



INNOVATIVE PHARMACEUTICAL BIOTECH LIMITED

領航醫藥及生物科技有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(於開曼群島註冊成立並於百慕達存續之有限公司)

(Stock Code 股份代號 : 399)

2019/20 中期報告  
Interim Report

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# Corporate Information

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

Gao Yuan Xing  
Tang Rong  
Huang He

#### Non-executive Directors

Jiang Nian (*Chairman*)  
Xiao Yan  
Wu Yanmin

#### Independent non-executive Directors

Chen Weijun  
Zhang Zhihong  
Wang Rongliang

#### Audit Committee

Chen Weijun (*Chairman*)  
Zhang Zhihong  
Wang Rongliang

#### Remuneration Committee

Zhang Zhihong (*Chairman*)  
Jiang Nian  
Wang Rongliang

#### Nomination Committee

Zhang Zhihong (*Chairman*)  
Jiang Nian  
Wang Rongliang

### HONORARY CHAIRMAN

Mao Yumin

### COMPANY SECRETARY

Poon Hon Yin

### REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM 11, Bermuda

### 董事會

#### 執行董事

高源興  
唐榕  
黃鶴

#### 非執行董事

蔣年 (*主席*)  
肖焱  
鄒燕敏

#### 獨立非執行董事

陳偉君  
張志鴻  
王榮樑

#### 審核委員會

陳偉君 (*主席*)  
張志鴻  
王榮樑

#### 薪酬委員會

張志鴻 (*主席*)  
蔣年  
王榮樑

#### 提名委員會

張志鴻 (*主席*)  
蔣年  
王榮樑

### 名譽主席

毛裕民

### 公司秘書

潘漢彥

### 註冊辦事處

Clarendon House  
2 Church Street  
Hamilton HM 11, Bermuda

**PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

Unit No. 2111, 21/F.  
West Tower Shun Tak Centre  
168-200 Connaught Road Central  
Sheung Wan, Hong Kong

**PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT**

Conyers Corporate Services (Bermuda) Limited

Clarendon House  
2 Church Street  
Hamilton HM 11, Bermuda

**BRANCH SHARE REGISTRAR AND TRANSFER AGENT IN HONG KONG**

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

**AUDITORS**

Elite Partners CPA Limited  
10/F, 8 Observatory Road  
Tsim Sha Tsui, Kowloon  
Hong Kong

**PRINCIPAL BANKER**

Bank of Communications Co., Ltd.

**STOCK CODE**

399

**COMPANY WEBSITE**

[www.ipb.asia](http://www.ipb.asia)  
[www.irasia.com/listco/hk/ipb](http://www.irasia.com/listco/hk/ipb)

**香港主要營業地點**

香港上環  
干諾道中168-200號  
信德中心西座  
21樓2111室

**股份登記總處及過戶代理處**

Conyers Corporate Services  
(Bermuda) Limited  
Clarendon House  
2 Church Street  
Hamilton HM 11, Bermuda

**香港股份登記分處及過戶代理處**

卓佳登捷時有限公司  
香港  
皇后大道東183號  
合和中心54樓

**核數師**

開元信德會計師事務所有限公司  
香港  
九龍尖沙咀  
天文台道8號10樓

**主要往來銀行**

交通銀行股份有限公司

**股份代號**

399

**公司網站**

[www.ipb.asia](http://www.ipb.asia)  
[www.irasia.com/listco/hk/ipb](http://www.irasia.com/listco/hk/ipb)

# Chairman's Statement

## 主席報告

Dear Shareholders,

On behalf of the board (the “Board”) of directors (the “directors”) of Innovative Pharmaceutical Biotech Limited, (the “Company”, together with its subsidiaries, the “Group”), I hereby present to all shareholders of the Company (the “Shareholders”) the unaudited consolidated financial results of the Group for the six months ended 30 September 2019 (the “Financial Period”) and the six months ended 30 September 2018 (the “Previous Financial Period”).

For the Financial Period, the Group recorded revenue of approximately HK\$11.1 million, an increase of approximately 10.7% in revenue from approximately HK\$10.1 million as recorded in the Previous Financial Period. The increase in revenue was largely due to the increase of business activity in the Group's trading of beauty equipment and products segment during the Financial Period as the Group focused more of its resources on the business.

For the Financial Period, the loss attributable to the owners of the Company amounted to approximately HK\$110.48 million, representing a decrease in loss of approximately 35.39% from the loss attributable to owners of the Company in the amount of approximately HK\$171.28 million recorded in the Previous Financial Period. The comparative decrease in loss for the Financial Period of HK\$60.8 million was primarily due to the less change in fair value of investments in convertible bonds and less impairment loss on interest in associate.

各位股東：

本人謹代表領航醫藥及生物科技有限公司(「本公司」，連同其附屬公司統稱「本集團」)之董事(「董事」)會(「董事會」)向本公司所有股東(「股東」)提呈本集團截至二零一九年九月三十日止六個月(「本財政期間」)及截至二零一八年九月三十日止六個月(「上一財政期間」)之未經審核綜合財務業績。

本集團於本財政期間之收益為約11,100,000港元，較上一財政期間錄得之收益約10,100,000港元增加約10.7%。收益增加主要是由於本集團美容設備及產品貿易分部於本財政期間的業務活動增加所致，因為本集團更多地將其資源投放於業務。

於本財政期間，本公司擁有人應佔虧損為約110,480,000港元，較上一財政期間錄得之本公司擁有人應佔虧損約171,280,000港元減少約35.39%。本財政期間之虧損相對減少60,800,000港元，主要由於可換股債券投資之公平值變動及於一間聯營公司權益之減值虧損下降所致。

### OUTLOOK

Due to the recent political issues in Hong Kong and the trade conflicts between China and US which have unpredictable impact on the economy in Hong Kong and China. The business of trading segment would be affected. The Group will reinforce our risk management policy and will proactive in adopting timely measures to balance its risk and return.

The Group also engages in development of a technology that would allow insulin to be administered orally. The technology is still in the research and development stage. The Group is planning the part B, Phase III of the clinical trial which is typically considered as the final stage of clinical trial before commercialization. The Group will use its best endeavours to commercialise the product by early of 2022.

The Company continues to actively pursue and review cooperation, joint ventures, and investments with suitable partners and will continue to focus on improving the Group's attractiveness and profitability as necessary to enhance shareholder returns and the sustainable long-term development of the Group as a whole.

### APPRECIATION

On behalf of all the members of the Board, I would like to take this opportunity to express my gratitude to the Shareholders and business partners of the Group for their continued support and trust during the past years, and my most sincere appreciation to the directors, management, and staff at all levels for their dedication, hard work, and contributions to the Group.

**Jiang Nian**

*Chairman*

Shanghai, 29 November 2019

### 展望

由於最近香港的政治問題及中美之間的貿易衝突，對香港及中國的經濟造成無法預測的影響。貿易分部的業務將受到影響。本集團將加強風險管理政策，並積極採取及時的措施以平衡風險。

本集團亦致力於開發一種令胰島素可透過口服方式服用之技術。該技術仍處於研發階段。本集團正計劃臨床試驗第三期B段，其通常被視為商業化臨床試驗之最後階段。本集團將盡最大努力於二零二二年初將該產品商業化。

本公司繼續積極物色及檢討合作、合資企業及投資合適之夥伴並將繼續致力提高本集團之吸引力及盈利能力(於必要時)，以增加股東回報及本集團整體之可持續長期發展。

### 致謝

本人謹藉此機會代表全體董事會成員，對股東及本集團業務夥伴過去多年的恆久支持及信任表達謝意，本人亦謹此對董事、管理層與各級員工專心致志、勤勉工作及為本集團作出的貢獻，致以最真誠的謝意。

**蔣年**

*主席*

上海，二零一九年十一月二十九日

# Management Discussion and Analysis

## 管理層討論及分析

### GROUP RESULTS

Revenue of the Group for the Financial Period amounted to approximately HK\$11.1 million, representing an increase of approximately 10.7% as compared with the total revenue of approximately HK\$10.1 million that was recorded in the Previous Financial Period. The increase was mainly attributable to the increase in business of the trading of beauty equipment and products segment during the Financial Period. Loss attributable to the owners of the Company decreased to HK\$110.48 million for the Financial Period, representing a decrease from the loss of HK\$171.28 million that was recorded in the Previous Financial Period. The decrease of loss was primarily due to the less change in fair value of investments in convertible bonds and less impairment loss on interest in an associate for the Financial Period as compared with the Previous Financial Period.

### BUSINESS REVIEW

#### Trading of beauty equipment and products

During the Financial Period, revenue arising from the trading of beauty equipment and products amounted to approximately HK\$11.1 million, representing an increase of approximately 10.7% from the revenue in the amount of approximately HK\$10.7 million that was recorded in the Previous Financial Period.

#### Investments in Extrawell

Since 2013 the Company has acquired shares and convertible bonds issued by Extrawell and Extrawell became an associate company of the Group. The Group's investments in Extrawell are recorded in the Group's consolidated statement of financial position under interests in associates and investments in convertible bonds, and these balances are sensitive to share price fluctuations of Extrawell's publicly traded shares, as well as being subject to impairment assessment in accordance with Hong Kong Accounting Standards.

### 集團業績

於本財政期間，本集團之收益約11,100,000港元，較上一財政期間錄得之總收益約10,100,000港元增加約10.7%。有關增加主要由於本財政期間美容設備及產品貿易分部之業務增加。於本財政期間，本公司擁有人應佔虧損下降至110,480,000港元，較上一財政年度錄得之虧損171,280,000港元有所下降。虧損下降乃主要由於本財政期間就可換股債券投資之公平值變動及於一間聯營公司權益之減值虧損較上一財政期間下降所致。

### 業務回顧

#### 美容設備及產品貿易

於本財政期間，美容設備及產品貿易所得收益約為11,100,000港元，較上一財政期間錄得之收益約10,700,000港元增加約10.7%。

#### 於精優之投資

自二零一三年起，本公司已收購精優發行之股份及可換股債券，及精優已成為本集團之聯營公司。本集團於精優之投資於本集團之綜合財務狀況表內列作於聯營公司之權益及於可換股債券之投資，該等結餘對於精優公開交易股份之股價波動較為敏感，並須受限於根據香港會計準則作出之減值評估。

# Management Discussion and Analysis

## 管理層討論及分析

On 23 June 2019, the Company and Dr. Mao Yumin, being a substantial shareholder of the Company, entered into a sale and purchase agreement to disposal (i) 457,510,000 ordinary share(s) of Extrawell and (ii) the convertible bonds issued by Extrawell in principal amount of HK\$577,170,000 with no interest bearing at an aggregate consideration of HK\$270,000,000 (the “Disposal”).

On 4 October 2019, the Disposal was approved in the Special General Meeting and completed on 8 October 2019.

### Research and development

The in-process research and development project (the “In-process R&D”) represented an in-process research and development project involving an oral insulin product (the “Product”). The Group will inject additional resources into clinical trial of the In-process R&D and consolidate the effort of the project team in order to facilitate the development of it.

The In-process R&D was recorded as intangible asset in Group’s consolidated statement of financial position with carrying value of HK\$1,373 million. The management performs the impairment assessment at the end of each reporting period.

於二零一九年六月二十三日，本公司與毛裕民博士(本公司之主要股東)訂立買賣協議以出售(i)精優之457,510,000股普通股及(ii)精優所發行本金額577,170,000港元之不計息可換股債券，總代價為270,000,000港元(「出售事項」)。

於二零一九年十月四日，出售事項於股東特別大會上獲批准，並於二零一九年十月八日完成。

### 研發

現正進行之研發項目(「研發過程」)指涉及口服胰島素產品(「該產品」)正在進行的研發項目。本集團將向研發過程的臨床試驗注入額外資源並綜合項目團隊的努力以促進其發展。

研發過程於本集團綜合財務狀況表入賬列作無形資產，賬面值為1,373,000,000港元。管理層於各報告期末進行減值評估。



# Management Discussion and Analysis

## 管理層討論及分析

At the end of the Financial Period, the Directors of the Company have performed impairment assessment on the intangible asset. The recoverable amount of the intangible asset is determined based on the estimated fair value of the In-process R&D. Based on the assessment, the recoverable amount of the Group's intangible asset is estimated to be higher than the carrying amount and therefore the Directors of the Company considered that no impairment is necessary as at 30 September 2019.

On 27 July 2018, a shareholders' loan agreement was entered into between the Company and Extrawell Group, pursuant to which, the Company and Extrawell agreed to advance a total sum of HK\$30 million to Smart Ascent Limited in the proportion of 51% and 49%, respectively. The management considered that there is sufficient resources to funding the development of the Product.

The management of the Company is closely working with the contract research organization ("CRO"). The Part B of phase III clinical trials has registered in the Center for Drug Evaluation, National Medical Products Administration.

Based on the currently available information, the Company expects that the Product would commence generating revenue for the Group by January of 2022.

The Group will make further announcements depending on situation and in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") if there is any material development.

於本財政期間末，本公司董事已對無形資產作出減值評估。無形資產的可收回款項基於研發過程的估計公平值釐定。根據該評估，估計本集團無形資產的可收回款項將高於其賬面值，因此，本公司董事認為毋須於二零一九年九月三十日作出減值。

於二零一八年七月二十七日，本公司與精優集團訂立一份股東貸款協議，據此，本公司及精優同意分別按51%及49%比例向進生有限公司墊付總款項30,000,000港元。管理層認為有足夠資金支持該產品之開發。

本公司管理層與合約研究組織（「合約研究組織」）密切合作。臨床試驗第三期B段已於國家藥品監督管理局藥品審評中心註冊。

基於當前可得資料，本公司預計該產品將於二零二二年一月開始為本集團產生收益。

倘出現任何重大進展，本集團將根據情況按照香港聯合交易所有限公司證券上市規則（「上市規則」）作出進一步公告。

# Management Discussion and Analysis

## 管理層討論及分析

### PROSPECTS

#### Trading of beauty equipment and products

The major trading products of the Group are beauty equipment and beauty products, and sales of these beauty equipment and beauty products represent the major component that contributes to the Group's revenue.

Revenues and profit margins of the Group from the trading segment have been relatively stable in the past and trading volume is the key determiner of the profitability of the segment. However, the recent political issues in Hong Kong and the trade conflicts between China and US will have an unpredictable impact on the economy in Hong Kong and China. The Group will cautiously explore the trading business in Hong Kong. The Group will reinforce our risk management policy and will proactive in adopting timely measures to balance its risk and return in the long run. The Group competes by offering trading terms that are more favourable to its suppliers and vendors compared to the Group's competitors.

#### Securities investment

The management of the Group is optimistic on the long-term recovery of the markets but they also remain cautious on the direction of the market in the near-term. The Group continues to manage a diverse portfolio of Asian stocks and bonds.

#### Research and development

To further ensure that the Product will be able to commercialise by January of 2022, the Group will also allocate more human resources to the project and strengthen its project team so that relevant personnel of the project team will regularly monitor the progress and make regular reports to the management of the Company so as to ensure the In-process R&D can be completed according to the Group's schedule to commercialise the Product by January of 2022.

### 前景

#### 美容設備及產品貿易

本集團的主要貿易產品為美容設備及美容產品，而銷售該等美容設備及美容產品為本集團貢獻大部分收益。

過往，本集團來自貿易分部之收益及利潤一直保持相對穩定，及貿易量為該分部盈利能力之主要決定因素。然而，香港近期的政治問題及中美貿易衝突將對香港及中國的經濟產生不可預測之影響。本集團將審慎探索香港貿易業務，並將強化我們的風險管理政策，積極採取及時措施平衡其風險及長期回報。本集團透過向供應商及賣方提供比本集團競爭對手更優越之貿易條件進行競爭。

#### 證券投資

本集團管理層對該等股市將在長期內復甦持正面態度，但同時仍對該等股市於近期的發展方向持謹慎態度。本集團繼續管理由亞洲股份及債券組成的多元化投資組合。

#### 研發

為進一步確保該產品能夠在二零二二年一月實現商品化，本集團還將為項目配置更多人力資源及加強項目組，使項目組的有關人員定期監測進度及定期向本公司管理層報告，確保按照本集團的時間表完成研發過程，以實現該產品於二零二二年一月的商品化。

# Management Discussion and Analysis

## 管理層討論及分析

### FINANCIAL REVIEW

#### Capital structure

### 財務回顧

#### 資本架構

	31.3.2019 二零一九年 三月三十一日 HK\$'000 千港元	31.3.2018 二零一八年 三月三十一日 HK\$'000 千港元
<i>Authorised:</i> 法定：		
50,000,000,000 ordinary shares of HK\$0.01 each (the "Shares") 50,000,000,000股每股面值0.01港元之普通股(「股份」)	500,000	500,000
<i>Issued and fully paid:</i> 已發行及已繳足：		
1,464,193,024 Shares (As at 31 March 2018 1,464,193,024 Shares) 1,464,193,024股股份(於二零一八年三月三十一日： 1,464,193,024股股份)	14,642	14,642

#### Liquidity and financial resources

As at 30 September 2019, the Group had bank and cash balances of approximately HK\$44.6 million (31 March 2019: approximately HK\$17.1 million).

As at 30 September 2019, total borrowings of the Group were approximately HK\$822.9 million (31 March 2019: approximately HK\$755.5 million) which reflected the debt value of the Company's unconverted convertible bonds, amount due to a shareholder, amounts due to non-controlling interests, amounts due to former non-controlling interests, amount due to the subsidiary of an associate, and loan from a non-controlling interest and an subsidiary of an associate.

#### 流動資金及財務資源

於二零一九年九月三十日，本集團之銀行及現金結餘約44,600,000港元(二零一九年三月三十一日：約17,100,000港元)。

於二零一九年九月三十日，本集團之總借貸約822,900,000港元(二零一九年三月三十一日：約755,500,000港元)，反映本公司之未轉換可換股債券之債務價值、應付一位股東款項、應付非控股權益款項、應付前非控股權益款項、應付一間聯營公司之附屬公司款項及來自一非控股權益及一間聯營公司之附屬公司貸款。

# Management Discussion and Analysis

## 管理層討論及分析

The ratio of current assets to current liabilities of the Group was 0.91 as at 30 September 2019 as compared to the 1.37 as at 31 March 2019. The Group's gearing ratio as at 30 September 2019 was 0.59 (31 March 2019: 0.50) which is calculated based on the Group's total liabilities of approximately HK\$901.4 million (31 March 2019: approximately HK\$783.9 million) and the Group's total assets of approximately HK\$1,584.4 million (31 March 2019: approximately HK\$1,578.8 million).

The Group places importance on security, short-term commitment, and availability of the surplus cash and cash equivalents.

### Significant acquisition and investments

Save as disclosed in the Section Investments in Extrawell under Business Review of Management Discussion and Analysis in respect of the disposal of the shares of Extrawell and the convertible bonds issued by Extrawell, the Group had no other significant investments, nor had it made any material acquisition or disposal of the Group's subsidiaries or associated companies during the Financial Period.

### Charges on the Group's assets

As at 30 September 2019, the Group and the Company did not have any charges on their assets (31 March 2018: Nil).

### Contingent liabilities

Details of litigation and contingent liabilities are set out in note 20 to unaudited condensed consolidated financial statements.

本集團於二零一九年九月三十日之流動資產對流動負債之比率為0.91，而於二零一九年三月三十一日則為1.37。本集團於二零一九年九月三十日之資本負債比率為0.59（二零一九年三月三十一日：0.50），乃根據本集團之負債總額約901,400,000港元（二零一九年三月三十一日：約783,900,000港元）及本集團之資產總額約1,584,400,000港元（二零一九年三月三十一日：約1,578,800,000港元）計算。

本集團重視盈餘現金及現金等價物之安全、短期承諾和可用性。

### 重大收購及投資

除管理層討論及分析內業務回顧項下「於精優之投資」一節披露有關出售精優股份及精優所發行之可換股債券外，本集團於本財政期間並無任何重大投資，亦無作出任何重大收購或出售本集團附屬公司或聯營公司之行為。

### 本集團資產抵押

於二零一九年九月三十日，本集團及本公司並無任何資產抵押（二零一八年三月三十一日：無）。

### 或然負債

訴訟及或然負債詳情載於未經審核簡明綜合財務報表附註20。

# Management Discussion and Analysis

## 管理層討論及分析

### Foreign exchange exposure

The monetary assets and liabilities and businesses of the Group are mainly conducted in Hong Kong Dollars, Renminbi, and United States Dollars. The Group maintains a prudent strategy in its foreign exchange risk management, with the foreign exchange risk being minimised through balancing the foreign currency monetary assets against foreign currency monetary liabilities, and foreign currency revenue against foreign currency expenditure. The Group did not use any financial instruments to hedge against foreign currency risk during the Financial Period. The Group will continue to monitor its foreign currency exposure closely and consider hedging foreign currency exposure should the need arise.

### Number and numeration of employees

As at 30 September 2019, the Group had 23 full time employees (31 March 2019: 23), most of whom work in the Company's subsidiaries in the PRC. It is the Group's policy that the remuneration of employees and Directors are in line with the market and commensurate with their responsibilities. Discretionary year-end bonuses are payable to the employees based on individual performance. Other employee benefits include medical insurance, retirement schemes, training programmes, and education subsidies.

Total staff costs including the Directors' remuneration for the Financial Period amounts to approximately HK\$3.9 million (Previous Financial Period: approximately HK\$3.3 million).

### Segment information

Details of the segment information are set out in note 3 to unaudited condensed consolidated financial statements.

### Tang Rong

*Executive Director*

Hong Kong, 29 November 2019

### 外匯風險

本集團之貨幣資產及負債以及業務主要以港元、人民幣及美元進行。本集團對其外匯風險管理維持審慎策略，並透過對沖外幣資產與外幣負債以及外幣收益與外幣開支減低外匯風險。於本財政期間，本集團並無使用任何金融工具對沖外幣風險。本集團將繼續密切監察外幣風險，並將於有需要時考慮對沖外幣風險。

### 僱員人數及薪酬

於二零一九年九月三十日，本集團有23名(二零一九年三月三十一日：23名)全職僱員，大部分均任職本公司於中國之附屬公司。本集團之政策乃僱員及董事之薪酬須與市場一致，並與彼等職責相符。酌情年末花紅乃根據個人表現而向僱員支付。其他僱員福利包括醫療保險、退休計劃、培訓課程及教育資助。

於本財政期間之員工總成本(包括董事酬金)約為3,900,000港元(上一財政期間：約3,300,000港元)。

### 分部資料

分部資料之詳情載於未經審核簡明綜合財務報表附註3。

### 唐榕

*執行董事*

香港，二零一九年十一月二十九日

## Other Information Provided in Accordance with the Listing Rules 根據上市規則披露之其他資料

### COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to striving good corporate governance practices and emphasising on transparency and accountability to its shareholders and stakeholders for enhancing investor confidence. Throughout the Financial Period, the Company has adopted and complied with all the code provisions as set out in the Corporate Governance Code (“CG Code”) as set forth in Appendix 14 to the Listing Rules, save and except for the deviations from code provisions A.2.1, A.4.1 and E.5.1.

#### Code provision A.2.1

Code provision A.2.1 stipulates that, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Ms. Jiang Nian is the chairman of the Group. As at the date of this report, the role of chief executive officer remains vacant. The Company is continually looking for a suitable person to assume this role.

#### Code provision A.4.1

Code provision A.4.1 stipulates that, non-executive Directors should be appointed for a specific term and should be subject to re-election. The non-executive Directors and independent non-executive Directors were not appointed for specific terms but are subject to retirement by rotation and re-election at least once every three years in accordance with the provision of the Company’s articles of association. As such, the Company was unable to fully comply with code provision A.4.1 of the CG Code during the Financial Period.

The Directors believe that, despite the absence of specified terms for non-executive Directors, sufficient measures have been taken to serve the purpose of this code provision and that the Directors are committed to representing the long-term interests of the Company and its shareholders as a whole.

### 遵守企業管治守則

本公司致力於達致良好的企業管治常規及注重向其股東及持份者保持透明度及問責性，以提升投資者信心。於整個本財政期間，本公司已採納及遵守上市規則附錄十四所載之企業管治守則（「企業管治守則」）所載之一切守則條文，惟守則條文第A.2.1條、第A.4.1條及第E.5.1條之偏離情況除外。

#### 守則條文第A.2.1條

守則條文第A.2.1條規定，主席與行政總裁之角色應有區分，並不應由同一人士兼任。蔣年女士為本集團主席。於本報告日期，行政總裁之職位仍懸空。本公司正繼續物色合適人選擔任此職位。

#### 守則條文第A.4.1條

守則條文第A.4.1條規定，非執行董事之委任應有特定任期，並須接受重選。非執行董事及獨立非執行董事之委任並無特定任期，惟須根據本公司組織章程細則之條文，至少每三年輪值告退一次並重選連任。因此，本公司於本財政期間未能全面遵守企業管治守則之守則條文第A.4.1條。

董事認為，儘管非執行董事並無指定任期，本公司已採取足夠措施以符合是項守則條文目的，且董事承諾致力代表本公司及其股東之整體長遠利益行事。

## Other Information Provided in Accordance with the Listing Rules 根據上市規則披露之其他資料

### Code provision E1.5

Code provision E.1.5 stipulates that the Company should have a policy on payment of dividends. The Company has not established a dividend policy as the Company considers it more appropriate to determine a dividend payment after taking into account those factors including the Company's then financial performance, operating and capital requirements and market conditions, to enable the Company be in a better position to cope with its future development, which is to the best interest of the Company and its shareholders as a whole.

### DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the code of conduct regarding Directors' securities transactions. Upon specific enquiries being made with all the Directors, each of them have confirmed that they have fully complied with the required standards set out in the Model Code throughout the Financial Period in relation to their securities dealings, if any.

### AUDIT COMMITTEE

The Company has established an audit committee of the Company (the "Audit Committee") with written terms of reference in compliance with Rules 3.21 and 3.22 of the Listing Rules and code provision C.3 of the CG Code. The Audit Committee consists of three independent non-executive Directors. The Audit Committee reviews with the management the accounting policies and practices adopted by the Group and discusses the auditing, internal control and financial reporting matters. The Group's unaudited interim financial statements for the Financial Period have been reviewed by the Audit Committee.

### 守則條文第E.1.5條

守則第E.1.5條規定，本公司應設有分紅政策，本公司尚未設立股息分紅政策。為了本公司和股東的最大利益，本公司認為更合適的股息分紅政策需要綜合考慮公司當時的財務狀況、經營狀況、資本要求和市場條件，使本公司能夠更好地應對未來的發展這些因素後確定股息支付政策。

### 董事進行之證券交易

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」），作為董事進行證券交易之行為守則。向所有董事作出特定查詢後，彼等各自已確認，於整個本財政期間，彼等已就其證券交易（如有）全面遵守標準守則所載之規定標準。

### 審核委員會

根據上市規則第3.21及3.22條以及企業管治守則之守則條文第C.3條，本公司已成立本公司之審核委員會（「審核委員會」），並制定書面職權範圍。審核委員會由三名獨立非執行董事組成。審核委員會與管理層審閱本集團採納之會計政策及慣例，並討論審計、內部監控及財務報告事宜。審核委員會已審閱本集團於本財政期間之未經審核中期財務報表。

## Other Information Provided in Accordance with the Listing Rules 根據上市規則披露之其他資料

### DIRECTORS' INTERESTS IN SHARES

As at 30 September 2019, the interests or short positions of the Directors, chief executive of the Company or their associates in any Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required to be recorded in the register and required to be kept by the Company under Section 352 of the SFO, or which is otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

#### Long positions in the issued share capital of the Company

### 董事於股份之權益

於二零一九年九月三十日，本公司董事、高級行政人員或彼等之聯繫人士於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之任何股份、相關股份或債券中擁有須記錄於登記冊及根據證券及期貨條例第352條本公司須存置或須根據標準守則以其他方式知會本公司及聯交所之權益或淡倉如下：

於本公司已發行股本之好倉

Name of Director 董事姓名	Capacity 身份	Number of shares/ underlying shares held 持有之股份/ 相關股份數目	Percentage of the issued share capital of the Company 佔本公司已發行股 本百分比
Tang Rong 唐榕	Beneficial owner 實益擁有人	396,200	0.03%

Save as disclosed above, as at 30 September 2019, none of the Directors, chief executive of the Company nor their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which is otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文披露者外，於二零一九年九月三十日，概無本公司董事、高級行政人員或彼等之聯繫人士於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債券中擁有須根據證券及期貨條例第352條記錄於本公司須存置之登記冊或須根據標準守則以其他方式知會本公司及聯交所之任何權益或淡倉。



## Other Information Provided in Accordance with the Listing Rules

根據上市規則披露之其他資料

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2019, the register of interests and short positions in the shares and underlying shares of the Company kept under Section 336 of the SFO showed that, the following, other than a Director or chief executive of the Company, had an interest or deemed interest of 5% or more in the issued share capital of the Company:

### 主要股東及其他人士於股份 及相關股份之權益及淡倉

於二零一九年九月三十日，根據證券及期貨條例第336條存置之本公司股份及相關股份之權益及淡倉登記冊所載，下列人士(不包括本公司之董事或高級行政人員)於本公司已發行股本中擁有或被視為擁有5%或以上權益：

### Long/Short positions in the issued share capital of the Company

於本公司已發行股本之好倉／  
淡倉

Name of Shareholder 股東姓名／名稱	Capacity 身份	Number of shares/ underlying shares held 持有之股份／ 相關股份數目	Long (L) or Short (S) position 好倉(L)或 淡倉(S)	Percentage of the issued share capital of the Company 佔本公司已發行 股本百分比
Dr. Mao Yumin (note 1) 毛裕民博士(附註1)	Beneficial owner 實益擁有人	1,268,200,000	L	86.61%
	Interest of a controlled corporation 受控制法團之權益	653,951,350	L	44.66%
United Gene Holdings Limited (note 1) 聯合基因控股有限公司(附註1)	Interest of a controlled corporation 受控制法團之權益	653,951,350	L	44.66%
Dr. Xie Yi (note 2) 謝毅博士(附註2)	Interest of a controlled corporation 受控制法團之權益	13,951,350	L	0.95%
Ease Gold Investments Limited (note 2) (附註2)	Interest of a controlled corporation 受控制法團之權益	13,951,350	L	0.95%
Good Links Limited (note 3) (附註3)	Interest of a controlled corporation 受控制法團之權益	13,951,350	L	0.95%
Victory Trend Limited (note 3) (附註3)	Interest of a controlled corporation 受控制法團之權益	13,951,350	L	0.95%
Best Champion Holdings Limited (note 4) 凱佳控股有限公司(附註4)	Interest of a controlled corporation 受控制法團之權益	13,951,350	L	0.95%
China United Gene Investment Holdings Limited (note 5) (附註5)	Beneficial owner 實益擁有人	13,951,350	L	0.95%
Chau Yiu Ting 周耀庭	Beneficial owner 實益擁有人	302,600,000	L	20.67%

## Other Information Provided in Accordance with the Listing Rules 根據上市規則披露之其他資料

### Notes:

1. These include (i) 389,200,000 ordinary shares held by Dr. Mao directly; (ii) 879,000,000 and 640,000,000 derivative shares held by Dr. Mao and JNJ Investments Limited ("JNJ") respectively, which shall be issued by the Company upon exercise of the conversion rights attached to the convertible bonds in an aggregate principal amount of HK\$607,600,000 issued by the Company. JNJ is an indirect wholly-owned subsidiary of United Gene Group Limited, which is in turn wholly owned by United Gene Holdings Limited; (iii) 13,951,350 ordinary shares held through China United Gene Investment Holdings Limited, which is held as to 60% by Best Champion Holdings Limited, and which is in turn held as to 33.5% and 33% by United Gene Holdings Limited and Victory Trend Limited respectively. Victory Trend Limited is wholly owned by Good Links Limited. United Gene Holdings Limited and Good Links Limited are 100% and 50% held by Dr. Mao respectively.
2. Ease Gold Investments Limited, is wholly-owned by Dr. Xie Yi ("Dr. Xie"), which owns 33.50% equity interests of Best Champion Holdings Limited.
3. Victory Trend Limited is wholly-owned by Good Links Limited, which is in turn owned as to 50% by Dr. Mao and as to 50% by Dr. Xie. Victory Trend Limited owns 33.00% equity interests of Best Champion Holdings Limited.
4. The equity interest of Best Champion Holdings Limited is owned as to 33.50%, 33.50% and 33.00% by United Gene Holdings Limited, Ease Gold Investments Limited and Victory Trend Limited, respectively.
5. China United Gene Investment Holdings Limited is owned as to 60% by Best Champion Holdings Limited.

Save as disclosed above, the directors were not aware of any other relevant interests or short positions of 5% or more in the issued share capital of the Company as at 30 September 2019.

### 附註：

1. 彼等包括 (i) 由毛博士直接持有的389,200,000股普通股；(ii) 於行使本公司所發行本金總額為607,600,000港元之可換股債券附帶之轉換權後，由本公司發行之衍生股份，乃分別由毛博士持有879,000,000股及JNJ Investments Limited (「JNJ」) 持有640,000,000股。JNJ為一間United Gene Group Limited間接全資擁有的附屬公司，而United Gene Group Limited由聯合基因控股有限公司全資擁有；(iii) 由凱佳控股有限公司擁有60%股權的China United Gene Investment Holdings Limited持有之13,951,350股普通股，聯合基因控股有限公司及Victory Trend Limited分別持有33.5%及33%凱佳控股有限公司股份。Victory Trend Limited由Good Links Limited全資擁有。毛博士分別持有聯合基因控股有限公司的100%股權及Good Links Limited的50%股權。
2. Ease Gold Investments Limited (由謝毅博士(「謝博士」)全資擁有) 擁有凱佳控股有限公司之33.50%股權。
3. Victory Trend Limited 由 Good Links Limited 全資擁有，而 Good Links Limited 由毛博士及謝博士分別擁有50%及50%，而Victory Trend Limited 擁有凱佳控股有限公司之33.00%股權。
4. 凱佳控股有限公司分別由聯合基因控股有限公司、Ease Gold Investments Limited 及 Victory Trend Limited 擁有33.50%、33.50%及33.00%股權。
5. China United Gene Investment Holdings Limited 由凱佳控股有限公司擁有60%股權。

除上文披露者外，於二零一九年九月三十日，董事並不知悉佔本公司已發行股本5%或以上之任何其他相關權益或淡倉。

## Other Information Provided in Accordance with the Listing Rules 根據上市規則披露之其他資料

### SHARE OPTION SCHEME

On 6 November 2009 (the “Adoption Date”), the Company adopted a share option scheme (the “Share Option Scheme”) for the purpose of recognising and motivating the contribution of the Group’s eligible employees, non-executive directors, shareholder, customer and supplier to the Group which, unless otherwise cancelled or amended, will remain in force for 10 years from the Adoption Date. After the refreshment of the Share Option Scheme on 3 November 2010, the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme may not in aggregate exceed 1,216,450,806, being 10% of the Shares in issue of the Company as at 3 November 2010. The offer of a grant may be accepted upon payment of a nominal consideration of HK\$1 per acceptance.

The exercise price of the share options granted under the Share Option Scheme is determined by the Board, but shall not be less than the highest of (i) the nominal value of the Shares; (ii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotation sheets for the five business days immediately preceding the date of grant; or (iii) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date of the grant. No option may be granted to any individual in any 12-month period if the total number of Shares issued and to be issued upon exercise of the option granted to an individual in any 12-month period exceeds 1% of the share capital of the Company in issue unless approval by shareholders is obtained.

### 購股權計劃

於二零零九年十一月六日(「採納日期」)，本公司採納一項購股權計劃(「購股權計劃」)，以表揚及激勵本集團之合資格僱員、非執行董事、股東、客戶及供應商對本集團之貢獻，除非以其他方式註銷或修訂，否則，購股權計劃將於採納日期起維持有效十年。於二零一零年十一月三日更新購股權計劃後，因行使根據購股權計劃將予授出之所有購股權而可予發行之最高股份數目合共不得超過1,216,450,806股，即於二零一零年十一月三日本公司已發行股份之10%。每次接納授出購股權須支付1港元之名義代價。

根據購股權計劃授出購股權之行使價由董事會釐定，惟不得低於以下最高者：(i) 股份之面值；(ii) 股份於緊接授出日期前五個營業日在聯交所每日報價表所示之平均收市價；或(iii) 股份於授出日期在聯交所每日報價表所示之收市價。除非獲得股東批准，否則，倘已發行股份及於行使於任何十二個月期間內授予個別人士之購股權後將予發行之股份之總數超過本公司已發行股本之1%，則於十二個月期間內不得向任何個別人士授出購股權。

## Other Information Provided in Accordance with the Listing Rules 根據上市規則披露之其他資料

As at 30 September 2019, the Company had not granted any options to eligible persons of the Share Option Scheme and there were no outstanding share options under the Share Option Scheme.

Apart from the aforesaid, at no time during the Financial Period was the Company or any of its subsidiaries a party to any arrangement to enable the Directors and substantial Shareholders or any of their associates to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

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

During the Financial Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

於二零一九年九月三十日，本公司並無向購股權計劃之合資格人士授出任何購股權，購股權計劃項下亦並無尚未行使之購股權。

除上述者外，於本財政期間任何時間，本公司或其任何附屬公司並無訂立任何安排，致使董事及主要股東或彼等任何聯繫人士可透過收購本公司或任何其他法團之股份或債券而獲得利益。

### **購買、出售或贖回本公司之 上市證券**

於本財政期間，本公司或其任何附屬公司概無購買、出售或贖回本公司之任何上市證券。

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

## 簡明綜合損益及其他全面收益表

For the six months ended 30 September 2019

截至二零一九年九月三十日止六個月

		<b>Six months ended</b>		
		<b>30 September</b>		
		截至九月三十日止六個月		
		2019	2018	
		二零一九年	二零一八年	
		HK\$'000	HK\$'000	
		千港元	千港元	
		<b>(unaudited)</b>	<b>(unaudited)</b>	
		<b>(未經審核)</b>	<b>(未經審核)</b>	
		Notes		
		附註		
Revenue	收益	3	<b>11,126</b>	10,053
Cost of sales and services	銷售及服務成本		<b>(10,074)</b>	(9,147)
Gross profit	毛利		<b>1,052</b>	906
Other income	其他收入		<b>534</b>	5,651
Other gains and losses, net	其他收益及虧損淨額	4	<b>(30,659)</b>	(113,683)
Selling expenses	銷售開支		<b>(136)</b>	(126)
Administrative expenses	行政開支		<b>(12,747)</b>	(12,227)
Other expenses	其他開支		<b>—</b>	(314)
Share of results of associates	分佔聯營公司業績		<b>6,312</b>	8,705
Finance costs	財務費用	5	<b>(75,652)</b>	(62,218)
Loss before tax	稅前虧損		<b>(111,296)</b>	(173,306)
Income tax	所得稅		<b>—</b>	—
Loss for the period	期內虧損	6	<b>(111,296)</b>	(173,306)

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

## 簡明綜合損益及其他全面收益表

For the six months ended 30 September 2019

截至二零一九年九月三十日止六個月

		<b>Six months ended 30 September</b>	
		截至九月三十日止六個月	
		<b>2019</b>	2018
		二零一九年	二零一八年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Notes		<b>(unaudited)</b>	(unaudited)
附註		(未經審核)	(未經審核)
Other comprehensive (expense) income items that may be subsequently reclassified to profit or loss:	其他全面(開支)收益 其後可能重新分類至損益之項目：		
Exchange difference on translation of foreign operations	換算海外業務之匯兌差額	<b>(532)</b>	(663)
		<b>(532)</b>	(663)
Total comprehensive expense for the period	期內全面開支總額	<b>(111,828)</b>	(173,969)
Loss for the period attributable to:	以下人士應佔期內虧損：		
Owners of the Company	本公司擁有人	<b>(110,479)</b>	(171,278)
Non-controlling interests	非控股權益	<b>(817)</b>	(2,028)
		<b>(111,296)</b>	(173,306)

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

### 簡明綜合損益及其他全面收益表

For the six months ended 30 September 2019

截至二零一九年九月三十日止六個月

		<b>Six months ended 30 September</b>	
		截至九月三十日止六個月	
		<b>2019</b>	2018
		二零一九年	二零一八年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Notes		<b>(unaudited)</b>	(unaudited)
附註		(未經審核)	(未經審核)
Total comprehensive expense for the period attributable to:	以下人士應佔期內全面 開支總額：		
Owners of the Company	本公司擁有人	<b>(111,011)</b>	(171,742)
Non-controlling interests	非控股權益	<b>(817)</b>	(2,227)
		<b>(111,828)</b>	(173,969)
		<b>HK cents</b>	HK cents
		港仙	港仙
Loss per share	每股虧損		
Basic	基本	<b>(7.55)</b>	(11.70)
Diluted	攤薄	<b>(7.55)</b>	(11.70)

# Condensed Consolidated Statement of Financial Position

## 簡明綜合財務狀況表

At 30 September 2019

於二零一九年九月三十日

			At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 March 2019 於二零一九年 三月三十一日 HK\$'000 千港元 (audited) (經審核)
		Notes 附註		
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	9	65	95
Interests in associates	於聯營公司的權益	10	38,888	48,954
Investments in convertible bonds	於可換股債券的投資	11	97,661	111,942
Intangible assets	無形資產	12	1,373,224	1,373,224
			<b>1,509,838</b>	1,534,215
<b>Current assets</b>	<b>流動資產</b>			
Trade receivables	貿易應收賬款	13	23,482	21,176
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		6,502	6,305
Bank and cash balances	銀行及現金結餘		44,584	17,058
			<b>74,568</b>	44,539



# Condensed Consolidated Statement of Financial Position

## 簡明綜合財務狀況表

At 30 September 2019

於二零一九年九月三十日

			At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 March 2019 於二零一九年 三月三十一日 HK\$'000 千港元 (audited) (經審核)
		Notes 附註		
<b>Current liabilities</b>	<b>流動負債</b>			
Trade payables	貿易應付賬款	14	21,034	21,214
Accruals and other payables	應計費用及其他應付款項		57,481	7,273
Amounts due to non-controlling interests	應付非控股權益款項		3,092	3,092
Amounts due to former non-controlling interests	應付前非控股權益款項		823	823
			<b>82,430</b>	32,402
<b>Net current (liabilities) assets</b>	<b>流動(負債)資產淨額</b>		<b>(7,682)</b>	12,137
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>1,501,976</b>	1,546,352
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Convertible bonds	可換股債券	15	732,763	658,632
Amount due to a shareholder	應付一位股東款項		7,000	25,000
Amount due to the subsidiary of an associate	應付一間聯營公司之附屬公司款項		41,952	41,952
Loan from a non-controlling interest	來自非控股權益貸款		22,261	20,929
Loan from a subsidiary of an associate	來自一間聯營公司之附屬公司貸款		15,016	5,027
			<b>818,992</b>	751,540
<b>NET ASSETS</b>	<b>資產淨額</b>		<b>682,984</b>	794,812

# Condensed Consolidated Statement of Financial Position

## 簡明綜合財務狀況表

At 30 September 2019  
於二零一九年九月三十日

		At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 March 2019 於二零一九年 三月三十一日 HK\$'000 千港元 (audited) (經審核)
<b>Capital and reserves</b>	<b>資本及儲備</b>		
Share capital	股本	<b>14,642</b>	14,642
Reserves	儲備	<b>(200,610)</b>	(89,599)
Equity attributable to owners of the Company	本公司擁有人應佔權益	<b>(185,968)</b>	(74,957)
Non-controlling interests	非控股權益	<b>808,952</b>	869,769
<b>TOTAL EQUITY</b>	<b>權益總額</b>	<b>682,984</b>	794,812

The condensed consolidated financial statements on pages 20 to 25 were approved and authorised for issue by the Board of Directors on 29 November 2019 and are signed on its behalf by:

載於第20頁至第25頁之簡明綜合財務報表已經由董事會於二零一九年十一月二十九日批准及授權刊發，並由以下董事代表簽署：

**JIANG NIAN**

蔣年  
DIRECTOR  
董事

**TANG RONG**

唐榕  
DIRECTOR  
董事

# Condensed Consolidated Statement of Changes in Equity

## 簡明綜合權益變動表

For the six months ended 30 September 2019

截至二零一九年九月三十日止六個月

	Attributable to owners of the Company 本公司擁有人應佔									
	Share capital	Share premium	Convertible bonds equity reserve	Other reserve	Statutory reserve	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	股本	股份溢價	權益儲備	其他儲備	法定儲備	儲備	累計虧損	總計	非控股權益	權益總額
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
					(Note a)		(Note b)			
					(附註a)		(附註b)			
At 1 April 2018 (audited)										
於二零一八年四月一日(經審核)	14,642	1,119,294	1,152,862	4,828	347	(1,602)	(2,093,954)	196,417	870,408	1,066,825
Loss for the period										
期內虧損							(171,278)	(171,278)	(2,028)	(173,306)
Other comprehensive expense for the period										
期內其他全面開支						(464)		(464)	(199)	(663)
Total comprehensive expense for the period										
期內全面開支總額						(464)	(171,278)	(171,742)	(2,227)	(173,969)
At 30 September 2018 (unaudited)										
於二零一八年九月三十日(未經審核)	14,642	1,119,294	1,152,862	4,828	347	(2,066)	(2,265,230)	24,675	868,181	892,856

# Condensed Consolidated Statement of Changes in Equity

## 簡明綜合權益變動表

For the six months ended 30 September 2019

截至二零一九年九月三十日止六個月

	Attributable to owners of the Company 本公司擁有人應佔									
	Share capital	Share premium	Convertible bonds equity reserve	Other reserve	Statutory reserve	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
			可換股債券權益儲備			外幣兌換儲備				
	股本	股份溢價	權益儲備	其他儲備	法定儲備	外幣兌換儲備	累計虧損	總計	非控股權益	權益總額
HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元 (Note a) (附註a)	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元 (Note b) (附註b)	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 April 2019 (audited) 於二零一九年四月一日(經審核)	14,642	1,119,294	1,152,862	(7,791)	347	(1,599)	(2,352,712)	(74,957)	869,769	794,812
Loss for the period 期內虧損	-	-	-	-	-	-	(110,479)	(110,479)	(817)	(111,296)
Other comprehensive expense for the period 期內其他全面開支	-	-	-	-	-	(532)	-	(532)	-	(532)
Total comprehensive expense for the period 期內全面開支總額	-	-	-	-	-	(532)	(110,479)	(111,011)	(817)	(111,828)
At 30 September 2019 (unaudited) 於二零一九年九月三十日(未經審核)	14,642	1,119,294	1,152,862	(7,791)	347	(2,131)	(2,463,191)	(185,968)	868,952	682,984

### Notes:

- (a) As stipulated by the relevant laws and regulations of the PRC, before distribution of the net profit each year, the Group's subsidiaries established in the PRC shall set aside 10% of its net profit after taxation to the statutory reserve. The reserve can only be used, upon approval by the board of directors of these PRC established subsidiaries and by the relevant authority, to offset accumulated losses or increase in capital. During the six months ended 30 September 2019 and 2018, there was no transfer from retained profits to the statutory reserve since the Group's PRC subsidiaries incurred net loss during both periods.
- (b) Remittance outside the PRC of retained profits of the subsidiaries established in the PRC is subject to approval of the local authorities and the availability of foreign currencies generated and retained by these subsidiaries.

### 附註：

- (a) 按照中國的相關法律及法規所訂明，每年分派純利前，本集團在中國設立的附屬公司須自其除稅後純利撥出 10% 至法定儲備。法定儲備僅可用於抵銷累計虧損或增資，並須得到此等在中國設立之附屬公司之董事會及有關政府當局核准後方可使用。於截至二零一九年及二零一八年九月三十日止六個月，由於本集團之中國附屬公司均錄得虧損淨額，故於該兩段期間並無任何金額從保留溢利轉撥至法定儲備。
- (b) 於中國成立之附屬公司之保留溢利之境外匯款須經當地政府當局批准及視乎此等附屬公司產生及保留外幣之可能性而定。

# Condensed Consolidated Statement of Cash Flows

## 簡明綜合現金流量表

For the six months ended 30 September 2019

截至二零一九年九月三十日止六個月

		<b>Six months ended 30 September</b>	
		截至九月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		<b>(unaudited)</b>	<b>(unaudited)</b>
		(未經審核)	(未經審核)
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	經營活動(所用)／所得現金淨額	<b>(13,931)</b>	1,886
INVESTING ACTIVITIES	投資活動		
Deposit on disposal of the investment in an associated company	出售於一間聯營公司投資之按金	<b>50,000</b>	—
NET CASH GENERATED FROM INVESTING ACTIVITIES	投資活動所得現金淨額	<b>50,000</b>	—
FINANCING ACTIVITIES	融資活動		
Interest paid	已付利息	—	(25,025)
Amount due to a shareholder	應付一位股東款項	<b>(18,000)</b>	25,000
Loan from a subsidiary of an associate	來自一間聯營公司之附屬公司貸款	<b>9,989</b>	—
NET CASH USED IN FINANCING ACTIVITIES	融資活動所用現金淨額	<b>(8,011)</b>	(25)
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加淨額	<b>28,058</b>	1,861
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	期初現金及現金等價物	<b>17,058</b>	20,227
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	外幣匯率變動影響	<b>(532)</b>	(663)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD, represented by bank balances and cash	期末現金及現金等價物，指銀行結餘及現金	<b>44,584</b>	21,425

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 September 2019

截至二零一九年九月三十日止六個月

### 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

### 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at revalued amounts or fair values, as appropriate.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2019 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2019.

#### Application of new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 April 2019 for the preparation of the Group’s condensed consolidated financial statements:

HKFRS 16  
香港財務報告準則第16號  
HK(IFRIC) – Int 23  
香港(國際財務報告詮釋委員會)  
— 詮釋第23號  
Amendments to HKFRS 9  
香港財務報告準則第9號之修訂  
Amendments to HKAS 19  
香港會計準則第19號之修訂  
Amendments to HKAS 28  
香港會計準則第28號之修訂  
Amendments to HKFRSs  
香港財務報告準則之修訂

*Leases*  
租賃  
*Uncertainty over Income Tax Treatments*  
所得稅處理之不確定性

*Prepayment Features with Negative Compensation*  
具有負補償的提前還款特性  
*Plan Amendment, Curtailment or Settlement*  
計劃修訂、縮減或結清  
*Long-term Interests in Associates and Joint Ventures*  
於聯營公司及合營企業的長期權益  
*Annual Improvements to HKFRSs 2015–2017 Cycle*  
香港財務報告準則之年度改進(二零一五年至二零一七年週期)

### 1. 編製基準

簡明綜合財務報表乃按香港會計師公會(「香港會計師公會」)頒佈之香港會計準則第34號「中期財務報告」及香港聯合交易所有限公司證券上市規則附錄十六之適用披露規定編製。

### 2. 主要會計政策

簡明綜合財務報表乃根據過往成本編撰，惟若干按重估金額或公平值計量(如適用)之金融工具除外。

除以下陳述外，截至二零一九年九月三十日止六個月的簡明綜合財務報表所採用的會計政策及計算方法與編製本集團截至二零一九年三月三十一日止年度之年度財務報表所遵循者一致。

#### 應用新訂及經修訂香港財務報告準則

本集團於本中期間首次應用以下由香港會計師公會頒佈之新訂及經修訂香港財務報告準則(其自二零一九年四月一日或之後開始的年度期間強制生效)以編製本集團簡明綜合財務報表：

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 September 2019

截至二零一九年九月三十日止六個月

### 2. PRINCIPAL ACCOUNTING POLICIES

*(Continued)*

#### Application of new and amendments to HKFRSs *(Continued)*

Except as described below regarding the impact of HKFRS 16 “Leases”, the application of the new and amendments to HKFRSs in the current period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these unaudited condensed consolidated financial statements.

#### HKFRS 16 Leases

The Group has applied HKFRS 16 for the first time in the current period. HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees which superseded HKAS 17 “Leases” and the related interpretations.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. In addition, HKFRS 16 requires sales and leaseback transactions to be determined based on the requirements of HKFRS 15 as to whether the transfer of the relevant asset should be accounted as a sale. HKFRS 16 also includes requirements relating to subleases and lease modifications.

Distinctions of operating leases and finance leases are removed for lessee accounting and are replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

### 2. 主要會計政策(續)

#### 應用新訂及經修訂香港財務報告準則(續)

除下文所述香港財務報告準則第16號「租賃」的影響外，於本期間應用該等新訂香港財務報告準則及修訂對本集團本期間及過往期間財務狀況及表現及／或載於該等未經審核簡明綜合財務報表的披露並無重大影響。

#### 香港財務報告準則第16號租賃

本集團於本期間首次應用香港財務報告準則第16號。香港財務報告準則第16號引入一種全面模型，以識別出租人及承租人的租賃安排及會計處理，並取代香港會計準則第17號「租賃」及相關詮釋。

香港財務報告準則第16號按所識別資產是否由客戶控制以分辨租賃及服務合約。此外，香港財務報告準則第16號規定售後租回交易根據香港財務報告準則第15號有關轉讓相關資產是否應作為銷售入賬的規定而釐定。香港財務報告準則第16號亦包括有關分租及租賃修改的規定。

除短期租賃及低價值資產租賃外，承租人在經營租賃與融資租賃的會計處理差異會被單一模式取代，並由承租人須就所有租賃確認為使用權資產及相應負債。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 September 2019

截至二零一九年九月三十日止六個月

### 2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

#### HKFRS 16 Leases (Continued)

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents operating lease payments as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group.

Other than certain requirements which are also applicable to lessor, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

The Group has adopted the modified retrospective application permitted by HKFRS 16 upon adoption of the new standard. Accordingly, the standard has been applied for the period beginning on 1 April 2019 (i.e. the initial application period). Modified retrospective application requires the recognition of the cumulative impact of adoption of HKFRS 16 on all contracts as at 1 April 2019 in equity.

### 2. 主要會計政策(續)

#### 香港財務報告準則第16號租賃(續)

使用權資產初步按成本計量，其後按成本(若干例外情況除外)減累計折舊及減值虧損計量，並就租賃負債任何重新計量作出調整。租賃負債初步按並非於該日支付之租賃付款現值計量。其後，租賃負債會就(其中包括)利息及租賃付款以及租賃修訂的影響作出調整。就現金流量分類而言，本集團現時將經營租賃付款呈列為經營現金流量。於應用香港財務報告準則第16號之後，本集團會將有關租賃負債之租賃付款分配為本金及利息部分，並按融資現金流量呈列。

除亦適用於出租人的若干規定外，香港財務報告準則第16號大部分沿用香港會計準則第17號之出租人會計處理規定，並繼續要求出租人將租賃分類為經營租賃或融資租賃。

本集團已於採納新準則時採納香港財務報告準則第16號允許的經修訂追溯應用。因此，準則自二零一九年四月一日開始期間(即首次應用期間)已獲應用。經修訂追溯應用規定將採納香港財務報告準則第16號對於二零一九年四月一日所有合約的累計影響確認為權益。



# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 September 2019

截至二零一九年九月三十日止六個月

### 2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

#### HKFRS 16 Leases (Continued)

Modified retrospective application of HKFRS 16 also requires the Group to recognise a lease liability at the date of initial application for leases previously classified as an operating lease under the superseded HKAS 17 measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as lease applying HKAS 17 and HK(IFRIC) – Int 4 “Determining whether an Arrangement contains a Lease” and not apply this standard to contracts that were not previously identified as containing a lease applying HKAS 17 and HK(IFRIC) – Int 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application, i.e. 1 April 2019.

Based on the allowed practical expedients under HKFRS 16, the Group has elected not to apply the requirements of HKFRS 16 in respect of recognition of lease liabilities and right-of-use assets to leases for which the lease term ends within twelve months of the date of initial application.

Management has assessed the impact on transition and considers that the right-of-use assets and lease liabilities at 1 April 2019 are not material and the adoption of HKFRS 16 has not resulted in any recognition of right-of-use assets and lease liabilities as at 1 April 2019.

### 2. 主要會計政策(續)

#### 香港財務報告準則第16號租賃(續)

香港財務報告準則第16號的經修訂追溯應用亦要求本集團於首次應用日期確認先前根據被取代的香港會計準則第17號分類為經營租賃的租賃為租賃負債，該租賃負債以剩餘租賃付款之現值計量，並於首次應用日期使用本集團之增量借款利率進行折現。本集團已選擇實際權宜方法以應用香港財務報告準則第16號到先前識別為應用香港會計準則第17號及香港(國際財務報告詮釋委員會)－詮釋第4號「釐定一項安排是否包含租賃」的租賃，並選擇不將此準則應用到先前並未識別為應用香港會計準則第17號及香港(國際財務報告詮釋委員會)－詮釋第4號的包含租賃。因此，本集團將不會重新評估合約是否為，或包含於首次應用日期(即二零一九年四月一日)前已存在之租賃。

根據香港財務報告準則第16號所允許的可行權宜方法，本集團選擇不就租期於初始應用日期起計十二個月內屆滿的租賃確認使用權資產及租賃負債。

管理層已評估過渡的影響，並認為於二零一九年四月一日的使用權資產及租賃負債並不重大，且採納香港財務報告準則第16號並無導致於二零一九年四月一日確認任何使用權資產及租賃負債。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 September 2019

截至二零一九年九月三十日止六個月

### 3. REVENUE AND SEGMENT INFORMATION

The Group has three reportable and operating segments as follows:

- trading of beauty equipment and products in Hong Kong (“Trading of beauty equipment and products”)
- securities investment in Hong Kong and outside Hong Kong (“Securities investment”)
- research and development and commercialisation of products (“Research and development”)

The Group’s reportable and operating segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The following is an analysis of the Group’s revenue and results by reportable and operating segments:

### 3. 收益及分部資料

本集團有以下三個呈報及營運分部：

- 於香港進行美容設備及產品貿易(「美容設備及產品貿易」)
- 於香港及香港境外進行證券投資(「證券投資」)
- 研發並商品化產品(「研發」)

本集團呈報及營運分部是提供不同產品及服務的策略性業務單位。因各業務所需的技術及市場策略不同，該等分部受個別管理。

下表為按呈報及經營分部分類的本集團收益及業績分析：

	Trading of beauty equipment and products		Securities investment		Research and development		Total	
	美容設備及產品貿易		證券投資		研發		總計	
	2019	2018	2019	2018	2019	2018	2019	2018
	二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
<b>Six months ended 30 September</b>								
<b>截至九月三十日止六個月</b>								
Revenue from external customers								
來自外界客戶之收入	11,126	10,053	—	—	—	—	11,126	10,513
Segment (loss) profit after tax								
除稅後分部(虧損)溢利	916	592	(8)	(25,762)	(1,668)	(549)	(760)	(25,719)

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 September 2019

截至二零一九年九月三十日止六個月

### 3. REVENUE AND SEGMENT INFORMATION *(Continued)*

### 3. 收益及分部資料 (續)

		<b>Six months ended</b>	
		<b>30 September</b>	
		截至九月三十日止六個月	
		<b>2019</b>	2018
		二零一九年	二零一八年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
		<b>(unaudited)</b>	(unaudited)
		(未經審核)	(未經審核)
Reconciliation of reportable segment profit (loss) after tax:	除稅後呈報分部溢利(虧損)對賬:		
Total segment profit/(loss)	分部利潤/(虧損)總額	<b>(760)</b>	(25,719)
Corporate and other expenses	企業及其他開支	<b>(86,723)</b>	(74,790)
Share of results of associates	分佔聯營公司業績	<b>6,312</b>	8,705
Unallocated other income, gains and losses, net	未分配其他收入、收益及虧損淨額	<b>(30,125)</b>	(81,502)
Consolidated loss for the period	期內綜合虧損	<b>(111,296)</b>	(173,306)

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 September 2019

截至二零一九年九月三十日止六個月

### 4. OTHER GAINS AND LOSSES, NET

### 4. 其他收益及虧損淨額

		Six months ended 30 September 截至九月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)
Change in fair value of investments in convertible bonds (Note 11)	可換股債券投資之公平值變動(附註11)	(14,281)	(52,680)
Impairment loss on interest in an associate (Note 10)	於一間聯營公司權益之減值虧損(附註10)	(16,378)	(35,241)
Change in fair value of available-for-sale financial assets	可供出售金融資產的公平值變動	—	(25,762)
		<b>(30,659)</b>	<b>(113,683)</b>

### 5. FINANCE COSTS

### 5. 財務費用

		Six months ended 30 September 截至九月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)
Effective interest expense on convertible bonds (Note 15)	可換股債券實際利息開支(附註15)	74,131	61,078
Imputed interest expense on loan from a non-controlling interest of a subsidiary	來自一間附屬公司非控股權益貸款之估算利息開支	1,332	1,131
Interest expense on loan from the subsidiary of an associate	來自一間聯營公司之附屬公司貸款之利息開支	189	—
Others	其他	—	9
		<b>75,652</b>	<b>62,218</b>

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 September 2019

截至二零一九年九月三十日止六個月

### 6. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging the following:

### 6. 期內虧損

期內虧損乃扣除下列各項後達致：

		Six months ended 30 September 截至九月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	30	42
Operating lease charges of land and buildings	土地及樓宇之經營租賃支出	1,114	1,170
Cost of inventories recognised as an expense	確認為開支之存貨成本	10,074	9,147
Staff costs including directors' emoluments	包括董事酬金在內之員工成本	3,852	3,273

### 7. DIVIDENDS

No dividends were paid, declared or proposed during the interim period. The directors have determined that no dividend will be paid in respect of the interim period (2018: Nil).

### 7. 股息

於本中期期間概無派付、宣派或擬派股息。董事決定，概不會就本中期期間支付股息(二零一八年：無)。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 September 2019

截至二零一九年九月三十日止六個月

### 8. LOSS PER SHARE

The calculation of the basic loss per share attributable to the owners of the Company is based on the following data:

### 8. 每股虧損

本公司擁有人應佔每股基本虧損按以下數據計算：

		Six months ended 30 September	
		截至九月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		HK\$'000	HK\$'000
		千港元	千港元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
<b>Loss</b>	<b>虧損</b>		
Loss for the purposes of basic and diluted loss per share (loss for the period attributable to owners of the Company)	就計算每股基本及攤薄虧損之虧損(本公司擁有人應佔期內虧損)	<b>(110,479)</b>	(171,278)

		Six months ended 30 September	
		截至九月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		Number of shares	Number of shares
		股份數目	股份數目
		'000	'000
		以千計	以千計
<b>Number of shares</b>	<b>股份數目</b>		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	就計算每股基本及攤薄虧損之普通股加權平均數	<b>1,464,193</b>	1,464,193

The computation of diluted loss per share for the six months ended 30 September 2019 and 2018 does not assume the conversion of the Company's outstanding convertible bonds since their assumed conversion would decrease the loss per share for both periods.

計算截至二零一九年及二零一八年九月三十日止六個月之每股攤薄虧損時，並無假設本公司之未轉換可換股債券被轉換，此乃由於假如該等可換股債券被轉換，會減少兩段期間之每股虧損。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 September 2019

截至二零一九年九月三十日止六個月

### 9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

No property, plant and equipment was acquired and disposed by the Group during the six months ended 30 September 2019 period (six months ended 30 September 2018: Nil).

### 9. 物業、廠房及設備變動

於截至二零一九年九月三十日止六個月期間，本集團並無購入及出售物業、廠房及設備（截至二零一八年九月三十日止六個月：無）。

### 10. INTERESTS IN ASSOCIATES

### 10. 於聯營公司的權益

		At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 March 2019 於二零一九年 三月三十一日 HK\$'000 千港元 (audited) (經審核)
<b>Cost of investments in associates</b>	<b>聯營公司投資成本</b>		
Listed in Hong Kong	於香港上市	<b>476,841</b>	476,841
Unlisted	未上市	—	—
Share of post-acquisition profits and other comprehensive income	應佔收購後溢利及其他全面收益	<b>115,843</b>	109,531
Impairment loss on interests in associates (Note a)	於聯營公司權益之減值虧損(附註a)	<b>(454,074)</b>	(437,696)
Adjustment against non-controlling interests (Note b)	對非控股權益之調整(附註b)	<b>(99,722)</b>	(99,722)
		<b>38,888</b>	48,954
Fair value of listed investments (Note c)	上市投資之公平值(附註c)	<b>38,888</b>	48,954

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 September 2019

截至二零一九年九月三十日止六個月

### 10. INTERESTS IN ASSOCIATES (Continued)

Notes:

- (a) As at 30 September 2019, the Group recognised impairment loss of approximately HK\$16,378,000 in profit or loss which represented the difference between the fair value of the shares of Extrawell based on the share price of Extrawell and the carrying amount of interest in associate (including the interest in Smart Ascent held by Extrawell) before adjustment against non-controlling interests at the end of the reporting period.
- (b) During the year ended 31 March 2015, the Group purchased 51% equity interest in Smart Ascent from Extrawell (BVI) Limited ("Extrawell (BVI)"), a wholly-owned subsidiary of Extrawell. Smart Ascent became a non-wholly owned subsidiary of the Company and consequently SAL Group have been consolidated within the Group commencing from 28 July 2014. The amount of equity in SAL Group that is attributable to the remaining 49% interest in Smart Ascent held by Extrawell and included in the carrying amount of interest in Extrawell prior to the acquisition of Smart Ascent by the Group has been reclassified from non-controlling interest (and interest in associate) and treated as part of equity attributable to owners of the Company to the extent of the Company's attributable equity interest in Extrawell which represented the share of equity in SAL Group attributable to the Company's ownership interest in Extrawell.
- (c) The fair value of listed investments is based on the quoted market bid price of the shares of Extrawell and hence include the value attributable to Extrawell's equity interest in the SAL Group; whereas the carrying amount of the Group's interest in Extrawell as an associate as at 30 September 2019 and 31 March 2019 does not include that equity interest due to the adjustment against non-controlling interests (see note b above) and therefore is not directly comparable.

### 10. 於聯營公司的權益 (續)

附註:

- (a) 於二零一九年九月三十日，本集團於損益內確認減值虧損約16,378,000港元，指根據精優股價釐定之精優股份公平值與於聯營公司之權益(包括由精優持有的進生之權益)在於報告期間未對非控股權益進行調整前之賬面值兩者間之差異。
- (b) 截至二零一五年三月三十一日止年度，本集團從精優的全資附屬公司Extrawell (BVI) Limited (「Extrawell (BVI)」)收購進生的51%股權。進生成為本公司之非全資附屬公司，而隨後進生集團已於二零一四年七月二十八日起綜合計入本集團，由精優所持有進生餘下49%權益應佔，且於本集團收購進生前計入精優權益賬面值之進生集團權益金額已由非控股權益(及於聯營公司的權益)中重新分類，按本公司應佔精優股權(即本公司於精優之擁有權權益應佔之進生集團股權)為限，以本公司擁有人應佔權益處理。
- (c) 上市投資之公平值是根據精優股份的市場買入報價計算，因此包括精優於進生集團權益應佔之價值，而於二零一九年九月三十日及二零一五年三月三十一日本集團於精優作為聯營公司之權益之賬面值並未包括應付對非控股權益之調整之股本權益(見上文附註b)，因此不可直接進行比較。



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### 10. INTERESTS IN ASSOCIATES (Continued)

As at 30 September 2019, the Group had interests in the following associates:

### 10. 於聯營公司的權益 (續)

於二零一九年九月三十日，本集團於以下聯營公司擁有權益：

Name of entity 實體名稱	Place of incorporation/ registration 註冊成立/ 註冊地點	Principal place of operation 主要營業地點	Class of shares held 所持股份類別	Proportion nominal of value of issued capital held by the Group 本集團所持 已發行股本面值比例		Proportion of voting power held by the Group 本集團所持 表決權比例		Principal activity 主要業務
				30.9.2019 二零一九年 九月三十日	31.3.2019 二零一九年 三月三十一日	30.9.2019 二零一九年 九月三十日	31.3.2019 二零一九年 三月三十一日	
Extrawell 精優	Bermuda 百慕達	PRC 中國	Ordinary shares 普通股	19.14%	19.14%	19.14%	19.14%	Development, manufacture and sale of pharmaceutical products 開發、製造及銷售醫藥產品
Longmark (Shanghai) Healthcare Limited 龍脈(上海)健康管理服務有限公司	PRC 中國	PRC 中國	Registered capital 註冊資本	33.33%	33.33%	49.78%	49.78%	Provision of health care management services 提供健康管理服務

On 23 June 2019, the Company and Dr. Mao Yumin, being a substantial shareholder of the Company, entered into a sale and purchase agreement to disposal (i) 457,510,000 ordinary share(s) of Extrawell and (ii) the convertible bonds issued by Extrawell in principal amount of HK\$577,170,000 with no interest bearing at an aggregate consideration of HK\$270,000,000 (the "Disposal").

On 4 October 2019, the Disposal was approved in the special general meeting and completed on 8 October 2019.

於二零一九年六月二十三日，本公司與毛裕民博士(本公司之主要股東)訂立買賣協議以出售(i)精優之457,510,000股普通股及(ii)精優所發行本金額577,170,000港元之不計息可換股債券，總代價為270,000,000港元(「出售事項」)。

於二零一九年十月四日，出售事項於股東特別大會上獲批准，並於二零一九年十月八日完成。

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### 11. INVESTMENTS IN CONVERTIBLE BONDS

On 27 April 2013, the Company entered into the conditional sale and purchase agreement to acquire (i) convertible bonds issued by Extrawell in an aggregate principal amount of HK\$320,650,000 ("Sale CB-I") from Dr. Mao Yumin ("Dr. Mao"), the ultimate controlling shareholder of the Company at an aggregate consideration of HK\$320,000,000 ("Consideration I"); and (ii) convertible bonds issued by Extrawell in an aggregate principal amount up to HK\$256,200,000 ("Sale CB-II") from Dr. Mao at an aggregate consideration up to a maximum amount of HK\$256,000,000 ("Consideration II"). Consideration I was satisfied by cash consideration of HK\$120,000,000 and issuance of convertible bonds in the principle amount of HK\$200,000,000 by the Company. Consideration II was satisfied by issuance of convertible bonds in the principle amount of HK\$256,000,000 in four batches by the Company.

The Sale CB-I and Sale CB-II (collectively referred to as "Sale CBs") are zero coupon convertible bonds, with a maturity date at the twentieth anniversary of the issue date and are denominated in HK\$. The Sale CBs entitle the bond holders to convert them into shares of Extrawell at any time during the period commencing from the date of issuance up to the seventh business day prior to the maturity of the Sale CBs, at the conversion price per share of HK\$0.6413, subject to anti-dilutive clauses.

The acquisition of the first, second, third and fourth batches of Sale CB-II, each batch having a principal amount of HK\$64,130,000, were completed on 24 April 2014, 30 August 2014, 31 December 2014 and 30 April 2015, respectively. The fair value of the embedded conversion option at the respective acquisition dates, 31 March 2019 and 30 September 2019 are calculated using the Binomial Model and taking into account the dilution effect of the conversion of the convertible bonds. The inputs into the model were as follows:

### 11. 可換股債券投資

於二零一三年四月二十七日，本公司訂立有條件買賣協議，以(i)自本公司最終控股股東毛裕民博士(「毛博士」)收購精優所發行本金總額為320,650,000港元的可換股債券(「待售可換股債券一」)，總代價為320,000,000港元(「代價一」)；及(ii)自毛博士收購精優所發行本金總額最高為256,200,000港元的可換股債券(「待售可換股債券二」)，總代價最高為256,000,000港元(「代價二」)。代價一已由本公司通過現金代價120,000,000港元及發行本金額為200,000,000港元之可換股債券支付。代價二已由本公司通過分四批發行本金額為256,000,000港元之可換股債券支付。

待售可換股債券一及待售可換股債券二(統稱「待售可換股債券」)為零息可換股債券，到期日為發行日期起計滿二十週年當日，以港元計值。待售可換股債券賦予債券持有人權利，自發行日期起直至今待售可換股債券到期日前第七個營業日內，隨時將待售可換股債券兌換為精優股份，轉換價為每股股份0.6413港元，惟須受反攤薄條款限制。

收購第一批、第二批、第三批及第四批各批本金額為64,130,000港元之待售可換股債券二，已分別於二零一四年四月二十四日、二零一四年八月三十日、二零一四年十二月三十一日及二零一五年四月三十日完成。於各自收購日期二零一九年三月三十一日及二零一九年九月三十日，嵌入式換股權之公平值乃採用二項式模式計算，並計及轉換可換股債券之攤薄影響。輸入該模式之參數如下：

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### 11. INVESTMENTS IN CONVERTIBLE BONDS (Continued)

### 11. 可換股債券投資(續)

	24 April 2014 二零一四年 四月二十四日	30 August 2014 二零一四年 八月三十日	31 December 2014 二零一四年 十二月三十一日	30 April 2015 二零一五年 四月三十日	31 March 2019 二零一九年 三月三十一日	30 September 2019 二零一九年 九月三十日
Stock price 股價	HK\$0.4 0.4港元	HK\$0.335 0.335港元	HK\$0.325 0.325港元	HK\$0.55 0.55港元	HK\$0.107 0.107港元	<b>HK\$0.085</b> <b>0.085港元</b>
Exercise price 行使價	HK\$0.6413 0.6413港元	HK\$0.6413 0.6413港元	HK\$0.6413 0.6413港元	HK\$0.6413 0.6413港元	HK\$0.6413 0.6413港元	<b>HK\$0.6413</b> <b>0.6413港元</b>
Discount rate 貼現率	18.21%	18.44%	19.04%	18.76%	17.60%	<b>17.79%</b>
Risk-free rate (Note a) 無風險利率(附註a)	2.70%	2.28%	2.24%	1.81%	1.42%	<b>0.93%</b>
Expected volatility (Note b) 預期波幅(附註b)	63.71%	62.61%	61.73%	58.62%	56.14%	<b>57.70%</b>
Expected dividend yield (Note c) 預期股息收益率(附註c)	0.00%	0.00%	0.00%	0.00%	0.00%	<b>0.000%</b>

Notes:

附註:

- (a) The rate was determined with reference to the yields of Hong Kong government bonds and treasury bills as at the date of valuation.
- (b) Based on the historical price volatility of Extrawell over the bond period.
- (c) Estimated regarding the historical dividend payout of Extrawell.

- (a) 該利率乃參考於估值日期香港政府債券及庫券的孳息率釐定。
- (b) 基於債券期間精優的過往股價波幅。
- (c) 就精優的過往股息派付估計。

The Group recognised subsequent decrease in fair value changes on the derivative components of investments in convertible bonds of HK\$16,378,000 as at 30 September 2019 (Six months ended 30 September 2018: HK\$52,680,000).

本集團其後確認可換股債券投資之衍生部分公平值變動於二零一九年九月三十日減少16,378,000港元(截至二零一八年九月三十日止六個月: 52,680,000港元)。

### 12. INTANGIBLE ASSETS

The intangible assets represent an in-process research and development project involving an oral insulin product (the “Product”) (the “In-process R&D”). The patents of an invention “a method of production of oil-phase preparation of oral insulin (一種製備口服胰島素油相製劑的方法)” in relation to the Product are registered under the joint names of Fosse Bio-Engineering Development Limited (“Fosse Bio”) and Tsinghua University, Beijing (“THU”) granted by State Intellectual Property Office of the PRC and United States Patent and Trademark Office of the United States of America on 4 August 2004 and 28 March 2006 respectively and will be expired on 20 April 2021 and 12 April 2022 respectively. Fosse Bio is a subsidiary of Smart Ascent, which became a subsidiary of the Company upon completion of the acquisition on 28 July 2014. In addition, Fosse Bio and THU have entered into the agreements in 1998 (the “THU Collaboration Arrangement”) in connection with the research and development of the Product. The THU Collaboration Arrangement has been expired in October 2018. On 12 November 2018, the Group has entered into a supplemental agreement with THU to renew the term of the collaboration for another five years to October 2023 (the “renewed THU Collaboration Arrangement”). Pursuant to the renewed THU Collaboration Arrangement, Fosse Bio would be entitled to commercialise the relevant technologies of the Product and to manufacture and sell the Product on an exclusive basis, and THU, is entitled to 1.5% of Fosse Bio’s annual sales upon commercialisation of the Product. Accordingly, Fosse Bio has the exclusive right for the commercialisation of the Product for the duration of the unexpired term of the renewed THU Collaboration Arrangement. The recoverable amount of the In-process R&D is determined based on fair value calculations. The fair value calculation used cash flow projections, prepared by the management based on certain key assumptions. The expected future economic benefits attributable to the In-process R&D approved by the management cover a 10-year period and a discount rate of 23.73% was used. The management believed that any reasonably possible change in any of these assumptions used in cash flow projections would not cause the carrying amount of In-process R&D to exceed the recoverable amount. Other key assumptions for fair value calculations related to the estimation of cash inflows which include budgeted sales and gross margins where such estimation is based on management’s expectations for the market development.

### 12. 無形資產

無形資產指涉及口服胰島素產品(「該產品」)正在進行的研發項目(「研發過程」)。一項有關該產品之「一種製備口服胰島素油相製劑的方法」之專利以福仕生物工程股份有限公司(「福仕」)及北京清華大學(「清華大學」)共同名義登記，並由中國國家知識產權局及美國國家專利及商標局分別於二零零四年八月四日及二零零六年三月二十八日授出，並將分別於二零二一年四月二十日及二零二二年四月十二日到期。福仕是進生之附屬公司，並於本公司在二零一四年七月二十八日完成收購後成為本公司之附屬公司。此外，福仕及清華大學於一九九八年簽訂多項有關研發該產品之協議(「清華大學合作協議」)。清華大學合作協議已於二零一八年十月到期。於二零一八年十一月十二日，本集團已與清華大學訂立補充協議，以將合作年期另外重續五年至二零二三年十月(「重續清華大學合作協議」)。根據該重續清華大學合作協議，福仕有權商品化該產品之有關技術及獨家生產及銷售該產品，而清華大學有權於該產品商品化完成後享有福仕1.5%之年銷售額。據此，福仕在重續清華大學合作協議中未屆滿年期內擁有商品化該產品之專有權。研發過程之可收回金額乃按公平價值計算法釐定。公平價值計算法使用管理層基於若干主要假設編製之現金流量預測。由管理層批准之研發過程應佔之預期未來經濟利益涵蓋10年期，並採用23.73%之貼現率。管理層相信，該等用於現金流量預測之假設之任何合理可能變化將不會導致研發過程之賬面值超出可收回金額。其他有關估計現金流入之公平價值計算法之主要假設，包括銷售預算及毛利率，是基於管理層對市場發展之預期作出。

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### 12. INTANGIBLE ASSETS (Continued)

Based on the recoverable amount estimation, the directors of the Company are in the opinion that no impairment on the In-process R&D should be recognised.

### 13. TRADE RECEIVABLES

The credit terms granted by the Group to its customers generally range from 90 days.

The following is an analysis of trade receivables by age, presented based on the invoice dates, which approximated the respective revenue recognition dates at the end of the reporting period:

### 12. 無形資產(續)

根據可收回金額估計，本公司董事認為，毋須就研發過程確認減值。

### 13. 貿易應收賬款

本集團授予客戶之信貸期一般為90日。

根據發票日期(與有關收入於報告期末之確認日期相若)呈列之貿易應收賬款賬齡分析如下：

		At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 March 2019 於二零一九年 三月三十一日 HK\$'000 千港元 (audited) (經審核)
30 days or less	30日或以下	1,162	767
31 to 60 days	31至60日	1,532	762
61 to 90 days	61至90日	1,854	1,692
Over 90 days	90日以上	18,934	17,954
		<b>23,482</b>	21,175

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### 14. TRADE PAYABLES

The following is an analysis of trade payables by age, presented based on the invoice date.

		At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 March 2019 於二零一九年 三月三十一日 HK\$'000 千港元 (audited) (經審核)
30 days or less	30日或以下	1,032	696
31 to 60 days	31至60日	1,455	675
Over 180 days	180日以上	18,547	19,841
		<b>21,034</b>	21,214

### 15. CONVERTIBLE BONDS

As disclosed in Note 11, the Company issued convertible bonds in an aggregate principle amount of HK\$436,800,000 and HK\$51,200,000 respectively on 25 October 2013 and 27 December 2013 (collectively referred to as "Convertible Bonds I") for the acquisition of Sale CB-I and 450,000,000 ordinary shares of Extrawell. The Convertible Bonds I with a zero coupon rate mature on the tenth anniversary of the date of issue.

The Convertible Bonds I entitle the bond holders to convert them into shares of the Company at any time within 10 years from the date of issue of the Convertible Bonds I, at the conversion price per share of HK\$0.4, subject to anti-dilution clauses.

### 15. 可換股債券

誠如附註11所披露，本公司已於二零一三年十月二十五日及二零一三年十二月二十七日發行本金總額分別為436,800,000港元及51,200,000港元的可換股債券（統稱「可換股債券一」），以收購待售可換股債券一及450,000,000股精優普通股。可換股債券一之票面息率為零，於發行日期起計十週年當日到期。

可換股債券一賦予債券持有人權利，於發行可換股債券日期後十年內隨時將可換股債券一轉換為本公司股份，轉換價為每股股份0.4港元，須受反攤薄條款限制。

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### 15. CONVERTIBLE BONDS (Continued)

If the Convertible Bonds I have not been converted, they will be redeemed at par on the tenth anniversary of the date of issue.

The Convertible Bonds I are issued in HK\$. The fair values of the liability component were HK\$42,886,000 and HK\$4,981,000 for the Convertible Bonds I issued by the Company at 25 October 2013 and 27 October 2013 respectively, which has been determined by the discounted cash flow approach using the prevailing market interest rate of similar non-convertible bonds and taking into account the credit risk of the Company. The fair values of the conversion option of HK\$671,267,000 and HK\$82,161,000 were classified as the equity component for Convertible Bonds I issued by the Company at 25 October 2013 and 27 October 2013 respectively, and are calculated using Binomial Model.

On 16 June 2015, Convertible Bonds I with aggregate principal amounts of and HK\$40,000,000 were converted into ordinary shares of the Company. During the period ended 30 September 2019, none of the Convertible Bond I was converted into ordinary shares of the Company.

### 15. 可換股債券(續)

倘可換股債券一未獲轉換，則將於發行日期起計十週年當日按面值予以贖回。

可換股債券一以港元發行。本公司於二零一三年十月二十五日及二零一三年十月二十七日發行可換股債券一之負債部分公平值分別為42,886,000港元及4,981,000港元，乃透過貼現現金流量法，利用類似非可換股債券的現行市場利率釐定，並計及本公司之信貸風險。本公司於二零一三年十月二十五日及二零一三年十月二十七日發行之可換股債券一分類為權益部分之換股權公平值分別為671,267,000港元及82,161,000港元，乃採用二項式模式計算。

於二零一五年六月十六日，本金總額為40,000,000港元之可換股債券一已轉換為本公司普通股。截至二零一九年九月三十日止期間，概無可換股債券一獲轉換為本公司普通股。

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### 15. CONVERTIBLE BONDS (Continued)

The movement of the liability component of Convertible Bonds I for both periods is set out below:

		<b>Principal amount</b> 本金額 HK\$'000 千港元	<b>Carrying amount</b> 賬面值 HK\$'000 千港元
As at 1 April 2018 (audited)	於二零一八年四月一日 (經審核)	351,600	95,922
Interest charge (Note 5)	利息開支(附註5)	—	11,835
30 September 2018 (unaudited)	二零一八年九月三十日 (未經審核)	351,600	107,757
As at 1 April 2019 (audited)	於二零一九年四月一日 (經審核)	351,600	120,978
Interest charge (Note 5)	利息開支(附註5)	—	14,950
30 September 2019 (unaudited)	二零一九年九月三十日 (未經審核)	351,600	135,928

As disclosed in Note 11, the Company issued convertible bonds in an aggregate principle amount of HK\$64,000,000, HK\$64,000,000, HK\$64,000,000 and HK\$64,000,000 respectively on 24 April 2014, 30 August 2014, 31 December 2014 and 30 April 2015 (collectively referred to as "Convertible Bonds II") for the acquisition of Sale CB-II first, second, third and fourth batches respectively. The Convertible Bonds II with zero coupon rate will mature on the tenth anniversary of the date of issue.

The Convertible Bonds II entitle the bond holders to convert them into shares of the Company at any time within 10 years from the date of issue of the Convertible Bonds II at the conversion price per share of HK\$0.4, subject to anti-dilution clauses.

### 15. 可換股債券(續)

於兩段期間內，可換股債券一負債部分之變動載列如下：

誠如附註11所披露，本公司已於二零一四年四月二十四日、二零一四年八月三十日、二零一四年十二月三十一日及二零一五年四月三十日發行本金總額分別為64,000,000港元、64,000,000港元、64,000,000港元及64,000,000港元的可換股債券(統稱「可換股債券二」)，以分別收購第一批、第二批、第三批及第四批待售可換股債券二。可換股債券二之票面息率為零，於發行日期起計十週年當日到期。

可換股債券二賦予債券持有人權利，於發行可換股債券二日期後十年內隨時將可換股債券二轉換為本公司股份，轉換價為每股股份0.4港元，須受反攤薄條款限制。



# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 September 2019

截至二零一九年九月三十日止六個月

### 15. CONVERTIBLE BONDS (Continued)

If the Convertible Bonds II have not been converted, they will be redeemed at par on the tenth anniversary of the date of issue.

The Convertible Bonds II are issued in HK\$. The fair values of the liability components were HK\$6,622,000, HK\$6,916,000, HK\$7,577,000 and HK\$7,790,000 for the Convertible Bonds II issued by the Company at 24 April 2014, 30 August 2014, 31 December 2014 and 30 April 2015 respectively, which has been determined by the discounted cash flow approach using the prevailing market interest rate of similar non-convertible bonds and taking into account the credit risk of the Company. The fair values of the conversion option of HK\$131,454,000, HK\$118,983,000, HK\$112,597,000 and HK\$109,371,000 classified as equity components for the Convertible Bonds II issued by the Company at 24 April 2014 and 30 August 2014, 31 December 2014 and 30 April 2015 respectively are calculated using Binomial Model. The inputs into the model were as follows:

### 15. 可換股債券(續)

倘可換股債券二未獲轉換，則將於發行日期起計十週年當日按面值予以贖回。

可換股債券二以港元發行。本公司於二零一四年四月二十四日、二零一四年八月三十日、二零一四年十二月三十一日及二零一五年四月三十日發行之可換股債券二負債部分之公平值分別為6,622,000港元、6,916,000港元、7,577,000港元及7,790,000港元，乃透過貼現現金流量法，利用類似非可換股債券的現行市場利率釐定，並計及本公司之信貸風險。本公司於二零一四年四月二十四日、二零一四年八月三十日、二零一四年十二月三十一日及二零一五年四月三十日發行之可換股債券二分類為權益部分之換股權公平值分別為131,454,000港元、118,983,000港元及109,371,000港元，乃採用二項式模式計算。輸入該模式之參數如下：

		Principal amount of HK\$64,000,000 本金額64,000,000港元			
		24 April 2014 二零一四年 四月二十四日	30 August 2014 二零一四年 八月三十日	31 December 2014 二零一四年 十二月三十一日	30 April 2015 二零一五年 四月三十日
Stock price	股價	HK\$1.42港元	HK\$1.19港元	HK\$1.16港元	HK\$1.16港元
Exercise price	行使價	HK\$0.40港元	HK\$0.40港元	HK\$0.40港元	HK\$0.40港元
Discount rate	貼現率	25.46%	24.92%	23.78%	23.44%
Risk-free rate (Note a)	無風險利率(附註a)	2.20%	1.84%	1.85%	1.48%
Expected volatility (Note b)	預期波幅(附註b)	84.57%	82.53%	80.79%	79.49%
Expected dividend yield (Note c)	預期股息收益率(附註c)	0.00%	0.00%	0.00%	0.00%

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 September 2019

截至二零一九年九月三十日止六個月

### 15. CONVERTIBLE BONDS (Continued)

Notes:

- (a) The rate was determined with reference to the yields of Hong Kong government bonds and treasury bills as at the date of valuation.
- (b) Based on the historical price volatility of the Company over the bond period.
- (c) Estimated regarding the historical dividend payout of the Company.

None of Convertible Bonds II was converted into ordinary shares of the Company during both interim periods.

The movement of the liability component of Convertible Bond II for both periods is set out below:

### 15. 可換股債券(續)

附註：

- (a) 該利率乃參考於估值日期香港政府債券及庫券的孳息率釐定。
- (b) 基於債券期間本公司的過往股價波幅。
- (c) 就本公司的過往股息派付估計。

於兩段中期期間，概無可換股債券二獲轉換為本公司普通股。

於兩段期間，可換股債券二之負債部分之變動載列如下：

		<b>Principal amount</b> 本金額 HK\$'000 千港元	<b>Carrying amount</b> 賬面值 HK\$'000 千港元
As at 1 April 2018 (audited)	於二零一八年四月一日 (經審核)	256,000	61,064
Interest charge (Note 5)	利息開支(附註5)	—	5,962
30 September 2018 (unaudited)	二零一八年九月三十日 (未經審核)	256,000	68,129
As at 1 April 2019 (audited)	於二零一九年四月一日 (經審核)	256,000	75,970
Interest charge (Note 5)	利息開支(附註5)	—	8,794
30 September 2019 (unaudited)	二零一九年九月三十日 (未經審核)	256,000	84,764

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 September 2019

截至二零一九年九月三十日止六個月

### 15. CONVERTIBLE BONDS (Continued)

The Company issued convertible bonds in an aggregate principle amount of HK\$715,000,000 on 28 July 2014 (collectively referred to as “Convertible Bonds III”) for the acquisition of 51% equity interest in Smart Ascent. The Convertible Bonds III with a coupon rate of 3.5% per annum mature on the seventh anniversary of the date of issue.

The Convertible Bonds III entitle the bond holders to convert them into shares of the Company at any time within 7 years from the date of issue of the Convertible Bonds III, at the conversion price per share of HK\$2.5, subject to anti-dilution clauses.

If the Convertible Bonds III have not been converted, they will be redeemed at par on the seventh anniversary of the date of issue.

### 15. 可換股債券 (續)

本公司已於二零一四年七月二十八日發行本金總額為715,000,000港元的可換股債券(統稱「可換股債券三」)，以收購進生51%股權。可換股債券三之票面年息率為3.5%，於發行日期起計七週年當日到期。

可換股債券三賦予債券持有人權利，於發行可換股債券三日期後七年內隨時將可換股債券三轉換為本公司股份，轉換價為每股股份2.5港元，須受反攤薄條款限制。

倘可換股債券三未獲轉換，則將於發行日期起計七週年當日按面值予以贖回。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

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### 15. CONVERTIBLE BONDS (Continued)

The Convertible Bonds III are issued in HK\$. The fair value of the liability component was HK\$233,547,000 for the Convertible Bonds III issued by the Company at 28 July 2014, which has been determined by the discounted cash flow approach using the prevailing market interest rate of similar non-convertible bonds and taking into account the credit risk of the Company. The fair value of the conversion option of HK\$136,646,000 was classified as the equity component for the Convertible Bonds III issued by the Company at 28 July 2014 and is calculated using Binomial Model. The inputs into the model were as follows:

### 15. 可換股債券 (續)

可換股債券三以港元發行。本公司於二零一四年七月二十八日發行之可換股債券三負債部分之公平值為233,547,000港元，乃透過貼現現金流量法，利用類似非可換股債券的現行市場利率釐定，並計及本公司之信貸風險。本公司於二零一四年七月二十八日發行之可換股債券三分類為權益部分之換股權公平值為136,646,000港元，乃採用二項式模式計算。輸入該模式之參數如下：

	<b>28 July 2014</b>
	<b>principal amount of</b>
	<b>HK\$715,000,000</b>
	二零一四年七月二十八日
	本金額 <b>715,000,000</b> 港元

Stock price	股價	HK\$1.27港元
Exercise price	行使價	HK\$2.5港元
Discount rate	貼現率	24.67%
Risk-free rate (Note a)	無風險利率(附註a)	1.63%
Expected volatility (Note b)	預期波幅(附註b)	80.04%
Expected dividend yield (Note c)	預期股息收益率 (附註c)	0.00%

Notes:

附註：

- |     |  |     |                             |
|-----|--|-----|-----------------------------|
| (a) | The rate was determined with reference to the yields of Hong Kong government bonds and treasury bills as at the date of valuation. | (a) | 該利率乃參考於估值日期香港政府債券及庫券的孳息率釐定。 |
| (b) | Based on the historical price volatility of the Company over the bond period.  | (b) | 基於債券期間本公司的過往股價波幅。           |
| (c) | Estimated regarding the historical dividend payout of the Company.   | (c) | 根據本公司的過往股息派付估計得出。           |

None of Convertible Bonds III was converted into ordinary shares of the Company during both interim periods.

於兩段中期期間，概無可換股債券三獲轉換為本公司普通股。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 September 2019

截至二零一九年九月三十日止六個月

### 15. CONVERTIBLE BONDS (Continued)

On 26 July 2019, the Company and the Extrawell (the bondholder of Convertible Bond III) (the “Bondholder”) entered into the Amendment Deed pursuant to which the Company and the Bondholder have conditionally agreed to amend the interest payment terms of the Convertible Bonds to the effect that i) the interest payment due dates shall be amended from payment of interest in arrears annually to payment of interest for the periods from 28 July 2018 to 27 July 2019, 28 July 2019 to 27 July 2020 and 28 July 2020 to 27 July 2021, on or before 28 July 2021; and ii) the Company shall pay to the Bondholder a sum of additional interest in the amount of HK\$11,261,250 on 28 July 2021 (representing 15% per annum on the annual interest payment under the Convertible Bonds multiplied by three), being the additional interest for 2-year extension for the payment of interest for the period from 28 July 2018 to 27 July 2019 and 1 year extension for payment of interest for period from 28 July 2019 to 27 July 2020.

### 15. 可換股債券(續)

於二零一九年七月二十六日，本公司與精優(可換股債券三之債券持有人)(「債券持有人」)訂立修訂契據，據此，本公司及債券持有人已有條件同意修訂可換股債券的利息支付條款，即i)利息支付到期日應從每年結束時支付當年利息改為於二零二一年七月二十八日或之前支付由二零一八年七月二十八日至二零一九年七月二十七日期間的利息、二零一九年七月二十八日至二零二零年七月二十七日期間的利息及二零二零年七月二十八日至二零二一年七月二十七日的利息；及ii)本公司須於二零二一年七月二十八日向債券持有人支付額外利息金額11,261,250港元(相當於就可換股債券之每年利息付款按年利率15%的三倍計算的金額)，作為由二零一八年七月二十八日至二零一九年七月二十七日期間的利息延期2年支付，以及由二零一九年七月二十八日至二零二零年七月二十七日期間的利息延期1年支付的額外利息。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 September 2019

截至二零一九年九月三十日止六個月

### 15. CONVERTIBLE BONDS (Continued)

The movement of the liability component of Convertible Bond III for both periods is set out below:

### 15. 可換股債券(續)

於兩段期間，可換股債券三負債部分之變動列載如下：

		<b>Principal amount</b> 本金額 HK\$'000 千港元	<b>Carrying amount</b> 賬面值 HK\$'000 千港元
As at 1 April 2018 (audited)	於二零一八年四月一日 (經審核)	715,000	415,765
Interest paid	已付利息	—	(25,025)
Interest charge (Note 5)	利息開支(附註5)	—	37,486
30 September 2018 (unaudited)	二零一八年九月三十日 (未經審核)	715,000	415,765
As at 1 April 2019 (audited)	於二零一九年四月一日 (經審核)	715,000	461,684
Interest charge (Note 5)	利息開支(附註5)	—	50,387
30 September 2019 (unaudited)	二零一九年九月三十日 (未經審核)	715,000	512,071

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 September 2019

截至二零一九年九月三十日止六個月

### 16. SHARE CAPITAL

### 16. 股本

		Number of shares 股份數目 '000 千股	Share capital 股本 HK\$'000 千港元
Ordinary shares of HK\$0.01 each	每股面值0.01港元的普通股		
Authorised:	法定：		
As at 1 April 2018, 30 September 2018, 1 April 2019 and 30 September 2019	於二零一八年四月一日、 二零一八年九月三十日、 二零一九年四月一日及 二零一九年九月三十日	50,000,000	500,000
Issued and fully paid:	已發行及繳足：		
As at 1 April 2018 (audited)	於二零一八年四月一日 (經審核)	1,404,193	14,042
As at 30 September 2018 (unaudited)	於二零一八年九月三十日 (未經審核)	1,404,193	14,042
As at 1 April 2019 (audited)	於二零一九年四月一日 (經審核)	1,464,193	14,642
As at 30 September 2019 (unaudited)	於二零一九年九月三十日 (未經審核)	1,464,193	14,642

### 17. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

#### Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### 17. 金融工具之公平值計量

根據經常性基準按公平值計量之本集團金融資產之公平值

本集團部分金融資產於各報告期末按公平值計量。下表所載資料說明如何釐定該等金融資產及金融負債之公平值(尤其是所用估值方法及輸入數據), 以及以公平值計量輸入數據之可觀察程度為基礎對公平值計量方式劃分之公平值架構級別(第一至第三級)。

- 第一級公平值計量根據相同資產或負債於活躍市場所報價格(未經調整)得出;
- 第二級公平值計量指除第一級計入之報價外, 根據資產或負債可直接(即價格)或間接(即自價格衍生)觀察輸入資料得出; 及
- 第三級公平值計量指根據計入並非根據可觀察市場資料(無法觀察輸入資料)之資產或負債輸入資料之估值方法得出。



# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 September 2019

截至二零一九年九月三十日止六個月

### 17. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

### 17. 金融工具之公平值計量 (續)

根據經常性基準按公平值計量之本集團金融資產之公平值(續)

Financial assets 金融資產	Fair value as at 30 September 2019 於二零一九年九月三十日之公平值	Fair value hierarchy 公平值 架構級別
Financial assets held-for-trading 交易性金融資產	HK\$Nil (31 March 2019: HK\$Nil) 零港元 (二零一九年三月三十一日：零港元)	Level 2 第二級
Sale CB-I and Sale CB-II classified as financial asset at fair value through profit or loss in the condensed consolidated statement of financial position. 於簡明綜合財務狀況表內分類為按 公平值計入損益之金融資產之待 售可換股債券一及待售可換股債 券二。	HK\$97,661,000 (31 March 2019: HK\$111,942,000) 97,661,000港元 (二零一九年三月三十一日： 111,942,000港元)	Level 3 第三級

There is no transfer between different levels of the fair value hierarchy for the periods ended 30 September 2019 and 2018.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

於截至二零一九年及二零一八年九月三十日止期間，不同公平值架構級別之間概無任何轉移。

本公司董事認為，於簡明綜合財務報表內以攤銷成本列賬之金融資產及金融負債之賬面值與其公平值相若。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 September 2019

截至二零一九年九月三十日止六個月

### 17. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

#### Fair value measurements and valuation processes

The management of the Company is ultimately responsible for the determination of the appropriate valuation techniques and inputs for fair value measurements that the Company uses as its basis of valuations.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The Company works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model and reports the findings to the board of directors of the Company every half year to explain the cause of fluctuations in the fair value of the financial instruments.

Information about the valuation techniques and inputs used in determining the fair value of the financial instruments are disclosed above.

### 17. 金融工具之公平值計量 (續)

#### 公平值計量及估值程序

本公司管理層負責最終釐定用作本公司估值基準之公平值計量之適當估值方法及輸入數據。

在估計資產或負債之公平值時，本集團盡可能使用可觀察市場數據。在並無第一級輸入數據之情況下，本集團委聘第三方合資格估值師進行估值。本公司與合資格外聘估值師緊密合作，確立適用之估值方法及模式輸入數據，且每半年將調查結果向本公司董事會匯報，以解釋金融工具公平值波動之原因。

有關釐定金融工具公平值所用之估值方法及輸入數據之資料於上文披露。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 September 2019

截至二零一九年九月三十日止六個月

### 18. COMMITMENTS

#### (a) Other commitments

- (i) On 25 May 2011, Smart Ascent has entered into a loan agreement with Fordnew pursuant to which Smart Ascent as conditionally agreed to grant an unsecured, non-interest bearing loan in the aggregate amount of up to HK\$30,000,000 to Fordnew for its onward lending to Fosse Bio, a 51% owned subsidiary of Smart Ascent, for payment of expenses relating to the clinical trial of oral insulin product.

As at the date of acquisition of Smart Ascent and 31 March 2018, the aggregate balance utilised by and unutilised balances available for Fordnew were approximately HK\$10,579,000 (2017: HK\$10,579,000) and HK\$19,421,000 (2017: HK\$19,421,000) respectively.

- (ii) On 19 October 2006, Sea Ascent Investment Limited (“Sea Ascent”), Welly Surplus Development Limited (“Welly Surplus”) and Fosse Bio entered into a cooperation agreement (the “Cooperation Agreement”) in connection with the cooperation (the “Cooperation”) between Sea Ascent and Welly Surplus in respect of the following:

- (1) Sea Ascent shall procure its wholly-owned subsidiary, Joy Kingdom Industrial Limited (“Joy Kingdom”), to establish a wholly foreign owned enterprise in the PRC in the name of 江蘇派樂施藥業有限公司 (Jiangsu Prevalence Pharmaceutical Limited) (“Jiangsu Prevalence”);

### 18. 承擔

#### (a) 其他承擔

- (i) 於二零一一年五月二十五日，進生與福聯簽訂貸款協議，進生有條件同意借出無抵押無利息之本金上限為30,000,000港元之貸款予福聯作為其轉借予福仕(一間進生持有其51%股份之附屬公司)用作繳交有關口服胰島素產品臨床試驗之費用。

於收購進生之日期及於二零一八年三月三十一日，福聯已使用之結餘總數及福聯可使用而未使用之結餘總數分別約為10,579,000港元(二零一七年：10,579,000港元)及19,421,000港元(二零一七年：19,421,000港元)。

- (ii) 於二零零六年十月十九日，振海投資有限公司(「振海」)、瑞盈發展有限公司(「瑞盈」)及福仕已就下列事項簽訂有關與振海及瑞盈之合作(「合作」)之合作協議書(「合作協議書」)：

- (1) 振海將促使其全資附屬公司京悅實業有限公司(「京悅」)於中國成立外商獨資企業，並命名為江蘇派樂施藥業有限公司(「江蘇派樂施」)；

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## 簡明綜合財務報表附註

For the six months ended 30 September 2019

截至二零一九年九月三十日止六個月

### 18. COMMITMENTS (Continued)

#### (a) Other commitments (Continued)

(ii) (Continued)

- (2) Sea Ascent shall advance a sum equivalent to RMB40 million to Joy Kingdom by way of an unsecured, non-interest bearing shareholder's loan ("Shareholder's Loan") for the payment of the registered capital of Jiangsu Prevalence and the acquisition of land and construction of a factory (the "Plant") at Pi Zhou City, Jiangsu, the PRC for the production of the Group's Oral Insulin Enteric-Coated Soft Capsules (the "Medicine");

Subject to Sea Ascent's performance of its obligations as aforesaid and completion of the acquisition of Joy Kingdom by Welly Surplus as mentioned below, Welly Surplus shall procure Joy Kingdom or Jiangsu Prevalence, if so agreed, to pay to Sea Ascent, during a period of six years from the date on which the Medicine is launched for sales in open market (the "Initial Operating Period"), a fee at RMB6 cents for each capsule of the Medicine produced (subject to a maximum fee of RMB180 million for each year and deduction as specified in the Cooperation Agreement); and

### 18. 承擔 (續)

#### (a) 其他承擔 (續)

(ii) (續)

- (2) 振海將透過無抵押、免息股東貸款(「股東貸款」)形式向京悅墊付總額相當於人民幣40,000,000元之款項，用作支付江蘇派樂施之註冊資本以及支付於中國江蘇邳州市收購土地及興建一間廠房(「廠房」)所需資金，該廠房用於生產本集團之口服胰島素腸溶膠丸(「藥品」)；

若振海履行上述責任及瑞盈完成下述收購京悅，瑞盈將促使京悅或江蘇派樂施(倘就此同意)於自藥品推出於公開市場銷售日期起計六年期間(「初步營運期間」)，向振海支付按每生產一膠囊之藥品人民幣6分計算之費用(每年最高為人民幣180,000,000元且可按合作協議規定予以削減)；及

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## 簡明綜合財務報表附註

For the six months ended 30 September 2019

截至二零一九年九月三十日止六個月

### 18. COMMITMENTS (Continued)

#### (a) Other commitments (Continued)

(ii) (Continued)

- (3) Unless the New Medicine Certificate in respect of the Medicine has not been granted by the relevant PRC authorities, Welly Surplus shall procure Fosse Bio to allow the manufacturing of the Medicine by Jiangsu Prevalence and to assist Jiangsu Prevalence to obtain the relevant Pharmaceutical Manufacturing Permit (藥品生產許可證) for the manufacture of the Medicine during the Initial Operating Period.

Under the Cooperation Agreement, Fosse Bio has agreed to guarantee the due performance by Welly Surplus of its obligations and liabilities ("Secured Liabilities") as mentioned in the above paragraphs, provided that the maximum liability of Fosse Bio under such guarantee shall not exceed 51% of the Secured Liabilities. The Cooperation Agreement became effective upon the shareholders' approval in the special general meeting of the Extrawell held on 3 January 2007, until the expiry of the Initial Operating Period.

### 18. 承擔 (續)

#### (a) 其他承擔 (續)

(ii) (續)

- (3) 除非中國有關當局並無就有關藥品授出新藥證書，瑞盈將促使福仕准許江蘇派樂施製造藥品，並協助江蘇派樂施獲取相關藥品生產許可證，以於初步營運期間內製造藥品。

根據合作協議，福仕同意擔保瑞盈切實履行就上述之義務及責任（「擔保責任」），惟福仕於有關擔保項下之責任上限不得超過擔保責任之51%。合作協議於二零零七年一月三日在精優舉行之股東特別大會獲股東批准時生效，直至初步營運期間屆滿。

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## 簡明綜合財務報表附註

For the six months ended 30 September 2019

截至二零一九年九月三十日止六個月

### 18. COMMITMENTS (Continued)

#### (a) Other commitments (Continued)

(ii) (Continued)

(3) (Continued)

On 19 October 2006, Sea Ascent and Welly Surplus also entered into a sale and purchase agreement (the "SP Agreement") pursuant to which Sea Ascent agreed to sell and Welly Surplus agreed to acquire (i) the entire share capital (the "Sale Share") in Joy Kingdom; and (ii) the Shareholder's Loan at considerations of RMB40 million and HK\$1 respectively (the "Considerations"). The completion of the SP Agreement was subject to, among other conditions, approval of the SP Agreement by the Company's shareholders, the Cooperation Agreement becoming effective and the completion of the construction of the Plant by Jiangsu Prevalence in accordance with the terms of the Cooperation Agreement. The SP Agreement was approved in the special general meeting of Extrawell held on 3 January 2007. On 8 April 2009, Welly Surplus and Sea Ascent signed a confirmation whereby both parties agreed to extend the long stop date of the SP Agreement from 30 November 2007 to 30 June 2010. In light of the progress of the further clinical trial, Welly Surplus and Sea Ascent have not yet concluded the revised completion timetable in relation to the construction of the Plant by 30 June 2010, and therefore the extension of the long stop date of SP Agreement is yet to be concluded. The SP Agreement has not yet become unconditional and the Consideration has not yet been due and paid up to the date of approval of these consolidated financial statements.

### 18. 承擔 (續)

#### (a) 其他承擔 (續)

(ii) (續)

(3) (續)

於二零零六年十月十九日，振海與瑞盈亦訂立一份買賣協議（「買賣協議」），據此，振海同意出售及瑞盈同意收購：(i) 京悅之全部股本（「出售股份」）；及(ii) 股東貸款，代價分別為人民幣40,000,000元及1港元（「代價」）。買賣協議須待（其中包括其他條件）本公司股東批准買賣協議、合作協議生效及江蘇派樂施根據合作協議之條款完成興建廠房後，方告完成。買賣協議已於二零零七年一月三日舉行之精優股東特別大會上獲批准。於二零零九年四月八日，瑞盈與振海訂立確認書，據此，雙方同意將買賣協議之最後完成日期由二零零七年十一月三十日延至二零一零年六月三十日。鑒於進一步臨床試驗之進度，截至二零一零年六月三十日瑞盈與振海尚未達成興建廠房之時間表，而買賣協議之最後完成日期尚待延期。截至該等綜合財務報表獲批准日期，買賣協議尚未成為無條件以及代價仍未到期及支付。

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For the six months ended 30 September 2019

截至二零一九年九月三十日止六個月

### 18. COMMITMENTS (Continued)

#### (a) Other commitments (Continued)

- (iii) Pursuant to clinical trial of the oral insulin project, Fosse Bio has entered into service contracts with 南京從一醫藥科技有限公司 (the "Project Administrator") dated 31 October 2018 with value in total of RMB12,654,730 and RMB14,675,000 respectively for provision of clinical trial management services and the related clinical studies.

### 18. 承擔(續)

#### (a) 其他承擔(續)

- (iii) 福仕與南京從一醫藥科技有限公司(「項目管理人」)就口服胰島素項目之臨床試驗於二零一八年十月三十一日訂立服務合約，總值分別為人民幣12,654,730元及人民幣14,675,000元，為有關提供臨床試驗管理服務及相關臨床試驗。

### 19. RELATED PARTY TRANSACTIONS

During the period, the Group entered into the following transactions with related parties:

### 19. 關連人士交易

本集團於期內與關連人士進行之交易如下：

		Six months ended 30 September 截至九月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)
Service fee expense paid and payable to Dr. Mao, a shareholder of the Company	已付及應付本公司股東毛博士之服務費開支	336	336
Amount due to Dr. Mao, a shareholder of the Company*	應付本公司股東毛博士之款項*	7,000	25,000
Compensation of key management personnel:	主要管理人員之報酬：		
Short-term employment benefits	短期僱員福利	1,375	1,375
Post-employment benefits	離職後福利	18	18

\* The amount is unsecured, non-interest bearing and repayment term was three years after drawdown date.

\* 該款項為無抵押及無利息，且還款期為支款日後三年。

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### 19. RELATED PARTY TRANSACTIONS

*(Continued)*

On 23 June 2019, the Company and Dr. Mao, being a substantial shareholder of the Company, entered into a sale and purchase agreement to disposal (i) 457,510,000 ordinary share(s) of Extrawell and (ii) the convertible bonds issued by Extrawell in principal amount of HK\$577,170,000 with no interest bearing at an aggregate consideration of HK\$270,000,000 (the "Disposal").

On 4 October 2019, the Disposal was approved in the Special General Meeting and completed on 8 October 2019.

### 20. CONTINGENT LIABILITIES AND LITIGATION

#### Litigation concerning CNL (Pinghu) Biotech Co. Ltd. ("CNL (Pinghu)") in the PRC

On 17 April 2012, a writ of summons was issued by 江蘇瑞峰建設集團有限公司 (Jiangsu Ruifeng Construction Group Co., Limited) ("Jiangsu Ruifeng") in the PRC as the plaintiff against CNL (Pinghu), an indirect non-wholly owned subsidiary of the Company, as the defendant in relation to the disputes arising from the consideration and completion of construction services under the construction contracting services agreement dated 8 October 2010, the construction agreement dated 17 December 2010 and the supplemental agreement dated 8 March 2011 (collectively referred to as the "Construction Agreements") entered into between CNL (Pinghu) and Jiangsu Ruifeng, to claim the outstanding construction cost of RMB13,150,000, the related interests and litigation costs of the case. Pursuant to the Construction Agreements, the total construction costs was RMB16,675,000. Jiangsu Ruifeng had issued invoices amounting to RMB29,126,000 in relation to the construction work they performed. The aggregated invoice amount was substantially different from the contracted amount. CNL (Pinghu) only settled the amount of RMB16,601,000 and recorded it as the cost of buildings as at 30 June 2012. On 24 April 2012, Jiangsu Ruifeng obtained a civil ruling against CNL (Pinghu), pursuant to which a bank deposit of RMB15,000,000 or equivalent amount of assets

### 19. 關連人士交易 (續)

於二零一九年六月二十三日，本公司與毛博士(本公司之主要股東)訂立買賣協議以出售(i)精優之457,510,000股普通股及(ii)精優所發行本金額577,170,000港元之不計息可換股債券，總代價為270,000,000港元(「出售事項」)。

於二零一九年十月四日，出售事項於股東特別大會上獲批准，並於二零一九年十月八日完成。

### 20. 或然負債及訴訟

於中國有關中荷(平湖)生物技術有限公司(「中荷(平湖)」)之訴訟

於二零一二年四月十七日，江蘇瑞峰建設集團有限公司(「江蘇瑞峰」)(作為原告)於中國向本公司之間接非全資附屬公司中荷(平湖)(作為被告)發出傳票令狀，內容有關由中荷(平湖)與江蘇瑞峰訂立日期為二零一零年十月八日之建造承包服務協議，日期為二零一零年十二月十七日之建造協議及日期為二零一一年三月八日之補充協議(統稱「建造協議」)項下之代價及完成建造服務所引起之爭議，江蘇瑞峰向中荷(平湖)索償人民幣13,150,000元之未支付建造成本、相關利息及案件之訴訟成本。根據建造協議，建造總成本為人民幣16,675,000元。江蘇瑞峰就其進行之建造工程發出發票，金額為人民幣29,126,000元。發票總額與合約金額出現重大差異。中荷(平湖)僅支付人民幣16,601,000元，並於二零一二年六月三十日記錄作建築成本。於二零一二年四月二十四日，江蘇瑞峰已取得針對中荷(平湖)之民事裁



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### 20. CONTINGENT LIABILITIES AND LITIGATION (Continued)

#### Litigation concerning CNL (Pinghu) Biotech Co. Ltd. (“CNL (Pinghu)”) in the PRC (Continued)

of CNL (Pinghu) were to be frozen, but the actual amount frozen was HK\$222,000 as at 30 June 2012, which was significantly lower than the amount stated in the civil ruling. The frozen balance was released during the year ended 30 June 2013. On 14 January 2013, an independent construction consulting company, which was appointed by Pinghu District Court, issued a statement certifying the total construction cost incurred would be in a range between RMB15,093,000 (equivalent to approximately HK\$19,142,000) and RMB18,766,000 (equivalent to HK\$23,801,000). According to the relevant legal opinion dated on 29 July 2013, the possibility for Pinghu District Court for adopting the construction cost of RMB18,766,000 is higher. On 20 December 2013, the 浙江省平湖市人民法院 (People’s Court of Pinghu City, Zhejiang Province) delivered a further civil ruling, pursuant to which, CNL (Pinghu) shall, after the said civil ruling came into force, pay to Jiangsu Ruifeng, among other things, a fee of RMB3,309,000 (equivalent to approximately HK\$4,197,000) for the construction services rendered. CNL (Pinghu) filed an application to appeal to 浙江省嘉興市中級人民法院 (the Intermediate People’s Court of Jiaxing City, Zhejiang Province). On 25 April 2014, 浙江省嘉興市中級人民法院 upheld the original ruling of 浙江省平湖市人民法院 and the Company was required to pay approximately RMB4,223,000 (equivalent to approximately HK\$5,333,000) to Jiangsu Ruifeng. Full provision had been made by the Group in this regard as at 30 September 2014. During the year ended 31 March 2015, the Company has received payment notice of approximately RMB2,897,000 (equivalent to approximately HK\$3,660,000) and settled accordingly. There is no further payment was made by the Company for the period ended 30 September 2019.

### 20. 或然負債及訴訟(續)

於中國有關中荷(平湖)生物技術有限公司(「中荷(平湖)」)之訴訟(續)

定，據此，中荷(平湖)之銀行存款人民幣15,000,000元或等同金額之資產將被凍結，惟被凍結之實際金額於二零一二年六月三十日為222,000港元，其大幅低於民事裁定所列之金額。該凍結餘額已於截至二零一三年六月三十日止年度解除。於二零一三年一月十四日，一間獨立建築顧問公司獲平湖區法院委任，發出一份聲明，證明建築總成本為人民幣15,093,000元(相當於約19,142,000港元)與人民幣18,766,000元(相當於約23,801,000港元)之間。根據日期為二零一三年七月二十九日之相關法律意見，平湖區法院採納建築成本人民幣18,766,000元的可能性較高。於二零一三年十二月二十日，浙江省平湖市人民法院發出進一步民事裁定，據此，中荷(平湖)須於民事裁定生效後向江蘇瑞峰支付(其中包括)就所提供的建造服務之費用人民幣3,309,000元(相當於約4,197,000港元)。中荷(平湖)向浙江省嘉興市中級人民法院申請上訴。於二零一四年四月二十五日，浙江省嘉興市中級人民法院維持浙江省平湖市人民法院之原來判決，而本公司須向江蘇瑞峰支付約人民幣4,223,000元(相當於約5,333,000港元)。本集團已於二零一四年九月三十日就此計提撥備總額。於截至二零一五年三月三十一日止年度，本公司已接獲付款通知及據此結清費用人民幣2,897,000元(相當於約3,660,000港元)。於截至二零一九年九月三十日止期間，本公司並無作出進一步付款。



INNOVATIVE PHARMACEUTICAL BIOTECH LIMITED

領航醫藥及生物科技有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(於開曼群島註冊成立並於百慕達存續之有限公司)

(Stock Code 股份代號 : 399)