



CRMI
中國再生醫學

Annual Report
2015/2016年報

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

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

Stock Code 股份代號 : 8158

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CORPORATE INFORMATION

公司資料

DIRECTORS

Executive Directors

Wong Sai Hung (*Chairman of the Board*)
(re-designated from non-executive director to executive director with effect from 11 January 2016)
Shao Zhengkang (*Chief Executive Officer*)
(appointed with effect from 30 April 2016)
Dai Yumin (resigned with effect from 30 April 2016)
Wang Yurong (resigned with effect from 30 April 2016)

Non-executive Directors

Deng Shaoping
Cao Fushun
Yang Zhengguo
Wang Jianjun

Independent Non-executive Directors

Lui Tin Nang
Pang Chung Fai Benny
Chan Bing Woon
Wang Hui (appointed with effect from 18 June 2015)

COMPANY SECRETARY

Cheng Chai Fu (appointed with effect from 11 January 2016)
Chan Yim (resigned with effect from 11 January 2016)

NOMINATION COMMITTEE

Lui Tin Nang (*chairman of Nomination Committee*)
Pang Chung Fai Benny
Chan Bing Woon
Wang Hui (appointed with effect from 18 June 2015)

REMUNERATION COMMITTEE

Pang Chung Fai Benny (*chairman of Remuneration Committee*)
Lui Tin Nang
Chan Bing Woon
Wang Hui (appointed with effect from 18 June 2015)

AUDIT COMMITTEE

Lui Tin Nang (*chairman of Audit committee*)
Pang Chung Fai Benny
Chan Bing Woon
Wang Hui (appointed with effect from 18 June 2015)

董事

執行董事

黃世雄 (*董事會主席*)
(自二零一六年一月十一日起由非執行董事調任為執行董事)
邵政康 (*行政總裁*)
(自二零一六年四月三十日起獲委任)
戴昱敏 (自二零一六年四月三十日起辭任)
王玉榮 (自二零一六年四月三十日起辭任)

非執行董事

鄧紹平
曹福順
楊正國
王建軍

獨立非執行董事

呂天能
彭中輝
陳炳煥
王輝 (自二零一五年六月十八日起獲委任)

公司秘書

鄭濟富 (自二零一六年一月十一日起獲委任)
陳艷 (自二零一六年一月十一日起辭任)

提名委員會

呂天能 (*提名委員會主席*)
彭中輝
陳炳煥
王輝 (自二零一五年六月十八日起獲委任)

薪酬委員會

彭中輝 (*薪酬委員會主席*)
呂天能
陳炳煥
王輝 (自二零一五年六月十八日起獲委任)

審核委員會

呂天能 (*審核委員會主席*)
彭中輝
陳炳煥
王輝 (自二零一五年六月十八日起獲委任)

CORPORATE INFORMATION

公司資料

REGISTERED OFFICE

P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

10th Floor, Dah Sing Financial Centre
108 Gloucester Road
Wanchai
Hong Kong

COMPLIANCE OFFICER

Wong Sai Hung (appointed with effect from 30 April 2016)
Dai Yumin (resigned with effect from 30 April 2016)

AUTHORISED REPRESENTATIVES

Wong Sai Hung (appointed with effect from 11 January 2016)
Shao Zhengkang (appointed with effect from 30 April 2016)
Chan Yim (resigned with effect from 11 January 2016)
Dai Yumin (resigned with effect from 30 April 2016)

PRINCIPAL BANKERS

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

Hang Seng Bank Limited
83 Des Voeux Road Central
Hong Kong

AUDITOR

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

LEGAL ADVISER ON THE CAYMAN ISLANDS LAW

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

註冊辦事處

P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

總辦事處及香港主要營業地點

香港
灣仔
告士打道 108 號
大新金融中心 10 樓

監察主任

黃世雄 (自二零一六年四月三十日起獲委任)
戴昱敏 (自二零一六年四月三十日起辭任)

授權代表

黃世雄 (自二零一六年一月十一日起獲委任)
邵政康 (自二零一六年四月三十日起獲委任)
陳艷 (自二零一六年一月十一日起辭任)
戴昱敏 (自二零一六年四月三十日起辭任)

主要往來銀行

大新銀行有限公司
香港
告士打道 108 號
大新金融中心 36 樓

恆生銀行有限公司
香港
德輔道中 83 號

核數師

香港立信德豪會計師事務所有限公司
香港
干諾道中 111 號
永安中心 25 樓

法律顧問 (開曼群島法律)

Maples and Calder
香港
皇后大道中 99 號
中環中心 53 樓

CORPORATE INFORMATION

公司資料

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

COMPANY WEBSITE

www.crimi.hk

STOCK CODE

8158

開曼群島股份過戶登記總處 及股份過戶辦事處

Maples Fund Services (Cayman) Limited
P.O. Box 1093
Boundary Hall
Cricket Square
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KY1-1102
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香港股份過戶登記分處及 股份過戶辦事處

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

公司網址

www.crimi.hk

股份代號

8158

CHIEF EXECUTIVE OFFICER'S STATEMENT

行政總裁報告

For the financial year ended 30 April 2016, the Group had made encouraging achievements in various aspects.

In April 2015, the Group successfully registered bio-engineered cornea and became the world's first regenerative medicine company to obtain registration for this product category. In October 2015, the Group also successfully registered Asiunin, becoming the first regenerative medicine company to obtain registration for such products in China. Over the past three years, the Group has obtained various product registration and new technology approvals and sets the stage for converting its R&D achievements into valuable business opportunities.

I. BUSINESS REPORT

Bio-engineered cornea Acornea is a pioneering medical product in the world and has successfully entered into a number of influential ophthalmic hospitals in the past year to help cure blind patients resulting from corneal diseases. To accelerate the safe entry of bio-engineered cornea into the medical market, the Group has established an Ophthalmology Expert Committee chaired by Prof. XIE Lixin (academician of Chinese Academy of Engineering). Such Committee has 18 top experts and professors from domestic ophthalmic hospitals as members. To promote cornea transplant surgery technique to more doctors, the Group invested RMB5 million in organizing 12 training courses and trained 250 ophthalmic surgeons. By now, over 100 clinical hospitals have participated in cornea transplant using Acornea and helped cure many patients suffering from corneal blindness.

Asiunin is the first anal fistula treatment product to obtain such product registration certificate in China. The Group is undertaking sales and marketing activities for Asiunin and making inroads into hospitals for such product. The Group has signed contracts with 18 agents and 10 hospitals are carrying out clinical application. The Group is also in the process of promoting sales of Gegreen and ActivSkin.

Cell and stem cell businesses are advancing according to the Group's plan. Our China Stem Cell Clinical Applications Centre at Phase 3 of Hong Kong Science Park in Shatin has started construction and equipment procurement. Such Centre, which aims to comply with EU and US technological standards, is expected to have construction completed and start operation during the first half of 2017.

截止2016年4月30日的財務年度，本集團的多項工作都取得了令人鼓舞的進展。

2015年4月，集團獲得了生物工程角膜的成功註冊；成為世界上首個獲得該類產品註冊的再生醫學企業。2015年10月，集團又成功獲得瑞柱寧的產品註冊，成為國內首個獲得此類產品註冊的再生醫學企業。由於集團在過去三年已獲得多項產品的註冊和新技术的批准，集團已具備一定的條件將科研成果轉化為市場價值。由此，集團已改變了過去只有投入，沒有產出的財務狀況。

I. 業務報告

生物工程角膜艾欣瞳作為世界首創的醫療產品，在過去一年裡已成功進入國內多家有影響力的眼科醫院，醫治了眾多因角膜病而導致失明的患者。為了將生物工程角膜盡快安全導入醫療市場，集團成立了由中國工程院謝立信院士為主任委員的角膜移植專家指導委員會，該委員會共有十八名成員，均為國內眼科醫院的頂級專家和教授。為了能讓更多的醫生快速獲得角膜移植手術的技能，集團投入500萬元人民幣的資金，組織了十二次的角膜移植手術培訓班，培養了250名眼科手術醫生。目前，參與艾欣瞳生物工程角膜移植的臨床醫院已經超過了100家，眾多的角膜盲患者獲得了醫治，恢復了光明，回到了正常的生活中來。

瑞柱寧是中國首個獲得該類產品註冊證書的肛瘻醫治產品，正在進行市場的推廣和醫院的進入。目前已簽約的代理商有18家，10家醫院正在進行臨床使用。集團的骼瑞及安體膚都在逐步展開市場的銷售。

細胞和幹細胞的業務繼續按照集團的計劃在推進，本集團位於沙田香港科技園三期的中國幹細胞臨床應用中心已進入建造和設備訂購階段。預計2017年上半年該中心將完成建造並投入運作，該中心將按照歐盟和美國的技術標準進行建造。

CHIEF EXECUTIVE OFFICER'S STATEMENT

行政總裁報告

I. BUSINESS REPORT (Cont'd)

The Group will continue to cooperate with the University of Hong Kong to develop anti-aging products and achieve anti-aging outcome using stem cell technology. The Group has completed the acquisitions of Tianjin Weikai and AK Suzhou. The former provides CRO services and currently has started selling 3D perfusion cell culture systems, while the latter is developing its cell processing and storage businesses.

The Group's Ascara cosmetic business commenced sales in the past year and has established high-end counters in 12 cities including Shenzhen, Guangzhou and Chongqing. Sales is growing rapidly and is expected to contribute positively to the Group's financial performance.

II. MANAGEMENT REPORT

After careful review and consideration, the Board of the Company has decided to adopt a modern corporate management structure and to clearly identify the respective functions of the shareholders, board of directors and the management team, with each having its own functions and operating separately. The Group has formulated a series of incentive policies and established a system whereby employees will develop in tandem with the enterprise with their respective interests aligned.

For business management, the Group has classified its business into three segments, i.e. tissue engineering, stem cell as well as cosmetics and healthcare. The three segments will keep enriching their product lines and expanding related products to perfect and scale up their operations.

To broaden income sources, reduce expenditure and improve the overall financial condition of the Company as soon as possible, the Group has implemented cost accounting at all levels of management and across different business segments and shut down inefficient operations. The Group also carries out all-round financial budget management and cost accounting system.

The Group promotes an option incentive scheme among employees and granted five-year options to senior management, experts and eligible staff so as to allow key staff to develop in tandem with the Group and align their interests with those of the Group.

I. 業務報告 (續)

集團將繼續與香港大學開展抗衰老產品的研究，尤其是利用幹細胞的技術來達到抗衰老的作用。集團已經完成對天津衛凱和蘇州奧凱的收購。天津衛凱作為CRO公司，目前已經在銷售3D灌注式細胞培養設備；蘇州奧凱正在拓展細胞代培養和細胞儲存的業務。

集團的阿卡蘭化妝品業務在過去的一年已全面展開銷售工作，目前在深圳、廣州、重慶等12個城市設有高檔專賣櫃，銷售業務發展迅速，有望對集團有較好的財務貢獻。

II. 管理報告

公司董事會經過認真檢討決定引入現代企業的管理架構，明確了股東會、董事會、管理層各自的運作職能，三個層面各司其職，分級運行。集團制定了一系列的激勵政策，構建了員工與企業共同發展，利益捆綁的運作機制。

在業務管理層面上，集團將業務歸整於三大板塊，即組織工程板塊，幹細胞業務板塊，化妝品及醫療保健板塊。這三個板塊將不斷豐富產品綫，延伸相關產品的拓展，做精做大板塊的業務。

為了開源節流，儘快改善公司的財務狀況，集團在管理運作的各個層面進行了成本核算、關閉效率不高的業務，集團推行公司全面財務預算管理和成本核算體系。

集團推行員工期權的激勵制度，對於集團高級管理人員，專家及合資格人員給予了5年期的期權。目的在於，讓集團的主要骨幹力量能夠與公司共同發展，將大家的利益與集團的利益有機地結合起來。

CHIEF EXECUTIVE OFFICER'S STATEMENT

行政總裁報告

III. SALES REPORT

Over the past financial year, the Group started market-oriented product sales. Bio-engineered cornea commenced sales since December 2015 and has successfully entered into more than 100 hospitals via 30 distributors. Various provinces have reported their first successful transplantation of bio-engineered cornea and many patients suffering from cornea diseases regained their eyesight with the help of bio-engineered cornea, Acornea. The Group will accelerate the training of surgeons and carry out larger scale of sales and marketing.

Promotion of bio-engineered cornea in overseas markets is also advancing steadily. The Group has successfully signed agency contract with an agent in the Philippines, who is undertaking local registration work for bio-engineered cornea and may gain import licence in 2017. Ukraine has sent doctors to take cornea transplantation surgical training courses in China and they have been granted related certificate. Various other countries have also proposed to send their surgeons to take training courses on corneal transplantation in China. At present, there are about six countries and regions negotiating on agency contracts for bio-engineered cornea with the Group.

Sales of the Group's cosmetics and cartilage products are progressing as planned.

IV. OUTLOOK

Over the past year, the Group has changed in various aspects and records not only investment outflow but also income. The Group's major businesses underwent clear restructuring with the establishment of three business segments, and the Group aims to broaden income sources, streamline operations and reorganise inefficient departments.

Looking forward, the Group aims to keep expanding its three business segments and enriching their product lines via mergers and acquisitions. The Group also strives to enhance its modern corporate management structure, promote reasonable incentive mechanism and endeavor to change its financial conditions.

Shao Zhengkang
Chief Executive Officer
Hong Kong, 15 July 2016

III. 銷售報告

過去的財務年度是集團公司進入產品市場化銷售的年度，生物工程角膜自2015年12月份開始市場銷售以來，已成功通過三十家代理渠道進入了超過100家醫院。多個省份進行了首例生物工程角膜成功移植的報道，眾多的角膜盲患者通過生物工程角膜艾欣瞳的治療恢復了光明，回到了正常的生活中來。集團將加快對手術醫生的培訓，以學術為主導，展開更大範圍內的市場銷售推廣。

生物工程角膜的海外市場也在順利拓展之中，集團與菲律賓代理商已成功簽訂代理協議，菲方的代理正在本國進行生物工程角膜的註冊工作，有望在2017年能夠獲得進口許可。烏克蘭已派醫生到中國進行培訓並獲得了我國頒發的角膜移植手術培訓證書，其他多個國家也提出要派角膜移植手術醫生到中國來進行角膜移植培訓。目前，約有六個國家和地區正在與集團洽談生物工程角膜的代理事宜。

集團的化妝品銷售和軟骨產品銷售根據計劃都在正常銷售之中。

IV. 未來展望

過去的一年，集團已經有了各方面的改變，改變了過去只有投入，沒有產出的財務狀況；主營業務有了更加明確的整合，即三大業務板塊的建立，開源節流的實際推進，對未能產生效益的部門進行了裁併與整合。

集團未來的工作目標是繼續深化三個板塊業務的拓展，通過收購與兼併來豐富板塊的產品綫。完善現代企業的管理架構，推行合理的激勵機制，力爭盡快改變中國再生醫學的財務狀況。

邵政康
行政總裁
香港，二零一六年七月十五日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Group continues to commit to our R&D and commercialisation in three major areas of businesses, namely (A) tissue engineering; (B) stem cell, encompassing (i) cellular and stem cell therapy and (ii) medical equipment and other services; as well as (C) cosmetics and healthcare. In August 2015, the Group completed the acquisition of 70.0% of equity interest of Frame Sharp Limited, which effectively represents 70.0% equity interest of 奧凱(蘇州)生物技術有限公司 (AK (Suzhou) Biomedical Ltd.)* (“AK Suzhou”) through contractual arrangements. AK Suzhou focuses on providing services in relation to clinical-grade human autologous cells and stem cell isolation, purification, expansion and cryopreservation. As part of the expansion program in regenerative medicine and the reason that cell and stem cell processing requires regional presence, this acquisition has provided the Group with an opportunity to setup a regional hub for human cell and stem cell processing businesses in the Huadong Region (Eastern China Region).

After completion of the acquisition of AK Suzhou, the Group now has five production plants with two located in Xian, Shaanxi Province; one located in Shenzhen, Guangdong Province; one in Suzhou, Jiangsu Province; one in Tianjin Municipality. These existing plants are strategically located to capture most of the better developed cities in the PRC so as to facilitate the Group's commercialisation of our existing and future products and services.

Being a high-tech pioneer company in regenerative medicine industry, the Group continues to develop and enrich our tissue-engineering operations and to explore viable opportunities along the value-chain of cell and stem cell related businesses.

本集團繼續致力於三個主要業務領域（即(A)組織工程；(B)幹細胞，包括(i)細胞及幹細胞療法及(ii)醫療設備及其他服務；以及(C)化妝品及醫療保健）之研發以及商業化。於二零一五年八月，透過合約安排，本集團完成收購Frame Sharp Limited的70.0%股權，即實際相等於奧凱(蘇州)生物技術有限公司（「奧凱(蘇州)」）的70.0%股權。奧凱(蘇州)專注於提供有關臨床應用級別的人體自體細胞及幹細胞分離、純化、擴增及凍存之服務。作為再生醫學擴充項目的一部份以及考慮到細胞和幹細胞處理具地域性要求，此收購項目將為本集團提供機會於華東地區（中國東部地區）建立區域中樞，處理人體細胞及幹細胞業務。

繼完成收購奧凱(蘇州)後，本集團目前擁有五個生產基地，其中兩個位於陝西省西安市；一個位於廣東省深圳市；一個位於江蘇省蘇州市；一個位於天津市。該等現有的生產基地均策略性地選址於中國較發達的城市，以配合本集團現有及未來產品及服務之商業化。

作為再生醫學行業的高科技先驅企業，本集團繼續致力發展和豐富我們的組織工程業務及不斷開拓細胞及幹細胞相關業務價值鏈上的可行商機。

* for identification only

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATIONS REVIEW

A) *Tissue Engineering*

Tissue Engineered Skin with Living Human Cells — ActivSkin®

ActivSkin® is a tissue-engineered skin and the first registered product of the Group. It can relieve pains, shorten healing time and reduce scarring for treating burns and scalds.

During the reporting period, we commenced sales of ActivSkin which were applied to patients eventually. In addition, we signed a long term contract with a distributor for promoting ActivSkin® directly to hospitals. Some hospitals have applied them on patients gradually, while some doctors are performing trial use on the clinical efficacy. Negotiations with various hospitals are currently underway. We prefer to sell relatively small quantity per order initially because ActivSkin® demands special logistic arrangement to ensure clinical efficacy.

Acellular Corneal Stroma — “Acornea”

Our acellular corneal stroma, Acornea, was approved by the China Food and Drug Administration (“CFDA”) and its registration certificate for medical device (“Product Certificate”) has been obtained in April 2015.

In November 2015, the Group entered into respective distribution agreements and relevant schedule agreements (collectively referred as “Distribution Agreements”) with provincial distributors, who are independent third parties, to develop the sale of the Group’s Acornea. The signing of the Distribution Agreements signifies a major step forward towards the commercialisation of Acornea. Pursuant to the Distribution Agreements, the sale distributors shall be responsible for developing sales in hospitals, marketing and distribution of Acornea.

業務回顧

A) 組織工程

人體活細胞組織工程皮膚 — 安體膚®

安體膚®是一種組織工程皮膚，為本集團首個註冊產品。其在治療燒傷和燙傷方面可以減輕患者疼痛，縮短癒合時間，並減少疤痕。

於報告期間，我們開始銷售安體膚®(其最終應用於患者身上)。此外，我們已與一名分銷商簽訂長期合約，以爭取安體膚®獲醫院直接採購。一些醫院已逐漸在患者身上應用安體膚®，而一些醫生正在試用安體膚®以驗證臨床療效。目前正在與多間醫院進行洽談。由於安體膚®需要特殊的物流安排來確保臨床療效，我們傾向於在初始階段按單小量銷售。

脫細胞角膜基質 — 「艾欣瞳」

我們的脫細胞角膜基質艾欣瞳已獲得國家食品藥品監督管理總局(「藥監總局」)的批准，並於二零一五年四月獲得醫療器械註冊證書(「產品註冊證書」)。

於二零一五年十一月，本集團與多家省級分銷商(均為獨立第三方)分別訂立經銷協議及相關附錄協議(統稱為「經銷合作協議」)，以拓展本集團的艾欣瞳銷售。簽訂經銷合作協議標誌著艾欣瞳的商業化邁出重要一步。根據經銷合作協議，銷售分銷商須負責開發艾欣瞳的醫院銷售、營銷及分銷。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATIONS REVIEW (Cont'd)

A) *Tissue Engineering (Cont'd)*

Acellular Corneal Stroma — “Acornea” (Cont'd)

The Group has formed an Ophthalmology Expert Committee with key opinion leaders from various leading hospitals to provide surgical technique training for junior ophthalmic surgeons to better understand the applications of Acornea. This training caters for more suitable ophthalmologists, thus allowing the applications to be widely and extensively used in therapeutic lamellar keratoplasty and paving possible future product upgrades and development.

Calcined Bovine Bone — “Gegreen”

Gegreen is a protein-detracted bone substitute material for inducing natural bone regeneration. It is intended to be used by dental professionals for the application of jawbone defect restoration, particularly in dental implantation and treatment of periodontal defects.

The production of Gegreen is under the management of our subsidiary, Shaanxi Reshine Biotech Co., Ltd (“Reshine”). Due mainly to the previous landlord’s building planning adjustment, Reshine relocated its production facilities to the northeastern corner of Xian and resumed production in early 2016. The distribution of Gegreen has taken off since then.

業務回顧 (續)

A) 組織工程 (續)

脫細胞角膜基質 — 「艾欣瞳」(續)

本集團已成立由多間領先醫院的關鍵意見領袖組成的眼科專家委員會，為資歷較淺的眼科醫生提供手術技術培訓，增進彼等對艾欣瞳應用的了解。該培訓面向更多合適的眼科醫生，以使艾欣瞳更普遍及廣泛地應用於治療性板層角膜移植術，以及為未來潛在產品升級及開發作準備。

天然煨燒骨修復材料 — 「骼瑞」

骼瑞是一種可引導天然骨再生的脫蛋白質骨替代材料，被牙科專業人士應用於頷骨缺損修復，特別是用於牙科種植及牙周骨缺損的治療。

骼瑞之生產是由我們的附屬公司陝西瑞盛生物科技有限公司（「瑞盛」）管理。由於前業主調整樓宇規劃，瑞盛搬遷其生產設施至西安東北區並於二零一六年初恢復生產。骼瑞之分銷自此開始。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATIONS REVIEW (Cont'd)

A) *Tissue Engineering (Cont'd)*

*Acellular Anal Fistula Repair Stroma — “Asiunin”
(formerly known as Acellular Small Intestinal Submucosa,
namely Resunin)*

The Group has obtained the Product Certificate of Asiunin in October 2015. Starting from early 2016, the Group has established provincial dealership for Asiunin and sales are taking off gradually.

Asiunin is applied to simple anal fistula disease without going through fistulotomy operation which is traditionally used to cure anal fistula in western medicine. Fistulotomy operation has a chance to harm the sphincter muscle and causes relapses. It is believed that the relapse rate when using Asiunin for simple anal fistula is comparatively lower.

*Medical Technique — Cell Sheet-Autologous Chondrocyte
Implantation (“CS-ACI”)*

In addition to medical device products, the Group also participates in research and development of technological advanced medical techniques for enhancing curative results.

At present, the sales and marketing team is negotiating with various provincial agents. The role of the agents is to connect and negotiate with hospitals for obtaining their willingness to participate in the performance of CS-ACI procedure. It may also involve the collaboration of rehabilitation hospitals to ensure post-surgical cartilage growth and recovery of movement.

In addition to the above, the Group is also in the process of conducting research and development of other medical techniques.

業務回顧 (續)

A) 組織工程 (續)

*脫細胞肛瘻修復基質 — 「瑞栓寧」(前稱脫細胞
粘膜基質，名為瑞栓寧)*

本集團已於二零一五年十月獲得瑞栓寧之產品註冊證書。自二零一六年初，本集團已建立瑞栓寧之省級經銷商關係，並逐步開展銷售。

瑞栓寧應用於治療簡單肛瘻疾病，而無須進行西醫傳統治療肛瘻的瘻管切開術。瘻管切開術或會損害括約肌而引起復發。使用瑞栓寧治療簡單肛瘻之復發率被認為相對較低。

*醫療技術 — 自體軟骨細胞膜片移植技術
(「CS-ACI」)*

除醫療器械產品外，本集團亦從事先進醫療技術之研發，以提高療效。

目前，銷售及營銷團隊正與多名省級代理磋商。代理的職責是與醫院進行聯絡及商議，取得彼等同意參與實施CS-ACI手術程序之意願。代理亦需與康復醫院合作，以確保術後軟骨增長及活動能力的康復。

除上述外，本集團亦正在研發其他醫療技術。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATIONS REVIEW (Cont'd)

B) Stem Cell

(i) Cellular and Stem Cell Therapy

With the guidance, knowledge, and know-how of Professor Zhanfeng Cui (“Prof. Cui”) of the University of Oxford (“Oxford University”) who is one of our main advisors, the Company has paved our path and leveraged on his years of experience to the development of cellular and stem cell therapy related businesses.

In May 2015, the Company formed a special vehicle company (“Special Vehicle”) with Prof. Cui, in which Prof. Cui holds a minority interest, to capture all future development of the Group’s stem cell related operations, including the development of a stem cell clinical applications centre in Hong Kong, China Stem Cell Clinical Applications Centre, as the research and development base to support the Group’s stem cell initiatives in Hong Kong and in the region, as well as concentrating in research and development projects.

The Group is building our China Stem Cell Clinical Applications Centre at Phase 3 of Hong Kong Science Park in Shatin. The 2,000 sq. metres premise will be a world class facility that aims to comply with domestic and international standards. The tenancy has begun and the Group engages a main consultant company from the United Kingdom to participate and manage from concept designs to detailed designs. Construction of this GMP facility is expected to be completed and to start operation during the first half of 2017. Our stem cell clinical application facility in Hong Kong will comply with GMP and PIC/S cleanroom standard for our future cellular-therapy fabrication and development. Similar pre-installation regulatory screening will also be done for the Hong Kong Department of Health for GMP and PIC/S compliance.

業務回顧 (續)

B) 幹細胞

(i) 細胞及幹細胞療法

憑藉我們的其中一位總顧問牛津大學（「牛津大學」）崔占峰教授（「崔教授」）的指導、知識及技能，以及藉著其多年經驗，本公司已為發展細胞及幹細胞療法相關業務做好準備。

於二零一五年五月，本公司與崔教授成立一間專項控股公司（「專項控股公司」）（其中崔教授持有少數股權），以把握本集團幹細胞相關業務的一切未來發展，包括在香港建立一個幹細胞臨床應用中心，即中國幹細胞臨床應用中心，作為研發基地，以支持本集團於香港及區內的幹細胞計劃，以及專注於項目研發。

本集團正在位於沙田的香港科學園三期成立中國幹細胞臨床應用中心。該佔地2,000平方米的場所將成為符合國內外標準的世界級設施。有關租期已開始，而本集團委聘一家英國的主要顧問公司參與及管理自概念設計至詳細設計的相關流程。該GMP設施的建造預計將於二零一七年上半年完工及開始營運。我們位於香港的幹細胞臨床應用設施將符合GMP及PIC/S潔淨室的標準，以用於我們日後細胞療法的完善及發展。我們亦會就香港衛生署的GMP及PIC/S規範進行類似的安裝前監管審查程序。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATIONS REVIEW (Cont'd)

B) Stem Cell (Cont'd)

(i) Cellular and Stem Cell Therapy (Cont'd)

By fostering our competitive edge and looking to create value in cellular and stem cell related industry, in September 2015, a subsidiary of the Special Vehicle signed a joint-venture agreement with Versitech Limited, the technology transfer company and commercial arm of the University of Hong Kong ("Hong Kong University"), and Professor Chi-Fung Chan, the Head of the Department of Paediatrics & Adolescent Medicine of Hong Kong University, to carry out cellular therapy related business using various adult stem cells and immune cells.

Elsewhere, the Group has taken proactive steps in exploring and identifying business opportunities in cellular and stem cell therapy application in the PRC. Prof. Cui has brought to us acquisition opportunities in two stem cell related companies in the PRC, one focuses in clinical application operations and the other one in pre-clinical trial operations. The acquisition of the clinical application operations of AK Suzhou was completed in August 2015.

Prof. Cui also provided us with the opportunity to acquire 天津衛凱生物工程有限公司 (Tianjin Weikai Bioeng Ltd.#) ("Tianjin Weikai"). This acquisition was completed in April 2015. Tianjin Weikai focuses on providing services and equipment for pre-clinical trial applications of stem cell as well as contract researches. Over the years, Tianjin Weikai has stored up stem cell samples for research and development, and human liver cells extracted through its own unique techniques for contract research organisation ("CRO") testing particularly on toxicity.

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業務回顧 (續)

B) 幹細胞 (續)

(i) 細胞及幹細胞療法 (續)

為增強我們的競爭優勢以及在細胞及幹細胞相關行業創造價值，於二零一五年九月，專項控股公司的一間附屬公司與香港大學（「香港大學」）屬下的技術轉讓公司及商務機構港大科橋有限公司及香港大學兒童及青少年科學系主任陳志峰教授訂立合作協議，以採用多種成人幹細胞及免疫細胞開展細胞治療相關業務。

此外，本集團已採取積極措施，在中國探索及物色細胞及幹細胞治療應用之商機。崔教授已為我們帶來兩間與幹細胞相關的中國公司的收購機會，其中一間專注於臨床應用業務，另一間專注於臨床前試驗業務。收購奧凱（蘇州）的臨床應用業務已於二零一五年八月完成。

崔教授亦為我們提供了收購天津衛凱生物工程有限公司（「天津衛凱」）之機會，該收購事項已於二零一五年四月完成。天津衛凱專注於為臨床前的幹細胞試驗應用提供服務及設施，以及合同式技術研究。多年以來，天津衛凱已儲存用於研發之幹細胞樣本，及透過其自有獨特技術提取人體肝細胞以供合同式技術研究組織（「CRO」）測試（尤其是毒性）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATIONS REVIEW (Cont'd)

B) Stem Cell (Cont'd)

(ii) Medical Equipment and other Services

The Group, through Tianjin Weikai, offers CRO services of drug screening, drug efficacy and toxicity assays in the pre-clinical drug development services. In addition to the traditional cell culture, we have established the three-dimensional (3D) cell culture drug screening and toxicity assays models based on the international advanced technology of 3D perfusion cell culture system.

TissueFlex® and 3DFlo® are 3D perfusion cell culture systems for pre-clinical applications which enable the study of cellular behavior and function in a more in-vivo-like environment. Such environment can provide responses that closely replicate human responses. The 3D perfusion cell culture system can reduce late stage clinical trials failures by first identifying unsafe drugs and through selection of the most efficacious candidates earlier in the drug development process. Tianjin Weikai is developing the second generation of its 3D perfusion cell culture system, the 3DFlo® so as to enhance additional automatic control system.

C) Cosmetics and Healthcare

The Group will give attention to products with growth factors, collagen, and anti-aging elements. The derivatives resided during our production processes of the tissue-engineered skin have been developed into a bioregenerative skincare product under the brand AmyBio Skincare series, targeting for the professional skincare cosmetic market through the application in beauty salons of the PRC (People's Republic of China and for the purpose of this report, excluding Hong Kong, Macao Special Administrative Region and Taiwan). The product was trial-used by beauty salons of Shaanxi province and received very positive market response. The product is expected to be launched by August and various provincial distributors are under development.

Another skincare brand Ascara, which is manufactured in Switzerland, was launched within PRC in November 2015. Ascara is a high-end foreign skincare product line targeting for the mass market, through the marketing channel of e-commerce platforms, like 聚美優品 (www.jumei.com) 京東商城 (www.jd.com) and high-end shopping malls in over 12 major cities of PRC.

業務回顧 (續)

B) 幹細胞 (續)

(ii) 醫療設備及其他服務

本集團透過天津衛凱提供臨床前藥物開發服務中的藥物篩選、藥物療效及毒性檢測的CRO服務。除了傳統的細胞培養，根據三維灌注細胞培養系統的國際先進技術，我們已建立了三維細胞培養藥物篩選和毒性檢測模型。

TissueFlex®及3DFlo®均為臨床前應用的三維灌注細胞培養系統，在該環境下可作出近似於人體反應的反應，有助於研究細胞在更類似體內環境的表現及功能。該三維灌注細胞培養系統透過預先識別不安全藥物及在藥物開發過程早期篩選療效最佳的藥物，可以降低後期臨床試驗時的失敗機率。天津衛凱正在開發其第二代三維灌注細胞培養系統3DFlo®，以改良附加的自動調節系統。

C) 化妝品及醫療保健

本集團將專注於具有生長因子、膠原蛋白及抗衰老元素的產品。組織工程皮膚的生產過程中產生的衍生品已發展為AmyBio護膚系列品牌下的皮膚再生護膚產品，透過中國（中華人民共和國，就本報告而言，不包括香港、澳門特別行政區及台灣）美容院的應用主攻專業護膚化妝品市場。陝西省的美容院已試用該產品且市場反應十分積極。該產品預期將於八月推出且本集團正發展多家省級分銷商。

另一個於瑞士生產的護膚品牌阿卡蘭於二零一五年十一月在中國推出。阿卡蘭為面向大眾市場的國外高端護膚產品線，營銷渠道主要為電子商務平台（例如聚美優品(www.jumei.com)、京東商城(www.jd.com)）及中國12個主要城市的高端購物中心。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS OUTLOOK

The Group is continuously building sales and marketing team for various product lines. A number of marketing actions have been taken. Firstly, an ophthalmology committee comprised of key opinion leaders and a training institute have been formed so that ophthalmologists can be trained to use our Acornea safely and effectively. Secondly, the signing of Distribution Agreements for tissue engineering products, like Acornea, Gegreen, Asiunin with sale distributors. The Group expects that such Distribution Agreements may have a positive impact on the Group's performance in the coming financial year.

With additional products enlisted gradually moving into clinical trials and regulatory approval stages, our product pipeline will be further enhanced to meet diversified clinical needs.

China Stem Cell Clinical Applications Centre at Hong Kong Science Park is currently under design and construction for which we intend to bridge the long unresolved gap between basic research scientists and clinicians by providing various kinds of clinical graded cells and stem cells. By positioning as a regional world class hub of its kind, we aim to serve domestic clients as well as clients from Asia Pacific.

The Group envisions itself to be the leading pioneer of regenerative medicine in Asia and in the region. The Group's current production facilities in Xi'an, Shenzhen, Tianjin and Suzhou in the PRC, are designated to the development of both tissue engineering products and techniques as well as cellular and stem cell therapy related businesses.

The Group continues to look for viable fund raising activities to finance its existing businesses and future and potential developments. In July 2015, the Group entered into a placing agreement with a placing agent to place, on a best-effort basis, an aggregate of up to 1,150,000,000 new shares at a placing price of HK\$0.40 per share. This placing was completed on 30 July 2015, and net proceeds from the placing of these 1,150,000,000 new shares were approximately HK\$456.0 million.

業務展望

本集團正繼續為多個產品線組建銷售及營銷團隊，並已開展多項營銷活動。首先，本集團已成立由關鍵意見領袖組成的眼科專家委員會及培訓機構，以培訓眼科醫生安全有效地使用我們的艾欣瞳。其次，本集團已就艾欣瞳、骼瑞、瑞柱寧等組織工程產品與分銷商簽訂經銷合作協議。本集團預期有關經銷合作協議可能會對本集團於下一個財政年度之表現產生正面影響。

隨著更多的產品逐步進入臨床試驗及監管審批階段，我們的產品線將進一步增強，滿足多元化的臨床需求。

香港科學園的中國幹細胞臨床應用中心目前正處於設計階段，我們擬透過提供不同種類臨床級別之細胞及幹細胞，以跨越基礎研究科學家及臨床醫生之間長久以來一直存在的鴻溝。為將該中心定位為區內具世界級水準的幹細胞臨床應用中心，我們致力服務於本地客戶及亞太地區客戶。

本集團展望是成為亞洲及區內的再生醫學之先驅。本集團現時於中國西安、深圳、天津及蘇州之生產設備均為組織工程產品及技術和細胞及幹細胞療法相關業務發展提供支持。

本集團繼續物色可行的集資機會，為其現有業務以及日後及潛在發展提供資金。於二零一五年七月，本集團與配售代理訂立配售協議，在盡最大努力的基礎上按每股0.40港元的配售價配售合共最多1,150,000,000股新股份。配售事項已於二零一五年七月三十日完成，配售該等1,150,000,000股新股份之所得款項淨額約為456,000,000港元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FUTURE PROSPECT

The Group continues to strive for opportunity to widen its business scope in the bio-medical area, as well as strengthening and maintaining as one of the leading pioneers in the medical and related industries. The Group is negotiating with renowned scientists, clinicians, hospitals and medical groups, and/or leading institutions for long-term collaborations to seek new development in the bio-medical and/or medical related industries.

The Chinese government has committed to provide support towards hi-tech industries, including regenerative medicine, a sub-division of the bio-medical industries. We will continuously strive for more assistance from the Chinese government to provide additional resources for broadening our R&D coverage on regenerative medicine spectrum. If we can access more support from local government, for example high-technology subsidies and relatively lower land cost, we may consider building additional plants as well as research centres in other suitable locations for our current and/or new products.

As the Group continues to identify and invest in suitable business opportunities, expand and improve in its research and development capability, facilitate the development of the existing business plan as well as implementation of the sale and marketing strategy, the Board may consider fund raising activities if viable fund raising options, which are in the best interest of the Group and the shareholders of the Company, are available.

FINANCIAL REVIEW

Result

The Group's revenue for the year ended 30 April 2016 was approximately HK\$27.8 million, representing an increase of approximately HK\$25.0 million, or 892.8%, compared to revenue of approximately HK\$2.8 million for last year. The overall increase in revenue was attributable to an increase in revenue across different segments, including tissue engineering, stem cell and cosmetics and healthcare.

During the year under review, the Group incurred a loss of approximately HK\$194.5 million, as compared to a loss of approximately HK\$255.4 million for last year. The loss was mainly attributable to (i) the amortisation of intangible assets of approximately HK\$38.6 million (2015: HK\$37.5 million); (ii) research and development costs of HK\$58.7 million (2015: HK\$31.0 million); (iii) finance costs of HK\$25.8 million (2015: HK\$3.1 million); (iv) exchange loss of HK\$22.0 million (2015: HK\$0.1 million) mainly driven by RMB depreciation; and (v) the increase in general administrative expenses, namely staff cost and office rental.

未來前景

本集團將繼續爭取擴大其生物醫學之業務範圍的機會，以及加強和維持其在醫學及相關行業的領先地位。本集團正與數位著名科學家、臨床醫生、醫院、醫療組織及／或領先機構協商建立長期合作關係，尋求生物醫學及／或醫藥相關產業的新發展。

中國政府致力對高新技術產業提供支持，包括作為生物醫藥產業分支的再生醫學。我們將繼續爭取獲得中國政府更多的支持，為擴大我們於再生醫學領域之研發範圍提供額外資源。如我們能獲地方政府更多的支持，例如高新技術補貼及相對較低的地價，我們或會考慮在其他合適選址為我們現有及／或新產品建設新廠房以及研發中心。

本集團持續致力物色和投資於合適商機、擴大和提高其研發能力、促進發展現有業務計劃及實施銷售及營銷策略，在此過程中，董事會可能會在有符合本集團及本公司股東最佳利益的可行集資選擇時考慮進行集資活動。

財務回顧

業績

本集團截至二零一六年四月三十日止年度之收益約為27,800,000港元，較上一年度收益約2,800,000港元，增加約25,000,000港元或892.8%。收益之整體增加歸因於不同分部（包括組織工程、幹細胞以及化妝品及醫療保健）之收益增加。

於回顧年度內，本集團產生虧損約194,500,000港元，而上一年度虧損約為255,400,000港元。有關虧損主要歸因於(i)無形資產攤銷約38,600,000港元（二零一五年：37,500,000港元）；(ii)研發成本58,700,000港元（二零一五年：31,000,000港元）；(iii)財務費用25,800,000港元（二零一五年：3,100,000港元）；(iv)主要因人民幣貶值而產生滙兌虧損22,000,000港元（二零一五年：100,000港元）；及(v)一般行政開支（即員工成本及辦公室租金）增加。

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管理層討論及分析

FINANCIAL REVIEW (Cont'd)

Net Assets

Net assets of the Group amounted to approximately HK\$2,118.2 million as at 30 April 2016, as compared to approximately HK\$1,844.2 million at 30 April 2015, representing an increase of 14.9%. The increase was mainly attributable to the share placement concluded in July 2015.

Liquidity and Financial Resources

Cash and Cash Equivalents

As at 30 April 2016, the Group had cash and cash equivalents of approximately HK\$1,300.8 million (2015: HK\$1,009.0 million). The increase in cash and cash equivalent of approximately HK\$291.8 million was mainly due to proceeds obtained from share placement.

As at 30 April 2016, the bank borrowings of approximately HK\$542.6 million (2015: HK\$59.0 million) were secured by property and land use rights, or pledged bank deposits.

Working Capital and Gearing Ratio

As at 30 April 2016, the Group had current assets of approximately HK\$1,994.5 million (2015: HK\$1,187.9 million), while its current liabilities stood at approximately HK\$692.8 million (2015: HK\$117.7 million), representing a net current asset position with a working capital ratio (current assets to current liabilities) of 2.88 (2015: 10.09).

The gearing ratio of the Group as at 30 April 2016, calculated as bank borrowings to total equity was 0.26 (2015: 0.03).

As at 30 April 2016, the Group's aggregate balance of cash and cash equivalents and pledged bank deposits far exceeded its bank borrowings. Given such net cash position, the gearing ratio of the Group would not be applicable if calculated as net debt to equity.

Capital Structure

During the year, the issued shares of the Company were increased by 1,150,000,000 shares to 17,592,180,000 shares as a result of share placement during the year.

財務回顧 (續)

淨資產

本集團於二零一六年四月三十日之淨資產約2,118,200,000港元，較二零一五年四月三十日約1,844,200,000港元增加14.9%。此增加主要歸因於二零一五年七月進行之股份配售。

流動資金及財務資源

現金及現金等值項目

於二零一六年四月三十日，本集團擁有現金及現金等值項目約1,300,800,000港元（二零一五年：1,009,000,000港元）。現金及現金等值項目增加約291,800,000港元乃主要受惠於股份配售獲得之所得款項。

於二零一六年四月三十日，銀行借款約542,600,000港元（二零一五年：59,000,000港元）由物業及土地使用權，或已抵押的銀行存款作抵押。

營運資金比率及資產負債比率

於二零一六年四月三十日，本集團流動資產約1,994,500,000港元（二零一五年：1,187,900,000港元），而其流動負債則約692,800,000港元（二零一五年：117,700,000港元），即處於淨流動資產狀況，而營運資金比率（流動資產比流動負債）為2.88（二零一五年：10.09）。

於二零一六年四月三十日，本集團之資產負債比率（銀行借款相對總權益）為0.26（二零一五年：0.03）。

於二零一六年四月三十日，本集團現金及現金等值項目和已抵押銀行存款之結餘總額遠高於其銀行借款。鑒於此為淨現金狀況，倘按債務淨額相對權益計算本集團之資產負債比率將不適用。

資本結構

本公司之已發行股份數目於年內增加1,150,000,000股至17,592,180,000股，此為年內股份配售之結果。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FOREIGN EXCHANGE EXPOSURE

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

MATERIAL ACQUISITIONS OR DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

On 9 January 2015, the Group entered into a sale and purchase agreement ("Sale and Purchase Agreement") to acquire up to 82.353% equity interest of Frame Sharp Limited, which effectively represents 70% equity interest of 奧凱(蘇州)生物技術有限公司 (AK (Suzhou) Biomedical Ltd.#) ("AK Suzhou") through contractual arrangements ("AK Acquisition"), at the consideration of HK\$42.5 million.

The completion of the AK Acquisition took place on 14 August 2015 in accordance with the terms of the Sale and Purchase Agreement. Following the completion of the AK Acquisition, Frame Sharp Limited and its subsidiaries (including AK Suzhou) have become indirect 70% owned subsidiaries of the Company.

Details of AK Acquisition was disclosed in the Company's announcements dated 9 January 2015, 12 March 2015 and 14 August 2015.

外匯風險

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

附屬公司及聯屬公司之重大收購或出售事項

於二零一五年一月九日，本集團訂立買賣協議（「買賣協議」），以42,500,000港元的代價收購Frame Sharp Limited最多82.353%股權，即實際佔奧凱(蘇州)生物技術有限公司（「奧凱(蘇州)」）70%股權（「奧凱收購事項」）。

根據買賣協議之條款，奧凱收購事項已於二零一五年八月十四日完成。完成奧凱收購事項之後，Frame Sharp Limited及其附屬公司（包括奧凱(蘇州)）成為本公司間接擁有70%權益之附屬公司。

奧凱收購事項之詳情披露於本公司日期為二零一五年一月九日、二零一五年三月十二日及二零一五年八月十四日之公告內。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS

(collectively AK Suzhou Contractual Arrangements and Tianjin Weikai Contractual Arrangements)

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

AK Suzhou Contractual Arrangements

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

Particulars and main business of the operating entity

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

for identification only

合約安排

(統稱奧凱(蘇州)合約安排及天津衛凱合約安排)

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

奧凱(蘇州)合約安排

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

經營實體之詳情及主要業務

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

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (Cont'd)

AK Suzhou Contractual Arrangements (Cont'd)

Particulars and main business of the operating entity (Cont'd)

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

Major terms of the AK Suzhou Contractual Arrangements

a) *Irrevocable power of attorney*

Parties:

Suzhou Biomedical Shareholders

Terms:

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

Main Subject:

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

合約安排 (續)

奧凱 (蘇州) 合約安排 (續)

經營實體之詳情及主要業務 (續)

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

奧凱 (蘇州) 合約安排之主要條款

a) *不可撤回授權委託書*

訂約方：

蘇州生物技術股東

年期：

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

主體事項：

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

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管理層討論及分析

CONTRACTUAL ARRANGEMENTS (Cont'd)

AK Suzhou Contractual Arrangements (Cont'd)

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

b) *Exclusive business cooperation agreement*

Parties:

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

Terms:

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

Main Subject:

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

合約安排 (續)

奧凱 (蘇州) 合約安排 (續)

奧凱 (蘇州) 合約安排之主要條款 (續)

b) 獨家業務合作協議

訂約方：

- (i) 奧凱附屬公司
- (ii) 奧凱 (蘇州)

年期：

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

主體事項：

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

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (Cont'd)

AK Suzhou Contractual Arrangements (Cont'd)

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

c) Exclusive option agreements

Parties:

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

Terms:

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

Main Subject:

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

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

合約安排 (續)

奧凱 (蘇州) 合約安排 (續)

奧凱 (蘇州) 合約安排之主要條款 (續)

c) 獨家購股權協議

訂約方：

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

年期：

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

主體事項：

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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CONTRACTUAL ARRANGEMENTS (Cont'd)

AK Suzhou Contractual Arrangements (Cont'd)

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

c) Exclusive option agreements (Cont'd)

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

d) Equity pledge agreements

Parties:

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

Terms:

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

Main Subject:

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

合約安排 (續)

奧凱 (蘇州) 合約安排 (續)

奧凱 (蘇州) 合約安排之主要條款 (續)

c) 獨家購股權協議 (續)

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

d) 股權質押協議

訂約方：

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

年期：

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

主體事項：

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

MANAGEMENT DISCUSSION AND ANALYSIS

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CONTRACTUAL ARRANGEMENTS (Cont'd)

AK Suzhou Contractual Arrangements (Cont'd)

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

e) *Consent letter of spouse*

Parties:

The spouses of Suzhou Biomedical Shareholders

Terms:

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

Main Subject:

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

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

合約安排 (續)

奧凱 (蘇州) 合約安排 (續)

奧凱 (蘇州) 合約安排之主要條款 (續)

e) *配偶同意函*

訂約方：

蘇州生物技術股東之配偶

年期：

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

主體事項：

蘇州生物技術股東之配偶無條件同意奧凱 (蘇州) 合約安排。

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

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (Cont'd)

AK Suzhou Contractual Arrangements (Cont'd)

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

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

Revenue and assets subject to the AK Suzhou Contractual Arrangements

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

Revenue	收益	55
Net loss	虧損淨額	3,318
Total assets	總資產	4,934

For the year ended 30 April 2016, the revenue and net loss subject to AK Suzhou Contractual Arrangements amounted to approximately 0.20% and 1.71% of the revenue and net loss of the Group respectively. As at 30 April 2016, the total assets subject to AK Suzhou Contractual Arrangements amounted to approximately 0.17% of the total assets of the Group.

Material changes

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

合約安排 (續)

奧凱 (蘇州) 合約安排 (續)

採用奧凱 (蘇州) 合約安排之理由及對本集團之重要性

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

奧凱 (蘇州) 合約安排之收益及資產

奧凱 (蘇州) 合約安排之收益、溢利/虧損淨額及總資產載列如下：

Year ended
30 April 2016
截至二零一六年
四月三十日止年度
(HK\$'000)
(千港元)

截至二零一六年四月三十日止年度，奧凱 (蘇州) 合約安排之收益及虧損淨額分別佔本集團收益及虧損淨額約 0.20% 及 1.71%。於二零一六年四月三十日，奧凱 (蘇州) 合約安排之總資產佔本集團總資產約 0.17%。

重大變動

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

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (Cont'd)

AK Suzhou Contractual Arrangements (Cont'd)

Unwinding of AK Suzhou Contractual Arrangements

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

Tianjin Weikai Contractual Arrangements

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

Particulars and main business of the operating entity

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

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

合約安排 (續)

奧凱 (蘇州) 合約安排 (續)

解除奧凱 (蘇州) 合約安排

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

天津衛凱合約安排

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

經營實體之詳情及主要業務

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (Cont'd)

Tianjin Weikai Contractual Arrangements (Cont'd)

Major terms of the Tianjin Weikai Contractual Arrangements

a) *Irrevocable Power(s) of Attorney*

Parties:

Tianjin Weikai Shareholders

Terms:

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

Main Subject:

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

合約安排 (續)

天津衛凱合約安排 (續)

天津衛凱合約安排之主要條款

a) *不可撤回授權委託書*

訂約方：

天津衛凱股東

年期：

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

主體事項：

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

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (Cont'd)

Tianjin Weikai Contractual Arrangements (Cont'd)

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

b) *Exclusive business cooperation agreement*

Parties:

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

Terms:

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

Main Subject:

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

合約安排 (續)

天津衛凱合約安排 (續)

天津衛凱合約安排之主要條款 (續)

b) 獨家業務合作協議

訂約方：

- (i) 天津附屬公司
- (ii) 天津衛凱

年期：

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

主體事項：

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

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (Cont'd)

Tianjin Weikai Contractual Arrangements (Cont'd)

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

c) *Exclusive option agreements*

Parties:

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

Terms:

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

Main Subject:

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

合約安排 (續)

天津衛凱合約安排 (續)

天津衛凱合約安排之主要條款 (續)

c) 獨家購股權協議

訂約方：

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

年期：

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

主體事項：

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

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (Cont'd)

Tianjin Weikai Contractual Arrangements (Cont'd)

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

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

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

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

合約安排 (續)

天津衛凱合約安排 (續)

天津衛凱合約安排之主要條款 (續)

c) 獨家購股權協議 (續)

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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CONTRACTUAL ARRANGEMENTS (Cont'd)

Tianjin Weikai Contractual Arrangements (Cont'd)

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

d) *Equity pledge agreement*

Parties:

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

Terms:

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

Main Subject:

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

合約安排 (續)

天津衛凱合約安排 (續)

天津衛凱合約安排之主要條款 (續)

d) 股權質押協議

訂約方：

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

年期：

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

主體事項：

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

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (Cont'd)

Tianjin Weikai Contractual Arrangements (Cont'd)

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

e) *Consent letter of spouse*

Parties:

The spouses of Tianjin Weikai Shareholders

Terms:

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

Main Subject:

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

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

合約安排 (續)

天津衛凱合約安排 (續)

天津衛凱合約安排之主要條款 (續)

e) *配偶同意函*

訂約方：

天津衛凱股東之配偶

年期：

於簽署後無限年期並將持續有效，直至天津衛凱主債權均已經完全被滿足或被解除。

主體事項：

天津衛凱股東之配偶無條件同意天津衛凱合約安排。

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

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (Cont'd)

Tianjin Weikai Contractual Arrangements (Cont'd)

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

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

Revenue and assets subject to the Tianjin Weikai Contractual Arrangements

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

		Year ended 30 April 2016 截至二零一六年 四月三十日 止年度 (HK\$'000) (千港元)	Year ended 30 April 2015 截至二零一五年 四月三十日 止年度 (HK\$'000) (千港元)
Revenue	收益	1,266	36
Net loss	虧損淨額	402	203
Total assets	總資產	14,582	13,124

For the year ended 30 April 2015, the revenue and net loss subject to Tianjin Weikai Contractual Arrangements amounted to approximately 1.28% and 0.08% of the revenue and net loss of the Group respectively. As at 30 April 2015, the total assets subject to Tianjin Weikai Contractual Arrangements amounted to approximately 0.64% of the total assets of the Group.

For the year ended 30 April 2016, the revenue and net profit/loss subject to Tianjin Weikai Contractual Arrangements amounted to approximately 4.56% and 0.21% of the revenue and net profit/loss of the Group respectively. As at 30 April 2016, the total assets subject to Tianjin Weikai Contractual Arrangements amounted to approximately 0.50% of the total assets of the Group.

合約安排 (續)

天津衛凱合約安排 (續)

採用天津衛凱合約安排之理由及對本集團之重要性

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

受天津衛凱合約安排規限之收益及資產

天津衛凱合約安排之收益、溢利／虧損淨額及總資產載列如下：

	Year ended 30 April 2016 截至二零一六年 四月三十日 止年度 (HK\$'000) (千港元)	Year ended 30 April 2015 截至二零一五年 四月三十日 止年度 (HK\$'000) (千港元)
Revenue	1,266	36
Net loss	402	203
Total assets	14,582	13,124

截至二零一五年四月三十日止年度，天津衛凱合約安排之收益及虧損淨額分別佔本集團收益及虧損淨額之約1.28%及0.08%。於二零一五年四月三十日，天津衛凱合約安排之總資產佔本集團總資產約0.64%

截至二零一六年四月三十日止年度，天津衛凱合約安排之收益及溢利／虧損淨額分別佔本集團收益及溢利／虧損淨額之約4.56%及0.21%。於二零一六年四月三十日，天津衛凱合約安排之總資產佔本集團總資產約0.50%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (Cont'd)

Tianjin Weikai Contractual Arrangements (Cont'd)

Material changes

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

Unwinding of Tianjin Weikai Contractual Arrangements

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

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

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

合約安排 (續)

天津衛凱合約安排 (續)

重大變動

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

解除天津衛凱合約安排

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

與合約安排有關之風險及本公司採取之降低風險之措施

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

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (Cont'd)

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

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

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

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

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

合約安排 (續)

與合約安排有關之風險及本公司採取之降低風險之措施 (續)

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

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

儘管並無跡象顯示合約安排將遭任何中國監管機構干預或反對，惟就董事所深知，商務部及其他主管機構可能對相關法規之詮釋持有異議，並將不認可合約安排遵守現行或未來可能採納之中國法律、法規或規則，而該等機構可能否認合約安排之有效性、效力及可強制執行性。

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

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (Cont'd)

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

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

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

合約安排 (續)

與合約安排有關之風險及本公司採取之降低風險之措施 (續)

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (Cont'd)

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

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

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

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

合約安排 (續)

與合約安排有關之風險及本公司採取之降低風險之措施 (續)

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (Cont'd)

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

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

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

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

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

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

合約安排 (續)

與合約安排有關之風險及本公司採取之降低風險之措施 (續)

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

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

- (iii). *有關股東及項目公司之間可能存在潛在利益衝突*

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (Cont'd)

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

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

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

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

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

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

合約安排 (續)

與合約安排有關之風險及本公司採取之降低風險之措施 (續)

(iii). *有關股東及項目公司之間可能存在潛在利益衝突 (續)*

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

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

(b) *天津附屬公司、天津衛凱及天津衛凱股東之間可能存在潛在利益衝突*

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

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (Cont'd)

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

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

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

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

(iv). *The Contractual Arrangements may be subject to scrutiny of the PRC tax authorities and additional tax may be imposed*

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

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

合約安排 (續)

與合約安排有關之風險及本公司採取之降低風險之措施 (續)

(iii). *有關股東及項目公司之間可能存在潛在利益衝突 (續)*

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

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

(iv). *合約安排可能會受中國稅務機關審查並徵收額外稅項*

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

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

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CONTRACTUAL ARRANGEMENTS (Cont'd)

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

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

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

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

合約安排 (續)

與合約安排有關之風險及本公司採取之降低風險之措施 (續)

(v). 收購項目公司全部股權或資產之能力

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTUAL ARRANGEMENTS (Cont'd)

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

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

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

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

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

合約安排 (續)

與合約安排有關之風險及本公司採取之降低風險之措施 (續)

(v). *收購項目公司全部股權或資產之能力 (續)*

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OTHER COMMITMENTS

The Company signed two sponsorship agreements with the University of Oxford for the research of stem cell therapy and tissue engineering. The Company agreed to provide GBP9.0 million (equivalent to HK\$102.6 million) to the University of Oxford by instalments over the period covered by the agreements. Up to 30 April 2016, the Company has paid GBP2.5 million (equivalent to HK\$28.4 million) to the University of Oxford.

CHARGES ON ASSETS AND CONTINGENT LIABILITIES

As at 30 April 2016, bank loans of HK\$542.6 million were secured by the Group's property and land use rights, or pledged bank deposits with carrying amounts of approximately HK\$84.5 million (2015: HK\$90.0 million), HK\$4.6 million (2015: HK\$4.9 million) and HK\$558.9 million (2015: HK\$22.6 million) respectively.

As at 30 April 2016, the Group had no material contingent liabilities (2015: Nil).

DETAILS OF FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

Save as disclosed in this report, the Directors do not have any plans for material investment or capital assets at this point in time.

EMPLOYEE INFORMATION AND REMUNERATION POLICIES

As at 30 April 2016, the Group had 520 (2015: 414) employees located in Hong Kong and Mainland China. As an equal opportunity employer, the Group's remuneration and bonus policies are determined with reference to the performance and experience of individual employees. The total amount of employee remuneration (including that of the Directors and retirement benefits scheme contributions) of the Group for the year was approximately HK\$95.1 million (2015: HK\$66.4 million).

In addition, the Group may offer options to employees as a recognition of and reward for their efforts and contributions to the Group.

其他承擔

本公司與牛津大學就幹細胞治療及組織工程的研究訂立兩份贊助協議。本公司同意於協議涵蓋期間向牛津大學分期提供9,000,000英鎊（相當於102,600,000港元）。截至二零一六年四月三十日，本公司已向牛津大學支付2,500,000英鎊（相當於28,400,000港元）。

資產抵押及或有負債

於二零一六年四月三十日，542,600,000港元之銀行貸款乃以本集團之物業及土地使用權，或已抵押的銀行存款（其賬面值分別約為84,500,000港元（二零一五年：90,000,000港元）、4,600,000港元（二零一五年：4,900,000港元）及558,900,000港元（二零一五年：22,600,000港元））作抵押。

於二零一六年四月三十日，本集團並無重大或有負債（二零一五年：無）。

重大投資或資本資產未來計劃之詳情

除本報告所披露者外，董事於此時並無任何關於重大投資或資本資產之計劃。

僱員資料及薪酬政策

於二零一六年四月三十日，本集團共有員工520名（二零一五年：414名），分佈於香港及中國內地。本集團作為平等機會僱主，其員工之薪酬及獎金政策均以員工個別表現及經驗釐定。本年度本集團之員工薪酬總額（包括董事薪金及退休福利計劃供款）約為95,100,000港元（二零一五年：66,400,000港元）。

此外，本集團亦可向員工授出購股權以肯定及獎勵彼等的努力及對本集團作出的貢獻。

BIOGRAPHICAL DETAILS OF DIRECTORS AND CHIEF EXECUTIVES

董事及最高行政人員簡介

EXECUTIVE DIRECTORS

Mr. Wong Sai Hung (“Mr. Wong”), aged 61, is an executive Director and the Chairman of the Board (“Chairman”). Mr. Wong joined the Group in June 2008 as non-executive Director. He had been re-designated as executive Director between August 2012 to April 2013 and in January 2016, as the Vice Chairman between July 2009 to August 2012 and May 2013 to July 2014. He also holds directorships in certain subsidiaries of the Company. Mr. Wong graduated from Hong Kong Polytechnic University with a Higher Diploma in Business Studies (Marketing). Currently, he is an independent non-executive director of Ping An Insurance (Group) Company of China, Ltd. (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 2318) and JP Morgan Chinese Investment Trust plc (an investment trust listed on the London Stock Exchange); a non-executive director of Credit China Holdings Limited (the shares of which are listed on the Growth Enterprise Market of the Stock Exchange, stock code: 8207) and a director of One Asset Management Limited (a company incorporated in Thailand). Previously, Mr. Wong was an independent non-executive director of the Hong Kong Exchanges and Clearing Limited (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 388); an executive director of LW Asset Management Advisors Limited; a non-executive director of ARN Investment SICAV (an investment company listed on the Luxembourg Stock Exchange) and ARN Asian Enterprise Fund Limited (formerly listed on the Irish Stock Exchange); the chief executive officer and an executive director of ICBC (Asia) Investment Management Company Limited; the chief executive director of BOCI Prudential Asset Management Limited and a regional managing director of Prudential Portfolio Managers Asia.

Dr. Shao Zhengkang (“Dr. Shao”), aged 63, is an executive Director and chief executive officer of the Company (“Chief Executive Officer”). Dr. Shao joined the Group in May 2013 as the general manager and was appointed as Chief Executive Officer in September 2013. He also holds directorships in certain subsidiaries of the Company. Dr. Shao has 13 years’ experience in bio-medical industry. Prior to joining the Company, he had been the director and the general manager of a biomedical technology company in the PRC. From 1999 to 2002, he was an executive director and the general manager of China Everbright Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 165). During the period, Dr. Shao also served as non-executive director of several companies listed on the Main Board of the Stock Exchange. Before joining the Everbright Group, he was a deputy chief of the International Department of the People’s Bank of China’s Head Office, and as an economist of the Asia office of International Monetary Fund. Dr. Shao holds a Bachelor’s degree in Arts from Shanghai Institute of Foreign Languages, China. He has also obtained a Master’s degree in Business Administration from the George Washington University, U.S.A. and a Doctorate’s degree from the International Management Centre, U.K.. Dr. Shao possesses over 30 years’ experience in banking, corporate finance, treasury business development and corporate management.

執行董事

黃世雄先生（「黃先生」），61歲，為執行董事兼董事會主席（「主席」）。黃先生於二零零八年六月加盟本集團為非執行董事。彼曾於二零一二年八月至二零一三年四月期間及二零一六年一月調任為執行董事，於二零零九年七月至二零一二年八月及二零一三年五月至二零一四年七月為副主席。彼亦為本公司若干附屬公司之董事。黃先生畢業於香港理工大學，持有商管系（市場營運）高級文憑。彼現為中國平安保險（集團）股份有限公司（其股份於聯交所主板上市，股份代號：2318）及JP Morgan Chinese Investment Trust plc（於倫敦證券交易所上市之投資信託基金）之獨立非執行董事；中國信貸控股有限公司（其股份於聯交所創業板上市，股份代號：8207）之非執行董事及One Asset Management Limited（於泰國註冊成立之公司）之董事。黃先生曾任香港交易及結算所有限公司（其股份於聯交所主板上市，股份代號：388）之獨立非執行董事；利達財富管理顧問有限公司之執行董事；ARN Investment SICAV（於盧森堡證券交易所上市之投資公司）及ARN Asian Enterprise Fund Limited（曾於愛爾蘭證券交易所上市）之非執行董事；工銀亞洲投資管理有限公司之行政總裁及執行董事；中銀國際英國保誠資產管理有限公司之行政總裁及英國保誠資產管理亞洲之區域董事總經理。

邵政康博士（「邵博士」），63歲，為執行董事兼本公司行政總裁（「行政總裁」）。邵博士於二零一三年五月加盟本集團為總經理，並於二零一三年九月被委任為行政總裁。彼亦為本公司若干附屬公司之董事。邵博士於生物醫藥行業有十三年的經驗。彼於加入本公司前曾為一間中國生物醫藥科技公司之董事兼總經理。於一九九九年至二零零二年間，邵博士為中國光大控股有限公司（其股份於聯交所主板上市，股份代號：165）之執行董事兼總經理。在此期間，邵博士還擔任數家聯交所主板上市公司的非執行董事。加入光大集團前，彼曾任職中國人民銀行總行國際司副處長及國際貨幣基金組織亞洲部經濟師。邵博士持有中國上海外國語學院學士學位、美國喬治華盛頓大學工商管理碩士學位及英國國際管理學院管理學博士銜。邵博士擁有超過三十年的銀行、企業融資、財務、業務發展及企業管理經驗。

BIOGRAPHICAL DETAILS OF DIRECTORS AND CHIEF EXECUTIVES

董事及最高行政人員簡介

NON-EXECUTIVE DIRECTORS

Professor Deng Shaoping (“Prof. Deng”), aged 55, is a non-executive Director. Prof. Deng joined our Group in May 2013, and had been as Chairman between May 2013 and July 2014. He graduated from Chongqing Medical University Department of Medicine in 1983, and commenced his work at the Sichuan Provincial People’s Hospital the same year. In 1990, while having served as an attending doctor in the Hepatobiliary Surgery Division, Prof. Deng was designated and engaged in clinical and research work in transplantation field of the University of Geneva, Switzerland. During the period in Switzerland, he was awarded the Swiss Federal Scholarship and received his Doctor Degree of Medicine. In 1995, Prof. Deng had been transferred to the University of Pennsylvania for post-doctoral research work, and was awarded U.S. Organ Transplant Outstanding Young Scientific Research Awards for four times. During 1999 to 2000, he engaged in islet transplantation and xenotransplantation clinical and basic research at the Surgical Transplant Center of the University of Western Ontario, Canada. In 2000, Prof. Deng returned to the Surgical Transplant Centers of the University of Pennsylvania and took charge of setting up the islet transplantation laboratory and the subsequent clinical and research development, and successfully established a new pilot project for islet transplantation in the treatment of diabetes. In 2007, he was invited to the Massachusetts General Hospital for the establishment of a new islet transplant center and was responsible for new projects of islet transplantation carrying out in three affiliated hospitals of the Harvard Medical School.

During his clinical and research work in organ transplantation in Europe and the United States, Prof. Deng published more than 100 research papers on high-profile scientific journals and served as a guest judge on multiple authoritative professional journals. He was frequently invited to present specific reports in international academic forums, and was invited by the well-known institutions to return to China as a visiting professor for academic exchanges. Prof. Deng has sound and valuable experience in clinical and experimental aspect in respect to transplantation immunology, xenotransplantation, biology of induced immunological tolerance, islet cell transplantation. He was well recognised as one of the academic authorities in organ transplantation, especially in islet transplantation for the treatment of diabetes. Prof. Deng has also made outstanding contributions to the basic research in transplant immunology, particularly on cellular and molecular mechanisms of anti-CD45RB induced tolerance research and his research is at the leading-edge of international standard.

非執行董事

鄧紹平教授（「鄧教授」），55歲，為非執行董事。鄧教授於二零一三年五月加盟本集團，於二零一三年五月至二零一四年七月期間為董事會主席。彼於一九八三年畢業於重慶醫科大學醫學系，同年開始於四川省人民醫院工作。鄧教授於一九九零年作為肝膽外科主治醫生被選派至瑞士日內瓦大學移植外科學從事臨床及科研工作，於瑞士期間，彼獲得瑞士聯邦獎學金並獲醫學博士學位。鄧教授於一九九五年轉至美國賓夕法尼亞大學進行博士後科研工作，曾四次獲得美國器官移植優秀青年科學研究獎。彼一九九九年到二零零零年間，在加拿大西安大略大學外科移植中心，從事胰島移植以及異種器官移植的臨床及基礎研究。鄧教授於二零零零年重回賓夕法尼亞大學外科移植中心，全面負責胰島移植實驗室的組建及此後的臨床和科研工作，成功開創了胰島移植治療糖尿病的新試點項目。於二零零七年，彼被特邀至麻省總醫院組建新的胰島移植中心，並負責在哈佛大學醫學院三所附屬醫院開展胰島移植的新項目。

在歐美從事器官移植臨床及科研工作期間，鄧教授在諸多國際重要科學期刊上發表論文100多篇，擔任多個權威性專業雜誌特邀評委。彼被頻繁地邀請到國際學術論壇做專題報告，也被國內知名院校邀請為客座教授回國做學術交流。鄧教授在移植免疫學、異種移植、誘導免疫耐受、胰島細胞移植的臨床和實驗方面積累了豐富的經驗，彼被業內人士公認為器官移植，特別是胰島移植治療糖尿病方面的學術權威之一。而在移植免疫學基礎研究，特別是在CD45RB單抗誘導的耐受的細胞及分子機制研究方面，鄧教授也做出傑出貢獻，研究處於國際領先水準。

BIOGRAPHICAL DETAILS OF DIRECTORS AND CHIEF EXECUTIVES

董事及最高行政人員簡介

NON-EXECUTIVE DIRECTORS (Cont'd)

At the end of 2008, China had launched the Recruitment Program of Global Experts “Thousand Talents Program”, with the Sichuan Province being one of the first comers to make the debut of the “Hundred Talents Program”. Prof. Deng was the first person to be introduced in this “Hundred Talents Program” in Sichuan and thus in 2009, he formally returned to China to act as vice president of Sichuan Academy of Medical Sciences & Sichuan Provincial People’s Hospital, and the director of its Institute of Organ Transplantation. After then, Prof. Deng has become the president of Sichuan Academy of Medical Sciences & Sichuan Provincial People’s Hospital.

In recent years, Prof. Deng and his research team has obtained dozen subsidises from National Natural Science Foundation and the provincial and municipal scientific funds for carrying out a series of a combination of basic research and clinical work, and has published a number of authoritative research papers which attract widespread global and domestic attention.

Mr. Cao Fushun (“Mr. Cao”), aged 53, is a non-executive Director. Mr. Cao joined the Group in June 2014. Currently, he is a director of the Company’s substantial shareholders, namely Gold Fortune Profits Limited. He graduated from the Heilongjiang Radio & TV University, major in Industrial and Civil Construction. Mr. Cao had been a Committee Member of the Ninth, Tenth and Eleventh Heilongjiang Provincial Committee of Chinese People’s Political Consultative Conference (“CPPCC”). He had been awarded the titles of “Heilongjiang the Fourth of the Outstanding Entrepreneurs” and “Heilongjiang Provincial Reform One Hundred Outstanding Figures”. Mr. Cao is the founder of Heilongjiang Fortune Group which has been established since 1998 and engaged in various industries such as investment, real estate, hotel and small loans financing. He has extensive experience in investment, corporation and capital management. Currently, Mr. Cao also serves as the chairman of the board of Heilongjiang Fortune Investment Management Group Limited.

非執行董事 (續)

二零零八年底，國家啟動海外高層人才引進計劃「千人計劃」，四川省作為踐行計劃先行者之一推出「百人計劃」。鄧教授成為四川「百人計劃」下引進的第一人，於二零零九年正式回國，出任四川省醫學科學院·四川省人民醫院副院長及器官移植研究所所長，其後為四川省醫學科學院·四川省人民醫院院長。

近年，鄧教授及其研究團隊得到十多個國家自然科學基金和省市級科研基金的資助，開展了一系列與臨床相結合的基礎科研工作，發表了多篇具有國際影響的論文，受到國際、國內的廣泛關注。

曹福順先生(「曹先生」)，53歲，為非執行董事。曹先生於二零一四年六月加盟本集團。曹先生現為本公司主要股東Gold Fortune Profits Limited之董事。彼畢業於黑龍江廣播電視大學，土建類工業與民用建築學專業。曹先生歷任黑龍江省第九屆、十屆、十一屆中國人民政治協商會議(「政協」)委員。彼曾獲「黑龍江省第四屆優秀企業家」及「黑龍江省改革百名優秀人物」稱號。曹先生自一九九八年創建黑龍江福順集團，業務範圍涉及投資、房地產、酒店、小額貸款等多個行業。彼具有豐富的投資管理、企業管理和資本運營經驗。目前曹先生亦擔任黑龍江福順投資管理集團有限公司董事會主席。

BIOGRAPHICAL DETAILS OF DIRECTORS AND CHIEF EXECUTIVES

董事及最高行政人員簡介

NON-EXECUTIVE DIRECTORS (Cont'd)

Mr. Yang Zhengguo (“Mr. Yang”), aged 57, is a non-executive Director. Mr. Yang joined the Group in March 2010 as executive Director. In May 2013, he was re-designated as non-executive Director. Mr. Yang was a Standing Committee Member of the Eighth Shaanxi Provincial Committee of CPPCC (陝西省政協第八屆常委) in 1998, a Standing Committee Member of the Ninth Shaanxi Provincial Committee of CPPCC (陝西省政協第九屆常委) in 2003, and a Committee Member of Yulin Shaanxi Provincial Committee of CPPCC (陝西省榆林市政協委員) in 2000. He was also a Standing Committee Member of the Shaanxi Federation of Industry & Commerce (陝西省工商聯合會常委) in 2002 and has become the vice-chairman since 2012. Since 2008, Mr. Yang has been as a representative of the 11th and 12th National People’s Congress of Shaanxi Province (陝西省第十一、十二屆人大代表). He has involved in various industries, including trading, logistics, catering, real estate development, the research, development and production of high-tech products, and is well experienced in investment management, corporate management and capital funding.

Mr. Wang Jianjun (“Mr. Wang”), aged 57, is a non-executive Director. Mr. Wang joined the Group in May 2013. He graduated in 1982 with a BA Economics Degree from the Northeast University of Finance and Economics in the PRC. After graduation, Mr. Wang worked for the China Council for the Promotion of International Trade in Beijing. In 1988, he attained his MBA Degree from Durham University Business School in the United Kingdom. From 1989 to 1999, Mr. Wang worked for China Resources Group in Hong Kong. In 1999, he joined Shenzhen Xingtuo Industry and Trading Company as General Manager. In 2003, Mr. Wang was appointed as General Manager of China Hualu Electronic Import & Export Corp. Since 2006, he has been the director of Mosaic (Beijing) Investment Fund Management Co. Limited. Mr. Wang has many years of investment and management experience.

非執行董事 (續)

楊正國先生(「楊先生」)，57歲，為非執行董事。楊先生於二零一零年三月加盟本集團為執行董事。二零一三年五月，彼調任為非執行董事。楊先生於一九九八年曾擔任陝西省政協第八屆常委，於二零零三年擔任陝西省政協第九屆常委及於二零零零年擔任陝西省榆林市政協委員。彼於二零零二年擔任陝西省工商聯合會常委、二零一二年起擔任陝西省工商聯合會副主席。自二零零八年起，楊先生擔任陝西省第十一、十二屆人大代表。彼所從事的事業曾涉及商品零售、物資流通、飲食服務、房地產開發、高新技術產品的研發與生產等多個行業，並具有豐富的投資管理、企業管理和資本營運經驗。

王建軍先生(「王先生」)，57歲，為非執行董事。王先生於二零一三年五月加盟本集團。彼於一九八二年畢業於中國東北財經大學，並獲得經濟學學士學位。王先生畢業後在北京工作，任職於中國國際貿易促進委員會。於一九八八年，彼獲得英國杜倫大學商學院授予的工商管理碩士學位。於一九八九年至一九九九年期間，王先生在香港任職於華潤集團。於一九九九年，彼加入深圳興拓工貿公司擔任總經理。二零零三年，王先生被任命為中國華錄電子進出口公司總經理。自二零零六年始，彼出任穆塞克(北京)投資基金管理有限公司之董事。王先生擁有多年投資及管理經驗。

BIOGRAPHICAL DETAILS OF DIRECTORS AND CHIEF EXECUTIVES

董事及最高行政人員簡介

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lui Tin Nang (“Mr. Lui”), aged 58, is an independent non-executive Director. He is also the chairman of audit committee and nomination committee, and a member of remuneration committee of the Company. Mr. Lui joined the Group in September 2004. He obtained a Bachelor Degree in Science from the University of Leeds and a Master degree in Business Administration from the University of Bradford in United Kingdom, and a Postgraduate Diploma in insolvency from Hong Kong Institute of Certified Public Accountants (“HKICPA”). Mr. Lui is a fellow member of the HKICPA (Practising), the Institute of Chartered Accountants in England & Wales, the Taxation Institute of Hong Kong and The Society of Chinese Accountants and Auditors. He is also a member of the Chartered Institute of Management Accountant, Institute of Certified Public Accountants in Australia and the Certified Tax Adviser. Mr. Lui has years of experience in accounting, auditing, taxation, corporate finance and business advisory. He was an independent non-executive director of Vital Pharmaceutical Holdings Limited, now known as CGN Mining Company Limited (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 1164) and National Investments Fund Limited (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 1227). Mr. Lui is currently an independent non-executive director of Brilliant Circle Holdings International Limited (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 1008) and Noble House (China) Holdings Limited, now known as Northern New Energy Holdings Limited (the shares of which are listed on the GEM of the Stock Exchange, stock code: 8246).

Mr. Pang Chung Fai Benny (“Mr. Pang”), aged 43, is an independent non-executive Director. He is also the chairman of remuneration committee (appointed on 23 March 2015), a member of the audit committee and nomination committee of the Company. Mr. Pang joined the Group in September 2012. He is the managing partner of Loeb & Loeb LLP (Hong Kong). Between 1997 and 2009, Mr. Pang practiced as a lawyer with several international law firms in Hong Kong and Sydney. He received his Bachelor degree in Laws with honours from Bond University, Australia, in 1996. In 1997, Mr. Pang obtained his Graduate Diploma in Legal Practice and Master Degree in Laws from The College of Law, Sydney and the University of New South Wales, Australia, respectively. He has been admitted as a legal practitioner of the Supreme Court of New South Wales, Australia since 1997 and as a solicitor of the High Court of Hong Kong since 2009. Mr. Pang is a member of both the Law Society of New South Wales, Australia and the Law Society of Hong Kong. He is currently an independent non-executive director of Yuanda China Holdings Limited (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 2789), and Goldenmars Technology Holdings Limited (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 3638).

獨立非執行董事

呂天能先生（「呂先生」），58歲，為獨立非執行董事。彼亦為本公司審核委員會及提名委員會主席，以及薪酬委員會成員。呂先生於二零零四年九月加盟本集團。彼取得英國University of Leeds理學士學位，英國University of Bradford工商管理碩士學位及香港會計師公會（「香港會計師公會」）破產管理文憑。呂先生為香港會計師公會（執業）、英格蘭及威爾斯特許會計師公會、香港稅務學會及香港華人會計師公會等之資深會員。彼為英國特許管理會計師協會會員、澳洲會計師公會會員及香港註冊稅務師。呂先生於會計、審核、稅務、企業融資及業務諮詢等方面累積多年經驗。彼曾為維奧醫藥控股有限公司（現稱中廣核礦業有限公司）（其股份於聯交所主板上市，股份代號：1164）及國盛投資基金有限公司（其股份於聯交所主板上市，股份代號：1227）之獨立非執行董事。呂先生目前為貴聯控股國際有限公司（其股份於聯交所主板上市，股份代號：1008）及名軒（中國）控股有限公司（現稱北方新能源控股有限公司）（其股份於聯交所創業板上市，股份代號：8246）之獨立非執行董事。

彭中輝先生（「彭先生」），43歲，為獨立非執行董事。彼亦為本公司薪酬委員會主席（於二零一五年三月二十三日獲委任）、審核委員會及提名委員會成員。彭先生於二零一二年九月加盟本集團。彼為Loeb & Loeb LLP（香港）律師事務所的首席合夥人。於一九九七年至二零零九年間，彭先生於香港及悉尼多家國際律師事務所執業為律師。彼於一九九六年畢業於澳大利亞邦德大學，獲得法學榮譽學士學位。於一九九七年，彭先生於悉尼法律學院及澳大利亞新南威爾斯大學分別獲得法律執業研究課程文憑及法律碩士學位。彼於一九九七年獲澳大利亞新南威爾斯最高法院認可為執業律師，並於二零零九年獲香港高等法院認可為事務律師。彭先生是澳大利亞新南威爾斯律師公會及香港律師會的成員。彼現任遠大中國控股有限公司（其股份於聯交所主板上市，股份代號：2789）及晶芯科技控股有限公司（其股份於聯交所主板上市，股份代號：3638）之獨立非執行董事。

BIOGRAPHICAL DETAILS OF DIRECTORS AND CHIEF EXECUTIVES

董事及最高行政人員簡介

INDEPENDENT NON-EXECUTIVE DIRECTORS (Cont'd)

Mr. Chan Bing Woon, SBS, JP, (“Mr. Chan”), aged 71, is an independent non-executive Director. He is also a member of the audit committee, nomination committee and remuneration committee of the Company. Mr. Chan joined the Group in March 2014. Mr. Chan is a consultant of Yung, Yu, Yuen & Co., Solicitors and Notaries. He has about 40 years’ experience in the legal profession. Mr. Chan has been involved in numerous public duties including being Advisor of the Joint Mediation Helpline Office. He is also a fellow member of the Hong Kong Institute of Directors, a council member of the Hong Kong Society of Notaries, a general accredited mediator of Hong Kong International Arbitration Centre and the Law of Society of Hong Kong, and the chairman of the Hospital Governing Committee of Castle Peak Hospital and Siu Lam Hospital. Mr. Chan was a member of the Hospital Authority and a past chairman of the Hong Kong Mediation Council. He is currently an independent non-executive director of Kwoon Chung Bus Holdings Limited (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 306).

Mr. Wang Hui (“Mr. Wang”), aged 58, is an independent non-executive Director. He is also a member of the audit committee, nomination committee and remuneration committee of the Company. Mr. Wang joined the Group in June 2015. Mr. Wang is currently the CEO of First China Capital, Inc. (“FCC”), the Committee Member of China Society of Economic Reform and the Governor of Pardee RAND Graduate School of US RAND Corporation (“RAND”). Mr. Wang acquires financial and economic knowledge, and has extensive experience in mergers and acquisitions. Led by Mr. Wang, FCC provides financial advisory services in mergers and acquisitions, strategic alliance specifically for Chinese and foreign corporates. Over the past two decades, FCC served as the financial advisor to Morgan Stanley, UBS, Sumitomo Mitsui Banking Corporation, China’s banks and other financial and business institutions, and some of the successful transactions, such as UBS acquiring Beijing Securities, are considered as landmarks in the industry. From 1988 to 1993, Mr. Wang conducted research at RAND (a non-profit international research institution), and then became the adjunct researcher of RAND for a long time. From 1986 to 1988, Mr. Wang was the Assistant to President of China Institute of Economic Reform, during the period he completed a research report concerning new economic order with contract as core and it led to a national reform policy. Mr. Wang has published more than 20 academic works over the years. Mr. Wang holds a Master of Economics from China Academy of Social Sciences and a Ph.D. in Policy Analysis from Pardee RAND Graduate School.

獨立非執行董事（續）

陳炳煥先生（銀紫荊星章、太平紳士）（「陳先生」），71歲，為獨立非執行董事。彼亦為本公司審核委員會、提名委員會及薪酬委員會成員。陳先生於二零一四年三月加盟本集團。陳先生為翁余阮律師行之顧問律師。彼於法律界有約四十年經驗。陳先生亦擔任多項公職包括為聯合調解專線辦事處顧問。彼亦為香港董事學會資深會員、香港國際公證人協會理事、香港國際仲裁中心及香港律師會認可調解員，及青山醫院及小欖醫院之醫院管治委員會主席。陳先生曾為香港醫院管理局成員及香港調解會前任主席。彼現時為冠忠巴士集團有限公司（其股份於聯交所主板上市，股份代號：306）之獨立非執行董事。

王輝先生（「王先生」），58歲，為獨立非執行董事。彼亦為本公司審核委員會、提名委員會及薪酬委員會成員。王先生於二零一五年六月加盟本集團。王先生現任First China Capital, Inc.（「FCC」）行政總裁，並為中國經濟體制改革研究會理事及美國蘭德公司（「蘭德公司」）研究生院董事會董事。王先生具金融及經濟方面知識，並擁有豐富併購業務經驗。由王先生領導之FCC專門為中外企業提供併購和戰略合作的財務顧問服務。過去二十年間，FCC曾擔任摩根士丹利、瑞士銀行、日本三井住友銀行、中國的銀行等中外金融和工商機構財務顧問，其中有些交易成功之項目成為行業典範，如瑞士銀行收購北京證券。王先生於一九八八年至一九九三年為蘭德公司（一間非營利性質的國際研究機構）進行研究，其後長期任蘭德公司顧問研究員。於一九八六年至一九八八年期間，王先生為中國經濟體制改革研究所所長助理，期間完成以契約為核心的新經濟秩序的研究報告，該報告成為中國經濟改革的政策。王先生歷年曾公開發表的學術著作超過二十餘本。王先生持有中國社會科學院經濟學碩士學位，並為美國蘭德公司研究生院政策分析博士。

BIOGRAPHICAL DETAILS OF DIRECTORS AND CHIEF EXECUTIVES

董事及最高行政人員簡介

CHIEF EXECUTIVE

Mr. Tam Man Kin, Raymond (“Mr. Tam”), aged 39, is the chief financial officer of the Company (“Chief Financial Officer”). Mr. Tam joined the Group in October 2015. He obtained an Executive Master of Business Administration degree from the University of Western Ontario in Canada in 2005, a Master of Practising Accounting degree from the Monash University in Australia in 2001 and a Bachelor of Civil & Resources Engineering (First Class Honours) degree from the University of Auckland in New Zealand in 1998. Mr. Tam is a Fellow of CPA Australia, a member of the American Institute of Certified Public Accountants and the Hong Kong Institute of Certified Public Accountants. He is also a CFA and FRM charter-holder. Mr. Tam has over 15 years of management experience in banking and finance industry. Prior to joining the Company, Mr. Tam served as the Project Director of Mineralogy Pty Ltd. and the chief financial officer of Resourcehouse Ltd., both of which are Australian companies principally engaged in the development of mineral resources. Further, he worked at J.P. Morgan from 2006 to 2010 and held various management positions with The Hongkong and Shanghai Banking Corporation Limited from 1999 to 2006. He also served as the Vice President (Asia Convention) of the World Leadership Alliance – World Economic Council, and serves as the Co-Chairperson of Corporate Sector Committee of CPA Australia – Greater China in 2016.

最高行政人員

譚文健先生（「譚先生」），39歲，為本公司之首席財務官（「首席財務官」）。譚先生於二零一五年十月加盟本集團。彼於二零零五年獲加拿大西安大略大學之行政人員工商管理碩士、於二零零一年獲澳大利亞莫納什大學應用會計碩士和於一九九八年獲新西蘭奧克蘭大學土木與資源工程（一級榮譽）學士學位。譚先生為澳洲會計師公會資深註冊會計師，美國註冊會計師協會及香港會計師公會會員。彼亦為特許金融分析師及財務風險管理分析師。譚先生於銀行及金融行業擁有超過十五年的行政管理經驗。在加入本公司之前，譚先生曾擔任Mineralogy Pty Ltd.之項目總監及源庫資源有限公司之首席財務官，兩所均為主要集中於礦產資源開發業務之澳大利亞公司。此外，彼於二零零六年至二零一零年曾於摩根大通任職及於一九九九至二零零六年於香港上海滙豐銀行有限公司擔任多個行政管理職位。彼曾擔任世界經濟委員會 — 世界領袖聯盟之副總裁（亞洲區），以及於二零一六年為澳洲會計師公會 — 大中華區擔任企業事務委員會之聯席主席。

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

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

The Company has complied with all the code provisions as set out in the Corporate Governance Code and Corporate Governance Report contained in the Appendix 15 of the GEM Listing Rules (the "Corporate Governance Code") throughout the year ended 30 April 2016, with the exception of code provision A.6.7 of the Corporate Governance Code.

Under code provision A.6.7 of the Corporate Governance Code, independent non-executive directors and other non-executive directors, as equal board members, should attend general meetings and develop a balanced understanding of the views of shareholders. Two non-executive Directors, Prof. Deng Shaoping and Mr. Cao Fushun, did not attend the Company's annual general meeting held on 15 October 2015 (the "AGM") due to their engagements in other business commitments. Other Board members, including members of the audit, remuneration and nomination committees, attended the AGM and made themselves available to answer questions to ensure effective communication with the shareholders of the Company.

CORPORATE GOVERNANCE STRUCTURE

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

企業管治常規

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

本公司於截至二零一六年四月三十日止年度已遵守創業板上市規則附錄十五所載之企業管治守則及企業管治報告（「企業管治守則」）之所有守則條文，惟企業管治守則之守則條文第A.6.7條除外。

根據企業管治守則之守則條文第A.6.7條，獨立非執行董事及其他非執行董事作為與其他董事擁有同等地位的董事會成員，應出席股東大會，對公司股東的意見有公正的了解。兩名非執行董事鄧紹平教授及曹福順先生因彼等須參與其他業務，因而未能出席於二零一五年十月十五日舉行之本公司股東週年大會（「股東週年大會」）。其他董事會成員，包括審核委員會、薪酬委員會及提名委員會之成員，均出席該股東週年大會解答疑問，以確保與本公司股東的有效溝通。

企業管治架構

董事會有責任為本公司建立一套良好之企業管治架構。董事會主要負責為本集團訂立指引、制定策略、監管表現及管理風險。董事會轄下現有有三個委員會，即審核委員會（「審核委員會」）、薪酬委員會（「薪酬委員會」）及提名委員會（「提名委員會」）。各委員會根據其職權範圍履行本身獨特之職責，並協助董事會監管高級管理人員之特定工作。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS

Board Composition and Board Practices

The Board is responsible to the Shareholders for leadership and control of the Company and is collectively responsible for promoting the success of the Company and its businesses by directing and supervising the Company's affairs. Details of the membership of the Board together with their roles and functions are posted on the Stock Exchange and the Company's website and such information shall be updated as soon as practicable whenever there are changes.

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

As at 30 April 2016, the Board had ten Directors, including two executive Directors; four non-executive Directors, and four independent non-executive Directors.

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

Executive Directors

Mr. Wong Sai Hung (Chairman of the Board)
Dr. Shao Zhengkang (Chief Executive Officer)

Non-executive Directors

Prof. Deng Shaoping
Mr. Cao Fushun
Mr. Yang Zhengguo
Mr. Wang Jianjun

Independent non-executive Directors

Mr. Lui Tin Nang (Chairman of the Audit and Nomination Committee and member of the Remuneration Committee)
Mr. Pang Chung Fai Benny (Chairman of Remuneration Committee and member of the Audit and Nomination Committee)
Mr. Chan Bing Woon (member of the Nomination, Remuneration and Audit Committee)
Mr. Wang Hui (member of the Nomination, Remuneration and Audit Committee)

董事會

董事會之組成及董事會常規

董事會須就領導及監管本公司之事宜向股東負責，並須共同負責指導及監管本公司事務，務求令本公司及其業務再創佳績。董事會成員之詳情，連同彼等之角色及職責，載於聯交所及本公司網站，而當有關資料有所變動時，在切實可行的範圍內將作更新。

董事會之組成體現本公司於有效領導所需之技能及經驗方面取得之平衡。

於二零一六年四月三十日，董事會有十名董事，包括兩名執行董事、四名非執行董事及四名獨立非執行董事。

於本報告日期，董事姓名如下：

執行董事

黃世雄先生 (董事會主席)
邵政康博士 (行政總裁)

非執行董事

鄧紹平教授
曹福順先生
楊正國先生
王建軍先生

獨立非執行董事

呂天能先生 (審核委員會及提名委員會主席及薪酬委員會成員)
彭中輝先生 (薪酬委員會主席及審核委員會及提名委員會成員)
陳炳煥先生 (提名委員會、薪酬委員會及審核委員會成員)
王輝先生 (提名委員會、薪酬委員會及審核委員會成員)

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (Cont'd)

Board Composition and Board Practices (Cont'd)

Biographical details of each director are set out in the section “Biographical Details of Directors and Chief Executives” on pages 44 to 50 of this annual report.

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

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

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

董事會 (續)

董事會之組成及董事會常規 (續)

各董事的簡介詳情載於本年報第44至第50頁「董事及最高行政人員簡介」一節。

董事之間並無財務、業務、家族或其他重大／有關關係。

董事會專注於整體策略及政策，特別重視本集團之增長及財務表現。董事會之主要職責為：

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

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (Cont'd)

Board Composition and Board Practices (Cont'd)

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

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

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

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

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

董事會 (續)

董事會之組成及董事會常規 (續)

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

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

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

董事會亦就董事是否付出足夠時間履行其對董事會之職責定期檢討各董事之貢獻。

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

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (Cont'd)

Board Composition and Board Practices (Cont'd)

During this financial year, there were four independent non-executive Directors so that there is a strong element of independence in the Board to exercise independent judgment and of sufficient caliber and number for their views to carry weight. Amongst them, at least one of the independent non-executive Directors has professional qualifications, or accounting or related financial management expertise.

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

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

The Company has received an annual written confirmation from each of the independent non-executive Directors of their independence to the Company. The Company considers that all of the independent non-executive Directors are independent.

董事會 (續)

董事會之組成及董事會常規 (續)

於本財政年度，董事會擁有四名獨立非執行董事，此舉足以確保董事會內有足夠獨立人士，行使獨立判斷，以及在資歷及人數上均足以作出具影響力之建議。其中，最少一名獨立非執行董事具備專業資格或會計或相關財務管理專業知識。

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

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

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

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (Cont'd)

Board Composition and Board Practices (Cont'd)

The Board schedules four meetings a year at approximately quarterly intervals and organises additional meetings as and when required. The Directors can attend meetings in persons or through other means of electronic communication in accordance with the Company's articles of association. Notice of at least fourteen days is given of a regular Board meeting to give all Directors an opportunity to attend. For other Board and committee meetings, reasonable notice time is generally given. During this financial year, the Board held thirteen meetings, of which four were regular meetings. The following table shows the attendance of individual Directors at the meetings held during the year:

董事會 (續)

董事會之組成及董事會常規 (續)

董事會每年安排四次會議，大約每季舉行一次，並將於有需要時組織額外會議。董事可親自或透過本公司組織章程細則所容許之其他電子通訊方式出席會議。本公司將在定期董事會會議前最少十四天，向所有董事發出通知，讓其有機會出席會議。其他董事會及委員會會議一般都於合理時間發出通知。於本財政年度，董事會共舉行十三次會議，其中四次為定期會議。下表載列個別董事年內出席會議之情況：

Name of Directors 董事姓名		Attendance/ Number of General Meeting entitled to attend 出席/有權出席 股東大會數目	Attendance/ Number of Board Meetings entitled to attend 出席/有權出席 董事會會議數目
(From 1 May 2015 to 30 April 2016) (二零一五年五月一日至二零一六年四月三十日期間)			
Cao Funshun	曹福順	0/1	10/13
Chan Bing Woon	陳炳煥	1/1	12/13
Dai Yumin (resigned with effect from 30 April 2016)	戴昱敏 (於二零一六年四月三十日起辭任)	1/1	11/13
Deng Shaoping	鄧紹平	0/1	5/13
Lui Tin Nang	呂天能	1/1	12/13
Pang Chung Fai Benny	彭中輝	1/1	13/13
Shao Zhengkang (appointed with effect from 30 April 2016)	邵政康 (於二零一六年四月三十日起獲委任)	N/A 不適用	N/A 不適用
Wang Hui (appointed with effect from 18 June 2015)	王輝 (於二零一五年六月十八日起獲委任)	1/1	9/11
Wang Jianjun	王建軍	1/1	12/13
Wang Yurong (resigned with effect from 30 April 2016)	王玉榮 (於二零一六年四月三十日起辭任)	1/1	10/13
Wong Sai Hung	黃世雄	1/1	13/13
Yang Zhengguo	楊正國	1/1	11/13

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (Cont'd)

Board Composition and Board Practices (Cont'd)

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

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

Continuing Professional Development

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

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

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

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

董事會 (續)

董事會之組成及董事會常規 (續)

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

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

持續專業發展

公司秘書負責向董事會提供有關管治及規管事宜之最新消息。

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

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

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

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (Cont'd)

Continuing Professional Development (Cont'd)

Directors and Types of continuous professional development programmes

Cao Fushun	B, C
Chan Bing Woon	A, B, C
Dai Yumin (resigned with effect from 30 April 2016)	N/A
Deng Shaoping	B, C
Lui Tin Nang	A, B, C
Pang Chung Fai Benny	A, B, C
Shao Zhenggang (appointed with effect from 30 April 2016)	N/A
Wang Hui (appointed with effect from 18 June 2015)	A, B, C
Wang Jianjun	A, B, C
Wang Yurong (resigned with effect from 30 April 2016)	N/A
Wong Sai Hung	A, B, C
Yang Zhengguo	B, C

A: attending seminars/meetings/forums/conferences/courses/workshops organized by professional bodies or regulators

B: reading journals/newsletters/seminar materials/publications/magazines

C: reading memoranda issued or materials provided by the Company

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

Directors' and Officers' Liabilities

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

Appointment, Election and Re-election

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

董事會 (續)

持續專業發展 (續)

董事及持續專業發展課程類別

曹福順	乙、丙
陳炳煥	甲、乙、丙
戴昱敏 (於二零一六年四月三十日起辭任)	不適用
鄧紹平	乙、丙
呂天能	甲、乙、丙
彭中輝	甲、乙、丙
邵政康 (於二零一六年四月三十日起獲委任)	不適用
王輝 (於二零一五年六月十八日起獲委任)	甲、乙、丙
王建軍	甲、乙、丙
王玉榮 (於二零一六年四月三十日起辭任)	不適用
黃世雄	甲、乙、丙
楊正國	乙、丙

甲：參加由專業或監管機構舉辦的研討會／會議／論壇／討論會／課程／工作坊

乙：閱讀期刊／通訊／研討會材料／出版物／雜誌

丙：閱讀本公司提供的備忘錄或資料

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

董事及高級職員之責任

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

委任、選舉及重選

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

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (Cont'd)

Appointment, Election and Re-election (Cont'd)

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

Directors' Responsibility for the Financial Statements

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

Annual Report and Financial Statements

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

Accounting Policy

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

Accounting Records

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

Safeguarding Assets

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

董事會 (續)

委任、選舉及重選 (續)

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

董事對財務報表之責任

以下載列董事有關季度、中期及年度財務報表之責任：

年報及財務報表

董事確認其有責任在每個財政年度，編製能真實及公平反映本集團財政狀況之財務報表，而向股東提呈季度、中期及年度財務報表以及公佈時，董事須讓股東能從各方面衡量及了解本集團之狀況及前景。

會計政策

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

會計記錄

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

保障資產

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

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (Cont'd)

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

Going Concern

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

During the year, the roles of the Chairman and the Chief Executive Officer of the Company were segregated and performed by different individuals.

Mr. Wong Sai Hung has served as the Chairman and Dr. Shao Zhengkang has served as the Chief Executive Officer respectively during this financial year.

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

Mr. Wong Sai Hung, as the Chairman during this financial year, has taken overall responsibility for providing leadership for the Board. He ensures that:

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

董事會 (續)

董事對財務報表之責任 (續)

持續經營

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

主席及行政總裁

年內，本公司主席及行政總裁分別由不同人士出任，其職能已經劃分。

於本財政年度，分別由黃世雄先生擔任主席及邵政康博士擔任行政總裁。

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

本財政年度，主席黃世雄先生整體負責領導董事會。彼確保：

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

CORPORATE GOVERNANCE REPORT

企業管治報告

CHAIRMAN AND CHIEF EXECUTIVE OFFICER (Cont'd)

Dr. Shao Zheng kang is responsible for the day-to-day management of the business of the Group, attends to formulation and successful implementation of policies, and assumes full accountability to the Board for all operations of the Group.

Dr. Shao possesses over 30 years' experience in banking, corporate finance, treasury, business development and corporate management. He has given valuable experience and contribution to the Group. Working with the management team of each core business division, he ensures the smooth operations and development of the Group. He maintains a continuing dialogue with the Chairman and all Directors to keep them fully informed of all major business development and issues.

NON-EXECUTIVE DIRECTORS

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

COMPANY SECRETARY

The Company Secretary is responsible to the Board for ensuring that Board procedures are followed and that the Board is fully briefed on all legislative, regulatory and corporate governance development and accounts for such when making decisions. The Company Secretary is also directly responsible for the Group's compliance with the continuing obligations of the GEM Listing Rules, the Codes on Takeovers and Mergers and Share Buy-backs, Companies Ordinance, Securities and Futures Ordinance and other applicable laws, rules and regulations.

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

主席及行政總裁 (續)

邵政康博士負責本集團日常業務管理，專注於制定及成功落實政策，並且就本集團之所有業務向董事會問責。

邵博士擁有超過三十年的銀行、企業融資、財務、業務發展及企業管理經驗。彼為本集團帶來寶貴的經驗和貢獻。彼與各核心業務分部之管理隊伍合作，確保本集團營運及發展暢順。彼持續與主席及所有董事溝通，讓彼等能全面掌握所有主要業務發展及事宜。

非執行董事

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

公司秘書

公司秘書須向董事會負責，確保已妥善依從董事會程序，而且董事會已全面獲悉所有法律、監管規定及企業管治之發展，同時確保董事會在作出決定時已考慮有關事宜。公司秘書亦直接負責確保本集團持續遵守創業板上市規則、公司收購、合併及股份購回守則、公司條例、證券及期貨條例以及其他適用法律、規則及規例之規定。

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

CORPORATE GOVERNANCE REPORT

企業管治報告

NOMINATION COMMITTEE

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

The Nomination Committee has four members, comprising of all independent non-executive Directors. During this financial year, Mr. Lui Tin Nang has served as chairman of the Nomination Committee. The Nomination Committee is scheduled to meet at least once a year. The quorum necessary for the transaction of business is two.

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

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

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

提名委員會

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

提名委員會有四名成員，全部成員為獨立非執行董事。於本財政年度，由呂天能先生擔任提名委員會主席。提名委員會預定每年最少舉行一次會議。進行有關業務事務之所需法定人數為兩人。

提名委員會之職權範圍刊載於聯交所及本公司網站。提名委員會之主要職責包括：

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

提名委員會之主席將於每次會議後，向董事會報告委員會之進程及推薦建議。

CORPORATE GOVERNANCE REPORT

企業管治報告

NOMINATION COMMITTEE (Cont'd)

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

提名委員會 (續)

於本財政年度，提名委員會曾舉行三次會議，藉以檢討董事會架構、規模、組成及多元化並提供建議。另外各董事會成員為董事會帶來廣泛的知識和經驗，這有助於本公司的有效領導。下表載列提名委員會之成員年內出席提名委員會會議之情況：

Name of Nomination Committee Members 提名委員會成員姓名		Attendance/ Number of Meetings entitled to attend
(From 1 May 2015 to 30 April 2016) (二零一五年五月一日至二零一六年四月三十日期間)		出席/有權出席 會議數目
Chan Bing Woon	陳炳煥	2/3
Lui Tin Nang (<i>chairman of the Committee</i>)	呂天能 (<i>本委員會主席</i>)	3/3
Pang Chung Fai Benny	彭中輝	3/3
Wang Hui (<i>appointed with effect from 18 June 2015</i>)	王輝 (<i>於二零一五年六月十八日起獲委任</i>)	1/2

REMUNERATION COMMITTEE

According to the GEM Listing Rules, the Company has to set up a remuneration committee with a majority of the members thereof being independent non-executive Directors. The Remuneration Committee has been established since 22 July 2005 with written terms of reference which was revised on 16 March 2016 in compliance with the Corporate Governance Code.

The Remuneration Committee has four members, comprising of all independent non-executive Directors. During this financial year, Mr. Pang Chung Fai, Benny has served as chairman of the Remuneration Committee.

薪酬委員會

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

薪酬委員會有四名成員，全部成員為獨立非執行董事。於本財政年度，彭中輝先生一直擔任薪酬委員會主席。

CORPORATE GOVERNANCE REPORT

企業管治報告

REMUNERATION COMMITTEE (Cont'd)

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

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

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

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

(a) Basic salary

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

薪酬委員會 (續)

薪酬委員會之職權範圍已刊載於聯交所及本公司網站。薪酬委員會之主要職責包括：

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

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

董事及高級管理人員之酬金組合包括下列各項：

(a) 基本薪金

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

CORPORATE GOVERNANCE REPORT

企業管治報告

REMUNERATION COMMITTEE (Cont'd)

(b) Fees

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

(c) Bonus scheme

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

(d) Benefits in kind

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

(e) Share options scheme

The Group operates a share option scheme for participants, including Directors, senior management, employees, suppliers and customers. The terms of the scheme are set out in note 31 to the financial statements. The movement of share options under the share option scheme adopted by the Company on 14 September 2011 during the year ended 30 April 2016 was as below:

		Granted 已授出	Exercised 已行使	Cancelled 已註銷	Lapsed 已失效
Movement during the year ended 30 April 2016	截至二零一六年四月三十日止年度之變動	254,340,000	NIL 無	NIL 無	3,680,000

薪酬委員會 (續)

(b) 袍金

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

(c) 花紅計劃

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

(d) 實物利益

其他一般福利（例如私人醫療保障）將於有需要時提供。

(e) 購股權計劃

本集團為參與者，包括董事、高級管理人員、僱員、供應商及客戶設立購股權計劃。計劃之條款載於財務報表附註31。本公司於二零一一年九月十四日所採納之購股權計劃於截至二零一六年四月三十日止年度之購股權變動如下：

CORPORATE GOVERNANCE REPORT

企業管治報告

REMUNERATION COMMITTEE (Cont'd)

Directors' emoluments comprise payments to the Directors by the Company in connection with the management of the affairs of the Company. The amounts paid to each Director for the year ended 30 April 2016 are set out in note 9 to the financial statements.

During this financial year, three meetings of the Remuneration Committee were held to review the remuneration package of the Board and the senior management. The following table shows the attendance of the members of Remuneration Committee at the meetings of the Remuneration Committee held during the year:

薪酬委員會 (續)

董事酬金包括本公司向董事支付有關管理本公司事務之酬金。截至二零一六年四月三十日止年度向各董事支付之金額載於財務報表附註9。

於本財政年度，薪酬委員會曾舉行三次會議，藉以檢討董事會及高級管理層之薪酬組合。下表載列薪酬委員會之成員年內出席薪酬委員會會議之情況：

Name of Remuneration Committee Members 薪酬委員會成員姓名		Attendance/ Number of Meetings entitled to attend 出席/有權出席 會議數目
(From 1 May 2015 to 30 April 2016) (二零一五年五月一日至二零一六年四月三十日期間)		
Chan Bing Woon	陳炳煥	3/3
Lui Tin Nang	呂天能	3/3
Pang Chung Fai Benny (chairman of the Committee)	彭中輝 (本委員會主席)	3/3
Wang Hui (appointed with effect from 18 June 2015)	王輝 (於二零一五年六月十八日起獲委任)	3/3

AUDIT COMMITTEE

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

The Audit Committee has four members, comprising of all independent non-executive Directors. During this financial year, Mr. Lui Tin Nang has served as chairman of the Audit Committee.

審核委員會

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

審核委員會有四名成員，全部成員為獨立非執行董事。於本財政年度，呂天能先生一直擔任審核委員會主席。

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDIT COMMITTEE (Cont'd)

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

- to consider and recommend the appointment, re-appointment and removal of external auditors;
- to approve the remuneration and terms of engagement of external auditors, any questions of resignation or dismissal of external auditors;
- to review and monitor external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
- to discuss with external auditors the nature and scope of the audit and reporting obligations before the audit commences;
- to develop and implement policy on engaging an external auditors to supply non-audit services and to make recommendations on any measures for improvements to be taken;
- to review the quarterly, interim and annual financial statements and the quarterly, interim and annual reports before submission to the Board, focusing particularly on:
 - (i) any changes in accounting policies and practices;
 - (ii) major judgmental areas;
 - (iii) significant adjustments resulting from audit;
 - (iv) the going concern assumptions and any qualifications;
 - (v) compliance with accounting principles and standards; and
 - (vi) compliance with the GEM Listing Rules and legal requirements in relation to financial reporting;

審核委員會 (續)

審核委員會之職權範圍載於聯交所及本公司網站。審核委員會之主要職能包括：

- 考慮及推薦委任、續聘及罷免外聘核數師；
- 批准外聘核數師之酬金及聘用條款，以及有關外聘核數師之辭任或罷免問題；
- 檢討及監察外聘核數師之獨立性及客觀性，以及根據適用標準進行審核程序之有效性；
- 在開始審核前，與外聘核數師討論審核之性質及範疇，以及呈報之責任；
- 制定及落實聘用外聘核數師提供非審核服務之政策，並就將採取之任何改善措施作出推薦建議；
- 檢討季度、中期及年度財務報表，以及季度、中期及年度報告，再提交董事會，當中尤其關注：
 - (i) 會計政策及常規之任何變動；
 - (ii) 主要涉及判斷之範疇；
 - (iii) 因審核而作出之重大調整；
 - (iv) 持續經營假設以及任何保留意見；
 - (v) 遵守會計原則及準則；及
 - (vi) 遵守與財務呈報有關之創業板上市規則及法律規定；

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDIT COMMITTEE (Cont'd)

- to review the Group's financial controls, internal control and risk management systems and ensure that the management has performed its duty to have an effective internal control system;
- to consider major investigations findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response;
- to review the external auditors' management letter, any material queries raised by the auditors to management about accounting records, financial accounts or systems of control and management's response and to ensure that the Board will provide a timely response to the issues raised; and
- to review the Group's financial and accounting policies and practices.

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

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

The Group's results for the three months ended 31 July 2015, six months ended 31 October 2015, nine months ended 31 January 2016 and audited consolidated financial statements for the year ended 30 April 2016 have been reviewed by the Audit Committee.

審核委員會 (續)

- 檢討本集團之財務監控、內部監控及風險管理制度，並確保管理層已履行其職責，維繫有效之內部監控制度；
- 考慮因受董事會授權或自發對風險管理及內部監控事宜進行調查所獲得的任何重大調查發現及管理層的回應；
- 審閱外聘核數師致管理層函件、核數師就會計記錄、財務賬目或監控制度而對管理層提出的任何重大問題，以及管理層的回應，並且確保董事會及時回應所提出的問題；及
- 檢討本集團之財務及會計政策與慣例。

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

於本財政年度，審核委員會在沒有任何管理層在場之情況下，已與外聘核數師會面一次。

審核委員會已審閱本集團截至二零一五年七月三十一日止三個月、截至二零一五年十月三十一日止六個月、截至二零一六年一月三十一日止九個月之業績以及截至二零一六年四月三十日止年度之經審核綜合財務報表。

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDIT COMMITTEE (Cont'd)

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

審核委員會 (續)

於本財政年度，審核委員會共舉行四次會議，以檢討及監察本集團之財務呈報程序及內部監控。下表載列審核委員會成員年內出席審核委員會會議之情況：

Name of Audit Committee Members 審核委員會成員姓名		Attendance/ Number of Meetings entitled to attend 出席/有權出席 會議數目
(From 1 May 2015 to 30 April 2016) (二零一五年五月一日至二零一六年四月三十日期間)		
Chan Bing Woon	陳炳煥	4/4
Lui Tin Nang (chairman of the Committee)	呂天能 (本委員會主席)	4/4
Pang Chung Fai Benny	彭中輝	4/4
Wang Hui (appointed with effect from 18 June 2015)	王輝 (於二零一五年六月十八日起獲委任)	3/4

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

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

AUDITOR'S REMUNERATION

An amount of HK\$720,000 (2015: HK\$580,000) was charged to the Group for the year ended 30 April 2016 for the auditing services provided by BDO Limited, the existing auditor of the Company who was appointed on 13 December 2010. There was no non-audit service provided by BDO Limited during the year. For the year ended 30 April 2015, the fee for non-audit services provided by BDO Limited amounted to HK\$650,000 and was related to proposed and potential acquisition.

核數師酬金

於截至二零一六年四月三十日止年度，本集團已就香港立信德豪會計師事務所有限公司提供之審核服務支付720,000港元（二零一五年：580,000港元）。香港立信德豪會計師事務所有限公司乃本公司之現任核數師，於二零一零年十二月十三日獲委任。香港立信德豪會計師事務所有限公司於年內並無提供非審核服務。於截至二零一五年四月三十日止年度，香港立信德豪會計師事務所有限公司提供關於建議及潛在收購事項之非審核服務費用為650,000港元。

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE FUNCTION

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

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

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

INTERNAL CONTROL AND GROUP RISK MANAGEMENT

The Board has overall responsibilities for maintaining sound and effective internal control system of the Group. The Group's system of internal control includes a defined management structure with limits of authority, is designed to help achieve business objectives, safeguard assets against unauthorised use or disposition, ensure the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensure compliance with relevant legislation and regulations. The system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate risks of failure in operational systems and achievement of the Group's objectives.

企業管治職能

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

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

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

內部監控及集團風險管理

董事會須全面負責維持本集團完善及有效之內部監控制度。本集團之內部監控制度包括制定一套明確且權限分明之管理架構，務求有助達致業務目標、保障資產不會被私人挪用或處置、確保妥善存置會計記錄以提供可靠財務資料供內部使用或刊發，並且確保遵守有關法律及法規。此制度旨在提供合理（而非絕對）保障，避免出現重大錯誤陳述或損失，同時管理（而非剔除）營運制度出現問題時而產生之風險，並且達成本集團之目標。

CORPORATE GOVERNANCE REPORT

企業管治報告

INTERNAL CONTROL AND GROUP RISK MANAGEMENT (Cont'd)

The Board, through the Audit Committee, has conducted reviews of the effectiveness of the Group's system of internal control. The Board, through the review of the Audit Committee, is satisfied that the Group has fully complied with the Code Provisions on internal controls during the year under review as set forth in the Corporate Governance Code.

Organisational Structure and Reporting System

An organisational structure with operating policies and procedures, lines of responsibility and delegated authority has been established. The Division/Department Head of each core business segment is accountable for the conduct and performance of such segment within the agreed strategies, which are set by themselves and the Board together, and reports directly to the Chief Executive Officer.

Authority and Control

The relevant executive Directors and senior management are delegated with respective levels of authorities with regard to key corporate strategy and policy and contractual commitments.

CODES AND POLICIES

Securities Dealing Code

The Company has adopted a code of conduct regarding Directors' securities transactions as set out in the GEM Listing Rules as the required standard for securities transactions by the Directors. Having made specific enquiry of all Directors, each of the Directors, has confirmed that they have fully complied with the required standards of dealings regarding securities transaction by the Directors as set out on the GEM Listing Rules throughout the year ended 30 April 2016.

內部監控及集團風險管理 (續)

董事會透過審核委員會檢討本集團之內部監控制度之有效性。董事會透過審核委員會之檢討信納本集團已於回顧年度內，全面遵守企業管治守則所載有關內部監控之守則條文。

組織架構及呈報制度

本集團已建立完備的組織架構，訂有經營政策及程序、職責以及權限範圍。各核心業務分部之分部／部門主管，須根據彼等與董事會共同制定之協定策略，對分部內各業務之運作及表現負責，並直接向行政總裁報告。

權限及監控

有關之執行董事及高級管理人員，在主要企業策略及政策以及合約承擔方面，獲授不同層次之權限。

守則及政策

證券交易守則

本公司已採納創業板上市規則所載董事進行證券交易之操作守則作為董事進行證券交易之規定標準。經向全體董事作出特別垂詢後，各董事已確認彼等於截至二零一六年四月三十日止年度內，已全面遵守載於創業板上市規則董事進行證券交易之買賣規定標準。

CORPORATE GOVERNANCE REPORT

企業管治報告

CODES AND POLICIES (Cont'd)

Code of Ethics

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

INVESTOR RELATIONS AND SHAREHOLDERS' RIGHT

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

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

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

守則及政策 (續)

道德操守

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

投資者關係及股東權利

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

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

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

CORPORATE GOVERNANCE REPORT

企業管治報告

INVESTOR RELATIONS AND SHAREHOLDERS' RIGHT (Cont'd)

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

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

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

投資者關係及股東權利 (續)

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

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

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

CORPORATE GOVERNANCE REPORT

企業管治報告

INVESTOR RELATIONS AND SHAREHOLDERS' RIGHT (Cont'd)

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

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

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

投資者關係及股東權利 (續)

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

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

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

DIRECTORS' REPORT

董事會報告

The Directors present to the Shareholders the Company's annual report and audited consolidated financial statements for the year ended 30 April 2016.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are engaged in the research and development of bio-medical and healthcare products, and medical techniques; the provision of the production and sales of tissue engineering products and its related by-products; as well as sales and distribution of medical products and equipment.

RESULTS AND DIVIDENDS

Results of the Group for the year ended 30 April 2016 are set out in the consolidated statement of profit or loss and other comprehensive income on page 96.

The Directors do not recommend the payment of a final dividend.

FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the past five financial years is set out on page 184.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 26 to the financial statements.

RESERVES

The Company's reserves available for distribution to Shareholders as at 30 April 2016 amounted to approximately HK\$2,444,449,000 (2015: HK\$2,116,544,000).

Details of movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 98 and note 28 to the financial statements, respectively.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group and the Company during the year are set out in note 14 to the financial statements.

董事謹此向股東提呈本公司截至二零一六年四月三十日止年度之年報及經審核綜合財務報表。

主要業務

本公司乃一間投資控股公司，其附屬公司之主要業務為從事生物醫學和醫療保健產品及醫療技術之研發；提供組織工程產品及其相關副產品的生產及銷售；以及銷售及分銷醫療產品及設備。

業績及股息

本集團截至二零一六年四月三十日止年度之業績載於第96頁之綜合損益及其他全面收入表內。

董事並不建議派發末期股息。

財務摘要

本集團過去五個財政年度之業績以及資產與負債摘要載於第184頁。

股本

本公司股本於年內之變動詳情載於財務報表附註26內。

儲備

於二零一六年四月三十日，本公司可供分派予股東之儲備約為2,444,449,000港元（二零一五年：2,116,544,000港元）。

本集團及本公司於年內之儲備變動詳情，分別載於第98頁之綜合權益變動表及財務報表附註28。

物業、廠房及設備

本集團及本公司於年內有關物業、廠房及設備之變動詳情載於財務報表附註14內。

DIRECTORS' REPORT

董事會報告

DIRECTORS

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

Executive Directors

Wong Sai Hung (<i>Chairman</i>)	(re-designated from non-executive Director to executive Director on 11 January 2016)
Shao Zhengkang (<i>Chief Executive Officer</i>)	(appointed with effect from 30 April 2016)
Dai Yumin	(resigned with effect from 30 April 2016)
Wang Yurong	(resigned with effect from 30 April 2016)

Non-Executive Directors

Deng Shaoping
Cao Fushun
Yang Zhengguo
Wang Jianjun

Independent Non-Executive Directors

Lui Tin Nang
Pang Chung Fai Benny
Chan Bing Woon
Wang Hui (appointed with effect from 18 June 2015)

In accordance with article 116 of the Company's articles of association, Mr. Wong Sai Hung, Mr. Pang Chung Fai Benny and Mr. Chan Bing Woon shall retire from office by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

In accordance with article 99 of the Company's articles of association, Dr. Shao Zhengkang shall hold office until the forthcoming annual general meeting and, being eligible, offer himself for re-election.

DIRECTORS' AND CHIEF EXECUTIVES' BIOGRAPHIES

Biographical details of the Directors and Chief Executives of the Company are set out on pages 44 to 50 of this annual report.

董事

於年內及截至本報告日期止之董事如下：

執行董事

黃世雄 (<i>主席</i>)	(於二零一六年一月十一日由非執行董事調任為執行董事)
邵政康 (<i>行政總裁</i>)	(於二零一六年四月三十日起獲委任)
戴昱敏	(於二零一六年四月三十日起辭任)
王玉榮	(於二零一六年四月三十日起辭任)

非執行董事

鄧紹平
曹福順
楊正國
王建軍

獨立非執行董事

呂天能
彭中輝
陳炳煥
王輝 (於二零一五年六月十八日起獲委任)

根據本公司組織章程細則第116條，黃世雄先生、彭中輝先生及陳炳煥先生須於應屆股東週年大會上輪值告退，惟符合資格並願意膺選連任。

根據本公司組織章程細則第99條，邵政康博士須留任至應屆股東週年大會，惟符合資格並願意膺選連任。

董事及最高行政人員簡介

本公司董事及最高行政人員之簡介詳情載於本年報第44至第50頁。

DIRECTORS' REPORT

董事會報告

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors, non-executive Directors and independent non-executive Directors has signed an appointment letter with the Company for a term of two years commencing from the date of appointment. After the expiry of the appointment letter(s), the Director(s) shall agree to continue to hold office as a Director, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles and association of the Company. In the event that the Director(s) is successfully re-elected at the conclusion of the annual general meeting of the Company, the Director(s) shall enter into a supplemental letter with the Company for continuation of his/her appointment for a term of two years.

None of the Directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

Save as those set out in note 33 to the financial statements and under heading "CONNECTED TRANSACTIONS" in this report, none of the Directors had a significant beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the heading "DIRECTORS AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES" in this report, at no time during the year were the rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or Chief Executive of the Company or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or its subsidiaries a party to any arrangement to enable the Directors to acquire such rights or benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

董事之服務合約

每一位執行董事、非執行董事及獨立非執行董事已與本公司訂立聘任函，自委任日起計任期兩年。聘任函屆滿之後，董事可同意繼續留任為董事，惟須根據本公司之章程細則於本公司之股東週年大會上輪席退任及膺選連任。當於本公司股東週年大會完結時，倘若董事膺選連任成功，董事將與本公司訂立補充函，延續其任期兩年。

擬於應屆股東週年大會上膺選連任之董事概無與本公司訂立於一年內不可由本公司無償（法定賠償除外）終止之服務合約。

董事之合約權益

除財務報表附註33及本報告「關連交易」一節所載者外，概無董事直接或間接地於本公司或其任何附屬公司於年內所訂立且與本集團業務有關連之任何重大合約中擁有重大實益利益。

董事收購股份或債權證之權利

除本報告「董事及最高行政人員於股份及相關股份之權益及淡倉」一節所披露者外，於年內任何時間，任何董事或本公司最高行政人員或彼等各自之配偶或未滿18歲子女概無獲授可透過收購本公司股份或債權證而獲益之任何權利，彼等亦無行使任何上述權利；本公司或其附屬公司亦無訂立任何安排，使董事可透過收購本公司或任何其他法團之股份或債權證以收購該等權利或利益。

DIRECTORS' REPORT

董事會報告

DIRECTORS AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 April 2016, the following Directors and Chief Executives of the Company had or were deemed to have interest or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules related to securities transactions by the Directors to be notified to the Company and the Stock Exchange:

Long Positions

Interests in the shares and underlying shares of the Company

Name of Directors/ Chief Executives	Capacity	Aggregate long position in the shares and underlying shares 於股份及相關股份 之好倉總計	Approximate percentage of the issued share capital 佔已發行股本 概約百分比
董事／最高行政人員姓名	身份		
Cao Fushun (Note 1) 曹福順 (附註1)	Held by controlled corporation 由受控法團持有	691,115,000	3.93%
	Beneficial owner 實益擁有人	27,730,000	0.16%
Wong Sai Hung (Note 2) 黃世雄 (附註2)	Interests held jointly with another person 與另一人共同持有的權益	30,000,000	0.17%
	Beneficial owner 實益擁有人	7,560,000	0.04%
Shao Zheng kang (Note 3) 邵政康 (附註3)	Beneficial owner 實益擁有人	12,530,000	0.07%
Deng Shaoping (Note 4) 鄧紹平 (附註4)	Beneficial owner 實益擁有人	5,780,000	0.03%
Yang Zhengguo (Note 4) 楊正國 (附註4)	Beneficial owner 實益擁有人	6,300,000	0.04%

董事及最高行政人員於股份及相關股份之權益及淡倉

於二零一六年四月三十日，下列董事及本公司最高行政人員於本公司及其相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份或債券中，擁有或被視作擁有(i)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益或淡倉（包括彼等根據證券及期貨條例有關條文被當作或視作擁有之權益或淡倉）；或(ii)根據證券及期貨條例第352條須記入該條所述登記冊之權益或淡倉；或(iii)根據創業板上市規則第5.46至5.67條有關董事進行證券交易之規定須知會本公司及聯交所之權益或淡倉如下：

好倉

於本公司股份及相關股份之權益

DIRECTORS' REPORT

董事會報告

DIRECTORS AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (Cont'd)

Long Positions (Cont'd)

Interests in the shares and underlying shares of the Company (Cont'd)

Name of Directors/ Chief Executives	Capacity	Aggregate long position in the shares and underlying shares 於股份及相關股份之好倉總計	Approximate percentage of the issued share capital 佔已發行股本概約百分比
董事／最高行政人員姓名	身份		
Wang Jianjun (Note 4) 王建軍 (附註4)	Beneficial owner 實益擁有人	5,780,000	0.03%
Lui Tin Nang (Note 5) 呂天能 (附註5)	Beneficial owner 實益擁有人	2,100,000	0.01%
Pang Chung Fai Benny (Note 5) 彭中輝 (附註5)	Beneficial owner 實益擁有人	2,010,000	0.01%
Chan Bing Woon (Note 5) 陳炳煥 (附註5)	Beneficial owner 實益擁有人	1,930,000	0.01%
Wang Hui (Note 5) 王輝 (附註5)	Beneficial owner 實益擁有人	1,750,000	0.01%
Tam Man Kin (Note 6) 譚文健 (附註6)	Beneficial owner 實益擁有人	6,130,000	0.03%

Notes:

- Gold Fortune Profits Limited ("Gold Fortune") is wholly owned by Mr. Cao Fushun ("Mr. Cao"), a non-executive Director. Gold Fortune has been the beneficial owner of 691,115,000 shares of the Company as at 30 April 2016.

Moreover, Mr. Cao personally holds 22,220,000 shares of the Company.

On 16 September 2015, Mr. Cao was granted 5,510,000 share options (the "Share Options") by the Company under the share option scheme of the Company adopted on 14 September 2011 (the "Share Option Scheme") entitling him to subscribe for 5,510,000 shares of the Company at the exercise price of HK\$0.45 per share ("Exercise Price"), subject to the terms and conditions of the Share Option Scheme. Assuming exercise of the Share Options in full, by virtue of the SFO, Mr. Cao shall hold an aggregate of 27,730,000 shares of the Company as beneficial owner, and together with his deemed interests in Gold Fortune, is deemed to be interested in an aggregate of 718,845,000 shares of the Company as at 30 April 2016.

董事及最高行政人員於股份及相關股份之權益及淡倉 (續)

好倉 (續)

於本公司股份及相關股份之權益 (續)

Name of Directors/ Chief Executives	Capacity	Aggregate long position in the shares and underlying shares 於股份及相關股份之好倉總計	Approximate percentage of the issued share capital 佔已發行股本概約百分比
董事／最高行政人員姓名	身份		
Wang Jianjun (Note 4) 王建軍 (附註4)	Beneficial owner 實益擁有人	5,780,000	0.03%
Lui Tin Nang (Note 5) 呂天能 (附註5)	Beneficial owner 實益擁有人	2,100,000	0.01%
Pang Chung Fai Benny (Note 5) 彭中輝 (附註5)	Beneficial owner 實益擁有人	2,010,000	0.01%
Chan Bing Woon (Note 5) 陳炳煥 (附註5)	Beneficial owner 實益擁有人	1,930,000	0.01%
Wang Hui (Note 5) 王輝 (附註5)	Beneficial owner 實益擁有人	1,750,000	0.01%
Tam Man Kin (Note 6) 譚文健 (附註6)	Beneficial owner 實益擁有人	6,130,000	0.03%

附註：

- Gold Fortune Profits Limited (「Gold Fortune」) 由非執行董事曹福順先生(「曹先生」)全資擁有。於二零一六年四月三十日，Gold Fortune為691,115,000股本公司股份之實益擁有人。

此外，曹先生個人持有22,220,000股本公司股份。

於二零一五年九月十六日，曹先生獲本公司根據於二零一一年九月十四日採納之本公司購股權計劃(「購股權計劃」)授予5,510,000份股份購股權(「股份購股權」)，賦予其權利可按每股0.45港元之行使價(「行使價」)認購5,510,000股本公司股份，惟須遵守購股權計劃之條款及條件。於二零一六年四月三十日，假設股份購股權獲悉數行使，根據證券及期貨條例，曹先生將作為實益擁有人持有合共27,730,000股本公司股份，連同其被視為於Gold Fortune擁有之權益，曹先生被視為於合共718,845,000股本公司股份中擁有權益。

DIRECTORS' REPORT

董事會報告

DIRECTORS AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (Cont'd)

Notes: (Cont'd)

2. Mr. Wong Sai Hung ("Mr. Wong") is an executive Director and the Chairman of the Board. Mr. Wong's interests are held jointly with his spouse. By virtue of the SFO, Mr. Wong and his spouse are deemed to be interested in 30,000,000 shares of the Company.

On 16 September 2015, Mr. Wong was granted 7,560,000 Share Options by the Company under the Share Option Scheme entitling him to subscribe for 7,560,000 shares of the Company at the Exercise Price, subject to the terms and conditions of the Share Option Scheme. Assuming exercise of the Share Options in full, Mr. Wong shall hold the 7,560,000 shares of the Company as beneficial owner. By virtue of the SFO, Mr. Wong and his spouse, together with their deemed interest in the shares held jointly, shall be deemed to be interested in an aggregate of 37,560,000 shares of the Company as at 30 April 2016.

3. On 16 September 2015, Dr. Shao Zhengkang ("Dr. Shao"), is an executive director with effect from 30 April 2016 and the Chief Executive Officer of the Company, was granted 12,030,000 Share Options by the Company under the Share Option Scheme entitling him to subscribe for 12,030,000 shares of the Company at the Exercise Price, subject to the terms and conditions of the Share Option Scheme. Moreover, Dr. Shao personally holds 500,000 shares of the Company. Assuming exercise of the Share Options in full, Dr. Shao shall hold an aggregated of 12,530,000 shares of the Company as beneficial owner.

By virtue of the SFO, Dr. Shao shall be deemed to be interested in an aggregate of 12,530,000 shares of the Company as at 30 April 2016.

4. On 16 September 2015, Professor Deng Shaoping ("Prof. Deng"), Mr. Yang Zhengguo ("Mr. Yang") and Mr. Wang Jianjun ("Mr. Wang"), non-executive Directors, were granted 5,780,000, 6,300,000 and 5,780,000 Share Options respectively by the Company under the Share Option Scheme entitling each of them to subscribe for 5,780,000, 6,300,000 and 5,780,000 shares of the Company respectively at the Exercise Price, subject to the terms and conditions of the Share Option Scheme. Assuming exercise of the Share Options in full, Prof. Deng, Mr. Yang and Mr. Wang shall hold 5,780,000, 6,300,000 and 5,780,000 shares of the Company respectively as beneficial owners. By virtue of the SFO, Prof. Deng, Mr. Yang and Mr. Wang shall be deemed to be respectively interested in 5,780,000, 6,300,000 and 5,780,000 shares of the Company as at 30 April 2016.

董事及最高行政人員於股份及相關股份的權益及淡倉 (續)

附註：(續)

2. 黃世雄先生（「黃先生」）為執行董事兼董事會主席。黃先生的權益乃與其配偶共同持有。根據證券及期貨條例，黃先生及其配偶被視為於30,000,000股本公司股份中擁有權益。

於二零一五年九月十六日，黃先生獲本公司根據購股權計劃授予7,560,000份股份購股權，賦予其權利可按行使價認購7,560,000股本公司股份，惟須遵守購股權計劃之條款及條件。假設股份購股權獲悉數行使，黃先生將作為實益擁有人持有7,560,000股本公司股份。根據證券及期貨條例，於二零一六年四月三十日，連同彼等被視為於共同持有之股份中擁有之權益，黃先生及其配偶應被視為於合共37,560,000股本公司股份中擁有權益。

3. 於二零一五年九月十六日，邵政康博士（「邵博士」），本公司執行董事（自二零一六年四月三十日起生效）兼行政總裁，獲本公司根據購股權計劃授予12,030,000份股份購股權，賦予其權利可按行使價認購12,030,000股本公司股份，惟須遵守購股權計劃之條款及條件。此外，邵博士個人持有500,000股本公司股份。假設股份購股權獲悉數行使，邵博士將作為實益擁有人持有合共12,530,000股本公司股份。

根據證券及期貨條例，於二零一六年四月三十日，邵博士應被視為於本公司之合共12,530,000股本公司股份中擁有權益。

4. 於二零一五年九月十六日，非執行董事鄧紹平教授（「鄧教授」）、楊正國先生（「楊先生」）及王建軍先生（「王先生」）分別獲本公司根據購股權計劃授予5,780,000份、6,300,000份及5,780,000份股份購股權，賦予彼等各自權利分別可按行使價認購5,780,000股、6,300,000股及5,780,000股本公司股份，惟須遵守購股權計劃之條款及條件。假設股份購股權獲悉數行使，鄧教授、楊先生及王先生分別將作為實益擁有人持有5,780,000股、6,300,000股及5,780,000股本公司股份。根據證券及期貨條例，於二零一六年四月三十日，鄧教授、楊先生及王先生應被視為分別於5,780,000股、6,300,000股及5,780,000股本公司股份中擁有權益。

DIRECTORS' REPORT

董事會報告

DIRECTORS AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (Cont'd)

Notes: (Cont'd)

- On 16 September 2015, Mr. Lui Tin Nang ("Mr. Lui"), Mr. Pang Chung Fai Benny ("Mr. Pang"), Mr. Chan Bing Woon ("Mr. Chan") and Mr. Wang Hui ("Mr. H Wang"), independent non-executive Directors, were granted 2,100,000, 2,010,000, 1,930,000 and 1,750,000 Share Options respectively by the Company under the Share Option Scheme entitling each of them to subscribe for 2,100,000, 2,010,000, 1,930,000 and 1,750,000 shares of the Company respectively at the Exercise Price, subject to the terms and conditions of the Share Option Scheme. Assuming exercise of the Share Options in full, Mr. Lui, Mr. Pang, Mr. Chan and Mr. H Wang shall hold 2,100,000, 2,010,000, 1,930,000 and 1,750,000 shares of the Company respectively as beneficial owners. By virtue of the SFO, Mr. Lui, Mr. Pang, Mr. Chan and Mr. H Wang shall be deemed to be respectively interested in 2,100,000, 2,010,000, 1,930,000 and 1,750,000 shares of the Company as at 30 April 2016.
- On 16 September 2015, Mr. Tam Man Kin ("Mr. Tam"), Chief Financial Officer of the Company, was granted 6,130,000 Share Options by the Company under the Share Option Scheme entitling him to subscribe for 6,130,000 shares of the Company at the Exercise Price, subject to the terms and conditions of the Share Option Scheme. Assuming exercise of the Share Options in full, Mr. Tam shall hold the 6,130,000 shares of the Company as beneficial owner. By virtue of the SFO, Mr. Tam shall be deemed to be interested in 6,130,000 shares of the Company as at 30 April 2016.

Save as disclosed above, as at 30 April 2016, none of the Directors nor the Chief Executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange.

董事及最高行政人員於股份及相關股份的權益及淡倉 (續)

附註：(續)

- 於二零一五年九月十六日，獨立非執行董事呂天能先生（「呂先生」）、彭中輝先生（「彭先生」）、陳炳煥先生（「陳先生」）及王輝先生（「王輝先生」）分別獲本公司根據購股權計劃授予2,100,000份、2,010,000份、1,930,000份及1,750,000份股份購股權，賦予彼等各自權利分別可按行使價認購2,100,000股、2,010,000股、1,930,000股及1,750,000股本公司股份，惟須遵守購股權計劃之條款及條件。假設股份購股權獲悉數行使，呂先生、彭先生、陳先生及王輝先生分別將作為實益擁有人持有2,100,000股、2,010,000股、1,930,000股及1,750,000股本公司股份。根據證券及期貨條例，於二零一六年四月三十日，呂先生、彭先生、陳先生及王輝先生應被視為分別於2,100,000股、2,010,000股、1,930,000股及1,750,000股本公司股份中擁有權益。
- 於二零一五年九月十六日，本公司之首席財務官譚文健先生（「譚先生」）獲本公司根據購股權計劃授予6,130,000份股份購股權，賦予其權利可按行使價認購6,130,000股本公司股份，惟須遵守購股權計劃之條款及條件。假設股份購股權獲悉數行使，譚先生將作為實益擁有人持有6,130,000股本公司股份。根據證券及期貨條例，於二零一六年四月三十日，譚先生應被視為於6,130,000股本公司股份中擁有權益。

除上文所披露者外，於二零一六年四月三十日，概無董事或本公司最高行政人員於本公司及其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券中擁有或視作擁有(i)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所權益或淡倉（包括彼等根據證券及期貨條例有關條文被當作或視作擁有之權益或淡倉）；或(ii)根據證券及期貨條例第352條須記入該條所述登記冊之權益或淡倉；或(iii)根據創業板上市規則第5.46至5.67條有關董事進行證券交易之規定須知會本公司及聯交所的權益或淡倉。

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SHARE OPTIONS

Share Option Scheme

The share option scheme (the "Share Option Scheme") was adopted on 14 September 2011 for the primary purpose of providing incentives to directors and eligible employees of the Company.

The movement of share options under the share option scheme adopted by the Company on 14 September 2011 during the year ended 30 April 2016 was as below:

		Granted 已授出	Exercised 已行使	Cancelled 已註銷	Lapsed 已失效
Movement during the year ended 30 April 2016	於截至二零一六年四月三十日止年度之變動	254,340,000	NIL 無	NIL 無	3,680,000

Share Options of placing agreement

On 5 March 2015, pursuant to a placing agreement dated 10 November 2014 between the Company and a placing agent, 495,000,000 share options with exercise price of HK\$0.25 per share and exercisable period from 5 September 2015 to 4 September 2016 are issued to All Favour and independent parties.

The summary of the Share Options are set out in note 31 to the financial statements.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

So far as known to the Directors, as at 30 April 2016, the following parties (not being the Directors or Chief Executives of the Company) had, or were deemed to have, interests or short positions in the shares, underlying shares or debentures of the Company (i) which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO; or (ii) which were required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein:

購股權

購股權計劃

於二零一一年九月十四日，本公司採納購股權計劃（「購股權計劃」），主要目的為向本公司董事及合資格僱員提供獎勵。

於截至二零一六年四月三十日止年度，本公司於二零一一年九月十四日採納之購股權計劃項下之股份購股權變動如下：

股份購股權配售協議

於二零一五年三月五日，根據日期為二零一四年十一月十日本公司與配售代理之間配售協議，向全輝及獨立人士發行495,000,000份股份購股權，行使價為每股0.25港元及行使期為二零一五年九月五日至二零一六年九月四日。

購股權的概要載於財務報表附註31。

主要股東及其他人士於股份及相關股份之權益

據董事所知，於二零一六年四月三十日，下列人士（非董事或本公司最高行政人員）於本公司股份、相關股份或債券中，擁有或被視作擁有(i)根據證券及期貨條例第XV部第2及3分部之條文須向本公司及聯交所披露之權益或淡倉；或(ii)根據證券及期貨條例第336條須記入該條所述登記冊內之權益或淡倉：

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SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES (Cont'd)

主要股東及其他人士於股份及相關股份之權益 (續)

Long positions

好倉

Interests in the shares and underlying shares of the Company

於本公司股份及相關股份之權益

Name of Shareholders 股東姓名／名稱	Capacity 身份	Aggregate long position in the shares and underlying shares 於股份及相關股份之好倉總計	Approximate percentage of the issued share capital 佔已發行股本概約百分比
Nat-Ace Wood Industry (Note 7) 邦強木業(附註7)	Held by controlled corporation 由受控法團持有	4,068,100,319	23.12%
Hu Yonggang (Note 7) 胡永剛(附註7)	Held by controlled corporation 由受控法團持有	4,068,100,319	23.12%
All Favour (Note 7) 全輝(附註7)	Beneficial owner 實益擁有人	4,068,100,319	23.12%
Dai Yumin (Note 7) 戴昱敏(附註7)	Held by controlled corporation 由受控法團持有	4,068,100,319	23.12%
	Held by his spouse 由其配偶持有	11,905,000	0.07%
	Beneficial owner 實益擁有人	99,650,000	0.57%
China Orient Asset Management Corporation (Note 8) 中國東方資產管理公司(附註8)	Held by controlled corporation 由受控法團持有	1,685,320,319	9.58%
Dundee Greentech Limited (Note 9) (附註9)	Person having a security interest in shares 對股份持有保證權益之人士	1,500,000,000	8.53%
Liu Hailong (Note 9) 劉海龍(附註9)	Person having a security interest in shares 對股份持有保證權益之人士	1,500,000,000	8.53%
Sheng Yuan Asset Management Limited (Note 10) 盛源資產管理有限公司(附註10)	Investment manager 投資經理	1,419,776,223	8.07%

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SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES (Cont'd)

Long positions (Cont'd)

Interests in the shares and underlying shares of the Company (Cont'd)

主要股東及其他人士於股份及相關股份之權益 (續)

好倉 (續)

於本公司股份及相關股份之權益 (續)

Name of Shareholders 股東姓名／名稱	Capacity 身份	Aggregate long position in the shares and underlying shares 於股份及相關股份之好倉總計	Approximate percentage of the issued share capital 佔已發行股本概約百分比
Wang Yurong (Note 11) 王玉榮 (附註 11)	Held by controlled corporation 由受控法團持有	1,200,000,000	6.82%
	Beneficial owner 實益擁有人	17,500,000	0.10%
Guan Baker Guo Liang (Note 11) 關國亮 (附註 11)	Held by controlled corporation 由受控法團持有	1,200,000,000	6.82%
	Beneficial owner 實益擁有人	1,200,000,000	6.82%
Sheng Yuan Global High Growth Industrial Fund Series SPC (Note 12) 盛源全球高增長行業系列基金獨立投資組合公司 (附註 12)	Trustee 受託人	1,000,000,000	5.68%

Notes:

7. All Favour Holdings Limited ("All Favour") is beneficially owned as to (i) 40% by Nat-Ace Wood Industry Ltd. ("Nat-Ace Wood Industry") and 20% by Honour Top Holdings Limited which are both ultimately wholly owned by Mr. Dai Yumin ("Mr. Dai"), a former executive Director who resigned with effect from 30 April 2016; and (ii) 40% by Mr. Hu Yonggang ("Mr. Hu"). On 5 March 2015, the Company granted to All Favour an option ("Option") which carries a right to subscribe for up to 360,000,000 new shares of the Company at the initial exercise price of HK\$0.25 per share (subject to adjustment) upon exercise of such Option by All Favour. Moreover, All Favour has been the beneficial owner of 3,708,100,319 shares of the Company. Assuming exercise of the Option in full, All Favour shall hold an aggregate of 4,068,100,319 shares of the Company.

附註：

7. 全輝控股有限公司 (「全輝」) 分別由 (i) 邦強木業有限公司 (「邦強木業」) 實益擁有 40% 及 Honour Top Holdings Limited 實益擁有 20%，而彼等均由前執行董事戴昱敏先生 (「戴先生」) (於二零一六年四月三十日起辭任) 最終全資擁有；及 (ii) 胡永剛先生 (「胡先生」) 實益擁有 40%。於二零一五年三月五日，本公司向全輝授出購股權 (「購股權」)，該購股權將附帶權利於全輝行使相關購股權時按初步行使價每股股份 0.25 港元 (可予調整) 認購最多 360,000,000 股本公司新股份。此外，全輝為 3,708,100,319 股本公司股份之實益擁有人。假設購股權獲悉數行使，全輝將持有合共 4,068,100,319 股本公司股份。

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SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES (Cont'd)

Notes: (Cont'd)

7. (Cont'd)

By virtue of the SFO, Mr. Dai, Mr. Hu and Nat-Ace Wood Industry are deemed to be interested in an aggregate of 4,068,100,319 shares of the Company in which All Favour is interested as of 30 April 2016.

Ms. Deng Shufen ("Ms. Deng"), the spouse of Mr. Dai has beneficial interests in 11,905,000 shares of the Company as at 30 April 2016. By virtue of the SFO, Mr. Dai was deemed to be interested in 11,905,000 shares of the Company held by Ms. Deng as at 30 April 2016.

On 16 September 2015, Mr. Dai was granted 17,500,000 Share Options by the Company under the Share Option Scheme entitling him to subscribe for 17,500,000 shares of the Company at the Exercise Price, subject to the terms and conditions of the Share Option Scheme. Moreover, Mr. Dai personally holds 82,150,000 shares of the Company. Assuming exercise of the Share Options in full, Mr. Dai shall hold an aggregate of 99,650,000 shares of the Company as beneficial owner.

By virtue of the SFO, Mr. Dai, together with his deemed interests in Ms. Deng and All Favour, was deemed to be interested in an aggregate of 4,179,655,319 shares of the Company as at 30 April 2016.

The Company was informed by All Favour that it has pledged its interests in 1,301,320,319 shares of the Company in favour of Optimus Prime Management Ltd..

8. Based on Forms 2 dated 9 September 2015, 20 May 2015 and 22 April 2015 filed by China Orient Asset Management Corporation ("COAMC"), Optimus Prime Management Ltd. ("Optimus") has a security interest in 1,301,320,319 shares of the Company and China Orient Asset Management (International) Holding Limited ("COAMI") has an interest in 384,000,000 shares of the Company. Optimus is wholly owned by COAMI. COAMI is owned as to (i) 50% by Wise Leader Assets Ltd. ("Wise Leader") which is wholly owned by Dong Yin Development (Holdings) Limited ("Dong Yin"); and (ii) 50% by Dong Yin which is wholly owned by COAMC. By virtue of the SFO, Dong Yin, Wise Leader and COAMC are deemed to be interested in 384,000,000 shares of the Company held by COAMI, and COAMI, Dong Yin, Wise Leader and COAMC are deemed to be interested in 1,301,320,319 shares of the Company held by Optimus as security interest.
9. Based on the Form 2 and Form 1 both filed on 30 March 2015 by Dundee Greentech Limited ("Dundee Greentech") and Mr. Liu Hailong ("Mr. Liu") respectively, each of Dundee Greentech and Mr. Liu has a security interest in 1,500,000,000 shares of the Company.

主要股東及其他人士於股份及相關股份之權益 (續)

附註：(續)

7. (續)

根據證券及期貨條例，於二零一六年四月三十日，戴先生、胡先生及邦強木業被視為於全輝擁有權益的合共4,068,100,319股本公司股份中擁有權益。

鄧淑芬女士（「鄧女士」），為戴先生之配偶，於二零一六年四月三十日於11,905,000股本公司股份中實益擁有權益。根據證券及期貨條例，於二零一六年四月三十日，戴先生被視為於鄧女士持有的11,905,000股本公司股份中擁有權益。

於二零一五年九月十六日，戴先生獲本公司根據購股權計劃授予17,500,000份股份購股權，賦予其權利可按行使價認購17,500,000股本公司股份，惟須遵守購股權計劃之條款及條件。此外，戴先生個人持有82,150,000股本公司股份。假設股份購股權獲悉數行使，戴先生將作為實益擁有人持有合共99,650,000股本公司股份。

根據證券及期貨條例，於二零一六年四月三十日，連同彼被視為於鄧女士及全輝擁有之權益，戴先生被視為於合共4,179,655,319股本公司股份中擁有權益。

本公司獲全輝告知，其已將其於1,301,320,319股本公司股份中的權益抵押予Optimus Prime Management Ltd.。

8. 根據中國東方資產管理公司（「東方資產」）提交的日期為二零一五年九月九日、二零一五年五月二十日及二零一五年四月二十二日的表格2，Optimus Prime Management Ltd.（「Optimus」）於1,301,320,319股本公司股份中持有保證權益且中國東方資產管理（國際）控股有限公司（「東方國際」）於384,000,000股本公司股份中擁有權益。Optimus由東方國際全資擁有。東方國際分別由(i)Wise Leader Assets Ltd.（「Wise Leader」，由東銀發展（控股）有限公司（「東銀」）全資擁有）擁有50%；及(ii)東銀（由東方資產全資擁有）擁有50%。根據證券及期貨條例，東銀、Wise Leader及東方資產被視為於東方國際持有的384,000,000股本公司股份中擁有權益，而東方國際、東銀、Wise Leader及東方資產被視為於Optimus持作保證權益的1,301,320,319股本公司股份中擁有權益。
9. 根據分別由Dundee Greentech Limited（「Dundee Greentech」）及劉海龍先生（「劉先生」）提交的日期為二零一五年三月三十日的表格2及表格1，Dundee Greentech及劉先生各於1,500,000,000股本公司股份中擁有保證權益。

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SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES (Cont'd)

Notes: (Cont'd)

10. Based on Forms 2 dated 18 April 2016 and 4 March 2016 filed by Sheng Yuan Asset Management Limited ("Sheng Yuan Asset"), Sheng Yuan Asset holds 1,419,776,223 shares of the Company as an Investment manager.
11. China Sheng Rong Investment Holding Limited ("Sheng Rong") is beneficially owned as to (i) 51% by Mr. Guan Baker Guo Liang ("Mr. Guan"); and (ii) 49% by Ms. Wang Yurong ("Ms. Wang"), a former executive Director who resigned with effect from 30 April 2016. Mr. Guan and Ms. Wang are spouses. Sheng Rong has been the beneficial owner of 1,200,000,000 shares of the Company.

By virtue of the SFO, Mr. Guan and Ms. Wang are deemed to be interested in 1,200,000,000 shares of the Company in which Sheng Rong is interested as at 30 April 2016.

On 16 September 2015, Ms. Wang was granted 17,500,000 Share Options by the Company under the Share Option Scheme entitling her to subscribe for 17,500,000 shares of the Company at the Exercise Price, subject to the terms and conditions of the Share Option Scheme. Assuming exercise of the Share Options in full, Ms. Wang shall hold the 17,500,000 shares of the Company as beneficial owner. The Share Options had been lapsed with effect from 1 May 2016 due to her resignation as executive Director.

By virtue of the SFO, Ms. Wang together with her deemed interest in Sheng Rong, was deemed to be interested in an aggregate of 1,217,500,000 shares of the Company as at 30 April 2016.

The Company was informed by Sheng Rong that it has pledged its interests in 1,200,000,000 shares of the Company in favour of Dundee Greentech Limited.

12. Based on the Form 2 filed on 4 August 2015 by Sheng Yuan Global High Growth Industries Fund Series SPC ("Sheng Yuan GHGI Fund"), Sheng Yuan GHGI Fund holds 1,000,000,000 shares of the Company as a trustee.

Save as disclosed above, as at 30 April 2016, the Directors are not aware that there is any other party (other than the Directors and the Chief Executives of the Company) who had, or was deemed to have, interests or short positions in the shares, underlying shares and debentures of the Company (i) which would fall to be disclosed to the Company and Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO; or (ii) which were required, pursuant to section 336 of the SFO, to be entered in the register referred to therein.

主要股東及其他人士於股份及相關股份之權益 (續)

附註：(續)

10. 根據盛源資產管理有限公司(「盛源資產」)提交的日期為二零一六年四月十八日及二零一六年三月四日的表格2，盛源資產作為投資經理持有1,419,776,223股本公司股份。
11. 中國晟融投資控股有限公司(「晟融」)分別由(i)關國亮先生(「關先生」)實益擁有51%；及(ii)前執行董事王玉榮女士(「王女士」)(於二零一六年四月三十日起辭任)實益擁有49%。關先生及王女士為配偶。晟融為1,200,000,000股本公司股份之實益擁有人。

根據證券及期貨條例，於二零一六年四月三十日，關先生及王女士被視為於晟融擁有權益的1,200,000,000股本公司股份中擁有權益。

於二零一五年九月十六日，王女士獲本公司根據購股權計劃授予17,500,000份股份購股權，賦予其權利可按行使價認購17,500,000股本公司股份，惟須遵守購股權計劃之條款及條件。假設股份購股權獲悉數行使，王女士將作為實益擁有人持有17,500,000股本公司股份。由於彼辭任執行董事，故股份購股權已自二零一六年五月一日起失效。

根據證券及期貨條例，於二零一六年四月三十日，連同彼被視為於晟融擁有之權益，王女士被視為於合共1,217,500,000股本公司股份中擁有權益。

本公司獲晟融告知，其已將其於1,200,000,000股本公司股份中的權益抵押予Dundee Greentech Limited。

12. 根據盛源全球高增長行業系列基金獨立投資組合公司(「盛源全球高增長行業系列基金」)提交的日期為二零一五年八月四日的表格2，盛源全球高增長行業系列基金作為受託人持有1,000,000,000股本公司股份。

除上文所披露者外，於二零一六年四月三十日，董事概不知悉任何其他人士(董事及本公司最高行政人員除外)於本公司股份、相關股份及債券中，擁有或被視作擁有(i)根據證券及期貨條例第XV部第2及3分部之條文須向本公司及聯交所披露之權益或淡倉；或(ii)根據證券及期貨條例第336條須記入該條所述登記冊內之權益或淡倉。

DIRECTORS' REPORT

董事會報告

CONNECTED TRANSACTION

The Company had not entered into any connected transaction during the year which is required to be disclosed under the GEM Listing Rules.

EMOLUMENTS OF DIRECTORS AND CHIEF EXECUTIVE OFFICER AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and Chief Executive Officer and the five highest paid individuals of the Group are set out in note 9 to the financial statements.

EMOLUMENT POLICY

A Remuneration Committee is set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market practices.

The Company has adopted a share option scheme as incentive to Directors and eligible employees, details of the scheme are set out in note 31 to the financial statements.

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors or the substantial shareholders of the Company, or any of their respective close associates (as defined under the GEM Listing Rules) had any interest in a business that competes or may compete with the business of the Group.

關連交易

本公司於年內概無訂立任何根據創業板上市規則須予披露的關連交易。

董事及行政總裁以及五位最高薪人士之酬金

董事及行政總裁以及本集團五位最高薪人士之酬金詳情載於財務報表附註9。

薪酬政策

成立薪酬委員會旨在根據本集團之經營業績、個人表現及可資比較之市場慣例，檢討本集團之薪酬政策及本集團全體董事及高級管理層之薪酬架構。

本公司已採納一項購股權計劃，作為對董事及合資格僱員之獎勵，該計劃之詳情載於財務報表附註31。

董事於競爭性業務之權益

董事或本公司主要股東或彼等各自之任何緊密聯繫人（定義見創業板上市規則）概無在與本集團業務產生競爭或可能產生競爭之業務中擁有任何權益。

DIRECTORS' REPORT

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

Sales to the Group's five largest customers accounted for approximately 78.20% of the Group's total turnover for the year. In particular, sales to the largest customer of the Group accounted for approximately 71.15% of the Group's total turnover for the year.

Purchases from the Group's five largest suppliers accounted for approximately 70.50% of the Group's total purchases for the year. In particular, purchases from the Group's largest supplier accounted for approximately 53.02% of the Group's total purchases for the year.

None of the directors of the Company, their close associates (as defined in the GEM Listing Rules) or any shareholder (which to the knowledge of the directors of the Company own more than 5% of the Company's issued share capital) had any beneficial interests in the Group's five largest customers or suppliers.

主要客戶及供應商

本集團向五大客戶的銷售佔本集團本年度總營業額約78.20%。就此而言，本集團向最大客戶的銷售佔本集團本年度的總營業額約71.15%。

本集團向五大供應商的採購佔本集團本年度總採購額約70.50%。就此而言，本集團向最大供應商的採購佔本集團本年度的總採購額約53.02%。

概無本公司董事、其緊密聯繫人（定義見創業板上市規則）或任何股東（就本公司董事所悉，持有本公司已發行股本超過5%之股東）於本集團五大客戶或供應商擁有任何實益權益。

DIRECTORS' REPORT

董事會報告

USE OF PROCEEDS

The following table sets out the intended use and actual use of the net proceeds from the placings as at 30 April 2016:

所得款項用途

下表載列截至二零一六年四月三十日止，配售所得款項淨額之擬定用途及實際用途：

Date of announcement	Fund raising activities	Net proceeds raised	Intended use of the net proceeds	Actual use of the net proceeds as at 30 April 2016
公告日期	集資活動	籌集之所得款項淨額	所得款項淨額之擬定用途	於二零一六年四月三十日所得款項淨額之實際用途
10 November 2014, 6 February 2015 and 5 March 2015 二零一四年十一月十日、 二零一五年二月六日及 二零一五年三月五日	Placing of 3,300,000,000 new shares and grant of share options under specific mandate under the First Placing 於第一次配售項下根據特別授權配售3,300,000,000股新股份及授出股份購股權	Approximately HK\$817 million 約817,000,000港元	Approximately 60% used for existing operations and products developments and expansions in tissue engineering and approximately 40% used for broadening research and development coverage, capturing strategic investment opportunities in regenerative medicine and stem cell related industries, and other investments 約60%用作組織工程之現有營運及產品開發以及擴展；及約40%用作擴展研發覆蓋範圍、獲取於再生醫學及幹細胞相關產業的戰略投資機會，以及其他投資	approximately 41% of net proceeds was used as intended and the remaining will be used as intended (Note 13) 所得款項淨額之約41%已用作擬定用途及餘下將用作擬定用途（附註13）
23 March 2015 and 22 April 2015 二零一五年三月二十三日 及二零一五年四月二十二日	Placing of 977,300,000 new shares under general mandate under the Second Placing 於第二次配售項下根據一般授權配售977,300,000股新股份	Approximately HK\$276 million 約276,000,000港元	Approximately 60% used for existing operations and products developments and expansions in tissue engineering and approximately 40% used for broadening research and development coverage, capturing strategic investment opportunities in regenerative medicine and stem cell related industries, and other investments 約60%用作組織工程之現有營運及產品開發以及擴展；及約40%用作擴展研發覆蓋範圍、獲取於再生醫學及幹細胞相關產業的戰略投資機會，以及其他投資	net proceeds will be used as intended 所得款項淨額將用作擬定用途

DIRECTORS' REPORT

董事會報告

USE OF PROCEEDS (Cont'd)

所得款項用途 (續)

Date of announcement	Fund raising activities	Net proceeds raised	Intended use of the net proceeds	Actual use of the net proceeds as at 30 April 2016
公告日期	集資活動	籌集之所得款項淨額	所得款項淨額之擬定用途	於二零一六年四月三十日所得款項淨額之實際用途
10 July 2015 and 30 July 2015 二零一五年七月十日及 二零一五年七月三十日	Placing of 1,150,000,000 new shares under general mandate under the Third Placing 於第三次配售項下 根據一般授權配售 1,150,000,000 股新股份	Approximately HK\$456 million 約 456,000,000 港元	Approximately 52% of such net proceeds will be used for existing operations and products developments and expansions in tissue engineering, approximately 34% of such net proceeds will be used for broadening research and development coverage, capturing strategic investment opportunities in regenerative medicine and stem cell related industries, and other investments and approximately 14% of such remaining net proceeds will be used for general working capital of the Group 該等所得款項淨額之約 52% 將用作組織工程之現有營運 及產品開發以及擴展， 該等所得款項淨額之 約 34% 將用作擴展研發覆蓋範圍、 獲取於再生醫學及幹細胞相關產業 的戰略投資機會以及其他投資， 而餘下約 14% 所得款項淨額 將用於本集團一般營運資金	net proceeds will be used as intended 所得款項淨額 將用作擬定用途

Whilst the above intended use of proceeds from the placings remain unchanged, in order to increase the Company's flexibility in its financial and treasury management and for better utilisation of the Group's financial resources, to the extent that the net proceeds from the placings are not immediately required for the purposes described above, the Company has utilised the proceeds from the placings for provision of short-term loans for a term of not more than 6 months to independent third parties.

儘管上述配售所得款項擬定用途維持不變，為增加本公司財務及庫務管理的靈活性及更好地利用本集團的財務資源，當上述用途無需立即動用配售所得款項淨額時，本公司已將該等配售所得款項用於向獨立第三方提供不超過 6 個月的短期貸款。

DIRECTORS' REPORT

董事會報告

USE OF PROCEEDS (Cont'd)

Notes:

13. On 16 September 2014, the Company issued 150,000,000 new shares pursuant to a subscription agreement dated 4 September 2014 with net proceeds of approximately HK\$38.84 million after deducting various issuance costs. As at 29 July 2015, being the date of publication of the annual report for the year ended 30 April 2015, the said net proceeds of approximately HK\$38.84 million was applied as intended and utilized as to approximately HK\$37.86 million for general working capital of the Group and approximately HK\$0.98 million for business development.

On 5 March 2015, the Company issued 3,300,000,000 new shares and granted share options pursuant to a placing agreement dated 10 November 2014 with net proceeds of approximately HK\$817 million after deducting various issuance costs. As at 29 July 2015, being the date of publication of the annual report for the year ended 30 April 2015, the Group had applied HK\$143 million for the purpose as intended:

所得款項用途 (續)

附註：

13. 於二零一四年九月十六日，根據日期為二零一四年九月四日之認購協議，本公司發行150,000,000股新股份，扣除多項發行成本後之所得款項淨額約為38,840,000港元。於二零一五年七月二十九日，即刊發截至二零一五年四月三十日止年度之年度報告日期，有關所得款項淨額約38,840,000港元已用於擬定用途，其中約37,860,000港元用於本集團之一般營運資金，及約980,000港元用於業務發展。

於二零一五年三月五日，根據日期為二零一四年十一月十日之配售協議，本公司發行3,300,000,000股新股份及授出股份購股權，扣除多項發行成本後之所得款項淨額約為817,000,000港元。於二零一五年七月二十九日，即刊發截至二零一五年四月三十日止年度之年度報告日期，本集團已將143,000,000港元用於下列擬定用途：

Use of proceeds (as raised from the First Placing of 3,300,000,000 new shares) 所得款項 (自第一次配售3,300,000,000股新股份籌集) 用途		As at 30 April 2016 於二零一六年 四月三十日 HK\$ million 百萬港元 (approximately) (概約)	As at 29 July 2015 於二零一五年 七月二十九日 HK\$ million 百萬港元 (approximately) (概約)
(i) The Group's general working capital to develop the Group's principal activities	(i) 本集團一般營運資金，以發展本集團主要業務	193	75
(ii) Further expanding the research and development capabilities of pipeline products in tissue engineering industry and other bio-medical related industries	(ii) 進一步擴展組織工程產業及其他生物醫學相關產業之在研產品之研發能力	20	19
(iii) Increasing marketing efforts of existing products towards commercialization	(iii) 加強將現有產品推向市場的市場營銷活動	14	8
(iv) Improvement of production facilities	(iv) 改進生產設施	2	2
(v) Collaborations with the University of Oxford	(v) 與牛津大學合作	23	12
(vi) To build and operate stem cell centres in Hong Kong and the PRC	(vi) 於香港及中國建立及營運幹細胞中心	32	5
(vii) Proposed and potential acquisitions in the PRC (including those currently under negotiations)	(vii) 於中國的建議及潛在收購 (包括該等磋商中的收購)	53	22
(viii) Other investments	(viii) 其他投資	—	—
Total: Amount of proceeds used	總計：已動用所得款項金額	337	143
Total Amount of net proceeds raised from the First Placing	自第一次配售籌集的所得款項總淨額	817	817
Percentage of net proceeds that was used as intended	用作擬定用途的所得款項淨額百分比	41%	18%

DIRECTORS' REPORT

董事會報告

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

CORPORATE GOVERNANCE

The Company maintains a high standard of corporate governance practices. Details of the corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 51 to 74. The Directors believe the long term financial performance as opposed to short term rewards is a corporate governance objective. The Board would not take undue risks to make short term gains at the expense of long term objectives.

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Company has maintained the prescribed public float under the GEM Listing Rules.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each Independent Non-executive Director the written confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers all of the Independent Non-executive Directors are independent.

AUDIT COMMITTEE

The Audit Committee has four members, comprising of all independent non-executive Directors, namely Mr. Lui Tin Nang (the chairman of Audit Committee), Mr. Pang Chung Fai Benny, Mr. Chan Bing Woon and Mr. Wang Hui. The Audit Committee has reviewed the Company's audited consolidated financial statements for the year ended 30 April 2016.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association, or laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders of the Company.

購買、贖回或出售本公司上市證券

於年內，本公司或其任何附屬公司並無購買、贖回或出售本公司任何上市證券。

企業管治

本公司一直維持高水平之企業管治常規。本公司所採納之企業管治常規詳情乃載於第51至第74頁之企業管治報告。董事相信，企業管治目標乃著眼於長期財務表現而非局限於短期回報。董事會不會冒不必要之風險，以獲取短期收益而犧牲遠景規劃。

足夠之公眾持股量

根據本公司所獲之公開資料，以及據董事於本年報日期所知，本公司一直維持創業板上市規則規定之公眾持股量。

獨立非執行董事

本公司已接獲各獨立非執行董事根據創業板上市規則第5.09條就其獨立性發出之書面確認。本公司認為全體獨立非執行董事均為獨立人士。

審核委員會

審核委員會有四位成員，包括所有獨立非執行董事，即呂天能先生（審核委員會主席）、彭中輝先生、陳炳煥先生及王輝先生。審核委員會已審閱截至二零一六年四月三十日止年度之本公司經審核綜合財務報表。

優先購買權

本公司之組織章程細則或開曼群島法例並無載列優先購買權條文，以規定本公司須按比例基準向本公司現有股東發售新股份。

DIRECTORS' REPORT

董事會報告

AUDITOR

A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint BDO Limited as auditor of the Company.

On behalf of the Board

Wong Sai Hung
Executive Director

Hong Kong, 15 July 2016

核數師

有關續聘香港立信德豪會計師事務所有限公司為本公司核數師之決議案，將於本公司應屆股東週年大會上提呈。

代表董事會

黃世雄
執行董事

香港，二零一六年七月十五日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



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TO THE SHAREHOLDERS OF CHINA REGENERATIVE MEDICINE INTERNATIONAL LIMITED

中國再生醫學國際有限公司

(incorporated in the Cayman Islands with limited liability)

致中國再生醫學國際有限公司股東

(於開曼群島註冊成立之有限公司)

We have audited the consolidated financial statements of China Regenerative Medicine International Limited (the "Company") and its subsidiaries (together "the Group") set out on pages 96 to 183, which comprise the consolidated statement of financial position as at 30 April 2016, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

吾等已審核載於第96頁至第183頁中國再生醫學國際有限公司（「貴公司」）及其附屬公司（統稱「貴集團」）之綜合財務報表，當中包括於二零一六年四月三十日之綜合財務狀況表與截至該日止年度之綜合損益及其他全面收入表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註資料。

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

董事就綜合財務報表須承擔之責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定編製綜合財務報表，以令該等綜合財務報表作出真實而公平的反映，並落實其認為編製綜合財務報表所需的內部監控，以確保綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

核數師之責任

吾等之責任為根據吾等之審核工作對該等綜合財務報表作出意見，並僅向整體股東報告；除此之外，按照委聘條款，本報告並無其他目的。吾等不會就本報告之內容向任何其他人士承擔或負上任何責任。

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

吾等已根據香港會計師公會頒佈之香港核數準則進行審核。該等準則規定吾等須遵守道德規範並計劃及進行審核，以合理確定綜合財務報表是否不存在任何重大錯誤陳述。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

AUDITOR'S RESPONSIBILITY (Cont'd)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 30 April 2016 and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of Hong Kong Companies Ordinance.

BDO Limited

Certified Public Accountants

Lam Pik Wah

Practising Certificate Number P05325

Hong Kong, 15 July 2016

核數師之責任 (續)

審核涉及執行程序以取得與綜合財務報表所載金額及披露事項有關之審核憑證。選取之該等程序須視乎核數師之判斷，包括評估綜合財務報表出現重大錯誤陳述（不論是否因欺詐或錯誤引起）之風險。在作出該等風險評估時，核數師考慮與公司編製綜合財務報表以令該等綜合財務報表作出真實而公平的反映有關之內部監控，以制定適當審核程序，但並非為對公司內部監控是否有效表達意見。審核亦包括評估董事所採用之會計政策是否恰當及所作之會計估算是否合理，以及評估綜合財務報表之整體呈列方式。

吾等相信，吾等已取得充分恰當之審核憑證，為吾等之審核意見提供基礎。

意見

吾等認為，綜合財務報表已按照香港財務報告準則真實而公平地反映 貴集團於二零一六年四月三十日之財政狀況及 貴集團截至該日止年度之財務表現及現金流量，並已按照香港公司條例之披露規定妥善編製。

香港立信德豪會計師事務所有限公司

執業會計師

林碧華

執業證書號碼：P05325

香港，二零一六年七月十五日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收入表

For the year ended 30 April 2016 截至二零一六年四月三十日止年度

		Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Revenue	收益	5	27,751	2,817
Cost of sales	銷售成本		(9,410)	(1,431)
Gross profit	毛利		18,341	1,386
Other income	其他收入	5	110,981	2,101
Administrative and other expenses	行政及其他開支		(303,249)	(171,125)
Finance costs	財務費用	7	(25,827)	(3,058)
Fair value gain on contingent consideration receivables	應收或然代價之 公平值收益	17	8,556	—
Impairment of goodwill	商譽減值	16	—	(60,400)
Impairment of other intangible assets	其他無形資產減值	18	—	(41,432)
Loss before income tax	除所得稅前虧損	8	(191,198)	(272,528)
Income tax (expense)/credit	所得稅(開支)/抵免	11	(3,326)	17,136
Loss for the year	本年度虧損		(194,524)	(255,392)
Other comprehensive income	其他全面收入			
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至 損益之項目：</i>			
Exchange (loss) /gain on translation of financial statements of foreign operations	換算海外業務財務報表之 滙兌(虧損)/收益		(23,412)	1,707
Total comprehensive income for the year	本年度全面總收入		(217,936)	(253,685)
Loss for the year attributable to:	以下人士應佔本年度虧損：			
Owners of the Company	本公司擁有人		(190,902)	(250,098)
Non-controlling interests	非控股股東權益		(3,622)	(5,294)
			(194,524)	(255,392)
Total comprehensive income for the year attributable to:	以下人士應佔本年度 全面總收入：			
Owners of the Company	本公司擁有人		(213,085)	(248,351)
Non-controlling interests	非控股股東權益		(4,851)	(5,334)
			(217,936)	(253,685)
Loss per share for loss for the year attributable to owners of the Company	本公司擁有人應佔 本年度虧損之每股虧損	13		
— basic (HK cents)	— 基本(港仙)		(1.103)	(2.017)
— diluted (HK cents)	— 攤薄(港仙)		N/A 不適用	N/A 不適用

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 30 April 2016 於二零一六年四月三十日

	Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	14	172,753	174,900
Land use rights	15	4,584	4,898
Goodwill	16	196,983	188,081
Contingent consideration receivables	17	28,030	15,088
Other intangible assets	18	486,500	483,989
Deposits for acquisition of property, plant and equipment		17,934	—
		906,784	866,956
Current assets			
Inventories	19	8,967	4,967
Trade receivables	20	19,992	665
Deposits, prepayments and other receivables			
	20	105,836	150,621
Pledged bank deposits	21	558,873	22,622
Cash and cash equivalents	21	1,300,825	1,008,984
		1,994,493	1,187,859
Current liabilities			
Trade payables	22	1,570	763
Accrued charges and other payables	23	139,651	57,899
Bank borrowings	24	542,553	59,032
Current tax liabilities		8,997	—
		692,771	117,694
Net current assets		1,301,722	1,070,165
Total assets less current liabilities		2,208,506	1,937,121
Non-current liabilities			
Other payables	23	—	6,280
Deferred taxation	25	90,306	86,626
		90,306	92,906
Net assets		2,118,200	1,844,215
EQUITY			
Share capital	26	175,922	164,422
Reserves		1,890,442	1,638,576
Equity attributable to owners of the Company		2,066,364	1,802,998
Non-controlling interests		51,836	41,217
Total equity		2,118,200	1,844,215

On behalf of the directors

代表董事

Mr. Wong Sai Hung
黃世雄先生
Director
董事

Dr. Shao Zhengkang
邵政康博士
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 30 April 2016 截至二零一六年四月三十日止年度

		Attributable to owners of the Company							Non-controlling interests	Total	
		本公司擁有人應佔									
		Share capital	Share premium	Translation reserve	Special reserve	Other reserve	Share option reserve	Accumulated losses	Sub-total		
		股本	股份溢價	換算儲備	特殊儲備	其他儲備	購股權儲備	累計虧損	小計	非控股股東權益	合計
		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 26)									
		(附註26)									
At 1 May 2014	於二零一四年五月一日	117,629	1,551,370	2,689	(200)	(410,463)	–	(483,962)	777,063	2,987	780,050
Loss for the year	本年度虧損	–	–	–	–	–	–	(250,098)	(250,098)	(5,294)	(255,392)
Other comprehensive income	其他全面收入										
Exchange gain on translation of financial statements of foreign operations	換算海外業務財務報表之滙兌收益	–	–	1,747	–	–	–	–	1,747	(40)	1,707
Total comprehensive income for the year	本年度全面總收入	–	–	1,747	–	–	–	(250,098)	(248,351)	(5,334)	(253,685)
Shares issued at premium	按溢價發行股份	44,273	1,073,579	–	–	–	–	–	1,117,852	–	1,117,852
Issue of share options	發行購股權	–	–	–	–	–	24,678	–	24,678	–	24,678
Acquisition of subsidiaries (note 32(b))	收購附屬公司(附註32(b))	2,520	138,600	–	–	–	–	–	141,120	15,774	156,894
Capital contributions from non-controlling interests of a subsidiary	一間附屬公司之非控股股東注資	–	–	–	–	–	–	–	–	27,790	27,790
Share issue expense	股份發行開支	–	(9,364)	–	–	–	–	–	(9,364)	–	(9,364)
At 30 April 2015 and 1 May 2015	於二零一五年四月三十日及二零一五年五月一日	164,422	2,754,185	4,436	(200)	(410,463)	24,678	(734,060)	1,802,998	41,217	1,844,215
Loss for the year	本年度虧損	–	–	–	–	–	–	(190,902)	(190,902)	(3,622)	(194,524)
Other comprehensive income	其他全面收入										
Exchange loss on translation of financial statements of foreign operations	換算海外業務財務報表之滙兌虧損	–	–	(22,183)	–	–	–	–	(22,183)	(1,229)	(23,412)
Total comprehensive income for the year	本年度全面總收入	–	–	(22,183)	–	–	–	(190,902)	(213,085)	(4,851)	(217,936)
Shares issued at premium	按溢價發行股份	11,500	448,500	–	–	–	–	–	460,000	–	460,000
Issue of share options (note 31)	發行購股權(附註31)	–	–	–	–	–	20,345	–	20,345	–	20,345
Lapse of share options (note 31)	已失效購股權(附註31)	–	–	–	–	–	(80)	80	–	–	–
Acquisition of subsidiaries (note 32(a))	收購附屬公司(附註32(a))	–	–	–	–	–	–	–	–	12,173	12,173
Capital contributions from non-controlling interests of subsidiaries	附屬公司之非控股股東注資	–	–	–	–	–	–	–	–	3,297	3,297
Share issue expense	股份發行開支	–	(3,894)	–	–	–	–	–	(3,894)	–	(3,894)
At 30 April 2016	於二零一六年四月三十日	175,922	3,198,791	(17,747)	(200)	(410,463)	44,943	(924,882)	2,066,364	51,836	2,118,200

The special reserve represents the difference between the nominal value of the shares of the acquired subsidiaries and the nominal value of the Company's shares issued for their acquisition at the time of the Group's reorganisation in 2001.

特殊儲備指本集團於二零零一年重組時，被收購附屬公司股份面值與本公司就收購該等附屬公司而予以發行之本公司股份面值之差額。

The other reserve represents the difference between the fair value of consideration paid to increase the shareholding in a subsidiary Shaanxi Aierfu Activtissue Engineering Company Limited and the amount of adjustment to non-controlling interests during the years ended 30 April 2011, 2013 and 2014.

其他儲備指於截至二零一一年、二零一三年及二零一四年四月三十日止年度就增加於一間附屬公司(陝西艾爾膚組織工程有限公司)之股權所付代價之公平值與非控股股東權益調整金額之差額。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 30 April 2016 截至二零一六年四月三十日止年度

	Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Cash flows from operating activities	經營活動之現金流量		
Loss before income tax	除所得稅前虧損	(191,198)	(272,528)
Adjustments for:	經調整：		
Amortisation of land use rights	土地使用權攤銷	109	112
Amortisation of other intangible assets	其他無形資產攤銷	38,565	37,495
Depreciation	折舊	13,218	11,369
Interest income	利息收入	(109,562)	(1,476)
Impairment of goodwill	商譽減值	—	60,400
Impairment of other intangible assets	其他無形資產減值	—	41,432
Imputed interest income on convertible bond	可換股債券之 推算利息收入	—	(256)
Gain on disposals of property, plant and equipment, net	出售物業、廠房及 設備之收益（淨額）	(77)	—
Fair value gain on contingent consideration receivables	應收或然代價的 公平值收益	(8,556)	—
Equity-settled share-based payments	以權益結算之 股權支付費用	20,345	—
Provision for debt element of convertible bond	可換股債券之 債務部份之撥備	—	256
Interest expenses	利息費用	25,827	3,058
Operating loss before working capital changes	營運資金變動前之經營虧損	(211,329)	(120,138)
Increase in inventories	存貨增加	(4,000)	(2,706)
Increase in trade receivables	應收貿易賬項增加	(19,327)	(254)
Decrease/(increase) in deposits, prepayments and other receivables	按金、預付款項及其他 應收賬項減少／（增加）	61,737	(95,027)
Decrease/(increase) in trade payables	應付貿易賬項減少／（增加）	635	(354)
Increase in accrued charges and other payables	應計費用及其他應付賬項 增加	74,269	484
Cash used in operations	經營業務耗用之現金	(98,015)	(217,995)
Income taxes paid	已付所得稅	(1,102)	(330)
Net cash used in operating activities	經營活動耗用現金淨額	(99,117)	(218,325)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 30 April 2016 截至二零一六年四月三十日止年度

		Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Cash flows from investing activities	投資活動之現金流量			
Interest received	已收利息		92,679	1,476
Increase in pledged deposits	已抵押存款增加		(536,251)	(22,622)
Increase in deposits for acquisition of property, plant and equipment	購置物業、廠房及設備按金增加		(17,934)	—
Purchase of property, plant and equipment	購置物業、廠房及設備	14	(16,348)	(36,484)
Purchase of other intangible assets	購買其他無形資產	18	(4,021)	(7,293)
Acquisition of subsidiaries, net of cash acquired	收購附屬公司，已扣除已收購現金	32	(40,284)	(6,898)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		172	332
Net cash used in investing activities	投資活動耗用現金淨額		(521,987)	(71,489)
Cash flows from financing activities	融資活動之現金流量			
Proceeds from issue of shares and share options	發行股份及購股權所得款項		460,000	1,142,530
Share issue expenses paid	已付股份發行開支		(3,894)	(9,364)
Proceeds from bank borrowings	銀行借款所得款項		486,012	59,032
Repayments of bank borrowings	償還銀行借款		—	(37,455)
Capital contributions from non-controlling interests of subsidiaries	附屬公司之非控股股東注資		3,297	27,790
Interest paid on bank borrowings	已付銀行借款之利息		(25,827)	(3,041)
Other interest paid	已付其他利息		—	(17)
Net cash generated from financing activities	融資活動所得現金淨額		919,588	1,179,475
Net increase in cash and cash equivalents	現金及現金等值項目之增加淨額		298,484	889,661
Cash and cash equivalents at beginning of the year	年初之現金及現金等值項目		1,008,984	119,018
Effect of exchange rate changes on cash and cash equivalents	滙率變動對現金及現金等值項目之影響		(6,643)	305
Cash and cash equivalents at end of the year	年末之現金及現金等值項目		1,300,825	1,008,984

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 April 2016 截至二零一六年四月三十日止年度

1. GENERAL INFORMATION

China Regenerative Medicine International Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law (Revision 2001) of Cayman Islands on 20 April 2001. The address of its registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and its principal place of business is 10th Floor, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong. The Company’s shares are listed on the Growth Enterprise Market (the “GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company is an investment holding company. Details of the activities of its principal subsidiaries are set out in note 34 to the financial statements. The Company and its subsidiaries are collectively referred to as the “Group” hereafter.

The financial statements for the year ended 30 April 2016 were approved for issue by the board of directors on 15 July 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements on pages 96 to 183 have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on GEM of the Stock Exchange (“GEM Listing Rules”).

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new or amended HKFRSs and the impacts on the Group’s financial statements, if any, are disclosed in note 3.

1. 一般資料

中國再生醫學國際有限公司（「本公司」）於二零零一年四月二十日根據開曼群島公司法（二零零一年修訂版）在開曼群島註冊成立為獲豁免有限公司。其註冊辦事處及主要營業地點之地址分別為P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands及香港灣仔告士打道108號大新金融中心10樓。本公司股份於香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）上市。

本公司乃一間投資控股公司，其主要附屬公司之業務詳情載於財務報表附註34。本公司及其附屬公司下文統稱為「本集團」。

截至二零一六年四月三十日止年度之財務報表已於二零一六年七月十五日獲董事會批准刊發。

2. 主要會計政策概要

2.1 編製基準

載於第96至183頁之財務報表乃依據香港財務報告準則（「香港財務報告準則」，包括由香港會計師公會（「香港會計師公會」）頒佈之所有適用個別香港財務報告準則、香港會計準則及詮釋）而編製。財務報表亦包括香港公司條例之披露規定及聯交所創業板證券上市規則（「創業板上市規則」）。

用以編製此等財務報表之主要會計政策概述於下文。除另有列明者外，此等政策已貫徹應用於所有呈報年度。採納新訂或經修訂之香港財務報告準則及對本集團財務報表之影響（如有）乃於附註3中披露。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 April 2016 截至二零一六年四月三十日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

The financial statements have been prepared on the historical cost basis except for contingent consideration receivables, which are stated at fair value. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

2.2 Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisition or up to the effective dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

2. 主要會計政策概要 (續)

2.1 編製基準 (續)

本財務報表乃按歷史成本基準編製，惟應收或然代價以公平值列值。計量基準詳述於下文之會計政策中。

務請注意，編製財務報表時會採用會計估計及假設。儘管此等估計乃基於管理層對現時事件及行動之最深切了解及判斷而作出，惟實際結果最終或會有別於估計之情況。涉及高度判斷或複雜性之範疇或涉及對財務報表有重大影響之假設及估計之範疇披露於附註4。

2.2 業務合併及綜合基準

綜合財務報表包括本公司及其附屬公司之財務報表。集團公司之間內部公司交易及結餘以及未變現之溢利乃於編製綜合財務報表時全部對銷。除非交易顯示所轉讓之資產出現減值，該虧損會於損益中確認，否則未變現虧損亦須對銷。

年內收購或出售之附屬公司，其業績由收購生效日期起計或直至出售生效日期止（如適用）列入綜合損益及其他全面收入表內。當需要時，附屬公司之財務報表會被調整，使其會計政策與本集團其他成員公司所採用者一致。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 April 2016 截至二零一六年四月三十日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Business combination and basis of consolidation (Cont'd)

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2. 主要會計政策概要 (續)

2.2 業務合併及綜合基準 (續)

收購附屬公司或業務按收購會計法入賬。收購成本乃按收購日期所轉讓之資產、所產生之負債及本集團（作為收購方）發行之股權之公平值總額計量。被收購之可識別資產及所承擔負債主要按收購日期之公平值計量。本集團先前所持被收購方之股權以收購日期之公平值重新計量，而所產生之收益或虧損則於損益中確認。本集團可按每宗交易選擇按公平值或按應佔被收購方可識別資產淨值之比例計量相當於目前於附屬公司擁有權之非控股股東權益。所有其他非控股股東權益均按公平值計量，除非香港財務報告準則要求另一種計量基準，則作別論。與收購相關的成本在發生時支銷，除非其在發行股本工具時發生，在該情況下，有關成本從權益中扣除。

收購方將予轉讓之任何或然代價均按收購日期之公平值確認。其後代價調整僅於計算期間（最長為收購日期起計12個月）內所取得有關於收購日期之公平值之新資料時，方可於商譽中確認。分類為資產或負債之或然代價的所有其他其後調整均於損益中確認。

本集團於附屬公司的權益變動（並無導致失去控制權）列作權益交易入賬。本集團之權益與非控股股東權益之賬面值均予以調整，以反映其於附屬公司相對權益之變動。非控股股東權益之調整金額與已付或已收代價公平值之間的任何差額均直接於權益中確認，並撥歸予本公司擁有人。

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For the year ended 30 April 2016 截至二零一六年四月三十日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Business combination and basis of consolidation (Cont'd)

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

2.3 Subsidiaries

A subsidiary is an investee over which the Group is able to exercise control. The Group controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, investments in subsidiaries are carried at cost less impairment loss, if any. The results of the subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

2. 主要會計政策概要 (續)

2.2 業務合併及綜合基準 (續)

倘本集團失去附屬公司之控制權，出售之損益乃按下列兩者之差額計算：(i) 已收代價之公平值與任何保留權益之公平值總額，與(ii) 該附屬公司之資產（包括商譽）及負債與任何非控股股東權益先前之賬面值。先前就該附屬公司於其他全面收入確認之金額按出售相關資產或負債所規定之相同方式入賬。

收購後，相當於目前於附屬公司擁有權之非控股股東權益之賬面值為該等權益於初始確認時之金額加上非控股股東權益應佔權益其後變動之部份。即使會導致非控股股東權益出現虧絀結餘，全面總收入乃歸屬於該等非控股股東權益。

2.3 附屬公司

附屬公司是本集團能夠對其行使控制權之接受投資方。如果符合下列全部三個因素，則本集團控制接受投資方：可對接受投資方行使權力，承擔來自接受投資方之風險或有權獲得來自接受投資方之可變動回報，及能夠運用其權力來影響有關可變動回報。每當事實及情況顯示任何該等控制權因素可能出現變動時，則會重新評估是否擁有控制權。

於本公司之財務狀況表內，於附屬公司之投資按成本減去減值虧損（如有）列賬。本公司將附屬公司業績入賬時以已收和應收股息為基礎。

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For the year ended 30 April 2016 截至二零一六年四月三十日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.4 Foreign currency translation

The financial statements are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Company.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into HK\$. Assets and liabilities have been translated into HK\$ at the closing rates at the reporting date. Income and expenses have been converted into HK\$ at the exchange rates ruling at the transaction dates, or at the average rate over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the translation reserve in equity.

When a foreign operation is sold, such exchange differences are reclassified from equity to profit or loss as part of the gain or loss on sale.

2. 主要會計政策概要 (續)

2.4 外幣換算

本財務報表乃以港元(「港元」)呈列，港元亦為本公司之功能貨幣。

於綜合實體之個別財務報表中，外幣交易按照交易當日通行之匯率換算為個別實體之功能貨幣。於報告日，以外幣計值之貨幣資產及負債按報告當日通行之匯率換算。因結算該等交易及於報告日重新換算貨幣資產及負債而產生之滙兌收益及虧損均於損益中確認。按歷史成本以外幣計值的非貨幣項目並無重新換算。

於綜合財務報表中，海外業務所有原先以不同於本集團呈報貨幣呈列之個別財務報表，均已折算為港元。資產及負債均以報告日之收市匯率換算為港元。收入與開支則按交易當日之匯率或報告期之平均匯率(倘匯率並無大幅波動)折算為港元。該程序產生之任何差額均已於其他全面收入中確認及於權益內之換算儲備中分開累計處理。

於海外業務出售時，該等滙兌差額乃重新由權益劃分為損益，作為銷售收益或虧損之一部份。

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For the year ended 30 April 2016 截至二零一六年四月三十日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.5 Property, plant and equipment

Buildings held for own use which are situated on leasehold land, where the fair value of the building could be measured separately from the fair value of the leasehold land at the inception of the lease, and other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Depreciation on property, plant and equipment is provided to write off the cost less their residual values over their estimated useful lives, using the straight-line method, at the following rates per annum:

Buildings	over 50 years or the terms of the leases, whichever is shorter
Leasehold improvement	33%
Furniture and equipment	5%-25%
Computer equipment	33%
Motor vehicles	20%-25%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

The gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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

2. 主要會計政策概要 (續)

2.5 物業、廠房及設備

建於租賃土地上之持作自用樓宇，其公平值可於租賃開始時與租賃土地之公平值分開計量，其他物業、廠房及設備項目乃按成本減累計折舊及累計減值虧損列值。資產成本包括收購價及將資產帶至其運營狀況及地點作預定用途的任何直接應佔成本。

物業、廠房及設備乃按下列年利率，於估計可使用年內以直線法計提折舊，以撇減其成本減去其殘值：

樓宇	以五十年或租賃期 (以較短者為準) 計算
租賃物業裝修	33%
傢俬及設備	5%-25%
電腦設備	33%
汽車	20%-25%

於各報告日會審閱資產之殘值、減值方法及可使用年期，並於適當時進行調整。

報廢或出售產生之收益或虧損會按銷售所得款項與資產賬面值間之差額釐定，並於損益中確認。

倘與該項目有關之未來經濟利益有可能流入本集團，而項目成本能可靠地計量方會將其後成本列入資產賬面值或確認為獨立資產（如適用）。所有其他成本（如維修及保養）會於產生之財政期間內從損益中扣除。

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For the year ended 30 April 2016 截至二零一六年四月三十日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.6 Land use rights

Upfront payments made to acquire land held under an operating lease are stated at costs less accumulated amortisation and any accumulated impairment losses. The determination if an arrangement is or contains a lease and the lease is an operating lease is detailed in note 2.13. Amortisation is calculated on the straight-line method over the term of the lease/right of use except where an alternative basis is more representative of the time pattern of benefits to be derived by the Group from use of the land.

2.7 Goodwill

Goodwill is initially recognised at cost being the excess of the aggregate of consideration transferred and the amount recognised for non-controlling interests over the fair value of identifiable assets, liabilities and contingent liabilities acquired.

Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is recognised in profit or loss on the acquisition date, after re-assessment.

Goodwill is measured at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (see note 2.17).

On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of gain or loss on disposal.

2. 主要會計政策概要 (續)

2.6 土地使用權

收購經營租賃項下所持有土地之預付款項乃按成本減累計攤銷及任何累計減值虧損列賬。釐定一項安排是否屬於或包含租賃以及該租賃是否屬於經營租賃乃於附註2.13中詳述。攤銷乃於租賃／使用權期間按直線法計算，惟倘有另一種基準更能反映本集團透過使用有關土地可產生收益之時間模式除外。

2.7 商譽

商譽初步以成本確認，指所轉讓之代價及確認為非控股股東權益之金額的總和超出所收購可識別資產、負債及或有負債公平值之差額。

倘可識別資產、負債及或有負債公平值超出已付代價之公平值，則有關差額於重估後於收購日期於損益中確認。

商譽乃按成本減去累計減值虧損後計量。商譽會分配至現金產生單位，並且每年接受減值檢測（見附註2.17）。

其後出售附屬公司時，釐定出售之收益或虧損金額時應計入已資本化商譽之應佔金額。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.8 Intangible assets (other than goodwill) and research and development activities

Acquired intangible assets are recognised initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on straight-line basis over their estimated useful lives. Amortisation commences when the intangible assets are available for use. The following useful lives are applied:

Trademark	15 years
Patents	7-15 years

Expenditure on internally developed products is capitalised if it can be demonstrated that:

- It is technically feasible to develop the product for it to be sold;
- Adequate resources are available to complete the development;
- There is an intention to complete and sell the product;
- The Group is able to sell the product;
- Sale of the product will generate future economic benefits; and
- Expenditure on the project can be measured reliably.

Capitalised development costs are amortised over the periods the Group expects to benefit from selling the products developed. The amortisation expense is recognised in profit or loss.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in profit or loss as incurred.

2. 主要會計政策概要 (續)

2.8 無形資產 (商譽除外) 及研發活動

收購之無形資產初步按成本確認。初步確認後，有限可使用年期之無形資產按成本減累計攤銷及任何累計減值虧損列值。有限可使用年期之無形資產按直線法於其估計可使用年期內攤銷。無形資產一旦可供使用即開始攤銷。有關無形資產適用以下可使用年期：

商標	15年
專利	7-15年

內部開發產品的費用於可證明下列情況下予以資本化：

- 開發產品，以致其可供出售在技術上可行；
- 擁有可供完成開發之充足資源；
- 有完成及銷售該產品之意向；
- 本集團有能力銷售該產品；
- 銷售該產品將產生未來經濟利益；及
- 該項目開支能可靠計量。

資本化之開發成本乃於本集團預期將從銷售已開發產品獲利之期間攤銷。攤銷費用於損益中確認。

不符合上述標準之開發費用及內部項目在研究階段之費用乃於產生時於損益中確認。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.9 Financial assets

Financial assets are classified into loans and receivables and financial assets at fair value through profit or loss. Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade date. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

At each reporting date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, impairment loss is determined and recognised based on the classification of the financial asset.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss.

Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments or financial guarantee contracts.

2. 主要會計政策概要 (續)

2.9 金融資產

金融資產分為貸款及應收賬項和透過損益按公平值列賬之金融資產。購入金融資產時，管理層會依據購入該金融資產之目的，於初步確認時確定其種類，並於許可及適當時在各報告日重新評估有關分類。

所有金融資產於及僅於本集團參與訂立該工具之合約條文時方予確認。金融資產之一般買賣於交易日期確認。初步確認金融資產時，會按公平值計量，倘為並非透過損益按公平值列賬之投資，則加上直接應佔交易成本。

倘收取投資產生之現金流量之權利失效或被轉讓，且擁有權之絕大部份風險及回報已經轉移，即終止確認金融資產。

於各報告日，金融資產均被檢討以釐定其是否有任何減值之客觀證據。如果存在任何有關證據，減值虧損乃按其金融資產的分類確定和確認。

透過損益按公平值列賬之金融資產

透過損益按公平值列賬之金融資產包括持作買賣金融資產以及於初步確認時指定為透過損益按公平值列賬之金融資產。

倘購買金融資產之目的旨在近期出售，則有關金融資產分類為持作買賣。衍生工具（包括單獨嵌入式衍生工具）亦分類為持作買賣，除非被指定為有效對沖工具或金融擔保合約。

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For the year ended 30 April 2016 截至二零一六年四月三十日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.9 Financial assets (Cont'd)

Financial assets at fair value through profit or loss (Cont'd)

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial asset at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

Financial assets may be designated at initial recognition as at fair value through profit or loss if the following criteria are met:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis; or
- The assets are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy and information about the group of financial assets is provided internally on that basis to the key management personnel; or
- The financial asset contains an embedded derivative that would need to be separately recorded.

Subsequent to initial recognition, the financial assets included in this category are measured at fair value with changes in fair value recognised in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

2. 主要會計政策概要 (續)

2.9 金融資產 (續)

透過損益按公平值列賬之金融資產 (續)

倘一份合約含有一份或以上嵌入式衍生工具，則整份混合合約可指定為透過損益按公平值列賬之金融資產，惟嵌入式衍生工具並無導致現金流量出現重大變動，或明確禁止分列嵌入式衍生工具則除外。

倘符合以下條件，則可於初步確認時將金融資產指定為透過損益按公平值列賬：

- 該分類消除或大幅減少按不同基準計量資產或確認其收益或虧損所導致之不一致入賬方法；或
- 該等資產為根據明文規定之風險管理政策按公平值基準管理及評估表現之金融資產組別一部份；而有關金融資產組別之資料亦按此基準對內提供給主要管理人員；或
- 金融資產包括需獨立列賬之嵌入式衍生工具。

於初步確認後，列入此類別之金融資產將按公平值計量，其公平值變動在損益確認。

貸款及應收賬項

貸款及應收賬項為具有固定或可確定付款，但於活躍市場中無報價之非衍生金融資產。貸款及應收賬項隨後以實際利率法計算之攤銷成本（減任何減值虧損）計量。攤銷成本按計及任何收購折讓或溢價後計算，包括屬實際利率及交易成本一部份之費用。

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For the year ended 30 April 2016 截至二零一六年四月三十日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.9 Financial assets (Cont'd)

Impairment of financial assets

At each reporting date, financial assets are reviewed to determine whether there is any objective evidence of impairment.

Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of the Group about one or more of the following loss events:

- Significant financial difficulty of the debtor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- It becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- Significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in the group.

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognised in profit or loss of the period in which the impairment occurs.

2. 主要會計政策概要 (續)

2.9 金融資產 (續)

金融資產減值

於各報告日，金融資產均被檢討以釐定其是否有任何減值之客觀證據。

個別金融資產之客觀減值證據包括引致本集團對下列一項或多項虧損事件關注之可觀察數據：

- 債務人面對重大財務困難；
- 違反合約，例如未能如期或拖欠償還利息或本金；
- 債務人可能會破產或經歷其他財務重組；及
- 對債務人有負面影響之科技、市場、經濟或法律環境之重大改變。

有關某一組金融資產之虧損事件包括顯示該組金融資產之估計未來現金流量出現可計量跌幅之可觀察數據。該等可觀察數據包括但不限於組別內債務人之付款狀況，以及與組別內資產拖欠情況有關之國家或當地經濟狀況出現不利變動。

倘有客觀證據表明按攤銷成本入賬之貸款及應收賬項出現減值虧損，則虧損金額按資產之賬面值與估計未來現金流量（不包括未產生之未來信貸虧損）按金融資產之原本實際利率（即初步確認時計算之實際利率）貼現之現值兩者間之差額計算。虧損金額於減值出現期間之損益中確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 April 2016 截至二零一六年四月三十日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.9 Financial assets (Cont'd)

Impairment of financial assets (Cont'd)

If, in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss of the period in which the reversal occurs.

For financial assets other than financial assets at fair value through profit or loss and loan and receivables that are stated at amortised cost, impairment losses are written off against the corresponding assets directly. Where the recovery of trade receivables is considered doubtful but not remote, the impairment losses for doubtful receivables are recorded using an allowance account. When the Group is satisfied that recovery of trade receivables is remote, the amount considered irrecoverable is written off against trade receivables directly and any amounts held in the allowance account in respect of that receivable are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

2.10 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average method. In the case of work in progress and finished goods, cost also comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses.

2. 主要會計政策概要 (續)

2.9 金融資產 (續)

金融資產減值 (續)

倘若於其後期間減值虧損金額減少，而有關減幅可客觀地與確認減值後發生之事件聯繫，則撥回過往確認之減值虧損，惟於撥回減值當日不得導致金融資產賬面值超過如無確認減值之原有攤銷成本。撥回金額於撥回發生期間在損益內確認。

就金融資產（透過損益按公平值列賬之金融資產及按攤銷成本列賬之貸款及應收賬項除外）而言，減值虧損乃直接與相應資產撇銷。倘應收貿易賬項被認為有可能但並非不能收回，則屬呆賬之應收賬項減值虧損會使用撥備賬列賬。當本集團信納不大可能收回應收貿易賬項時，則被認為屬不可收回之金額乃直接自應收貿易賬項中撇銷，而於撥備賬內就有關應收賬項持有之任何金額會予以撥回。其後收回過往自撥備賬扣除之金額乃撥回至撥備賬。撥備賬之其他變動及其後收回過往直接撇銷之金額乃於損益中確認。

2.10 存貨

存貨按成本及可變現淨值兩者之較低者列賬。成本按加權平均法釐定。在製品及製成品之成本亦包括直接材料、直接勞工及按適當比例計算之生產成本。可變現淨值乃按照日常業務過程中之估計售價減估計完成成本及適當銷售開支計算。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 April 2016 截至二零一六年四月三十日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.11 Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand, time deposits with banks within original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.12 Financial liabilities

The Group's financial liabilities include trade payables, accrued charges and other payables and bank borrowings.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised in accordance with the Group's accounting policy for borrowing costs (see note 2.20).

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowing using effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Other financial liabilities

Other financial liabilities are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

2. 主要會計政策概要 (續)

2.11 現金及現金等值項目

現金及現金等值項目包括銀行及手頭現金，以及原到期日為三個月或以下可隨時轉換為已知數額現金且價值變動風險較少之銀行定期存款。

2.12 金融負債

本集團之金融負債包括應付貿易賬項、應計費用及其他應付賬項和銀行借款。

金融負債在本集團成為工具合約條文一方時確認。所有與利息相關之支出均根據本集團的會計政策確認為借款成本(見附註2.20)。

當負債項下之責任獲解除或註銷或屆滿時，則取消確認金融負債。

倘一項現有金融負債被同一借款人按基本上不同之條款提供之其他債項取代，或現有負債條款被重大修改，該取代或修改會被視作取消確認原有負債及確認一項新負債，且各賬面值間之差額會在損益中確認。

借款

借款初步按公平值(扣除已產生的交易成本)確認。借款其後按已攤銷成本列賬，所得款項(扣除交易成本)與贖回價值之間的任何差額於借款期採用實際利率法於損益中確認。

除非本集團有無條件權利將償還負債的期限延遲至報告日後最少十二個月，否則借款歸類為流動負債。

其他金融負債

其他金融負債初步按其公平值確認，隨後採用實際利率法按攤銷成本計量。

NOTES TO THE FINANCIAL STATEMENTS

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For the year ended 30 April 2016 截至二零一六年四月三十日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.13 Leases

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

(i) Classification of assets leased to the Group

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

- land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon, at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease (see note 2.6). For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

(ii) Operating lease charges as the lessee

Where the Group has the right to use of assets held under operating leases, payments made under the leases are charged to profit or loss on a straight line basis over the lease terms except where an alternative basis is more representative of the time pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rental are charged to profit or loss in the accounting period in which they are incurred.

2. 主要會計政策概要 (續)

2.13 租賃

倘本集團決定於協定期限內將特定資產使用權出讓以換取一筆或一連串款項之安排，包括一項交易或一連串交易之該項安排屬於或包括一項租賃。該項決定乃基於安排內容之實質評估而作出，而不論該項安排是否採取租賃之法律形式。

(i) 租予本集團之資產分類

本集團根據租賃持有之資產，而其中擁有權之絕大部份風險及報酬均轉移至本集團之租賃乃分類為根據融資租賃持有之資產。不會向本集團轉移絕擁有權之絕大部份風險及報酬之租賃乃分類為經營租賃，惟以下情況例外：

- 根據經營租賃持作自用之土地，而其公平值無法與租賃初始時座落其上之建築物之公平值分開計量，則會按根據融資租賃持有之物業列賬，惟倘該樓宇亦根據經營租賃持有則除外（見附註2.6）。就該等目的而言，該租賃之開始時間為本集團最初訂立有關租賃或自前承租人轉租之時間。

(ii) 作為承租人之經營租賃支出

如本集團是以經營租賃獲得資產之使用權，其租賃之支出於租賃期間以直線法自損益中扣除。如有另一種基準更能反映其租賃資產所產生收益之時間模式除外。已收取之租賃獎勵金額已在損益表中確認為已付淨租金總額之組成部份。或有租金在其產生之會計期間內自損益中扣除。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.14 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

Any transaction costs associated with the issuing of shares are deducted from share premium (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

2.15 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods, the rendering of services and the use by others of the Group's assets yielding interest, net of rebates and discounts. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised as follows:

Sales of goods are recognised upon transfer of significant risks and rewards of ownership to the customer. This is usually taken as the time when the goods are delivered and the customer has accepted the goods.

Interest income is recognised on a time-proportion basis using the effective interest method.

2.16 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred government grants and are recognised in profit or loss on a straight line basis over the expected lives of the related assets.

2. 主要會計政策概要 (續)

2.14 股本

普通股乃分類為權益。股本乃使用已發行股份之面值釐定。

任何與發行股份有關之交易成本會自股份溢價中扣除(減去任何相關所得稅利益)，惟以權益交易直接應佔之增加成本為限。

2.15 收益確認

收益包括銷售貨物、提供服務及他人使用本集團資產所產生之權益扣除回佣及折扣之已收或應收代價之公平值。倘經濟利益將會流入本集團且收益及成本(如適用)能可靠計量，則收益按以下基準確認：

銷售貨物乃於擁有權的大部份風險及回報轉嫁予客戶時予以確認。通常於貨物交付及客戶接獲貨物時確認。

利息收入以實際利息法按時間比例確認。

2.16 政府補貼

當能夠合理地保證本集團會符合所有附帶條件以及補貼將可收取時，政府補貼按其公平值確認入賬。與成本有關之政府補貼遞延及按擬補償之成本配合所需期間在損益中確認。與購置物業、廠房及設備有關之政府補貼列作遞延政府補貼計入非流動負債，並按有關資產之預期可使用年期以直線法於損益中確認。

NOTES TO THE FINANCIAL STATEMENTS

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For the year ended 30 April 2016 截至二零一六年四月三十日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.17 Impairment of non-financial assets

Goodwill arising on an acquisition of subsidiaries, other intangible assets, property, plant and equipment, land use rights and interests in subsidiaries are subject to impairment testing.

Goodwill is tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill in particular is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the goodwill is monitored for internal management purpose.

Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost to sell, or value in use, if determinable.

2. 主要會計政策概要 (續)

2.17 非金融資產減值

收購附屬公司所產生之商譽、其他無形資產、物業、廠房及設備、土地使用權及於附屬公司之權益須進行減值檢測。

不論是否出現任何減值跡象，商譽須至少每年進行一次減值檢測。所有其他資產則在出現未必能收回有關資產賬面值之跡象時進行減值檢測。

減值虧損按資產之賬面值超出其可收回金額之差額，即時確認為開支。可收回金額為反映市況之公平值減銷售成本與使用價值兩者中之較高者。評估使用價值時，估計未來現金流量採用稅前折現率折現至其現值，以反映現時市場對金錢之時間價值及有關資產特有風險之評估。

就評估減值而言，倘資產產生之現金流入大致上並不獨立於其他資產，可收回金額則按可獨立產生現金流入之最少資產組合（即現金產生單位）釐定。因此，部份資產個別進行減值檢測，另有部份按現金產生單位檢測。商譽分配至該等預期可受惠於相關業務合併協同效應之現金產生單位，即本集團內就內部管理目的而監控商譽之最小單位。

就已分配商譽之現金產生單位確認之減值虧損，初步計入商譽賬面值。除資產賬面值將不會調減至低於其個別公平值減銷售成本或使用價值（如可釐定）外，任何剩餘減值虧損將按比例自該現金產生單位之其他資產扣除。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.17 Impairment of non-financial assets (Cont'd)

An impairment loss on goodwill is not reversed in subsequent periods including impairment losses recognised in an interim period. In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

2.18 Employee benefits

(i) Retirement benefits

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer's contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in the Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a percentage of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

2. 主要會計政策概要 (續)

2.17 非金融資產減值 (續)

商譽減值虧損(包括中期確認之減值虧損)不會於其後期間撥回。就其他資產而言,倘用於釐定資產可收回款額之估計出現有利變動時,則撥回減值虧損,惟以資產賬面值不得高於倘並無確認減值虧損時原應釐定之賬面值(扣除任何折舊或攤銷)為限。

2.18 僱員福利

(i) 退休福利

本集團遵照強制性公積金計劃條例設立一項定額供款強制性公積金退休福利計劃(「強積金計劃」),對象為合資格參與強積金計劃之僱員。供款按僱員基本薪金之某一百分比作出,並於按照強積金計劃之規則應付時於損益中扣除。強積金計劃之資產與本集團之資產分開,並由獨立管理基金持有。本集團為強積金計劃作出之僱主供款在作出時全數歸僱員所有。

本集團於中國大陸營運之附屬公司所聘僱員,須參與由地方市政府籌辦之中央退休金計劃。該等附屬公司須撥備薪金成本之某一百分比作為中央退休金計劃供款。有關供款根據中央退休金計劃之規定於應支付時在損益中內扣除。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.18 Employee benefits (Cont'd)

(ii) Short-term employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

2.19 Share-based payments

Where share options are awarded to employees and others providing similar services, the fair value of the options at the date of grant is recognised in profit or loss over the vesting period with a corresponding increase in share-based payment reserve within equity. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at the end of each reporting period so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

All employee services received in exchange for the grant of any share-based compensation are measured at fair values. These are indirectly determined by reference to the equity instruments awarded. The value is appraised at the grant date and excludes the impact of any non-market vesting conditions.

2. 主要會計政策概要 (續)

2.18 僱員福利 (續)

(ii) 短期僱員福利

僱員有權享有年假，且於僱員支取年假時確認入賬。本集團已為截至報告日止因僱員提供服務而享有之年假之估計負債作出撥備。

非累計賠償缺席（如病假及產假）於僱員支取有關假期時確認入賬。

2.19 以股份為基礎之付款

凡向僱員及提供類似服務之其他人士授出購股權，購股權於授出當日之公平值於歸屬期間在損益內確認，並於權益內之以股份為基礎之付款儲備中作相應增加。非市場歸屬條件會一併考慮，方法為調整於各報告期末預期歸屬之股本工具數目，使於歸屬期間確認之累積數額，最終根據最後歸屬之購股權數目確認。市場歸屬條件為授出購股權之公平值計算因素之一。只要符合所有其他歸屬條件，不論是否符合市場歸屬條件，均會作出扣除。累積開支不會因市場歸屬條件未能達成而調整。

以提供任何以股份為基礎之補償而換取之所有僱員服務按公平值計量。此乃參考所授出之股本工具而間接釐定。價值乃於授出日期評估，且並不包括任何非市場歸屬條件之影響。

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For the year ended 30 April 2016 截至二零一六年四月三十日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.19 Share-based payments (Cont'd)

All share-based compensation is recognised as an expense in profit or loss with a corresponding credit to share-based payment reserve, net of deferred tax where applicable. If vesting periods or other vesting conditions apply, the expense is recognised over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates. No adjustment to expense recognised in prior periods is made if fewer share options ultimately are exercised than originally vested.

Where the terms and conditions of options are modified before they vest, the increase in fair value of the options, measured immediately before and after the modification, is also recognised in profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees and others providing similar services, the fair value of goods or services received is recognised in profit or loss unless the goods or services qualify for recognition as assets. A corresponding increase in equity is recognised. For cash-settled share based payments, a liability is recognised at the fair value of the goods or services received.

At the time when the share options are exercised, the amount previously recognised in share-based payment reserve will be transferred to share premium. When the vested share options are lapsed, forfeited or still not exercised at the expiry date, the amount previously recognised in share-based payment reserve will be transferred to retained earnings/accumulated losses.

2. 主要會計政策概要 (續)

2.19 以股份為基礎之付款 (續)

所有以股份為基礎之補償均於損益確認為開支，並在除去遞延稅項（倘適用）後相應增加以股份為基礎之付款儲備。倘歸屬期或其他歸屬條件適用，則開支會於歸屬期內按照對預期歸屬之購股權數目作出之最佳可得估計確認。非市場歸屬條件包括在預期可行使之購股權數目之假設內。倘有任何跡象顯示預期歸屬之購股權數目與過往之估計不同，則會於其後修訂估計。倘最終行使之購股權較原先歸屬者少，則毋須對過往期間已確認之開支進行調整。

若購股權歸屬前其條款及條件被修改，緊接修改前後計量之購股權公平值增加亦會於餘下歸屬期在損益確認。

凡股本工具授予僱員及其他提供相似服務之人士以外之人士，所收取貨品或服務之公平值於損益確認，除非貨品或服務合資格確認為資產則作別論。權益亦會確認相應增加。至於以現金結算之股份為基礎之付款，負債乃按所收取貨品或服務之公平值確認。

行使購股權時，過往於以股份為基礎之付款儲備確認之金額將轉撥至股份溢價。倘已歸屬之購股權失效、被沒收或於到期時尚未行使，則過往於以股份為基礎之付款儲備確認之金額將轉撥至保留盈利／累計虧損。

NOTES TO THE FINANCIAL STATEMENTS

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For the year ended 30 April 2016 截至二零一六年四月三十日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.20 Borrowing costs

Borrowing costs incurred for the acquisition, construction or production of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

Borrowing costs are capitalised as part of the cost of a qualified asset when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are being undertaken. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

2.21 Accounting for income taxes

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, tax authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

2. 主要會計政策概要 (續)

2.20 借款成本

就收購、建造或生產任何合資格資產所產生之借款成本，於完成及準備資產作擬定用途的期間內撥充資本。合資格資產是指必須要一段長時間方可達致擬定用途或出售的資產。其他借款成本於產生時支銷。

在產生資產開支、借款成本及使資產投入擬定用途或銷售所必須的準備工作進行期間，借款成本乃撥充資本，作為合資格資產成本的一部份。在使合資格資產投入擬定用途或銷售所必須的絕大部份準備工作完成時，借款成本便會停止資本化。

2.21 所得稅之會計方法

所得稅包括當期稅項及遞延稅項。

當期所得稅資產及／或負債包括本期或以往報告期（且於報告日尚未支付），向稅務當局繳納稅金之責任或來自稅務當局之索償，其乃根據年內應課稅溢利，按有關財政期間之適用稅率及稅法計算。當期稅項資產或負債之一切變動均於損益中確認為稅項開支之一部份。

遞延稅項乃按於資產及負債在報告日於財務報表之賬面值與其各自之稅基之暫時差異以負債法計算。遞延稅項負債一般就所有應課稅暫時差異確認。倘可能出現應課稅溢利（包括現有應課稅暫時差異）以動用可扣減暫時差異、未動用稅項虧損及未動用稅務抵免，則就所有可扣減暫時差異、可結轉之稅項虧損以及其他未動用稅務抵免確認遞延稅項資產。

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For the year ended 30 April 2016 截至二零一六年四月三十日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.21 Accounting for income taxes (Cont'd)

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

Deferred tax liabilities are recognised for taxable temporary difference arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

Current tax assets and current tax liabilities are presented in net if, and only if,

- (a) The Group has the legally enforceable right to set off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

- (a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

2. 主要會計政策概要 (續)

2.21 所得稅之會計方法 (續)

倘因商譽或初步確認(業務合併除外)某交易之資產及負債產生之暫時差異對應課稅或會計損益無影響,則不確認遞延稅項資產及負債。

於附屬公司之投資產生之應課稅暫時差異會確認遞延稅項負債,惟倘本集團可控制暫時差異之撥回及暫時差異將不會於可見將來撥回則作別論。

遞延稅項乃按預期於負債清償或資產變賣期間適用之稅率計算(不作貼現),惟有關稅率必須為於報告日已實施或大致上實施之稅率。

遞延稅項資產或負債變動乃於損益中獲確認,而倘與其他全面收入或直接扣除自或直接計入權益之項目有關,則於其他全面收入或直接於權益中確認。

當期稅項資產與當期稅項負債只會於以下情況以淨額呈列:

- (a) 本集團依法有強制執行權可以將已確認金額對銷;及
- (b) 計劃以淨額基準結算或同時實現資產及結清負債。

本集團只會於以下情況下以淨額呈列遞延稅項資產及遞延稅項負債:

- (a) 該實體依法有強制執行權可以將當期稅項資產與當期稅項負債對銷;及

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For the year ended 30 April 2016 截至二零一六年四月三十日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.21 Accounting for income taxes (Cont'd)

- (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - (i) the same taxable entity; or
 - (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.22 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major product and service lines.

The Group has identified the following reportable segments:

Tissue engineering — production and sale of tissue engineering products;

Stem cell — cellular and stem cell therapy, and medical equipment and other services; and

Cosmetics and healthcare — production and sales of cosmetics and healthcare products.

2. 主要會計政策概要 (續)

2.21 所得稅之會計方法 (續)

- (b) 遞延稅項資產與遞延稅項負債是關於同一稅務機關就以下任何一項所徵收的所得稅：
 - (i) 同一應課稅實體；或
 - (ii) 計劃於各段未來期間（而預期在有關期間內將結清或收回大額的遞延稅項負債或資產）以淨額基準結算當期稅項負債與資產或同時變現資產及結清負債的不同應課稅實體。

2.22 分部報告

根據向執行董事呈報以供彼等決定本集團各業務成分的資源分配及評核該等成分表現的定期內部財務資料，本集團確認經營分部及編製分部資料。向執行董事呈報的內部財務資料內的業務成分乃依據本集團主要產品及服務種類確定。

本集團已確認以下須予呈報分部：

組織工程 — 組織工程產品生產及銷售；

幹細胞 — 幹細胞及幹細胞療法，以及醫療設備及其他服務；及

化妝品及醫療保健 — 化妝品及醫療保健產品的生產及銷售。

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For the year ended 30 April 2016 截至二零一六年四月三十日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.22 Segment reporting (Cont'd)

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in its financial statements prepared under HKFRSs, except that:

- fair value gain on contingent consideration receivables
- finance costs
- income tax
- corporate income and expenses which are not directly attributable to the business activities of any operating segment

are not included in arriving at the operating results of the operating segment.

Segment assets include all assets except for contingent consideration receivables and corporate assets which are not directly attributable to the business activities of any operating segment and are not allocated to a segment, which primarily applies to the Group's headquarter.

Segment liabilities exclude corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment. These include deferred tax liabilities and liabilities incurred for financing rather than operating purposes.

2.23 Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of key management personnel of the Group or the Company's parent.

2. 主要會計政策概要 (續)

2.22 分部報告 (續)

本集團根據香港財務報告準則第8號就報告分部業績所採用的計量政策，與根據香港財務報告準則於財務報表所採用的相同，惟以下所述者除外：

- 應收或然代價的公平值收益
- 財務費用
- 所得稅
- 並非直接歸屬於任何經營分部之業務活動的企業收入及開支

於計算經營分部的經營業績時並不包括在內。

除未直接歸屬於任何經營分部之業務活動之應收或然代價及企業資產並不歸類於某一分部（即其主要為本集團總部所用）外，分部資產包括所有資產。

分部負債不包括未直接歸屬於任何經營分部之業務活動且並不歸類於某一分部之企業負債。該等分部負債包括遞延稅項負債及因融資（而非營運目的）而產生之負債。

2.23 關連人士

- (a) 倘屬以下人士，即該人士或該人士之近親家族成員與本集團有關連：
- (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本公司母公司的主要管理層成員。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.23 Related parties (Cont'd)

- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

2. 主要會計政策概要 (續)

2.23 關連人士 (續)

- (b) 倘符合下列任何條件，即實體與本集團有關連：
- (i) 該實體與本集團屬同一集團之成員公司（即各母公司、附屬公司及同系附屬公司彼此間有關連）。
 - (ii) 一間實體為另一實體的聯營公司或合營企業（或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業）。
 - (iii) 兩間實體均為同一第三方的合營企業。
 - (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。
 - (v) 實體為本集團或與本集團有關連之實體就僱員利益設立的離職福利計劃。
 - (vi) 實體受(a)所識別人士控制或受共同控制。
 - (vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體（或該實體的母公司）主要管理層成員。
 - (viii) 向本集團或向本集團母公司提供主要管理層人員服務的實體或集團任何成員公司。

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For the year ended 30 April 2016 截至二零一六年四月三十日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.23 Related parties (Cont'd)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

2.24 Provision and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reliably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2. 主要會計政策概要 (續)

2.23 關連人士 (續)

有關人士之近親家族成員為預期於買賣實體時將影響該人士或受該人士影響之該等家族成員，包括：

- (i) 該人士之子女及配偶或家庭伴侶；
- (ii) 該人士配偶或家庭伴侶之子女；及
- (iii) 該人士或其配偶或家庭伴侶之受養人。

2.24 撥備及或有負債

當本集團因過往事項須承擔法律或推定責任，而該責任可能導致可靠估計的經濟利益流出時，該等未確定時間或金額之負債則確認為撥備。

當不大可能有經濟利益流出，或未能可靠地估計該金額，則該責任披露為或有負債，除非經濟利益流出之可能性極微則作別論。可能須承擔的責任，（其存在僅由一項或多項未來事項是否發生而確定）亦會披露為或有負債，除非經濟利益流出之可能性極微則作別論。

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3. ADOPTION OF NEW OR AMENDED HKFRSs

During the year, the Group has adopted all the amended HKFRSs which are first effective for the reporting year and relevant to the Group. The adoption of these amended HKFRSs did not result in material changes to the Group's accounting policies.

At the date of this report, certain new and amended HKFRSs have been published but are not yet effective, and have not been early adopted by the Group.

The directors of the Company anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. The Directors are currently assessing the impact of the new and amended HKFRSs upon initial application. So far, the Directors have preliminarily concluded that the initial application of these HKFRSs will not result in material financial impact on the consolidated financial statements. Information on new and amended HKFRSs that are expected to have an impact on the Group's accounting policies is provided below.

HKFRS 9 (2014) — Financial Instruments

This standard is effective for accounting periods beginning on or after 1 January 2018. HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income ("FVTOCI") if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss ("FVTPL").

3. 採納新訂或經修訂香港財務報告準則

年內，本集團已採納所有於報告年度首次生效並與本集團有關之經修訂香港財務報告準則。採納該等經修訂香港財務報告準則並不會導致本集團會計政策出現重大變動。

於本報告日期，若干新訂及經修訂香港財務報告準則已頒佈但未生效，且本集團並無提早採納。

本公司董事預期，本集團將於發表生效日期後之首個期間開始採納所有發表之會計政策。董事現正評估首次應用新訂及經修訂香港財務報告準則之影響。迄今，董事作出之初步結論為首次應用此等香港財務報告準則將不會對綜合財務報表造成重大財務影響。預期將會對本集團會計政策構成影響之新訂及經修訂香港財務報告準則之資料在下文載述。

香港財務報告準則第9號 (二零一四年) — 金融工具

此項準則於二零一八年一月一日或之後開始之會計期間生效。香港財務報告準則第9號引進金融資產分類及計量之新規定。按業務模式持有而目的為持有資產以收取合約現金流之債務工具（業務模式測試）以及具產生現金流之合約條款且現金流僅為支付本金及未償還本金利息之債務工具（合約現金流特徵測試），一般按攤銷成本計量。倘該實體業務模式之目的為持有及收取合約現金流以及出售金融資產，則符合合約現金流特徵測試之債務工具以按公平值列入其他全面收入（「按公平值列入其他全面收入」）計量。實體可於初步確認時作出不可撤銷之選擇，以按公平值列入其他全面收入計量並非持作買賣之股本工具。所有其他債務及股本工具以按公平值於損益列賬（「按公平值於損益列賬」）計量。

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3. ADOPTION OF NEW OR AMENDED HKFRSs (Cont'd)

HKFRS 9 (2014) — Financial Instruments (Cont'd)

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

HKFRS 15 — Revenue from Contracts with Customers

This standard is effective for accounting periods beginning on or after 1 January 2018. The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

HKFRS 15 requires the application of a 5 steps approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to each performance obligation
- Step 5: Recognise revenue when each performance obligation is satisfied

3. 採納新訂或經修訂香港財務報告準則 (續)

香港財務報告準則第9號 (二零一四年) — 金融工具 (續)

香港財務報告準則第9號就並非按公平值於損益列賬計量之所有金融資產納入新的預期虧損減值模式 (取代香港會計準則第39號之已產生虧損模式)，並納入新的一般對沖會計規定，以讓實體於財務報表內更好地反映其風險管理活動。

香港財務報告準則第9號結轉香港會計準則第39號有關財務負債之確認、分類及計量規定，惟就指定按公平值於損益列賬之金融負債而言，因負債信貸風險變動而導致之公平值變動金額乃於其他全面收入內確認，除非其將產生或擴大會計錯配則作別論。此外，香港財務報告準則第9號保留香港會計準則第39號有關終止確認金融資產及金融負債之規定。

香港財務報告準則第15號 — 客戶合約收益

此項準則於二零一八年一月一日或之後開始之會計期間生效。該項新準則設立一個單一收益確認框架。該框架之核心原則為實體應確認收益以用金額描述轉讓承諾商品或服務予客戶，該金額反映預期該實體有權就交換該等商品及服務所收取之代價。香港財務報告準則第15號取代現行收益確認指引 (包括香港會計準則第18號「收益」、香港會計準則第11號「建築合約」及相關詮釋)。

香港財務報告準則第15號要求透過五個步驟確認收益：

- 第一步：識別與客戶之合約
- 第二步：識別合約中之履約責任
- 第三步：釐定交易價
- 第四步：將交易價分配至各履約責任
- 第五步：於各履約責任完成時確認收益

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3. ADOPTION OF NEW OR AMENDED HKFRSs (Cont'd)

HKFRS 15 — Revenue from Contracts with Customers (Cont'd)

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

HKFRS 16, Leases

From the perspective as a lessee, under the existing standard, leases are classified as either finance lease or operating lease, resulting in different accounting treatment. Finance leases are required to be accounted for “On Balance Sheet” (i.e. lease asset and corresponding liabilities are recognised in the statement of financial position); while operating lease is accounted for “Off Balance Sheet” where no asset or liabilities are recognised and the lease expenses are recognised on a straight-line basis along the lease period. Under the new standard, “On Balance Sheet” accounting treatment is required for all leases, except for certain short-term leases and leases of low-value assets. The statement of financial position will be “inflated” by their rights and obligations relating to their existing operating leases. In addition, the recognition of operating lease expenses will change from the existing straight-line model to a “front-loaded” model as finance lease, i.e. during the initial period of the lease term, the lease expenses (asset depreciation plus interest) under the new standard are higher compared to the operating lease expenses recognised under the existing standard.

From the perspective as a lessor, the accounting stays almost the same. However, the HKICPA has updated the guidance on the definition of a lease, sub-lease, as well as the guidance on the combination and separation of contracts, lessors will also be affected by the new standard.

HKFRS 16 will be effective for accounting period beginning on 1 January 2019. The directors of the Company anticipate that the application of HKFRS 16 in the future will have impact on the amounts reported in respect of the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 16 until the Group performs a detailed review.

3. 採納新訂或經修訂香港財務報告準則 (續)

香港財務報告準則第15號 — 客戶合約收益 (續)

香港財務報告準則第15號包含與特定收益議題相關之特定指引，該等指引或會更改香港財務報告準則現時應用之方法。該準則亦對與收益有關之披露作出大幅質化與量化改進。

香港財務報告準則第16號 — 租賃

就承租人而言，根據現有準則，租賃分類為融資租賃或經營租賃，因而導致不同會計處理方式。融資租賃須於「資產負債表內」（即租賃資產及相關負債於財務狀況表內確認）入賬；而經營租賃須於「資產負債表外」入賬，租賃期內並無資產或負債予以確認，而租賃開支乃以直線法基準確認。根據新準則，所有租賃（若干短期租賃及低值資產租賃除外）均須按「資產負債表內」的會計處理方式處理。財務狀況表按其現有經營租賃有關的權利及責任將予「上升」。此外，經營租賃開支的確認將由現有直線法模型變更為「前收式」模型，乃由於根據新準則的融資租賃（即於租賃期內的初始期間，租賃開支（資產折舊加利息））高於根據現有準則確認的經營租賃開支。

就出租人而言，會計方法幾乎相同。然而，香港會計師公會已更新租賃、分租及合併及分拆租約釋義的指引，出租人亦將受新準則影響。

香港財務報告準則第16號於二零一九年一月一日開始之會計期間生效。本公司董事預期日後應用香港財務報告準則第16號將對呈列於本集團綜合財務報表之金額產生影響。然而，於本集團進行詳細審閱前，本集團不能合理估計香港財務報告準則第16號所帶來的影響。

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3. ADOPTION OF NEW OR AMENDED HKFRSs (Cont'd)

Amendments to the Listing Rules

The Company has adopted the amendments to the Listing Rules relating to the disclosure of financial information with refer to the Hong Kong Companies Ordinance, Cap. 622, during the current financial year.

There is no impact on the Group's financial position or financial performance, however, the amendments impact the presentation and disclosures in the consolidated financial statements. For example, the statement of financial position of the Company is now presented in the notes to the financial statements rather than as a primary statement and related notes to the statement of financial position of the Company are generally no longer presented.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of trade and other receivables

The Group's management determines the impairment of trade and other receivables on a regular basis. This estimate is based on the credit history of its customers or debtors and current market conditions. Management reassesses the impairment of trade and other receivables at the reporting date.

Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in note 2.17. The recoverable amounts of cash-generating units have been determined based on fair value less costs of disposal calculations. These calculations require the use of estimates about future cash flows and discount rates.

3. 採納新訂或經修訂香港財務報告準則 (續)

上市規則之修訂

經參考第622章香港公司條例後，本公司已於本財政年度內採納上市規則有關財務資料披露之修訂。

本集團之財務狀況或財務表現並不受影響，然而，該等修訂影響綜合財務報表之呈列及披露。例如，本公司財務狀況表目前呈列於財務報表附註而非單獨報表，且一般不再呈列本公司財務狀況表之相關附註。

4. 關鍵會計估計及判斷

本集團根據過往經驗及其他因素，包括對當前情況相信屬合理的未來事件的預期，持續就估計及判斷進行評估。

本集團就未來作出估計及假設。所達致的會計估計（按照定義）甚少與有關實際結果一致。具有可引致於下個財政年度對資產及負債賬面值作出重大調整的重大風險的估計及假設論述如下：

貿易及其他應收賬項減值

本集團管理層定期釐定貿易及其他應收賬項減值。估計乃根據客戶或債務人信貸記錄及現時市況作出。管理層於報告日對貿易及其他應收賬項之減值重新評估。

估計商譽減值

本集團根據附註2.17所述會計政策每年測試商譽是否已有所減值。現金產生單位的可收回數額已按公平值減銷售成本釐定。該等計算法需就未來現金流及折現率作出估計。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

Estimated impairment of goodwill (Cont'd)

In the process of estimating expected future cash flows management makes assumptions about future revenues and profits. In the absence of the actual data of the Group's revenue and profit from tissue engineering and stem cell operations for the year, the assumptions about future revenues are mainly based on the current market demand of tissue engineering products in the PRC, the current supply of the similar products in the market, the estimated utilisation of the Group's production capacity and the management's current assessment of the economic outlook. The unit selling price is assumed to remain constant throughout the forecasted period. The assumptions about future profits are mainly based on the available market data of the profit margin ratio of companies engaged in the tissue engineering industry in the PRC and global market. As these assumptions relate to future events and circumstances, the actual results may vary and may cause a material adjustment to the carrying amount of goodwill within the next financial year.

Determining the appropriate discount rate involves estimating the appropriate adjustment for market risk and for asset specific risk factors. The management has taken consideration of risk-free rate (reference to the yield of the long term bond issued in the PRC), the cost of equity and debt of the companies within the tissue engineering industry and other possible risk factors such as the new commencement of the Group's production facilities in the near future and the market capitalisation of the Group in estimating the discount rate. Details of the estimates of the recoverable amounts of cash generating units containing goodwill are disclosed in note 16.

Estimated impairment of other intangible assets

The carrying values of other intangible assets are reviewed for impairment when there are any indications that the carrying value of other intangible assets may not be recoverable. The Group considered that no fact and circumstances occurred which would suggest that the carrying amount of other intangible assets may exceed its recoverable amount.

4. 關鍵會計估計及判斷 (續)

估計商譽減值 (續)

於估計預期未來現金流的過程中，管理層就未來收益及溢利作出假設。由於本集團於本年度組織工程及幹細胞業務的收益及溢利無實際數據，有關未來收益的假設乃主要基於組織工程產品於中國的目前市場需求、於市場類似產品的目前供應、估計利用本集團的生產能力及管理層對目前經濟前景的評估。假設單位售價於整個預測期間維持不變。有關未來溢利的假設乃主要基於在中國及全球市場從事組織工程行業公司的市盈率的可用市場數據。由於該等假設乃關乎未來事件及情況，實際結果可能有所偏差，並可能導致於下一財政年度對商譽賬面值作出重大調整。

釐定適當折現率涉及對市場風險及資產特定風險因素之適當調整作出估計。管理層已考慮無風險率（參考中國已發行長期債券的收益率）、於組織工程業內的公司之股本及債務成本及其他可能風險因素，例如本集團於不久將來新開始營運的生產設施及本集團於估計折現率時的市場資本。含有商譽之現金產生單位內的可收回金額的估計詳情乃於附註16披露。

估計其他無形資產減值

於有任何跡象顯示其他無形資產之賬面值可能無法收回時會對其他無形資產賬面值進行減值評核。本集團認為，概無發生任何事實及情況表明其他無形資產的賬面值可能超過其可收回金額。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees/consultants by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 31.

Contingent consideration receivables

Where the fair value of contingent consideration receivables cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets, where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgments include considerations of inputs such as probability-adjusted profit/loss, marketability discount and minority discount. Changes in assumptions about these factors could affect the reported fair value of contingent consideration receivables.

5. REVENUE AND OTHER INCOME

The Group's turnover represents revenue from its principal activities, measured at the net invoiced value of goods sold, after allowances for returns and trade discounts during the years presented.

Other income recognised during the year is as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Bank interest income	銀行利息收入	20,532	695
Gain on disposals of property, plant and equipment	出售物業、廠房及設備之收益	77	—
Government grant income	政府補貼收入	768	—
Imputed interest income on convertible bond	可換股債券之推算利息收入	—	256
Interest income on loan receivables	應收貸款之利息收入	89,030	781
Others	其他	574	369
		110,981	2,101

4. 關鍵會計估計及判斷 (續)

以股份為基礎之付款交易

本集團參考僱員／顧問獲授權當日股本工具之公平值估量與彼等進行股權結算交易之成本。估計以股份為基礎之付款交易的公平值須根據授權條款及條件釐定最為適當的估值模型。該估計亦須釐定估值模型最為合適的數據(包括購股權預期年限、波幅及股息回報率)並就此作出假設。用於估計以股份為基礎之付款交易的公平值之假設及模型於附註31披露。

應收或然代價

倘應收或然代價之公平值無法從活躍市場得出，其公平值使用估值技術(包括貼現現金流量模型)釐定。在可行的情況下，該等模型的數據根據可觀察市場得出；倘不可行，則須作出一定判斷以設定公平值。該等判斷包括可能性調整溢利／虧損、市場流動折現率及少數折現率等數據之考量。該等因素假設之變化可影響應收或然代價之呈報公平值。

5. 收益及其他收入

本集團之營業額指於年度內呈現之來自其主要活動，按扣除退貨及貿易折扣後之已售貨品發票淨值計算之收益。

本年度內已確認其他收入如下：

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6. SEGMENT INFORMATION

The executive directors have identified the Group's three business lines as operating segments as further described in note 2.22.

The operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

6. 分部資料

執行董事已確認本集團三條業務線為經營分部（詳情載於附註2.22）。

根據經調整分部經營業績就該等經營分部實施監控及作出策略決策。

		Tissue engineering 組織工程		Stem cell 幹細胞		Cosmetics and healthcare 化妝品及醫療保健		Total 合計	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Revenue	收益								
– From external customers	– 來自外界客戶	6,219	2,781	1,321	36	20,211	–	27,751	2,817
Reportable segment revenue	須予呈報分部收益	6,219	2,781	1,321	36	20,211	–	27,751	2,817
Reportable segment loss	須予呈報分部虧損	(69,466)	(130,162)	(19,096)	(58,755)	(3,533)	(15,903)	(92,095)	(204,820)
Amortisation of land use rights	土地使用權攤銷	109	112	–	–	–	–	109	112
Amortisation of other intangible assets	其他無形資產攤銷	34,450	37,372	4,115	123	–	–	38,565	37,495
Depreciation	折舊	9,008	8,033	417	16	224	122	9,649	8,171
Impairment of goodwill	商譽減值	–	10,958	–	49,442	–	–	–	60,400
Impairment of other intangible assets	其他無形資產減值	–	41,432	–	–	–	–	–	41,432
Interest income	利息收入	34,232	90	13	10	1,312	557	35,557	657
Reportable segment assets	須予呈報分部資產	779,548	797,905	209,171	169,067	59,329	53,049	1,048,048	1,020,021
Additions to non-current segment assets during the year	年內非流動分部資產之添置	17,837	47,641	998	–	835	831	19,670	48,472
Reportable segment liabilities	須予呈報分部負債	107,794	48,457	8,869	4,110	6,743	5,393	123,406	57,960

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For the year ended 30 April 2016 截至二零一六年四月三十日止年度

6. SEGMENT INFORMATION (Cont'd)

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the financial statements as follows:

6. 分部資料 (續)

本集團經營分部列示的總額與本集團於財務報表列示的關鍵財務數據對賬如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Reportable segment revenue	須予呈報分部收益	27,751	2,817
Group revenue	集團收益	27,751	2,817
Reportable segment loss	須予呈報分部虧損	(92,095)	(204,820)
Unallocated corporate income	未分配企業收入	74,079	1,075
Unallocated corporate expenses	未分配企業開支	(155,911)	(65,725)
Fair value gain on contingent consideration receivables	應收或然代價公平值收益	8,556	—
Finance costs	財務費用	(25,827)	(3,058)
Loss before income tax	除所得稅前虧損	(191,198)	(272,528)
Reportable segment assets	須予呈報分部資產	1,048,048	1,020,021
Contingent consideration receivables	應收或然代價	28,030	15,088
Cash and cash equivalents	現金及現金等值項目	1,197,818	954,358
Pledged bank deposits	已抵押銀行存款	558,873	—
Other corporate assets	其他企業資產	68,508	65,348
Group assets	集團資產	2,901,277	2,054,815
Reportable segment liabilities	須予呈報分部負債	123,406	57,960
Bank borrowings	銀行借款	542,553	59,032
Deferred taxation	遞延稅項	90,306	86,626
Other corporate liabilities	其他企業負債	26,812	6,982
Group liabilities	集團負債	783,077	210,600

Unallocated corporate income mainly included interest income from pledged bank deposits and loan receivables. Unallocated corporate expenses mainly included staff costs, exchange loss, equity-settled share-based payments, rental and other expenses not directly attributable to the business activities of any operating segments.

Other corporate assets mainly included bank interest receivables and assets not directly attributable to the business activities of any operating segments.

未分配企業收入主要包括已抵押銀行存款及應收貸款之利息收入。未分配企業開支主要包括員工成本、滙兌虧損、以權益結算之股權支付費用、任何經營分部業務活動並非直接應佔之租金及其他開支。

其他企業資產主要包括應收銀行利息及任何經營分部業務活動並非直接應佔之資產。

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For the year ended 30 April 2016 截至二零一六年四月三十日止年度

6. SEGMENT INFORMATION (Cont'd)

The Group's revenue from external customers and its non-current assets are divided into the following geographical areas:

6. 分部資料 (續)

本集團來自外界客戶的收益及其非流動資產按地區分析如下：

		Revenue from external customers 來自外界客戶的收益		Non-current assets (excluding contingent consideration receivable) 非流動資產 (不包括應收或然代價)	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Hong Kong	香港	—	—	2,450	4,244
The PRC (domicile)	中國 (主體所在地)	27,751	2,817	876,304	847,624
		27,751	2,817	878,754	851,868

During the year ended 30 April 2016, 71% of the Group's revenue depended on one customer in cosmetics and healthcare segment. As at 30 April 2016, 97% of the Group's trade receivables were due from this one customer.

During the year ended 30 April 2015, 15%, 13% and 11% of the Group's revenue depended on three customers in tissue engineering segment respectively. As at 30 April 2015, none of the Group's trade receivables were due from these three customers.

The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the non-current assets is based on (1) the physical location of the assets (for property, plant and equipment and land use rights) and (2) location of operations (for goodwill and other intangible assets). The Company is an investment holding company where the Group has majority of its operation and workforce in the PRC, and therefore, the PRC is considered as the Group's country of domicile for the purpose of the disclosures as required by HKFRS 8 "Operating Segment".

Certain comparative figures in the segment information for the year ended 30 April 2015 have been restated. Previously, executive directors identified stem cell, cosmetic and health products and medical products and equipment as separate reportable segments. For the year ended 30 April 2016, the executive directors allocated the medical products and equipment segment to tissue engineering and stem cell segments of the Group as a result of the change in information reported internally for the purposes of resources allocation and assessment of business performance. Comparative figures have been reclassified accordingly.

截至二零一六年四月三十日止年度，本集團收益的71%來自於化妝品及醫療保健分部之一名客戶。於二零一六年四月三十日，本集團應收貿易賬項的97%來自該名客戶。

截至二零一五年四月三十日止年度，本集團收益的15%、13%及11%分別來自於組織工程分部之三名客戶。於二零一五年四月三十日，本集團應收貿易賬項概無來自該三名客戶。

客戶所在地點乃根據所提供之服務或交付貨品之地點劃分。非流動資產之地點乃根據(1)資產實際所在地(包括物業、廠房及設備和土地使用權)，及(2)經營所在地(包括商譽及其他無形資產)劃分。本公司為一間投資控股公司，而本集團大多數營運及勞動力均在中國，因此，中國被認為是根據香港財務報告準則第8號「經營分部」規定而披露之本集團之主體所在地。

已重列截至二零一五年四月三十日止年度分部資料之若干比較數字。之前，執行董事將組織工程、幹細胞、化妝品及健康產品及醫療產品及器械識別為須予單獨呈報分部。截至二零一六年四月三十日止年度，在為了資源配置及業務表現評估而進行的內部呈報資料變更後，執行董事將醫療產品及設備部份配至本集團組織工程及幹細胞分部。比較數字已因此重新分類。

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For the year ended 30 April 2016 截至二零一六年四月三十日止年度

7. FINANCE COSTS

7. 財務費用

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Interest on bank borrowings and other payables, wholly repayable within one year	須於一年內全部償還之銀行借款及其他應付賬項之利息	25,827	3,058

8. LOSS BEFORE INCOME TAX

8. 除所得稅前虧損

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Loss before income tax has been arrived at after charging:	除所得稅前虧損已扣除下列各項：		
Amortisation of land use rights	土地使用權攤銷	109	112
Amortisation of other intangible assets, included in administrative expenses	其他無形資產攤銷 (已包括在行政開支中)	38,565	37,495
Auditor's remuneration	核數師酬金	1,074	880
Depreciation	折舊	13,218	11,369
Equity-settled share-based payments	以權益結算之股權支付費用	20,345	—
Exchange difference, net	滙兌差額(淨額)	21,996	55
Operating lease rentals in respect of office premises	辦公室物業之經營租賃租金	23,968	18,560
Provision for debt element of convertible bond	可換股債券之債務部份之撥備	—	256
Research and development costs	研發成本	62,676	38,383
Less: Capitalisation to other intangible assets	減：資本化至其他無形資產	(4,021)	(7,293)
		58,655	31,090
Employee benefit expense (including directors' emoluments (note 9)) (note 10)	僱員福利開支(包括董事酬金(附註9))(附註10)	95,110	66,367
Less: Employee benefit expenses included in research and development costs	減：包括在研發成本內之僱員福利開支	(15,421)	(14,748)
		79,689	51,619

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For the year ended 30 April 2016 截至二零一六年四月三十日止年度

9. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS

9. 董事及行政總裁酬金

		Fees	Salaries and allowances	Contribution to defined contribution plans	Equity-settled share-based payments	Total
		袍金	薪金及津貼	定額供款計劃之供款	以權益結算之股權支付費用	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Year ended 30 April 2016	截至二零一六年四月三十日止年度					
Executive directors	執行董事					
Mr. Dai Yumin (resigned on 30 April 2016)	戴昱敏先生 (於二零一六年四月三十日辭任)	—	1,440	18	1,441	2,899
Ms. Wang Yurong (resigned on 30 April 2016)	王玉榮女士 (於二零一六年四月三十日辭任)	—	1,440	18	1,441	2,899
Mr. Wong Sai Hung (re-designated as executive director on 11 January 2016)	黃世雄先生 (於二零一六年一月十一日調任為執行董事)	—	406	6	—	412
Dr. Shao Zhengkang (appointed on 30 April 2016)	邵政康博士 (於二零一六年四月三十日獲委任)	—	1	—	—	1
Independent non-executive directors	獨立非執行董事					
Mr. Lui Tin Nang	呂天能先生	210	—	—	173	383
Mr. Pang Chung Fai, Benny	彭中輝先生	210	—	—	166	376
Mr. Chan Bing Woon	陳炳煥先生	210	—	—	159	369
Mr. Wang Hui (appointed on 18 June 2015)	王輝先生 (於二零一五年六月十八日獲委任)	194	—	—	144	338
Non-executive directors	非執行董事					
Mr. Wong Sai Hung (re-designated as executive director on 11 January 2016)	黃世雄先生 (於二零一六年一月十一日調任為執行董事)	868	—	—	623	1,491
Mr. Yang Zhenguang	楊正國先生	1,200	—	—	519	1,719
Professor Deng Shaoping	鄧紹平教授	1,200	—	—	476	1,676
Mr. Wang Jianjun	王建軍先生	1,200	—	—	476	1,676
Mr. Cao Fushan	曹福順先生	1,200	—	—	454	1,654
Chief Executive Officer	行政總裁					
Dr. Shao Zhengkang	邵政康博士	—	1,310	18	—	1,328
		6,492	4,597	60	6,072	17,221

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9. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS (Cont'd)

9. 董事及行政總裁酬金 (續)

		Fees	Salaries and allowances	Contribution to defined contribution plans	Equity-settled share-based payments	Total
		袍金	薪金及津貼	定額供款計劃之供款	以權益結算之股權支付費用	合計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Year ended 30 April 2015	截至二零一五年四月三十日止年度					
Executive directors	執行董事					
Mr. Dai Yumin	戴昱敏先生	—	1,440	18	—	1,458
Ms. Wang Yurong	王玉榮女士	—	1,440	18	—	1,458
Independent non-executive directors	獨立非執行董事					
Mr. Lui Tin Nang	呂天能先生	120	—	—	—	120
Mr. Chan Wing Hang (resigned on 23 March 2015)	陳永恒先生 (於二零一五年三月二十三日辭任)	107	—	—	—	107
Mr. Pang Chung Fai, Benny	彭中輝先生	120	—	—	—	120
Mr. Chan Bing Woon	陳炳煥先生	120	—	—	—	120
Non-executive directors	非執行董事					
Mr. Wong Sai Hung	黃世雄先生	1,200	—	—	—	1,200
Mr. Ma Long (removed on 14 April 2015)	馬龍先生 (於二零一五年四月十四日被免職)	1,143	—	—	—	1,143
Mr. Yang Zhengguo	楊正國先生	1,200	—	—	—	1,200
Professor Deng Shaoping	鄧紹平教授	1,200	—	—	—	1,200
Mr. Wang Jianjun	王建軍先生	1,200	—	—	—	1,200
Mr. Cao Fushan (appointed on 19 June 2014)	曹福順先生 (於二零一四年六月十九日獲委任)	1,040	—	—	—	1,040
Chief Executive Officer	行政總裁					
Dr. Shao Zhengkang	邵政康博士	—	1,248	18	—	1,266
		7,450	4,128	54	—	11,632

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2015: Nil).

No emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group, or as compensation for loss of office.

年內概無董事放棄或同意放棄任何酬金之安排 (二零一五年：無)。

本集團並無向董事支付任何酬金，作為加入本集團或於加入本集團時之獎勵或離職補償。

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9. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS (Cont'd)

Employees' emoluments

The five individuals whose emoluments including share-based payment expenses were the highest in the Group for the year included five (2015: four) directors/chief executive officer whose emoluments are reflected in the analysis presented above. In 2015, the emoluments of the remaining one individual were as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	—	1,320
Retirement benefits scheme contributions	退休福利計劃供款	—	18
		—	1,338

The emoluments of the highest paid non-director individuals fell within the following band:

		Number of individual 人數	
		2016 二零一六年	2015 二零一五年
HK\$1,000,000 — HK\$2,000,000	1,000,000 港元 — 2,000,000 港元	—	1

Key management of the Group are members of the board of directors and chief executive officer.

僱員酬金

本集團年內五名最高薪人士（其酬金包括以股份為基礎之付款開支）包括五名（二零一五年：四名）董事／行政總裁，其酬金反映於上述分析內。於二零一五年，餘下一名人士的酬金如下：

非董事的最高薪人士的酬金介乎以下範圍以內：

本集團之主要管理層為董事會成員及行政總裁。

10. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Wages and salaries	工資及薪金	66,295	57,817
Equity-settled share-based payments	以權益結算之股權支付費用	17,205	—
Pension costs — defined contribution plans	退休金成本 — 定額供款計劃	7,510	5,647
Other staff benefits	其他員工福利	4,100	2,903
		95,110	66,367

10. 僱員福利開支（包括董事酬金）

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11. INCOME TAX EXPENSE/(CREDIT)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the year. For the year ended 30 April 2015, no Hong Kong Profits Tax had been provided as the Group had no assessable profits. The PRC enterprise income tax is 25% for the year (2015: 25%) Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

11. 所得稅開支／（抵免）

香港利得稅乃按年度估計應課稅溢利的16.5%計算。截至二零一五年四月三十日止年度，由於本集團並無任何應課稅溢利，故無計提任何香港利得稅。本年度中國企業所得稅為25%（二零一五年：25%）。海外利得稅乃根據本年度估計應課稅溢利按本集團經營所在國家之現行稅率計算。

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Profits tax — for the year	利得稅 — 本年度		
Hong Kong	香港	1,612	—
The PRC	中國	8,487	330
Deferred taxation (note 25)	遞延稅項（附註25）	(6,773)	(17,466)
Income tax expense/(credit)	所得稅開支／（抵免）	3,326	(17,136)

Reconciliation between income tax expense/(credit) and accounting loss at applicable tax rates:

按適用稅率計算之所得稅開支／（抵免）及會計虧損之對賬如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Loss before income tax	除所得稅前虧損	(191,198)	(272,528)
Notional tax calculated at the rates applicable to the loss in the tax jurisdictions concerned	按有關稅項司法權區之虧損適用之稅率計算的名義稅項	(41,685)	(46,626)
Tax effect of expenses not deductible for tax purpose	不可用作扣稅之開支的稅務影響	35,972	26,305
Tax effect of income not taxable for tax purpose	毋須課稅收入的稅務影響	(1,686)	(634)
Tax effect of tax losses not recognised	尚未確認稅項虧損的稅務影響	10,725	3,819
Income tax expense/(credit)	所得稅開支／（抵免）	3,326	(17,136)

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12. DIVIDENDS

The directors do not recommend the payment of a dividend for the year (2015: Nil).

12. 股息

董事並不建議派付本年度股息（二零一五年：無）。

13. LOSS PER SHARE

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

13. 每股虧損

本公司擁有人應佔每股基本及攤薄虧損乃根據以下數據計算：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Loss for the year attributable to owners of the Company for the purpose of basic loss per share	用以計算每股基本虧損之本公司擁有人應佔本年度虧損	(190,902)	(250,098)
		2016 二零一六年 '000 千股	2015 二零一五年 '000 千股
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic loss per share	用以計算每股基本虧損之普通股加權平均數	17,309,393	12,402,512

For the years ended 30 April 2016 and 2015, diluted losses per share attributable to owners of the Company were not presented because the impact of the exercise of share options was anti-dilutive.

截至二零一六年及二零一五年四月三十日止年度，由於行使購股權具反攤薄影響，故並無呈列本公司擁有人應佔每股攤薄虧損。

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For the year ended 30 April 2016 截至二零一六年四月三十日止年度

14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Buildings 樓宇 HK\$'000 千港元	Leasehold improvement 租賃物業裝修 HK\$'000 千港元	Furniture and equipment 傢俬及設備 HK\$'000 千港元	Computer equipment 電腦設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 May 2014	於二零一四年五月一日						
Cost	成本	93,147	7,438	48,839	986	3,597	154,007
Accumulated depreciation	累計折舊	(1,917)	(360)	(7,454)	(632)	(2,296)	(12,659)
Net book amount	賬面淨值	91,230	7,078	41,385	354	1,301	141,348
Year ended 30 April 2015	截至二零一五年四月三十日 止年度						
Opening net book amount	期初賬面淨值	91,230	7,078	41,385	354	1,301	141,348
Exchange differences	滙兌差額	557	14	268	5	9	853
Disposal	出售	—	—	(267)	(11)	(54)	(332)
Additions	添置	12,978	4,919	23,281	940	646	42,764
Acquisitions through business combinations (note 32(b))	通過業務合併所收購 (附註32(b))	—	—	1,545	70	21	1,636
Depreciation	折舊	(1,788)	(3,317)	(5,103)	(687)	(474)	(11,369)
Closing net book amount	期末賬面淨值	102,977	8,694	61,109	671	1,449	174,900
At 30 April 2015	於二零一五年四月三十日						
Cost	成本	106,685	12,367	73,314	1,979	4,182	198,527
Accumulated depreciation	累計折舊	(3,708)	(3,673)	(12,205)	(1,308)	(2,733)	(23,627)
Net book amount	賬面淨值	102,977	8,694	61,109	671	1,449	174,900
Year ended 30 April 2016	截至二零一六年四月三十日 止年度						
Opening net book amount	期初賬面淨值	102,977	8,694	61,109	671	1,449	174,900
Exchange differences	滙兌差額	(4,317)	(182)	(2,144)	(24)	(64)	(6,731)
Disposal	出售	—	—	(50)	(7)	(38)	(95)
Additions	添置	6,483	602	8,643	620	—	16,348
Acquisitions through business combinations (note 32(a))	通過業務合併所收購 (附註32(a))	—	76	1,256	140	77	1,549
Depreciation	折舊	(1,961)	(3,773)	(6,812)	(361)	(311)	(13,218)
Closing net book amount	期末賬面淨值	103,182	5,417	62,002	1,039	1,113	172,753
At 30 April 2016	於二零一六年四月三十日						
Cost	成本	108,666	12,777	80,386	2,615	3,171	207,615
Accumulated depreciation	累計折舊	(5,484)	(7,360)	(18,384)	(1,576)	(2,058)	(34,862)
Net book amount	賬面淨值	103,182	5,417	62,002	1,039	1,113	172,753

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For the year ended 30 April 2016 截至二零一六年四月三十日止年度

14. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

As at 30 April 2016 and 2015, all the Group's buildings are situated in the PRC and are held under medium term leases.

As at 30 April 2016, certain of the Group's property, plant and equipment with net carrying amount of HK\$84,494,000 (2015: HK\$89,999,000) were pledged to secure the bank borrowings granted to the Group (note 24).

15. LAND USE RIGHTS

The Group's land use rights represent payments to acquire interests in the usage of lands situated in the PRC, which are held under medium-term leases.

As at 30 April 2016 and 2015, the Group's entire land use rights were pledged to secure the bank borrowings granted to the Group (note 24).

16. GOODWILL

The goodwill arose from (1) the acquisition of FD(H) Investments Limited and its subsidiaries ("Aierfu Business"), which are engaged in the production and sales of tissue engineering skin related products, in 2008; (2) the acquisition of Maylion Management Limited and its subsidiary ("Reshine Business"), which is engaged in the bio-medical engineering, research and development of regenerative medical products in relation to tissue engineering technology in December 2013; (3) the acquisition of Passion Stream Limited and its subsidiaries ("Weikai Business"), which is engaged in the design and manufacturing of pre-clinical cell and stem cell related equipment, especially in 3D cell culture bio-reactors and their related consumables, as well as the provision of CRO services in April 2015; and (4) Frame Sharp Limited and its subsidiaries ("AK Business"), which is principally engaged in providing service and equipment for human cell and stem cell related clinical applications in August 2015.

14. 物業、廠房及設備 (續)

於二零一六年及二零一五年四月三十日，本集團所有樓宇均位於中國且以中期租賃形式持有。

於二零一六年四月三十日，本集團賬面淨值 84,494,000 港元 (二零一五年：89,999,000 港元) 之若干物業、廠房及設備已予抵押，以為本集團取得銀行借款 (附註 24)。

15. 土地使用權

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Opening net carrying amount	期初賬面淨值	4,898	4,980
Exchange differences	滙兌差額	(205)	30
Amortisation	攤銷	(109)	(112)
Closing net carrying amount	期末賬面淨值	4,584	4,898

本集團之土地使用權指收購位於中國之土地之使用權益 (以中期租賃形式持有) 之支付款項。

於二零一六年及二零一五年四月三十日，本集團之全部土地使用權已予抵押，以為本集團獲授之銀行借款提供擔保 (附註 24)。

16. 商譽

商譽乃產生自(1)二零零八年收購FD(H) Investments Limited及其附屬公司(「艾爾膚業務」)，其主要從事生產及銷售組織工程皮膚相關產品；(2)二零一三年十二月收購美倫管理有限公司及其附屬公司(「瑞盛業務」)，其主要從事生物醫學工程、有關組織工程技術的再生醫療產品的研發；(3)二零一五年四月收購Passion Stream Limited及其附屬公司(「衛凱業務」)，其主要從事臨床前細胞和幹細胞相關設備之設計和製造(特別是在三維細胞灌培養物反應器和彼等相關的耗材)以及提供合同式技術研究服務；及(4)二零一五年八月收購Frame Sharp Limited及其附屬公司(「奧凱業務」)，其主要從事為人體細胞及幹細胞相關臨床應用提供服務及設備。

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For the year ended 30 April 2016 截至二零一六年四月三十日止年度

16. GOODWILL (Cont'd)

The net carrying amount of goodwill can be analysed as follows:

16. 商譽 (續)

商譽之賬面淨值之分析如下：

		Aierfu Business 艾爾膚業務 HK\$'000 千港元	Reshine Business 瑞盛業務 HK\$'000 千港元	Weikai Business 衛凱業務 HK\$'000 千港元	AK Business 奧凱業務 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 May 2014	於二零一四年五月一日					
Gross carrying amount	總賬面值	141,310	152,615	—	—	293,925
Accumulated impairment	累計減值	—	(141,657)	—	—	(141,657)
Net carrying amount	賬面淨值	141,310	10,958	—	—	152,268
Year ended 30 April 2015	截至二零一五年四月三十日 止年度					
Opening net carrying amount	期初賬面淨值	141,310	10,958	—	—	152,268
Business combinations (note 32 (b))	業務合併 (附註32(b))	—	—	96,213	—	96,213
Impairment losses	減值虧損	—	(10,958)	(49,442)	—	(60,400)
Closing net carrying amount	期末賬面淨值	141,310	—	46,771	—	188,081
At 30 April 2015	於二零一五年四月三十日					
Gross carrying amount	總賬面值	141,310	152,615	96,213	—	390,138
Accumulated impairment	累計減值	—	(152,615)	(49,442)	—	(202,057)
Net carrying amount	賬面淨值	141,310	—	46,771	—	188,081
Year ended 30 April 2016	截至二零一六年四月三十日 止年度					
Opening net carrying amount	期初賬面淨值	141,310	—	46,771	—	188,081
Business combinations (note 32 (a))	業務合併 (附註32(a))	—	—	—	8,902	8,902
Closing net carrying amount	期末賬面淨值	141,310	—	46,771	8,902	196,983
At 30 April 2016	於二零一六年四月三十日					
Gross carrying amount	總賬面值	141,310	152,615	96,213	8,902	399,040
Accumulated impairment	累計減值	—	(152,615)	(49,442)	—	(202,057)
Net carrying amount	賬面淨值	141,310	—	46,771	8,902	196,983

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16. GOODWILL (Cont'd)

For the purpose of impairment testing, goodwill is allocated to four (2015: three) cash generating units, Aierfu Business, Reshine Business, Weikai Business and AK Business (2015: Aierfu Business, Reshine Business and Weikai Business).

The recoverable amounts for these cash-generating units have been determined based on fair value less cost of disposal calculation using discounted cash flow technique, covering detailed five-year budget plans. Cash flows beyond the five-year period are extrapolated using the estimated growth rates as stated below. The discount rates used for fair value less cost of disposal are post-tax and reflect specific risks relating to the relevant cash-generating unit.

The key assumptions used for fair value less cost of disposal are as follows:

		Aierfu Business 艾爾膚業務		Reshine Business 瑞盛業務		Weikai Business 衛凱業務		AK Business 奧凱業務	
		2016	2015	2016	2015	2016	2015	2016	2015
		二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年
Growth rate	增長率	3%	3%	3%	3%	3%	3%	3%	—
Discount rate	折現率	18%	17%	22%	21%	19%	18%	21%	—

The key assumptions for the fair value less cost of disposal calculation are those regarding the discount rate, growth rate and budgeted gross margin, which had been determined based on the market comparables and budgeted revenue, which had been determined based on the management's expectation for the market development and the production capacity of relevant cash generating units.

Apart from the considerations described above in determining the fair value less cost of disposal of the cash-generating unit, the Group's management is not currently aware of any other probable changes that would necessitate changes in their key assumptions. However, the estimate of recoverable amount of the Group's cash generating units is particularly sensitive to the discount rate applied.

The recoverable amount has been determined based on fair value less cost of disposal estimated by an independent professional valuer, Roma Appraisal Limited with the discounted cash flow approach. The fair values less cost to sell of these cash generating units are classified as level 3 measurement.

16. 商譽 (續)

為進行減值檢測，商譽會分配至四個（二零一五年：三個）現金產生單位，艾爾膚業務、瑞盛業務、衛凱業務及奧凱業務（二零一五年：艾爾膚業務、瑞盛業務及衛凱業務）。

該等現金產生單位的可收回金額已根據使用貼現現金流量法（按五年預算計劃）計算之公平值減出售成本計算釐定。五年期以後之現金流量乃按以下所列估計增長率推算。用以公平值減出售成本的折現率為除稅後，並反映相關現金產生單位之特定風險。

公平值減出售成本的主要假設如下：

公平值減出售成本計算的主要假設為有關折現率、增長率及預算毛利率，彼等根據市場可比較值及預算收益（即管理層對市場的發展和相關現金產生單位的生產能力之預期）釐定。

除上述釐定現金產生單位公平值減出售成本之考慮因素外，本集團之管理層現時並不知悉任何其他可能之變化，令其需要修改主要假設。然而，本集團現金產生單位的可收回金額之估計對所採用之折現率尤為敏感。

可收回金額乃由獨立專業估值師羅馬國際評估有限公司根據使用貼現現金流量法估計之公平值減出售成本計算釐定。該等現金產生單位的公平值減出售成本被列為第三級計量。

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16. GOODWILL (Cont'd)

There were no changes to the valuation techniques during the year.

Impairment assessment

As at 30 April 2016 and 2015, the Group carried out a review of the recoverable amount of its cash generating units because the cash generating units of Aierfu Business, Reshine Business, Weikai Business and AK Business had only generated insignificant revenue and made losses during the year.

For the year ended 30 April 2015, an impairment loss of HK\$101,832,000 was recognised in profit or loss to write down the carrying amounts of the relevant assets of the cash generating units of Reshine Business and Weikai Business to their recoverable amounts. The management considered that there is no further impairment to be recognised in profit or loss for the year ended 30 April 2016.

17. CONTINGENT CONSIDERATION RECEIVABLES

At 1 May	於五月一日		
Fair value gain	公平值收益		
Acquisition of subsidiaries (note 32)	收購附屬公司(附註32)		
Exchange differences	滙兌差額		

At 30 April

於四月三十日

2016
二零一六年
HK\$'000
千港元

2015
二零一五年
HK\$'000
千港元

15,088
8,556
5,193
(807)

15,088

15,088

There are profit guarantees for the acquisitions of Weikai Business and AK Business (2015: Weikai Business).

For Weikai Business, the former owner guaranteed that total net profit for the years ended 31 December 2015 to 2018 not less than RMB25,000,000, or he will transfer part of the shares of Passion Stream Limited (a 70% indirectly owned subsidiary) held by non-controlling interests to the Group. The adjustment will be settled after the end of the four-year period.

16. 商譽 (續)

年內估值方法概無變動。

減值評估

於二零一六及二零一五年四月三十日，因為艾爾膚業務、瑞盛業務、衛凱業務和奧凱業務之現金產生單位於年內僅產生少量收益並且錄得虧損，本集團就其現金產生單位的可收回金額進行了評核。

截至二零一五年四月三十日止年度，101,832,000港元之減值虧損已於損益中確認，以撇減瑞盛業務及衛凱業務之現金產生單位相關資產之賬面值至其可收回金額。管理層認為截至二零一六年四月三十日止年度不會於損益中作出進一步減值。

17. 應收或然代價

收購衛凱業務及奧凱業務均有溢利保證。(二零一五年：衛凱業務)。

有關衛凱業務，前擁有人保證，截至二零一五年至二零一八年十二月三十一日止年度之總溢利淨額將不少於人民幣25,000,000元，否則其將向本集團轉讓非控股股東權益所持部份Passion Stream Limited(70%間接控股附屬公司)之股份。有關調整將於四年期結束後結算。

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17. CONTINGENT CONSIDERATION RECEIVABLES (Cont'd)

For AK Business, the former owner guaranteed that total net profit for the years ended 31 December 2015 to 2018 not less than RMB8,000,000, or he will transfer part of the shares of Frame Sharp Limited (a 70% indirectly owned subsidiary) held by non-controlling interests to the Group. The adjustment will be settled after the end of the four-year period.

The contingent consideration receivables represent the fair value of the profit guarantees in accordance with the share purchase agreements for the acquisition of Weikai Business and AK Business are estimated by independent professional valuers, Roma Appraisal Limited. As at 30 April 2016, the fair value of the contingent consideration receivables were estimated by applying income approach on the estimated profit from Weikai Business and AK Business for the four years ended 31 December 2018 and the estimated fair values of the shares of Passion Stream Limited and Frame Sharp Limited held by non-controlling interests.

The fair value of contingent consideration receivables is a level 3 recurring fair value measurement. Significant unobservable inputs for the valuation approach are as follows:

17. 應收或然代價 (續)

有關奧凱業務，前擁有人保證，截至二零一五年至二零一八年十二月三十一日止年度之總溢利淨額將不少於人民幣8,000,000元，否則其將向本集團轉讓非控股股東權益所持部份Frame Sharp Limited (70%間接控股附屬公司)之股份。有關調整將於四年期結束後結算。

應收或然代價指根據收購衛凱業務及奧凱業務之股份購買協議的溢利保證之公平值，乃由獨立專業估值師羅馬國際評估有限公司估計。於二零一六年四月三十日，應收或然代價之公平值乃使用收益法根據截至二零一八年十二月三十一日止四個年度衛凱業務及奧凱業務估計溢利以及非控股股東權益所持Passion Stream Limited及Frame Sharp Limited股份之估計公平值而估計得出。

應收或然代價之公平值為第三級經常性公平值計量。估值法之重大非可觀察數據如下所示：

		Weikai Business 衛凱業務		AK Business 奧凱業務	
		2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年
Probability-adjusted profit/(loss)	可能性調整溢利/(虧損)	(RMB1,039,000) to RMB5,037,000 介乎(人民幣 1,039,000元)至 人民幣 5,037,000元	(RMB3,545,000) to RMB9,776,000 介乎(人民幣 3,545,000元)至 人民幣9,776,000元	(RMB3,731,000) to RMB17,399,000 介乎(人民幣 3,731,000元)至 人民幣 17,399,000元	N/A 不適用
Marketability discount on the fair value of shares	股份公平值之市場流動折現率	20.89%	20.97%	20.89%	N/A 不適用
Minority discount on the fair value of shares	股份公平值之少數股權折現率	26.79%	23.66%	26.79%	N/A 不適用

Higher probability-adjusted profit or loss will result in corresponding lower or higher fair values. Higher marketability discount and minority discount on the fair value of shares of Passion Stream Limited and Frame Sharp Limited will result in corresponding lower fair values.

可能性調整溢利或虧損增加將導致公平值相應減少或增加。Passion Stream Limited及Frame Sharp Limited之股份公平值之市場流動折現率及少數股權折現率升高將導致公平值相應減少。

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17. CONTINGENT CONSIDERATION RECEIVABLES (Cont'd)

As at 30 April 2016, it is estimated that with all other variables held constant, the sensitivity analysis of the change in significant unobservable inputs to the fair values of contingent consideration receivables is as follows:

17. 應收或然代價 (續)

於二零一六年四月三十日，預計所有其他變數保持不變，應收或然代價之公平值根據重大非可觀察數據變化之敏感度分析如下：

		Decrease in fair values of contingent consideration receivables 應收或然代價之公平值減少			
		Weikai Business 衛凱業務		AK Business 奧凱業務	
		2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年
Increase in the probability-adjusted profit or decrease in the probability-adjusted loss by 5%	可能性調整溢利增加 或可能性調整虧損 減少5%	0%	13%	0%	N/A 不適用
Increase in the marketability discount by 5%	市場流動折現率升高5%	6%	6%	6%	N/A 不適用
Increase in the minority discount by 5%	少數股權折現率升高5%	7%	6%	7%	N/A 不適用

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18. OTHER INTANGIBLE ASSETS

18. 其他無形資產

		Trademark 商標 HK\$'000 千港元	Patents 專利 HK\$'000 千港元	Development costs 發展成本 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 May 2014	於二零一四年五月一日				
Cost	成本	79,985	477,508	21,672	579,165
Accumulated amortisation	累計攤銷	(29,347)	(64,189)	—	(93,536)
Net book amount	賬面淨值	50,638	413,319	21,672	485,629
Year ended 30 April 2015	截至二零一五年四月三十日止年度				
Opening net book amount	期初賬面淨值	50,638	413,319	21,672	485,629
Acquisitions through business combinations (note 32(b))	通過業務合併所收購 (附註32(b))	—	31,432	37,719	69,151
Additions	添置	—	2,616	4,677	7,293
Exchange differences	滙兌差額	—	712	131	843
Impairment loss	減值虧損	—	(41,432)	—	(41,432)
Amortisation	攤銷	(5,338)	(32,157)	—	(37,495)
Closing net book amount	期末賬面淨值	45,300	374,490	64,199	483,989
At 30 April 2015	於二零一五年四月三十日				
Cost	成本	79,986	512,329	64,199	656,514
Accumulated amortisation and impairment losses	累計攤銷及減值虧損	(34,686)	(137,839)	—	(172,525)
Net book amount	賬面淨值	45,300	374,490	64,199	483,989
Year ended 30 April 2016	截至二零一六年四月三十日止年度				
Opening net book amount	期初賬面淨值	45,300	374,490	64,199	483,989
Acquisitions through business combinations (note 32(a))	通過業務合併所收購 (附註32(a))	—	—	51,180	51,180
Additions	添置	—	930	3,091	4,021
Exchange differences	滙兌差額	—	(11,025)	(3,100)	(14,125)
Amortisation	攤銷	(5,330)	(33,235)	—	(38,565)
Closing net book amount	期末賬面淨值	39,970	331,160	115,370	486,500
At 30 April 2016	於二零一六年四月三十日				
Cost	成本	79,984	497,839	115,370	693,193
Accumulated amortisation and impairment losses	累計攤銷及減值虧損	(40,014)	(166,679)	—	(206,693)
Net book amount	賬面淨值	39,970	331,160	115,370	486,500

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18. OTHER INTANGIBLE ASSETS (Cont'd)

For the year ended 30 April 2015, the impairment loss of HK\$41,432,000 recognised in profit or loss was related to the cash generating unit of Reshine Business. It was mainly due to delay in the estimated mass production schedule relating to the relocation of production plants.

18. 其他無形資產 (續)

截至二零一五年四月三十日止年度，於損益中確認的減值虧損41,432,000港元與瑞盛業務現金產生單位有關。主要是由於生產基地搬遷有關的預計大量生產計劃延遲所致。

19. INVENTORIES

Raw materials	原材料
Work in progress	在製品
Finished goods	製成品

19. 存貨

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
		1,712	740
		3,639	2,805
		3,616	1,422
		8,967	4,967

20. TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Trade receivables	應收貿易賬項
Deposits	按金
Prepayments	預付款項
Bank interest receivables	應收銀行利息
Loan receivables	應收貸款
Other receivables	其他應收賬項

20. 應收貿易賬項、按金、預付款項及其他應收賬項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
		19,992	665
		10,370	11,422
		42,067	20,361
		16,883	—
		8,421	68,792
		28,095	50,046
		105,836	150,621

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For the year ended 30 April 2016 截至二零一六年四月三十日止年度

20. TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (Cont'd)

As at 30 April 2016, ageing analysis of trade receivables based on sales invoice date and net of provisions, is as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
0-90 days	0 - 90天	13,767	271
Over 90 days but less than 1 year	超過90天但少於1年	6,105	291
1 year or over 1 year	1年或1年以上	120	103
		19,992	665

The Group allows an average credit period of 60-180 days (2015: 60-90 days) to its customers.

The carrying amount of trade receivables is considered as reasonable approximation of their fair value. Impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtors and default or delinquency in payments are considered indicators that the trade receivable is impaired. All of the Group's trade receivables have been reviewed for indicators of impairment.

In addition, some of the unimpaired trade receivables are past due as at the reporting date. Ageing analysis of trade receivables not impaired is as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Over 90 days past due but less than 1 year	超過90天但少於1年	66	291
1 year or over 1 year	1年或1年以上	120	103
		186	394

20. 應收貿易賬項、按金、預付款項及其他應收賬項 (續)

於二零一六年四月三十日，應收貿易賬項按銷售發票日期及扣除撥備後之賬齡分析如下：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
0-90 days	13,767	271
Over 90 days but less than 1 year	6,105	291
1 year or over 1 year	120	103
	19,992	665

本集團給予其客戶之平均信貸期為60-180天(二零一五年：60-90天)。

應收貿易賬項之賬面值被視為其公平值之合理約數。當有客觀證據表明本集團將未能夠按應收賬項之原訂條款收回全部欠款時，則會確定應收貿易賬項出現減值。債務人面對重大財務困難，以及未能如期或拖欠還款，均被視為應收貿易賬項出現減值之跡象。本集團所有應收貿易賬項已進行減值跡象審閱。

此外，於報告日，部份並無減值之應收貿易賬項乃逾期未付。並無減值之應收貿易賬項之賬齡分析如下：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Over 90 days past due but less than 1 year	66	291
1 year or over 1 year	120	103
	186	394

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20. TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (Cont'd)

Trade receivables that were past due but not impaired related to customers that had a good track record of credit with the Group. Based on past credit history, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered to be fully recoverable. The Group did not hold any collateral in respect of trade receivables that were past due but not impaired.

As at 30 April 2016, loan receivables represented loan to an independent third party of RMB7,000,000 which was unsecured, interest bearing at 10% per annum and repayable on 31 December 2016.

As at 30 April 2015, loan receivables represented (1) loan to an independent third party of HK\$60,000,000 which was unsecured, interest bearing at 12.5% per annum and repayable on 24 June 2015; and (2) loan to an independent third party of RMB7,000,000 which was unsecured, interest bearing at 10% per annum and repayable on 12 April 2016.

21. CASH AND CASH EQUIVALENTS/ PLEDGED BANK DEPOSITS

Cash and bank balances
Short-term deposits (note (a))

現金及銀行結餘
短期存款(附註(a))

Cash and cash equivalents

現金及現金等值項目

Pledged bank deposits (note (b))

已抵押銀行存款(附註(b))

2016
二零一六年
HK\$'000
千港元

2015
二零一五年
HK\$'000
千港元

867,745

984,241

433,080

24,743

1,300,825

1,008,984

558,873

22,622

20. 應收貿易賬項、按金、預付款項及其他應收賬項(續)

逾期但無減值之應收貿易賬項涉及本集團有良好信貸記錄的客戶。根據過往的信貸記錄，管理層相信，由於信貸質素並無發生重大變動，且該等結餘仍被視為可全數收回，故毋須就該等結餘計提減值撥備。本集團並無就逾期但無減值之應收貿易賬項持有任何抵押品。

於二零一六年四月三十日，應收貸款指向一名獨立第三方貸出無抵押、以年利率10%計息及須於二零一六年十二月三十一日償還的人民幣7,000,000元貸款。

於二零一五年四月三十日，應收貸款指(1)向一名獨立第三方貸出無抵押、以年利率12.5%計息及須於二零一五年六月二十四日償還的60,000,000港元貸款；及(2)向一名獨立第三方貸出無抵押、以年利率10%計息及須於二零一六年四月十二日償還的人民幣7,000,000元貸款。

21. 現金及現金等值項目/已抵押銀行存款

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21. CASH AND CASH EQUIVALENTS/ PLEGDED BANK DEPOSITS (Cont'd)

- (a) Short-term bank deposits of the Group as at 30 April 2016 earned interest at the rates of 1.21% (2015: 2.52%) per annum. These deposits had maturity of three months and were eligible for immediate cancellation without penalty but any interest for the last deposit period would be forfeited. The directors considered that the fair value of short-term deposits was not materially different from its carrying amount because of the short maturity period on its inception.
- (b) The deposits are pledged to banks to secure short-term bank loans (as detailed in note 24 to the financial statements). These deposits earn interests from 3.30% to 3.68% (2015: 3.85%) per annum.
- (c) Included in cash and bank balances, short-term deposits and pledged bank deposits of the Group is HK\$552,190,000 (2015: HK\$88,900,000) of bank balances denominated in Renminbi ("RMB") placed with banks in the PRC. RMB is not a freely convertible currency. Under the Mainland China's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are recognised to conduct foreign exchange business.

22. TRADE PAYABLES

As at 30 April 2016, ageing analysis of trade payables based on invoice date is as follows:

0-30 days	0-30天
31-60 days	31-60天
Over 60 days but less than 1 year	超過60天但少於1年
1 year or over 1 year	1年或1年以上

General credit terms granted by suppliers are 30 days to 60 days.

21. 現金及現金等值項目／已抵押銀行存款 (續)

- (a) 於二零一六年四月三十日，本集團之短期銀行存款按年利率1.21%（二零一五年：2.52%）計息。該等存款為期三個月，可於不繳納任何違約金的情況下即時取消，惟最後存款期之利息將被沒收。由於短期存款將於短期內到期，故董事認為其之公平值與其賬面值差異並不重大。
- (b) 存款已抵押予銀行以擔保短期銀行貸款（如財務報表附註24中詳述）。該等存款年利率為3.30%至3.68%（二零一五年：3.85%）。
- (c) 本集團之現金及銀行結餘、短期存款及已抵押銀行存款包括存放於中國之銀行並以人民幣（「人民幣」）計值之銀行結餘552,190,000港元（二零一五年：88,900,000港元）。人民幣並非可自由兌換之貨幣。根據中國內地之外匯管理條例及結匯、售匯及付匯管理規定，本集團獲准透過獲授權進行外匯業務之銀行將人民幣兌換為外幣。

22. 應付貿易賬項

於二零一六年四月三十日，應付貿易賬項按發票日期之賬齡分析如下：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
0-30 days	245	196
31-60 days	120	50
Over 60 days but less than 1 year	827	128
1 year or over 1 year	378	389
	1,570	763

供應商授出之一般信貸期介乎30天至60天。

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23. ACCRUED CHARGES AND OTHER PAYABLES

23. 應計費用及其他應付賬項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Current	流動		
Accrued charges	應計費用	7,047	4,385
Receipt in advance from customers	預收客戶賬項	58,992	—
Other payables (note (a))	其他應付賬項 (附註(a))	20,754	10,585
Other payables for acquisition of buildings (note (c))	購置樓宇的其他應付賬項 (附註(c))	6,015	—
Government assistances (note (b))	政府資助 (附註(b))	46,843	42,929
		139,651	57,899
Non-current	非流動		
Other payables for acquisition of buildings (note (c))	購置樓宇的其他應付賬項 (附註(c))	—	6,280

(a) As at 30 April 2016, other payables are unsecured, interest free and repayable on demand except for the amount of HK\$444,000 (2015: HK\$446,000), which was interest bearing at 5.5% per annum.

(b) Government assistances represent payments granted by the local governments in the PRC in relation to the research and development of tissue engineering and stem cell projects carried out in the PRC. These payments will be recognised as income upon the approval from the local government on the output of the relevant projects.

(c) The balance represented payables for acquisition of buildings in the PRC (note 14). The amounts are interest bearing at 12% per annum and repayable within one year (2015: two years) and secured by the buildings with net carrying amount of HK\$18,686,000 (2015: HK\$12,978,000).

(a) 於二零一六年四月三十日，其他應付賬項乃為無抵押、免息及須按要求償還，惟一筆444,000港元（二零一五年：446,000港元）之款項按年利率5.5%計息除外。

(b) 政府資助指中國當地政府就於中國進行之組織工程及幹細胞項目研究及開發授出之款項。該等款項將於當地政府對相關項目產品作出批准後確認為收入。

(c) 結餘指收購位於中國樓宇的應付賬項（附註14）。該等款項以年利率12%計息且須於一年（二零一五年：兩年）內償還，由賬面淨值為18,686,000港元（二零一五年：12,978,000港元）之樓宇作抵押。

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24. BANK BORROWINGS

As at 30 April 2016, the Group's bank borrowings are repayable as follows:

Bank loans, secured — repayable within one year	銀行貸款，有抵押 — 一年內償還
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The interest-bearing bank borrowings are carried at amortised cost.

As at 30 April 2016, the bank borrowings represented bank loans with principal amounts of RMB451,000,000 (2015: RMB47,000,000), which are repayable within one year. The bank loans of RMB30,000,000 (2015: RMB30,000,000) are secured by the Group's property, plant and equipment and land use rights with carrying amounts of HK\$84,494,000 (2015: HK\$89,999,000) and HK\$4,584,000 (2015: HK\$4,898,000) respectively. The remaining bank loans of RMB421,000,000 (2015: RMB17,000,000) are secured by the Group's pledged bank deposits with carrying amount of HK\$558,873,000 (2015: HK\$22,622,000) (note 21(b)).

Interest rate of the bank borrowings was from 4.140% to 6.090% (2015: 4.815% to 8.400%) per annum for the year.

24. 銀行借款

於二零一六年四月三十日，本集團之應償還銀行借款如下：

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
542,553	59,032

計息銀行借款乃按攤銷成本列賬。

於二零一六年四月三十日，銀行借款指本金金額為人民幣451,000,000元（二零一五年：人民幣47,000,000元）且須於一年內償還的銀行貸款。人民幣30,000,000元（二零一五年：人民幣30,000,000元）的銀行貸款由本集團賬面值分別為84,494,000港元（二零一五年：89,999,000港元）及4,584,000港元（二零一五年：4,898,000港元）之物業、廠房及設備以及土地使用權作抵押。餘下人民幣421,000,000元（二零一五年：人民幣17,000,000元）的銀行貸款由本集團賬面值為558,873,000港元（二零一五年：22,622,000港元）之已抵押銀行存款作抵押（附註21(b)）。

本年度銀行借款之年利率為介乎4.140%至6.090%之間（二零一五年：4.815%至8.400%）。

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25. DEFERRED TAXATION

Deferred taxation is calculated on temporary differences under the liability method using the rates of taxation prevailing in the countries in which the Group operates.

The movement on deferred tax liabilities is as follows:

		Fair value adjustments arising from other intangible assets 其他無形資產所產生之公平值調整	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
At beginning of the year	年初	86,626	89,639
Fair value adjustments arising from acquisition of subsidiaries (note 32)	收購附屬公司所產生之公平值調整 (附註32)	12,796	14,453
Credited to profit or loss for the year (note 11)	已計入本年度損益 (附註11)	(6,773)	(17,466)
Exchange differences	滙兌差額	(2,343)	—
At end of the year	年末	90,306	86,626

As at 30 April 2016, the Group has unused tax losses of HK\$130,346,000 (2015: HK\$87,447,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams. Tax losses will expire after 5 years from the year in which the tax losses were incurred.

25. 遞延稅項

遞延稅項乃根據負債法以本集團經營所在國家之現行稅率按暫時差額計算。

遞延稅項負債之變動如下：

		Fair value adjustments arising from other intangible assets 其他無形資產所產生之公平值調整	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
At beginning of the year	年初	86,626	89,639
Fair value adjustments arising from acquisition of subsidiaries (note 32)	收購附屬公司所產生之公平值調整 (附註32)	12,796	14,453
Credited to profit or loss for the year (note 11)	已計入本年度損益 (附註11)	(6,773)	(17,466)
Exchange differences	滙兌差額	(2,343)	—
At end of the year	年末	90,306	86,626

於二零一六年四月三十日，本集團獲得未動用稅項虧損為130,346,000港元（二零一五年：87,447,000港元），可用於抵扣未來溢利。由於未來溢利來源的不可預測性，故並無就稅項虧損確認遞延稅項資產。稅項虧損將於其產生當年起計5年後到期。

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26. SHARE CAPITAL

26. 股本

		2016 二零一六年		2015 二零一五年	
		Number of shares 股份數目	Amount 金額 HK\$'000 千港元	Number of shares 股份數目	Amount 金額 HK\$'000 千港元
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股				
Authorised:	法定股本：				
At beginning of the year and at end of the year	年初及年末	100,000,000,000	1,000,000	100,000,000,000	1,000,000
Issued and fully paid:	已發行及繳足：				
At beginning of the year	年初	16,442,180,000	164,422	11,762,880,000	117,629
Shares issued as consideration for the acquisition (note (i))	作為收購代價所發行之股份 (附註(i))	—	—	252,000,000	2,520
Shares issued in placing arrangement (note (ii))	按配售安排發行之股份 (附註(ii))	1,150,000,000	11,500	4,427,300,000	44,273
At end of the year	年末	17,592,180,000	175,922	16,442,180,000	164,422

Notes:

- (i) On 21 April 2015, the Company allotted 252,000,000 new ordinary shares and cash consideration of HK\$6,986,000 to the vendor for the settlement of the consideration of the acquisition of 70% equity interest of Passion Stream Limited as set out in note 32(b). Details of the share allotment were contained in the Company's announcement dated 12 March 2015 and 21 April 2015.

附註：

- (i) 於二零一五年四月二十一日，本公司配發252,000,000股新普通股及支付現金代價6,986,000港元予賣方，用以償付收購Passion Stream Limited的70%股權之代價（載列於附註32(b)）。有關股份配發之詳情載於本公司日期為二零一五年三月十二日及二零一五年四月二十一日之公告內。

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26. SHARE CAPITAL (Cont'd)

Notes: (Cont'd)

- (ii) On 16 September 2014, pursuant to a subscription agreement dated 4 September 2014 between the Company and an independent party, the Company issued 150,000,000 new ordinary shares of HK\$0.01 each at a price of HK\$0.26 per share. Details of the share subscription were contained in the Company's announcements dated 4 September 2014 and 16 September 2014.

On 5 March 2015, pursuant to a placing agreement dated 10 November 2014 between the Company and a placing agent, the Company issued an aggregate of 3,300,000,000 new ordinary shares of HK\$0.01 each at a price of HK\$0.25 per share, together with 495,000,000 share options issued to All Favour Holdings Limited ("All Favour") and other independent parties. All Favour is a related company in which Mr. Dai Yumin, a director of the Company, indirectly held 60% equity interests. 2,400,000,000 shares of the Company and 360,000,000 share options were issued to All Favour on 5 March 2015. Details of the share placement were contained in the Company's announcements dated 10 November 2014 and 6 February 2015 and the circular of the Company dated 20 January 2015. The fair values of share options issued at 5 March 2015 are HK\$24,678,000 (note 31) and such amount is recognised as share option reserve in the equity.

On 22 April 2015, pursuant to a placing agreement dated 23 March 2015 between the Company and a placing agent, the Company issued an aggregate of 977,300,000 new ordinary shares of HK\$0.01 each at a price of HK\$0.285 per share to independent parties. Details of the share placement were contained in the Company's announcements dated 23 March 2015 and 22 April 2015.

On 30 July 2015, pursuant to a placing agreement dated 10 July 2015 between the Company and a placing agent, the Company issued an aggregate of 1,150,000,000 new ordinary shares of HK\$0.01 each at a price of HK\$0.40 per share to independent parties. Details of the share placement were contained in the Company's announcements dated 10 July 2015 and 30 July 2015.

All these ordinary shares issued by the Company during the years rank pari passu with the then existing ordinary shares in all respects.

26. 股本 (續)

附註：(續)

- (ii) 於二零一四年九月十六日，根據日期為二零一四年九月四日本公司與一名獨立人士之間的認購協議，本公司以每股0.26港元的發行價發行150,000,000股每股面值0.01港元之新普通股。有關股份認購之詳情已刊載於本公司日期為二零一四年九月四日及二零一四年九月十六日之公告內。

於二零一五年三月五日，根據日期為二零一四年十一月十日日本公司與一名配售代理之間的配售協議，本公司以每股0.25港元的發行價向全輝控股有限公司（「全輝」）及其他獨立人士發行每股面值0.01港元之新普通股合共3,300,000,000股（連同發行的495,000,000份購股權）。全輝為一間關連公司，本公司董事戴昱敏先生於其間接擁有60%權益。於二零一五年三月五日向全輝發行2,400,000,000股本公司股份及360,000,000份購股權。有關股份配售之詳情已刊載於本公司日期為二零一四年十一月十日及二零一五年二月六日之公告及日期為二零一五年一月二十日之通函內。於二零一五年三月五日發行之購股權的公平值為24,678,000港元（附註31），該款項於權益內確認為購股權儲備。

於二零一五年四月二十二日，根據日期為二零一五年三月二十三日日本公司與一名配售代理之間的配售協議，本公司以每股0.285港元的發行價向獨立人士發行每股面值0.01港元之新普通股合共977,300,000股。有關股份配售之詳情已刊載於本公司日期為二零一五年三月二十三日及二零一五年四月二十二日之公告內。

於二零一五年七月三十日，根據日期為二零一五年七月十日日本公司與一名配售代理之間的配售協議，本公司以每股0.40港元的發行價向獨立人士發行每股面值0.01港元之新普通股合共1,150,000,000股。有關股份配售之詳情已刊載於本公司日期為二零一五年七月十日及二零一五年七月三十日之公告內。

本公司於各年度發行之所有普通股於各方面均與當時之現有普通股享有同等權益。

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27. HOLDING COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 30 APRIL 2016

27. 控股公司之財務狀況表

於二零一六年四月三十日

		Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備		1,811	3,829
Investments in subsidiaries	於附屬公司之投資		200	200
			2,011	4,029
Current assets	流動資產			
Deposits and prepayments	按金及預付款項		6,232	12,733
Amounts due from subsidiaries	應收附屬公司款項		2,374,100	1,844,622
Cash and cash equivalents	現金及現金等值項目		336,015	439,490
			2,716,347	2,296,845
Current liabilities	流動負債			
Accrued charges and other payables	應計費用及其他應付賬項		7,478	6,584
Amounts due to subsidiaries	應付附屬公司款項		89,183	13,324
Current tax liabilities	當期稅項負債		1,326	—
			97,987	19,908
Net current assets	流動資產淨值		2,618,360	2,276,937
Net assets	資產淨值		2,620,371	2,280,966
EQUITY	權益			
Share capital	股本	26	175,922	164,422
Reserves	儲備	28	2,444,449	2,116,544
Total equity	總權益		2,620,371	2,280,966

On behalf of directors

代表董事

Mr. Wong Sai Hung

黃世雄先生

Director

董事

Dr. Shao Zhengkang

邵政康博士

Director

董事

NOTES TO THE FINANCIAL STATEMENTS

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28. RESERVES

The Company

		Share premium 股份溢價 HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Translation reserve 滙兌儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 May 2014	於二零一四年五月一日	1,551,370	—	11	(176,616)	1,374,765
Acquisition of subsidiaries	收購附屬公司	138,600	—	—	—	138,600
Shares issue expense	股份發行開支	(9,364)	—	—	—	(9,364)
Exchange gain on translation of financial statements of foreign operations	換算海外業務財務報表之 滙兌收益	—	—	1	—	1
Issue of share options	發行購股權	—	24,678	—	—	24,678
Share issued at premium	按溢價發行股份	1,073,579	—	—	—	1,073,579
Loss for the year	本年度虧損	—	—	—	(485,715)	(485,715)
At 30 April 2015 and 1 May 2015	於二零一五年四月三十日及 二零一五年五月一日	2,754,185	24,678	12	(662,331)	2,116,544
Shares issue expense	股份發行開支	(3,894)	—	—	—	(3,894)
Exchange gain on translation of financial statements of foreign operations	換算海外業務財務報表之 滙兌收益	—	—	1	—	1
Issue of share options	發行購股權	—	20,345	—	—	20,345
Lapse of share options	已失效購股權	—	(80)	—	80	—
Share issued at premium	按溢價發行股份	448,500	—	—	—	448,500
Loss for the year	本年度虧損	—	—	—	(137,047)	(137,047)
At 30 April 2016	於二零一六年四月三十日	3,198,791	44,943	13	(799,298)	2,444,449

In accordance with the Companies Law of the Cayman Islands, the share premium account of the Company is also available for distribution to shareholders provided that the Company is able to pay its debts as they fall due in the ordinary course of business immediately following the date on which any such distribution is proposed to be paid.

根據開曼群島公司法，本公司之股份溢價賬亦可分派予股東，惟本公司須於緊隨建議派付任何有關分派日期後，能夠於債務在日常業務過程中到期時償還債務。

28. 儲備

本公司

	Share premium 股份溢價 HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Translation reserve 滙兌儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 合計 HK\$'000 千港元
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At 1 May 2014	於二零一四年五月一日	1,551,370	—	11	(176,616)	1,374,765
Acquisition of subsidiaries	收購附屬公司	138,600	—	—	—	138,600
Shares issue expense	股份發行開支	(9,364)	—	—	—	(9,364)
Exchange gain on translation of financial statements of foreign operations	換算海外業務財務報表之 滙兌收益	—	—	1	—	1
Issue of share options	發行購股權	—	24,678	—	—	24,678
Share issued at premium	按溢價發行股份	1,073,579	—	—	—	1,073,579
Loss for the year	本年度虧損	—	—	—	(485,715)	(485,715)
At 30 April 2015 and 1 May 2015	於二零一五年四月三十日及 二零一五年五月一日	2,754,185	24,678	12	(662,331)	2,116,544
Shares issue expense	股份發行開支	(3,894)	—	—	—	(3,894)
Exchange gain on translation of financial statements of foreign operations	換算海外業務財務報表之 滙兌收益	—	—	1	—	1
Issue of share options	發行購股權	—	20,345	—	—	20,345
Lapse of share options	已失效購股權	—	(80)	—	80	—
Share issued at premium	按溢價發行股份	448,500	—	—	—	448,500
Loss for the year	本年度虧損	—	—	—	(137,047)	(137,047)
At 30 April 2016	於二零一六年四月三十日	3,198,791	44,943	13	(799,298)	2,444,449

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29. OPERATING LEASE COMMITMENTS

As lessee

The Group leases a number of properties under operating leases. The leases run for an initial period of one to five years. None of the leases include contingent rentals.

At the reporting date, the total future minimum lease payments under non-cancellable operating leases are as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within one year	一年內	13,568	17,864
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	21,596	13,470
Later than five years	五年以上	864	—
		36,028	31,334

30. CAPITAL AND OTHER COMMITMENTS

As at 30 April 2016, the Group had capital and other commitments as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Capital commitments:	資本承擔：		
Authorised but not contracted for:	已授權但未訂約：		
Purchase of property, plant and equipment	購置物業、廠房及設備	68,780	—
Contracted but not provided for:	已訂約但未撥備：		
Purchase of property, plant and equipment	購置物業、廠房及設備	21,658	—

The Company signed two sponsorship agreements with the University of Oxford for the research of stem cell therapy and tissue engineering. The Company agreed to provide GBP9 million (equivalent to HK\$102.6 million) to the University of Oxford by instalments over the period covered by the agreements. Up to 30 April 2016, the Company has paid GBP2.5 million (equivalent to HK\$28.4 million) to the University of Oxford.

29. 經營租賃承擔

作為承租方

本集團根據經營租賃租用若干物業。有關租約初始期為一至五年。此等租約概無包括或有租金。

於報告日，根據不可撤銷經營租賃而須支付之未來最低租金總額如下：

30. 資本及其他承擔

於二零一六年四月三十日，本集團之資本及其他承擔如下：

本公司與牛津大學就幹細胞治療及組織工程的研究訂立兩份贊助協議。本公司同意於協議涵蓋期間向牛津大學分期提供9,000,000英鎊(相當於102,600,000港元)。截至二零一六年四月三十日，本公司已向牛津大學支付2,500,000英鎊(相當於28,400,000港元)。

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31. SHARE OPTIONS

A share option scheme was adopted by the Company pursuant to a resolution passed on 14 September 2011 (the "Scheme"). Under the Scheme, the directors may grant options to (i) any eligible employee (means any employee, whether full time or part time employee, including any executive directors and non-executive directors) of the Company, any of its subsidiaries and any invested entity; (ii) any supplier of goods or services to any member of the Group or any invested entity; (iii) any customer of the Group or any invested entity; (iv) any person or entity that provides research, development or technological support or other services to the Group or any invested entity; and (v) any shareholder or any member of the Group or any invested entity or any holder of any securities issued by any member of the Group to any invested entity (collectively known as the "Participants"), to subscribe for shares in the Company. The purpose of the Scheme is to provide incentives or rewards to the Participants thereunder for their contributions to the Group and/or to enable the Group to recruit and retain high-caliber employees and attract human resources that are valuable to the Group and any invested entity. The period of the Scheme shall not be more than ten years from the date of adoption of the Scheme.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at the date of the approval of the Scheme, unless approved by the Company's shareholders. In addition, the maximum number of shares of the Company which may be issued upon exercise of all outstanding options granted under the Scheme is not permitted to exceed 30% of the shares of the Company in issue from time to time. The number of shares in respect of which options may be granted to any individual in any 12-month period is not permitted to exceed 1% of the shares of the Company in issue at any point in time. Options granted to substantial shareholders or independent non-executive directors of the Company, or any of their respective associates in excess of 0.1% of the Company's share capital and with a value in excess of HK\$5 million must be approved by the Company's shareholders.

31. 購股權

本公司根據一項於二零一一年九月十四日通過之決議案採納一項購股權計劃（「計劃」）。根據計劃，董事可向下列人士授出購股權以認購本公司股份：(i) 本公司、其任何附屬公司及任何所投資實體之任何合資格僱員（指任何全職或兼職僱員，包括任何執行董事及非執行董事）；(ii) 向本集團任何成員公司或任何所投資實體供應貨品或服務之任何供應商；(iii) 本集團或任何所投資實體之任何顧客；(iv) 向本集團或任何所投資實體提供研究、開發或技術支援或其他服務之任何人士或實體；及(v) 本集團或任何所投資實體之任何股東或成員公司或本集團任何成員公司向任何所投資實體發行之任何證券之任何持有人（統稱「參與者」）。計劃之目的乃就有關參與者對本集團所作之貢獻作出鼓勵或獎勵及／或使本集團得以招攬及挽留優秀僱員，並吸納對本集團及任何所投資實體而言寶貴之人力資源。計劃期由採納計劃日期起計不得超過十年。

除非獲得本公司股東批准，根據計劃可予授出之購股權涉及之股份總數不得超過本公司於批准計劃當日已發行股份之10%。此外，如悉數行使根據計劃授出而尚未行使之購股權而可予發行之本公司股份數目上限，不得超過本公司不時已發行股份之30%。於任何12個月期間內可向任何人士授出之購股權涉及之股份數目不得超過本公司於任何時間已發行股份之1%。倘向本公司主要股東或獨立非執行董事或任何彼等各自之聯繫人授出之購股權超過本公司股本之0.1%及價值超過5,000,000港元，則必須獲得本公司股東批准。

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31. SHARE OPTIONS (Cont'd)

Options granted must be taken up within a period of 28 days from the date of grant, upon payment of HK\$1 per grant. An option period to be determined by the directors is at their absolute discretion shall not be more than ten years after the date of the grant of the share option ("Option Period"). Options may be exercised in accordance with the terms of the Scheme at any time during the Option Period after the option has been granted. The exercise price should not be less than the highest of (i) the nominal value of the Company's shares; (ii) the closing price of the Company's share on the date of grants, which must be a trading day; or (iii) the average of the closing prices of the Company's shares for the five trading days immediately preceding the date of grant.

All share-based employee compensation will be settled in equity. The Group has no legal or constructive obligation to repurchase or settle the options other than by issuing its shares.

During the year ended 30 April 2016, 254,340,000 options were granted under the Scheme.

On 5 March 2015, pursuant to a placing agreement dated 10 November 2014 between the Company and a placing agent, 495,000,000 share options with exercise price of HK\$0.25 per share and exercisable period from 5 September 2015 to 4 March 2017 were issued to All Favour and independent parties. Details of the share placement were contained in the Company's announcements dated 10 November 2014 and 6 February 2015 and the circular of the Company dated 20 January 2015. These share options were issued in exchange for cash consideration together with the placing shares and are not accounted for as share-based compensation and there is no vesting condition for these share options.

31. 購股權 (續)

所授出之購股權必須於授出日期起28日期間內獲接納，而每次接納購股權時須繳付1港元。購股權期間乃由董事全權酌情釐定，惟於授出購股權日期後起計不得超過十年（「購股權期間」）。授出購股權後，購股權可於購股權期間內按照計劃條款隨時予以行使。行使價不得低於以下三者之最高者：(i) 本公司股份面值；(ii) 本公司股份於授出日期（必須為交易日）之收市價；或(iii) 本公司股份於緊接授出日期前五個交易日之平均收市價。

所有以股份支付之僱員酬金將以股本支付。本集團除發行股份外，概無法律或推定義務購回或支付購股權。

截至二零一六年四月三十日止年度，254,340,000份購股權已根據計劃授出。

於二零一五年三月五日，根據日期為二零一四年十一月十日本公司與配售代理之間配售協議，向全輝及獨立人士發行495,000,000份購股權，行使價為每股0.25港元及行使期為二零一五年九月五日至二零一七年三月四日。有關股份配售之詳情已刊載於本公司日期為二零一四年十一月十日及二零一五年二月六日之公告及本公司日期為二零一五年一月二十日之通函內。發行該等購股權連同配售股份乃交換現金代價，不按以股份支付之酬金列賬，且該等購股權並無歸屬條件。

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31. SHARE OPTIONS (Cont'd)

The following tables set out the movement in share options:

31. 購股權 (續)

下表載列購股權之變動：

Name or category of participant	參與人士之姓名或類別	Share option type 購股權類型	Outstanding at 1 May 2015 於二零一五年五月一日尚未行使	Granted during the year 年內授出	Lapsed during the year 年內失效	Outstanding at 30 April 2016 於二零一六年四月三十日尚未行使
Placing of shares	配售股份	2015	495,000,000	—	—	495,000,000
Directors and Chief Executive Officer	董事及行政總裁					
<i>Executive directors</i>	<i>執行董事</i>					
Mr. Dai Yumin (resigned on 30 April 2016)	戴昱敏先生 (於二零一六年四月三十日辭任)	2016	—	17,500,000	—	17,500,000
Ms. Wang Yurong (resigned on 30 April 2016)	王玉榮女士 (於二零一六年四月三十日辭任)	2016	—	17,500,000	—	17,500,000
<i>Non-executive directors</i>	<i>非執行董事</i>					
Mr. Wong Sai Hung (re-designated as executive director on 11 January 2016)	黃世雄先生 (於二零一六年一月十一日調任為執行董事)	2016	—	7,560,000	—	7,560,000
Mr. Yang Zhengquo	楊正國先生	2016	—	6,300,000	—	6,300,000
Professor Deng Shaoping	鄧紹平教授	2016	—	5,780,000	—	5,780,000
Mr. Wang Jianjun	王建軍先生	2016	—	5,780,000	—	5,780,000
Mr. Cao Fushan	曹福順先生	2016	—	5,510,000	—	5,510,000
<i>Independent non-executive directors</i>	<i>獨立非執行董事</i>					
Mr. Lui Tin Nang	呂天能先生	2016	—	2,100,000	—	2,100,000
Mr. Pang Chung Fai, Benny	彭中輝先生	2016	—	2,010,000	—	2,010,000
Mr. Chan Bing Woon	陳炳煥先生	2016	—	1,930,000	—	1,930,000
Mr. Wang Hui	王輝先生	2016	—	1,750,000	—	1,750,000
<i>Chief Executive Officer</i>	<i>行政總裁</i>					
Dr. Shao Zhengkang (appointed as executive director on 30 April 2016)	邵政康博士 (於二零一六年四月三十日獲委任為執行董事)	2016	—	1,203,000	—	1,203,000
Sub-total	小計		—	74,923,000	—	74,923,000
Employees	僱員					
In aggregate	合計	2016	—	142,007,000	(3,680,000)	138,327,000
Consultants	顧問					
In aggregate	合計	2016	—	37,410,000	—	37,410,000
Total	總計		495,000,000	254,340,000	(3,680,000)	745,660,000

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31. SHARE OPTIONS (Cont'd)

For the year ended 30 April 2016, share options lapsed were due to the lapse of 3,680,000 (2015: Nil) share options issued to an employee who resigned during the year. As a result of the lapse of share options during the year, an amount of HK\$80,000 were debited to the share option reserve and credited to accumulated losses.

The fair value of equity-settled share-based payment transactions with consultants is by reference to the fair value of the share options granted, as the directors consider that the share options granted is an extra incentive to the consultants and no specified goods or services to be provided to the Group.

The terms and conditions of the share options that existed at 30 April 2016 and 2015 are as follows:

31. 購股權 (續)

截至二零一六年四月三十日止年度，購股權失效乃由於向年內辭任之一名僱員發行之3,680,000份(二零一五年：無)購股權失效。由於購股權於年內失效，80,000港元從購股權儲備中扣除並計入累計虧損。

由於董事認為所授出之購股權乃為向顧問作出之額外激勵，及並無將向本集團提供特定的貨品或服務，與顧問進行之以權益結算之股權支付交易之公平值乃經參考所授出購股權之公平值釐定。

於二零一六年及二零一五年四月三十日之購股權條款及條件如下：

Date of grant 授出日期	Vesting period 歸屬期	Exercise period 行使期	Contractual exercise price 合約行使價	Contractual life of options 購股權合約年期	Number of options 購股權數目	
					2016 二零一六年	2015 二零一五年
Placing of shares 配售股份						
5 March 2015 二零一五年三月五日	Immediately 立即	5 March 2015 to 4 September 2016 二零一五年三月五日至 二零一六年九月四日	HK\$0.25 0.25港元	1 year 1年	495,000,000	495,000,000
Directors and Chief Executive Officer 董事 及行政總裁						
16 September 2015 二零一五年九月十六日	16 September 2015 to 15 September 2016 二零一五年九月十六日至 二零一六年九月十五日	16 September 2016 to 15 September 2025 二零一六年九月十六日至 二零二五年九月十五日	HK\$0.45 0.45港元	10 years 10年	14,984,600	—
16 September 2015 二零一五年九月十六日	16 September 2015 to 15 September 2017 二零一五年九月十六日至 二零一七年九月十五日	16 September 2017 to 15 September 2025 二零一七年九月十六日至 二零二五年九月十五日	HK\$0.45 0.45港元	10 years 10年	14,984,600	—
16 September 2015 二零一五年九月十六日	16 September 2015 to 15 September 2018 二零一五年九月十六日至 二零一八年九月十五日	16 September 2018 to 15 September 2025 二零一八年九月十六日至 二零二五年九月十五日	HK\$0.45 0.45港元	10 years 10年	14,984,600	—
16 September 2015 二零一五年九月十六日	16 September 2015 to 15 September 2019 二零一五年九月十六日至 二零一九年九月十五日	16 September 2019 to 15 September 2025 二零一九年九月十六日至 二零二五年九月十五日	HK\$0.45 0.45港元	10 years 10年	14,984,600	—
16 September 2015 二零一五年九月十六日	16 September 2015 to 15 September 2020 二零一五年九月十六日至 二零二零年九月十五日	16 September 2020 to 15 September 2025 二零二零年九月十六日至 二零二五年九月十五日	HK\$0.45 0.45港元	10 years 10年	14,984,600	—

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For the year ended 30 April 2016 截至二零一六年四月三十日止年度

31. SHARE OPTIONS (Cont'd)

The terms and conditions of the share options that existed at 30 April 2016 and 2015 are as follows (Continued):

31. 購股權 (續)

於二零一六年及二零一五年四月三十日之購股權條款及條件如下(續)：

Date of grant 授出日期	Vesting period 歸屬期	Exercise period 行使期	Contractual exercise price 合約行使價	Contractual life of options 購股權合約年期	Number of options 購股權數目	
					2016 二零一六年	2015 二零一五年
Employees						
僱員						
16 September 2015 二零一五年九月十六日	16 September 2015 to 15 September 2016 二零一五年九月十六日至 二零一六年九月十五日	16 September 2016 to 15 September 2025 二零一六年九月十六日至 二零二五年九月十五日	HK\$0.45 0.45港元	10 years 10年	27,665,400	—
16 September 2015 二零一五年九月十六日	16 September 2015 to 15 September 2017 二零一五年九月十六日至 二零一七年九月十五日	16 September 2017 to 15 September 2025 二零一七年九月十六日至 二零二五年九月十五日	HK\$0.45 0.45港元	10 years 10年	27,665,400	—
16 September 2015 二零一五年九月十六日	16 September 2015 to 15 September 2018 二零一五年九月十六日至 二零一八年九月十五日	16 September 2018 to 15 September 2025 二零一八年九月十六日至 二零二五年九月十五日	HK\$0.45 0.45港元	10 years 10年	27,665,400	—
16 September 2015 二零一五年九月十六日	16 September 2015 to 15 September 2019 二零一五年九月十六日至 二零一九年九月十五日	16 September 2019 to 15 September 2025 二零一九年九月十六日至 二零二五年九月十五日	HK\$0.45 0.45港元	10 years 10年	27,665,400	—
16 September 2015 二零一五年九月十六日	16 September 2015 to 15 September 2020 二零一五年九月十六日至 二零二零年九月十五日	16 September 2020 to 15 September 2025 二零二零年九月十六日至 二零二五年九月十五日	HK\$0.45 0.45港元	10 years 10年	27,665,400	—

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31. SHARE OPTIONS (Cont'd)

The terms and conditions of the share options that existed at 30 April 2016 and 2015 are as follows (Continued):

31. 購股權 (續)

於二零一六年及二零一五年四月三十日之購股權條款及條件如下(續)：

Date of grant 授出日期	Vesting period 歸屬期	Exercise period 行使期	Contractual exercise price 合約行使價	Contractual life of options 購股權合約年期	Number of options 購股權數目	
					2016 二零一六年	2015 二零一五年
Consultants 顧問						
16 September 2015 二零一五年九月十六日	16 September 2015 to 15 September 2016 二零一五年九月十六日至 二零一六年九月十五日	16 September 2016 to 15 September 2025 二零一六年九月十六日至 二零二五年九月十五日	HK\$0.45 0.45港元	10 years 10年	7,482,000	—
16 September 2015 二零一五年九月十六日	16 September 2015 to 15 September 2017 二零一五年九月十六日至 二零一七年九月十五日	16 September 2017 to 15 September 2025 二零一七年九月十六日至 二零二五年九月十五日	HK\$0.45 0.45港元	10 years 10年	7,482,000	—
16 September 2015 二零一五年九月十六日	16 September 2015 to 15 September 2018 二零一五年九月十六日至 二零一八年九月十五日	16 September 2018 to 15 September 2025 二零一八年九月十六日至 二零二五年九月十五日	HK\$0.45 0.45港元	10 years 10年	7,482,000	—
16 September 2015 二零一五年九月十六日	16 September 2015 to 15 September 2019 二零一五年九月十六日至 二零一九年九月十五日	16 September 2019 to 15 September 2025 二零一九年九月十六日至 二零二五年九月十五日	HK\$0.45 0.45港元	10 years 10年	7,482,000	—
16 September 2015 二零一五年九月十六日	16 September 2015 to 15 September 2020 二零一五年九月十六日至 二零二零年九月十五日	16 September 2020 to 15 September 2025 二零二零年九月十六日至 二零二五年九月十五日	HK\$0.45 0.45港元	10 years 10年	7,482,000	—
					745,660,000	495,000,000

As at 30 April 2016, the Company had 745,660,000 (2015: 495,000,000) share options outstanding under the Scheme, which represented approximately 4% (2015: 3%) of the Company's shares in issue as at that date. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 745,660,000 (2015: 495,000,000) additional ordinary shares of the Company and additional share capital of HK\$7,457,000 (2015: HK\$4,950,000) and share premium of HK\$229,090,000 (2015: HK\$118,800,000) (before issue expenses).

於二零一六年四月三十日，本公司有745,660,000份(二零一五年：495,000,000份)計劃項下之尚未行使購股權，佔本公司於該日之已發行股份約4%(二零一五年：3%)。於本公司現有資本架構下，悉數行使餘下購股權將導致本公司發行745,660,000股(二零一五年：495,000,000股)額外普通股、產生額外股本7,457,000港元(二零一五年：4,950,000港元)及股份溢價229,090,000港元(二零一五年：118,800,000港元)(未扣除發行開支)。

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31. SHARE OPTIONS (Cont'd)

The number and weighted average exercise prices of share options are as follows:

		2016 二零一六年		2015 二零一五年	
		Weighted average exercise price 加權平均行使價 HK\$ 港元	Number of options 購股權數目 '000 千份	Weighted average exercise price 加權平均行使價 HK\$ 港元	Number of options 購股權數目 '000 千份
Outstanding at beginning of year	年初尚未行使	0.25	495,000	—	—
Issued during the year	年內發行	0.45	254,340	0.25	495,000
Lapsed during the year	年內失效	0.45	(3,680)	—	—
Outstanding at end of year	年末尚未行使	0.32	745,660	0.25	495,000

As at 30 April 2016, the weighted average remaining contractual life for the outstanding share options is 3.39 years (2015: 1.84 years).

The weighted average fair value of each option issued during the year was HK\$0.303 (2015: HK\$0.05). The fair value of the share options has been determined based on the Binomial model estimated by an independent professional valuer, Roma Appraisal Limited (2015: Ascent Partners Valuation Service Limited). As at the date of grant, the fair value of the options issued by the Company during the year was HK\$76,995,000 (2015: HK\$24,678,000). The following significant assumptions were used to derive the fair values:

		2016 二零一六年	2015 二零一五年
Underlying stock price (HK\$)	相關股價 (港元)	0.45	0.228
Exercise price (HK\$)	行使價 (港元)	0.45	0.25
Risk-free rate (%)	無風險利率 (%)	1.702	0.322
Annualised dividend yield (%)	年度股息回報率 (%)	—	—
Expected volatility of underlying share (%)	相關股份之預期波幅 (%)	76.64	52.01
Weighted average remaining contractual life	加權平均尚餘合約年期	9.998	1.35

31. 購股權 (續)

購股權數目及加權平均行使價如下：

於二零一六年四月三十日，尚未行使購股權的加權平均尚餘合約年期為3.39年（二零一五年：1.84年）。

年內發行的每份購股權之加權平均公平值為0.303港元（二零一五年：0.05港元）。購股權之公平值由獨立專業估值師羅馬國際評估有限公司（二零一五年：艾升評估諮詢有限公司）根據二項式模型估計釐定。於授出日期，本公司年內發行購股權之公平值為76,995,000港元（二零一五年：24,678,000港元）。公平值乃按以下重大假設得出：

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31. SHARE OPTIONS (Cont'd)

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No special features pertinent to the options granted were incorporated into the measurement of fair value.

During the year, share-based payments of HK\$20,345,000 (2015: Nil), which included share-based payment transactions with directors and employees of HK\$17,205,000 (2015: Nil) and with consultants of HK\$3,140,000 (2015: Nil), have been recognised in profit or loss.

32. BUSINESS COMBINATIONS

(a) *Frame Sharp Limited* (“*Frame Sharp*”)

On 14 August 2015, the Group acquired 70% equity interests of Frame Sharp with cash consideration of HK\$42,500,000. Frame Sharp and its subsidiaries (“Frame Sharp Group”), which is principally engaged in providing service and equipment for human cell and stem cell related clinical applications. The acquisition was made with the objective to setup a regional hub that takes care of human cell and stem cell processing businesses in the Huadong Region (Eastern China Region) and to generate synergy through the acquisition.

31. 購股權 (續)

預期波幅反映有關假設以歷史波幅為未來趨勢的指標，但該未來趨勢亦不一定為實際結果。在計量公平值時並無納入有關已授出購股權的特殊特點。

年內，以股權支付費用為20,345,000港元（二零一五年：無），其中包括與董事及僱員之以股權支付交易17,205,000港元（二零一五年：無）以及與顧問之股權支付交易3,140,000港元（二零一五年：無），已於損益中確認。

32. 業務合併

(a) *Frame Sharp Limited* (「*Frame Sharp*」)

於二零一五年八月十四日，本集團以42,500,000港元之現金代價收購Frame Sharp 70%股權。Frame Sharp及其附屬公司（「Frame Sharp Group」）主要從事為人體細胞及幹細胞相關臨床應用提供服務及設備之業務。此收購目標為於華東地區（中國東部地區）建立處理人體細胞和幹細胞業務的區域中樞，以及透過收購產生協同效應。

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財務報表附註

For the year ended 30 April 2016 截至二零一六年四月三十日止年度

32. BUSINESS COMBINATIONS (Cont'd)

(a) Frame Sharp Limited (“Frame Sharp”) (Cont'd)

Details of fair value of identifiable assets and liabilities acquired were as follows:

32. 業務合併 (續)

(a) Frame Sharp Limited (「Frame Sharp」)(續)

購入之可識別資產及負債的公平值詳情如下：

		HK\$'000 千港元
Property, plant and equipment (note 14)	物業、廠房及設備 (附註 14)	1,549
Other intangible assets (note 18)	其他無形資產 (附註 18)	51,180
Deposits, prepayments and other receivables	按金、預付款項及其他應收賬項	69
Cash and cash equivalents	現金及現金等值項目	2,216
Trade payables	應付貿易賬項	(172)
Accrued charges and other payables	應計費用及其他應付賬項	(1,468)
Deferred tax liabilities recognised upon fair value adjustments (note 25)	公平值調整後確認的遞延稅項負債 (附註 25)	(12,796)
Net assets	資產淨值	40,578
Non-controlling interests	非控股股東權益	(12,173)
Net identified assets acquired	購入之可識別資產淨值	28,405
Goodwill on acquisition (note 16)	收購商譽 (附註 16)	8,902
Total consideration	總代價	37,307
Satisfied by:	由下列各項支付：	
Cash	現金	42,500
Contingent consideration receivable (note 17)	應收或然代價 (附註 17)	(5,193)
Total purchase consideration	總購買代價	37,307

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32. BUSINESS COMBINATIONS (Cont'd)

(a) *Frame Sharp Limited* (“*Frame Sharp*”) (*Cont'd*)

An analysis of the net inflow of cash and cash equivalents in respect of the acquisition of the subsidiaries was as follows:

		HK\$'000 千港元
Cash and cash equivalents acquired	購入之現金及現金等值項目	2,216
Cash and cash equivalents paid	已付現金及現金等值項目	(42,500)
Net outflow of cash and cash equivalents	現金及現金等值項目流出淨額	(40,284)

Since the acquisition date, Frame Sharp Group has contributed HK\$55,000 and HK\$3,318,000 to Group's revenue and loss. If the acquisition had occurred on 1 May 2015, Group revenue and loss would have been HK\$27,751,000 and HK\$195,701,000 respectively. This pro forma information is for illustrative purpose only and is not necessarily an indication of revenue and results of operations of the group that actually would have been achieved had the acquisition been completed on 1 May 2015, nor is it intended to be a projection of future performance.

The goodwill arose from the acquisition of Frame Sharp Group mainly represented (1) significant future prospect and the business value of Frame Sharp Group and (2) synergy effect of the newly acquired business with the existing tissue engineering business.

(b) *Passion Stream Limited* (“*Passion Stream*”)

On 12 March 2015, the Group entered into a sale and purchase agreement to purchase 70% equity interests of Passion Stream with the consideration of HK\$72,000,000. Passion Stream and its subsidiaries (“*Passion Stream Group*”), which is principally engaged in the design and manufacturing of pre-clinical cell and stem cell related equipment, especially in 3D cell culture bio-reactors and their related consumables, as well as providing CRO services. The acquisition was made with the objective to setup a regional hub that takes care of the design and manufacturing of pre-clinical cell and stem cell related equipment businesses in the PRC and to generate synergy through the acquisition. The acquisition was completed on 21 April 2015.

32. 業務合併 (續)

(a) *Frame Sharp Limited* (「*Frame Sharp*」)(續)

有關收購附屬公司之現金及現金等值項目流出淨額之分析如下：

		HK\$'000 千港元
Cash and cash equivalents acquired	購入之現金及現金等值項目	2,216
Cash and cash equivalents paid	已付現金及現金等值項目	(42,500)
Net outflow of cash and cash equivalents	現金及現金等值項目流出淨額	(40,284)

自收購日起，Frame Sharp Group已為本集團之收益及虧損貢獻55,000港元及3,318,000港元。若收購於二零一五年五月一日發生，本集團之收益及虧損應分別為27,751,000港元及195,701,000港元。此備考資料僅供說明用途，並不表示此為若收購於二零一五年五月一日完成本集團實際會實現的收益及經營業績，亦並非對未來業績的預測。

收購Frame Sharp Group產生之商譽主要為(1)Frame Sharp Group的重大未來前景及商業價值及(2)新收購業務與現有組織工程業務的協同效應。

(b) *Passion Stream Limited* (「*Passion Stream*」)

於二零一五年三月十二日，本集團訂立一份買賣協議，以72,000,000港元之代價收購Passion Stream 70%股權。Passion Stream及其附屬公司（「*Passion Stream Group*」）主要從事臨床前細胞和幹細胞相關設備之設計和製造（特別是在三維細胞灌培養物反應器和彼等相關的耗材）以及提供合同式技術研究服務。此收購目標為於中國建立處理臨床前細胞和幹細胞相關設備之設計和製造業務的區域中樞，以及透過收購產生協同效應。此收購已於二零一五年四月二十一日完成。

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For the year ended 30 April 2016 截至二零一六年四月三十日止年度

32. BUSINESS COMBINATIONS (Cont'd)

(b) *Passion Stream Limited* (“*Passion Stream*”) (Cont'd)

The consideration was settled by the Group by cash and the issue of 252,000,000 shares of the Company. The fair value of the newly issued shares of the Company on 21 April 2015, amounted to HK\$141,120,000.

Details of fair value of identifiable assets and liabilities acquired were as follows:

32. 業務合併 (續)

(b) *Passion Stream Limited* (「*Passion Stream*」)(續)

代價由本集團以現金及發行252,000,000股本公司股份來支付。本公司於二零一五年四月二十一日新發行股份的公平值為141,120,000港元。

購入之可識別資產及負債的公平值詳情如下：

		HK\$'000 千港元
Property, plant and equipment (note 14)	物業、廠房及設備 (附註 14)	1,636
Other intangible assets (note 18)	其他無形資產 (附註 18)	69,151
Inventories	存貨	14
Trade receivables	應收貿易賬項	18
Deposits, prepayments and other receivables	按金、預付款項及其他應收賬項	135
Cash and cash equivalents	現金及現金等值項目	88
Trade payables	應付貿易賬項	(20)
Accrued charges and other payables	應計費用及其他應付賬項	(3,990)
Deferred tax liabilities recognised upon fair value adjustments (note 25)	公平值調整後確認的遞延稅項負債 (附註 25)	(14,453)
Net assets	資產淨值	52,579
Non-controlling interests	非控股股東權益	(15,774)
Net identified assets acquired	購入之可識別資產淨值	36,805
Goodwill on acquisition (note 16)	收購商譽 (附註 16)	96,213
Total consideration	總代價	133,018
Satisfied by:	由下列各項支付：	
Cash	現金	6,986
The Company's shares	本公司股份	141,120
Contingent consideration receivable (note 17)	應收或然代價 (附註 17)	(15,088)
Total purchase consideration	總購買代價	133,018

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32. BUSINESS COMBINATIONS (Cont'd)

(b) *Passion Stream Limited* (“*Passion Stream*”) (*Cont'd*)

An analysis of the net outflow of cash and cash equivalents in respect of the acquisition of the subsidiaries was as follows:

		HK\$'000 千港元
Cash and cash equivalents acquired	購入之現金及現金等值項目	88
Cash and cash equivalents paid	已付現金及現金等值項目	(6,986)
Net outflow of cash and cash equivalents	現金及現金等值項目流出淨額	(6,898)

From the acquisition date to 30 April 2015, Passion Stream Group had contributed HK\$36,000 and HK\$203,000 to Group's revenue and loss. If the acquisition had occurred on 1 May 2014, Group revenue and loss for the year ended 30 April 2015 would have been HK\$2,890,000 and HK\$256,868,000 respectively. This pro forma information was for illustrative purposes only and was not necessarily an indication of revenue and results of operations of the group that actually would have been achieved had the acquisition been completed on 1 May 2014, nor was it intended to be a projection of future performance.

The goodwill arose from the acquisition of Passion Stream mainly represented (1) the difference between the fair values of the shares of the Company on the completion date of acquisition in April 2015 and the date of signing sales and purchase agreement in March 2015; (2) significant future prospect and the business value of Passion Stream Group and (3) synergy effect of the newly acquired business with the existing tissue engineering business..

32. 業務合併 (續)

(b) *Passion Stream Limited* (「*Passion Stream*」)(續)

有關收購附屬公司之現金及現金等值項目流出淨額之分析如下：

自收購日期至二零一五年四月三十日，Passion Stream Group已為本集團之收益及虧損貢獻36,000港元及203,000港元。若收購發生在二零一四年五月一日，本集團截至二零一五年四月三十日止年度之收益及虧損將分別為2,890,000港元及256,868,000港元。此備考資料僅供說明用途，並不表示此為若於二零一四年五月一日完成收購後本集團實際會實現的收益及業績，也不是對未來業績的預測。

收購Passion Stream所產生之商譽主要為(1)本公司股份於二零一五年四月收購完成日及於二零一五年三月簽署買賣協議之日的公平值的差額；(2)Passion Stream Group的重大未來前景及商業價值及(3)新收購業務與現有組織工程業務的協同效應。

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33. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The key management personnel of the Group are the directors, chief executive officer and chief financial officer of the Company. The remuneration of the key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends. The remuneration of a member of the key management (excluding directors and chief executive officer) was within the emolument band of HK\$1,000,000 to HK\$2,000,000 for the year ended 30 April 2016. Details of the remuneration paid to the directors and chief executive officer are set out in note 9 to the financial statements.

Save as elsewhere in the financial statements and above, there was no other related party transaction during the years ended 30 April 2015 and 2016.

34. SUBSIDIARIES

Particulars of principal subsidiaries of the Company as at 30 April 2016 are as follows:

Name of company 公司名稱	Place of incorporation/ registration 註冊成立/ 註冊地點	Issued ordinary capital/registered capital 已發行普通股 股本/註冊資本	Percentage of ownership interests held by the Company 本公司持有 擁有權益比例		Principal activities and place of operations 主要業務及營業地點
			Directly 直接	Indirectly 間接	
China Bio-Med Regeneration Technology Limited 中國生物醫學再生科技有限公司	British Virgin Islands 英屬處女群島	US\$20,000 20,000美元	100%	—	Investment holding, Hong Kong 投資控股, 香港
Million Profit Group Limited 兆鑫集團有限公司	British Virgin Islands 英屬處女群島	US\$1 1美元	—	100%	Investment holding, Hong Kong 投資控股, 香港
FD(H) Investments Limited	British Virgin Islands 英屬處女群島	US\$100 100美元	—	100%	Investment holding, Hong Kong 投資控股, 香港
Shaanxi Aierfu Activitissue Engineering Company Limited ("Shaanxi Aierfu") 陝西艾爾膚組織工程有限公司 (「陝西艾爾膚」)	The PRC 中國	RMB206,900,000 人民幣206,900,000元	—	100%	Production and sales of tissue engineering skin related products, the PRC 生產及銷售組織工程皮膚相關產品, 中國

33. 關連交易

主要管理人員酬金

本集團之主要管理人員即本公司董事，行政總裁及首席財務官。主要管理人員之酬金乃由薪酬委員會根據個別人士之表現及市場趨勢釐定。一名主要管理人員（不包括董事及行政總裁）截至二零一六年四月三十日止年度之酬金介乎1,000,000港元至2,000,000港元。支付予董事及行政總裁之酬金詳情載於財務報表附註9。

除財務報表內之其他部份及以上所披露者外，於截至二零一五年及二零一六年四月三十日止年度概無其他關連交易。

34. 附屬公司

於二零一六年四月三十日，本公司之主要附屬公司詳情如下：

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34. SUBSIDIARIES (Cont'd)

34. 附屬公司 (續)

Name of company 公司名稱	Place of incorporation/ registration 註冊成立/ 註冊地點	Issued ordinary capital/registered capital 已發行普通股 股本/註冊資本	Percentage of ownership interests held by the Company 本公司持有 擁有權益比例		Principal activities and place of operations 主要業務及營業地點
			Directly 直接	Indirectly 間接	
Shaanxi Aimiya Bio-Technology Company Limited ("Shaanxi Aimiya") 陝西艾美雅生物科技有限公司 (「陝西艾美雅」)	The PRC 中國	RMB2,000,000 人民幣2,000,000元	—	100%	Research and development, the PRC 研究及開發·中國
Shaanxi AiBosin Bio-Engineering Company Limited ("Shaanxi AiBosin") 陝西艾博生生物工程有限公司 (「陝西艾博生」)	The PRC 中國	RMB2,000,000 人民幣2,000,000元	—	100%	Research and development, the PRC 研究及開發·中國
Shaanxi AiNear Cornea Engineering Company Limited ("Shaanxi AiNear") 陝西艾爾尼角膜工程有限公司 (「陝西艾尼爾」)	The PRC 中國	RMB3,800,000 人民幣3,800,000元	—	100%	Research and development, the PRC 研究及開發·中國
Shenzhen AiNear Cornea Engineering Company Limited ("Shenzhen AiNear") 深圳艾爾尼角膜工程有限公司 (「深圳艾尼爾」)	The PRC 中國	RMB3,800,000 人民幣3,800,000元	—	100%	Research and development, the PRC 研究及開發·中國
Zhongsheng Medical Equipment Trading Company Limited 中生醫療器械銷售有限公司	The PRC 中國	RMB60,000,000 人民幣60,000,000元	—	100%	Sales and distribution, the PRC 銷售及分銷·中國
Shaanxi Reshine Biotech Co. Ltd. ("Reshine") 陝西瑞盛生物科技有限公司 (「瑞盛」)	The PRC 中國	RMB87,000,000 (2015: RMB77,000,000) 人民幣87,000,000元 (二零一五年: 人民幣77,000,000元)	—	100%	Research and development, the PRC 研究及開發·中國
Shanghai Hesidi Cosmetics Company Limited ("Hesidi") 上海赫絲蒂化妝品有限公司 (「赫絲蒂」)	The PRC 中國	RMB50,000,000 人民幣50,000,000元	—	51%	Sales and distribution, the PRC 銷售及分銷·中國
China Bio-Med Technology Limited 中生醫學科技有限公司	The PRC 中國	RMB50,000,000 人民幣50,000,000元	—	100%	Research and development, the PRC 研究及開發·中國

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34. SUBSIDIARIES (Cont'd)

34. 附屬公司 (續)

Name of company 公司名稱	Place of incorporation/ registration 註冊成立/ 註冊地點	Issued ordinary capital/registered capital 已發行普通股 股本/註冊資本	Percentage of ownership interests held by the Company 本公司持有 擁有權益比例		Principal activities and place of operations 主要業務及營業地點
			Directly 直接	Indirectly 間接	
Revital Healthcare Biotech Limited (previously known as Emperor Pharmaceuticals Limited) 長青健康生物有限公司 (前稱始皇藥業有限公司)	Hong Kong 香港	HK\$100 100港元	—	80% (2015: 70%) (二零一五年: 70%)	Healthcare business, Hong Kong 醫療保健業務, 香港
China Regenerative Medicine Limited 中國再生醫學有限公司	Hong Kong 香港	HK\$1 1港元	—	100%	Investment holding, Hong Kong 投資控股, 香港
China Stem Cell Clinical Applications Centre Limited 中國幹細胞臨床應用中心有限公司	Hong Kong 香港	HK\$1 1港元	—	100%	Stem cell operation Hong Kong 幹細胞業務, 香港
Tianjin Weikai Bioeng Ltd 天津衛凱生物工程學有限公司	The PRC 中國	RMB10,400,000 人民幣10,400,000元	—	70%*	Sales and distribution, the PRC 銷售及分銷, 中國
AK (Suzhou) Biomedical Ltd 奧凱(蘇州)生物技術諮詢服務 有限公司	The PRC 中國	RMB1,470,600 人民幣1,470,600元	—	70%* (2015: Nil) (二零一五年: 無)	Sales and distribution, the PRC 銷售及分銷, 中國

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34. SUBSIDIARIES (Cont'd)

Note:

The above table lists the subsidiaries of the Group which, in the opinion of the directors, principally affected the results of the Group for the year or formed a substantial portion of the net assets of the Group at the end of the year. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

All subsidiaries are limited liability companies.

None of the subsidiaries had any debt securities subsisting at the end of the year or at any time during the year.

Amounts due from/(to) subsidiaries are unsecured, interest-free and repayable on demand.

- * The Group does not have any equity interest in Tianjin Weikai Bioeng Limited ("Tianjin Weikai") and AK (Suzhou) Biomedical Ltd ("AK Suzhou"). However, the Group has entered into the contractual arrangements with Tianjin Weikai and AK Suzhou and its equity holders, which enable the Group to (1) exercise effective financial and operational control over Tianjin Weikai and AK Suzhou; (2) exercise equity holders' voting rights of Tianjin Weikai and AK Suzhou; (3) receive substantially all of the economic interest returns generated by Tianjin Weikai and AK Suzhou in consideration for the management services provided by the Group; (4) obtain an irrevocable and exclusive right with an initial period of 10 years to purchase the entire equity interest in Tianjin Weikai and AK Suzhou from the respective equity holders. The right automatically renews upon expiry until the Group specifies a renewal term; and (5) obtain a pledge over the entire equity interest of Tianjin Weikai and AK Suzhou from its respective equity holders as collateral security for all the payments due to the Group and to secure performance of Tianjin Weikai's and AK Suzhou's obligations under the above contractual arrangements. Accordingly, the Group has rights to variable returns from its involvement with Tianjin Weikai and AK Suzhou and has the ability to affect those returns through its power over Tianjin Weikai and AK Suzhou and is considered to control Tianjin Weikai and AK Suzhou. Consequently, the Group regards Tianjin Weikai and AK Suzhou as the indirect subsidiaries under HKFRSs.

34. 附屬公司 (續)

附註：

上表列出董事認為主要影響本集團本年度業績或組成本集團年末資產淨值主要部份之附屬公司。董事認為，列出其他附屬公司之詳情會令篇幅過於冗長。

所有附屬公司均為有限責任公司。

於年終或於年內任何時間，概無附屬公司擁有任何債務證券。

應收／(應付)附屬公司款項為無抵押、免息及須按要求償還。

- * 本集團並無持有天津衛凱生物工程有限公同(「天津衛凱」)及奧凱(蘇州)生物技術有限公司(「奧凱(蘇州)」)的任何股權。然而，本集團與天津衛凱及奧凱(蘇州)及其權益持有人訂立合約協議，使本集團能夠(1)行使對天津衛凱及奧凱(蘇州)的實際財務及營運控制權；(2)行使天津衛凱及奧凱(蘇州)權益持有人的投票權；(3)收取天津衛凱及奧凱(蘇州)產生絕大部份經濟利益回報，作為本集團提供的管理服務的代價；(4)獲得從各權益持有人購買天津衛凱及奧凱(蘇州)全部股權的不可撤銷及獨家權利，初始年期為十年。相關權利於屆滿時自動續期，惟本集團指定續訂年限者則除外；及(5)獲得各權益持有人對天津衛凱及奧凱(蘇州)全部股權的質押，作為應付本集團的所有款項的抵押物並擔保天津衛凱及奧凱(蘇州)履行上述合約安排項下的責任。因此，本集團有權通過參與天津衛凱及奧凱(蘇州)的業務而享受可變回報且有能力透過其對天津衛凱及奧凱(蘇州)的控制權影響該等回報，並被視為控制天津衛凱及奧凱(蘇州)。因此，根據香港財務報告準則，本集團視天津衛凱及奧凱(蘇州)為間接附屬公司。

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35. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The following table shows the carrying amounts and fair value of the Group's financial assets and liabilities:

35. 金融資產及金融負債分類概要

下表載列本集團的金融資產及負債之賬面值和公平值：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Financial assets	金融資產		
Non-current assets	非流動資產		
Financial assets at fair value through profit or loss:	透過損益按公平值列賬之金融資產：		
Contingent consideration receivables	應收或然代價	28,030	15,088
Current assets	流動資產		
Loans and receivables:	貸款及應收賬項：		
Trade receivables	應收貿易賬項	19,992	665
Deposits and other receivables	按金及其他應收賬項	63,769	130,260
Pledged bank deposits	已抵押銀行存款	558,873	22,622
Cash and cash equivalents	現金及現金等值項目	1,300,825	1,008,984
		1,971,489	1,177,619
Financial liabilities	金融負債		
Financial liabilities measured at amortised costs:	以攤銷成本計量之金融負債：		
Current liabilities	流動負債		
Trade payables	應付貿易賬項	1,570	763
Accrued charges and other payables	應計費用及其他應付賬項	33,816	14,970
Bank borrowings	銀行借款	542,553	59,032
Non-current liabilities	非流動負債		
Other payables	其他應付賬項	—	6,280
		577,939	81,045

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35. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY (Cont'd)

The following table provides an analysis of financial instruments carried at fair value by level of fair value hierarchy:

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

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

The financial assets measured at fair value in the consolidated statement of financial position are grouped into the fair value hierarchy as follows:

35. 金融資產及金融負債分類概要 (續)

下表提供以公平值列賬的金融工具之公平值架構分析：

- 第一級：相同的資產及負債於活躍市場的報價（未經調整）；
- 第二級：有關資產或負債除第一級報價以外，可直接按價格或間接按價格計算觀察所得；及
- 第三級：有關資產或負債並非依據可觀察市場的數據（即非可觀察數據）。

金融資產或負債於公平值架構內之分類全取決於對公平值計量重要數據之最低級別。

於綜合財務狀況表以公平值計量之金融資產，其分組之公平值架構如下：

		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 30 April 2016	於二零一六年四月三十日				
Contingent consideration receivables	應收或然代價	—	—	28,030	28,030
At 30 April 2015	於二零一五年四月三十日				
Contingent consideration receivable	應收或然代價	—	—	15,088	15,088

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35. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY (Cont'd)

Where derivatives are traded either on exchanges or liquid over-the-counter markets, the Group uses the closing price at the reporting date. As the derivatives entered into by the Group are not traded on active markets, the fair values of such contracts are estimated using a valuation technique that maximise the use of observable market inputs e.g. market currency and interest rates (Level 2). All derivatives entered into by the Group are included in Level 2.

The details of the valuation of the fair value of contingent consideration receivables are disclosed in note 17.

There have been no significant transfers between levels in the reporting period.

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting periods.

36. FINANCIAL RISK MANAGEMENT

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include market risk (including currency risk, interest risk and other price risk), credit risk and liquidity risk.

The Group has a written risk management policy in place in relation to credit risk associated with loan receivables. The board of directors meets periodically to analyse and formulate strategies to manage and monitor the Group's exposure to a variety of risks associated with financial instruments which arise from the Group's operating and investing activities. Generally, the Group employs conservative strategies regarding its risk management to ensure appropriate measures are implemented on a timely and effective manner. The risks associated with these financial instruments and the policies on how these risks are mitigated are described as follows:

35. 金融資產及金融負債分類概要 (續)

就於場內或櫃檯市場之衍生工具交易，本集團用報告日之收市價。由於本集團訂立的衍生工具不在活躍市場交易，估計該等合約的公平值採用估值技術，其最大限度地利用可觀察市場數據，例如市場貨幣和利率（第二級）。由本集團所訂立的所有衍生工具為第二級。

應收或然代價公平值之估值詳情披露於附註17。

於報告期間，架構間沒有重要轉移。

比對過往報告期間，用於計量公平值的方法及估值技術並沒有改變。

36. 財務風險管理

本集團因於日常業務過程中及其投資活動中使用金融工具而承擔財務風險。財務風險包括市場風險（包括貨幣風險、利率風險及其他價格風險）、信貸風險及流動資金風險。

本集團制訂與應收貸款有關的信貸風險之書面風險管理政策。董事會定期召開會議進行分析並制定策略，以管理及監控本集團所承受有關本集團經營及投資業務產生之金融工具之不同風險。一般而言，本集團對風險管理採用保守策略，以確保能及時有效採取適當措施。與該等金融工具相關之風險及如何減少此等風險之政策載述如下：

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For the year ended 30 April 2016 截至二零一六年四月三十日止年度

36. FINANCIAL RISK MANAGEMENT (Cont'd)

(a) Foreign currency risk

The Group has exposure to foreign currency risk as certain of its assets are denominated in RMB. The Group currently does not have a foreign currency hedging policy in respect of other foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

As at 30 April 2016, if the RMB had weakened/strengthened 5% (2015: 1%) against HK\$ with all other variables held constant, the Group's loss for the year and accumulated losses would have been HK\$27,944,000 (2015: HK\$226,000) higher/lower, arising mainly as a result of the foreign exchange loss/gain on pledged bank deposits denominated in RMB.

(b) Interest rate risk

Financial assets and liabilities at variable interest rates expose the Group to cash flow interest rate risk and those at fixed rates expose the Group to fair value interest rate risk. The Group monitors the interest rate risk exposure on a continuous basis and adjusts the portfolio of financial assets and liabilities when necessary. A reasonable change in interest rate in the next twelve months is assessed to result in immaterial change in the Group's loss for the year and accumulated losses. Changes in interest rates have no impact on the Group's other components of equity.

(c) Credit risk

The carrying amounts of these financial assets presented in the Group's statement of financial position are net of impairment losses, if any. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent. At the end of reporting period, the Group has a certain concentration of credit risk as 97% (2015: Nil) of the total trade receivables was due from the Group's largest customer within the cosmetics and healthcare segment.

36. 財務風險管理 (續)

(a) 外匯風險

由於本集團若干資產乃以人民幣計值，故本集團面臨外匯風險。本集團目前並無有關其他外匯交易、資產及負債之外匯對沖政策。本集團將密切監控其外匯風險並於有需要時考慮對沖重大外匯風險。

於二零一六年四月三十日，倘人民幣兌港元貶值／升值5%（二零一五年：1%）而所有其他變量保持不變，本集團之本年度虧損及累計虧損將增加／減少27,944,000港元（二零一五年：226,000港元），乃主要由於以人民幣計值之已抵押銀行存款的外匯虧損／收益所致。

(b) 利率風險

具浮動利率之金融資產及負債使本集團面臨現金流量利率風險，而具固定利率之金融資產及負債使本集團面臨公平值利率風險。本集團持續監控利率風險，並於必要時調整金融資產及負債之組合。於未來十二個月利率之合理變動被評定對本集團本年度的虧損及累計虧損並無重大變動。利率變動對本集團權益之其他組成部份並無影響。

(c) 信貸風險

本集團之財務狀況表內呈列金融資產的賬面值已扣除減值虧損（如有）。本集團之信貸風險主要受各客戶之不同情況影響。客戶經營所在之行業及國家之違約風險亦對信貸風險產生影響，惟程度較低。於報告期末，由於應收貿易賬項總額之97%（二零一五年：無）來自本集團化妝品及醫療保健分部的最大客戶，故本集團具有若干集中信貸風險。

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For the year ended 30 April 2016 截至二零一六年四月三十日止年度

36. FINANCIAL RISK MANAGEMENT (Cont'd)

(c) Credit risk (Cont'd)

The Group has deposited its cash with various banks. The credit risk on cash and bank balances is limited because most of the Group's bank deposits are deposited with major banks in Hong Kong and the PRC.

(d) Fair value

The directors of the Company consider the fair values of the Group's current financial assets and liabilities are not materially different from their carrying amounts because of the immediate or short-term maturity of these financial instruments. The fair value of non-current financial assets was not disclosed because the carrying amount is not materially different from its fair value.

(e) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term. The Group has net current assets of HK\$1,301,722,000 and net assets of HK\$2,118,200,000 as at 30 April 2016. In the opinion of the directors, the Group's exposure to liquidity risk is limited.

36. 財務風險管理 (續)

(c) 信貸風險 (續)

本集團於多家銀行存放現金。由於本集團之銀行存款大部份存放於香港及中國之主要銀行，故現金及銀行結餘之信貸風險有限。

(d) 公平值

本公司董事認為由於本集團之該等金融工具屬即將或於短期內到期，故流動金融資產及負債之公平值與其賬面值之差異並不重大。由於非流動金融資產的公平值與其賬面值差異並不重大，故並未作出披露。

(e) 流動資金風險

本集團之政策乃定期監控其流動資金需要，確保維持充裕現金儲備，應付短期及長期之流動資金需求。於二零一六年四月三十日，本集團流動資產淨值為1,301,722,000港元，資產淨值為2,118,200,000港元。董事認為，本集團的流動資金風險是有限的。

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For the year ended 30 April 2016 截至二零一六年四月三十日止年度

36. FINANCIAL RISK MANAGEMENT (Cont'd)

(e) Liquidity risk (Cont'd)

The following table details the remaining contractual maturities at each of the reporting dates of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payment computed using contractual rates or, if floating, based on current rates at the reporting date) and the earliest date the Group may be required to pay:

		Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand	More than 1 year but less than 2 year
		賬面值 HK\$'000 千港元	訂約未貼現 現金流量總額 HK\$'000 千港元	於1年內 或應要求 HK\$'000 千港元	超過1年但 少於2年 HK\$'000 千港元
As at 30 April 2016	於二零一六年四月三十日				
Trade payables	應付貿易賬項	1,570	1,570	1,570	—
Accrued charges and other payables	應計費用及其他應付賬項	33,816	34,538	34,538	—
Bank borrowings	銀行借款	542,553	544,153	544,153	—
		577,939	580,261	580,261	—
As at 30 April 2015	於二零一五年四月三十日				
Trade payables	應付貿易賬項	763	763	763	—
Accrued charges and other payables	應計費用及其他應付賬項	21,250	22,004	14,970	7,034
Bank borrowings	銀行借款	59,032	63,014	63,014	—
		81,045	85,781	78,747	7,034

36. 財務風險管理 (續)

(e) 流動資金風險 (續)

下表詳列本集團非衍生金融負債於各報告日之尚餘合約到期情況，該表乃根據訂約未貼現現金流量（包括按訂約利率或（若為浮息）根據報告日之當期利率計算之利息支出）及本集團可能須付款之最早日期編製：

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財務報表附註

For the year ended 30 April 2016 截至二零一六年四月三十日止年度

37. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group's objectives when managing capital are:

- To safeguard the Group's ability to continue as a going concern, so that it continues to provide returns for shareholders and benefits for other stakeholders;
- To support the Group's stability and growth; and
- To provide capital for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group has not adopted any formal dividend policy.

Management regards total equity as capital, for capital management purpose. The amount of capital as at 30 April 2015 and 2016 amounted to approximately HK\$1,844,215,000 and HK\$2,118,200,000 respectively, which the management considers as optimal having considered the projected capital expenditures and the projected strategic investment opportunities.

37. 資本管理政策及程序

本集團管理資本之目標為：

- 保持本集團持續經營之能力，繼續為股東帶來回報及為其他持份者帶來利益；
- 維持本集團之穩定及增長；及
- 提供資金以加強本集團之風險管理能力。

本集團積極定期檢討及管理其資本架構，確保具備最佳資本架構及提供最佳股東回報，並考慮本集團未來資金需要及資本成效、現時及預測盈利能力、預測經營現金流量、預測資本開支及預測策略性投資機會。本集團目前並無採取任何正式股息政策。

管理層視總權益為資本管理之資本。於二零一五年及二零一六年四月三十日，資本金額分別約為1,844,215,000港元及2,118,200,000港元，其中管理層已考慮到預期之資本開支及預測策略性投資機會，並認為處於最佳資本狀況。

FINANCIAL SUMMARY

財務摘要

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		Financial year ended 30 April 截至四月三十日止財政年度				2016
		2012 二零一二年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	二零一六年 HK\$'000 千港元
Revenue	收益	128	1,377	510	2,817	27,751
Cost of services provided/ Cost of sales	已提供服務之成本/ 銷售成本	(85)	(1,615)	(352)	(1,431)	(9,410)
Gross profit/(loss)	毛利/(虧損)	43	(238)	158	1,386	18,341
Other income	其他收入	2,070	6,788	5,662	2,101	110,981
Selling and administrative expenses	銷售及行政開支	(69,685)	(74,230)	(136,879)	(171,125)	(303,249)
Finance costs	財務費用	(1,540)	(1,694)	(2,532)	(3,058)	(25,827)
Fair value gain on contingent consideration receivables	應收或然代價之 公平值收益	—	—	—	—	8,556
Impairment of goodwill	商譽減值	—	—	(141,657)	(60,400)	—
Impairment of other intangible assets	其他無形資產減值	—	—	—	(41,432)	—
Loss before income tax	除所得稅前虧損	(69,112)	(69,374)	(275,248)	(272,528)	(191,198)
Income tax (expense)/credit	所得稅(開支)/抵免	970	1,890	3,951	17,136	(3,326)
Loss for the year	本年度虧損	(68,142)	(67,484)	(271,297)	(255,392)	(194,524)
Attributable to:	下列應佔:					
Owners of the Company	本公司擁有人	(57,109)	(61,320)	(263,442)	(250,098)	(190,902)
Non-controlling interests	非控股股東權益	(11,033)	(6,164)	(7,855)	(5,294)	(3,622)
Loss for the year	本年度虧損	(68,142)	(67,484)	(271,297)	(255,392)	(194,524)

		As at 30 April 於四月三十日				2016
		2012 二零一二年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	二零一六年 HK\$'000 千港元
Total assets	總資產	500,287	753,185	961,342	2,054,815	2,901,277
Total liabilities	總負債	(147,629)	(122,267)	(181,292)	(210,600)	(783,077)
Shareholders' funds	股東資金	352,658	630,918	780,050	1,844,215	2,118,200

Notes:

The financial summary does not form part of the financial statements.

附註:

財務摘要並非組成財務報表之部份。



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

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