) per annum. As at 31 December 2017 and 30 April 2017, the pledged deposits are classified as non-current assets as it is pledged to secure non-current bank loans.

(b) Included in cash and bank balances, short-term deposits and pledged bank deposits of the Group is HK\$411,733,000 (April 2017: HK\$641,938,000) of bank balances denominated in Renminbi ("RMB") placed with banks in the PRC. RMB is not a freely convertible currency. Under the Mainland China's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are recognised to conduct foreign exchange business.

(a) 存款已抵押予銀行以作為銀行貸款之擔保(如財務報表附註27中詳述)。該等存款年利率為1.44%至2.10%(二零一七年四月三十日: 2.10%至3.68%)。於二零一七年十二月三十一日及二零一七年四月三十日, 已抵押存款因抵押作為非即期銀行貸款之擔保而分類為非流動資產。

(b) 本集團之現金及銀行結餘、短期存款及已抵押銀行存款包括存放於中國之銀行並以人民幣(「人民幣」)計值之銀行結餘411,733,000港元(二零一七年四月三十日: 641,938,000港元)。人民幣並非可自由兌換之貨幣。根據中國內地之外匯管理條例及結匯、售匯及付匯管理規定, 本集團獲准透過獲授權進行外匯業務之銀行將人民幣兌換為外幣。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

24. TRADE PAYABLES

As at 31 December 2017, ageing analysis of trade payables based on invoice date is as follows:

		31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元	30 April 2017 二零一七年 四月三十日 HK\$'000 千港元
0-30 days	0-30天	222,131	37,075
31-60 days	31-60天	14,582	55
Over 60 days but less than 1 year	超過60天但少於1年	195	1,049
1 year or over 1 year	1年或1年以上	1,438	814
		238,346	38,993

General credit terms granted by suppliers are 30 days to 60 days.

於二零一七年十二月三十一日，應付貿易賬項按發票日期之賬齡分析如下：

供應商授出之一般信貸期介乎30天至60天。

25. ACCRUED CHARGES AND OTHER PAYABLES

Accrued charges	應計費用	33,897	9,306
Receipt in advance from customers	預收客戶賬項	23,569	18,678
Other payables	其他應付賬項	44,206	32,815
Government assistances	政府補助	46,197	43,890
		147,869	104,689

Government assistances represent payments granted by the local governments in the PRC in relation to the research and development of tissue engineering and stem cell projects carried out in the PRC. These payments will be recognised as income upon the approval from the local government on the output of the relevant projects.

25. 應計費用及其他應付賬項

		31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元	30 April 2017 二零一七年 四月三十日 HK\$'000 千港元
Accrued charges	應計費用	33,897	9,306
Receipt in advance from customers	預收客戶賬項	23,569	18,678
Other payables	其他應付賬項	44,206	32,815
Government assistances	政府補助	46,197	43,890
		147,869	104,689

政府補助指中國當地政府就於中國進行之組織工程及幹細胞項目研究及開發授出之款項。該等款項將於當地政府對相關項目成果作出批准後確認為收入。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

26. SHAREHOLDER'S LOANS

As at 31 December 2017, loans from a substantial shareholder of the Company (who held 21.09% of the shareholding of the Company) are unsecured, interest-free and repayable within one year except for the amount of HK\$100 million, which is for the potential acquisition of Lung Hang Investments Limited (note 33) and repayable on the third anniversary date of the advancement date of the shareholder's loans.

27. BANK BORROWINGS

As at 31 December 2017, the Group's bank borrowings are repayable as follows:

26. 股東貸款

於二零一七年十二月三十一日，來自本公司主要股東(持有本公司21.09%股權)之貸款為無抵押、免息及須於一年內償還，惟金額100,000,000港元除外，該筆款項乃用於可能收購Lung Hang Investments Limited(見附註33)，並須於股東貸款墊付日期起屆滿三週年之日償還。

27. 銀行借款

於二零一七年十二月三十一日，本集團之應償還銀行借款如下：

		31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元	30 April 2017 二零一七年 四月三十日 HK\$'000 千港元
Current:	即期：		
Bank loans, secured – repayable within one year (i)	銀行貸款，有抵押—一年內償還(i)	-	28,345
Non-current:	非即期：		
Bank loans, secured – repayable over one year but less than five years (ii)	銀行貸款，有抵押—一年後但五年內償還(ii)	771,840	725,632
		771,840	753,977

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

27. BANK BORROWINGS (CONT'D)

The interest-bearing bank borrowings are carried at amortised cost.

- (i) As at 30 April 2017, the current bank borrowings represented bank loans with principal amounts of RMB25,000,000, which were repayable within one year and secured by the Group's property, plant and equipment and land use rights with carrying amounts of HK\$78,027,000 and HK\$4,219,000 respectively. Such borrowings were fully repaid during the period.
- (ii) As at 31 December 2017 and 30 April 2017, the non-current bank borrowings represented bank loans with principal amounts of RMB640,000,000, which are repayable over one year but less than five years. The bank loans of RMB640,000,000 are secured by the Group's pledged bank deposits with carrying amounts of HK\$818,062,000 (30 April 2017: HK\$794,743,000)

Interest rate of the bank borrowings was carried at fixed interest rate at 4.750% (April 2017: 4.750% and 6.090%) per annum for the year.

27. 銀行借款(續)

計息銀行借款乃按攤銷成本列賬。

- (i) 於二零一七年四月三十日，即期銀行借款指本金金額為人民幣25,000,000元、須於一年內償還且分別為78,027,000港元及4,219,000港元之物業、廠房及設備以及土地使用權作抵押的銀行貸款。期內，該等借款已悉數償還。
- (ii) 於二零一七年十二月三十一日及二零一七年四月三十日，非即期銀行借款指須於一年後但五年內償還之賬面值為人民幣640,000,000元之銀行貸款。該筆人民幣640,000,000元之銀行貸款以本集團賬面值為818,062,000港元(二零一七年四月三十日：794,743,000港元)之已抵押銀行存款作抵押。

本年度銀行借款按固定年利率4.750%(二零一七年四月三十日：4.750%及6.090%)計息。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

28. DEFERRED TAXATION

Deferred taxation is calculated on temporary difference under the liability method using the rates of taxation prevailing in the countries in which the Group operates.

The movement on deferred tax liabilities is as follows:

28. 遞延稅項

遞延稅項乃根據負債法以本集團經營所在國家之現行稅率按暫時差額計算。

遞延稅項負債之變動如下：

		Fair value adjustments arising from other intangible assets 其他無形資產所產生之 公平值調整	
		31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元	30 April 2017 二零一七年 四月三十日 HK\$'000 千港元
At beginning of the year	年初	78,411	90,306
Fair value adjustments arising from acquisition of a subsidiary (note 39)	收購附屬公司所產生之 公平值調整(附註39)	4,151	-
Credited to profit or loss for the year (note 11)	已計入本年度損益(附註11)	(5,610)	(7,346)
Exchange differences	滙兌差額	4,124	(4,549)
At end of the year	年末	81,076	78,411

As at 31 December 2017, the Group has unused tax losses of HK\$88,863,000 (30 April 2017: HK\$90,919,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams. Tax losses will expire after 5 years from the year in which the tax losses were incurred.

於二零一七年十二月三十一日，本集團有未動用稅項虧損88,863,000港元(二零一七年四月三十日：90,919,000港元)，可用於抵扣未來溢利。由於未來溢利來源的不可預測性，故並無就稅項虧損確認遞延稅項資產。稅項虧損將於其產生當年起計5年後到期。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

29. SHARE CAPITAL

29. 股本

		31 December 2017 二零一七年十二月三十一日		30 April 2017 二零一七年四月三十日	
		Number of shares 股份數目	Amount 金額 HK\$'000 千港元	Number of shares 股份數目	Amount 金額 HK\$'000 千港元
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股				
Authorised:	法定股本：				
At beginning of the year and at end of the year	年初及年末	100,000,000,000	1,000,000	100,000,000,000	1,000,000
Issued and fully paid:	已發行及繳足：				
At beginning of the year	年初	17,585,790,000	175,858	17,592,180,000	175,922
Shares repurchased and cancelled (note)	已購回及註銷之股份(附註)	-	-	(6,390,000)	(64)
At end of the year	年末	17,585,790,000	175,858	17,585,790,000	175,858

Note:

On 8 September 2016, the Company cancelled 6,390,000 of its shares in respect of the repurchases made on 26-29 July 2016, 1 August 2016 and 3-5 August 2016. Details of the share cancellation were contained in the Company's announcement dated 8 September 2016.

All these ordinary shares issued by the Company during the years rank *pari passu* with the then existing ordinary shares in all respects.

附註：

於二零一六年九月八日，本公司註銷6,390,000股其於二零一六年七月二十六日至二十九日、二零一六年八月一日及二零一六年八月三日至五日購回之股份。有關股份註銷之詳情載於本公司日期為二零一六年九月八日之公告。

本公司於各年度發行之所有普通股於各方面均與當時之現有普通股享有同等權益。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

30. HOLDING COMPANY STATEMENT OF FINANCIAL POSITION

30. 控股公司之財務狀況表

As at 31 December 2017

於二零一七年十二月三十一日

		Notes 附註	31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元	30 April 2017 二零一七年 四月三十日 HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備		107	86
Deposits for acquisition of subsidiaries	收購附屬公司之按金		100,000	–
Interests in subsidiaries	於附屬公司之權益		1,064,516	200
			1,164,623	286
Current assets	流動資產			
Deposits and prepayments	按金及預付款項		5,996	16,153
Financial assets at fair value through profit or loss	按公平值於損益列賬之金融資產		12,154	12,036
Amounts due from subsidiaries	應收附屬公司款項		1,701,644	2,493,180
Cash and cash equivalents	現金及現金等值項目		1,367	69,586
			1,721,161	2,590,955
Current liabilities	流動負債			
Accrued charges and other payables	應計費用及其他應付賬項		12,092	7,919
Amounts due to subsidiaries	應付附屬公司款項		189,059	142,693
Shareholder's loans	股東貸款		355,792	–
Current tax liabilities	當期稅項負債		1,326	1,326
			558,269	151,938
Net current assets	流動資產淨值		1,162,892	2,439,017
Total assets less current liabilities	總資產減流動負債		2,327,515	2,439,303
Non-current liabilities	非流動負債			
Shareholder's loans	股東貸款		100,000	–
Net assets	資產淨值		2,227,515	2,439,303
EQUITY	權益			
Share capital	股本	29	175,858	175,858
Reserves	儲備	31	2,051,657	2,263,445
Total equity	總權益		2,227,515	2,439,303

On behalf of directors

代表董事

Mr. Chen Chunguo
陳春國先生
Director
董事

Dr. Ray Yip
葉雷博士
Director
董事

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

31. RESERVES

The Company

31. 儲備

本公司

		Share premium 股份溢價 HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Translation reserve 滙兌儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 May 2016	於二零一六年五月一日	3,198,791	44,943	13	(799,298)	2,444,449
Shares issue expense	股份發行開支	-	-	-	-	-
Exchange gain on translation of financial statements of foreign operations	換算海外業務財務報表之 滙兌收益	-	-	1	-	1
Issue of share options	發行購股權	-	28,520	-	-	28,520
Lapse of share options	已失效購股權	-	(38,789)	-	38,789	-
Share repurchased and cancelled	已購回及註銷股份	(1,795)	-	-	-	(1,795)
Loss for the year	本年度虧損	-	-	-	(207,730)	(207,730)
At 30 April 2017 and 1 May 2017	於二零一七年四月三十日及 二零一七年五月一日	3,196,996	34,674	14	(968,239)	2,263,445
Exchange gain on translation of financial statements of foreign operations	換算海外業務財務報表之 滙兌收益	-	-	1	-	1
Issue of share options	發行購股權	-	25,495	-	-	25,495
Lapse of share options	已失效購股權	-	(7,240)	-	7,240	-
Loss for the period	本期間虧損	-	-	-	(237,284)	(237,284)
At 31 December 2017	於二零一七年 十二月三十一日	3,196,996	52,929	15	(1,198,283)	2,051,657

In accordance with the Companies Law of the Cayman Islands, the share premium account of the Company is also available for distribution to shareholders provided that the Company is able to pay its debts as they fall due in the ordinary course of business immediately following the date on which any such distribution is proposed to be paid.

根據開曼群島公司法，本公司之股份溢價賬亦可分派予股東，惟本公司須於緊隨建議派付任何有關分派日期後，能夠在日常業務過程中償還到期債務。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

32. OPERATING LEASE COMMITMENTS

As lessee

The Group leases a number of properties under operating leases. The leases run for an initial period of one to five years.

At the reporting date, the total future minimum lease payments under non-cancellable operating leases are as follows:

		31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元	30 April 2017 二零一七年 四月三十日 HK\$'000 千港元
Within one year	一年內	38,797	26,445
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	51,311	44,962
		90,108	71,407

During the year ended 30 April 2017, the Group entered into the framework agreements with independent third parties to establish an ophthalmic clinic and a specialist hospital located in Shenzhen, PRC. According to the terms of the two framework agreements, the Group may have use of each of the two sites for the first eight years following the date the relevant site becomes available for use and the Group is required to share 49% of the audited net profit (after tax) of the specialist hospital with the independent third party during the term of that lease. Thereafter, the Group may elect to continue to rent the sites at a rental to be determined by reference to the then prevailing market rate for the seven years that follow. As at 31 December 2017, the Group has not yet used these sites.

32. 經營租賃承擔

作為承租方

本集團根據經營租賃租用若干物業。有關租約初始期為一至五年。

於報告日，根據不可撤銷經營租賃而須支付之未來最低租金總額如下：

於截至二零一七年四月三十日止年度，本集團與獨立第三方訂立框架協議，以於中國深圳成立一間眼科診所及一間專科醫院。根據兩份框架協議之條款，本集團可於有關場所可供使用之日起首個八年內使用該兩個場所，但本集團須於租賃年期內與獨立第三方分享專科醫院49%經審核淨利潤(稅後)。此後，本集團可選擇繼續租賃該等場所，租金將參考七年後的通行市場利率釐定。於二零一七年十二月三十一日，本集團尚未動用該等場所。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

33. CAPITAL AND OTHER COMMITMENTS

As at 31 December 2017, the Group had capital and other commitments as follows:

	31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元	30 April 2017 二零一七年 四月三十日 HK\$'000 千港元
Capital commitments for property, plant and equipment: 資本承擔：		
Contracted but not provided for: 已授權但未訂約：		
Purchase of property, plant and equipment 購置物業、廠房及設備	4,125	15,038
Total	4,125	15,038

The Company signed two sponsorship agreements with the University of Oxford for the research of stem cell therapy and tissue engineering. The Company agreed to provide GBP9 million (equivalent to HK\$90.1 million) to the University of Oxford by instalments over the period covered by agreements. Up to 31 December 2017, the Company has paid GBP4.75 million (equivalent to HK\$52.65 million (April 2017: GBP4.5 million (equivalent to HK\$52.6 million))) to the University of Oxford.

On 31 March 2017, the Group entered into the commitment letter to subscribe for the interests in Haitong International Zhong Hua Finance Acquisition Fund I, L.P. ("the Fund"), an exempted limited partnership to be established in the Cayman Islands, and irrevocably undertake to make a capital contribution of US\$75 million (equivalent to HK\$585 million) to the Fund as a limited partner of the Fund, subject to and assuming the satisfaction of the conditions contained in the limited partnership agreement and subscription agreement of the Fund and acceptance by the general partner of the Fund. Up to 30 April 2017, the Company has not yet made any payment to the Fund.

33. 資本及其他承擔

於二零一七年十二月三十一日，本集團之資本及其他承擔如下：

本公司與牛津大學就幹細胞治療及組織工程的研究訂立兩份贊助協議。本公司同意於協議涵蓋期間向牛津大學分期提供9,000,000英鎊(相當於90,100,000港元)。截至二零一七年十二月三十一日，本公司已向牛津大學支付4,750,000英鎊(相當於52,650,000港元)(二零一七年四月三十日：4,500,000英鎊(相當於52,600,000港元))。

於二零一七年三月三十一日，本集團訂立認購 Haitong International Zhong Hua Finance Acquisition Fund I, L.P. (「基金」)(為將於開曼群島成立之獲豁免有限責任合夥事業)權益的承擔函，並不可撤銷地承諾作為基金之有限合夥人向基金注資75,000,000美元(相當於585,000,000港元)，惟須待基金之有限責任合夥協議及認購協議中所載之條件獲達成以及獲基金之普通合夥人接納後方可作實。截至二零一七年四月三十日，本公司尚未向基金支付任何款項。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

33. CAPITAL AND OTHER COMMITMENTS (CONT'D)

On 15 July 2017, the Group entered into the limited partnership agreement and subscription agreement of the Fund. On 7 November 2017, the Group entered into the amended limited partnership agreement of the Fund and the Group's commitment in the Fund as a limited partner has been reduced from US\$75 million to US\$35 million (equivalent to HK\$272 million). Up to 31 December 2017, the Company has paid HK\$214,691,000 to the Fund and such balances were classified as available-for-sale financial assets under non-current assets.

On 10 December 2017, the Company entered into the framework agreement with an independent third party in relation to the proposed acquisition of the entire issued share capital of Lung Hang Investments Limited, a company incorporated in the British Virgin Islands with limited liability. Lung Hang Investments Limited and its subsidiaries are principally engaged in the manufacture, distribution, trading and sale of proprietary Chinese medicines, chemical raw materials, biochemical products, chemical medicine preparation and health food and other related business in the PRC. The amount of the consideration for the potential acquisition shall be in the region between HK\$3.6 billion to HK\$3.8 billion, subject to further *bona fide* negotiations. Further details are set out in the Company's announcement dated 10 December 2017.

According to the framework agreement, the Company shall pay HK\$100 million to the existing shareholder of Lung Hang Investments Limited within 7 days from the signing of the framework agreement. This payment is non-refundable and if the proposed acquisition materialises, this payment shall be applied as part payment of the consideration. As at 31 December 2017, the Company paid HK\$100 million and classified as deposits for acquisition of subsidiaries under non-current assets.

For the purpose of this potential acquisition, All Favour Holdings Limited, a substantial shareholder of the Company which held 21.09% of the shareholding interests of the Company as at 31 December 2017, advanced HK\$100 million to the Company to pay the deposits pursuant to the framework agreement. This shareholder's loan is unsecured and interest-free. If the Company proceeds with the proposed acquisition, the Company shall repay the shareholder's loan on or before the third anniversary date of the advancement date of the shareholder's loan.

33. 資本及其他承擔(續)

於二零一七年七月十五日，本集團訂立有限合夥協議及基金認購協議。於二零一七年十一月七日，本集團訂立經修訂有限合夥協議及基金認購協議，本集團承若作為有限合夥人向基金注資的金額由75,000,000美元削減至35,000,000美元(相當於272,000,000港元)。截至二零一七年十二月三十一日，本公司已向基金支付214,691,000港元，餘額分類為非流動資產項下之可供出售金融資產。

於二零一七年十二月十日，本公司與獨立第三方訂立框架協議，內容有關建議收購Lung Hang Investments Limited(於英屬處女群島註冊成立之有限公司)之全部已發行股本。Lung Hang Investments Limited及其附屬公司主要於中國從事中成藥、化學原料藥、生化產品、化學藥製劑及保健食品的生產、分銷、貿易及銷售業務以及其他相關業務。潛在收購事項之代價金額應介乎36億港元至38億港元，惟有待進一步真誠磋商釐定。進一步詳情載於本公司日期為二零一七年十二月十日之公告。

根據框架協議，本公司應於簽立框架協議後7日內向Lung Hang Investments Limited現任股東支付1億港元。該筆款項為不可退還。倘建議收購事項落實，該筆款項將用作代價的部分付款。於二零一七年十二月三十一日，本公司已支付1億港元，並分類為非流動資產項下之收購附屬公司之按金。

為了是項潛在收購事項，本公司之主要股東全輝控股有限公司(於二零一七年十二月三十一日持有本公司21.09%股權)向本公司墊付1億港元的款項以根據框架協議支付按金。該筆股東貸款為無抵押及免息。倘本公司進行建議收購事項，本公司將於股東貸款墊付日期屆滿三週年當日或之前償還股東貸款。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

33. CAPITAL AND OTHER COMMITMENTS (CONT'D)

The Company has reached agreement with the substantial shareholder that if the Company decides not to proceed with the proposed acquisition, the Company shall nominate the substantial shareholder as nominated purchaser for the potential acquisition and the substantial shareholder agreed to proceed with the proposed acquisition. In such event, the obligation to repay the shareholder's loan by the Company shall be deemed discharged when the substantial shareholder enters into the sale and purchase agreement of the potential acquisition.

34. SHARE OPTIONS

A share option scheme was adopted by the Company pursuant to a resolution passed on 14 September 2011 (the "Scheme"). Under the Scheme, the directors may grant options to (i) any eligible employee (means any employee, whether full time or part time employee, including any executive directors and non-executive directors) of the Company, any of its subsidiaries and any invested entity; (ii) any supplier of goods or services to any member of the Group or any invested entity; (iii) any customer of the Group or any invested entity; (iv) any person or entity that provides research, development or technological support or other services to the Group or any invested entity; and (v) any shareholder or any member of the Group or any invested entity or any holder of any securities issued by any member of the Group to any invested entity (collectively known as the "Participants"), to subscribe for shares in the Company. The purpose of the Scheme is to provide incentives or rewards to the Participants thereunder for their contributions to the Group and/or to enable the Group to recruit and retain high-caliber employees and attract human resources that are valuable to the Group and any invested entity. The period of the Scheme shall not be more than ten years from the date of adoption of the Scheme.

33. 資本及其他承擔(續)

本公司已與主要股東達成初步諒解，倘本公司決定不進行建議收購事項，本公司將指定主要股東作為建議收購事項的指定買方，而主要股東同意進行建議收購事項。於該情況下，本公司償還股東貸款之責任應被視為已於主要股東就建議收購事項訂立買賣協議時履行。

34. 購股權

本公司根據一項於二零一一年九月十四日通過之決議案採納一項購股權計劃(「計劃」)。根據計劃，董事可向下列人士授出購股權以認購本公司股份：(i)本公司、其任何附屬公司及任何所投資實體之任何合資格僱員(指任何全職或兼職僱員，包括任何執行董事及非執行董事)；(ii)向本集團任何成員公司或任何所投資實體供應貨品或服務之任何供應商；(iii)本集團或任何所投資實體之任何顧客；(iv)向本集團或任何所投資實體提供研究、開發或技術支援或其他服務之任何人士或實體；及(v)本集團或任何成員公司或任何所投資實體之任何股東或本集團任何成員公司向任何所投資實體發行之任何證券之任何持有人(統稱「參與者」)。計劃之目的乃就有關參與者對本集團所作之貢獻作出鼓勵或獎勵及/或使本集團得以招攬及挽留優秀僱員，並吸納對本集團及任何所投資實體而言寶貴之人力資源。計劃期由採納計劃日期起計不得超過十年。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

34. SHARE OPTIONS (CONT'D)

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at the date of the approval of the Scheme, unless approved by the Company's shareholders. In addition, the maximum number of shares of the Company which may be issued upon exercise of all outstanding options granted under the Scheme is not permitted to exceed 30% of the shares of the Company in issue from time to time. The number of shares in respect of which options may be granted to any individual in any 12-month period is not permitted to exceed 1% of the shares of the Company in issue at any point in time. Options granted to substantial shareholders or independent non-executive directors of the Company, or any of their respective associates in excess of 0.1% of the Company's share capital and with a value in excess of HK\$5 million must be approved by the Company's shareholders.

Options granted must be taken up within a period of 28 days from the date of grant, upon payment of HK\$1 per grant. An option period to be determined by the directors is at their absolute discretion shall not be more than ten years after the date of the grant of the share option ("Option Period"). Options may be exercised in accordance with the terms of the Scheme at any time during the Option Period after the option has been granted. The exercise price should not be less than the highest of (i) the nominal value of the Company's shares; (ii) the closing price of the Company's share on the date of grants, which must be a trading day; or (iii) the average of the closing prices of the Company's shares for the five trading days immediately preceding the date of grant.

All share-based employee compensation will be settled in equity. The Group has no legal or constructive obligation to repurchase or settle the options other than by issuing its shares.

During the period, 500,000,000 options (year ended 30 April 2017: 227,330,000 options) were granted under the Scheme.

34. 購股權(續)

除非獲得本公司股東批准，根據計劃可予授出之購股權涉及之股份總數不得超過本公司於批准計劃當日已發行股份之10%。此外，因行使根據計劃授出而尚未行使之購股權而可予發行之本公司股份數目上限，不得超過本公司不時已發行股份之30%。於任何12個月期間內可向任何人士授出之購股權涉及之股份數目不得超過本公司於任何時間已發行股份之1%。倘向本公司主要股東或獨立非執行董事或任何彼等各自之聯繫人授出之購股權超過本公司股本之0.1%及價值超過5,000,000港元，則必須獲得本公司股東批准。

所授出之購股權必須於授出日期起28日期間內獲接納，而每次接納購股權時須繳付1港元。購股權期間乃由董事全權酌情釐定，惟不得超過授出購股權日期起計十年（「購股權期間」）。授出購股權後，購股權可於購股權期間內按照計劃條款隨時予以行使。行使價不得低於以下三者之最高者：(i)本公司股份面值；(ii)本公司股份於授出日期（必須為交易日）之收市價；或(iii)本公司股份於緊接授出日期前五個交易日之平均收市價。

所有以股份支付之僱員酬金將以股本支付。本集團除發行股份外，概無法律或推定義務購回或支付購股權。

期內，500,000,000份購股權（截至二零一七年四月三十日止年度：227,330,000份購股權）已根據計劃授出。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

34. SHARE OPTION (CONT'D)

34. 購股權(續)

The following tables set out the movement in share options:

下表載列購股權之變動：

Name or category of participant	Share option type	Outstanding at 1 May 2017 於二零一七年五月一日 尚未行使	Granted during the period 期內授出	Transfer during the period* 期內轉讓	Lapsed during the period 期內失效	Outstanding at 31 December 2017 於二零一七年十二月三十一日 尚未行使	
Directors	董事						
<i>Executive directors</i>	<i>執行董事</i>						
Chen Chunguo	陳春國先生	12/2017	-	500,000,000	-	500,000,000	
Mr. Wong Sai Hung (resigned on 30 November 2017)	黃世雄先生 (於二零一七年十一月三十日辭任)	04/2016 04/2017	7,560,000 24,000,000	- -	(7,560,000) (24,000,000)	- -	
Dr. Shao Zhengkang (resigned on 8 September 2017)	邵政康博士 (於二零一七年九月八日辭任)	04/2016 04/2017	12,030,000 23,000,000	- -	(12,030,000) (23,000,000)	- -	
<i>Non-executive directors</i>	<i>非執行董事</i>						
Professor Cui Zhanfeng	崔占峰教授	04/2016 04/2017	9,630,000 4,000,000	- -	- -	9,630,000 4,000,000	
Mr. Wang Hui (resigned on 8 September 2017)	王輝先生 (於二零一七年九月八日辭任)	04/2016 04/2017	1,750,000 2,100,000	- -	(1,400,000) (2,100,000)	350,000 -	
<i>Independent non-executive directors</i>	<i>獨立非執行董事</i>						
Mr. Lui Tin Nang (resigned on 15 September 2017)	呂天能先生 (於二零一七年九月十五日辭任)	04/2016 04/2017	2,100,000 2,400,000	- -	(2,100,000) (2,400,000)	- -	
Mr. Pang Chung Fai Benny	彭中輝先生	04/2016 04/2017	2,010,000 2,400,000	- -	- -	2,010,000 2,400,000	
Mr. Chan Bing Woon	陳炳煥先生	04/2016 04/2017	1,930,000 2,300,000	- -	- -	1,930,000 2,300,000	
Sub-total	小計		97,210,000	500,000,000	(66,590,000)	(8,000,000)	522,620,000
Employees	僱員						
In aggregate	合計	04/2016 04/2017	78,680,000 111,110,000	- -	12,030,000 23,000,000	(15,846,000) (31,710,000)	74,864,000 102,400,000
Consultants	顧問						
In aggregate	合計	04/2016 04/2017	20,880,000 27,920,000	- -	7,560,000 24,000,000	(3,078,000) (6,336,000)	25,362,000 45,584,000
Total	總計		335,800,000	500,000,000	-	(64,970,000)	770,830,000

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

34. SHARE OPTION (CONT'D)

During the period, share options granted to directors, employees and consultants have been transferred in view of (1) Mr. Wong Sai Hung was resigned as director of the Company and acted as consultant of the Company; and (2) Dr. Shao Zhengkang was resigned as director of the Company but continued to be employed by the Company during the period.

For the period, share options lapsed were due to 64,970,000 (year ended 30 April 2017: 142,190,000) share options issued to directors, employees and consultants who resigned/retired/ceased to provide services to the Group. As a result of the lapse of share options during the period, an amount of HK\$7,240,000 (year ended 30 April 2017: HK\$38,789,000) were debited to the share option reserve and credited to accumulated losses.

The fair value of equity-settled share-based payment transactions with consultants is by reference to the fair value of the share options granted, as the directors consider that the share options granted is an extra incentive to the consultants and no specified identifiable goods or services to be provided to the Group.

The terms and conditions of the share options that existed at 31 December 2017 and 30 April 2017 are as follows:

34. 購股權(續)

期內，鑒於(1)黃世雄先生已辭任本公司董事並擔任本公司顧問；及(2)邵政康博士已辭任本公司董事，惟於期內仍由本公司僱傭，授予董事、僱員及顧問之購股權已予以轉讓。

期內，購股權失效乃由於向辭任／退任／不再為本集團提供服務之董事、僱員及顧問發行之64,970,000份(截至二零一七年四月三十日止年度：142,190,000份)購股權。由於購股權於期內失效，7,240,000港元(截至二零一七年四月三十日止年度：38,789,000港元)從購股權儲備中扣除並計入累計虧損。

由於董事認為所授出之購股權乃為向顧問作出之額外激勵，及並無將向本集團提供之特定可識別貨品或服務，與顧問進行之以權益結算之股權支付費用交易之公平值乃經參考所授出購股權之公平值釐定。

於二零一七年十二月三十一日及二零一七年四月三十日之購股權條款及條件如下：

Date of grant 授出日期	Vesting period 歸屬期	Exercise period 行使期	Contractual exercise price 合約行使價	Contractual life of options 購股權合約年期	Number of options 購股權數目	
					31 December 2017 二零一七年十二月三十一日	30 April 2017 二零一七年四月三十日
Directors and chief executive officer 董事及行政總裁						
16 September 2015 二零一五年九月十六日	16 September 2015 to 15 September 2016 二零一五年九月十六日至 二零一六年九月十五日	16 September 2016 to 15 September 2025 二零一六年九月十六日至 二零二五年九月十五日	HK\$0.45 0.45港元	10 years 10年	3,064,000	7,402,000
16 September 2015 二零一五年九月十六日	16 September 2015 to 15 September 2017 二零一五年九月十六日至 二零一七年九月十五日	16 September 2017 to 15 September 2025 二零一七年九月十六日至 二零二五年九月十五日	HK\$0.45 0.45港元	10 years 10年	2,714,000	7,402,000
16 September 2015 二零一五年九月十六日	16 September 2015 to 15 September 2018 二零一五年九月十六日至 二零一八年九月十五日	16 September 2018 to 15 September 2025 二零一八年九月十六日至 二零二五年九月十五日	HK\$0.45 0.45港元	10 years 10年	2,714,000	7,402,000
16 September 2015 二零一五年九月十六日	16 September 2015 to 15 September 2019 二零一五年九月十六日至 二零一九年九月十五日	16 September 2019 to 15 September 2025 二零一九年九月十六日至 二零二五年九月十五日	HK\$0.45 0.45港元	10 years 10年	2,714,000	7,402,000

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

34. SHARE OPTION (CONT'D)

The terms and conditions of the share options that existed at 31 December 2017 and 30 April 2017 are as follows: (Cont'd)

34. 購股權(續)

於二零一七年十二月三十一日及二零一七年四月三十日之購股權條款及條件如下：(續)

Date of grant 授出日期	Vesting period 歸屬期	Exercise period 行使期	Contractual exercise price 合約行使價	Contractual life of options 購股權合約年期	Number of options 購股權數目	
					31 December 2017 二零一七年十二月三十一日	30 April 2017 二零一七年四月三十日
Directors and chief executive officer (Cont'd) 董事及行政總裁(續)						
16 September 2015 二零一五年九月十六日	16 September 2015 to 15 September 2020 二零一五年九月十六日至 二零二零年九月十五日	16 September 2020 to 15 September 2025 二零二零年九月十六日至 二零二五年九月十五日	HK\$0.45 0.45港元	10 years 10年	2,714,000	7,402,000
9 September 2016 二零一六年九月九日	9 September 2016 to 8 September 2017 二零一六年九月九日至 二零一七年九月八日	9 September 2017 to 8 September 2025 二零一七年九月九日至 二零二五年九月八日	HK\$0.29 0.29港元	9 years 9年	1,740,000	12,040,000
9 September 2016 二零一六年九月九日	9 September 2016 to 8 September 2018 二零一六年九月九日至 二零一八年九月八日	9 September 2018 to 8 September 2025 二零一八年九月九日至 二零二五年九月八日	HK\$0.29 0.29港元	9 years 9年	1,740,000	12,040,000
9 September 2016 二零一六年九月九日	9 September 2016 to 8 September 2019 二零一六年九月九日至 二零一九年九月八日	9 September 2019 to 8 September 2025 二零一九年九月九日至 二零二五年九月八日	HK\$0.29 0.29港元	9 years 9年	1,740,000	12,040,000
9 September 2016 二零一六年九月九日	9 September 2016 to 8 September 2020 二零一六年九月九日至 二零二零年九月八日	9 September 2020 to 8 September 2025 二零二零年九月九日至 二零二五年九月八日	HK\$0.29 0.29港元	9 years 9年	1,740,000	12,040,000
9 September 2016 二零一六年九月九日	9 September 2016 to 8 September 2021 二零一六年九月九日至 二零二一年九月八日	9 September 2021 to 8 September 2025 二零二一年九月九日至 二零二五年九月八日	HK\$0.29 0.29港元	9 years 9年	1,740,000	12,040,000
25 January 2017* 二零一七年一月二十五日	18 July 2017 to 31 March 2020 二零一七年七月十八日至 二零二零年三月三十一日	1 April 2020 to 24 January 2027 二零二零年四月一日至 二零二七年一月二十四日	HK\$0.3025 0.3025港元	10 years 10年	150,000,000	-
25 January 2017* 二零一七年一月二十五日	18 July 2017 to 31 March 2021 二零一七年七月十八日至 二零二一年三月三十一日	1 April 2021 to 24 January 2027 二零二一年四月一日至 二零二七年一月二十四日	HK\$0.3025 0.3025港元	10 years 10年	150,000,000	-
25 January 2017* 二零一七年一月二十五日	18 July 2017 to 31 March 2022 二零一七年七月十八日至 二零二二年三月三十一日	1 April 2022 to 24 January 2027 二零二二年四月一日至 二零二七年一月二十四日	HK\$0.3025 0.3025港元	10 years 10年	200,000,000	-

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

34. SHARE OPTION (CONT'D)

The terms and conditions of the share options that existed at 31 December 2017 and 30 April 2017 are as follows: (Cont'd)

34. 購股權(續)

於二零一七年十二月三十一日及二零一七年四月三十日之購股權條款及條件如下：(續)

Date of grant 授出日期	Vesting period 歸屬期	Exercise period 行使期	Contractual exercise price 合約行使價	Contractual life of options 購股權合約年期	Number of options 購股權數目	
					31 December 2017 二零一七年 十二月三十一日	30 April 2017 二零一七年 四月三十日
Employees 僱員						
16 September 2015 二零一五年九月十六日	16 September 2015 to 15 September 2016 二零一五年九月十六日至 二零一六年九月十五日	16 September 2016 to 15 September 2025 二零一六年九月十六日至 二零二五年九月十五日	HK\$0.45 0.45港元	10 years 10年	14,972,800	15,736,000
16 September 2015 二零一五年九月十六日	16 September 2015 to 15 September 2017 二零一五年九月十六日至 二零一七年九月十五日	16 September 2017 to 15 September 2025 二零一七年九月十六日至 二零二五年九月十五日	HK\$0.45 0.45港元	10 years 10年	14,972,800	15,736,000
16 September 2015 二零一五年九月十六日	16 September 2015 to 15 September 2018 二零一五年九月十六日至 二零一八年九月十五日	16 September 2018 to 15 September 2025 二零一八年九月十六日至 二零二五年九月十五日	HK\$0.45 0.45港元	10 years 10年	14,972,800	15,736,000
16 September 2015 二零一五年九月十六日	16 September 2015 to 15 September 2019 二零一五年九月十六日至 二零一九年九月十五日	16 September 2019 to 15 September 2025 二零一九年九月十六日至 二零二五年九月十五日	HK\$0.45 0.45港元	10 years 10年	14,972,800	15,736,000
16 September 2015 二零一五年九月十六日	16 September 2015 to 15 September 2020 二零一五年九月十六日至 二零二零年九月十五日	16 September 2020 to 15 September 2025 二零二零年九月十六日至 二零二五年九月十五日	HK\$0.45 0.45港元	10 years 10年	14,972,800	15,736,000
9 September 2016 二零一六年九月九日	9 September 2016 to 8 September 2017 二零一六年九月九日至 二零一七年九月八日	9 September 2017 to 8 September 2025 二零一七年九月九日至 二零二五年九月八日	HK\$0.29 0.29港元	9 years 9年	20,480,000	22,222,000
9 September 2016 二零一六年九月九日	9 September 2016 to 8 September 2018 二零一六年九月九日至 二零一八年九月八日	9 September 2018 to 8 September 2025 二零一八年九月九日至 二零二五年九月八日	HK\$0.29 0.29港元	9 years 9年	20,480,000	22,222,000
9 September 2016 二零一六年九月九日	9 September 2016 to 8 September 2019 二零一六年九月九日至 二零一九年九月八日	9 September 2019 to 8 September 2025 二零一九年九月九日至 二零二五年九月八日	HK\$0.29 0.29港元	9 years 9年	20,480,000	22,222,000
9 September 2016 二零一六年九月九日	9 September 2016 to 8 September 2020 二零一六年九月九日至 二零二零年九月八日	9 September 2020 to 8 September 2025 二零二零年九月九日至 二零二五年九月八日	HK\$0.29 0.29港元	9 years 9年	20,480,000	22,222,000
9 September 2016 二零一六年九月九日	9 September 2016 to 8 September 2020 二零一六年九月九日至 二零二零年九月八日	9 September 2020 to 8 September 2025 二零二零年九月九日至 二零二五年九月八日	HK\$0.29 0.29港元	9 years 9年	20,480,000	22,222,000

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

34. SHARE OPTION (CONT'D)

The terms and conditions of the share options that existed at 31 December 2017 and 30 April 2017 are as follows: (Cont'd)

34. 購股權(續)

於二零一七年十二月三十一日及二零一七年四月三十日之購股權條款及條件如下：(續)

Date of grant 授出日期	Vesting period 歸屬期	Exercise period 行使期	Contractual exercise price 合約行使價	Contractual life of options 購股權合約年期	Number of options 購股權數目	
					31 December 2017 二零一七年 十二月三十一日	30 April 2017 二零一七年 四月三十日
Consultants 顧問						
16 September 2015 二零一五年九月十六日	16 September 2015 to 15 September 2016 二零一五年九月十六日至 二零一六年九月十五日	16 September 2016 to 15 September 2025 二零一六年九月十六日至 二零二五年九月十五日	HK\$0.45 0.45港元	10 years 10年	5,072,400	4,176,000
16 September 2015 二零一五年九月十六日	16 September 2015 to 15 September 2017 二零一五年九月十六日至 二零一七年九月十五日	16 September 2017 to 15 September 2025 二零一七年九月十六日至 二零二五年九月十五日	HK\$0.45 0.45港元	10 years 10年	5,072,400	4,176,000
16 September 2015 二零一五年九月十六日	16 September 2015 to 15 September 2018 二零一五年九月十六日至 二零一八年九月十五日	16 September 2018 to 15 September 2025 二零一八年九月十六日至 二零二五年九月十五日	HK\$0.45 0.45港元	10 years 10年	5,072,400	4,176,000
16 September 2015 二零一五年九月十六日	16 September 2015 to 15 September 2019 二零一五年九月十六日至 二零一九年九月十五日	16 September 2019 to 15 September 2025 二零一九年九月十六日至 二零二五年九月十五日	HK\$0.45 0.45港元	10 years 10年	5,072,400	4,176,000
16 September 2015 二零一五年九月十六日	16 September 2015 to 15 September 2020 二零一五年九月十六日至 二零二零年九月十五日	16 September 2020 to 15 September 2025 二零二零年九月十六日至 二零二五年九月十五日	HK\$0.45 0.45港元	10 years 10年	5,072,400	4,176,000
9 September 2016 二零一六年九月九日	9 September 2016 to 8 September 2017 二零一六年九月九日至 二零一七年九月八日	9 September 2017 to 8 September 2025 二零一七年九月九日至 二零二五年九月八日	HK\$0.29 0.29港元	9 years 9年	9,116,800	5,584,000
9 September 2016 二零一六年九月九日	9 September 2016 to 8 September 2018 二零一六年九月九日至 二零一八年九月八日	9 September 2018 to 8 September 2025 二零一八年九月九日至 二零二五年九月八日	HK\$0.29 0.29港元	9 years 9年	9,116,800	5,584,000
9 September 2016 二零一六年九月九日	9 September 2016 to 8 September 2019 二零一六年九月九日至 二零一九年九月八日	9 September 2019 to 8 September 2025 二零一九年九月九日至 二零二五年九月八日	HK\$0.29 0.29港元	9 years 9年	9,116,800	5,584,000
9 September 2016 二零一六年九月九日	9 September 2016 to 8 September 2020 二零一六年九月九日至 二零二零年九月八日	9 September 2020 to 8 September 2025 二零二零年九月九日至 二零二五年九月八日	HK\$0.29 0.29港元	9 years 9年	9,116,800	5,584,000
9 September 2016 二零一六年九月九日	9 September 2016 to 8 September 2021 二零一六年九月九日至 二零二一年九月八日	9 September 2021 to 8 September 2025 二零二一年九月九日至 二零二五年九月八日	HK\$0.29 0.29港元	9 years 9年	9,116,800	5,584,000
					770,830,000	335,800,000

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

34. SHARE OPTION (CONT'D)

- * References are made to the announcements of the Company dated 25 January 2017, 20 March 2017 and the circular dated 26 June 2017 in relation to the conditional grant of Share Options to Mr. Chen Chunguo to subscribe for up to an aggregate of 500,000,000 ordinary shares. On 17 July 2017, the Shareholders excluding Mr. Chen and his associates (the "Independent Shareholders") has approved the resolution at the extraordinary general meeting (the "EGM"), please refer to the announcement dated 17 July 2017 for details.

The Company had 77,205,200 and 67,160,000 share options exercisable at 31 December 2017 and 30 April 2017.

As at 31 December 2017, the Company had 770,830,000 (30 April 2017: 335,800,000) share options outstanding under the Scheme, which represented approximately 4% (30 April 2017: 2%) of the Company's shares in issue as at that date. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 770,830,000 (30 April 2017: 335,800,000) additional ordinary shares of the Company and additional share capital of HK\$7,708,300 (30 April 2017: HK\$3,358,000) and share premium of HK\$240,345,760 (April 2017: HK\$115,875,000) (before issue expenses).

The number and weighted average exercise prices of share options are as follows:

		31 December 2017 二零一七年十二月三十一日		30 April 2017 二零一七年四月三十日	
		Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
		加權平均 行使價	購股權數目	加權平均 行使價	購股權數目
		HK\$	'000	HK\$	'000
		港元	千份	港元	千份
Outstanding at beginning of year	年初尚未行使	0.36	335,800	0.32	745,660
Issued during the period/year	期/年內發行	0.30	500,000	0.29	227,330
Lapsed during the period/year	期/年內失效	0.35	(64,970)	0.29	(637,190)
Outstanding at end of year	年末尚未行使	0.31	770,830	0.36	335,800

As at 31 December 2017, the weighted average remaining contractual life for the outstanding share options is 8.36 years (30 April 2017: 8.37 years).

34. 購股權(續)

- * 茲提述本公司日期為二零一七年一月二十五日、二零一七年三月二十日之公告及日期為二零一七年六月二十六日之通函，內容有關向陳春國先生有條件授出可認購合共最多500,000,000股普通股之購股權。於二零一七年七月十七日，股東(不包括陳先生及其聯繫人)(「獨立股東」)已於股東特別大會(「股東特別大會」)上批准該決議案，詳情請參閱日期為二零一七年七月十七日之公告。

於二零一七年十二月三十一日及二零一七年四月三十日，本公司有77,205,200份及67,160,000份購股權可予行使。

於二零一七年十二月三十一日，本公司有770,830,000份(二零一七年四月三十日：335,800,000份)計劃項下之尚未行使購股權，佔本公司於該日之已發行股份約4%(二零一七年四月三十日：2%)。於本公司現有資本架構下，悉數行使餘下購股權將導致本公司發行770,830,000股(二零一七年四月三十日：335,800,000股)額外普通股、產生額外股本7,708,300港元(二零一七年四月三十日：3,358,000港元)及股份溢價240,345,760港元(二零一七年四月三十日：115,875,000港元)(未扣除發行開支)。

購股權數目及加權平均行使價如下：

於二零一七年十二月三十一日，尚未行使購股權的加權平均尚餘合約年期為8.36年(二零一七年四月三十日：8.37年)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

34. SHARE OPTION (CONT'D)

The weighted average fair value of each option issued during the period was HK\$0.127 (year ended 30 April 2017: HK\$0.193). The fair value of the share options has been determined based on the Binomial model estimated by an independent professional valuer, Roma Appraisal Limited. As at the date of grant, the fair value of the options issued by the Company during the period was HK\$63,365,000 (year ended 30 April 2017: HK\$43,970,000). The following significant assumptions were used to derive the fair values:

Underlying stock price (HK\$)	相關股價(港元)	0.22	0.29
Exercise price (HK\$)	行使價(港元)	0.30	0.29
Risk-free rate (%)	無風險利率(%)	1.451	0.812
Annualised dividend yield (%)	年度股息回報率(%)	-	-
Expected volatility of underlying share (%)	相關股份之預期波幅(%)	72.39	80.16
Weighted average remaining contractual life	加權平均尚餘合約年期	9.998	8.995

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No special features pertinent to the options granted were incorporated into the measurement of fair value.

During the year, share-based payments expense of HK\$25,495,000 (April 2017: HK\$28,520,000), which included share-based payment transactions with directors and employees of HK\$23,173,000 (April 2017: HK\$24,597,000) and with consultants of HK\$2,322,000 (April 2017: HK\$3,923,000), have been recognised in profit or loss.

34. 購股權(續)

期內發行的每份購股權之加權平均公平值為0.127港元(截至二零一七年四月三十日止年度: 0.193港元)。購股權之公平值由獨立專業估值師羅馬國際評估有限公司根據二項式模型估計釐定。於授出日期,本公司期內發行購股權之公平值為63,365,000港元(截至二零一七年四月三十日止年度: 43,970,000港元)。公平值乃按以下重大假設得出:

31 December 2017 二零一七年 十二月三十一日	30 April 2017 二零一七年 四月三十日
0.22	0.29
0.30	0.29
1.451	0.812
-	-
72.39	80.16
9.998	8.995

預期波幅反映有關假設,即以歷史波幅為未來趨勢的指標,但該未來趨勢亦不一定為實際結果。在計量公平值時並無納入有關已授出購股權的特殊特點。

年內,以股權支付費用為25,495,000港元(二零一七年四月三十日: 28,520,000港元),其中包括與董事及僱員之以股權支付費用交易23,173,000港元(二零一七年四月三十日: 24,597,000港元)以及與顧問之股權支付費用交易2,322,000港元(二零一七年四月三十日: 3,923,000港元),已於損益中確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

35. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The key management personnel of the Group are the directors, chief executive officer and chief financial officer of the Company. The remuneration of the key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends. The remuneration of the key management (excluding directors and chief executive officer) was as follows:

		Period from 1 May 2017 to 31 December 2017 自二零一七年 五月一日起至 二零一七年 十二月三十一 止期間 HK\$'000 千港元	Year ended 30 April 2017 截至 二零一七年 四月三十日 止年度 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	1,890	2,409
Retirement benefits scheme contributions	退休福利計劃供款	12	20
Equity-settled share-based payments	以權益結算之股權支付費用	292	359
		2,194	2,788

The emoluments of the key management (excluding directors and chief executive officer) fell within the following band:

		Number of individual 人數	
		Period from 1 May 2017 to 31 December 2017 自二零一七年 五月一日起至 二零一七年 十二月三十一 止期間 HK\$'000 千港元	Year ended 30 April 2017 截至 二零一七年 四月三十日 止年度 HK\$'000 千港元
Nil to HK\$1,000,000	零至1,000,000港元	-	1
HK\$1,500,001–HK\$2,000,000	1,500,001港元至2,000,000港元	-	1
HK\$2,000,001–HK\$2,500,000	2,000,001港元至2,500,000港元	1	-

Details of the remuneration paid to the directors and chief executive officer are set out in note 9 to the financial statements.

Save as elsewhere in the financial statements and above, there was no other related party transaction during the year ended 30 April 2017 and period from 1 May 2017 to 31 December 2017.

35. 關連交易

主要管理人員酬金

本集團之主要管理人員即本公司董事、行政總裁及首席財務官。主要管理人員之酬金乃由薪酬委員會根據個別人士之表現及市場趨勢釐定。主要管理人員(不包括董事及行政總裁)之酬金範圍如下：

主要管理人員(不包括董事及行政總裁)的酬金介乎以下範圍：

支付予董事及行政總裁之酬金詳情載於財務報表附註9。

除財務報表內之其他部份及以上所披露者外，於截至二零一七年四月三十日止年度及自二零一七年五月一日起至二零一七年十二月三十一日止期間概無其他關連交易。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

36. SUBSIDIARIES

Particulars of principal subsidiaries of the Company as at 31 December 2017 are as follows:

36. 附屬公司

於二零一七年十二月三十一日，本公司之主要附屬公司詳情如下：

Name of company 公司名稱	Place of incorporation/ registration 註冊成立/註冊地點	Issued ordinary capital/paid up capital 已發行普通股股本/繳足資本	Percentage of ownership interests held by the Company 本公司持有擁有權益比例		Principal activities and place of operations 主要業務及營業地點
			Directly 直接	Indirectly 間接	
China Bio-Med Regeneration Technology Limited 中國生物醫學再生科技有限公司	British Virgin Islands 英屬處女群島	US\$20,000 20,000美元	100%	-	Investment holding, Hong Kong 投資控股，香港
China Regenerative Medicine Tissue Engineering Limited 中國再生醫學組織工程有限公司	British Virgin Islands 英屬處女群島	US\$1 1美元	-	100%	Investment holding, Hong Kong 投資控股，香港
FD(H) Investments Limited	British Virgin Islands 英屬處女群島	US\$100 100美元	-	100%	Investment holding, Hong Kong 投資控股，香港
Shaanxi Aierfu Activtissue Engineering Company Limited ("Shaanxi Aierfu") 陝西艾爾膚組織工程有限公司 (「陝西艾爾膚」)	The PRC 中國	RMB250,000,000 人民幣250,000,000元	-	100%	Production and sales of tissue engineering skin related products, the PRC 生產及銷售組織工程皮膚相關產品，中國
Shaanxi AiBosin Bio-Engineering Company Limited ("Shaanxi AiBosin") 陝西艾博生生物工程有限公司(「陝西艾博生」)	The PRC 中國	RMB2,000,000 人民幣2,000,000元	-	100%	Research and development of tissue engineering products, the PRC 研發組織工程產品，中國
Shaanxi AiNear Cornea Engineering Company Limited ("Shaanxi AiNear") 陝西艾爾尼角膜工程有限公司(「陝西艾爾尼」)	The PRC 中國	RMB3,800,000 人民幣3,800,000元	-	100%	Research and development of tissue engineering products, the PRC 研發組織工程產品，中國
Shenzhen AiNear Cornea Engineering Company Limited ("Shaanxi AiNear") 深圳艾爾尼角膜工程有限公司(「深圳艾爾尼」)	The PRC 中國	RMB3,800,000 人民幣3,800,000元	-	100%	Production and sales of bio-engineered cornea, the PRC 生產及銷售生物工程角膜，中國

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

36. SUBSIDIARIES (CONT'D)

36. 附屬公司(續)

Name of company 公司名稱	Place of incorporation/ registration 註冊成立/註冊地點	Issued ordinary capital/paid up capital 已發行普通股 股本/繳足資本	Percentage of ownership interests held by the Company 本公司持有擁有 權權益比例		Principal activities and place of operations 主要業務及營業地點
			Directly 直接	Indirectly 間接	
Zhongsheng Medical Equipment Trading Company Limited 中生醫療器械銷售有限公司	The PRC 中國	RMB60,000,000 人民幣60,000,000元	-	100%	Sales and distribution of medical equipment, the PRC 銷售及分銷醫療設備·中國
Shaanxi Reshine Biotech Co. Ltd. ("Reshine") 陝西瑞盛生物科技有限公司(「瑞盛」)	The PRC 中國	RMB117,000,000 人民幣117,000,000元	-	100%	Production and sales, research and development of tissue engineering products, the PRC 生產、銷售及研發組織工程產品·中國
Shanghai Hesidi Cosmetics Company Limited ("Shanghai Hesidi") 上海赫絲蒂化妝品有限公司(「上海赫絲蒂」)	The PRC 中國	RMB50,000,000 人民幣50,000,000元	-	51%	Sales and distribution of cosmetic products, the PRC 銷售及分銷藥妝·中國
Shenzhen Hesidi Bio-Technology Company Limited ("Shenzhen Hesidi") 深圳赫絲蒂生物科技有限公司(「深圳赫絲蒂」)	The PRC 中國	RMB5,000,000 人民幣5,000,000元	-	51%	Sales and distribution of cosmetic products, the PRC 銷售及分銷藥妝·中國
China Bio-Med Technology Limited 中生醫學科技有限公司	The PRC 中國	RMB50,000,000 人民幣50,000,000元	-	100%	Research and development of tissue engineering products, the PRC 研發組織工程產品·中國
HK International Regenerative Centre Limited 香港國際再生醫學中心有限公司	Hong Kong 香港	HK\$100 100港元	-	80%	Provision of a healthcare service, Hong Kong 提供醫療保健服務·香港
China Regenerative Medicine Limited 中國再生醫學有限公司	Hong Kong 香港	HK\$1 1港元	-	100%	Investment holding, Hong Kong 投資控股·香港

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

36. SUBSIDIARIES (CONT'D)

36. 附屬公司(續)

Name of company 公司名稱	Place of incorporation/ registration 註冊成立/註冊地點	Issued ordinary capital/paid up capital 已發行普通股股本/繳足資本	Percentage of ownership interests held by the Company 本公司持有擁有權益比例		Principal activities and place of operations 主要業務及營業地點
			Directly 直接	Indirectly 間接	
BioCell Technology Limited 百奧生物科技有限公司	Hong Kong 香港	HK\$1 1港元	-	100%	Stem cell operation, Hong Kong 幹細胞業務, 香港
Tianjin Weikai Bioeng Ltd 天津衛凱生物工程學有限公司	The PRC 中國	RMB10,400,000 人民幣10,400,000元	-	70%*	Sales and distribution of tissue engineering products, the PRC 銷售及分銷組織工程產品, 中國
AK (Suzhou) Biomedical Ltd 奧凱(蘇州)生物技術有限公司	The PRC 中國	RMB1,470,600 人民幣1,470,600元	-	70%*	Sales and distribution of tissue engineering products, the PRC 銷售及分銷組織工程產品, 中國
Shenzhen Kechuang Guangtai Technology Co., Ltd 深圳科創廣泰技術有限公司(「深圳科創」)	The PRC 中國	RMB20,420,000 人民幣20,420,000元	-	51%	Provision of information technology services, the PRC 提供信息技術服務, 中國

Note:

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

All subsidiaries are limited liability companies.

None of the subsidiaries had any debt securities subsisting at the end of the period or at any time during the period.

Amounts due from/(to) subsidiaries are unsecured, interest-free and repayable on demand.

附註：

上表列出董事認為主要影響本集團期內業績或組成本集團期終資產淨值主要部份之附屬公司。董事認為，列出其他附屬公司之詳情會令篇幅過於冗長。

所有附屬公司均為有限責任公司。

於期終或於期內任何時間，概無附屬公司擁有任何債務證券。

應收/(應付)附屬公司款項為無抵押、免息及須按要償還。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

36. SUBSIDIARIES (CONT'D)

Note: (Cont'd)

- * The Group does not have any equity interest in Tianjin Weikai Bioeng Limited ("Tianjin Weikai") and AK (Suzhou) Biomedical Ltd ("AK Suzhou"). However, the Group has entered into the contractual arrangements with Tianjin Weikai and AK Suzhou and its equity holders, which enable the Group to (1) exercise effective financial and operational control over Tianjin Weikai and AK Suzhou; (2) exercise equity holders' voting rights of Tianjin Weikai and AK Suzhou; (3) receive substantially all of the economic interest returns generated by Tianjin Weikai and AK Suzhou in consideration for the management services provided by the Group; (4) obtain an irrevocable and exclusive right with an initial period of 10 years to purchase the entire equity interest in Tianjin Weikai and AK Suzhou from the respective equity holders. The right automatically renews upon expiry until the Group specifies a renewal term; and (5) obtain a pledge over the entire equity interest of Tianjin Weikai and AK Suzhou from its respective equity holders as collateral security for all the payments due to the Group and to secure performance of Tianjin Weikai's and AK Suzhou's obligations under the above contractual arrangements. Accordingly, the Group has rights to variable returns from its involvement with Tianjin Weikai and AK Suzhou and has the ability to affect those returns through its power over Tianjin Weikai and AK Suzhou and is considered to control Tianjin Weikai and AK Suzhou. Consequently, the Group regards Tianjin Weikai and AK Suzhou as the indirect subsidiaries under HKFRSs.

The revenue, net loss and total assets of Tianjin Weikai and AK Suzhou are summarized as follows:

36. 附屬公司(續)

附註：(續)

- * 本集團並無持有天津衛凱生物工程有限公司(「天津衛凱」)及奧凱(蘇州)生物技術有限公司(「奧凱(蘇州)」)的任何股權。然而，本集團與天津衛凱及奧凱(蘇州)及其權益持有人訂立合約協議，使本集團能夠(1)行使對天津衛凱及奧凱(蘇州)的實際財務及營運控制權；(2)行使天津衛凱及奧凱(蘇州)權益持有人的投票權；(3)收取天津衛凱及奧凱(蘇州)產生絕大部份經濟利益回報，作為本集團提供的管理服務的代價；(4)獲得從各權益持有人購買天津衛凱及奧凱(蘇州)全部股權的不可撤銷及獨家權利，初始年期為十年。相關權利於屆滿時自動續期，惟本集團指定續訂年限者則除外；及(5)獲得各權益持有人對天津衛凱及奧凱(蘇州)全部股權的質押，作為應付本集團的所有款項的抵押物並擔保天津衛凱及奧凱(蘇州)履行上述合約安排項下的責任。因此，本集團有權通過參與天津衛凱及奧凱(蘇州)的業務而享受可變回報且有能透過其對天津衛凱及奧凱(蘇州)的控制權影響該等回報，並被視為控制天津衛凱及奧凱(蘇州)。因此，根據香港財務報告準則，本集團視天津衛凱及奧凱(蘇州)為間接附屬公司。

天津衛凱及奧凱(蘇州)之收益、淨虧損及總資產載列如下：

		Tianjin Weikai 天津衛凱		AK Suzhou 奧凱(蘇州)	
		31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元	30 April 2017 二零一七年 四月三十日 HK\$'000 千港元	31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元	30 April 2017 二零一七年 四月三十日 HK\$'000 千港元
Revenue for the period/year	期內/年內收益	742	2,149	736	247
Net loss for the period/year	期內/年內淨虧損	7,317	5,583	4,968	8,612
Total assets	總資產	101,990	107,254	76,964	73,901

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

37. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The following table shows the carrying amounts and fair value of the Group's financial assets and liabilities:

37. 金融資產及金融負債分類概要

下表載列本集團的金融資產及負債之賬面值和公平值：

		31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元	30 April 2017 二零一七年 四月三十日 HK\$'000 千港元
Financial assets	金融資產		
Non-current assets	非流動資產		
Available-for-sale financial assets	可供出售金融資產	454,456	112,928
Financial assets at fair value through profit or loss:	按公平值於損益列賬之金融資產：		
Contingent consideration receivables	應收或然代價	32,502	46,259
Loans and receivables:	貸款及應收賬項：		
Pledged bank deposits	已抵押銀行存款	818,062	794,743
Current assets	流動資產		
Financial assets at fair value through profit or loss	按公平值於損益列賬之金融資產	12,154	12,036
Available-for-sale financial assets	可供出售金融資產	120,600	-
Loans and receivables:	貸款及應收賬項：		
Trade receivables	應收貿易賬項	279,806	39,117
Deposits and other receivables	按金及其他應收賬項	174,696	195,161
Cash and cash equivalents	現金及現金等值項目	244,373	571,732
		2,136,649	1,771,976
Financial liabilities	金融負債		
Financial liabilities measured at amortised costs:	以攤銷成本計量之金融負債：		
Current liabilities	流動負債		
Trade payables	應付貿易賬項	238,346	38,993
Accrued charges and other payables	應計費用及其他應付賬項	78,103	42,121
Bank borrowings	銀行借款	-	28,345
Shareholder's loans	股東貸款	372,542	-
Non-current liabilities	非流動負債		
Bank borrowings	銀行借款	771,840	725,632
Shareholder's loans	股東貸款	100,000	-
		1,560,831	835,091

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

37. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY (CONT'D)

The following table provides an analysis of financial instruments carried at fair value by level of fair value hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

37. 金融資產及金融負債分類概要 (續)

下表提供以公平值列賬的金融工具之公平值架構分析：

- 第一級：相同的資產及負債於活躍市場的報價(未經調整)；
- 第二級：有關資產或負債除第一級報價以外，直接(即價格)或間接(即由價格得出)可觀察輸入數據；及
- 第三級：有關資產或負債並非依據可觀察市場數據的輸入數據(非可觀察輸入數據)。

金融資產或負債於公平值架構內之分類全取決於對公平值計量屬重要的輸入數據之最低級別。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

37. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY (CONT'D)

The financial assets measured at fair value in the consolidated statement of financial position are grouped into the fair value hierarchy as follows:

37. 金融資產及金融負債分類概要 (續)

於綜合財務狀況表以公平值計量之金融資產，其歸入之公平值架構如下：

		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 31 December 2017	於二零一七年十二月三十一日				
Contingent consideration receivables	應收或然代價	-	-	32,502	32,502
Available-for-sale financial assets	可供出售金融資產	126,837	-	-	126,837
Listed equity securities held for trading	持作買賣上市股本證券	12,154	-	-	12,154
		138,991	-	32,502	171,493
At 30 April 2017	於二零一七年四月三十日				
Contingent consideration receivable	應收或然代價	-	-	46,259	46,259
Listed equity securities held for trading	持作買賣上市股本證券	12,036	-	-	12,036
		12,036	-	46,259	58,295

The listed equity securities are denominated in Hong Kong dollars. Fair values have been determined by reference to their quoted bid prices at the reporting date.

上市股本證券以港元計值。公平值乃參考彼等於報告日所報的買入價釐定。

The details of the valuation of the fair value of contingent consideration receivable are disclosed in note 17.

應收或然代價公平值之估值詳情披露於附註17。

There have been no significant transfers between levels in the reporting period.

於報告期間，架構間並無重要轉移。

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting periods.

比對過往報告期間，用於計量公平值的方法及估值技術並無變動。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

38. FINANCIAL RISK MANAGEMENT

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include market risk (including currency risk, interest risk and other price risk), credit risk and liquidity risk.

The Group has a written risk management policy in place in relation to credit risk associated with loan receivables. The board of directors meets periodically to analyse and formulate strategies to manage and monitor the Group's exposure to a variety of risks associated with financial instruments which arise from the Group's operating and investing activities. Generally, the Group employs conservative strategies regarding its risk management to ensure appropriate measures are implemented on a timely and effective manner. The risks associated with these financial instruments and the policies on how these risks are mitigated are described as follows:

(a) Foreign currency risk

The Group's exposure to currency exchange rates is minimal as the group companies usually hold most of their financial assets/liabilities in their own functional currencies. Currently the Group does not have foreign currency hedging policy but the management continuously monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

(b) Interest rate risk

Financial assets and liabilities at variable interest rates expose the Group to cash flow interest rate risk and those at fixed rates expose the Group to fair value interest rate risk. The Group monitors the interest rate risk exposure on a continuous basis and adjusts the portfolio of financial assets and liabilities when necessary. A reasonable change in interest rate in the next twelve months is assessed to result in immaterial change in the Group's loss for the year and accumulated losses. Changes in interest rates have no impact on the Group's other components of equity.

38. 財務風險管理

本集團因於日常業務過程中及其投資活動中使用金融工具而承擔財務風險。財務風險包括市場風險(包括貨幣風險、利率風險及其他價格風險)、信貸風險及流動資金風險。

本集團制訂與應收貸款有關的信貸風險之書面風險管理政策。董事會定期召開會議進行分析並制定策略，以管理及監控本集團所承受有關本集團經營及投資業務產生之金融工具之不同風險。一般而言，本集團對風險管理採用審慎策略，以確保能及時有效採取適當措施。與該等金融工具相關之風險及如何減少此等風險之政策載述如下：

(a) 外匯風險

由於本集團通常以其功能貨幣持有大部份金融資產／負債，故本集團面臨滙率風險甚微。本集團目前並無外匯對沖政策，但管理層一直監控其外匯風險並於有需要時考慮對沖重大外匯風險。

(b) 利率風險

具浮動利率之金融資產及負債使本集團面臨現金流量利率風險，而具固定利率之金融資產及負債使本集團面臨公平值利率風險。本集團持續監控利率風險，並於必要時調整金融資產及負債之組合。於未來十二個月利率之合理變動被評定對本集團本年度的虧損及累計虧損並無重大變動。利率變動對本集團權益之其他組成部份並無影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

38. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Credit risk

The carrying amounts of these financial assets presented in the Group's statement of financial position are net of impairment losses, if any. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent. As at 31 December 2017, 22% (30 April 2017: 26%) of the total trade receivables were concentrated in the Group's largest debtor and 62% (30 April 2017: 83%) of the total trade receivables were concentrated in the Group's top five debtors (all private companies incorporated in Hong Kong, the PRC and Taiwan).

The Group has deposited its cash with various banks. The credit risk on cash and bank balances is limited because most of the Group's bank deposits are deposited with major banks in Hong Kong and the PRC.

(d) Fair value

The directors of the Company consider the fair values of the Group's current financial assets and liabilities are not materially different from their carrying amounts because of the immediate or short-term maturity of these financial instruments. The fair value of non-current financial assets was not disclosed because the carrying amount is not materially different from its fair value.

38. 財務風險管理(續)

(c) 信貸風險

本集團之財務狀況表內呈列金融資產的賬面值已扣除減值虧損(如有)。本集團之信貸風險主要受各客戶之不同情況影響。客戶經營所在之行業及國家之違約風險亦對信貸風險產生影響，惟程度較低。於二零一七年十二月三十一日，應收貿易賬項總額之22%(二零一七年四月三十日：26%)集中來自本集團的最大債務人，應收貿易賬項總額之62%(二零一七年四月三十日：83%)集中來自本集團的五大債務人。所有私營公司均於香港、中國及台灣註冊成立。

本集團於多家銀行存放現金。由於本集團之銀行存款大部份存放於香港及中國之主要銀行，故現金及銀行結餘之信貸風險有限。

(d) 公平值

本公司董事認為由於本集團之該等金融工具屬即將或於短期內到期，故流動金融資產及負債之公平值與其賬面值之差異並不重大。由於非流動金融資產的公平值與其賬面值差異並不重大，故並未作出披露。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

38. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term. The Group has net current assets of HK\$414,623,000 (30 April 2017: HK\$840,837,000) and net assets of HK\$1,813,324,000 (30 April 2017: HK\$1,907,892,000) as at 31 December 2017. In the opinion of the directors, the Group's exposure to liquidity risk is limited.

The following table details the remaining contractual maturities at each of the reporting dates of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payment computed using contractual rates or, if floating, based on current rates at the reporting date) and the earliest date the Group may be required to pay:

38. 財務風險管理(續)

(e) 流動資金風險

本集團之政策乃定期監控其流動資金需要，確保維持充裕現金儲備，應付短期及長期之流動資金需求。於二零一七年十二月三十一日，本集團流動資產淨值為414,623,000港元(二零一七年四月三十日：840,837,000港元)，資產淨值為1,813,324,000港元(二零一七年四月三十日：1,907,892,000港元)。董事認為，本集團的流動資金風險是有限的。

下表詳列本集團非衍生金融負債於各報告日之剩餘合約期，該表乃根據訂約未貼現現金流量(包括按訂約利率或(若為浮息)根據報告日之當期利率計算之利息支出)及本集團可能須付款之最早日期編製：

		Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand	More than 1 year but less than 5 years
	賬面值	訂約未貼現現金流量總額	於1年內或應要求	超過1年但少於5年	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元
As at 31 December 2017	於二零一七年十二月三十一日				
Trade payables	應付貿易賬項	238,346	238,346	238,346	-
Accrued charges and other payables	應計費用及其他應付賬項	78,103	78,103	78,103	-
Shareholder's loan	股東貸款	472,542	472,542	372,542	100,000
Bank borrowings	銀行借款	771,840	837,302	-	837,302
		1,560,831	1,626,293	688,991	937,302
As at 30 April 2017	於二零一七年四月三十日				
Trade payables	應付貿易賬項	38,993	38,993	38,993	-
Accrued charges and other payables	應計費用及其他應付賬項	42,121	42,121	42,121	-
Bank borrowings	銀行借款	753,977	840,800	28,719	812,081
		835,091	921,914	109,833	812,081

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

39. BUSINESS COMBINATIONS

In May 2017, the Group subscribed new shares of Kechuang with the subscription price of RMB30,000,000. After the subscription, the Group held 51.03% equity interests of Kechuang. Kechuang is principally engaged in development and sales of computer software and information system software related to lamellar keratoplasty recording. The Group considered Kechuang can assist the training of doctors to be familiar with the Group's tissue engineering products within Aierfu Business in order to facilitate its sales.

Details of fair value of identifiable assets and liabilities acquired were as follows:

39. 業務合併

於二零一七年五月，本集團按認購價人民幣30,000,000元認購深圳科創之新股份。於認購後，本集團持有深圳科創51.03%股權。深圳科創主要從事開發及銷售與板層角膜移植記錄相關之電腦軟及信息系統軟件。本集團認為深圳科創可協助培訓醫生熟悉本集團於艾爾膚業務項下之組織工程產品，以促使出售該業務。

購入之可識別資產及負債的公平值詳情如下：

		HK\$'000 千港元
Property, plant and equipment (note 14)	物業、廠房及設備(附註14)	1,438
Other intangible assets (note 18)	其他無形資產(附註18)	23,393
Inventories	存貨	1,658
Deposits, prepayments and other receivables	按金、預付款項及其他應收賬項	13,710
Cash and cash equivalents	現金及現金等值項目	20,505
Deferred tax liabilities recognised upon fair value adjustments (note 28)	公平值調整後確認的遞延稅項負債(附註28)	(4,151)
Net identifiable assets acquired	購入之可識別資產淨值	56,553
Non-controlling interests	非控股股東權益	(27,695)
		28,858
Goodwill arising on acquisition (note 16)	收購商譽(附註16)	5,309
Total consideration	總代價	34,167
Satisfied by:	由下列各項支付：	
Cash	現金	20,500
Other payables	其他應付賬項	13,667
Total purchase consideration	總購買代價	34,167

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

39. BUSINESS COMBINATIONS (CONT'D)

An analysis of the net cash outflow of cash and cash equivalents in respect of the acquisition of the subsidiaries was as follows:

		HK\$'000 千港元
Cash and cash equivalents acquired	購入之現金及現金等值項目	20,505
Cash and cash equivalents paid	已付現金及現金等值項目	(20,500)
Net inflow of cash and cash equivalents	現金及現金等值項目流入淨額	5

Since the acquisition date to 31 December 2017, Kechuang had contributed HK\$730,000 and HK\$2,539,000 to Group's revenue and loss. If the acquisition had occurred on 1 May 2017, Group revenue and loss for the period ended 31 December 2017 would have been HK\$503,680,000 and HK\$166,216,000 respectively. This pro forma information was for illustrative purpose only and was not necessarily an indication of revenue and results of operations of the group that actually would have been achieved had the acquisition been completed on 1 May 2017, nor was it intended to be a projection of future performance.

The goodwill arose from the acquisition of Kechuang mainly represented (1) significant future prospect and the business value of Kechuang and (2) synergy effect of the newly acquired business with the existing tissue engineering business. The Group has elected to measure non-controlling interests in the acquisition at proportionate share of the acquiree's identifiable net assets.

39. 業務合併(續)

有關收購附屬公司之現金及現金等值項目流出淨額之分析如下：

自收購日起至二零一七年十二月三十一日，深圳科創已為本集團之收益及虧損貢獻730,000港元及2,539,000港元。若收購於二零一七年五月一日發生，本集團截至二零一七年十二月三十一日止期間之收益及虧損應分別為503,680,000港元及166,216,000港元。此備考資料僅供說明用途，並不表示此為若收購於二零一七年五月一日完成本集團實際會實現的收益及經營業績，亦並非對未來業績的預測。

收購深圳科創產生之商譽主要為(1)深圳科創的重大未來前景及商業價值及(2)新收購業務與現有組織工程業務的協同效應。本集團選擇按分佔被收買公司可識別淨資產的比例計量收購中的非控股股東權益。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

40. DISPOSAL OF SUBSIDIARIES

In October 2017, the Group disposed of the entire issued share capital of Shaanxi Aimiya Bio-Technology Company Limited ("Shaanxi Aimiya"), an indirectly wholly-owned subsidiary of the Company, and its amounts due to the Group to an independent third party, at the total consideration of RMB40 million (equivalent to HK\$48,240,000). Shaanxi Aimiya engaged in production of cosmetic products.

The net liabilities of Shaanxi Aimiya at the date of disposal were as follows:

40. 出售附屬公司

於二零一七年十月，本集團向獨立第三方出售本公司間接全資附屬公司陝西艾美雅生物科技有限公司(「陝西艾美雅」)的全部已發行股本及其應付本集團款項，總代價為人民幣40,000,000元(相當於48,240,000港元)。陝西艾美雅主要從事藥妝生產。

陝西艾美雅於出售日期之負債淨額如下：

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	1,495
Inventories	存貨	2,918
Trade receivables	應收貿易賬項	94
Deposits, prepayments and other receivables	按金、預付款項及其他應收賬項	2,449
Cash and cash equivalents	現金及現金等值項目	13,078
Trade payables	應付貿易賬項	(274)
Accrued charges and other payables	應計費用及其他應付賬項	(6,726)
Amounts due to the Group	應付本集團款項	(27,406)
Net liabilities disposed of	出售之負債淨額	(14,372)
Amounts due to the Group assigned	獲分配應付本集團款項	27,406
Gain on disposal of the subsidiary	出售附屬公司之收益	35,206
Total consideration	總代價	48,240
Satisfied by:	由下列各項支付：	
Cash	現金	37,989
Other receivables	其他應收賬項	10,251
Total consideration	總代價	48,240
Net cash inflow arising on disposal:	出售產生之現金流入淨額：	
Cash consideration received	已收現金代價	37,989
Less: cash and cash equivalents disposed of	減：出售之現金及現金等值項目	(13,078)
		24,911

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

41. NOTES SUPPORTING STATEMENT OF CASH FLOWS 41. 現金流量表支持附註

Reconciliation of liabilities arising from financial activities:

融資活動產生的負債之對賬：

		Bank borrowings 銀行借款 (note 27) (附註27) HK\$'000 千港元	Shareholder's loans 股東貸款 (note 26) (附註26) HK\$'000 千港元
At 1 May 2017	於二零一七年五月一日	753,977	-
Changes from cash flows:	現金流量變化：		
Proceeds from new borrowings	新增銀行貸款所得款項	-	472,542
Repayment of borrowings	償還借款	(28,345)	-
Interest paid	已付利息	(24,901)	-
Total changes from financing cash flows	融資現金流量變動總額	(53,246)	472,542
Other changes:	其他變動：		
Exchange difference recognised in other comprehensive income	於其他全面收入內確認之滙兌差額	46,208	-
Interest expenses	利息開支	24,901	-
At 31 December 2017	於二零一七年十二月三十一日	771,840	472,542

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the period from 1 May 2017 to 31 December 2017 自二零一七年五月一日起至二零一七年十二月三十一日止期間

42. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group's objectives when managing capital are:

- To safeguard the Group's ability to continue as a going concern, so that it continues to provide returns for shareholders and benefits for other stakeholders;
- To support the Group's stability and growth; and
- To provide capital for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group has not adopted any formal dividend policy.

Management regards total equity as capital, for capital management purpose. The amount of capital as at 30 April 2017 and 31 December 2017 amounted to approximately HK\$1,907,892,000 and HK\$1,813,324,000 respectively, which the management considers as optimal having considered the projected capital expenditures and the projected strategic investment opportunities.

42. 資本管理政策及程序

本集團管理資本之目標為：

- 保持本集團持續經營之能力，繼續為股東帶來回報及為其他持份者帶來利益；
- 維持本集團之穩定及增長；及
- 提供資金以加強本集團之風險管理能力。

本集團積極定期檢討及管理其資本架構，確保具備最佳資本架構及提供最佳股東回報，並考慮本集團未來資金需要及資本效率、現時及預測盈利能力、預測經營現金流量、預測資本開支及預測策略性投資機會。本集團目前並無採取任何正式股息政策。

管理層視總權益為資本管理之資本。於二零一七年十二月三十一日及二零一七年四月三十日，資本金額分別約為1,907,892,000港元及1,813,324,000港元，其中管理層已考慮到預期之資本開支及預測策略性投資機會，並認為處於最佳資本狀況。

FINANCIAL SUMMARY

財務摘要

RESULTS

業績

Financial period form
1 May 2017 to
31 December
2017
自二零一七年
五月一日起至
二零一七年
十二月三十一日
止財政期間
HK\$'000
千港元

Financial year ended 30 April
截至四月三十日止財政年度

		2014 二零一四年 HK\$'000 千港元 (restated) (經重列)	2015 二零一五年 HK\$'000 千港元 (restated) (經重列)	2016 二零一六年 HK\$'000 千港元 (restated) (經重列)	2017 二零一七年 HK\$'000 千港元 (restated) (經重列)	
Revenue	收益	510	2,817	27,751	356,987	503,680
Cost of services provided/Cost of sales	已提供服務之成本/ 銷售成本	(352)	(1,431)	(9,410)	(219,462)	(356,384)
Gross profit	毛利	158	1,386	18,341	137,525	147,296
Other income	其他收入	5,662	2,101	110,981	45,144	49,909
Selling and distribution expenses	銷售及分銷開支	(2,912)	(8,226)	(33,078)	(66,796)	(89,270)
Administrative and other expenses	行政及其他開支	(133,967)	(162,899)	(270,171)	(322,464)	(238,984)
Finance costs	財務費用	(2,532)	(3,058)	(25,827)	(24,426)	(24,901)
Fair value gain on contingent consideration receivables	應收或然代價之公平值 收益	-	-	8,556	20,097	(15,876)
Impairment of goodwill	商譽減值	(141,657)	(60,400)	-	-	-
Impairment of other intangible assets	其他無形資產減值	-	(41,432)	-	-	-
Loss before income tax	除所得稅前虧損	(275,248)	(272,528)	(191,198)	(210,920)	(171,826)
Income tax (expense)/credit	所得稅(開支)/抵免	3,951	17,136	(3,326)	11,728	5,610
Loss for the year/period	本年度/期間虧損	(271,297)	(255,392)	(194,524)	(199,192)	(166,216)
Attributable to:	下列應佔:					
Owners of the Company	本公司擁有人	(263,442)	(250,098)	(190,902)	(184,502)	(158,492)
Non-controlling interests	非控股股東權益	(7,855)	(5,294)	(3,622)	(14,690)	(7,724)
Loss for the year/period	本年度/期間虧損	(271,297)	(255,392)	(194,524)	(199,192)	(166,216)

		2014 二零一四年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	As at 31 December 於二零一七年 十二月三十一日 HK\$'000 千港元
Total assets	總資產	961,342	2,054,815	2,901,277	2,888,229	3,527,973
Total liabilities	總負債	(181,292)	(210,600)	(783,077)	(980,337)	(1,714,649)
Shareholders' funds	股東資金	780,050	1,844,215	2,118,200	1,907,892	1,813,324

Note:

The financial summary does not form part of the financial statements.

附註:

財務摘要並非組成財務報表之部份。



China Regenerative Medicine International Limited
中國再生醫學國際有限公司
www.crmi.hk



刊發業績公告

本全年業績公告可於GEM的網站www.hkgem.com及本公司的網站www.crimi.hk閱覽。

承董事會命
中國再生醫學國際有限公司
執行董事
陳春國

香港，二零一八年三月二十七日

於本公告日期，執行董事為陳春國先生及葉雷博士；非執行董事為崔占峰教授，*PhD, DSc, FREng*及熊澄宇教授；及獨立非執行董事為陳炳煥先生(銀紫荊星章、太平紳士)、黃耀傑先生、方俊博士及彭中輝先生。

本公告的資料乃遵照GEM上市規則而刊載，旨在提供有關本公司的資料；董事願就本公告的資料共同及個別地承擔全部責任。董事在作出一切合理查詢後，確認就其所知及所信，本公告所載資料在各重要方面均屬準確完備，沒有誤導或欺詐成分，且並無遺漏任何其他事項，足以令致本公告或其所載任何陳述產生誤導。

本公告將由刊發日期起計至少保留七日於GEM網站www.hkgem.com之「最新公司公告」一頁及於本公司之網站www.crimi.hk內登載。