



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)

2021/22 Interim Report
中期報告

Contents

目錄

- 2 **Corporate Information**
公司資料
- 4 **Chairman's Statement**
主席報告
- 6 **Management Discussion and Analysis**
管理層討論及分析
- 15 **Other Information Provided in Accordance with the Listing Rules**
根據上市規則披露之其他資料
- 21 **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
- 24 **Condensed Consolidated Statement of Financial Position**
簡明綜合財務狀況表
- 27 **Condensed Consolidated Statement of Changes in Equity**
簡明綜合權益變動表
- 29 **Condensed Consolidated Statement of Cash Flows**
簡明綜合現金流量表
- 30 **Notes to the Condensed Consolidated Financial Statements**
簡明綜合財務報表附註

Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Gao Yuan Xing
Tang Rong

Non-executive Directors

Jiang Nian (*Chairman*)
Xiao Yan
Wu Yanmin

Independent non-executive Directors

Chen Weijun
Wang Rongliang
Chen Jinzhong

Audit Committee

Chen Weijun (*Chairman*)
Wang Rongliang
Chen Jinzhong

Remuneration Committee

Wang Rongliang (*Chairman*)
Jiang Nian
Chen Jinzhong

Nomination Committee

Jiang Nian (*Chairman*)
Wang Rongliang
Chen Jinzhong

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

非執行董事

蔣年 (*主席*)
肖焱
鄔燕敏

獨立非執行董事

陳偉君
王榮樑
陳金中

審核委員會

陳偉君 (*主席*)
王榮樑
陳金中

薪酬委員會

王榮樑 (*主席*)
蔣年
陳金中

提名委員會

蔣年 (*主席*)
王榮樑
陳金中

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
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
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 2021 (the "Financial Period") and the six months ended 30 September 2020 (the "Previous Financial Period").

For the Financial Period, the Group recorded revenue of approximately HK\$6.6 million, a decrease of approximately 7% in revenue from approximately HK\$7.1 million as recorded in the Previous Financial Period. The decrease in revenue was mainly due to the COVID-19 is still affecting the Group's business.

Due to the Company completed the second amendment of the convertible bond with principal amount of HK\$715 million issued by the Company during the Financial Period, an amount of approximately HK\$250.7 million non-cash item was credited into the income statement. Accordingly, the Company reported a profit for the period amounted to approximately HK\$121.1 million.

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」）提呈本集團截至二零二一年九月三十日止六個月（「本財政期間」）及截至二零二零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6,600,000港元，較上一財政期間錄得之收益約7,100,000港元減少約7%。收益減少主要是COVID-19仍然影響着集團的業務。

由於本公司於本財政期間完成本公司所發行本金額為715,000,000港元的可換股債券的第二次修訂，約250,700,000港元的非現金項目已計入收益表內。因此，本公司於期內錄得溢利約121,100,000港元。

OUTLOOK

The management will be closely monitoring the development of epidemic and formulate any strategic plan as appropriate of the trading business.

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 has commenced the part B, Phase III of the clinical trial in August 2020 which is typically considered as the final stage of clinical trial before commercialization. Currently, about 223 patients have participated in the clinical trial. The Group will use its best endeavours to commercialise the product by the mid of 2023.

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 2021

展望

管理層將繼續密切監察疫情發展，並將因應情況釐定貿易業務的策略性計劃。

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。本集團已於二零二零年八月開始臨床試驗第三期B段，其通常被視為商業化臨床試驗之最後階段。目前，約有223名患者參與臨床試驗。本集團將盡最大努力於二零二三年中將該產品商業化。

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，二零二一年十一月二十九日

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\$6.6 million, representing an decrease of approximately 7% as compared with the total revenue of approximately HK\$7.1 million that was recorded in the Previous Financial Period. The decrease was mainly attributable to the decrease in business of the trading of beauty equipment and products segment during the Financial Period. The Group recorded a profit attributable to the owners of the Company amounted to approximately HK\$125.1 million for the Financial Period as compared to loss of HK\$93.5 million in Previous Financial Period. The change from loss to profit is mainly due to the non-cash item result from the completion of the second amendment of Convertible Bonds III. The Convertible Bonds III were restated to the fair value of the liability component at completion date of the Convertible Bonds III which was less than their carrying value. The difference of the carrying value and the fair value of the liability component amounted to approximately HK\$250,654,000 was credited into income statements for the 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\$6.6 million, representing a decrease of approximately 7% from the revenue in the amount of approximately HK\$7.1 million that was recorded in the Previous Financial Period. Although the COVID-19 pandemic has ebbed away, the market has not yet recovered.

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.

集團業績

於本財政期間，本集團之收益約6,600,000港元，較上一財政期間錄得之總收益約7,100,000港元減少約7%。有關減少主要由於本財政期間美容設備及產品貿易分部之業務減少。於本財政期間，本集團錄得本公司擁有人應佔溢利約125,100,000港元，相比上一財政期間則錄得虧損93,500,000港元。轉虧為盈乃主要由於可換股債券三完成第二次修訂而產生的非現金項目所致。可換股債券三已重列至可換股債券三於完成日負債部分的公平值(比其賬面值低)。負債部分賬面值與公平值之間的差異約為250,654,000港元，已計入本財政期間的收益表內。

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6,600,000港元，較上一財政期間錄得之收益約7,100,000港元減少約7%。雖然COVID-19大流行已經消退，但市場尚未復甦。

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。

Management Discussion and Analysis

管理層討論及分析

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.

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 2021.

The enrolment of the first batch of patients for the Clinical Trial testing has commenced in July 2020. Currently, about 223 patients have been enrolled in selected participating hospitals to take place in the Clinical Trial. The enrolment of patients will be an ongoing process.

Currently, 19 hospitals are participating in the Clinical Trial. The normal operations of the participating hospitals for the Clinical Trial had been disrupted by the coronavirus pandemic. Based on the latest information available to the Company, the Product is expected to be launched in the market and available for sale at selected hospitals by mid of 2023. The Group is expected to generate a stable source of revenue and profit after the launch of the Product taking into account that (i) there is massive demand in the PRC for innovative insulin products in light of the growing diabetic population; (ii) once the Product is launched, it is expected to become the first oral insulin drug available in the market; (iii) the Product is expected to be sold at a reasonable price range and will provide a superior and effective treatment method for diabetes patients; and (iv) once the Product is launched, it will be protected for a period of 5 years under the current regulations in the PRC which prohibits other companies from manufacturing and/or undergoing clinical trial for similar products.

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.

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。

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二零二一年九月三十日作出減值。

就臨床試驗招募第一批患者已於二零二零年七月開始。現時已於指定參與醫院招募約223名患者參與臨床試驗。患者招募過程將持續進行。

現時有19間醫院正在參與臨床試驗。參與臨床試驗的醫院的日常運作因冠狀病毒疫情而受阻。根據本公司最近可得之資料，預計該產品將於二零二三年年中前於市場上推出並於指定醫院銷售。經考慮下列各項，本集團預期該產品推出後將產生穩定的收益及盈利來源：(i)鑒於糖尿病患者人數日增，中國對創新胰島素產品需求強勁；(ii)該產品推出後，預期將為市場上首款口服胰島素藥物；(iii)該產品預期將於合理價格範圍出售，並將為糖尿病患者提供更佳及更有效的治療方式；及(iv)該產品一經推出，將根據中國的現有法規得到五年保障期，期間禁止其他公司生產及／或進行類似產品的臨床試驗。

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

Convertible bond issued by the Company

On 12 May 2021, the Company and the Bondholder entered into a second deed of amendment (the “Second Deed Amendment”) pursuant to which the Company and the Bondholder have conditionally agreed to amend the terms of the Convertible Bonds (as amended by the Amendment Deed) (the “Second Amendment”) to the effect that:

- (a) the Maturity Date shall be extended from 28 July 2021 to 28 July 2023;
- (b) the interest payment date of the Convertible Bond shall be further amended and superseded as follows:
 - (i) the Convertible Bond shall bear interest on the principal amount thereof in accordance with the following interest rate and payment schedule:

本公司發行之可換股債券

於二零二一年五月十二日，本公司及債券持有人訂立第二份修訂契據（「第二份修訂契據」），據此本公司及債券持有人已有條件同意修訂可換股債券之條款（經修訂契據修訂）（「第二次修訂」），即：

- (a) 到期日應由二零二一年七月二十八日延後至二零二三年七月二十八日；
- (b) 可換股債券之付息日期應予進一步修訂及取代如下：
 - (i) 可換股債券將按其本金額，根據下列利率及付款時間表計息：

Interest Period 付息期間	Interest Rate 利率	Payment due dates 到期付款日
28 July 2014 to 27 July 2015 二零一四年七月二十八 日至二零一五年七月 二十七日	3.5% per annum on the principal amount of the Convertible Bonds 按可換股債券本金額計算每年 3.5%	On or before 28 July 2015 二零一五年七月二十八日 或之前
28 July 2015 to 27 July 2016 二零一五年七月二十八 日至二零一六年七月 二十七日	3.5% per annum on the principal amount of the Convertible Bonds 按可換股債券本金額計算每年 3.5%	On or before 28 July 2016 二零一六年七月二十八日 或之前
28 July 2016 to 27 July 2017 二零一六年七月二十八 日至二零一七年七月 二十七日	3.5% per annum on the principal amount of the Convertible Bonds 按可換股債券本金額計算每年 3.5%	On or before 28 July 2017 二零一七年七月二十八日 或之前

Management Discussion and Analysis

管理層討論及分析

Interest Period 付息期間	Interest Rate 利率	Payment due dates 到期付款日
28 July 2017 to 27 July 2018	3.5% per annum on the principal amount of the Convertible Bonds	On or before 28 July 2018
二零一七年七月二十八 日至二零一八年七月 二十七日	按可換股債券本金額計算每年 3.5%	二零一八年七月二十八日 或之前
28 July 2018 to 27 July 2019	3.5% per annum on the principal amount of the Convertible Bonds	28 July 2023
二零一八年七月二十八 日至二零一九年七月 二十七日	按可換股債券本金額計算每年 3.5%	二零二三年七月二十八日
28 July 2019 to 27 July 2020	3.5% per annum on the principal amount of the Convertible Bonds	28 July 2023
二零一九年七月二十八 日至二零二零年七月 二十七日	按可換股債券本金額計算每年 3.5%	二零二三年七月二十八日
28 July 2020 to 27 July 2021	3.5% per annum on the principal amount of the Convertible Bonds	28 July 2023
二零二零年七月二十八 日至二零二一年七月 二十七日	按可換股債券本金額計算每年 3.5%	二零二三年七月二十八日
28 July 2021 to 27 July 2022	3.5% per annum on the principal amount of the Convertible Bonds	28 July 2023
二零二一年七月二十八 日至二零二二年七月 二十七日	按可換股債券本金額計算每年 3.5%	二零二三年七月二十八日
28 July 2022 to 27 July 2023	3.5% per annum on the principal amount of the Convertible Bonds	28 July 2023
二零二二年七月二十八 日至二零二三年七月 二十七日	按可換股債券本金額計算每年 3.5%	二零二三年七月二十八日

Management Discussion and Analysis

管理層討論及分析

- (ii) the Company shall pay the Bondholder a sum of additional interest in the amount of HK\$3,753,750 on 28 July 2023 (representing 15% per annum on the annual interest payment under the Convertible Bond), being the additional interest for one-year extension for payment of interest for the period from 28 July 2021 to 27 July 2022; and
- (iii) in addition to (ii) above, the Company shall pay the Bondholder a sum of additional interest in the amount of HK\$25,900,875 on 28 July 2023 (representing 15% per annum on the aggregate amount of interest and the Additional Interest of HK\$86,336,250 multiplied by two). The Company and the Bondholder agreed that the said amount of HK\$25,900,875 is the additional interest for two-year further extension for payment of (a) the interest in the aggregate amount of HK\$75,075,000 for the periods from 28 July 2019, 2020 and 2021; and (b) the Additional Interest mentioned in the Amendment Deed in the amount of HK\$11,261,250.
- (ii) 本公司須於二零二三年七月二十八日向債券持有人支付額外利息金額3,753,750港元(相當於就可換股債券之每年利息付款按年利率15%計算之金額)，作為二零二一年七月二十八日至二零二二年七月二十七日之利息延期一年支付之額外利息；及
- (iii) 除上文(ii)外，本公司須於二零二三年七月二十八日向債券持有人支付額外利息金額25,900,875港元(相當於每年利息總額及額外利息86,336,250港元按年利率15%之兩倍計算之金額)。本公司與債券持有人同意上述25,900,875港元金額乃就(a)由二零一九年、二零二零年及二零二一年七月二十八日起各期間之利息總額75,075,000港元；及(b)修訂契據所述額外利息11,261,250港元進一步延期兩年支付之額外利息。

Save for the Second Amendment, the terms and conditions of the Convertible Bond remain intact and unchanged.

除第二次修訂外，可換股債券之所有條款及條件維持完整及不變。

The Second Amendment shall be conditional upon and subject to:

第二次修訂乃以下列各項為條件：

- (a) the approval having been obtained from the Stock Exchange in respect of the Second Amendment;
- (a) 已獲聯交所批准第二次修訂；
- (b) all necessary consents and approvals required to be obtained on the part of the Company and the Bondholder in respect of the Second Amendment having been obtained and remained in full force and effect;
- (b) 本公司及債券持有人已取得有關第二次修訂之所有必要同意及批准，且仍然具全面效果及效力；

Management Discussion and Analysis

管理層討論及分析

- (c) the passing of the necessary resolution(s) by the shareholders of each of the Company and the Bondholder at a special general meeting of each of the Company and the Bondholder to be convened and held to approve the Second Deed of Amendment and the transactions contemplated thereunder; and
- (d) the Bondholder having passed a written resolution of the bondholder meeting to approve the Second Deed of Amendment and the transactions contemplated thereunder.
- (c) 本公司及債券持有人各自已召開及舉行股東特別大會，而於大會上本公司及債券持有人各自之股東已正式通過必要決議案以批准第二份修訂契據及其項下擬進行之交易；及
- (d) 債券持有人已通過債券持有人大會之書面決議案以批准第二份修訂契據及其項下擬進行之交易。

The Second Deed of Amendment Deed was approved in special general meeting held on 30 July 2021 and all conditions precedent under the Second Amendment have been fulfilled and those amendments took effect from 16 August 2021.

第二份修訂契據已於二零二一年七月三十日舉行之股東特別大會上獲得批准，而第二次修訂之所有先決條件已達成，該等修訂已於二零二一年八月十六日起生效。

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.

The management is going to have been more proactive about diversification on the product range in the trading business which may bring high profit margin and contribution to the Group.

Research and development

To further ensure that the Product will be able to commercialise in mid of 2023, the project team of the Group 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 in mid of 2023.

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。

管理層將更加積極多元化貿易業務的產品範圍，以為本集團帶來高利潤率及貢獻。

研發

為進一步確保該產品能夠在二零二三年年中實現商品化，本集團的項目團隊將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，以實現該產品於二零二三年年中的商品化。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

Capital structure

財務回顧

資本架構

	30.9.2021 二零二一年 九月三十日 HK\$'000 千港元	31.3.2021 二零二一年 三月三十一日 HK\$'000 千港元
Authorised: 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
Issued and fully paid: 已發行及已繳足：		
1,464,193,024 Shares (As at 31 March 2021: 1,464,193,024 Shares) 1,464,193,024股股份(於二零二一年三月三十一日： 1,464,193,024股股份)	14,642	14,642

Liquidity and financial resources

As at 30 September 2021, the Group had bank and cash balances of approximately HK\$2.4 million (31 March 2021: approximately HK\$9.0 million).

As at 30 September 2021, total borrowings of the Group were approximately HK\$910.4 million (31 March 2021: approximately HK\$1,037.3 million) which reflected the debt value of the Company's unconverted convertible bonds, lease liabilities, amounts due to non-controlling interests, amounts due to former non-controlling interests, loan from a substantial shareholder, amount due to a former associate, and loans from a former associate and a non-controlling interest.

流動資金及財務資源

於二零二一年九月三十日，本集團之銀行及現金結餘約2,400,000港元(二零二一年三月三十一日：約9,000,000港元)。

於二零二一年九月三十日，本集團之總借貸約910,400,000港元(二零二一年三月三十一日：約1,037,300,000港元)，反映本公司之未轉換可換股債券之債務價值、租賃負債、應付非控股權益款項、應付前非控股權益款項、一位主要股東貸款、應付前聯營公司款項及來自一間前聯營公司及一非控股權益貸款。

Management Discussion and Analysis

管理層討論及分析

The ratio of current assets to current liabilities of the Group was 0.32 as at 30 September 2021 as compared to the 0.04 as at 31 March 2021. The Group's gearing ratio as at 30 September 2021 was 0.64 (31 March 2021: 0.75) which is calculated based on the Group's total liabilities of approximately HK\$920.5 million (31 March 2021: approximately HK\$1,044.5 million) and the Group's total assets of approximately HK\$1,400.5 million (31 March 2021: approximately HK\$1,403.2 million).

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

Significant acquisition and investments

The Group had no 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 2021, the Group and the Company did not have any charges on their assets (31 March 2021: Nil).

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.

本集團於二零二一年九月三十日之流動資產對流動負債之比率為0.32，而於二零二一年三月三十一日則為0.04。本集團於二零二一年九月三十日之資本負債比率為0.64（二零二一年三月三十一日：0.75），乃根據本集團之負債總額約920,500,000港元（二零二一年三月三十一日：約1,044,500,000港元）及本集團之資產總額約1,400,500,000港元（二零二一年三月三十一日：約1,403,200,000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

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

於二零二一年九月三十日，本集團及本公司並無任何資產抵押（二零二一年三月三十一日：無）。

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。

Management Discussion and Analysis

管理層討論及分析

Number and numeration of employees

As at 30 September 2021, the Group had 27 full time employees (31 March 2021: 27), 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\$3.7 million (Previous Financial Period: approximately HK\$4.1 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 2021

僱員人數及薪酬

於二零二一年九月三十日，本集團有27名(二零二一年三月三十一日：27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3,700,000港元(上一財政期間：約4,100,000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，二零二一年十一月二十九日

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

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.

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.1.5.

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 Company has deviated from the Code provision A.4.1. Except for one of the independent non-executive Director has been appointed for a specific term and is subject to re-election, other non-executive Directors and independent non-executive Directors were not appointed for specific term 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 Bye-laws. As such, the Company considers that sufficient measures have been taken to serve the purpose of this Code provision.

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。

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.1.5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。

本公司已偏離守則條文第A.4.1條。除其中一名獨立非執行董事已按特定任期獲委任並須膺選連任外，其餘非執行董事及獨立非執行董事之委任並無特定任期，惟須根據本公司之公司細則之條文，至少每三年輪值告退一次並膺選連任。因此，本公司認為已採取足夠措施以符合是項守則條文目的。

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

The Directors believe that, despite the absence of specified terms for non-executive Directors, the Directors are committed to representing the long-term interests of the Company and its shareholders as a whole.

Code provision E.1.5

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.

AUDIT COMMITTEE

The Company has established an 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 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.

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.

董事相信，儘管非執行董事並無指定任期，董事承諾致力代表本公司及其股東之整體長遠利益。

守則條文第E.1.5條

守則條文第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。為了本公司和股東整體的最大利益，本公司認為更合適的股息分紅政策需要綜合考慮本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分紅政策。

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，本公司已成立審核委員會，並制定書面職權範圍。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。

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，彼等各自己確認，於整個財政期間，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。

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 2021, 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

於二零二一年九月三十日，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根據證券及期貨條例第352條本公司須存置之登記冊內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 2021, 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，於二零二一年九月三十日，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記錄於根據證券及期貨條例第352條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 2021, 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

於二零二一年九月三十日，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	1,187,200,000	L	81.08%
	Interest of a controlled corporation 受控制法團之權益	82,770,810	L	5.65%
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	82,770,810	L	5.65%
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	82,770,810	L	5.65%
Ease Gold Investments Limited (note 2) (附註2)	Interest of a controlled corporation 受控制法團之權益	82,770,810	L	5.65%
Good Links Limited (note 3) (附註3)	Interest of a controlled corporation 受控制法團之權益	7,770,810	L	0.53%
Victory Trend Limited (note 3) (附註3)	Interest of a controlled corporation 受控制法團之權益	7,770,810	L	0.53%
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	7,770,810	L	0.53%
China United Gene Investment Holdings Limited (note 5) (附註5)	Beneficial owner 實益擁有人	7,770,810	L	0.53%
Chau Yiu Ting 周耀庭	Beneficial owner 實益擁有人	328,600,000	L	22.44%

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) 363,200,000 ordinary shares held by Dr. Mao directly; (ii) 824,000,000, 55,000,000 and 20,000,000 derivative shares held by Dr. Mao, JNJ Investments Limited ("JNJ") and United Gene International Holdings Group Limited 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\$359,600,000 issued by the Company. JNJ is an indirect wholly-owned subsidiary of United Gene Group Limited, which is in turn owned as to 33% by United Gene Holdings Limited. United Gene International Holdings Group Limited is wholly-owned by JNJ; (iii) 7,770,810 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% and 33% equity interests of Best Champion Holdings Limited and United Gene Group Limited respectively.
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 2021.

附註：

1. 彼等包括(i)由毛博士直接持有的363,200,000股普通股；(ii)於行使可換股債券附帶之轉換權後，由本公司發行之衍生股份—本金總額為359,600,000港元之可換股債券，乃分別由毛博士持有824,000,000股、JNJ投資有限公司(JNJ)持有55,000,000股及聯合基因國際有限公司持有20,000,000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擁有33%。聯合基因國際有限公司由JNJ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7,770,810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%權益及Good Links Limited的50%權益。
2. Ease Gold Investments Limited (由謝毅博士(謝博士))全資擁有)分別擁有凱佳控股有限公司及United Gene Group Limited之33.50%及33%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，於二零二一年九月三十日，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

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.

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 2021

截至二零二一年九月三十日止六個月

		Six months ended 30 September 截至九月三十日止六個月		
		2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)	
	Notes 附註			
Revenue	收益	3	6,632	7,152
Cost of sales and services	銷售及服務成本		(5,891)	(6,387)
Gross profit	毛利		741	765
Other income	其他收入		—	221
Other gains and losses, net	其他收益及虧損淨額	4	250,654	—
Selling expenses	銷售開支		(82)	(122)
Administrative expenses	行政開支		(8,856)	(7,742)
Research and development expenses	研發開支		(6,519)	—
Finance costs	財務費用	5	(114,827)	(87,329)
Profit (loss) before tax	稅前溢利(虧損)		121,111	(94,207)
Income tax	所得稅		—	—
Profit (loss) for the period	期內溢利(虧損)	6	121,111	(94,207)

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 2021

截至二零二一年九月三十日止六個月

		Six months ended 30 September	
		截至九月三十日止六個月	
		2021	2020
		二零二一年	二零二零年
		HK\$'000	HK\$'000
		千港元	千港元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Notes	附註		
Other comprehensive income (expense)	其他全面收益(開支)		
Items that may be subsequently reclassified to profit or loss:	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	181	(26)
		181	(26)
Total comprehensive income (expense) for the period	期內全面收益(開支)總額	121,292	(94,233)
Profit (loss) for the period attributable to:	以下人士應佔期內溢利(虧損)：		
Owners of the Company	本公司擁有人	125,076	(93,449)
Non-controlling interests	非控股權益	(3,965)	(758)
		121,111	(94,207)

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 2021

截至二零二一年九月三十日止六個月

		Six months ended 30 September	
		截至九月三十日止六個月	
		2021	2020
		二零二一年	二零二零年
		HK\$'000	HK\$'000
		千港元	千港元
Notes		(unaudited)	(unaudited)
附註		(未經審核)	(未經審核)
Total comprehensive income (expense) for the period attributable to:	以下人士應佔期內全面收益(開支)總額：		
Owners of the Company	本公司擁有人	125,257	(93,475)
Non-controlling interests	非控股權益	(3,965)	(758)
		121,292	(94,233)
		HK cents	HK cents
		港仙	港仙
Earnings (loss) per share	每股盈利(虧損)		
Basic	基本	8.54	(6.38)
Diluted	攤薄	8.54	(6.38)

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 September 2021

於二零二一年九月三十日

			At 30 September 2021 於二零二一年 九月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 March 2021 於二零二一年 三月三十一日 HK\$'000 千港元 (audited) (經審核)
		Notes 附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	9	—	—
Right-of-use assets	使用權資產		49	1,186
Intangible assets	無形資產	10	1,373,224	1,373,224
			1,373,273	1,374,410
Current assets	流動資產			
Trade receivables	貿易應收賬款	11	19,775	15,323
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		5,058	4,485
Bank and cash balances	銀行及現金結餘		2,411	8,992
			27,244	28,800

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 September 2021
於二零二一年九月三十日

			At 30 September 2021 於二零二一年 九月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 March 2021 於二零二一年 三月三十一日 HK\$'000 千港元 (audited) (經審核)
		Notes 附註		
Current liabilities	流動負債			
Trade payables	貿易應付賬款	12	8,378	5,479
Lease liabilities	租賃負債		41	1,118
Accruals and other payables	應計費用及其他應付款項		1,724	1,686
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
Loan from a substantial shareholder	來自一位主要股東貸款		30,000	20,000
Amount due to a former associate	應付前聯營公司款項		41,947	41,947
Convertible Bonds	可換股債券	13	—	726,528
			86,005	800,673
Net current liabilities	流動負債淨額		(58,761)	(771,873)
Total assets less current liabilities	總資產減流動負債		1,314,512	602,537
Non-current liabilities	非流動負債			
Convertible bonds	可換股債券	13	797,099	206,784
Loan from a non-controlling interest	來自非控股權益貸款		20,929	20,929
Loan from a former associate	來自前聯營公司貸款		16,486	16,118
			834,514	243,831
NET ASSETS	資產淨額		479,998	358,706

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 September 2021

於二零二一年九月三十日

			At 30 September 2021 於二零二一年 九月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 March 2021 於二零二一年 三月三十一日 HK\$'000 千港元 (audited) (經審核)
Capital and reserves	資本及儲備			
Share capital	股本	14	14,642	14,642
Reserves	儲備		(484,737)	(609,994)
Equity attributable to owners of the Company	本公司擁有人應佔權益		(470,095)	(595,352)
Non-controlling interests	非控股權益		950,093	954,058
TOTAL EQUITY	權益總額		479,998	358,706

The condensed consolidated financial statements on pages 21 to 26 were approved and authorised for issue by the Board of Directors on 29 November 2021 and are signed on its behalf by:

載於第21頁至第26頁之簡明綜合財務報表已經由董事會於二零二一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 2021

截至二零二一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	外幣兌換儲備	累計虧損	總計	非控股權益	權益總額
	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'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
At 1 April 2020 (audited) 於二零二零年四月一日(經審核)	14,642	1,119,294	575,392	4,140	347	2	(2,104,190)	(390,373)	958,146	567,773
Loss for the period 期內虧損	-	-	-	-	-	-	(93,449)	(93,449)	(758)	(94,207)
Other comprehensive expense for the period 期內其他全面開支	-	-	-	-	-	(26)	-	(26)	-	(26)
Total comprehensive expense for the period 期內全面開支總額	-	-	-	-	-	(26)	(93,449)	(93,475)	(758)	(94,233)
At 30 September 2020 (unaudited) 於二零二零年九月三十日(未經審核)	14,642	1,119,294	575,392	4,140	347	(24)	(2,197,639)	(483,846)	957,388	473,540

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 September 2021

截至二零二一年九月三十日止六個月

	Attributable to owners of the Company 本公司擁有人應佔								Total equity 權益總額 HK\$'000 千港元
	Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Convertible bonds equity reserve 可換股價券 權益儲備 HK\$'000 千港元	Other reserve 其他儲備 HK\$'000 千港元	Foreign currency translation reserve 外幣兌換 儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元 (Note a) (附註a)	Total 總計 HK\$'000 千港元	Non-controlling interests 非控股權益 HK\$'000 千港元	
At 1 April 2021 (audited) 於二零二一年四月一日(經審核)	14,642	1,119,294	575,392	4,140	(38)	(2,308,782)	(595,352)	954,058	358,706
Profit for the period 期內溢利	-	-	-	-	-	125,076	125,076	(3,965)	121,111
Other comprehensive expense for the period 期內其他全面開支	-	-	-	-	181	-	181	-	181
Total comprehensive expense for the period 期內全面開支總額	-	-	-	-	181	125,076	125,257	(3,965)	121,292
At 30 September 2021 (unaudited) 於二零二一年九月三十日(未經審核)	14,642	1,119,294	575,392	4,140	143	(2,183,706)	(470,095)	950,093	479,998

Note:

(a) 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) 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 2021

截至二零二一年九月三十日止六個月

		Six months ended 30 September	
		截至九月三十日止六個月	
		2021	2020
		二零二一年	二零二零年
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
NET CASH USED IN OPERATING ACTIVITIES	經營活動所用現金淨額	(15,285)	(9,690)
FINANCING ACTIVITIES	融資活動		
Interest paid on lease liabilities	租賃負債之已付利息	(17)	(47)
Repayment of lease liabilities	償還租賃負債	(1,096)	(1,245)
Loan from a substantial shareholder	應付一位主要股東貸款	10,000	—
NET CASH GENERATED FROM/ (USED IN) FINANCING ACTIVITIES	融資活動所得／(所用) 現金淨額	8,887	(1,292)
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物 減少淨額	(6,398)	(10,982)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	期初現金及現金等價物	8,992	22,936
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	外幣匯率變動影響	(183)	(26)
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	2,411	11,928

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2021

截至二零二一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 2021 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2021.

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 April 2021 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 16
香港財務報告準則第16號之修訂本
Amendments to HKFRS 16

香港財務報告準則第16號之修訂本

Amendments to HKFRS 9, HKAS 39, HKFRS 7,
HKFRS 4 and HKFRS 16
香港財務報告準則第9號、香港會計準則第39號、
香港財務報告準則第7號、香港財務報告準則
第4號及香港財務報告準則第16號之修訂本

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)之財務工具除外。

除以下陳述外，截至二零二一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二零二一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

本集團於本中期期間首次應用以下由香港會計師公會頒佈之經修訂香港財務報告準則(其自二零二一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：

Covid-19 related Rent Concessions
COVID-19相關租金寬免

Covid-19 related Rent Concessions beyond 30 June 2021
二零二一年六月三十日後的COVID-19
相關租金寬免

Interest Rate Benchmark Reform – Phase 2
利率基準改革 – 第二階段

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2021

截至二零二一年九月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

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

The application of the amendment to HKFRSs in the current period has had no material impact on the interim condensed consolidated financial information. The Group has not early adopted any new and revised HKFRSs that have been issued by HKICPA but are not yet effective.

3. REVENUE AND SEGMENT INFORMATION

The Group has two reportable and operating segments as follows:

- (a) trading of beauty equipment and products in Hong Kong (“Trading of beauty equipment and products”)
- (b) 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.

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)

於本期間應用經修訂香港財務報告準則並無對中期簡明綜合財務資料造成重大影響。本集團尚未提早採納任何香港會計師公會已頒佈但尚未生效之新訂及經修訂香港財務報告準則。

3. 收益及分部資料

本集團有以下兩個呈報及營運分部：

- (a) 於香港進行美容設備及產品貿易(「美容設備及產品貿易」)
- (b) 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战略性業務單位。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。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2021

截至二零二一年九月三十日止六個月

3. REVENUE AND SEGMENT INFORMATION (Continued)

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(續)

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 美容設備及產品貿易		Research and development 研發		Total 總計	
2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)	2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)	2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)

Six months ended 30 September

截至九月三十日止六個月

Revenue from external customers

來自外界客戶之收益

6,632	7,152	—	—	6,632	7,152
-------	-------	---	---	-------	-------

Segment (loss) profit after tax

除稅後分部(虧損)溢利

659	643	(8,091)	(1,801)	(7,432)	(1,166)
-----	-----	---------	---------	---------	---------

Six months ended
30 September
截至九月三十日止六個月

2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (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)	分部溢利(虧損)總額	(7,432)	(1,166)
Corporate and other expenses	企業及其他開支	(122,111)	(93,041)
Unallocated other income, gains and losses, net	未分配其他收入、收益及虧損淨額	250,654	—
Consolidated profit (loss) for the period	期內綜合溢利(虧損)	121,111	(94,207)

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2021

截至二零二一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	
		2021	2020
		二零二一年	二零一零年
		HK\$'000	HK\$'000
		千港元	千港元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)

Gain on modification of convertible bonds	修訂可換股債券之收益	250,654	—
---	------------	---------	---

5. FINANCE COSTS

5. 財務費用

		Six months ended 30 September	
		截至九月三十日止六個月	
		2021	2020
		二零二一年	二零一零年
		HK\$'000	HK\$'000
		千港元	千港元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)

Effective interest expense on convertible bonds	可換股債券實際利息 開支	114,441	86,913
Interest expense on loan from the subsidiary of a former associate	來自一間前聯營公司之 附屬公司貸款之 利息開支	369	369
Interest on lease liability	租賃負債之利息	17	47
		114,827	87,329

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2021

截至二零二一年九月三十日止六個月

6. PROFIT (LOSS) FOR THE PERIOD

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

6. 期內溢利(虧損)

期內溢利(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	
		2021	2020
		二零二一年	二零二零年
		HK\$'000	HK\$'000
		千港元	千港元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	—	35
Depreciation of right-of-use assets	使用權資產折舊	1,137	592
Cost of inventories recognised as an expense	確認為開支之存貨成本	5,891	6,387
Staff costs including directors' emoluments	包括董事酬金在內之員工成本	3,679	4,070

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 (2020: 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(二零二零年：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 2021
截至二零二一年九月三十日止六個月

8. EARNINGS (LOSS) PER SHARE

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

8. 每股盈利(虧損)

本公司擁有人應佔每股基本盈利(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	
2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)

Profit (loss)

Profit for the purposes of basic and diluted earnings per share (profit (loss) for the period attributable to owners of the Company)

溢利(虧損)

就計算每股基本及攤薄盈利之溢利(本公司擁有人應佔期內溢利(虧損))

125,076

(93,449)

Six months ended 30 September 截至九月三十日止六個月	
2021 二零二一年 Number of shares 股份數目 '000 以千計	2020 二零二零年 Number of shares 股份數目 '000 以千計

Number of shares

Weighted average number of ordinary shares for the purpose of basic and diluted earnings (loss) per share

股份數目

就計算每股基本及攤薄盈利(虧損)之普通股加權平均數

1,464,193

1,464,193

The computation of diluted earnings per share does not assume the conversion of the Company's outstanding convertible bonds because the conversion prices of those convertible bonds were higher than the average market price for shares for the period ended 30 September 2021.

計算每股攤薄盈利時，並無假設本公司之未轉換可換股債券被轉換，此乃由於該等可換股債券之轉換價於截至二零二一年九月三十日止期間高於股份平均市價。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2021

截至二零二一年九月三十日止六個月

8. EARNINGS (LOSS) PER SHARE

(Continued)

The computation of diluted loss per share for the six months ended 30 September 2020 does not assume the conversion of the Company's outstanding convertible bonds since their assumed conversion would decrease the loss per share for that period.

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 2021 period (six months ended 30 September 2020: Nil).

10. 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

8. 每股盈利(虧損)(續)

計算截至二零二零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，此乃由於假設該等可換股債券被轉換，會減少該段期間之每股虧損。

9. 物業、廠房及設備變動

於截至二零二一年九月三十日止六個月內，本集團並無購入及出售物業、廠房及設備(截至二零二零年九月三十日止六個月：無)。

10. 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

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2021

截至二零二一年九月三十日止六個月

10. INTANGIBLE ASSETS (Continued)

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 25.23% 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.

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.

10. 無形資產(續)

(「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未屆滿年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值計算法釐定。公平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25.23%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。

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。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2021

截至二零二一年九月三十日止六個月

11. 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:

11. 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(與有關收益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 2021 於二零二一年 九月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 March 2021 於二零二一年 三月三十一日 HK\$'000 千港元 (audited) (經審核)	
30 days or less	30日或以下	2,036	2,234
31 to 60 days	31至60日	904	869
61 to 90 days	61至90日	1,553	1,640
Over 90 days	90日以上	15,282	10,580
		19,775	15,323

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2021

截至二零二一年九月三十日止六個月

12. TRADE PAYABLES

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

12. 貿易應付賬款

貿易應付賬款按發票日期呈列之賬齡分析如下：

		At 30 September 2021 於二零二一年 九月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 March 2021 於二零二一年 三月三十一日 HK\$'000 千港元 (audited) (經審核)
30 days or less	30日或以下	1,926	2,070
31 to 60 days	31至60日	821	810
Over 180 days	180日以上	5,631	2,599
		8,378	5,479

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2021

截至二零二一年九月三十日止六個月

13. CONVERTIBLE BONDS

13. 可換股債券

	At 30 September 2021 於二零二一年 九月三十日 HK\$'000 千港元	At 31 March 2021 於二零二一年 三月三十一日 HK\$'000 千港元
Current liabilities		
Convertible Bonds III	—	726,528
Non-current liabilities		
Convertible Bonds I	157,938	139,963
Convertible Bonds II	71,826	66,821
Convertible Bonds III	567,335	—
	797,099	206,784
	797,099	933,312

Convertible Bonds I

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 the convertible bonds issued by Extrawell in aggregate principal amount of HK\$320,650,000 (“Sale CB-I”) and 450,000,000 ordinary shares of Extrawell. Both Sale CB-1 and 450,000,000 ordinary shares of Extrawell were disposed in October 2019. The Convertible Bonds I with a zero coupon rate mature on the tenth anniversary of the date of issue.

可換股債券一

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」)，以收購由精優發行本金總額為320,650,000港元的可換股債券(「待售可換股債券一」)及450,000,000股精優普通股。待售可換股債券一及450,000,000股精優普通股均已於二零一九年十月出售。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。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2021

截至二零二一年九月三十日止六個月

13. CONVERTIBLE BONDS (Continued)

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.

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.

None of the Convertible Bond I was converted into ordinary shares of the Company during both interim period.

13. 可換股債券(續)

可換股債券一賦予債券持有人權利，於發行可換股債券一日期後10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。

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。

於兩段中期期間，概無可換股債券一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 2021

截至二零二一年九月三十日止六個月

13. CONVERTIBLE BONDS (Continued)

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

13. 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：

		Principal amount 本金額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
As at 1 April 2020 (audited)	於二零二零年四月一日 (經審核)	256,000	110,977
Interest charge (Note 5)	利息開支(附註5)	—	12,823
30 September 2020 (unaudited)	二零二零年九月三十日 (未經審核)	256,000	123,800
As at 1 April 2021 (audited)	於二零二一年四月一日 (經審核)	256,000	139,963
Interest charge (Note 5)	利息開支(附註5)	—	17,975
30 September 2021 (unaudited)	二零二一年九月三十日 (未經審核)	256,000	157,938

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2021
截至二零二一年九月三十日止六個月

13. CONVERTIBLE BONDS (Continued)

Convertible Bonds II

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 the convertible bonds issued by Extrawell in an aggregate principal amount up to HK\$256,520,000 (“Sale CB-II”) first, second, third and fourth batches respectively which was disposed in October 2019. 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.

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

13. 可換股債券(續)

可換股債券二

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、第三批及第四批由精優發行本金總額最高為256,520,000港元的可換股債券(「待售可換股債券二」，其已於二零一九年十月出售)。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10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。

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。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2021

截至二零二一年九月三十日止六個月

13. CONVERTIBLE BONDS (Continued)

Convertible Bonds II (Continued)

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, 30 August 2014, 31 December 2014 and 30 April 2015 respectively are calculated using Binomial Model. The inputs into the model were as follows:

13. 可換股債券(續)

可換股債券二(續)

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	30 August	31 December	30 April
		2014	2014	2014	2015
		二零一四年	二零一四年	二零一四年	二零一五年
		四月二十四日	八月三十日	十二月三十一日	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 2021
截至二零二一年九月三十日止六個月

13. CONVERTIBLE BONDS (Continued)

Convertible Bonds II (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 Bonds II for both periods is set out below:

13. 可換股債券 (續)

可換股債券二 (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) 根據本公司的過往股息派付估計得出。

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：

		Principal amount 本金額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
As at 1 April 2020 (audited)	於二零二零年四月一日 (經審核)	103,600	36,314
Interest charge (Note 5)	利息開支(附註5)	—	4,045
30 September 2020 (unaudited)	二零二零年九月三十日 (未經審核)	103,600	40,359
As at 1 April 2021 (audited)	於二零二一年四月一日 (經審核)	103,600	66,045
Interest charge (Note 5)	利息開支(附註5)	—	5,005
30 September 2021 (unaudited)	二零二一年九月三十日 (未經審核)	103,600	71,826

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2021

截至二零二一年九月三十日止六個月

13. CONVERTIBLE BONDS (Continued)

Convertible Bonds III

The Company issued convertible bonds in an aggregate principal 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.

13. 可換股債券(續)

可換股債券三

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

For the six months ended 30 September 2021
截至二零二一年九月三十日止六個月

13. CONVERTIBLE BONDS (Continued)

Convertible Bonds III (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:

13. 可換股債券(續)

可換股債券三(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：

28 July 2014
principal amount of
HK\$715,000,000
二零一四年
七月二十八日
本金額
715,000,000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。 |

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2021

截至二零二一年九月三十日止六個月

13. CONVERTIBLE BONDS (Continued)

Convertible Bonds III (Continued)

On 28 October 2019, the Company completed the amendment of the term and condition of the Convertible Bond III with Extrawell. Under the amendment, Extrawell agreed the due date for annual interest payment of HK\$25,025,000 due on 27 July 2019, 2020 and 2021 amended to on or before 28 July 2021; and additional interest of HK\$11,261,250 shall be paid by the Company on 28 July 2021. Detail of the amendments of the term and condition of the Convertible Bond III are set out in the Company's circular dated 13 September 2019.

On 16 August 2021, the Company completed the second amendment of the term and condition of the Convertible Bonds III with Extrawell. Under the second amendment, Extrawell agreed the maturity date of the Convertible Bond III shall be extended to 28 July 2023. The annual interest payment of HK\$25,900,875 due on 27 July 2019 to 2023 amended to 28 July 2023; and additional interest of HK\$40,915,875 shall be paid by the Company on 28 July 2023. Detail of the second amendments of term and condition of the Convertible Bonds III are set out in the Company circular dated 13 July 2021.

13. 可換股債券 (續)

可換股債券三 (續)

於二零一九年十月二十八日，本公司完成與精優修訂可換股債券三的條款及條件。根據修訂，精優同意將於二零一九年、二零二零年及二零二一年七月二十七日期應付的25,025,000港元的每年利息付款到期日改為二零二一年七月二十八日或之前；及本公司須於二零二一年七月二十八日支付額外利息11,261,250港元。修訂可換股債券三條款及條件之詳情載於本公司日期為二零一九年九月十三日之通函。

於二零二一年八月十六日，本公司完成與精優訂立可換股債券三的條款及條件的第二次修訂。根據第二次修訂，精優同意將可換股債券三的到期日延後至二零二三年七月二十八日。於二零一九年至二零二三年七月二十七日到期的年利息25,900,875港元修訂至二零二三年七月二十八日支付；而額外利息40,915,875港元須由本公司於二零二三年七月二十八日支付。可換股債券三的條款及條件的第二次修訂詳情載於本公司日期為二零二一年七月十三日的通函。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2021
截至二零二一年九月三十日止六個月

13. CONVERTIBLE BONDS (Continued)

Convertible Bonds III (Continued)

At 16 August 2021, the fair value of the liability component was HK\$550,682,000 for the Convertible Bonds III, 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. No fair value of the conversion option for the Convertible Bonds III and is calculated using Binomial Model. The inputs into the model were as follows:

13. 可換股債券(續)

可換股債券三(續)

於二零二一年八月十六日，可換股債券三的負債部分的公平值為550,682,000港元，乃按貼現現金流量法，採用類似非可換股債券的現行市場利率釐定，並已計及本公司的信貸風險。可換股債券三的可換股權不含公平值，乃採用二項式模式計算。該模式的輸入參數如下：

16 August 2021
Principal of
HK\$715,000,000
二零二一年
八月十六日
本金額
715,000,000港元

Stock price	股價	HK\$0.225港元
Exercise price	行使價	HK\$2.5港元
Discount rate	貼現率	24.125%
Risk-free rate (Note a)	無風險利率(附註a)	0.133%
Expected volatility (Note b)	預期波幅(附註b)	27.294%
Expected dividend yield (Note c)	預期股息收益率(附註c)	0.00%

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.

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) 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 2021

截至二零二一年九月三十日止六個月

13. CONVERTIBLE BONDS (Continued)

Convertible Bonds III (Continued)

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

13. 可換股債券(續)

可換股債券三(續)

於兩段期間，可換股債券三負債部分之變動列載如下：

		Principal amount 本金額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
As at 1 April 2020 (audited)	於二零二零年四月一日 (經審核)	715,000	595,851
Interest charge (Note 5)	利息開支(附註5)	—	70,045
30 September 2020 (unaudited)	二零二零年九月三十日 (未經審核)	715,000	665,896
As at 1 April 2021 (audited)	於二零二一年四月一日 (經審核)	715,000	726,528
Interest charge (Note 5)	利息開支(附註5)	—	91,461
Modification of Convertible bond	修訂可換股債券	—	(250,654)
30 September 2021 (unaudited)	二零二一年九月三十日 (未經審核)	715,000	567,335

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2021

截至二零二一年九月三十日止六個月

14. SHARE CAPITAL

14. 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 2020,	於二零二零年四月一日、		
30 September 2020,	二零二零年九月三十日、		
1 April 2021 and	二零二一年四月一日及		
30 September 2021	二零二一年九月三十日	50,000,000	500,000
Issued and fully paid:	已發行及繳足：		
As at 1 April 2020 (audited)	於二零二零年四月一日 (經審核)	1,464,193	14,642
As at 30 September 2020 (unaudited)	於二零二零年九月三十日 (未經審核)	1,464,193	14,642
As at 1 April 2021 (audited)	於二零二一年四月一日 (經審核)	1,464,193	14,642
As at 30 September 2021 (unaudited)	於二零二一年九月三十日 (未經審核)	1,464,193	14,642

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2021

截至二零二一年九月三十日止六個月

15. RELATED PARTY TRANSACTIONS

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

15. 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	
		2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 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
Compensation of key management personnel:	主要管理人員之報酬：		
Short-term employment benefits	短期僱員福利	1,623	1,375
Post-employment benefits	離職後福利	14	18

At the end of reporting period, the amount due to Dr. Mao, a shareholder of the Company was HK\$30,000,000 (at 31 March 2021: HK\$20,000,000). The amount is unsecured, non-interest bearing and repayment term was one year after drawdown date.

於報告期末，應付本公司股東毛博士之款項為30,000,000港元（於二零二一年三月三十一日：20,000,000港元），該款項為無抵押及不計息，還款期為支款日起計一年。



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)