



INNOVATIVE PHARMACEUTICAL BIOTECH LIMITED

領航醫藥及生物科技有限公司

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

(於開曼群島註冊成立並於百慕達存續之有限公司)

(Stock Code 股份代號 : 399)

# 2019 年報 Annual Report

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# Corporate Information

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

Gao Yuan Xing  
Tang Rong  
Huang He

#### Non-executive Directors

Jiang Nian (*Chairman*)  
Xiao Yan  
Wu Yanmin

#### Independent Non-executive Directors

Chen Weijun  
Zhang Zhihong  
Wang Rongliang

#### Audit Committee

Chen Weijun (*Chairman*)  
Zhang Zhihong  
Wang Rongliang

#### Remuneration Committee

Zhang Zhihong (*Chairman*)  
Jiang Nian  
Wang Rongliang

#### Nomination Committee

Zhang Zhihong (*Chairman*)  
Jiang Nian  
Wang Rongliang

### HONORARY CHAIRMAN

Mao Yumin

### COMPANY SECRETARY

Poon Hon Yin

### LEGAL ADVISERS

Sidley Austin  
39/F, Two International Finance Centre  
Central, Hong Kong

### 董事會

#### 執行董事

高源興  
唐榕  
黃鶴

#### 非執行董事

蔣年 (*主席*)  
肖焱  
鄒燕敏

#### 獨立非執行董事

陳偉君  
張志鴻  
王榮樑

#### 審核委員會

陳偉君 (*主席*)  
張志鴻  
王榮樑

#### 薪酬委員會

張志鴻 (*主席*)  
蔣年  
王榮樑

#### 提名委員會

張志鴻 (*主席*)  
蔣年  
王榮樑

### 名譽主席

毛裕民

### 公司秘書

潘漢彥

### 法律顧問

盛德律師事務所  
香港中環  
國際金融中心二期三十九樓

## REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM 11, Bermuda

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

## PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

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

## BRANCH SHARE REGISTRAR AND TRANSFER AGENT IN HONG KONG

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

## AUDITOR

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

## PRINCIPAL BANKER

Bank of Communications Co., Ltd.

## STOCK CODE

399

## COMPANY WEBSITE

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

## 註冊辦事處

Clarendon House  
2 Church Street  
Hamilton HM 11, Bermuda

## 香港主要營業地點

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

## 股份登記總處及過戶代理處

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

## 香港股份登記分處及過戶代理處

卓佳登捷時有限公司  
香港  
皇后大道東183號  
合和中心54樓

## 核數師

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

## 主要往來銀行

交通銀行股份有限公司

## 股份代號

399

## 公司網站

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

# Chairman's Statement

## 主席報告

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "directors") of Innovative Pharmaceutical Biotech Limited, (the "Company", together with its subsidiaries, the "Group"), I hereby present to all shareholders of the Company (the "Shareholders") the audited consolidated financial results of the Group for the year ended 31 March 2019 (the "Financial Year") with comparative figures for the year ended 31 March 2018 (the "Previous Financial Year").

For the Financial Year, the Group recorded revenue of approximately HK\$18,589,000 million, an increase of approximately 17.57% in revenue from approximately HK\$15,811,000 million as recorded in the Previous Financial Year. The increase in revenue was largely due to the increase of business activity in the Group's trading of beauty equipment and products segment during the Financial Year as the Group focused more of its resources on numerous potential joint-ventures domestically and abroad and developing new business.

For the Financial Year, the loss attributable to the owners of the Company amounted to approximately HK\$260,272,000, representing an increase of approximately 12.7% from the loss attributable to owners of the Company in the amount of approximately HK\$231,048,000 recorded in the Previous Financial Year. The comparative increase in loss for the Financial Year of HK\$29,224,000 was primarily due to the increase in interest expense as compared with Previous Financial Year.

各位股東：

本人謹代表領航醫藥及生物科技有限公司(「本公司」，連同其附屬公司統稱「本集團」)之董事(「董事」)會(「董事會」)向本公司所有股東(「股東」)提呈本集團截至二零一九年三月三十一日止年度(「本財政年度」)之經審核綜合財務業績與截至二零一八年三月三十一日止年度(「上一財政年度」)之比較數字。

本集團於本財政年度之收益為約18,589,000港元，較上一財政年度錄得之收益約15,811,000港元增加約17.57%。收益增加是由於本集團美容設備及產品貿易分部於本財政年度的業務活動增加所致，因為本集團更多地將其資源投放於國內外眾多潛在合資企業及開發新業務。

於本財政年度，本公司擁有人應佔虧損為約260,272,000港元，較上一財政年度錄得之本公司擁有人應佔虧損約231,048,000港元增加約12.7%。本財政年度虧損相對增加29,224,000港元主要由於利息開支較上一財政年度增加所致。

## OUTLOOK

The Group is continuing to develop its trading of beauty equipment and products business. Although there was keen competition in the market, the Group will allocate more resources to boost up the business.

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

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

## APPRECIATION

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

**Jiang Nian**

*Chairman*

Shanghai, 28 June 2019

## 展望

本集團持續發展其美容設備及美容產品貿易業務。儘管市場存在激烈競爭，本集團將分配更多資源以加強業務。

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

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

## 致謝

本人謹藉此機會代表全體董事會成員，對股東及本集團業務夥伴過去一年的恆久支持及信任表達謝意，本人亦謹此對董事、管理層與各級員工專心致志、勤勉工作及為本集團作出的貢獻，致以最真誠的謝意。

**蔣年**

*主席*

上海，二零一九年六月二十八日

# Management Discussion and Analysis

## 管理層討論及分析

### GROUP RESULTS

Revenue of the Group for the Financial Year amounted to approximately HK\$18,589,000, representing an increase of approximately 17.57% as compared with the total revenue of approximately HK\$15,811,000 that was recorded in the Previous Financial Year. The increase was mainly attributable to an increase in business of the trading of beauty equipment and products segment during the Financial Year. Loss attributable to the owners of the Company increased to HK\$260,272,000 for the Financial Year, an increase of HK\$29,224,000 from the loss of HK\$231,048,000 that was recorded in the Previous Financial Year. The increase of loss was primarily due to the increase in interest expense as compared with the Previous Financial Year.

### BUSINESS REVIEW

#### Trading of beauty equipment and products

The Group commenced the trading of beauty equipment and products since June 2013. During the Financial Year, revenue arising from the trading of beauty equipment and products amounted to approximately HK\$18,589,000, representing an increase of approximately 17.57% from the revenue in the amount of approximately HK\$15,811,000 that was recorded in the Previous Financial Year.

#### Investments in Extrawell

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

At the end of Financial Year, the Group recognized impairment loss on interest in an associate and decrease in fair value of the investment in convertible bonds issued by Extrawell approximately HK\$33,190,000 (the Previous Financial Year: approximately HK\$42,945,000) and HK\$56,485,000 (the Previous Year: approximately HK\$65,735,000) respectively in the profit and loss.

### 集團業績

於本財政年度，本集團之收益約為18,589,000港元，較上一財政年度錄得之總收益約15,811,000港元增加約17.57%。有關增加主要由於本財政年度美容設備及產品貿易分部之業務增加。於本財政年度，本公司擁有人應佔虧損增加至260,272,000港元，較上一財政年度虧損231,048,000港元增加29,224,000港元。虧損增加乃主要由於利息開支相較上一財政年度增加所致。

### 業務回顧

#### 美容設備及美容產品貿易

本集團自二零一三年六月起開展美容設備及美容產品貿易業務。於本財政年度，美容設備及美容產品貿易所得收益為約18,589,000港元，較上一財政年度錄得之收益約15,811,000港元增加約17.57%。

#### 於精優之投資

自二零一三年起，本公司已收購精優藥業控股有限公司（「精優」）（一間於香港聯合交易所有限公司主板上市之公司）發行之股份及可換股債券，及精優已成為本集團之聯營公司。本集團於精優之投資於本集團之綜合財務狀況表內列作於聯營公司的權益及可換股債券投資，該等結餘對於精優公開交易股份之股價波動較為敏感，並須受限於根據香港會計準則作出之減值評估。

於本財政年度完結時，本集團於損益中分別確認聯營公司權益減值虧損及投資精優所發行可換股債券公平值下降約為33,190,000港元（上一財政年度：約42,945,000港元）及56,485,000港元（上一財政年度：約65,735,000港元）。

## BUSINESS REVIEW *(Continued)*

### Research and development

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

Thus far, the Group has financed the research and development segment with the Group’s internal resources but remains active and open to other fund-raising and partnership activities to further develop the Group’s portfolio and development.

The in-process R&D was recorded as intangible asset in Group’s consolidated statement of financial position with carrying value of HK\$1,373,224,000. The management performs the impairment assessment at the end of each reporting period.

The recoverable amount of the intangible asset is determined based on fair value calculations which used cash flow projections prepared by the management of the Group using certain key assumptions. Key assumptions for the fair value calculations were based on estimated cash inflows derived from budgeted sales and gross margin which estimated based on the expectations for the market development.

The expected future economic benefits attributable to the In-process R&D cover a 10 years period from the commercialisation of the Product. The calculation used in the cash flow projections with certain key parameters are as below:

		2019 二零一九年	2018 二零一八年
Discount rate (post-tax)	貼現率 (稅後)	23.64%	26.08%
Growth rate	增長率	3%	3%
Gross profit ratio	總利潤率	64.44%	57.75%

At the end of the Financial Year, the Directors of the Company have performed impairment assessments on the intangible asset by reference to the valuation conducted by Roma Appraisals Limited, an independent qualified valuer. The recoverable amount of the intangible asset is determined based on the estimated fair value of the In-process R&D. Based on the assessment, the recoverable amount of the Group’s intangible asset is estimated to be higher than the carrying amount and therefore the Directors of the Company considered that no impairment is necessary as at 31 March 2019.

### 業務回顧 *(續)*

#### 研發

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

目前為止，本集團已使用本集團內部資源為研發分部提供資金，但仍積極接受其他集資及合夥活動，以進一步推動本集團之資產組合及促進本集團之發展。

研發過程於本集團綜合財務狀況表入賬列作無形資產，賬面值為1,373,224,000港元。管理層於各報告期末進行減值評估。

無形資產之可收回款項基於公平值計算法釐定，公平值計算法是採用本集團管理層使用若干主要假設編製的現金流量預測。公平值計算法的主要假設乃基於根據市場預期發展估計的銷售預算及毛利率產生的估計現金流量。

自商業化後產品研發過程應佔預期未來經濟利益涵蓋10年期間。現金流量預測所用計算及若干關鍵參數如下所示：

於財政年末，本公司董事已參考獨立合資格估值師羅馬國際評估有限公司進行的評估對無形資產作出減值評估。無形資產的可收回款項基於研發過程的估計公平值釐定。根據該評估，估計本集團無形資產的可收回款項將高於其賬面值，因此，本公司董事認為無需於二零一九年三月三十一日作出減值。



## BUSINESS REVIEW (Continued)

### Research and development (Continued)

As set out in the Circular, on 17 March 2014, the Group and the Extrawell Group entered into a conditional sale and purchase agreement where the Company agreed to purchase 51% of the equity interest in Smart Ascent Limited (“Smart Ascent” together with its subsidiaries, the “SAL Group”) from the Extrawell Group. As part of the agreement, the Group has undertaken to the Extrawell Group that for a period of 3 years from completion, the Group would, on a best endeavor basis, solely assume the future capital and operational expenditures of Smart Ascent by way of unsecured interest-free shareholder’s loans up to the amount of HK\$600 million from July 2014 to July 2017. The undertaking ceased to be valid upon expiry in July 2017. On 27 July 2018, a shareholders’ loan agreement was entered into between the Company and Extrawell Group, pursuant to which, the Company and Extrawell agreed to advance a total sum of HK\$30 million to Smart Ascent in the proportion of 51% and 49%, respectively. Upon completion such funding arrangement, Extrawell has allocated its human resources to assist the Group in the operation of the clinical trials.

The Group has completed the assessment and finalized the engagement of the contract research organization (“CRO”). Fosse Bio-Engineering Development Limited (“Fosse Bio”), a subsidiary of the Company, and the CRO have entered into a technical service agreement dated 31 October 2018 pursuant to which Fosse Bio has appointed the CRO to conduct clinical research in relation to the Product.

As set out in the previous annual reports of the Company, Fosse Bio and Tsing Hua University (“THU”) have entered into the agreements in 1998 (the “THU Collaboration Arrangement”) in connection with the research and development of the Product which term has expired in October 2018. On 12 November 2018, the Group has entered into a supplemental agreement with THU to renew the term of the collaboration for another five years to October 2023. Under the THU Collaboration Arrangement, Fosse Bio would be entitled to commercialise the relevant technologies of the Product and to manufacture and sell the Product on an exclusive basis, and THU is entitled to 1.5% of Fosse Bio’s annual sales upon commercialisation of the Product. The Board of the Directors of the Company is of the view that the renewal of the THU Collaboration Arrangement can facilitate the exclusive commercialization of the Product by the Group and is in the interests of the Company and its shareholders as a whole.

## 業務回顧 (續)

### 研發 (續)

如通函所載，於二零一四年三月十七日，本集團與精優集團訂立有條件買賣協議，據此，本公司同意向精優集團收購進生有限公司(「進生」)及其附屬公司(「進生集團」)之51%權益。作為協議的部分，本集團已向精優集團承諾，自完成日期起三年內，本集團當盡力為本，僅假設於二零一四年七月至二零一七年七月進生以無擔保免息股東貸款形式之未來資本及營運開支最多為6億港元。於二零一七年七月屆滿後，該承諾失效。於二零一八年七月二十七日，本公司與精優集團訂立一份股東貸款協議，據此，本公司及精優同意分別按51%及49%比例向進生墊付總款項30,000,000港元。於完成有關資金安排後，精優已分配其人力資源以協助本集團進行臨床試驗操作。

本集團已完成評估及落實聘請合約研究組織(「合約研究組織」)。本公司附屬公司福仕生物工程有限(「福仕」)與合約研究組織於二零一八年十月三十一日訂立技術服務協議，據此，福仕已聘請合約研究組織進行產品之臨床研究。

誠如本公司之過往年報所載，福仕與清華大學(「清華大學」)於一九九八年訂立有關研發產品之協議(「清華大學合作協議」)，其年期已於二零一八年十月到期。於二零一八年十一月十二日，本集團已與清華大學訂立補充協議，以將合作年期另外重續五年至二零二三年十月。根據清華大學合作協議，福仕有權商品化產品之有關技術及獨家生產及銷售產品，而清華大學有權於產品商品化後享有福仕1.5%之年銷售額。本公司董事會認為，重續清華大學合作協議有助本集團獨家進行產品商品化，且符合本公司及其股東之整體利益。

## BUSINESS REVIEW *(Continued)*

### Research and development *(Continued)*

Upon the engagement of the CRO and the renewal of the THU Collaboration Arrangement, the CRO has been working with the project team so as to select the participating hospitals for the Part B of Phase III clinical trial; meetings were held with the hospitals as shortlisted. Fosse Bio has engaged a hospital to act as the leader hospital or principal investigator for the clinical trial. Engagement of other shortlisted hospitals is in progress, whereas the oral insulin samples for clinical trial purpose have been manufactured.

Based on the currently available information, the Company expects that the estimated timeline in relation to the conduct of Part B of phase III clinical trials and the completion of the research and development and commercialization of the Product have been revised and that it is expected that the Product would commence generating revenue for the Group around January 2022.

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

## PROSPECTS

### Trading of beauty equipment and products

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

Revenue and profit margin of the Group from the trading segment have been relatively stable in the past and trading volume is the key determiner of the profitability of the segment. The Group competes by offering trading terms that are more favourable to its suppliers and vendors compared to the Group’s competitors, and trades products that are in high demand given the development of Asian economies.

## 業務回顧 *(續)*

### 研發 *(續)*

在委聘合約研究組織並重續清華大學合作協議後，合約研究組織一直與項目團隊合作，以挑選參與醫院進行第三期B段臨床試驗；與侯選醫院進行會議。福仕已委聘了一家醫院擔任臨床試驗的領導醫院或項目主要研究者。其他侯選醫院委聘事宜在進行中，而用作臨床試驗的口服胰島素樣本已經制造完成。

基於當前可得資料，本公司預計，有關就完成研發及商品化產品進行臨床試驗第三期B段之估計時間期限已予修訂，預計產品將於二零二二年一月開始為本集團產生收益。

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

## 前景

### 美容設備及美容產品貿易

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

過往，本集團來自貿易分部之收益及利潤率一直保持相對穩定，及貿易量為該分部盈利能力之主要決定因素。本集團透過向供應商及賣方提供比本集團競爭對手更優越之貿易條件進行競爭，以及在亞洲經濟發展的情況下買賣需求龐大之產品。

## PROSPECTS *(Continued)*

### Securities investment

The management of the Group is optimistic on the long-term recovery of the markets but they also remain cautious on the direction of the market in the near-term. The Group continues to invest in equity funds managed by a professional fund manager.

On 23 June 2019, the Company entered into the sale and purchase agreement with a substantial shareholder to conditionally disposed of (i) 457,510,000 ordinary shares of Extrawell, represented 19.14% of the entire issued share capital of Extrawell and (ii) the Sale CBs issued by Extrawell with an aggregate outstanding principal amount of HK\$577,170,000 for a consideration of HK\$270,000,000 ("Disposal"). The Disposal constitutes a very substantial disposal under Chapter 14 of the Listing Rules a connected transaction for under Chapter 14A of the Listing Rules. Accordingly, the Disposal is subject to the shareholder's approval at the special general meeting. Further announcement of the Disposal will be made by the Company.

### Research and development

The Group has commenced Part B of phase III clinical trials for the Product (the "Clinical Trial"). In order to better prepare for the Clinical Trial, the timetable for obtaining the Certificate of New Medicine and the Pharmaceutical Manufacturing Permit, subject to the approval of State Drug Administration, and the generating revenue of the Product has been adjusted from the early of 2020 and mid of 2020 to mid of 2021 and January of 2022 respectively.

In terms of human resources, the Company may utilize its existing employee and working teams to undergo the process for the completion of the research and development of the Product and therefore the Company considers that it will have sufficient human resource for this purpose.

## 前景 *(續)*

### 證券投資

本集團管理層對該等股市將在長期內復甦持正面態度，但同時仍對該等股市於近期的發展方向持謹慎態度。本集團繼續投資專業基金管理人管理之股權基金。

於二零一九年六月二十三日，本公司與一名主要股東訂立買賣協議，以代價270,000,000港元有條件出售(i)精優之457,510,000股普通股，佔精優全部已發行股本之19.14%，及(ii)由精優發行之待售可換股債券，未行使本金額合共577,170,000港元（「出售事項」）。出售事項構成上市規則第14章項下之非常重大出售事項及上市規則第14A章項下之關連交易。因此，出售事項須經股東在股東特別大會上批准方告作實。本公司將就出售事項另行刊發公告。

### 研發

本集團正在開始產品的臨床試驗第3期B段（「臨床試驗」）。為更好地籌備臨床試驗，取得新藥證書及藥品生產許可證（待取得國家藥品監督管理局批准後方可作實）及產品產生收益的時間表將予調整，分別從二零二零年初及二零二零年中調整至二零二一年中及二零二二年一月。

就人力資源而言，本公司可利用其現有員工及工作團隊推動進程完成產品的研發，因此，本公司認為將有足夠的人力資源達成該目的。

## FINANCIAL REVIEW

### Capital structure

## 財務回顧

### 資本架構

		<b>31 March 2019</b> 二零一九年 三月三十一日 <b>HK\$'000</b> 千港元	<b>31 March 2018</b> 二零一八年 三月三十一日 <b>HK\$'000</b> 千港元
Authorised:	法定：		
50,000,000,000 ordinary shares of HK\$0.01 each (the "Shares")	50,000,000,000股每股面值 0.01港元之普通股(「股份」)	<b>500,000</b>	500,000
Issued and fully paid:	已發行及已繳足：		
1,464,193,024 Shares	1,464,193,024股股份	<b>14,642</b>	14,642

### Liquidity and financial resources

As at 31 March 2019, the Group had bank and cash balances of approximately HK\$17.1 million (31 March 2018: approximately HK\$20.2 million).

As at 31 March 2019, total borrowings of the Group were approximately HK\$755.5 million (31 March 2018: approximately HK\$628.1 million) which reflected the debt value of the Company's unconverted convertible bonds, amounts due to non-controlling interests, amounts due to former non-controlling interests, loans from a shareholder, amounts due to the subsidiary of an associate, loan from an associate and loan from a non-controlling interest.

The ratio of current assets to current liabilities of the Group was 1.37 as at 31 March 2019 as compared to the 1.92 as at 31 March 2018. The Group's gearing ratio as at 31 March 2019 was 0.50 (31 March 2018: 0.38) which is calculated based on the Group's total liabilities of approximately HK\$783.9 million (31 March 2018: approximately HK\$647.3 million) and the Group's total assets of approximately HK\$1,578.8 million (31 March 2018: approximately HK\$1,714.2 million).

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

### 流動資金及財務資源

於二零一九年三月三十一日，本集團之銀行及現金結餘約為17,100,000港元(二零一八年三月三十一日：約20,200,000港元)。

於二零一九年三月三十一日，本集團之總借貸約為755,500,000港元(二零一八年三月三十一日：約628,100,000港元)，反映本公司之未轉換可換股債券之債務價值、一位股東貸款、應付非控股權益款項、應付前非控股權益款項、應付聯營公司之附屬公司款項、來自聯營公司貸款及來自非控股權益貸款。

本集團於二零一九年三月三十一日之流動資產對流動負債之比率為1.37，而於二零一八年三月三十一日則為1.92。本集團於二零一九年三月三十一日之資本負債比率為0.50(二零一八年三月三十一日：0.38)，乃根據本集團之負債總額約783,900,000港元(二零一八年三月三十一日：約647,300,000港元)及本集團之資產總額約1,578,800,000港元(二零一八年三月三十一日：約1,714,200,000港元)計算。

本集團重視盈餘現金及現金等價物之安全、短期承諾和可用性。

## FINANCIAL REVIEW *(Continued)*

### Significant acquisition and investments

Save as mentioned above, the Group had no other significant investments, nor had it made any material acquisition or disposal of the Group's subsidiaries or associated companies during the Financial Period.

### Charges on the Group's assets

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

### Contingent liabilities

Details of litigation and contingent liabilities are set out in note 30 of the consolidated financial statements.

### Foreign exchange exposure

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

### Number and numeration of employees

As at 31 March 2019, the Group had 23 full time employees (31 March 2018: 22), most of whom work in the Company's subsidiaries in the PRC. The increase in staff is due to the preparation of the commencement of the Clinical Trial in the coming future. It is the Group's policy that the remuneration of employees and Directors are in line with the market and commensurate with their responsibilities. Discretionary year-end bonuses are payable to the employees based on individual performance. Other employee benefits include medical insurance, retirement schemes, training programmes, and education subsidies.

Total staff costs including the Directors' remuneration for the Financial Year amounts to approximately HK\$6.2 million (Previous Financial Year: approximately HK\$6.7 million).

### Segment information

Details of the segment information are set out in note 7 to the consolidated financial statements.

## 財務回顧 *(續)*

### 重大收購及投資

除上述者外，本集團於本財政期間並無任何重大投資，亦無作出任何重大收購或出售本集團附屬公司或聯營公司之行為。

### 本集團資產抵押

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

### 或然負債

訴訟及或然負債詳情載於綜合財務報表附註30。

### 外匯風險

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

### 僱員人數及薪酬

於二零一九年三月三十一日，本集團有23名(二零一八年三月三十一日：22名)全職僱員，大部分均任職本公司於中國之附屬公司。員工增加的原因為為不久將來開展的臨床試驗作準備。本集團之政策乃僱員及董事之薪酬須與市場一致，並與彼等職責相符。酌情年末花紅乃根據個人表現而向僱員支付。其他僱員福利包括醫療保險、退休計劃、培訓課程及教育資助。

於本財政年度之員工總成本(包括董事酬金)約為6,200,000港元(上一財政年度：約6,700,000港元)。

### 分部資料

分部資料之詳情載於綜合財務報表附註7。

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted and complied with all the code provisions as set out in Appendix 14 to the Listing Rules (the “Code”) during the Financial Year, except for the deviations discussed below.

### Code provision A.2.1

Ms. Jiang Nian is the chairman of the Group. As at the date of this report, no suitable candidate has been identified and the role of chief executive officer remains vacant. The Company is continually looking for a suitable person to assume this role.

### Code provision A.4.1

Code provision A.4.1 stipulates that non-executive Directors should be appointed for a specific term and should be subject to re-election.

The Company has deviated from the Code provision A.4.1. The non-executive Directors and independent non-executive Directors were not appointed for specific term but are subject to retirement by rotation and re-election at least once every three years in accordance with the provision of the Company’s Bye-laws. As such, the Company considers that sufficient measures have been taken to serve the purpose of this Code provision.

### Code provision E1.5

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

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

## 遵守企業管治守則

於本財政年度內，本公司已採納及遵守上市規則附錄十四所載之一切守則條文（「守則」），惟下文所述之偏離情況除外。

### 守則條文第A.2.1條

蔣年女士為本集團之主席。於本報告日期，由於並未有合適人選故行政總裁一職維持懸空。本公司正物色合適人選擔任此職位。

### 守則條文第A.4.1條

守則條文第A.4.1條規定，非執行董事之委任應有特定任期，並須接受重選。

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

### 守則條文第E.1.5條

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

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

## DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the code of conduct regarding Directors' securities transactions. All Directors have confirmed that they have fully complied with the Model Code throughout the Financial Year. No incident of non-compliance was noted by the Company in the Financial Year.

**Tang Rong**

*Executive Director*

Hong Kong, 28 June 2019

## 董事進行之證券交易

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易之標準守則（「標準守則」）作為董事進行證券交易之行為守則。全體董事已確認，彼等於整個財政年度已完全遵守標準守則。於本財政年度，本公司沒有注意到有任何不遵守此守則。

**唐榕**

*執行董事*

香港，二零一九年六月二十八日

### EXECUTIVE DIRECTORS

**Mr. Gao Yuan Xing**, aged 64, has been appointed as an executive director with effect from 4 January 2016. From 15 March 2011 to 4 January 2016, Mr. Gao was the chairman and executive director of North Mining Shares Company Limited, a company listed on the Main Board of the Stock Exchange. Mr. Gao previously worked in the foreign affairs office of the Shanghai Municipal Government, and has had senior management roles in numerous international, PRC investment, and commercial companies.

**Mr. Tang Rong**, aged 52, has been appointed as an executive director with effect from 29 September 2014. Mr. Tang graduated from Fudan University in the People's Republic of China in July 1989 with a bachelor's degree in science, majoring in genetics and genetic engineering. He has been an engineer of The Institute of Genetics of Fudan University from November 1989 and has extensive experience in genetics related technology development, commercialization and market development. Mr. Tang successfully filed several patents in China and published papers in many science magazines in genetics related subjects. He was invited as the member of the Committee of Experts of 上海聯眾基因科技研究院 (Shanghai Lianzhong Institute of Gene Technology) in 2000. Starting from November 2010, Mr. Tang was appointed as the director of Gene Testing Research and Development Department of Longmark (Shanghai) Healthcare Limited and he has professional expertise in gene testing and research and development.

**Ms. Huang He**, aged 37, has been appointed as an executive director with effect from 10 January 2017. Ms. Huang has over 10 years of experience in corporate and investment management as well as mergers and acquisitions in the PRC. From 13 October 2016 to 20 December 2016, Ms. Huang was the executive director of Kong Shum Union Property Management (Holding) Limited, a company listed on the Growth Enterprise Market of the Stock Exchange. Ms. Huang is currently the legal representative and chairman of several companies that were incorporated in the PRC. From 7 August 2015 to 20 February 2017, Ms. Huang was also the executive director of China Ocean Fishing Holdings Limited whose shares are listed on the GEM of the Stock Exchange.

### 執行董事

**高源興先生**，64歲，自二零一六年一月四日起獲委任為執行董事。自二零一一年三月十五日至二零一六年一月四日，高先生於聯交所主板上市之公司北方礦業股份有限公司擔任主席兼執行董事。高先生曾在上海市人民政府對外經濟外事部門工作，並曾先後擔任多家國際及國內的投資及實業公司的高層管理人員。

**唐榕先生**，52歲，自二零一四年九月二十九日起獲委任為執行董事。一九八九年七月唐先生畢業於中華人民共和國復旦大學並取得理學士學位，主修遺傳及遺傳工程學。彼自一九八九年十一月起出任復旦大學遺傳學研究所之遺傳學工程師，並於遺傳學相關技術開發、商業化及市場開發方面擁有廣泛經驗。唐先生成功於中國申請數項專利，並曾就遺傳學相關議題於多份科學雜誌發表文章。彼於二零零零年獲邀出任上海聯眾基因科技研究院專家委員會成員。自二零一零年十一月起，唐先生獲委任為龍脈(上海)健康管理服務有限公司健康管理相關基因檢測產品研發部主任，對基因檢測和研發方面非常熟悉。

**黃鶴女士**，37歲，自二零一七年一月十日起獲委任為執行董事。黃女士於中國從事企業及投資管理和在併購方面累積逾10年經驗。於二零一六年十月十三日至二零一六年十二月二十日，黃女士曾於港深聯合物業管理(控股)有限公司(一間在聯交所GEM上市的公司)擔任執行董事。黃女士現為多家在中國註冊成立的公司的法人代表及主席。於二零一五年八月七日至二零一七年二月二十日，黃女士亦曾於中國海洋捕撈控股有限公司(該公司的股份在聯交所GEM上市)的執行董事。



## NON-EXECUTIVE DIRECTORS

**Ms. Jiang Nian**, aged 65, has been appointed as a non-executive director and chairman of the Company with effect from 21 December 2010 and 10 June 2011 respectively. Ms. Jiang is a member of the remuneration Committee and the nomination committee of the Company. Ms. Jiang graduated from 安徽廣播電視大學省直分校專科 (Junior College, Provincial Campus of Anhui Radio and Television University) in August 1986, majoring in Chinese Language and Literature. Ms. Jiang was the Associate Dean of the School of Life Sciences of Fudan University from June 2003 to April 2010. She also serves as an authorised representative of 聯合基因生物醫葯有限公司 (United Gene Biomedical Limited). She has extensive experience in general administrative management particularly in the field of genomic research.

**Ms. Xiao Yan**, aged 39, has been appointed as a non-executive director with effect from 22 May 2012. Ms. Xiao graduated from the Shanghai University of Finance and Economics with a bachelor's degree in Accounting in 2007. Ms. Xiao has served as an administrative manager of the chief executive, Dr. Xie, in 聯合基因科技有限公司 (United Gene Technology Holdings Limited) since 2002. Ms. Xiao has extensive experience in medical services and general administration. From December 2011 to November 2012, she served as the finance manager of CNL (Pinghu), which is an indirectly owned subsidiary of the Company.

**Ms. Wu Yanmin**, aged 42, has been appointed as a non-executive director with effect from 8 June 2011. Ms. Wu graduated from the School of Life Sciences, Shanghai University in 1999 with a bachelor's degree in biochemistry. Ms. Wu joined 聯合基因科技有限公司 (United Gene Technology Holdings Limited), a genetic engineering company substantially owned by Dr. Mao Yumin ("Dr. Mao") indirectly, in 2001 and was responsible for general administrative duties. Since 2006, Ms. Wu has served as an assistant to the chairman of United Gene Holdings Limited, and is responsible for assisting the chairman in handling various investment projects. Ms. Wu has extensive experience in general administrative and investment management. Starting from December 2012, she was appointed as the finance manager of CNL (Pinghu).

## 非執行董事

**蔣年女士**，65歲，分別自二零一零年十二月二十一日起及自二零一一年六月十日起已獲委任為非執行董事及本公司之主席。蔣女士為本公司薪酬委員會及提名委員會之成員。蔣女士於一九八六年八月畢業於安徽廣播電視大學省直分校漢語語言文學專科。蔣女士從二零零三年六月至二零一零年四月曾任復旦大學生命科學學院副院長。彼亦擔任聯合基因生物醫葯有限公司之授權代表。彼於一般行政管理方面擁有豐富經驗，特別是在基因組學研究領域上。

**肖焱女士**，39歲，自二零一二年五月二十二日起已獲委任為非執行董事。肖女士於二零零七年畢業於上海財經大學，取得會計學士學位。肖女士於二零零二年至今，擔任聯合基因科技有限公司行政總裁謝博士之行政經理。肖女士於醫療服務及一般行政方面擁有廣泛經驗。自二零一一年十二月至二零一二年十一月，彼擔任本公司之間接附屬公司中荷(平湖)之財務經理。

**鄒燕敏女士**，42歲，自二零一一年六月八日起已獲委任為非執行董事。鄒女士於一九九九年畢業於上海大學生命科學學院，取得生物化學學士學位。鄒女士於二零零一年加入聯合基因科技有限公司負責一般行政工作，此公司為一間基因科技公司，其股權主要由毛裕民博士(「毛博士」)間接擁有。從二零零六年開始，鄒女士擔任聯合基因科技有限公司之董事長助理及負責協助董事長處理各類投資項目。鄒女士於一般行政及投資管理方面擁有廣泛經驗。自二零一二年十二月起，彼獲委任為中荷(平湖)之財務經理。

## INDEPENDENT NON-EXECUTIVE DIRECTORS

**Ms. Chen Weijun**, aged 61, has been appointed as an independent non-executive director with effect from 6 November 2009 and is the chairman of the audit committee of the Company. Ms. Chen is currently the manager in the business department of Shanghai Ruihe Certified Public Accountants Co., Ltd.. She was formerly the finance supervisor of the companies indirectly owned by Dr. Mao from April 2001 to June 2003. She graduated from the Chinese Communist Party Central Party College and has been a registered accountant in the PRC since 2005. She has more than 30 years of experience in accounting, finance and audit services.

**Dr. Zhang Zhihong**, aged 79, has been appointed as an independent non-executive director with effect from 8 June 2011 and is a member of the audit committee, the remuneration committee and the nomination committee of the Company. Dr. Zhang graduated from Fudan University majoring in biophysics in 1963 and obtained a doctorate degree in science from Kyoto University, Japan in 1988. From 1990 to 1991, Dr. Zhang was a senior visiting fellow at the medical school of Harvard University in the United States of America. From 1986 to 2000, Dr. Zhang undertook various senior positions at Fudan University, including the officer of the Department of Physiology and Biophysics and the associate dean of the School of Life Sciences. Dr. Zhang was the deputy chairman of the Biophysical Society of China from 1994 to 2002 and the chairman of the Shanghai Society of Biophysics from 2000 to 2008. Dr. Zhang has extensive knowledge and is highly regarded in the field of biophysics and physiology in China.

**Mr. Wang Rongliang**, aged 70, has been appointed as an independent non-executive director with effect from 8 June 2011 and is a member of the audit committee, the remuneration committee and the nomination committee of the Company. Mr. Wang graduated from 上海市商業一局職工大學 (Shanghai First Commercial Bureau Staff College) majoring in business and economics. He acted as a deputy manager of 上海七百集團廣告有限公司 (Shanghai 700 Group Advertising Company Limited) from 1996 to 2005. Mr. Wang has extensive experience in operation and administrative management.

Save as otherwise disclosed, there is no relationship between any members of the Board, and no information relating to the directors which is required to be disclosed pursuant to Rules 13.51(2) and 13.51(B)(1) of the Listing Rules.

## MANAGEMENT

**Mr. Poon Hon Yin**, aged 53, has been appointed as the company secretary, financial controller and an authorised representative of the Company with effect from 14 May 2013. Mr. Poon is qualified as a Certified Public Accountant registered with the Hong Kong Institute of Certified Public Accountants and is also a fellow member of the Association of Chartered Certified Accountants. Mr. Poon has been a managing director of Probiz CPA Limited since 2006.

## 獨立非執行董事

**陳偉君女士**，61歲，自二零零九年十一月六日起已獲委任為獨立非執行董事，兼為本公司審核委員會主席。陳女士現為上海瑞和會計師事務所有限公司業務部經理。彼於二零零一年四月至二零零三年六月曾為毛博士間接擁有之公司之前任財務主管。彼畢業於中國共產黨中央黨校並自二零零五年起為中國註冊會計師。彼於會計、財務及核數服務方面擁有逾30年經驗。

**張志鴻博士**，79歲，自二零一一年六月八日起已獲委任為獨立非執行董事，並為本公司審核委員會、薪酬委員會及提名委員會之成員。張博士於一九六三年畢業於復旦大學，主修生物物理學，並於一九八八年取得日本京都大學理學博士學位。從一九九零年至一九九一年，張博士為美國哈佛醫學院高級訪問學者。張博士從一九八六年至二零零零年期間為復旦大學擔任不同高級職位，包括生理學與生物物理系主任及生命科學學院副院長。張博士於一九九四年至二零零二年曾為中國生物物理學會副理事長，及於二零零零年至二零零八年曾為上海生物物理學會理事長。張博士於中國生物物理學和生理學界擁有豐富知識，並受到很高的評價。

**王榮樑先生**，70歲，自二零一一年六月八日起已獲委任為獨立非執行董事，並為本公司審核委員會、薪酬委員會及提名委員會之成員。王先生畢業於上海市商業一局職工大學，主修商業及經濟。彼從一九九六年至二零零五年曾為上海七百集團廣告有限公司之常務副經理。王先生於營運及行政管理方面擁有廣泛經驗。

除上文所披露以外，根據上市規則第13.51(2)及13.51(B)(1)條，並無任何董事會成員之關係及有關董事之資料需要被披露。

## 管理層

**潘漢彥先生**，53歲，自二零一三年五月十四日起已獲委任為本公司之公司秘書、財務總監及授權代表。潘先生為香港會計師公會註冊執業會計師，亦為英國特許公認會計師公會之資深會員。潘先生自二零零六年起為溥思執業會計師有限公司之董事總經理。

## External Consultant Profile

### 外聘顧問履歷

#### RESEARCH AND DEVELOPMENT

**Dr. Mao Yumin**, aged 67, has been engaged as the chief scientific adviser and honorary chairman of the Company since 1 September 2010, responsible for providing advisory and consultancy services to the Group in relation to the research and development of its genetic testing products and other scientific technologies. Dr. Mao is a substantial shareholder of the Company. He was a member of the Consultant Committee of Fudan University, the dean of the School of Life Sciences and Institute of Genetics of Fudan University, and the director of State Key Laboratory of Genetic Engineering in Fudan University. Dr. Mao's main area of research focuses on biological and genetic engineering. Dr. Mao has accumulated extensive experiences in operations in the genomic research based industry.

#### 研發

**毛裕民博士**，67歲，自二零一零年九月一日起已獲聘任為本公司之首席科學顧問及名譽主席，負責向本集團提供與其基因檢測產品及其他科學技術的研究及開發有關之諮詢及顧問服務。毛博士是本公司之主要股東。彼曾任復旦大學校務委員會委員、復旦大學生命科學學院及遺傳學研究所院長、復旦大學遺傳工程國家重點實驗室主任。毛博士的主要研究領域集中於生物及遺傳基因工程上。毛博士在研究基因工程產業的營運上積累廣泛經驗。

# Corporate Governance Report

## 企業管治報告

### CORPORATE GOVERNANCE PRACTICES

During the Financial Year, the Company adopted and has complied with all the code provisions as set out in the Corporate Governance Code as set out in Appendix 14 to the Listing Rules (the “Code”) except for the deviations discussed below.

### DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct regarding directors’ securities transactions. All directors have confirmed that they have fully complied with the Model Code throughout the Financial Year. No incident of non-compliance was noted by the Company in the Financial Year. Relevant employees who are likely to be in possession of unpublished inside information of the Group are also subject to compliance with written guidance on no less exacting terms than the Model Code throughout the Financial Year.

### BOARD OF DIRECTORS

The composition of the Board during the Financial Year are set out below:

#### Executive directors

Mr. Gao Yuan Xing  
Mr. Tang Rong  
Ms. Huang He

#### Non-executive directors

Ms. Jiang Nian (*Chairman*)  
Ms. Xiao Yan  
Ms. Wu Yanmin

#### Independent non-executive directors

Ms. Chen Weijun  
Dr. Zhang Zhihong  
Mr. Wang Rongliang

Further details of the composition of the Board are set out in the section headed “Management Profile” on pages 14 to 17.

The Board considers the balance between executive directors and non-executive directors is adequate to safeguard the Shareholders’ interests. Independent non-executive directors can also provide the Group with diversified expertise and valuable experience. Their independent advice can bring independent judgment to the decision making of the Board and bring new ideas to the formulation of corporate strategy.

### 企業管治常規

於本財政年度，本公司已採納及遵守上市規則附錄十四所載之企業管治守則（「守則」）所載之一切守則條文，惟下文所述之偏離情況除外。

### 董事進行之證券交易

本公司已採納上市規則附錄十所載之標準守則作為其董事進行證券交易之行為守則。全體董事已確認，彼等於整個本財政年度已完全遵守標準守則。於本財政年度，本公司沒有注意到有任何不遵守此守則之事件。有關可能持有本集團未公佈之內幕資料之僱員亦必須於本財政年度內遵守不低於標準守則所訂之書面標準。

### 董事會

於本財政年度，董事會組成載列如下：

#### 執行董事

高源興先生  
唐榕先生  
黃鶴女士

#### 非執行董事

蔣年女士（主席）  
肖焱女士  
鄒燕敏女士

#### 獨立非執行董事

陳偉君女士  
張志鴻博士  
王榮樑先生

董事會組成之更多詳情載於第14頁至第17頁「管理層履歷」一節。

董事會認為執行董事及非執行董事之平衡足以保障股東之利益。獨立非執行董事亦可為本集團提供多樣化之專業知識及寶貴經驗。彼等之獨立建議有助於董事會決策時作出獨立判斷，為企業策略之制定帶來新思路。

The directors oversee the financial performance and formulate business strategies and determine the corporate governance policy of the Group, as well as discuss any significant matters relating to the Group at the Board meetings. Daily operational matters are delegated to the management of the Group. The Board meets regularly to review the financial and operating performance of the Company and considers and approves the overall strategies and policies of the Group. During the Financial Year, the Board held 13 meetings. The attendance of each member at the Board meeting is set out as follows:

董事負責監察本集團之財務業績及制定業務策略及釐訂企業管治政策，並於董事會會議上商討任何有關本集團之重大事宜。日常經營事務則委派予本集團管理層負責。董事會定期就檢討本公司財政及營運表現舉行會議以考慮及通過本集團之整體策略及政策。於本財政年度，董事會曾舉行13次會議。各成員於董事會會議之出席記錄載列如下：

		Meetings attended/ Total meetings as directors 出席會議次數/ 作為董事之會議總數	
		Board meeting 董事會會議	General meeting 股東大會
<b>Executive directors</b>		<b>執行董事</b>	
Mr. Gao Yuan Xing	高源興先生	13/13	1/1
Mr. Tang Rong	唐榕先生	13/13	0/1
Ms. Huang He	黃鶴女士	10/13	0/1
<b>Non-executive directors</b>		<b>非執行董事</b>	
Ms. Jiang Nian ( <i>Chairman</i> )	蔣年女士(主席)	13/13	0/1
Ms. Xiao Yan	肖焱女士	10/13	0/1
Ms. Wu Yanmin	鄒燕敏女士	13/13	0/1
<b>Independent non-executive directors</b>		<b>獨立非執行董事</b>	
Ms. Chen Weijun	陳偉君女士	13/13	1/1
Dr. Zhang Zhihong	張志鴻博士	13/13	1/1
Mr. Wang Rongliang	王榮樑先生	11/13	0/1

All directors, including independent non-executive directors, have given sufficient time and effort to the affairs of the Group.

所有董事，包括獨立非執行董事，已就本集團之事務付出足夠之時間及進行足夠之工作。

### Code provision A.2.1

Code provision A.2.1 stipulate that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

### 守則條文第A.2.1條

守則條文第A.2.1條訂明，主席及行政總裁之職責應有所區分，及不應由同一人兼任。

Ms. Jiang Nian is the chairman of the Group. As at the date of this annual report, no suitable candidate for the role of chief executive officer has been identified and the role remains vacant. The Company is continually looking for a suitable person to assume this role.

蔣年女士為本集團主席。於本年報日期，行政總裁之職位因未有適合人選而保持空置。本公司正繼續物色合適人選擔任此職位。

## INDUCTION AND PROFESSIONAL DEVELOPMENT

### Directors' training

All directors must keep abreast of their collective responsibilities as directors and of the business and activities of the Group. As such, briefings are provided and organised to ensure that newly appointed directors are familiar with the role of the Board, their legal and other duties and responsibilities as director as well as the business and corporate governance practices of the Group.

Pursuant to Code A.6.5 of the Code, directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. For the period from 1 April 2018 to 31 March 2019, all directors have participated in appropriate continuous professional development activities by ways of attending training or reading material relevant to the Company's business or to the directors' duties and responsibilities.

For the year ended 31 March 2019, trainings received by each director are summarised as follows:

## 入職培訓及專業發展

### 董事培訓

全體董事須不時了解彼等作為董事之集體責任，以及本集團之業務及活動。因此，本公司提供及安排簡介，以確保新委任董事了解董事會之角色、彼等作為董事之法律及其他職務及責任以及本集團之業務及企業管治常規。

根據守則第A.6.5條，董事應參與持續專業發展，發展並更新彼等的知識及技能，以確保彼等繼續向董事會作出知情及相關之貢獻。自二零一八年四月一日起至二零一九年三月三十一日止期間內，全體董事已參與合適之持續專業發展活動，當中包括出席與本公司業務或與董事職務及職責相關之培訓或閱讀相關之材料。

於截至二零一九年三月三十一日止年度，各董事已接受之培訓綜合如下：

	Attending training relevant to the Company's business or to the directors' duties and responsibilities 參與有關公司業務或董事義務及責任之培訓	Reading material relevant to the Company's business or to the directors' duties and responsibilities 閱讀有關公司業務或董事義務及責任之材料
Mr. Gao Yuan Xing	✓	✓
Mr. Tang Rong	✓	✓
Ms. Huang He	✓	✓
Ms. Jiang Nian	✓	✓
Ms. Xiao Yan	✓	✓
Ms. Wu Yanmin	✓	✓
Ms. Chen Weijun	✓	✓
Dr. Zhang Zhihong	✓	✓
Mr. Wang Rongliang	✓	✓

## NON-EXECUTIVE DIRECTORS

### Code provision A.4.1

Code provision A.4.1 of the CG Code stipulates that non-executive directors should be appointed for specific term and should be subject to re-election.

The Company has deviated from the code provision A.4.1. The non-executive directors and independent non-executive directors were not appointed for specific term but are subject to retirement by rotation and re-election at least once every three years in accordance with the provision of the Company's bye-laws. As such, the Company considers that sufficient measures have been taken to serve the purpose and objective of this Code provision.

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

## REMUNERATION COMMITTEE

The Company formulated written terms of reference for the remuneration committee of the Company (the "Remuneration Committee") in accordance with the requirements of the Listing Rules. The Remuneration Committee was set up on 30 June 2008. The majority of the members of the Remuneration Committee shall be independent non-executive directors.

The primary functions of the Remuneration Committee are as follows:

- (a) to advise the Shareholders on whether the terms of service contracts that require the Shareholder's approval are fair and reasonable;
- (b) to make recommendation to the Board on the Group's remuneration policy and structure;
- (c) to establish guidelines for recruitment of members of the senior management;
- (d) to determine the remuneration of members of the senior management; and
- (e) to formulate remuneration policy and make recommendations to the Board on annual remuneration review.

Remuneration of the directors and senior management is reviewed and fixed by the Remuneration Committee, with reference to the market benchmarks and industry norms, and their duties and responsibilities in the Group, having regard to the expertise, performance and experience possessed by individual directors.

## 非執行董事

### 守則條文第A.4.1條

企業管治守則之守則條文第A.4.1條規定，非執行董事之委任應有特定任期，並須接受重選。

本公司已偏離守則條文第A.4.1條。非執行董事及獨立非執行董事之委任並無特定任期，惟須根據本公司之公司細則條文，至少每三年輪值告退一次並膺選連任。因此，本公司認為已採取足夠措施以符合該項守則條文之宗旨及目標。

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

## 薪酬委員會

本公司根據上市規則之規定以書面方式擬定本公司薪酬委員會（「薪酬委員會」）之職權範圍。薪酬委員會於二零零八年六月三十日成立，薪酬委員會之大部分成員應為獨立非執行董事。

薪酬委員會之主要職能如下：

- (a) 就須獲股東批准之服務合約條款是否屬公平合理向股東提供意見；
- (b) 就本集團之薪酬政策及架構向董事會提供推薦建議；
- (c) 就聘請高級管理層成員制訂指引；
- (d) 釐定高級管理層成員之薪酬；及
- (e) 制定薪酬政策及就年度薪酬檢討向董事會提供推薦建議。

董事及高級管理層之薪酬由薪酬委員會進行檢討，並經參考市場基準及業內標準，及彼等於本集團之職務及職責以及各董事之專業知識、表現及經驗後釐定。

During the Financial Year, the Remuneration Committee held 1 meeting. The attendance of each member at the committee meeting is set out as follows:

於本財政年度，薪酬委員會已舉行1次會議。各成員於委員會會議之出席記錄載列如下：

		Meetings attended/Total meetings held during the Financial Year 本財政年度出席會議次數／舉行之會議總數
<b>Non-executive director</b>	<b>非執行董事</b>	
Ms. Jiang Nian	蔣年女士	1/1
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>	
Dr. Zhang Zhihong (Chairman of the Remuneration Committee)	張志鴻博士 (薪酬委員會主席)	1/1
Mr. Wang Rongliang	王榮樑先生	1/1

## NOMINATION COMMITTEE

The Company has established a nomination committee of the Company (the "Nomination Committee") on 16 March 2012. During the Financial Year, the Nomination Committee held 1 meeting. The attendance of each member at the committee meeting is set out as follows:

## 提名委員會

本公司已於二零一二年三月十六日成立本公司之提名委員會(「提名委員會」)。於本財政年度，提名委員會曾舉行1次會議，各成員於委員會會議之出席記錄載列如下：

		Meetings attended/Total meetings held during the Financial Year 本財政年度出席會議次數／舉行之會議總數
<b>Non-executive director</b>	<b>非執行董事</b>	
Ms. Jiang Nian	蔣年女士	1/1
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>	
Dr. Zhang Zhihong (Chairman of the Remuneration Committee)	張志鴻博士 (薪酬委員會主席)	1/1
Mr. Wang Rongliang	王榮樑先生	1/1



The major role and function of the Nomination Committee are to formulate and implement the policy for nominating candidates for consideration by the Board and election by shareholders, review the structure, size and composition of the Board with due regard to Board diversity, and to assess the independence of non-executive directors.

The Nomination Committee adopted a board diversity policy that set out the Group's approach to diversify members of the Board and the Group holds the view that this board diversity policy will lead to a Board with diverse perspectives. Factors that will be considered in the assessment of the diversity of a director's perspective include, but are not limited to, gender, age, culture, skill, knowledge, educational background and professional experience. Presently, the Board comprises of nine directors, of which three are independent non-executive directors, with significant diversity in gender, age, professional experience, educational and cultural background, skills, knowledge and length of service.

The Nomination Committee has adopted a nomination policy guiding the nomination criteria and procedures to identify, select and recommend candidates for directorship.

The Nomination Committee shall consider a number of nomination criteria in assessing the suitability of a proposed candidate for directorship or proposed re-appointment of a retiring director, including but not limited to: the skills, knowledge and experience possessed by the candidate or retiring director which are relevant to the Group's business, corporate development and strategy; the diversity perspectives set out in the Board Diversity Policy and the balance of skills and experience in board composition; the level of independence from the Company and compliance of the relevant requirements under the Listing Rules; and such other factors the Nomination Committee may consider relevant to enhancement of the effectiveness of the Board.

Subject to the provisions in the Company's bye-laws, where the Nomination Committee determines that an additional director or a replacement director is required, it may take appropriate steps in connection with the identification and evaluation of a suitable candidate for directorship. The Nomination Committee may deploy channels including referral from directors, advisers of the Company and external executive search firms in the identification process, evaluate a candidate based on the nomination criteria stated above, and make recommendation for the Board's consideration and approval.

提名委員會的主要角色及功能是制定及實施有關提名人選之政策，以供董事參考及股東選任，及適當考慮董事會之多元化以檢討董事會的架構、人數、組成，以及評核非執行董事之獨立性。

提名委員會採納載有本集團董事會成員多元化方針之董事會成員多元化政策且本集團相信，董事會成員多元化政策將達致董事會多元化觀點。於評核董事觀點之多元化時考慮之因素，包括但不限於性別、年齡、文化、技能、知識、教育背景及專業經驗。目前，董事會由九名董事組成，其中三名為於性別、年齡、專業經驗、教育及文化背景、技能、知識及年資方面具明顯多元化之獨立非執行董事。

提名委員會已採納提名政策，作為提名標準及程序的指引，以識別、挑選及建議董事人選。

提名委員會於評估人選擔任董事職務或重新委任退任董事是否適合時，須考慮若干提名標準，包括但不限於：人選或退任董事所擁有與本集團業務、企業發展及戰略相關之技能、知識及經驗；董事會多元化政策中載列之多元化觀點以及董事會組成之技能及經驗之平衡；在多大程度上獨立於本公司及是否符合上市規則之相關規定；以及提名委員會可能認為與提高董事會效率有關之其他因素。

根據本公司之公司細則，倘提名委員會決定需要一名新增或替補董事，則可就有關物色及評估合適人選採取適當措施。提名委員會可在物色人選過程中部署渠道，包括董事、本公司顧問及外部獵頭公司之推薦，根據上述提名標準評估人選，並建議人選供董事會考慮及批准。

For re-appointment of a retiring director, the Nomination Committee reviews his/her service to the Company, the level of participation on the Board during his/her term, and after taking into account the nomination criteria, recommends to the Board for proposed re-appointment of the retiring director who wishes to stand for re-election at the Company's general meeting.

The Nomination Committee may also propose to the Board a candidate recommended or offered for nomination by a shareholder of the Company as a nominee for election to the Board, if it evaluates that the candidate meets the nomination criteria. The procedures for shareholders to propose a person for election as a director are published in the Company's website.

The Board has the ultimate responsibility for selection and appointment of directors. On accepting the recommendation made by the Nomination Committee, the Board may (as the case may be) appoint the candidate as director to fill a casual vacancy or as an addition to the Board and recommend the candidate to shareholders for election or re-election (for a retiring director) at the general meeting.

## DIRECTORS' AND AUDITOR'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors acknowledge their responsibility for preparing the consolidated financial statements of the Group.

The directors confirm that the preparation of the consolidated financial statements of the Group is in accordance with statutory requirements and applicable accounting standards. The directors also confirm that the consolidated financial statements of the Group have been published in a timely manner.

The directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubts upon the Company's ability to continue as a going concern.

A statement by the auditor of the Company about their reporting responsibilities is set out in the "Independent Auditor's Report" on pages 45 to 51 of this annual report.

就重新委任退任董事而言，提名委員會會審閱彼對本公司之服務、彼於任期內在董事會之參與程度，並經計及提名標準後，向董事會建議有意於本公司股東大會上重選連任的退任董事。

若提名委員會評估由本公司股東所推薦或提名之人選符合提名標準，則可將該人選向董事會建議，作為被提名人供董事會選任。股東提名人選參選董事的程序刊登於本公司網站。

甄選及委任董事的最終責任由董事會承擔。在接納提名委員會作出之建議時，董事會可(視情況而定)委任該人選擔任董事以填補臨時空缺或作為增補董事，並向股東推薦該人選以於股東大會上進行選任或重選(就退任董事而言)。

## 董事及核數師對財務報表負有之責任

董事深知彼等有責任編製本集團之綜合財務報表。

董事確認本集團之綜合財務報表乃按照法定規定及適用會計準則編製。董事亦確認本集團已按時刊發綜合財務報表。

董事確認，於作出一切合理查詢後，就彼等所深知、盡悉及確信，彼等並不知悉任何存在重大不確定因素之事件或情況或會對本公司之持續經營能力造成重大疑慮。

本公司核數師作出有關其報告責任的聲明載於本年報第45頁至第51頁的「獨立核數師報告」。

## AUDITOR'S REMUNERATION

The Group's external auditor is Elite Partners CPA Limited. For the Financial Year, the auditor of the Company had performed audit services and their remuneration in respect of audit services was HK\$1,100,000.

There was no non-audit services provided by the auditor of the Company.

## CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the following corporate governance duties as required under the Code:

- (a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the board;
- (b) to review and monitor the training and continuous professional development of directors and senior management;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
- (e) to review the Company's compliance with the code and disclosure in the corporate governance report (the "Corporate Governance Report").

## AUDIT COMMITTEE

The Company formulated written terms of reference for the audit committee of the Company (the "Audit Committee") in accordance with the requirements of the Listing Rules. The Audit Committee is composed of three independent non-executive directors. At least one of the members of the Audit Committee has appropriate professional qualifications or accounting or related financial management expertise as required under the Listing Rules.

The primary functions of the Audit Committee are as follows:

- (a) to serve as a focal point for communication between the directors and external auditors;

## 核數師酬金

本集團之外聘核數師為開元信德會計師事務所有限公司。於本財政年度，本公司之核數師已進行審核服務，彼等就審核服務之酬金為1,100,000港元。

本公司之核數師並無提供非審核服務。

## 企業管治職能

董事會負責根據守則之規定履行下列企業管治職務：

- (a) 制訂及檢討本公司之企業管治政策及常規，並向董事會提供推薦建議；
- (b) 檢討及監察董事及高級管理層之培訓及持續專業發展；
- (c) 檢討及監察本公司在遵守法律及監管規定方面之政策及常規；
- (d) 制訂、檢討及監察適用於僱員及董事之行為守則及合規手冊(如有)；及
- (e) 檢討本公司遵守守則之情況及審閱企業管治報告(「企業管治報告」)內之披露事項。

## 審核委員會

本公司根據上市規則之規定以書面方式擬定本公司審核委員會(「審核委員會」)之職權範圍。審核委員會由三名獨立非執行董事組成。審核委員會中至少一名成員具備上市規則所規定之合適專業資格或會計或相關財務管理專業知識。

審核委員會之主要職能如下：

- (a) 擔當董事與外聘核數師之間之重要溝通橋樑；

- |  |   |
|--|---|
| <p>(b) to assist the Board in fulfilling its responsibility by providing an independent review with the management of the accounting policies and practices adopted by the Group, and supervision of financial reporting, and monitoring and reviewing the effectiveness of the Group's internal control and the adequacy of the external audit;</p> | <p>(b) 與管理層一起就本集團採納之會計政策及常規提供獨立審閱、監督財務匯報，並監察及檢討本集團之內部監控成效以及外聘審核是否足夠，從而協助董事會履行其職責；</p> |
| <p>(c) to review the appointment of external auditors on an annual basis as well as to ensure continuing auditors independence;</p>  | <p>(c) 每年審閱外聘核數師之委任，並確保核數師保持一貫獨立立場；</p>   |
| <p>(d) to develop and monitor the applications of the policies on the engagement of the external auditors to perform other professional services (other than tax-related services); and</p>  | <p>(d) 倘聘用外聘核數師提供其他專業服務(稅務相關服務除外)，制訂及監察政策之應用；及</p>                                    |
| <p>(e) to oversee the Company's financial reporting system, risk management and internal control procedures.</p>   | <p>(e) 監察本公司之財務報告系統、風險管理及內部監控程序。</p>  |

The Group's audited consolidated financial statements for the Financial Year were reviewed by the Audit Committee.

審核委員會已審閱本集團於本財政年度之經審核綜合財務報表。

The Audit Committee held 5 meetings during the Financial Year.

審核委員會於本財政年度舉行5次會議。

		Meetings attended/Total meetings held during the Financial Year 本財政年度 出席會議次數/ 舉行之會議總數
Ms. Chen Weijun (Chairman of the Audit Committee)	陳偉君女士 (審核委員會主席)	5/5
Dr. Zhang Zhihong	張志鴻博士	5/5
Mr. Wang Rongliang	王榮樑先生	4/5

## RISK MANAGEMENT AND INTERNAL CONTROL

The Board has the overall responsibility for maintaining a sound and effective risk management and internal control systems to safeguard the Shareholders' interests, and to review the effectiveness of such systems regularly. The risk management and internal control systems include defined management structure with limits of authority set at various levels, which is designed to safeguard assets, ensure the maintenance of proper records, provide reliable financial information for internal use or publication, and ensure compliance with regulations. During the Financial Year, the Board has reviewed the internal control procedures of the Group and consider the risk management and internal control systems to be adequate and effective.

## 風險管理及內部監控

董事會須就維持健全有效之風險管理及內部監控系統負全責，以保障股東之利益，並定期檢討該系統之成效。該風險管理及內部監控系統包括釐清管理層架構，訂明各級權限，以保障資產、確保保留良好記錄、提供可靠財務資料供內部使用或刊發，並確保符合有關規例。於本財政年度，董事會已審閱本集團之內部監控程序，並認為風險管理及內部監控系統為足夠及有效。

The Group's internal audit function is performed by an outsourced internal audit team, which reports directly to the Audit Committee.

The report provided internal audit findings and any action to be taken by management as a result. These findings and recommendations for improvement will be communicated to the respective management for their responses and corrective actions. The Group's management team monitors the implementation of its recommendations and reports the outcome to the Audit Committee.

## COMMUNICATION WITH SHAREHOLDERS

### (i) Procedures for convening of a special general meeting and putting forward proposals at shareholders' meeting

Shareholders are encouraged to attend all general meetings. Pursuant to the bye-laws of the Company, any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition (the "Written Requisition") to the Board or the Secretary of the Company at the principal place of business in Hong Kong of the Company (at Unit No. 2111, 21/F, West Tower Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong), to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition.

Pursuant to the bye-laws of the Company, an annual general meeting shall be called by a written notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days and any special general meeting at which the passing of a special resolution is to be considered shall be called by a written notice of not less than twenty one (21) clear days and not less than ten (10) clear business days. Business day under the Listing Rules means any day on which the Stock Exchange is open for business of dealing in securities.

If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in accordance with the provision of Section 74(3) of the Companies Act 1981 of Bermuda.

本集團內部審計職能由外包內部審計小組執行，直接向審核委員會報告。

報告提供了內部審計結果及管理層採取之任何行動。各自管理層對該等結果及改進建議作出回應及改正。本集團管理團隊監督建議之執行，並將結果報告給審核委員會。

## 股東通訊

### (i) 召開股東特別大會及於股東大會上提呈建議之程序

建議股東出席所有股東大會。根據本公司之公司細則，於提交請求當日持有不少於十分之一有權於本公司股東大會上投票之本公司繳足股本之任何一名或多名股東，將隨時有權向董事會或公司秘書提交書面請求（「書面請求」）（本公司之香港主要營業地點，地址為香港上環干諾道中168-200號信德中心西座21樓2111室）要求董事會召開股東特別大會，以處理有關請求所指定之任何事項，而有關大會須於提交有關請求後兩(2)個月內舉行。

根據本公司之公司細則，股東週年大會須以不少於二十一(21)個完整日及不少於二十(20)個完整營業日之書面通知召開，而任何考慮通過特別決議案之股東特別大會須以不少於二十一(21)個完整日及不少於十(10)個完整營業日之書面通知召開。根據上市規則，營業日為聯交所開放進行證券交易業務之任何日子。

倘董事會未能於提交請求起計二十一(21)日內著手召開有關大會，該(該等)請求人本身可根據百慕達一九八一年公司法第74(3)條召開大會。

**(ii) Procedures for directing enquiries to the Company**

To direct enquiries to the Board, Shareholders should submit his/her/its enquires in writing with contact details (including, registered name, address and telephone number, etc.) to the Company Secretary at the following:

By post to the head office and principal place of business in Hong Kong at Unit No. 2111, 21/F, West Tower Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong.

Tel: (852) 2598 6818  
Fax: (852) 2598 6628

**(iii) Matters relating to share registration**

For share registration related matters, such as share transfer and registration, change of name and address of Shareholders, loss of share certificates or dividend warrants, Shareholders can contact the Hong Kong branch share registrar and transfer office at the following:

Tricor Tengis Limited  
Level 54, Hopewell Centre  
183 Queen's Road East  
Hong Kong  
Tel: (852) 2810 8185  
Fax: (852) 2980 1333

**(iv) Procedures for a shareholder to propose a person for election as a director**

Subject to the provisions of the Company's bye-laws, the Shareholders may from time to time in general meeting by Ordinary Resolution elect any person to be a director either to fill a casual vacancy or as an additional director.

Shareholder(s) may propose a person other than an existing director of the Company for election as a director at a general meeting. The Shareholder(s) must deposit a written notice (the "Notice") to the principal office of the Company in Hong Kong for the attention of the Company Secretary.

The Shareholder(s) must prove his/her/their shareholding in the Company.

**(ii) 向本公司作出查詢之程序**

如欲向董事會作出查詢，股東應以書面方式向公司秘書提交查詢，並註明聯絡資料(包括登記姓名、地址及電話號碼等)，提交查詢之方法如下：

郵寄至本公司之香港總辦事處及主要營業地點，地址為香港上環干諾道中168-200號信德中心西座21樓2111室。

電話：(852) 2598 6818  
傳真：(852) 2598 6628

**(iii) 有關股份登記之事宜**

就股份過戶及登記、更改股東名稱及地址、遺失股票或股息單等股份登記之相關事宜而言，股東可聯絡香港股份登記及過戶分處，地址如下：

卓佳登捷時有限公司  
香港  
皇后大道東183號  
合和中心54樓  
電話：(852) 2810 8185  
傳真：(852) 2980 1333

**(iv) 股東提名人士參選董事之程序**

根據本公司之公司細則之條文，股東可不時於股東大會上以普通決議案推選任何人士成為董事，以填補臨時空缺或作為新增董事。

股東可於股東大會上提名本公司現有董事以外之人士參選董事。股東必須將書面通知(「通知」)送交本公司之香港總辦事處，註明由公司秘書接收。

股東必須證明其於本公司之持股量。

The Notice must be signed by the Shareholder(s) (other than a person to be proposed) and shall be accompanied by the following information and documents:

- the full name and the contact information of the Shareholder(s);
- the contact details, age and the full name of the person proposed for election as a director of the Company;
- biographical details of the person proposed for election as required by Rule 13.51(2) of the Listing Rules;
- letter of consent signed by the person proposed to be elected that he or she consents to be director of the Company, if elected.

The Notice and the abovementioned information and documents must be lodged with the Company commencing from the day after despatch of the notice of the general meeting and ending no later than seven (7) days prior to the date of such general meeting.

## INVESTOR RELATIONS

The Company endeavours to uphold a high level of corporate transparency. Keeping Shareholders, investors, analysts, bankers and other stakeholders informed of its corporate strategies and business operations has been one of the key objectives of its investor relations team.

通知必須由股東(獲提名之人士除外)簽署，並須附上以下資料及文件：

- 股東之全名及聯絡資料；
- 獲提名參選本公司董事人士之聯絡資料、年齡及全名；
- 上市規則第13.51(2)條所規定獲提名參選人士之履歷詳情；
- 獲提名參選人士所簽署之同意書，同意出任本公司董事(倘獲選)。

通知及上述資料及文件須於寄發股東大會通告當日起直至召開有關股東大會日期前不少於七(7)日止期間內送交本公司。

## 投資者關係

本公司致力維持高企業透明度。讓股東、投資者、分析師、銀行家及其他持份者了解其企業策略及商業運作一直是其投資者關係小組的主要目的。

# Report of the Directors

## 董事會報告

The directors hereby submit their report with the audited consolidated financial statements for the Financial Year.

### PLACE OF INCORPORATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (as revised) of the Cayman Islands and continued in Bermuda as an exempted company with limited liability in accordance with the Companies Act 1981 (as amended) of Bermuda. The address of its registered office is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business in Hong Kong is Unit No. 2111, 21/F, West Tower Shun Tak Centre, 168–200 Connaught Road Central, Sheung Wan, Hong Kong.

### PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 35 to the consolidated financial statements.

### BUSINESS REVIEW

A review of the businesses of the Group during the year and a discussion on the Group's future business development is provided in the section headed "Management Discussion and Analysis" in this annual report.

An analysis of the Group's performance during the year ended 31 March 2019 using financial performance indicators is provided in the section headed "Management Discussion and Analysis" on pages 6 to 14 of this annual report.

### Principal Risks and Uncertainties

The Group's financial condition, results of operations, businesses and prospects may be affected by a number of risks and uncertainties. The followings are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

董事謹此提呈本財政年度之報告及經審核綜合財務報表。

### 註冊成立地點

本公司根據開曼群島公司法(經修訂)於開曼群島註冊成立為獲豁免有限公司，並根據百慕達一九八一年公司法(經修訂)於百慕達作為獲豁免有限公司存續。其註冊辦事處之地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda，而其香港主要營業地點為香港上環干諾道中168–200號信德中心西座21樓2111室。

### 主要業務

本公司為一間投資控股公司。其附屬公司之主要業務載於綜合財務報表附註35。

### 業務回顧

本集團於本年度之業務回顧及有關本集團未來業務發展的討論，載於本年報「管理層討論及分析」一節。

有關採用財務表現指標對本集團於截至二零一九年三月三十一日止年度之表現所作的分析，載於本年報第6頁至第14頁「管理層討論及分析」一節。

### 主要風險及不確定因素

本集團之財務狀況、營運業績、業務及前景可能受到若干風險及不確定因素的影響。以下為本集團知悉的主要風險及不確定因素。除下文所列者外，或會存在本集團並不知悉或目前可能並不重大但日後可能重大的其他風險及不確定因素。



## Business Risk

Certain of the business segments in which the Group operates are subject to the overall economic growth of the PRC, which is subject to ever-changing economic policy changes of the PRC government. Any adverse changes in economic policies of the PRC government could materially and adversely affect the Group's business.

The valuation of the intangible asset of the Group is tied to the Group's ability to successfully complete the development and commercialisation of the Product and the policy of medical examination and the medical policy. As at the date of this report, the Product is still in the research and development stage, uncertainty as to when the product can be launched exists. In addition, commercialisation is subject to uncertainty and risks arising from the results of the clinical trial of the Product and the assessment of the China Food and Drug Administration. These factors may be beyond the control of the Group. Any delay or failure in the Group's ability to do so may adversely affect the Group's business and financial performance.

## Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Responsibility for managing operational risks basically rests with every function at divisional and departmental levels. The Group recognises that operational risks cannot be eliminated completely and that it may not always be cost effective to do so.

Key functions in the Group are guided by their operating procedures, limits of authority and reporting framework. The Group will identify and assess key operational exposures from time to time and report such risk issues to senior management as early as possible so that appropriate risk response can be taken.

## Financial Risk

The financial risk management of the Group are set out in note 36 to the consolidated financial statements.

## 業務風險

本集團營運之若干業務分部須受中國整體經濟增長限制，而整體經濟增長受限於中國政府不斷變化的經濟政策變動。中國政府經濟政策的任何不利變動可能對本集團業務造成重大不利影響。

本集團無形資產之估值乃與本集團成功完成產品之開發及商業化的能力和中國的藥物審評及醫療的政策息息相關。於本報告日期，產品仍處於研發階段，產品推出之時間尚不確定。此外，產品的商品化受到該產品臨床試驗及國家食藥監總局評估結果造成的不確定性及風險的影響。有關因素可能並非本集團可控制。本集團有關產品之開發及商業化的任何延遲或失敗可能對本集團業務及財務表現造成不利影響。

## 營運風險

營運風險指因內部程序、人員或制度不足或缺失，或因外部事件導致之損失風險。管理營運風險之責任基本上由各個功能之分部及部門肩負。本集團確認，營運風險不能完全消除，且消除風險的工作未必會達致成本效益。

本集團之主要功能均以本身之營運程序、權限及匯報框架為指引。本集團將不時識別及評估主要營運風險，並盡早向高級管理層匯報該等風險問題，以便採取適當風險應對措施。

## 財務風險

本集團財務風險管理載於綜合財務報表附註36。

## RESULTS AND FINANCIAL POSITION

The results of the Group for the Financial Year are set out in the consolidated statement of profit and loss and other comprehensive income on pages 52 to 53. The directors do not recommend the payment of a final dividend for the Financial Year. There is no arrangement that a shareholder of the Company has waived or agreed to waive any dividend.

The state of affairs of the Group as at 31 March 2019 are set out in the consolidated statement of financial position on pages 54 to 55.

## PROPERTY, PLANT AND EQUIPMENT

Details of the movements during the Financial Year in the property, plant and equipment of the Group are set out in note 16 to the consolidated financial statements.

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

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

## SHARE CAPITAL

Details of the movements during the Financial Year in the share capital of the Company are set out in note 29 to the consolidated financial statements.

## RESERVES

Details of the movements in the reserves of the Group during the Financial Year are set out in the consolidated statement of changes in equity on pages 56 to 57. There were no distributable reserves of the Company at 31 March 2019 (31 March 2018: Nil).

## CONVERTIBLE BONDS

Details of the convertible bonds issued by the Group are set out in note 28 to consolidated financial statements.

## 業績及財務狀況

本集團於本財政年度之業績載於第52頁至第53頁之綜合損益及其他全面收益表。董事不建議派付於本財政年度之末期股息。現無就本公司之股東已豁免或已同意豁免任何股息之安排。

本集團於二零一九年三月三十一日之財務狀況載於第54頁至第55頁之綜合財務狀況表。

## 物業、廠房及設備

本集團之物業、廠房及設備於本財政年度內之變動詳情載於綜合財務報表附註16。

## 購買、出售或贖回本公司之上市證券

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

## 股本

本公司於本財政年度之股本變動詳情載於綜合財務報表附註29。

## 儲備

本集團於本財政年度之儲備變動詳情載於第56頁至第57頁之綜合權益變動表。於二零一九年三月三十一日，本公司概無可分派儲備(二零一八年三月三十一日：無)。

## 可換股債券

本集團已發行之可換股債券之詳情載於綜合財務報表附註28。

## DIRECTORS

The Directors who held office during the Financial Year and up to the date of this annual report were:

### Executive Directors

Mr. Gao Yuan Xing  
Mr. Tang Rong  
Ms. Huang He

### Non-executive Directors

Ms. Jiang Nian (*Chairman*)  
Ms. Xiao Yan  
Ms. Wu Yanmin

Mr. Gao Yuan Xing, Mr. Tang Rong and Ms. Jiang Nian are also directors in certain subsidiaries of the Company.

### Independent non-executive Directors

Ms. Chen Weijun  
Dr. Zhang Zhihong  
Mr. Wang Rongliang

In accordance with the bye-laws of the Company, one third of the directors for the time being shall be subject to retirement by rotation at least once every three years. Accordingly, Ms. Jiang Nian, Ms. Chen Weijun and Mr. Gao Yuan Xing shall retire and, being eligible, offer themselves for re-election at the 2019 AGM.

## DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the forthcoming annual general meeting had a service contract that was not determinable by the Group within one year without payment of compensation (other than statutory compensation).

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of the directors and senior management are set out on pages 15 to 17 of this annual report.

## 董事

於本財政年度及截至本年報日期之在任董事如下：

### 執行董事

高源興先生  
唐榕先生  
黃鶴女士

### 非執行董事

蔣年女士(*主席*)  
肖焱女士  
鄒燕敏女士

高源興先生、唐榕先生及蔣年女士亦為本公司若干附屬公司之董事。

### 獨立非執行董事

陳偉君女士  
張志鴻博士  
王榮樑先生

根據本公司之公司細則，三分之一之董事須輪值退任，每名董事須最少每三年輪值告退一次。據此，蔣年女士、陳偉君女士及高源興先生將於二零一九年股東週年大會上退任，惟彼等符合資格，故將提呈膺選連任。

## 董事服務合約

於應屆股東週年大會建議重選連任之董事概無訂有本集團不可於一年內不作賠償(法定賠償除外)而終止之服務合約。

## 董事及高級管理層之履歷詳情

董事及高級管理層之簡要履歷詳情載於本年報第15頁至第17頁。

## DIRECTORS' INTERESTS IN SHARES

As at 31 March 2019, the interests or short positions of the directors, chief executive of the Company or their associates in any Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or which is otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

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

Save as disclosed above, as at 31 March 2019, none of the directors, chief executive of the Company nor their associates had any interests or short positions in any Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be recorded in the register by the Company required to be kept under Section 352 of the SFO or which is otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 34 to the consolidated financial statements, no other contract of significance, to which the Company or any of its subsidiaries was a party and in which a director had a material interest, whether directly or indirectly, subsisted at the end of the Financial Year or at any time during the Financial Year, nor was there any other contract of significance in relation to the Group's business between the Company or any of the Company's subsidiaries and a controlling Shareholder or any of its subsidiaries.

## MANAGEMENT CONTRACT

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or in existence during the Financial Year.

## 董事於股份之權益

於二零一九年三月三十一日，本公司董事、高級行政人員或彼等聯繫人士於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之任何股份、相關股份或債券中擁有須根據證券及期貨條例第352條記錄於本公司存置之登記冊或須根據標準守則以其他方式知會本公司及聯交所之權益及或淡倉如下：

除上文所披露者外，於二零一九年三月三十一日，概無本公司董事、高級行政人員或彼等之聯繫人士於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之任何股份、相關股份或債券中擁有須根據證券及期貨條例第352條記錄於本公司存置之登記冊或根據標準守則以其他方式知會本公司及聯交所之任何權益或淡倉。

## 董事及控股股東於重大合約之權益

除綜合財務報表附註34所披露者外，本公司或其任何附屬公司均並非在本財政年度終結時或本財政年度任何時間生效且董事於當中直接或間接擁有重大權益之其他重大合約之訂約方，本公司或本公司之任何附屬公司亦無與控股股東或其任何附屬公司訂立與本集團業務有關之任何其他重大合約。

## 管理合約

於本財政年度，並無訂立或存續有關本公司之整體或任何主要部分業務之管理及行政之合約。

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

As at 31 March 2019, the register of interests and short positions in the shares and underlying shares of the Company kept under Section 336 of the SFO showed that, the following entities had an interest or deemed interest of 5% or more in the issued share capital of the Company:

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

## 主要股東及其他人士於股份及相關股份之權益及淡倉

於二零一九年三月三十一日，根據證券及期貨條例第336條存置之本公司股份及相關股份之權益及淡倉登記冊所載，下列實體於本公司已發行股本中擁有或被視為擁有5%或以上權益：

### 於本公司已發行股本之好倉

Name of shareholders	Capacity	Number of shares/ underlying shares held	Long (L) or Short (S) position	Percentage of the issued share capital of the Company
股東名稱	身份	持有之股份／相關股份數目	好倉(L)或淡倉(S)	佔本公司已發行股本百分比
Dr. Mao Yumin (note 1) 毛裕民博士(附註1)	Beneficial owner 實益擁有人	1,092,700,000	L	74.63%
	Interest of a controlled corporation 受控制法團之權益	709,451,350	L	48.45%
United Gene Holdings Limited (note 1) 聯合基因控股有限公司(附註1)	Beneficial owner 實益擁有人	55,500,000	L	3.79%
	Interest of a controlled corporation 受控制法團之權益	653,951,350	L	44.66%
Dr. Xie Yi (note 2) 謝毅博士(附註2)	Interest of a controlled corporation 受控制法團之權益	13,951,350	L	0.95%
Ease Gold Investments Limited (note 2)(附註2)	Interest of a controlled corporation 受控制法團之權益	13,951,350	L	0.95%
Good Links Limited (note 3)(附註3)	Interest of a controlled corporation 受控制法團之權益	13,951,350	L	0.95%
Victory Trend Limited (note 3)(附註3)	Interest of a controlled corporation 受控制法團之權益	13,951,350	L	0.95%
Best Champion Holdings Limited (note 4) 凱佳控股有限公司(附註4)	Interest of a controlled corporation 受控制法團之權益	13,951,350	L	0.95%

Name of shareholders 股東名稱	Capacity 身份	Number of shares/ underlying shares held 持有之股份/ 相關股份數目	Long (L) or Short (S) position 好倉(L)或淡倉(S)	Percentage of the issued share capital of the Company 佔本公司已發行股本百分比
China United Gene Investment Holdings Limited (note 5)(附註5)	Beneficial owner 實益擁有人	13,951,350	L	0.95%
Chau Yiu Ting 周耀庭	Beneficial owner 實益擁有人	302,600,000	L	20.67%

Notes:

附註：

- These include (i) 213,700,000 ordinary shares held by Dr. Mao directly; (ii) 879,000,000 and 640,000,000 derivative shares held by Dr. Mao and JNJ Investments Limited ("JNJ") respectively, which shall be issued by the Company upon exercise of the conversion rights attached to the convertible bonds in an aggregate principal amount of HK\$607,600,000 issued by the Company. JNJ is an indirect wholly-owned subsidiary of United Gene Group Limited, which is in turn wholly owned by United Gene Holdings Limited; (iii) 55,500,000 ordinary shares held through United Gene Holdings Limited and (iv) 13,951,350 ordinary shares held through China United Gene Investment Holdings Limited, which is held as to 60% by Best Champion Holdings Limited, and which is in turn held as to 33.5% and 33% by United Gene Holdings Limited and Victory Trend Limited respectively. Victory Trend Limited is wholly owned by Good Links Limited. United Gene Holdings Limited and Good Links Limited are 100% and 50% held by Dr. Mao respectively.
  - Ease Gold Investments Limited, is wholly-owned by Dr. Xie Yi ("Dr. Xie"), which owns 33.50% equity interests of Best Champion Holdings Limited.
  - Victory Trend Limited is wholly-owned by Good Links Limited, which is in turn owned as to 50% by Dr. Mao and as to 50% by Dr. Xie. Victory Trend Limited owns 33.00% equity interests of Best Champion Holdings Limited.
  - The equity interest of Best Champion Holdings Limited is owned as to 33.50%, 33.50% and 33.00% by United Gene Holdings Limited, Ease Gold Investments Limited and Victory Trend Limited, respectively.
  - China United Gene Investment Holdings Limited is owned as to 60% by Best Champion Holdings Limited.
- 彼等包括(i)由毛博士直接持有的213,700,000股普通股；(ii)於行使可換股債券附帶之轉換權後，由本公司發行之衍生股份——本金總額為607,600,000港元之可換股債券，乃分別由毛博士持有879,000,000股及JNJ投資有限公司(「JNJ」)持有640,000,000股。JNJ為一間United Gene Group Limited間接全資擁有的附屬公司而United Gene Group Limited由聯合基因控股有限公司全資擁有；(iii)由聯合基因控股有限公司持有的55,500,000股普通股及(iv)由凱佳控股有限公司擁有60%股權的China United Gene Investment Holdings Limited持有之13,951,350股普通股，聯合基因控股有限公司及Victory Trend Limited分別持有33.5%及33%凱佳控股有限公司股份。Victory Trend Limited由Good Links Limited全資擁有。毛博士分別持有聯合基因控股有限公司的100%權益及Good Links Limited的50%權益。
  - Ease Gold Investments Limited(由謝毅博士(「謝博士」)全資擁有)擁有凱佳控股有限公司之33.50%股權。
  - Victory Trend Limited由Good Links Limited全資擁有，而Good Links Limited由毛博士及謝博士分別擁有50%及50%，而Victory Trend Limited擁有凱佳控股有限公司之33.00%股權。
  - 凱佳控股有限公司分別由聯合基因控股有限公司、Ease Gold Investments Limited及Victory Trend Limited擁有33.50%、33.50%及33.00%股權。
  - China United Gene Investment Holdings Limited由凱佳控股有限公司擁有60%股權。

Save as disclosed above, the directors were not aware of any other relevant interests or short positions of 5% or more in the issued share capital of the Company as at 31 March 2019.

除上文披露者外，於二零一九年三月三十一日，董事並不知悉佔本公司已發行股本5%或以上之任何其他相關權益或淡倉。

## INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation from each independent non-executive director confirming his/her independence pursuant to rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors to be independent.

## CONNECTED TRANSACTIONS

A summary of the related parties transactions entered into by the Group during the Financial Year is contained in note 33 to the consolidated financial statements.

The following transactions between certain connected persons (as defined in the Listing Rules) and the Group have been entered into during the Financial Year and/or are ongoing for which relevant announcements, if necessary, had been made by the Company in accordance with Chapter 14A of the Listing Rules.

### Continuing connected transactions

Since 31 August 2010, the Company has engaged Dr. Mao to provide advisory and consultancy services to the Group in relation to research and development of the Group's genetic testing products, and other scientific technologies. In this role, Dr. Mao is the Company's chief scientific adviser and currently receives a monthly service fee of HK\$56,000. The previous agreement with Dr. Mao commenced on 1 September 2013, for a period of three years, and was renewed on 1 September 2016 for an additional period of three years, unless terminated earlier in accordance with the agreement.

To the best knowledge of the directors, there were no other connected transactions or continuing connected transactions subsisting during the Financial Year.

## INTERESTS IN COMPETITORS

During the Financial Year and up to the date of this report, other than those businesses of which the directors were appointed as directors to represent the interests of such businesses, no director is considered to have had an interest in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, pursuant to the Listing Rules.

## 獨立非執行董事

本公司已接獲各獨立非執行董事根據上市規則第3.13條作出之年度確認書，確認其獨立性。本公司認為全體獨立非執行董事均為獨立人士。

## 關連交易

本財政年度，本集團簽訂之關連人士交易摘要載於綜合財務報表附註33。

以下為若干關連人士(定義見上市規則)於本財政年度與本集團已訂立及/或正在進行的交易，如有需要，本公司已根據上市規則第14A章作出相關公告。

### 持續關連交易

自二零一零年八月三十一日起，本公司委聘毛博士向本集團提供與其基因檢測產品及其他科學技術的研究及開發有關之諮詢及顧問服務。就該角色而言，毛博士為本公司之首席科研顧問，及目前收取服務酬勞每月56,000港元。與毛博士訂立之先前協議自二零一三年九月一日開始生效，任期為三年，並於二零一六年九月一日獲重續，任期額外延長三年，惟根據協議被提早終止則除外。

就董事所深知，於本財政年度，概無存在其他關連交易或持續關連交易。

## 於競爭業務之權益

本財政年度及截至本報告日期，根據上市規則，除董事獲委任為董事以代表業務權益之業務外，概無董事被視為於與本集團業務直接或間接構成競爭或可能構成競爭之業務中擁有權益。

## EMOLUMENT POLICY

The emolument policy for the employees of the Group is set up by the management on the basis of their merit, qualifications and competence.

The emoluments of the directors for the Financial Year are decided by the Board, having regard to the Group's operating results, their duties and responsibilities in the Group, individual performance and comparable market statistics, and have been reviewed by the Remuneration Committee during the Financial Year.

## SHARE OPTION SCHEME

On 6 November 2009 (the "Adoption Date"), the Company adopted a share option scheme (the "Share Option Scheme") for the purpose of recognising and motivating the contributions of the Group's eligible employees, non-executive directors, shareholders, customers, and suppliers to the Group which, unless otherwise cancelled or amended, will remain in force for 10 years from the Adoption Date. The Share Option Scheme was refreshed on 3 November 2010 to increase the maximum number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme (the "Options") to the amount in aggregate not exceeding 1,216,450,806 Shares being 10% of the Shares in issue of the Company as at 3 November 2010.

As at the date of this annual report, the maximum number of Options available to be issued is 79,069,302 Shares, being approximately 5.4% of the Shares in issue currently.

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

## 薪酬政策

管理層會按本集團僱員之表現、資歷及能力制訂彼等之薪酬政策。

董事會經考慮本集團之經營業績、董事於本集團之職務及職責、彼等之個人表現及可資比較市場數據後釐定本財政年度之董事薪酬，並已由薪酬委員會於本財政年度審閱。

## 購股權計劃

於二零零九年十一月六日（「採納日期」），本公司採納購股權計劃（「購股權計劃」）以確認及鼓勵本集團之合資格僱員、非執行董事、股東、客戶及供應商對本集團之貢獻，除非以其他方式註銷或修訂，否則，購股權計劃將於採納日期起計十年有效。購股權計劃於二零一零年十一月三日獲更新，以將因行使根據購股權計劃將予授出之所有購股權（「購股權」）而可予發行之最高股份數目增加至合共不得超過1,216,450,806股，即於二零一零年十一月三日本公司已發行股份之10%。

於本年報日期，可供發行之購股權最高數目為79,069,302份，即現有已發行股份約5.4%。

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



As at 31 March 2019, the Company had not granted any options to eligible persons of the Share Option Scheme and there were no outstanding share options under the Share Option Scheme.

The Share Option Scheme will expire in approximately 0.25 year.

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

## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to the existing Shareholders.

## EQUITY-LINKED AGREEMENTS

Other than the Share Option Scheme and the Convertible bonds issued as disclosed in this annual report, no equity-linked agreements that will or may result in the Company issuing Shares, or that require the Company to enter into any agreements that will or may result in the Company issuing Shares, were entered into by the Company during the year or subsisted at the end of the year.

## PERMITTED INDEMNITY PROVISION

Pursuant to the Company's bye-laws, every director or other officers of the Company acting in relation to any of the affairs of the Company shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices, or trusts. The Company has arranged appropriate insurance coverage for the directors and officers of the Group.

## CHARITABLE DONATIONS

During the Financial Year, the Group did not make any charitable donation (2018: Nil).

於二零一九年三月三十一日，本公司並無向購股權計劃之合資格人士授出任何購股權，亦無根據購股權計劃尚未行使之購股權。

該購股權計劃將於約0.25年內到期。

除上述者外，於本財政年度任何時間，本公司或其任何附屬公司並無訂立任何安排，致使董事及主要股東或任何彼等之聯繫人士可透過收購本公司或任何其他法人團體之股份或債券而獲得利益。

## 優先購買權

本公司之公司細則或百慕達法例均無優先購買權條文，致使本公司有責任向現有股東按比例基準發售新股份。

## 股票掛鈎協議

除本年報所披露之購股權計劃及已發行之可換股債券外，本公司於年內並無訂立或於年結時仍然存續之將會或可能導致本公司發行股份之股票掛鈎協議，或要求本公司訂立任何將會或可能導致本公司發行股份之協議。

## 獲准許之彌償條文

根據本公司之公司細則，就本公司任何事務行事之本公司各董事或其他行政人員，將可就由於彼等或彼等各自之繼承人、遺囑執行人或遺產管理人因彼等於各自職位職責或建議職責或信託而作出、應允或遺漏的行為而將或可能引致或蒙受的所有訴訟、成本、費用、損失、損害及開支從本公司資產及溢利當中獲得彌償保證及不受傷害。本公司已為本集團董事及行政人員安排合適的保險保障。

## 慈善捐款

於本財政年度，本集團並無作出任何慈善捐款(二零一八年：無)。

## MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's total purchases and sales attributable to the Group's major suppliers and customers respectively during the Financial Year is as follows:

## 主要客戶及供應商

本財政年度，本集團主要供應商及客戶分別應佔本集團之採購總額及銷售總額之資料如下：

		Percentage of the Group's total 應佔本集團總額之 百分比
<b>Purchases</b>		
— The largest supplier	採購	100%
— Five largest suppliers combined	— 最大供應商	100%
	— 五大供應商合計	100%
<b>Sales</b>		
— The largest customer	銷售	100%
— Five largest customers combined	— 最大客戶	100%
	— 五大客戶合計	100%

At no time during the Financial Year had any of the directors, their close associates or any Shareholder (which to the knowledge of the directors owned more than 5% of the Company's issued share capital) held an interest in any of the Group's five largest suppliers or customers.

本財政年度任何時間，任何董事、彼等之緊密聯繫人士或任何股東(據董事所知，擁有本公司已發行股本5%以上之權益者)概無於本集團任何五大供應商或客戶中擁有權益。

## RELATIONSHIPS WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

The Group understands that employees are valuable assets. The Group provides competitive remuneration package to attract and motivate the employees. The Group regularly reviews the remuneration package of employees and makes necessary adjustments to conform to the market standard.

## 與僱員、供應商及客戶之關係

本集團深明僱員乃寶貴資產。本集團提供具有競爭力之薪酬待遇以吸引及激勵僱員。本集團定期檢討僱員之薪酬待遇並作出必要調整以符合市場標準。

The Group's business is built on a customer-oriented culture. The Group also understands that it is important to maintain good relationship with its suppliers and customers to fulfil its immediate and long-term goals. To maintain its market competitiveness within the industry, the Group aims at delivering constantly high standards and high quality products to its customers. During the year under review, there was no material and significant dispute between the Group and its suppliers and/or customers.

本集團業務植根於以客為本之文化。本集團亦深信與其供應商及客戶維持良好關係對實現其當前及長遠目標至關重要。為保持於行業內之市場競爭力，本集團致力於不斷為客戶提供高標準優質產品。於回顧年度內，本集團與其供應商及/或客戶並無重大及嚴重分歧。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

### Environmental Protection

Environmental conservation remains a key focus for the Group. The conscientious use of resources and adoption of best practices across the Group's businesses underlie its commitment to safeguarding the environment. The Group encourages environmental protection and complies with environmental legislation and promotes awareness towards environmental protection to the employees.

The Group puts great emphasis on environmental protection and sustainable development. Through the establishment of an ever-improving management system, enhancement on procedure monitoring, energy conservation and environment protection were strongly promoted, leading to the remarkable achievement of environmental management. Several measures have been implemented by the Group in order to promote environmental protection.

The Company will publish a separate Environmental, Social and Governance Report as close as possible to, and in any event no later than three months after, the publication of this annual report.

### Compliance with Laws and Regulations

Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations, in particular, those that have significant impact on the Group. The audit committee of the Company is delegated by the Board to monitor the Group's practices on compliance with legal and regulatory requirements. Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time.

As far as the Company is aware, it has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Company.

## 環境、社會及管治

### 環境保護

環境保護仍然為本集團之一大工作重點。本集團在業務營運中審慎利用資源，並採納最佳常規，以達到其保護環境之承諾。本集團鼓勵環保、遵守環保規例並致力提升僱員之環保意識。

本集團注重環境保護及可持續發展，通過建立並不斷優化環境管理體系，持續加強過程監控，大力推進節能及環保使得環境管理工作卓有成效。本集團已實施多項措施以促進環境保護。

本公司將盡快刊發單獨的環境、社會及管治報告，無論如何不遲於本年報刊發後三個月。

### 遵守法律及法規

已制定合規程序，以確保本集團遵守(尤其是)對其產生重大影響之該等適用法律、規則及法規。本公司審核委員會由董事會委派監察有關本集團遵守法律及監管規定之常規。相關僱員及相關經營單位會不時獲知悉適用法律、規則及法規之任何變動。

據本公司所知，其已於重大方面遵守對本公司之業務及營運有重大影響之相關法律及法規。

## SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors as at the date of this report, the directors believe that the number of securities of the Company which are in the hands of the public is above the relevant prescribed minimum percentage under the Listing Rules.

## EVENTS AFTER THE REPORTING PERIOD

Details of the events after the reporting period are set out in Note 39 to the consolidated financial statements.

## COMMITMENTS

Details of commitments of the Group are set out in note 31 to the consolidated financial statements.

## LITIGATIONS AND CONTINGENT LIABILITIES

Details of the litigation and contingent liabilities are set out in note 30 to the consolidated financial statements.

## CORPORATE GOVERNANCE

Details of the Corporate Governance Report of the Company are set out on pages 19 to 30 of this report.

## FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the five years ended 31 March 2019 is set out on pages 191 to 192 of this report.

## 充足公眾持股量

根據本公司可公開獲得之資料及據董事所知，於本報告日期，董事相信由公眾人士持有之本公司證券數目高於上市規則相關規定之最低百分比。

## 報告期事項

報告期事項之詳情載於綜合財務報表附註39。

## 承擔

本集團承擔之詳情載於綜合財務報表附註31。

## 訴訟及或然負債

訴訟及或然負債之詳情載於綜合財務報表附註30。

## 企業管治

本公司之企業管治報告詳情載於本報告第19頁至第30頁。

## 財務概要

本集團截至二零一九年三月三十一日止五個年度之業績及資產與負債概要載於本報告第191頁至第192頁。

## AUDITOR

Elite Partners CPA Limited was appointed as the auditor of the Group for the year ended 31 March 2019 in succession to BDO Limited who resigned as auditor with effect from 17 April 2019. BDO Limited was the auditor of the Group for the years ended 31 March 2018.

The consolidated financial statements for the year were audited by Elite Partners CPA Limited, who will retire and, being eligible, offer themselves for re-appointment as auditor of the Group at the forthcoming annual general meeting.

On behalf of the Board

### Jiang Nian

*Chairman*

Shanghai, 28 June 2019

## 核數師

截至二零一九年三月三十一日止年度，開元信德會計師事務所有限公司獲委聘為本集團核數師，以接任於二零一九年四月十七日辭任之核數師香港立信德豪會計師事務所有限公司。香港立信德豪會計師事務所有限公司為本集團截至二零一八年三月三十一日止年度之核數師。

本年度之綜合財務報表已由開元信德會計師事務所有限公司審核，該行將退任，並符合資格及願意於應屆股東週年大會上接受續聘為本集團之核數師。

代表董事會

### 蔣年

*主席*

上海，二零一九年六月二十八日

# Independent Auditors' Report

## 獨立核數師報告



### To The Shareholders of Innovative Pharmaceutical Biotech Limited

*(incorporated in the Cayman Island and continued in Bermuda with limited liability)*

### QUALIFIED OPINION

We have audited the consolidated financial statements of Innovative Pharmaceutical Biotech Limited (the “Company”) and its subsidiaries (together referred to as the “Group”) set out on pages 52 to 190, which comprise the consolidated statement of financial position as at 31 March 2019, 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 notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### 致領航醫藥及生物科技有限公司 全體股東

*(於開曼群島註冊成立及於百慕達存續之有限公司)*

### 保留意見

吾等已審核第52頁至第190頁所載領航醫藥及生物科技有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，其內容涵蓋於二零一九年三月三十一日之綜合財務狀況表、截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表及綜合財務報表附註，包括重大會計政策概要。

吾等認為，除本報告內保留意見之基準一節所述事宜的影響外，綜合財務報表已遵照香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實公平地反映貴集團於二零一九年三月三十一日的綜合財務狀況以及其於截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例的披露規定妥為編製。

## BASIS FOR QUALIFIED OPINION

### Prior year's audit scope limitation affecting opening balances and comparative figures

The auditor's report on the consolidated financial statements of the Group for the year ended 31 March 2018 contained a disclaimer of opinion on the limitation on the audit scope in relation to the intangible assets. Details of which had been set out in the auditor's report dated 29 June 2018.

As the consolidated financial statements of the Group for the year ended 31 March 2018 formed the basis for the comparative figures presented in the current year's consolidated financial statements, any adjustments found to be necessary in respect of the carrying amount of the intangible asset would have a significant effect on the comparative figures and the opening balances and the related disclosures thereof for the year ended 31 March 2019.

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

## MATERIAL UNCERTAINTY IN RELATION TO GOING CONCERN

We draw attention in note 3(a) to the consolidated financial statements which describes that the Group recorded loss with the amount of approximately HK\$260,911,000 for the year ended 31 March 2019. These conditions, along with other matters as set in note 3(a) to the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of on this matter.

## 保留意見之基準

### 影響期初結餘及比較數字之上一年度審核範圍限制

就 貴集團截至二零一八年三月三十一日止年度之綜合財務報表的核數師報告中，載述就無形資產的審核範圍限制無法表示意見。有關詳情載於日期為二零一八年六月二十九日之核數師報告。

由於 貴集團截至二零一八年三月三十一日止年度之綜合財務報表構成本年度綜合財務報表所呈列相關數字之基礎，就無形資產賬面值發現之任何須作出之調整將對期初結餘造成重大影響及對截至二零一九年三月三十一日止年度之業績及相關披露事項產生重大影響。

我們已根據香港會計師公會頒佈的香港審核準則（「香港審核準則」）進行審計。我們在該等準則下承擔的責任已在本報告核數師就審計綜合財務報表承擔的責任部分中作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則（「守則」），我們獨立於 貴公司，並已履行守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的保留意見提供基礎。

## 有關持續經營之重大不明朗因素

吾等務請垂注綜合財務報表附註3(a)，顯示 貴集團於截至二零一九年三月三十一日止年度錄得虧損約260,911,000港元。此等狀況連同綜合財務報表附註3(a)所載列之其他事宜顯示有重大不確定因素存在，這可能令 貴集團持續經營能力構成重大疑問。吾等並未因此事項而修正意見。

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the year ended 31 March 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matters to be communicated in our report.

## 關鍵審核事項

根據吾等的專業判斷，關鍵審核事項為吾等審核截至二零一九年三月三十一日止年度的綜合財務報表中最重要的事項。吾等在審核綜合財務報表及就此達致意見時處理此等事項，而不會就此等事項單獨發表意見。除於有關持續經營之重大不明朗因素一節所述的事項外，我們已釐定下述事項為我們報告中予以傳達之關鍵審核事項。

### Impairment assessment of intangible asset

### 無形資產的減值評估

Key audit matters 關鍵審核事項	How the matter was addressed in our audit 吾等在審核中的處理方法
<p>As at 31 March 2019, the carrying amount of intangible asset represent to an in-process research and development project in oral insulin product of approximately HK\$1,373,224,000. 於二零一九年三月三十一日，無形資產的賬面值1,373,224,000港元指就口服胰島素產品正在進行的研發項目。</p> <p>The Group is required to, at least annually, perform impairment assessment of intangible asset that have an indefinite useful life. 貴集團需要最少每年就具有無限可使用年期的無形資產進行一次減值評估。</p> <p>In carrying out the impairment assessment, intangible asset has been allocated to research and development cash generating unit ("R&amp;D CGU"). Significant judgements and assumptions are required by the management of the Group in assessings the recoverable amounts of intangible asset. The recoverable amounts are determined by the assumptions, including the revenue growth rate, gross profit ratio and long-term growth rate used in the cash flow projections and the discount rate. 進行減值評估時，無形資產已予分配至研發現金產生單位（「研發現金產生單位」）。貴集團管理層在評估無形資產的可收回金額時須作出重大判斷及估算。決定可收回金額時涉及假設，包括預計現金流量時所用的收入增長率、毛利率及長期增長率，以及貼現率。</p>	<p>Our major audit procedures to address this matter included the following: 吾等針對此事項的主要審核程序包括下列各項：</p> <ul style="list-style-type: none"> <li>Evaluating the independent qualified professional valuer's competence capabilities and objectivity and reviewing their terms of engagement with the Group;</li> <li>評估獨立合資格專業估值師是否勝任及客觀，並審閱彼等獲 貴集團聘用的條款；</li> <li>Obtaining the external valuation reports and discussion with valuer about the valuation process, methodologies used and market evidence to support significant judgements and assumption applied in the valuation model including discount rates and growth rates;</li> <li>取得外聘估值報告，並與估值師就估值過程、所用方法及支持估值模式所用重大判斷及假設的市場憑據（包括貼現率及增長率）進行討論；</li> <li>Checking arithmetical accuracy of the valuation;</li> <li>核查估值是否計算準確；</li> <li>Checking key assumptions and input data in the valuation model to supporting evidence;</li> <li>將估值模式內的關鍵假設及輸入數據以證明憑據核實；</li> </ul>



## KEY AUDIT MATTERS (Continued)

### Impairment assessment of intangible asset (Continued)

## 關鍵審核事項(續)

### 無形資產的減值評估(續)

Key audit matters 關鍵審核事項	How the matter was addressed in our audit 吾等在審核中的處理方法
<p>Management engaged an independent qualified professional valuer to prepare valuation report for the assessment of the recoverable amount of intangible asset, which involved the exercise of significant judgement and estimation. 管理層聘用獨立合資格專業估值師以就評估無形資產的可收回金額編製估值報告，當中涉及作出重大判斷及估算。</p> <p>We identified the impairment assessment of intangible asset as a key audit matter, because management involved the exercise of significant judgement and estimation. 吾等識別無形資產的減值評估為關鍵審核事項，因為管理層須作出重大判斷及估算。</p>	<ul style="list-style-type: none"><li>Obtaining and performing sensitivity analysis around the key assumptions, to ascertain that selected adverse changes to key assumptions, both individually and in aggregate, would not cause the carrying amount of intangible asset to exceed the recoverable amount.</li><li>取得關鍵假設並就此進行敏感度測試，以確定關鍵假設的選定不利變動(個別及共同地)不會使無形資產的賬面值超出可收回金額。</li></ul>

## INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## 綜合財務報表以外的資料及吾等的核數師報告

董事須對其他資料承擔責任。其他資料包括載於年報的資料，惟不包括綜合財務報表及吾等的核數師報告。吾等對綜合財務報表作出的意見並無涵蓋其他資料，而吾等不會對其他資料發表任何形式的核證結論。

就吾等審核綜合財務報表而言，吾等的責任為閱讀其他資料，從而考慮其他資料是否與綜合財務報表或吾等在審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。倘若吾等基於已進行的工作認為其他資料出現重大錯誤陳述，吾等須報告有關事實。就此，吾等毋須作出報告。

## RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 90 of Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

## 董事及治理層就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露要求，編製真實而公平地反映情況的綜合財務報表，及董事釐定對編製綜合財務報表屬必要的有關內部監控，以使該等綜合財務報表不會存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，董事須負責評估貴集團持續經營的能力，並披露與持續經營有關的事項（如適用）。除非董事擬將貴集團清盤或停止營運，或除此之外並無其他實際可行的辦法，否則須採用以持續經營為基礎的會計法。

治理層負責監督貴集團的財務報告流程。

## 核數師就審核綜合財務報表須承擔的責任

吾等的目標為合理確定此等綜合財務報表整體而言不會存在由於欺詐或錯誤而導致的重大錯誤陳述，並發出載有吾等意見的核數師報告。根據百慕達一九八一年公司法第90條，吾等僅向全體股東報告，不作其他用途。吾等概不就本報告的內容對任何其他人士負責或承擔任何責任。合理確定屬高層次的核證，惟根據香港審計準則進行的審核工作不能保證總能察覺所存在的重大錯誤陳述。錯誤陳述可因欺詐或錯誤產生，倘個別或整體在合理預期情況下可影響使用者根據綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## 核數師就審核綜合財務報表須 承擔的責任<sup>(續)</sup>

在根據香港審計準則進行審計的過程中，吾等運用專業判斷，保持專業懷疑態度。吾等亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險、設計及執行審計程序以應對該等風險，以及獲取充足及適當的審計憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部監控的情況，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部監控，以設計適當的審計程序，惟並非旨在對貴集團內部監控的有效性發表意見。
- 評估董事所採用會計政策的恰當性及作出會計估計及相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論，並根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。倘吾等認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。倘有關披露不足，則修訂吾等意見。吾等結論乃基於截至核數師報告日期止所取得的審計憑證。然而，未來事項或情況可能導致貴集團無法持續經營。
- 評估綜合財務報表的整體呈報方式、結構及內容，包括披露資料，以及綜合財務報表是否中肯反映相關交易及事項。

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Yip Kai Yin with Practising Certificate number P05131.

**Elite Partners CPA Limited**  
*Certified Public Accountants*

10th Floor  
8 Observatory Road  
Tsim Sha Tsui  
Kowloon, Hong Kong

28 June 2019

## 核數師就審核綜合財務報表須 承擔的責任(續)

- 就 貴集團內實體或業務活動的財務資料獲取充足及適當的審計憑證，以便對綜合財務報表發表意見。吾等負責集團審計的方向、監督及執行。吾等為審核意見承擔全部責任。

吾等與治理層就(其中包括)審計的計劃範圍、時間安排及重大審計發現溝通，該等發現包括吾等在審計過程中識別的內部監控的任何重大缺失。

吾等亦向治理層作出聲明，指出吾等已符合有關獨立性的相關道德要求，並與彼等溝通可能被合理認為會影響吾等獨立性的所有關係及其他事宜，以及相關防範措施(如適用)。

從與治理層溝通的事項中，吾等釐定對本期綜合財務報表的審計至關重要的事項，因而構成關鍵審核事項。吾等在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見的情況下，倘合理預期在吾等報告中溝通某事項造成的負面後果超出產生的公眾利益，則吾等決定不應在報告中傳達該事項。

出具本獨立核數師報告之審計項目合夥人為葉啓賢，其執業證書編號為P05131。

**開元信德會計師事務所有限公司**  
*執業會計師*

香港九龍  
尖沙咀  
天文台道8號  
10樓

二零一九年六月二十八日

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

## 綜合損益及其他全面收益表

For the year ended 31 March 2019  
截至二零一九年三月三十一日止年度

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	收益	6	<b>18,589</b>	15,811
Cost of sales	銷售成本		<b>(16,842)</b>	(14,416)
Gross profit	毛利		<b>1,747</b>	1,395
Other income	其他收入	8	<b>1,992</b>	9,498
Other gains and losses, net	其他收益及虧損，淨額	8	<b>(117,605)</b>	(113,377)
Administrative expenses	行政開支		<b>(26,744)</b>	(25,749)
Research and development expenses	研發開支		<b>(1,934)</b>	(665)
Share of results of associates	分佔聯營公司業績	17	<b>13,326</b>	8,632
Finance costs	財務費用	9	<b>(131,693)</b>	(110,725)
Loss before income tax	所得稅前虧損		<b>(260,911)</b>	(230,991)
Income tax expense	所得稅開支	10	<b>—</b>	—
Loss for the year	年內虧損	11	<b>(260,911)</b>	(230,991)
Other comprehensive income/ (expenses):	其他全面收入／(開支)：			
<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>			
Available-for-sale financial assets: net movement in the investment revaluation reserve	可供出售金融資產： 投資重估儲備之變動淨 值		<b>—</b>	(40)
Share of other comprehensive income of associates	應佔聯營公司其他全面收 入	17	<b>(12,619)</b>	2,288
Exchange differences on translation of foreign operations	換算海外業務之匯率差額		<b>3</b>	(2,757)
			<b>(12,616)</b>	(509)
<i>Items that will not be reclassified subsequently to profit or loss:</i>	<i>其後將不會重新分類至損 益之項目：</i>			
Loss on revaluation on land and buildings	土地及樓宇重估虧損		<b>—</b>	(7,504)
Deferred taxation arising on revaluation of land and buildings	土地及樓宇重估產生之遞 延稅項		<b>—</b>	2,162
Derecognition upon disposal	於出售時終止確認		<b>—</b>	(5,342)
			<b>—</b>	5,342
			<b>—</b>	—

Consolidated Statement of Profit or Loss and Other Comprehensive Income  
 綜合損益及其他全面收益表  
 For the year ended 31 March 2019  
 截至二零一九年三月三十一日止年度

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Other comprehensive expense for the year	年內其他全面開支		<b>(12,616)</b>	(509)
Total comprehensive expense for the year	年內全面開支總額		<b>(273,527)</b>	(231,500)
Loss for the year attributable to:	以下人士應佔年內虧損：			
Owners of the Company	本公司擁有人		<b>(260,272)</b>	(231,048)
Non-controlling interests	非控股權益		<b>(639)</b>	57
			<b>(260,911)</b>	(230,991)
Total comprehensive expense for the year attributable to:	以下人士應佔年內全面開支總額：			
Owners of the Company	本公司擁有人		<b>(272,888)</b>	(231,557)
Non-controlling interests	非控股權益		<b>(639)</b>	57
			<b>(273,527)</b>	(231,500)
Loss per share	每股虧損		<b>HK cents</b> 港仙	HK cents 港仙
Basic	基本	15	<b>(17.78)</b>	(15.78)
Diluted	攤薄		<b>(17.78)</b>	(15.78)

# Consolidated Statement of Financial Position

## 綜合財務狀況表

As at 31 March 2019

於二零一九年三月三十一日

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Non-current assets		非流動資產		
Property, plant and equipment	物業、廠房及設備	16	95	162
Interests in associates	於聯營公司的權益	17	48,954	81,437
Investments in convertible bonds	可換股債券投資	18	111,942	166,447
Intangible asset	無形資產	19	1,373,224	1,373,224
Amount due from the subsidiary of an associate	應收聯營公司之附屬公司款項	25	—	10,610
			<b>1,534,215</b>	1,631,880
Current assets		流動資產		
Trade receivables	貿易應收賬款	20	21,176	12,715
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	21	6,305	13,094
Financial assets held-for-trading	交易性金融資產	22	—	36,247
Bank balances and cash	銀行結餘及現金	23	17,058	20,227
			<b>44,539</b>	82,283
Current liabilities		流動負債		
Trade payables	貿易應付賬款	24	21,214	10,411
Accruals and other payables	應計費用及其他應付款項		7,273	8,848
Amounts due to non-controlling interests	應付非控股權益款項	26	3,092	22,871
Amounts due to former non-controlling interests	應付前非控股權益款項	26	823	823
			<b>32,402</b>	42,953
Net current assets	流動資產淨額		<b>12,137</b>	39,330
Total assets less current liabilities	總資產減流動負債		<b>1,546,352</b>	1,671,210

Consolidated Statement of Financial Position  
 綜合財務狀況表  
 As at 31 March 2019  
 於二零一九年三月三十一日

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Non-current liabilities	非流動負債			
Convertible bonds	可換股債券	28	<b>658,632</b>	554,515
Loan from a shareholder	一位股東貸款		<b>25,000</b>	—
Amount due to the subsidiary of an associate	應付聯營公司之附屬公司之款項	26	<b>41,952</b>	41,947
Loan from a non-controlling interest	來自非控股權益貸款	26	<b>20,929</b>	7,923
Loan from an subsidiary of an associate	來自聯營公司之附屬公司貸款	26	<b>5,027</b>	—
			<b>751,540</b>	604,385
<b>NET ASSETS</b>	<b>資產淨額</b>		<b>794,812</b>	1,066,825
Capital and reserves	資本及儲備			
Share capital	股本	29	<b>14,642</b>	14,642
Reserves	儲備		<b>(89,599)</b>	181,775
Equity attributable to owners of the Company	本公司擁有人應佔權益		<b>(74,957)</b>	196,417
Non-controlling interests	非控股權益		<b>869,769</b>	870,408
<b>TOTAL EQUITY</b>	<b>權益總額</b>		<b>794,812</b>	1,066,825

The consolidated financial statements on pages 52 to 190 were approved by the Board of Directors on 28 June 2019 and are signed on its behalf by:

載於第52頁至第190頁之綜合財務報表已由董事會於二零一九年六月二十八日批准，並由以下董事代表簽署：

**Jiang Nian**  
 蔣年  
 DIRECTOR  
 董事

**Tang Rong**  
 唐榕  
 DIRECTOR  
 董事



# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔											
		Share capital	Share premium account	Convertible bonds equity reserve	Investment revaluation reserve	Property revaluation reserve	Others reserve	Statutory reserve	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
		股本	股份溢價賬	可換股債券權益儲備	投資重估儲備	物業重估儲備	其他儲備	法定儲備	外幣兌換儲備	累計虧損	總計	非控股權益	權益總額
		HK\$'000	HK\$'000	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	千港元	千港元
			(Note a) (附註a)	(Note b) (附註b)			(Note e) (附註e)	(Note c) (附註c)	(Note d) (附註d)	(Note f) (附註f)			
At 1 April 2017	於二零一七年 四月一日	14,642	1,119,294	1,152,862	40	5,342	2,540	347	1,155	(1,868,248)	427,974	870,351	1,298,325
Loss for the year	年內虧損	-	-	-	-	-	-	-	-	(231,048)	(231,048)	57	(230,991)
Derecognition of property, plant and equipment upon disposal	出售物業、廠房及設備後終止確認	-	-	-	-	(5,342)	-	-	-	5,342	-	-	-
Other comprehensive (expense) income for the year	年內其他全面(開支)收益	-	-	-	(40)	-	2,288	-	(2,757)	-	(509)	-	(509)
Total comprehensive (expense) income for the year	年內全面(開支)收入總額	-	-	-	(40)	(5,342)	2,288	-	(2,757)	(225,706)	(231,557)	57	(231,500)
At 31 March 2018	於二零一八年 三月三十一日	14,642	1,119,294	1,152,862	-	-	4,828	347	(1,602)	(2,093,954)	196,417	870,408	1,066,825
New adoption of HKFRS 9	新採納香港財務報告準則第9號	-	-	-	-	-	-	-	-	1,514	1,514	-	1,514
At 1 April 2018	於二零一八年 四月一日	14,642	1,119,294	1,152,862	-	-	4,828	347	(1,602)	(2,092,440)	197,931	870,408	1,068,339
Loss for the year	年內虧損	-	-	-	-	-	-	-	-	(260,272)	(260,272)	(639)	(260,911)
Other comprehensive (expense) income for the year	年內其他全面(開支)收入	-	-	-	-	-	(12,619)	-	3	-	(12,616)	-	(12,616)
Total comprehensive (expense) income for the year	年內全面(開支)收入總額	-	-	-	-	-	(12,619)	-	3	(260,272)	(272,888)	(639)	(273,527)
At 31 March 2019	於二零一九年 三月三十一日	14,642	1,119,294	1,152,862	-	-	(7,791)	347	(1,599)	(2,352,712)	(74,957)	869,769	794,812

Consolidated Statement of Changes in Equity  
 綜合權益變動表  
 For the year ended 31 March 2019  
 截至二零一九年三月三十一日止年度

Notes:

- (a) The share premium account represents the amount subscribed for share capital in excess of nominal value.
- (b) Convertible bonds equity reserve represents the amount allocated to the equity component of convertible bonds issued by the Company recognised in accordance with the accounting policy adopted for convertible bonds in note 4(h)(iii) to the consolidated financial statements.
- (c) As stipulated by the relevant laws and regulations of the People's Republic of China ("PRC") before distribution of the net profit each year, the Group's subsidiaries established in the PRC shall set aside 10% of its net profit after taxation to the statutory reserve. The reserve can only be used, upon approval by the board of directors of these PRC established subsidiaries and by the relevant authority, to offset accumulated losses or increase capital. During the years ended 31 March 2019 and 2018, there was no transfer from retained profits to the statutory reserve since the Group's PRC subsidiaries incurred net loss in those years.
- (d) Foreign currency translation reserve represents gains/losses arising on retranslating the net assets/liabilities of foreign operations into presentation currency.
- (e) Other reserve represents share of other comprehensive income of associates.
- (f) Remittance outside the PRC of retained profits of the subsidiaries established in the PRC is subject to approval of the local authorities and the availability of foreign currencies generated and retained by these subsidiaries.

附註：

- (a) 股份溢價賬指認購股本金額超出面值之款項。
- (b) 可換股債券權益儲備指金額分配予本公司發行的可換股債券之權益部份，根據在綜合財務報表附註4(h)(iii)中可換股債券採用的會計政策確認。
- (c) 按照中華人民共和國(「中國」)的相關法律及法規所訂明，每年分派淨利潤前，在中國設立的本集團附屬公司須自其稅後淨利潤撥出10%至法定儲備。法定儲備僅可用於抵銷累計虧損或增資，並須得到此等在中國設立之附屬公司之董事會及有關政府當局核准後方可使用。於截至二零一九年及二零一八年三月三十一日止年度，由於本集團之中國附屬公司於該等年度均錄得虧損淨額，故並無任何金額從保留溢利轉撥至法定儲備。
- (d) 外幣兌換儲備指因海外業務之資產／負債淨額重新換算為呈列貨幣而產生之收益／虧損。
- (e) 其他儲備指分佔聯營公司的其他全面收入。
- (f) 於中國成立之附屬公司之保留溢利之境外股款須經當地政府批准及視乎此等附屬公司能否產生及保留之外幣可能性。

# Consolidated Statement of Cash Flows

## 綜合現金流量表

As at 31 March 2019

於二零一九年三月三十一日

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>OPERATING ACTIVITIES</b>	<b>經營活動</b>		
Loss before tax	稅前虧損	<b>(260,911)</b>	(230,991)
Adjustments for:	調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	<b>67</b>	617
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	—	1,268
Impairment loss on interest in an associate	於聯營公司權益之減值虧損	<b>33,190</b>	42,945
Impairment loss on other receivable	其他應收款項之減值虧損	—	579
Change in fair value of derivative components of investments in convertible bonds	可換股債券投資之衍生部分之公平值變動	18 <b>56,485</b>	65,735
Fair value loss on financial assets held-for-trading	交易性金融資產之公平值虧損	<b>18,124</b>	5,787
Share of results of associates	分佔聯營公司業績	<b>(13,326)</b>	(8,632)
Imputed interest income from loan to a subsidiary of the associate	來自聯營公司之附屬公司貸款之估算利息收入	<b>(1,787)</b>	(2,485)
Interest income from banks	銀行利息收入	<b>(205)</b>	(73)
Net gain on disposal of available-for-sale financial assets	出售可供出售金融資產之收益淨額	—	(903)
Net loss/(gain) on disposal of financial assets held-for-trading	出售交易性金融資產之虧損/(收益)淨額	<b>17,465</b>	(2,034)
Effective interest income from investment in convertible bonds	可換股債券投資之實際利息收入	18 —	(6,937)
Effective interest expense on convertible bonds	可換股債券之實際利息開支	28 <b>129,142</b>	108,869
Imputed interest expense on loan from a non-controlling interest	來自非控股權益貸款之估算利息開支	9 <b>2,424</b>	1,856
Imputed interest expense on loan from the subsidiary of an associate	應收聯營公司之附屬公司貸款之估算利息開支	9 <b>127</b>	—
Allowance of doubtful debts	呆賬撥備	<b>165</b>	—
Reversal of allowance for doubtful debts	撥回呆賬撥備	<b>(442)</b>	—

Consolidated Statement of Cash Flows  
 綜合現金流量表  
 As at 31 March 2019  
 於二零一九年三月三十一日

	Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Operating cash out flows before changes in working capital	營運資金變動前之經營現金流	(19,482)	(24,399)
Increase in trade receivables	貿易應收賬款增加	(8,650)	(6,340)
(Increase)/decrease in prepayments, deposits and other receivables	預付款項、按金及其他應收款項(增加)/減少	(3,211)	4,660
Increase in trade payables	貿易應付賬款增加	10,803	8,174
(Decrease)/Increase in accruals and other payables	應計費用及其他應付款項(減少)/增加	(1,575)	2,985
Decrease in amount due from the subsidiary of an associate	應收聯營公司之附屬公司款項減少	12,397	—
Decrease in amount due to non-controlling interests	應付非控股權益款項減少	(19,779)	—
Increase in amount due to the subsidiary of an associate	應付聯營公司之附屬公司款項增加	5	—
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>經營活動所用之現金淨額</b>	<b>(29,492)</b>	<b>(14,920)</b>
<b>INVESTING ACTIVITIES</b>	<b>投資活動</b>		
Interest received from banks	已收銀行利息	205	73
Purchases of financial assets held-for-trading	購買交易性金融資產	—	(50,000)
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備之所得款項	—	25,960
Proceeds on disposal of available-for-sale financial assets	出售可供出售金融資產之所得款項	—	23,364
Proceeds on disposal of financial assets held-for trading	出售交易性金融資產之所得款項	10,658	—
<b>NET CASH GENERATED FROM/ (USED IN) INVESTING ACTIVITIES</b>	<b>投資活動所得/(所用)現金淨額</b>	<b>10,863</b>	<b>(603)</b>

## Consolidated Statement of Cash Flows

### 綜合現金流量表

As at 31 March 2019

於二零一九年三月三十一日

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>FINANCING ACTIVITIES</b>				
	<b>融資活動</b>			
Interest expenses paid to an associate on convertible bonds	就可換股債券已付聯營公司之利息開支	28	(25,025)	(25,025)
Proceeds from loans from a shareholder	獲股東貸款所得款項		25,000	—
Proceeds from loan from a non-controlling interest	獲非控股權益貸款所得款項		10,582	—
Proceeds from loan from an associate	獲聯營公司貸款所得款項		4,900	—
<b>NET CASH GENERATED FROM/ (USED IN) FINANCING ACTIVITIES</b>	<b>融資活動所得／(所用) 現金淨額</b>		<b>15,457</b>	<b>(25,025)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等價物減少淨額</b>		<b>(3,172)</b>	<b>(40,548)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>年初現金及現金等價物</b>		<b>20,227</b>	<b>61,316</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>外幣匯率變動影響</b>		<b>3</b>	<b>(541)</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR,</b> represented by bank balances and cash	<b>年末現金及現金等價物，</b> 指銀行結餘及現金		<b>17,058</b>	<b>20,227</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 1. GENERAL INFORMATION

Innovative Pharmaceutical Biotech Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. On 1 March 2013, the Company has been deregistered in the Cayman Islands and continued in Bermuda as an exempted company with limited liability under the laws of Bermuda. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business in Hong Kong is situated at Unit No. 2111, 21/F, West Tower Shun Tak Centre, 168–200 Connaught Road Central, Sheung Wan, Hong Kong.

The Company is an investment holding company. The principal activities of its subsidiaries (together with the company referred to as the “Group”) are set out in note 35 to the consolidated financial statements.

### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

#### (i) New and revised HKFRSs adopted by the Group

The Group has adopted the following new and revised HKFRSs, which are relevant to the Group’s operations, for the first time for the current year’s consolidated financial statements.

HKFRS 9  
香港財務報告準則第9號  
HKFRS 15  
香港財務報告準則第15號  
HK(IFRIC)-Int 22  
香港(國際財務報告詮釋  
委員會) – 詮釋第22號  
Amendments to HKFRS 2  
香港財務報告準則第2號  
(修訂本)  
Amendments to HKFRS 4  
香港財務報告準則第4號  
(修訂本)  
Amendments to HKAS 28  
香港會計準則第28號(修訂本)  
Amendments to HKAS 40  
香港會計準則第40號(修訂本)

Financial Instruments  
金融工具  
Revenue from Contracts with Customers and the related Amendments  
來自客戶合約之收入及相關修訂本  
Foreign Currency Transactions and Advance Consideration  
外幣交易及預付代價  
Classification and Measurement of Share-based Payment Transactions  
股份支付交易的分類及計量  
Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance  
Contracts  
香港財務報告準則第9號金融工具與香港財務報告準則第4號保險合約一  
併應用  
As part of the Annual Improvements to HKFRSs 2014–2016 Cycle  
作為香港財務報告準則二零一四年至二零一六年週期之年度改進部份  
Transfers of Investment Property  
投資物業轉讓

### 1. 一般資料

領航醫藥及生物科技有限公司(「本公司」)根據開曼群島公司法於開曼群島註冊成立為獲豁免有限責任公司。於二零一三年三月一日，本公司撤銷於開曼群島之註冊地位，並根據百慕達法例以獲豁免有限責任公司之形式於百慕達存續。本公司股份於香港聯合交易所有限公司(「聯交所」)主板上市。其註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。其香港主要營業地點位於香港上環干諾道中168–200號信德中心西座21樓2111室。

本公司為一間投資控股公司。其附屬公司(連同本公司稱為「本集團」)之主要業務載於綜合財務報表附註35。

### 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

#### (i) 本集團採納之新訂及經修訂香港財務報告準則

本集團已於本年度綜合財務報表中首次採納以下與本集團營運相關之新訂及經修訂香港財務報告準則。

## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

### (i) New and revised HKFRSs adopted by the Group (Continued)

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

#### HKFRS 9 Financial Instruments

##### (i) Classification and measurement of financial instruments

HKFRS 9 replaces HKAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: (1) classification and measurement; (2) impairment and (3) hedge accounting. The adoption of HKFRS 9 from 1 January 2018 has resulted in changes in accounting policies of the Group and the amounts recognised in the consolidated financial statements.

The following tables summarised the impact, net of tax, of transition to HKFRS 9 on the opening balance of reserves and retained earnings as of 1 April 2018 as follows (increase/(decrease)):

## 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

### (i) 本集團採納之新訂及經修訂香港財務報告準則（續）

除下文所述外，於本年度應用新訂香港財務報告準則及其修訂本概無對本集團本年度及過往年度之財務業績及狀況及／或此等綜合財務報表內所載披露事項造成重大影響。

#### 香港財務報告準則第9號金融工具

##### (i) 金融工具之分類及計量

於二零一八年一月一日或之後開始之年度期間，香港財務報告準則第9號取代香港會計準則第39號金融工具：確認及計量。該準則合併金融工具會計之所有三個方面：(1)分類及計量；(2)減值；及(3)對沖會計。自二零一八年一月一日起採納香港財務報告準則第9號導致本集團會計政策及綜合財務報表之確認金額出現變動。

下表概述向香港財務報告準則第9號過渡對截至二零一八年四月一日的儲備及保留盈利的期初結餘的影響（扣除稅項）（增加／（減少））：

		HK\$'000 千港元
<b>Accumulated losses</b>	<b>累計虧損</b>	
Accumulated losses as at 31 March 2018	於二零一八年三月三十一日之 累計虧損	(2,093,954)
Increase in expected credit losses (“ECLs”) in trade receivables	貿易應收款項的預期信貸虧損 （「預期信貸虧損」）增加	(466)
Effect on measurement of investment in convertible bonds in its entirety (note i)	計量整項可換股債券投資之影響 （附註i）	1,980
Restated accumulated losses as at 1 April 2018	於二零一八年四月一日的經重列 累計虧損	(2,092,440)

## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

### (i) New and revised HKFRSs adopted by the Group

(Continued)

#### HKFRS 9 Financial Instruments (Continued)

##### (i) Classification and measurement of financial instruments (Continued)

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. However, it eliminates the previous HKAS 39 categories for financial assets of held to maturity financial assets, loans and receivables. The adoption of HKFRS 9 has no material impact on the Group’s accounting policies related to financial liabilities and derivative financial instruments. The impact of HKFRS 9 on the Group’s classification and measurement of financial assets is set out below.

Note (i):

As at 1 April 2018, the entire of debt component and derivative component of the investments in convertible bonds were reclassified to financial assets at FVTPL. The derivative component causes the financial assets to fail to meet the SPPI criterion. This is because the embedded feature cannot be separated and the contractual terms of that convertible loan receivable as a whole do not give rise solely to payments of principal and interest on the principal amount outstanding of the bonds. As a result, that investments in convertible bonds in its entirety are classified as at FVTPL. As at 1 April 2018, the difference between the previous carrying amount and the fair value of approximately HK\$1,980,000 has been included in the opening accumulated losses.

## 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

### (i) 本集團採納之新訂及經修訂香港財務報告準則（續）

#### 香港財務報告準則第9號金融工具（續）

##### (i) 金融工具之分類及計量（續）

香港財務報告準則第9號貫徹香港會計準則第39號有關金融負債的確認、分類及計量規定，惟指定為按公平值計入損益的金融負債除外，而因負債信貸風險變動引致的公平值變動金額乃於其他全面收益確認，除非此舉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的規定。然而，其取消香港會計準則第39號先前有關持有至到期金融資產、貸款及應收款項的金融資產分類。採納香港財務報告準則第9號對本集團有關金融負債及衍生金融工具的會計政策並無重大影響。香港財務報告準則第9號對本集團金融資產的分類及計量的影響載列如下。

附註(i)：

於二零一八年四月一日，可換股債券投資之全部債務部分及衍生工具部分已重新分類至按公平值計入損益之金融資產。衍生工具部分導致金融資產未能符合純粹為支付本金及利息準則，原因為嵌入式特徵不可分割，而該項應收可換股貸款之整體合約條款不會導致純粹為支付該等債券之本金及未償還本金金額之利息。因此，該項可換股債券投資全部分類為按公平值計入損益。於二零一八年四月一日，先前賬面值與公平值之間的差額約1,980,000港元已計入期初累計虧損。



## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

### (i) New and revised HKFRSs adopted by the Group

(Continued)

#### HKFRS 9 Financial Instruments (Continued)

##### (i) Classification and measurement of financial instruments (Continued)

Under HKFRS 9, except for certain trade receivables (that the trade receivables do not contain a significant financing component in accordance with HKFRS 15), an entity shall, at initial recognition, measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (“FVTPL”), transaction costs. A financial asset is classified as: (i) financial assets at amortised cost (“amortised costs”); (ii) financial assets at fair value through other comprehensive income (“FVOCI”); or (iii) FVTPL (as defined in above). The classification of financial assets under HKFRS 9 is generally based on two criteria: (i) the business model under which the financial asset is managed and (ii) its contractual cash flow characteristics (the “solely payments of principal and interest” criterion, also known as “SPPI criterion”). Under HKFRS 9, embedded derivatives are no longer required to be separated from a host financial asset. Instead, the hybrid financial instrument is assessed as a whole for the classification.

A financial asset is measured at amortised cost if it meets both of the following conditions are met and it has not been designated as at FVTPL:

- It is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that meet the SPPI criterion.

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

### (i) 本集團採納之新訂及經修訂香港財務報告準則(續)

#### 香港財務報告準則第9號金融工具(續)

##### (i) 金融工具之分類及計量(續)

根據香港財務報告準則第9號，除若干貿易應收款項(貿易應收款項不包括根據香港財務報告準則第15號的重大融資部分)外，實體於初次確認時須按公平值加交易成本(倘為並非按公平值計入損益的金融資產)計量金融資產。金融資產分類為：(i)按攤銷成本(「攤銷成本」)計量的金融資產；(ii)按公平值計入其他全面收益的金融資產；或(iii)按公平值計入損益(定義見上文)。根據香港財務報告準則第9號，金融資產的分類一般基於兩個準則：(i)受管理金融資產的業務模式及(ii)其合約現金流量特徵(「僅支付本金及利息」標準，亦稱為「僅支付本金及利息標準」)。根據香港財務報告準則第9號，嵌入式衍生工具毋須與主體金融資產分開列示。取而代之，混合式金融工具須整體評估分類。

金融資產滿足下列條件且並未指定為按公平值計入損益，則按攤銷成本計量：

- 其乃於目的為持有金融資產以收取合約現金流量之業務模式中持有；及
- 金融資產的合約條款於特定日期產生符合僅支付本金及利息標準的現金流量。

## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

### (i) New and revised HKFRSs adopted by the Group

(Continued)

#### HKFRS 9 Financial Instruments (Continued)

##### (i) Classification and measurement of financial instruments (Continued)

A debt investment is measured at FVOCI if it meets both of the following conditions and it has not been designated as at FVTPL:

- It is held within a business model whose objective is to be achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that meet the SPPI criterion.

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. All other financial assets not classified at amortised cost or FVOCI as described above are classified as FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

## 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

### (i) 本集團採納之新訂及經修訂香港財務報告準則（續）

#### 香港財務報告準則第9號金融工具（續）

##### (i) 金融工具之分類及計量（續）

倘債務投資符合下列條件且並未指定為按公平值計入損益，則債務投資按公平值計入其他全面收益計量：

- 其乃於目的為同時收取合約現金流量及出售金融資產之業務模式中持有；及
- 金融資產的合約條款於特定日期產生符合僅支付本金及利息標準的現金流量。

於初次確認並非持作買賣用途的股本投資時，本集團可不可撤回地選擇於其他全面收益中呈列投資公平值的後續變動。該選擇乃按投資逐項作出。所有其他上述並非分類為攤銷成本計量或按公平值計入其他全面收益的金融資產，均分類為按公平值計入損益。此包括所有衍生金融資產。於初次確認時，本集團可不可撤回地指定金融資產（於其他方面符合按攤銷成本計量或按公平值計入其他全面收益的規定）為按公平值計入損益，前提是有關指定可消除或大幅減少會計錯配發生。

## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

### (i) New and revised HKFRSs adopted by the Group

(Continued)

#### HKFRS 9 Financial Instruments (Continued)

##### (i) Classification and measurement of financial instruments

(Continued)

The following accounting policies would be applied to the Group’s financial assets as follows:

FVTPL

按公平值計入損益

Amortised cost

攤銷成本

FVOCI (debt instruments)

按公平值計入其他全面收益  
(債務工具)

FVTPL is subsequently measured at fair value. Changes in fair value, dividends and interest income are recognised in profit or loss.

按公平值計入損益其後按公平值計量。公平值、股息及利息收入的變動均於損益確認。

Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss. 按攤銷成本計量的金融資產其後採用實際利率法計量。利息收入、匯兌收益及虧損以及減值於損益確認。終止確認的任何收益於損益確認。

Debt investments at fair value through other comprehensive income are subsequently measured at fair value. Interest income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

按公平值計入其他全面收益的債務投資其後按公平值計量。按實際利率法計算的利息收入、外匯損益及減值於損益中確認。其他收益及虧損淨額於其他全面收益確認。終止確認時，其他全面收益中累計的收益和虧損將重新分類至損益。

## 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

### (i) 本集團採納之新訂及經修訂香港財務報告準則（續）

#### 香港財務報告準則第9號金融工具（續）

##### (i) 金融工具之分類及計量（續）

以下會計政策將適用於本集團的金融資產如下：

## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

### (i) New and revised HKFRSs adopted by the Group

(Continued)

#### HKFRS 9 Financial Instruments (Continued)

##### (i) Classification and measurement of financial instruments (Continued)

The following table summarises the original measurement categories under HKAS 39 and the new measurement categories under HKFRS 9 for each class of the Group’s financial assets as at 1 April 2018:

Financial assets	Original classification under HKAS 39	New classification under HKFRS 9	Carrying amount as at 1 April 2018 under HKAS 39 根據香港會計準則第39號於二零一八年四月一日的賬面值 HK\$'000 千港元	Remeasurement	Carrying amount as at 1 April 2018 under HKFRS 9 根據香港財務報告準則第9號於二零一八年四月一日的賬面值 HK\$'000 千港元
金融資產	香港會計準則第39號項下初始分類	香港財務報告準則第9號項下的新分類		重新計量 HK\$'000 千港元	
Investment in convertible bonds	Debt component: amortised cost Derivative component: FVTPL (note (i) above)	As a whole: FVTPL	166,447	1,980	168,427
可換股債券投資	債務部份：攤銷成本 衍生部份：按公平值計入損益（上述附註(i)）	整體：按公平值計入損益			
Trade and other receivables	Loans and receivables	Amortised cost	25,809	(466)	25,343
貿易及其他應收款項	貸款及應收款項	攤銷成本			

## 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

### (i) 本集團採納之新訂及經修訂香港財務報告準則（續）

#### 香港財務報告準則第9號金融工具（續）

##### (i) 金融工具之分類及計量（續）

下表概述於二零一八年四月一日本集團各類金融資產根據香港會計準則第39號的原始計量類別及香港財務報告準則第9號的新計量類別：

## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

### (i) New and revised HKFRSs adopted by the Group

(Continued)

#### HKFRS 9 Financial Instruments (Continued)

##### (ii) Impairment of financial assets

The adoption of HKFRS 9 has changed the Group's impairment model by replacing the HKAS 39 “incurred loss model” to the “expected credit losses (“ECLs”) model”. HKFRS 9 requires the Group to recognise ECL for trade receivables, financial assets at amortised costs, earlier than HKAS 39. Cash and cash equivalents are subject to ECL model but the impairment is immaterial for the current period.

Under HKFRS 9, the losses allowances are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

##### Measurement of ECLs

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group has elected to measure loss allowances for trade receivables and contract assets using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

## 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

### (i) 本集團採納之新訂及經修訂香港財務報告準則（續）

#### 香港財務報告準則第9號金融工具（續）

##### (ii) 金融資產減值

採納香港財務報告準則第9號更改本集團的減值模式，將香港會計準則第39號「已產生虧損模式」取代為「預期信貸虧損（「預期信貸虧損」）模式」。香港財務報告準則第9號早於香港會計準則第39號規定本集團就貿易應收款項及按攤銷成本計量的金融資產確認預期信貸虧損。現金及現金等價物受限於預期信貸虧損模式，惟於本期間減值並不重大。

根據香港財務報告準則第9號，虧損撥備按以下其中一項基準計量：(1) 12個月的預期信貸虧損：其為於報告日期後12個月內發生的潛在違約事件導致的預期信貸虧損；及(2) 全期預期信貸虧損：其為於金融工具預計年期內所有可能的違約事件將產生的預期信貸虧損。

##### 預期信貸虧損之計量

預期信貸虧損以按合約到期的合約現金流及本集團預期收到的全部現金流之差額為基準。其後差異按資產原實際利率的相若金額貼現。

本集團已選用香港財務報告準則第9號簡化法將貿易應收款項及合約資產的虧損撥備進行計量，並已根據全期預期信貸虧損計算預期信貸虧損。本集團已根據本集團的過往信貸虧損經驗建立撥備矩陣，並已就債務人及經濟環境的特定前瞻性因素作出調整。

## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

### (i) New and revised HKFRSs adopted by the Group

(Continued)

#### HKFRS 9 Financial Instruments (Continued)

##### (ii) Impairment of financial assets (Continued)

For other debt financial assets, the ECLs are based on the 12-months ECLs. The 12-months ECLs is the portion of the lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment and including forward-looking information. The Group’s debt investment at FVOCI are considered to have low credit risk since the issuers’ credit rating are high.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due.

The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

## 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

### (i) 本集團採納之新訂及經修訂香港財務報告準則（續）

#### 香港財務報告準則第9號金融工具（續）

##### (ii) 金融資產減值（續）

就其他債務金融資產而言，預期信貸虧損乃基於12個月的預期信貸虧損。12個月預期信貸虧損為全期預期信貸虧損的一部分，乃由於金融工具於報告日期後12個月內可能發生的違約事件所致。然而，倘信貸風險自產生後顯著增加，則根據全期預期信貸虧損計提撥備。當釐定金融資產的信貸風險自初始確認後是否大幅增加及估計預期信貸虧損時，本集團考慮相關及可獲得的合理及有依據的資料，而不會產生不適當的成本或努力。當中包括定量及定性資料以及分析，均基於本集團的過往經驗及知情信貸評估，並包括前瞻性資料。本集團按公平值計入其他全面收益的其他債務投資被認為信貸風險較低，原因是發行人的信貸評級較高。

本集團假設一項金融資產的信貸風險於逾期30天以上時已大幅增加。

當(1)在本集團並無進行追溯(例如變現抵押(如持有))的情況下借款人不大可能向本集團悉數支付其信貸責任；或(2)金融資產逾期90天以上，本集團認為該金融資產構成違約。

估計預期信貸虧損時考慮的最大期間為本集團面臨信貸風險的最大合約期間。

## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

### (i) New and revised HKFRSs adopted by the Group

(Continued)

#### HKFRS 9 Financial Instruments (Continued)

#### (ii) Impairment of financial assets (continued)

##### Presentation of ECLs

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt investment at FVOCI, the loss allowance is recognised in OCI, instead of reducing the carrying amount of the assets.

##### Impact of the ECL model

#### (i) Impairment of trade receivables

As mentioned above, the Group applies the HKFRS 9 simplified approach to measure ECLs which recognises lifetime ECLs for all trade receivables and contract assets. To measure the ECLs, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets have substantially the same risk as the trade receivables. The loss allowance as at 1 April 2018 was determined as follows for trade receivables as follows:

1 April 2018	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
二零一八年四月一日	即期	逾期30日以上	逾期60日以上	逾期90日以上	總計
Expected credit loss rate (%) 預期信貸虧損率 (%)	N/A 不適用	N/A 不適用	N/A 不適用	5%	N/A 不適用
Gross carrying amount (HK\$'000) 賬面總值(千港元)	1,232	1,008	809	6,634	9,683
Loss allowance (HK\$'000) 虧損撥備(千港元)	—	—	—	466	466

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

### (i) 本集團採納之新訂及經修訂香港財務報告準則

#### 香港財務報告準則第9號金融工具(續)

#### (ii) 金融資產減值(續)

##### 預期信貸虧損的呈列

按攤銷成本計量的金融資產的虧損撥備從資產的賬面總值中扣除。就按公平值計入其他全面收益的債務投資而言，虧損撥備於其他全面收益確認，而非減少資產賬面值。

##### 預期信貸虧損模式的影響

#### (i) 貿易應收款項減值

誠如上文所述，本集團應用香港財務報告準則第9號簡化方法計量預期信貸虧損，其就所有貿易應收款項及合約資產確認全期預期信貸虧損。為計量預期信貸虧損，貿易應收款項及合約資產已根據共同信貸風險特性及逾期日數分組。合約資產之風險與貿易應收款項大致相同。貿易應收款項於二零一八年四月一日的虧損撥備按以下方法釐定：

## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

### (i) New and revised HKFRSs adopted by the Group

(Continued)

#### HKFRS 9 Financial Instruments (Continued)

##### (ii) Impairment of financial assets (continued)

Impact of the ECL model (continued)

##### (l) Impairment of trade receivables (continued)

The increase in loss allowance for trade receivables upon the transition to HKFRS 9 as of 1 April 2018 were approximately HK\$466,000. The loss allowances further increased for approximately HK\$165,000 for trade receivables during the year ended 31 March 2019.

##### (iii) Hedge accounting

Hedge accounting under HKFRS 9 has no impact on the Group as the Group does not apply hedge accounting in its hedging relationships.

##### (iv) Transition

The Group has applied the transitional provision in HKFRS 9 such that HKFRS 9 was generally adopted without restating comparative information. The reclassifications and the adjustments arising from the new ECLs rules are therefore not reflected in the statement of financial position as at 31 March 2018, but are recognised in the statement of financial position on 1 April 2018. This means that differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of HKFRS 9 are recognised in retained earnings and reserves as at 1 April 2018. Accordingly, the information presented for 2018 does not reflect the requirements of HKFRS 9 but rather those of HKAS 39.

## 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

### (i) 本集團採納之新訂及經修訂香港財務報告準則（續）

#### 香港財務報告準則第9號金融工具（續）

##### (ii) 金融資產減值（續）

預期信貸虧損模式的影響（續）

##### (l) 貿易應收款項減值（續）

於二零一八年四月一日過渡至香港財務報告準則第9號後，貿易應收款項虧損撥備增加為約466,000港元。截至二零一九年三月三十一日止年度貿易應收款項虧損撥備進一步增加約165,000港元。

##### (iii) 對沖會計

根據香港財務報告準則第9號之對沖會計處理對本集團並無影響，此乃由於本集團並未在對沖關係中應用對沖會計處理。

##### (iv) 過渡安排

本集團已應用香港財務報告準則第9號之過渡性條文，以使香港財務報告準則第9號全面獲採納而毋須重列可資比較資料。因此，新預期信貸虧損規則產生之重新分類及調整並無於二零一八年三月三十一日之財務狀況表中反映，惟於二零一八年四月一日之綜合財務狀況表中確認。其指於二零一八年四月一日採納香港財務報告準則第9號確認保留盈利及儲備產生之金融資產與金融負債之賬面值差異。因此，二零一八年呈列之資料並不反映香港財務報告準則第9號之規定，惟反映香港會計準則第39號之規定。



## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

### (i) New and revised HKFRSs adopted by the Group

(Continued)

#### HKFRS 9 Financial Instruments (Continued)

##### (iv) Transition (Continued)

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application (the “DIA”) of HKFRS 9:

- The determination of the business model within which a financial asset is held;
- The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL; and

If an investment in a debt investment had low credit risk at the DIA, then the Group has assumed that the credit risk on the asset had not increased significantly since its initial recognition.

#### HKFRS 15 Revenue from Contracts with Customers (“HKFRS 15”)

HKFRS 15 supersedes HKAS 11 Construction Contracts, HKAS 18 Revenue and related interpretations. HKFRS 15 has established a five-steps model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at the amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group has adopted HKFRS 15 using the cumulative effect method without practical expedients. The Group has recognised the cumulative effect of initially applying HKFRS 15 as an adjustment to the opening balance of retained earnings at the date of initial application (that is, 1 April 2018). As a result, the financial information presented for 2018 has not been restated.

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

### (i) 本集團採納之新訂及經修訂香港財務報告準則(續)

#### 香港財務報告準則第9號金融工具(續)

##### (iv) 過渡安排(續)

以下評估乃根據香港財務報告準則第9號初次應用日期(「初次應用日期」)存在之事實及情況而作出：

- 釐定持有之金融資產之業務模式；
- 指定及撤銷原來指定之若干金融資產及金融負債分類為按公平值於損益賬處理；及

倘於債務投資之投資在初次應用日期具有較低之信貸風險，則本集團假設該資產之信貸風險自其初始確認起並無顯著增加。

#### 香港財務報告準則第15號來自與客戶合約的收益(「香港財務報告準則第15號」)

香港財務報告準則第15號取代香港會計準則第11號建築合約、香港會計準則第18號收益及相關詮釋。香港財務報告準則第15號確立一個五步模式，將來自與客戶合約的收益入賬。根據香港財務報告準則第15號，收益按能反映實體預期就向客戶轉讓貨物或服務而有權在交換中獲取的代價金額進行確認。

本集團已採用累計影響法採納香港財務報告準則第15號(無可行權宜方法)。本集團已將初次應用香港財務報告準則第15號之累計影響確認為於初次應用日期(即二零一八年四月一日)對保留盈利期初結餘之調整。因此，就二零一八年呈列之財務資料並未重新呈列。

## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

### (ii) New and revised HKFRSs that have been issued but not yet effective

The Group has not early adopted the following new and revised HKFRSs, that have been issued but are not yet effective, and are potentially relevant to the Group’s operations in these financial statements.

HKFRS 16  
香港財務報告準則第16號  
HKFRS 17  
香港財務報告準則第17號  
HK(IFRIC)-Int 23  
香港（國際財務報告詮釋委員會）  
— 詮釋第23號  
Amendments to HKFRS 3  
香港財務報告準則第3號（修訂本）  
Amendments to HKFRS 9  
香港財務報告準則第9號（修訂本）  
Amendments to HKFRS 10 and  
HKAS 28  
香港財務報告準則第10號及  
香港會計準則第28號（修訂本）  
Amendments to HKAS 1 and  
HKAS 8  
香港會計準則第1號及香港會計  
準則第8號（修訂本）  
Amendments to HKAS 19  
香港會計準則第19號（修訂本）  
Amendments to HKAS 28  
香港會計準則第28號（修訂本）  
Amendments to HKFRSs  
香港財務報告準則（修訂本）

Leases<sup>1</sup>  
租賃<sup>1</sup>  
Insurance Contracts<sup>3</sup>  
保險合約<sup>3</sup>  
Uncertainty over Income Tax Treatments<sup>1</sup>  
所得稅處理之不確定性<sup>1</sup>  
Definition of a Business<sup>4</sup>  
業務之定義<sup>4</sup>  
Prepayment Features with Negative Compensation<sup>1</sup>  
負值補償之預付特點<sup>1</sup>  
Sale or Contribution of Assets between an Investor and its  
Associate or Joint Venture<sup>2</sup>  
投資者與其聯營公司或合營企業之間的資產出售或出資<sup>2</sup>  
Definition of Materials<sup>5</sup>  
重大之定義<sup>5</sup>  
Plan Amendment, Curtailment or Settlement<sup>1</sup>  
計劃修正、縮減或清償<sup>1</sup>  
Long-term Interests in Associates and Joint Ventures<sup>1</sup>  
於聯營公司及合營企業之長期權益<sup>1</sup>  
Annual Improvements to HKFRSs 2015–2017 Cycle<sup>1</sup>  
香港財務報告準則二零一五年至二零一七年週期年度改進<sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2019.

<sup>2</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2021.

<sup>4</sup> Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2020.

## 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

### (ii) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團並未於該等財務報表中提早採納以下已頒佈但尚未生效之與本集團經營可能相關之新訂及經修訂香港財務報告準則。

<sup>1</sup> 於二零一九年一月一日或之後開始的年度期間生效。

<sup>2</sup> 於將釐定的日期或之後開始的年度期間生效。

<sup>3</sup> 於二零二一年一月一日或之後開始的年度期間生效。

<sup>4</sup> 對收購日期為二零二零年一月一日或之後開始之首個期間之業務合併及資產收購生效。

<sup>5</sup> 於二零二零年一月一日或之後開始的年度期間生效。

## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

### (ii) New and revised HKFRSs that have been issued but not yet effective (Continued)

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

#### HKFRS 16 Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 Leases and the related interpretations when it becomes effective.

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

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

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

### (ii) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則(續)

除下文所述之新訂及經修訂香港財務報告準則外，本公司董事預期應用所有其他香港財務報告準則新訂及修訂本於可見將來將不會對綜合財務報表造成重大影響。

#### 香港財務報告準則第16號租賃

香港財務報告準則第16號為識別出租人及承租人的租賃安排及會計處理引入一個綜合模式。當香港財務報告準則第16號生效時，將取代香港會計準則第17號租賃及相關的詮釋。

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

除短期租賃及低價值資產租賃外，經營租賃與融資租賃的差異自承租人會計處理中撤銷，並由承租人須就所有租賃確認使用權資產及相應負債的模式替代。

## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

### (ii) New and revised HKFRSs that have been issued but not yet effective (Continued)

#### HKFRS 16 Leases (Continued)

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

Under HKAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement and prepaid lease payments for leasehold lands where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

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

## 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

### (ii) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）

#### 香港財務報告準則第16號租賃（續）

使用權資產初步按成本計量，其後按成本（若干例外情況除外）減累計折舊及減值虧損計量，並就租賃負債任何重新計量作出調整。租賃負債初步按並非於該日支付之租賃付款現值計量。其後，租賃負債會就（其中包括）利息及租賃付款以及租賃修訂的影響作出調整。就現金流量分類而言，本集團現時將前期預付租賃款項呈列為與自用租賃土地及分類為投資物業的租賃土地有關的投資現金流量，而其他經營租賃付款則呈列為經營現金流量。於應用香港財務報告準則第16號之後，本集團會將有關租賃負債之租賃付款分配為本金及利息部分，並按融資／經營現金流量呈列（如適用）。

根據香港會計準則第17號，本集團作為承租人已就融資租賃安排確認資產及相關融資租賃負債以及就租賃土地確認預付租賃付款。應用香港財務報告準則第16號會導致該等資產分類的潛在變動，惟視乎本集團是否單獨或於擁有資產時將呈列之相應有關資產的同一項目內呈列使用權資產而定。

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

## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

### (ii) New and revised HKFRSs that have been issued but not yet effective (Continued)

#### HKFRS 16 Leases (Continued)

As at 31 March 2019, the Group has non-cancellable operating lease commitments of HK\$1,252,000 as disclosed in note 31. In addition, the Group currently considers refundable rental deposits paid of HK\$2,091,000 and refundable rental deposits received of HK\$2,091,000 as rights and obligations under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost. Adjustments to refundable rental deposits paid would be considered as additional lease payments and included in the carrying amount of right-of-use assets.

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Group intends to elect the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease and not apply this standard to contracts that were not previously identified as containing a lease applying HKAS 17 and HK(IFRIC)-Int 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Group intends to elect the modified retrospective approach for the application of HKFRS 16 as lessee and will recognise the cumulative effect of initial application to opening retained profits without restating comparative information.

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

### (ii) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則(續)

#### 香港財務報告準則第16號租賃(續)

於二零一九年三月三十一日，本集團擁有不可撤銷經營租賃承擔1,252,000港元(於附註31披露)。此外，本集團目前將已支付的可退還租賃按金2,091,000港元及已收之可退回租賃按金2,091,000港元視為香港會計準則第17號適用的租賃下的權利及義務。根據香港財務報告準則第16號下租賃付款的定義，有關按金並非與相關資產使用權有關的款項，因此，該等按金的賬面值可能會調整為攤銷成本。對已支付的可退還租賃按金作出的調整將被視為額外租賃付款並計入使用權資產的賬面值中。

應用新規定可能導致計量、呈列及披露會出現如上所述的變動。本集團擬選擇可行權宜方法，就先前應用香港會計準則第17號及香港(國際財務報告詮釋委員會)－詮釋第4號釐定安排是否包括租賃識別為租賃的合約應用香港財務報告準則第16號，而並無對先前應用香港會計準則第17號及香港(國際財務報告詮釋委員會)－詮釋第4號並未識別為包括租賃的合約應用該準則。因此，本集團將不會重新評估合約是否為或包括於首次應用日期前已存在的租賃。此外，本集團(作為承租人)擬選擇經修訂追溯法應用香港財務報告準則第16號，並將確認首次應用對期初保留溢利的累計影響，而不會重列比較資料。

### 3. BASIS OF PREPARATION

#### (a) Statement of compliance

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), accounting principle generally accepted in Hong Kong and the applicable disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rule Governing the Listing of Securities on the Stock Exchange (“Listing Rule”).

In preparing these consolidated financial statements, the Directors have considered the future liquidity of the Group. As at 31 March 2019, the Group incurred loss of the year of approximately HK\$260,911,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group’s ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding the aforesaid conditions, these consolidated financial statements have been prepared on a going concern basis on the assumption that the Group will be able to operate as a going concern for the foreseeable future. In the opinion of the Directors, the Group can meet its financial obligations as and when they fall due within the next year from the date of the consolidated financial statements, after taking into consideration of the following measures and arrangements made subsequent to the reporting date:

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

### 3. 編製基準

#### (a) 合規聲明

該等綜合財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈之所有適用香港財務報告準則(「香港財務報告準則」,包括所有適用之個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)、香港公認會計原則及香港公司條例之適用披露規定編製。該等綜合財務報表亦遵守聯交所證券上市規則(「上市規則」)之適用披露條文。

於編製綜合財務報表時,董事已考慮本集團的未來流動資金狀況。於二零一九年三月三十一日,本集團產生年度虧損約260,911,000港元。該等狀況顯示存在重大不確定性,或會令人對本集團的持續經營能力產生重大疑問,因此,本集團可能無法在日常業務過程中變現其資產及償還其負債。

儘管出現上述狀況,該等綜合財務報表乃按持續經營基準編製,並假設本集團能於可見未來持續經營。董事經考慮下列於報告日之後作出的措施及安排之後,認為本集團可應付由綜合財務報表日期起計下一年度內到期的財務責任。有關措施及安排如下:

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

### 3. BASIS OF PREPARATION (Continued)

#### (a) Statement of compliance (Continued)

- (ii) The Company obtain the financial support of substantial shareholder and confirm that agreed to provide the Company with sufficient financial support to enable the Company to meet its obligations to third parties as and when they fall due and to continue as a going concern.
- (iii) The Group is taking measures to tighten cost controls over various costs and expenses and to seek new investment and business opportunities with an aim to attain profitable and positive cash flow operations.

On the basis of the foregoing, and after assessing the Group's current and forecasted cash positions, the Directors are satisfied that the Group will be able to meet in full the Group's financial obligations as they fall due for the period of twelve months from the date of consolidated financial statements. Accordingly, the consolidated financial statements of the Group have been prepared on the going concern basis.

#### (b) Basis of measurement

The financial statements have been prepared under the historical cost basis except for certain properties and financial instruments, which are measured at fair values as explained in the accounting policies in note 4 set out below.

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

#### (c) Functional and presentation currency

The functional currency of the Company is Hong Kong dollar ("HK\$"), which is the same as the presentation currency of the consolidated financial statements.

### 3. 編製基準 (續)

#### (a) 合規聲明 (續)

- (ii) 本公司獲得主要股東之財政支持，確認同意向本公司提供充裕財政支持，使本公司得以向第三方應付到期責任，並繼續按持續經營基準經營。
- (iii) 本集團現正採取各種措施，加強對多項成本和開支項目之成本控制，並尋求新投資和業務機遇，旨在達致能賺取利潤和正現金流之營運。

基於上文所述及經評估本集團的目前及預計現金狀況後，董事信納本集團將可繼續於其財務責任於綜合財務報表日期起計十二個月期間到期時履行有關責任。據此，本集團的綜合財務報表已按持續基準編製。

#### (b) 計量基準

誠如下文附註4會計政策所述，除若干物業及金融工具按公平值計量外，財務報表乃根據歷史成本法編製。

編製此等綜合財務報表所應用之重大會計政策載列如下。除非另有說明，否則此等政策已於所有呈報年度一致應用。

編製符合香港財務報告準則之綜合財務報表須運用若干重要會計估計，亦需要管理層在採用本集團會計政策之過程中作出判斷。綜合財務報表中涉及高度判斷或比較複雜，或有重要假設及估計之範疇將於附註5披露。

#### (c) 功能及呈列貨幣

本公司之功能貨幣為港元（「港元」），與綜合財務報表之呈列貨幣相同。

#### 4. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### (a) 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.

##### (b) Subsidiaries

Subsidiaries are all entities (including a structured entity) over which the Group is able to exercise control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

#### 4. 重大會計政策

編製此等綜合財務報表所應用之重大會計政策載列如下。除非另有說明，否則此等政策已於所有呈報年度一致應用。

##### (a) 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。集團公司間交易及集團公司間之結餘連同未變現溢利於編製綜合財務報表時悉數對銷。除非交易提供被轉讓資產已減值之證據，否則未變現之虧損亦會對銷，於此情況下虧損於損益內確認。

##### (b) 附屬公司

附屬公司指本集團可行使控制權之所有實體(包括結構實體)。當本集團承受或享有參與實體所得之可變回報，且有能力透過其對實體之權力影響該等回報時，則本集團控制該實體。附屬公司自控制權轉移至本集團之日起開始綜合入賬。附屬公司自控制權終止之日起終止綜合入賬。

本集團採用收購會計法為業務合併列賬。收購附屬公司之轉讓代價為所轉讓資產、所產生負債及本集團所發行股本權益之公平值。轉讓代價包括或然代價安排產生之任何資產或負債之公平值。收購相關成本於產生時列為開支。在業務合併中所收購之可識別資產以及所承擔之負債及或然負債，初步按其於收購當日之公平值計量。本集團按公平值或非控股權益應佔被收購方資產淨值之比例逐項收購確認被收購方之非控股權益。



## 4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

### (b) Subsidiaries (Continued)

Acquisition-related costs are expensed as incurred unless they are incurred on issuing equity instruments, in which case the costs are deducted from equity.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances, and unrealised gains or losses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's statement of financial position disclosed in the note 35 to these consolidated financial statements, the investments in subsidiaries are stated at cost less provision for impairment losses. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

## 4. 重大會計政策 (續)

### (b) 附屬公司 (續)

收購相關成本於產生時支銷，惟其於發行股本工具時產生，於此情況下，相關成本乃從股本中扣除。

倘業務合併為分階段實現，收購人先前持有的被收購人的股本權益於收購日的公平值，應按收購日的公平值重新計算，並計入損益。

本集團所轉讓的任何或有對價將在購買當日按公平值確認。被視為一項資產或負債的或有對價公平值後續變動，將按照香港會計準則第39號的規定，確認為損益或其他全面收益變動。分類為權益的或有對價毋須重新計量，而其後結算於權益入賬。

集團內公司間之交易、結餘及集團內公司間交易之未變現收益或虧損將予以抵銷。於資產確認之集團內公司間之交易所產生之盈虧亦將予以抵銷。附屬公司之會計政策已於必要時作出變更，以確保與本集團所採納之政策一致。

在該等綜合財務報表附註35所披露之本公司之財務狀況表內，於附屬公司之投資按成本扣除減值虧損撥備列賬。成本包括投資的直接歸屬成本。附屬公司之業績由本公司按已收及應收股息入賬。

就於附屬公司之投資而言，當自該等投資收取股息而其股息高於附屬公司宣派股息期間之全面收益總額，或倘獨立財務報表之投資之賬面值高於被投資公司於綜合財務報表之資產淨值(包括商譽)之賬面值時，則需進行減值測試。

#### 4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

##### (b) Subsidiaries (Continued)

*Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions — that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

*Disposal of subsidiaries*

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

##### (c) Associates

Associates are entities over which the Group has significant influence and that is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies. Investments in an associate are accounted for in the consolidated financial statements by the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's interests in associates include goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

#### 4. 重大會計政策 (續)

##### (b) 附屬公司 (續)

*控制權並無變動之附屬公司擁有權益變動*

如非控股權益的交易不會導致失去控制權，則作為權益交易入賬，即作為與擁有人以其作為擁有人之身份交易。任何已付代價之公平值與附屬公司資產淨值相關已收購部分之賬面值之差額已計入權益。向非控股權益出售的收益或虧損亦計入權益。

*出售附屬公司*

當本集團失去控制權或重大影響力時，於實體的任何保留權益按公平值重新計量，有關賬面值的變動則於損益確認。就其後入賬列作聯營公司、合營企業或金融資產的保留權益而言，其公平值為初始賬面值。此外，先前於其他全面收益確認與該實體有關之任何金額按猶如本集團已直接出售有關資產或負債的方式入賬。此可能意味先前於其他全面收益確認之金額重新分類至損益。

##### (c) 聯營公司

聯營公司乃指本集團對其有重大影響力的實體，而非附屬公司或共同安排。重大影響力指有權參與制訂投資對象之財務及營運決策，但並無控制或共同控制該等政策。於一間聯營公司之投資乃以權益會計法計入綜合財務報表。根據權益法，投資最初以成本確認，而賬面值則增加或減少以確認投資者於收購日期後於投資對象所佔之損益。本集團於聯營公司的權益包括收購時已識別的商譽。

倘於一間聯營公司之擁有人權益減少，但仍保留重大影響力，在適當情況下，只有以往在其他全面收益中確認的金額的比例份額被重新分類至損益。

## 4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

### (c) Associates (Continued)

The Group's share of an associate's post-acquisition profits or losses is recognised in the consolidated statement of profit or loss and other comprehensive income, and its share of the post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to "share of results of associates" in the consolidated statement of profit or loss and other comprehensive income.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gains and losses on dilution of equity interest in associates are recognised in the consolidated statement of profit or loss and other comprehensive income.

## 4. 重大會計政策 (續)

### (c) 聯營公司 (續)

本集團應佔一間聯營公司收購後的盈虧於綜合損益及其他全面收益表內確認，而應佔收購後其他全面收益的變動則於其他全面收益中確認，相對地調整投資之賬面值。如本集團應佔一間聯營公司之虧損等同或超過其在該聯營公司之權益，包括任何其他未抵押應收款項，除非本集團已代該聯營公司承擔法律上或推定的責任或作出付款，本集團不會確認進一步虧損。

本集團於每個報告日期釐定是否有客觀證據證明於聯營公司之投資已減值。如投資已減值，本集團計算減值的金額乃聯營公司可收回金額與其賬面值的差額，並於綜合損益及其他全面收益表內確認及列示於「分佔聯營公司業績」旁。

本集團與其聯營公司之間的上游和下游交易的溢利和虧損乃於本集團的財務報表確認，但僅限於無關連投資者於聯營公司權益的金額。除非交易提供證據顯示所轉讓之資產已減值，否則未實現虧損亦予以對銷。聯營公司的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。

於聯營公司的股權攤薄盈利和虧損於綜合損益及其他全面收益表確認。

#### 4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

##### (d) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that makes strategic decisions.

##### (e) Foreign currency translation

###### (i) Functional and presentation currency

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

###### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss and other comprehensive income.

Changes in the fair value of monetary securities denominated in foreign currency classified as financial assets at FVTOCI are analysed between translation differences resulting from changes in the amortised cost of the financial asset and other changes in the carrying amount of the financial asset. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity.

Translation differences on non-monetary financial assets and liabilities such as equity investments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gains or losses. Translation differences on non-monetary financial assets such as equities investments classified as financial asset at FVTOCI are included in other comprehensive income.

#### 4. 重大會計政策 (續)

##### (d) 分部報告

營運分部按照向首席營運決策者提供之內部報告貫徹一致之方式報告。負責分配資源及評估營運分部表現的首席營運決策者已被識別為作出戰略決策的董事會。

##### (e) 外幣換算

###### (i) 功能和呈列貨幣

本集團每個實體之綜合財務報表所列項目均以實體經營所在之主要經濟環境之貨幣（「功能貨幣」）計量。綜合財務報表以本公司之功能及本集團之呈列貨幣港元呈列。

###### (ii) 交易及結餘

外幣交易採用交易當日通行匯率換算為功能貨幣。結算此等交易產生之匯兌收益和虧損以及將外幣計值之貨幣資產和負債以年終匯率折算產生之匯兌收益和虧損於綜合損益及其他全面收益表確認。

以外幣計值且分類為按公平值計入其他全面收益的金融資產之外幣證券之公平值變動在金融資產已攤銷成本轉變產生之匯兌差額與金融資產賬面值之其他變動間進行分析。與攤銷成本變動相關之匯兌差額於損益確認，而賬面值之其他變動則於權益確認。

非貨幣金融資產及負債（如按公平值持有並透過損益記賬之權益）之匯兌差額，乃於損益確認為公平值損益之一部份。非貨幣金融資產（如分類為按公平值計入其他全面收益的金融資產之股權投資）之匯兌差額，乃於其他全面收益內列賬。

#### 4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

##### (e) Foreign currency translation (Continued) (iii) Group entities

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each reporting period presented are translated at the closing rate at the end of the reporting period;
- income and expenses for each consolidated statement of profit or loss and other comprehensive income presented are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate at the date of that transaction.

#### 4. 重大會計政策(續)

##### (e) 外幣換算(續) (iii) 集團實體

其功能貨幣與呈列貨幣不同之所有集團內之實體(當中並無惡性通脹經濟之貨幣)之業績和財務狀況按如下方法換算為呈列貨幣：

- 於各申報期間呈列之資產和負債按該報告期末之收市匯率換算；
- 於各綜合損益及其他全面收益表內呈列之收入和開支按平均匯率換算(除非此平均匯率並非交易當日通行匯率之累計影響之合理約數；在此情況下，收支項目按交易當日之匯率換算)；及
- 所有由此產生之匯兌差額確認為權益之單獨組成部分。

購買境外實體產生之商譽及公平值調整視為該境外實體之資產和負債，並按交易日期之收市匯率換算。

#### 4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

##### (f) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. 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 repairs and maintenance are charged in the consolidated statement of profit or loss and other comprehensive income during the period in which they are incurred.

Leasehold land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and any accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period.

Any revaluation increase arising from revaluation of leasehold land and buildings is recognised in other comprehensive income and accumulated in property revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on revaluation of an asset is recognised in profit or loss to the extent that it exceeds the balance, if any, on the property revaluation reserve relating to a previous revaluation of that asset. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus remaining in the property revaluation reserve is transferred directly to accumulated losses.

#### 4. 重大會計政策 (續)

##### (f) 物業、廠房及設備

物業、廠房及設備乃以歷史成本減累計折舊及減值虧損列賬。歷史成本包括收購該等項目直接產生之開支。僅在與項目相關之日後經濟收益有可能流入本集團及能可靠計算項目成本之情況下，其後成本方會計入資產賬面值或確認為獨立資產（如適用）。所有其他維修及保養於其產生期間在綜合損益及其他全面收益表扣除。

持作生產、供應貨物或服務或者行政用途的租賃土地及樓宇乃以重估金額列入綜合財務狀況表。重估金額即重估日期的公平值減任何其後累計折舊及任何累計減損。重估乃以足夠的規律性定期進行，以確保於報告期間結算日其賬面值與採用公平值釐定的面值不致出現重大差異。

重估租賃土地及樓宇產生的任何重估增值會於其他全面收益確認及累計至物業重估儲備，惟撥回同一資產先前已於損益確認之重估減值情況則除外。在此情況下，有關增值將計入損益內，惟以先前扣除之減值為限。重估資產產生之賬面值減少會於損益確認，惟以其超出該資產先前所作重估之物業重估儲備餘額（如有）為限。其後出售或報廢該經重估資產時，物業重估儲備中剩餘之應佔重估盈餘會直接轉撥至累計虧損。

## 4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

### (f) Property, plant and equipment (Continued)

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost or revalued amounts less their residual values over the estimated useful lives on a straight-line basis at the following rates per annum:

Leasehold land and buildings	The shorter of the lease terms and 30 years
Plant and machinery	3–10 years
Motor vehicles	3–8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within other income and gains in the consolidated statement of profit or loss and other comprehensive income.

### (g) Intangible assets

*Intangible assets acquired separately*

Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. Subsequently, intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible asset which represents an in-process research and development project ("In-process R&D") involving an oral insulin product (the "Product"). The In-process R&D is not amortised as it is not yet available for use.

## 4. 重大會計政策 (續)

### (f) 物業、廠房及設備 (續)

折舊乃就物業、廠房及設備之估計可使用年期，使用直線法按足以撇銷其成本或重新估值之金額減其殘餘價值之比率計算，主要折舊年率如下：

租賃土地及樓宇	租期及三十年 (以較短者為準)
廠房及機器	三至十年
汽車	三至八年

於各報告期末就資產的剩餘價值和可使用年期檢討，並作出適當的調整。

倘資產的賬面值高於其估計可收回金額，則即時將資產的賬面值撇減至其可收回金額。

出售收益及虧損乃按所得款項與賬面值的差額釐定，並於綜合損益及其他全面收益表內其他收入及收益確認。

### (g) 無形資產

*個別收購的無形資產*

單獨收購之無形資產初步按成本確認。於業務合併中所收購的無形資產的成本乃按收購日期的公平值確認。其後，個別收購且具有限可使用年期的無形資產乃按成本減累計攤銷及任何累計減值虧損列賬。

具有限可使用年期的無形資產之攤銷乃按直線法於其估計可使用年期內確認。估計可使用年期及攤銷方法於各報告期末檢討，而估計之任何變動影響按預期基準入賬。

無形資產指涉及口服胰島素產品(「產品」)的正在進行之研發項目(「研發過程」)。由於尚未可供使用，研發過程不會予以攤銷。

## 4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

### (g) Intangible assets (Continued)

*Internally generated intangible assets (research and development costs)*

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 and included in cost of sales.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in profit or loss as incurred.

#### *Impairment*

Intangible assets with finite lives are tested for impairment when there is an indication that an asset may be impaired. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that they may be impaired. Intangible assets are tested for impairment by comparing their carrying amounts with their recoverable amounts (see note 4(i)).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is recognised as an expense immediately.

## 4. 重大會計政策 (續)

### (g) 無形資產 (續)

*內部產生的無形資產(研發成本)*

內部開發產品的開支於以下情況下可予資本化：

- 為銷售而開發該產品於技術上可行；
- 有充足資源完成開發；
- 有意完成及銷售該產品；
- 本集團有能力銷售該產品；
- 銷售該產品將產生未來經濟效益；及有關項目之開支能可靠估計。

撥充資本的開發成本乃於本集團預期從銷售所開發的產品中受益的期間攤銷。攤銷開支於損益內確認，並計入銷售成本。

未符合上述標準的開發開支以及內部項目研發階段的開支乃於產生時在損益內確認。

#### *減值*

擁有有限年期的無形資產在有跡象顯示資產可能出現減值時進行減值測試。具有無限使用年期的無形資產及尚未可供使用的無形資產須每年進行減值測試，無論是否有跡象顯示該等資產可能出現減值。無形資產乃按對比其賬面值與可收回金額之方式進行減值測試(見附註4(i))。

倘估計資產的可收回金額低於其賬面值，則資產的賬面值須減至其可收回金額。

減值虧損乃即時按開支確認。



## 4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

### (h) Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 since 1 April 2018. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than those financial assets at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points received or paid that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

### (i) Financial assets

*Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2)*

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## 4. 重大會計政策 (續)

### (h) 金融工具

當集團實體成為工具合約條文之訂約方時，則確認金融資產及金融負債。

金融資產及金融負債初步按公平值計量，惟於二零一八年四月一日因應香港財務報告準則第15號初步計量與客戶合約產生之貿易應收款項除外。而直接歸屬於購置或發行金融資產及金融負債之交易成本(按公平值計入損益(「按公平值計入損益」)之金融資產除外)乃於初始確認時加入或扣除自金融資產或金融負債(如適用)之公平值。直接歸屬於收購按公平值計入損益之金融資產之交易成本即時於損益確認。

實際利率法乃計算金融資產或金融負債之攤銷成本及於相關期內分配利息支出之方法。實際利率是按金融負債或金融負債之預計年期或較短期間內(如適用)實際折現估計未來現金收入或支出(包括所有構成實際利率一部分的已付或已收費用及點數、交易成本及其他溢價或折讓)至初始確認時之賬面淨值之利率。

### (i) 金融資產

*金融資產之分類及其後計量(根據附註2過渡條文應用香港財務報告準則第9號)*

滿足以下條件之金融資產其後按攤銷成本計量：

- 以收取合約現金流量為目的之業務模式持有金融資產；及
- 合約條款於指定日期產生之現金流量純粹為支付本金及未償還本金之利息。

#### 4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

##### (h) Financial instruments (Continued)

##### (i) Financial assets (Continued)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Continued)

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in OCI if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 Business Combinations applies.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

#### 4. 重大會計政策 (續)

##### (h) 金融工具 (續)

##### (i) 金融資產 (續)

金融資產之分類及其後計量(根據附註2過渡條文應用香港財務報告準則第9號)(續)

滿足以下條件之金融資產其後按公平值計入其他全面收益計量：

- 目標為通過收取合約現金流量及出售金融資產而實現之業務模式持有之金融資產；及
- 合約條款於指定日期產生之現金流量純粹為支付本金及尚未償還本金之利息。

所有其他金融資產其後按公平值計入損益計量，惟在初始應用／初始確認金融資產日期，倘股本不是投資持作買賣或於香港財務報告準則第3號業務合併下收購者於收購中產生之或然代價，則本集團可以不可撤回地選擇於其他全面收益呈列股本投資之其後公平值變動。

在下列情況下，金融資產則被分類為持作買賣：

- 購入主要為於不久將來出售；或
- 於初始確認時構成本集團合併管理之已識別金融工具之一部分，且具有近期實際短期獲利模式；或
- 其屬於未被指定且為有效對沖工具之衍生工具。

## 4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

### (h) Financial instruments (Continued)

#### (i) Financial assets (Continued)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Continued)

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

- (i) Amortised cost and interest income  
Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments/receivables subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.
- (ii) Financial assets at FVTPL  
Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the “fair value gain on financial assets at FVTPL” line item.

## 4. 重大會計政策 (續)

### (h) 金融工具 (續)

#### (i) 金融資產 (續)

金融資產之分類及其後計量(根據附註2過渡條文應用香港財務報告準則第9號)(續)

此外，倘有助於消除或顯著減少會計錯配，本集團可以不可撤回地將須按攤銷成本或按公平值計入其他全面收益計量的金融資產，指定為按公平值計入損益計量。

- (i) 攤銷成本及利息收入  
利息收入就其後按攤銷成本及債務工具計量的金融資產／其後按公平值計入其他全面收益計量之應收款項採用實際利率法確認。利息收入將實際利率應用於金融資產賬面總值計算，惟其後成為信貸減值的金融資產(見下文)除外。就其後成為信貸減值的金融資產而言，利息收入將實際利率應用於自下個報告期起計的金融資產攤銷成本確認。倘信貸減值金融工具的信貸風險有所改善，以致金融資產不再出現信貸減值，則利息收入在釐定資產不再出現信貸減值後，將實際利率應用於自報告期初起計的金融資產賬面總值確認。
- (ii) 按公平值計入損益的金融資產  
不符合按攤銷成本或按公平值計入損益或指定按公平值計入其他全面收益計量標準的金融資產均按公平值計入損益計量。按公平值計入損益的金融資產按各報告期末的公平值計量，其任何公平值收益或虧損於損益中確認。於損益確認之收益或虧損淨額包括該等金融資產所賺取的任何股息或利息，並計入「按公平值計入損益之金融資產之公平值收益」項目內。

#### 4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

**(h) Financial instruments** (Continued)

**(i) Financial assets** (Continued)

*Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Continued)*

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade and other receivables, and financial guarantee contracts). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12 months ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date.

Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

#### 4. 重大會計政策 (續)

**(h) 金融工具** (續)

**(i) 金融資產** (續)

*金融資產之分類及其後計量(根據附註2過渡條文應用香港財務報告準則第9號)* (續)

本集團就須根據香港財務報告準則第9號計提減值的金融資產(包括貿易及其他應收款項, 以及財務擔保合約)的預期信貸虧損確認虧損撥備。預期信貸虧損金額於各報告日期更新, 以反映自初始確認以來信貸風險的變動。

全期預期信貸虧損指於相關工具預期年期內發生的所有可能違約事件所導致的預期信貸虧損。相反, 12個月預期信貸虧損指預期於報告日期後12個月內可能發生的違約事件所導致的部分全期預期信貸虧損。

評估乃根據本集團過往信貸虧損經驗進行, 並根據債務人特定因素、整體經濟狀況以及於報告日期對當前狀況及未來狀況預測的評估而作出調整。

本集團一直就貿易應收款項確認全期預期信貸虧損。該等資產的預期信貸虧損乃就具有巨額結餘的債務人個別評估及/或使用具有適當分組的撥備矩陣進行共同評估。

就所有其他工具而言, 本集團計量的虧損撥備相等於12個月預期信貸虧損, 除非信貸風險自初始確認以來顯著增加, 則本集團確認全期預期信貸虧損。應否確認全期預期信貸虧損乃基於自初始確認以來發生違約的可能性或風險有否顯著增加而作出評估。

## 4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

### (h) Financial instruments (Continued)

#### (i) Financial assets (Continued)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Continued)

##### (i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

## 4. 重大會計政策 (續)

### (h) 金融工具 (續)

#### (i) 金融資產 (續)

金融資產之分類及其後計量(根據附註2過渡條文應用香港財務報告準則第9號)(續)

##### (i) 信貸風險顯著增加

於評估信貸風險自初始確認以來有否顯著增加時，本集團比較金融工具於報告日期出現違約的風險與該金融工具於初始確認日期出現違約的風險。作此評估時，本集團會考慮合理可靠的定量及定性資料，包括過往經驗及毋須花費不必要成本或工作即可獲得的前瞻性資料。

尤其是，評估信貸風險有否顯著增加時會考慮下列資料：

- 金融工具外部(如有)或內部信貸評級的實際或預期出現重大惡化；
- 信貸風險的外部市場指標出現重大惡化，例如信貸息差大幅增加，債務人的信貸違約掉期價格大幅上升；
- 業務、財務或經濟狀況的現有或預測不利變動，預期將導致債務人履行其債務責任的能力大幅下降；
- 債務人經營業績的實際或預期出現重大惡化；
- 債務人監管、經濟或技術環境的實際或預期重大不利變動，導致債務人履行其債務責任的能力大幅下降。

#### 4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

##### (h) Financial instruments (Continued)

##### (i) Financial assets (Continued)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Continued)

##### (i) Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

##### (ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group). Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

#### 4. 重大會計政策 (續)

##### (h) 金融工具 (續)

##### (i) 金融資產 (續)

金融資產之分類及其後計量 (根據附註2過渡條文應用香港財務報告準則第9號) (續)

##### (i) 信貸風險顯著增加 (續)

無論上述評估結果如何，本集團假設倘合約付款逾期超過30天，則信貸風險自初始確認以來已大幅增加，惟本集團擁有合理可靠資料顯示情況並非如此，則作別論。

本集團定期監察識別信貸風險有否顯著增加所用標準的效益，並於適用情況下修訂標準以確保標準能在款項逾期前識別信貸風險顯著增加。

##### (ii) 違約定義

就內部信貸風險管理而言，本集團認為，違約事件在內部制定或取自外界來源的資料顯示債務人不大可能悉數向其債權人(包括本集團)還款(未計及本集團所持任何抵押品)時發生。不論上述情況，本集團認為，違約於金融資產逾期超過90日時發生，除非本集團有合理且具理據資料顯示更加滯後的違約標準更為恰當。

## 4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

### (h) Financial instruments (Continued)

#### (i) Financial assets (Continued)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Continued)

##### (iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

## 4. 重大會計政策 (續)

### (h) 金融工具 (續)

#### (i) 金融資產 (續)

金融資產之分類及其後計量(根據附註2過渡條文應用香港財務報告準則第9號)(續)

##### (iii) 信貸減值金融資產

金融資產在一件或多件事件(對該金融資產估計未來現金流量構成不利影響)發生時出現信貸減值。金融資產出現信貸減值的證據包括有關以下事件的可觀察數據：

- (a) 發行人或借款人出現重大財務困難；
- (b) 違約，如拖欠或逾期事件；
- (c) 借款人的貸款人因有關借款人出現財務困難的經濟或合約理由而向借款人批出貸款人不會另行考慮的優惠；
- (d) 借款人很可能面臨破產或其他財務重組；或
- (e) 該金融資產的活躍市場因財務困難而消失。

#### 4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

##### (h) Financial instruments (Continued)

##### (i) Financial assets (Continued)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Continued)

##### (iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

##### (v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

#### 4. 重大會計政策 (續)

##### (h) 金融工具 (續)

##### (i) 金融資產 (續)

金融資產之分類及其後計量(根據附註2過渡條文應用香港財務報告準則第9號)(續)

##### (iv) 撇銷政策

當資料顯示對手方處於嚴重財務困難及無實際收回可能時(例如,對手方已清盤或進入破產程序),或就貿易應收款項而言,有關金額已逾期超過兩年(以較早發生者為準),本集團會撇銷金融資產。經考慮法律意見後(如適用),已撇銷金融資產可能仍須按本集團收回程序進行強制執行活動。撇銷構成終止確認事項。任何其後收回在損益確認。

##### (v) 預期信貸虧損的計量及確認

預期信貸虧損的計量依據為違約概率、違約損失率(即違約時的損失程度)及違約風險的函數。評估違約概率及違約損失率的依據為過往數據,並按前瞻性資料調整。估計預期信貸虧損反映無偏概率加權平均金額,以發生違約的風險為權重釐定。

一般而言,預期信貸虧損為根據合約應付本集團的所有合約現金流量與本集團預計收取的現金流量(按於初始確認時釐定的實際利率折現)之間的差額作出估計。



## 4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

### (h) Financial instruments (Continued)

#### (i) Financial assets (Continued)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Continued)

#### (v) Measurement and recognition of ECL (Continued)

For ECL on financial guarantee contracts or on loan commitments for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on past due analysis:

- Nature of financial instruments (i.e. the Group's trade and other receivables are each assessed as a separate group);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

## 4. 重大會計政策 (續)

### (h) 金融工具 (續)

#### (i) 金融資產 (續)

金融資產之分類及其後計量(根據附註2過渡條文應用香港財務報告準則第9號)(續)

#### (v) 預期信貸虧損的計量及確認(續)

就財務擔保合約或貸款承擔之預期信貸虧損而言，由於實際利率無法釐定，本集團將應用反映貨幣時間價值及現金流特有風險的目前市場評估的貼現率，惟僅在透過調整貼現率而非調整貼現現金差額的方式計及風險的情況下，方應用有關貼現率。

倘預期信貸虧損按集體基準計量或迎合個別工具層面證據未必存在的情況，則金融工具按過往逾期分析進行分組：

- 金融工具的性質(即本集團的貿易及其他應收款項分別作為單獨組別評估)；
- 逾期狀況；
- 債務人的性質、規模及行業；及
- 外部信貸評級(如有)。

管理層定期檢討分組，以確保各組別的組成部分繼續擁有類似的信貸風險特徵。

利息收入乃按財務資產之賬面總值計算，除非財務資產出現信貸減值，在此情況下，利息收入乃按財務資產之攤銷成本計算。

#### 4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

**(h) Financial instruments** (Continued)

**(i) Financial assets** (Continued)

*Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Continued)*

(v) Measurement and recognition of ECL (Continued)

Except for investments in debt instruments/receivables that are measured at FVTOCI, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account. For investments in debt instruments that are measured at FVTOCI, the loss allowance is recognised in OCI and accumulated in the FVTOCI reserve without reducing the carrying amount of these debt instruments/receivables.

*Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 April 2018)*

The Group classifies its financial assets at initial recognition, depending on the purpose for which the asset was acquired. Financial assets at fair value through profit or loss ("FVTPL") are initially measured at fair value and all other financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

#### 4. 重大會計政策 (續)

**(h) 金融工具 (續)**

**(i) 金融資產 (續)**

*金融資產之分類及其後計量 (根據附註2過渡條文應用香港財務報告準則第9號) (續)*

(v) 預期信貸虧損的計量及確認 (續)

除債務工具／應收款項投資按公平值計入其他全面收益計量外，本集團透過調整賬面值就所有金融工具於損益中確認減值收益或虧損，惟透過虧損撥備賬確認相應調整的貿易應收款項除外。就按公平值計入其他全面收益計量的債務工具投資外，虧損撥備於其他全面收益中確認並於按公平值計入其他全面收益儲備中累計而不會減少該等債務工具／應收款項的賬面值。

*金融資產分類及後續計量 (於二零一八年四月一日應用香港財務報告準則第9號之前)*

本集團於初步確認時歸類其金融資產，此乃視乎收購資產的目的而定。按公平值計入損益（「按公平值計入損益」）的金融資產初步按公平值計量，而所有其他金融資產初步按公平值加收購金融資產直接應佔的交易成本計量。所有日常買賣之金融資產以交易日基礎確認及終止確認。日常買賣指須根據市場規則或慣例訂立之時間內交收資產之金融資產買賣。

## 4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

### (h) Financial instruments (Continued)

#### (i) Financial assets (Continued)

*Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 April 2018) (Continued)*

#### *Financial assets at fair value through profit or loss*

These assets include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of sale 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.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise.

#### *Embedded derivatives*

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

#### *Investments in convertible bonds*

The component parts of the convertible instruments are classified separately as debt component and conversion option derivative.

## 4. 重大會計政策 (續)

### (h) 金融工具 (續)

#### (i) 金融資產 (續)

*金融資產分類及後續計量(於二零一八年四月一日應用香港財務報告準則第9號之前)(續)*

#### *按公平值計入損益的金融資產*

該等資產包括持作交易用途之金融資產。倘收購金融資產的目的是為近期銷售，則金融資產歸類為持作交易用途之金融資產。衍生工具(包括獨立嵌入式衍生工具)亦分類為持作交易，惟被指定為有效對沖工具或財務擔保合約者則除外。

於初步確認後，按公平值計入損益之金融資產乃按公平值計量，公平值之變動則在產生期間於損益內確認。

#### *嵌入式衍生工具*

非衍生主合約中包含之衍生工具，倘其符合衍生工具之定義、其風險與特性並非與主合約之風險與特性緊密關連，且主合約並非以按公平值計入損益之方式計量，則有關衍生工具會被當作獨立的衍生工具處理。

#### *可換股債券投資*

可換股工具的組成部分單獨分類為債務部分及換股權衍生工具。

#### 4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

**(h) Financial instruments** (Continued)

**(i) Financial assets** (Continued)

*Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 April 2018)* (Continued)

*Investments in convertible bonds* (Continued)

At the date of acquisition of investments in convertible bonds, the fair value of the debt and derivative components are recognised at fair value. In subsequent periods, the debt component of the convertible instruments is carried at amortised cost using the effective interest method. The conversion option derivative is measured at fair value with changes in fair value recognised in profit or loss.

Transaction costs that relate to the acquisition of the convertible investments are allocated to the debt and derivative components in proportion to their relative fair values. Transaction costs relating to the derivative component are charged to profit or loss immediately. Transaction costs relating to the debt component are included in the carrying amount of the debt portion and amortised over the period of the convertible instruments using the effective interest method.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including loan to a non-controlling interest, trade receivables, other receivables, amount due from the subsidiary of an associate and bank balances) are measured at amortised cost using the effective interest method, less any identified impairment losses.

#### 4. 重大會計政策 (續)

**(h) 金融工具** (續)

**(i) 金融資產** (續)

*金融資產分類及後續計量(於二零一八年四月一日應用香港財務報告準則第9號之前)* (續)

*可換股債券投資* (續)

於獲取可換股債券投資的日期，債務及衍生工具部分的公平值均按公平值確認。於隨後期間，可換股工具的債務部分乃以實際利率法按攤銷成本列賬。換股權衍生工具乃按公平值計量，而公平值的變動乃於損益內確認。

有關收購可換股投資的交易成本按其公平值相關比例分配到債務及衍生工具部分。有關衍生工具部分的交易成本即時於損益扣除。有關債務部分的交易成本計入債務部分的賬面值，並採用實際利率法於可換股工具的年期內攤銷。

*貸款及應收款項*

貸款及應收款項為無活躍市場報價而附帶固定或可釐定付款之非衍生金融資產，於初步確認後，貸款及應收款項(包括非控股權益貸款、貿易應收賬款、其他應收款項、應收聯營公司之附屬公司款項及銀行結餘)採用實際利息法，以攤銷成本減任何已識別減值虧損計量。

## 4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

### (h) Financial instruments (Continued)

#### (ii) Impairment of financial assets (before application of HKFRS 9 on 1 April 2018)

The Group assesses, at the end of each reporting period, whether there is any objective evidence that financial asset is impaired. Financial asset is impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- granting concession to a debtor because of debtor's financial difficulty;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

#### *For Loans and receivables*

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of financial asset is reduced through the use of an allowance account. When any part of financial asset is determined as uncollectible, it is written off against the allowance account for the relevant financial asset.

#### *For Available-for-sale financial assets*

Where a decline in the fair value constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognised in profit or loss.

Any impairment losses on available-for-sale debt investments are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For available-for-sale equity investment, any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

## 4. 重大會計政策(續)

### (h) 金融工具(續)

#### (ii) 金融資產減值(於二零一八年四月一日應用香港財務報告準則第9號之前)

本集團於各報告期末評估有否客觀證據顯示金融資產出現減值。倘有客觀減值憑證顯示於資產初步確認後發生的一項或多項事件對金融資產的估計未來現金流量造成能夠可靠估計的影響，則金融資產出現減值。減值的憑證可包括：

- 債務人出現重大財政困難；
- 違約，如逾期或拖欠利息或本金款項；
- 因債務人有財務困難而授予寬免；
- 債務人很可能破產或進行其他財務重組。

#### *就貸款及應收款項而言*

當有客觀憑證證明資產已減值時，減值虧損於損益中確認，並以該等資產之賬面值與按原實際利率貼現估計未來現金流量之間的差額計量。金融資產之賬面值會透過撥備賬作出扣減。倘任何部分的金融資產被釐定為不可收回，則與相關金融資產的撥備賬撇銷。

#### *就可供出售金融資產而言*

倘公平值減少構成客觀減值憑證，虧損金額會從股權中扣除，並於損益內確認。

倘投資公平值增加客觀上與確認減值虧損後所發生之事件有關，則可供出售債務投資之減值虧損其後於損益內撥回。

就可供出售股權投資而言，減值虧損後的任何公平值增加均於其他全面收益內確認。

#### 4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

- (h) **Financial instruments** (Continued)  
(ii) **Impairment of financial assets (before application of HKFRS 9 on 1 April 2018)** (Continued)

*For Available-for-sale financial assets (Continued)*

For available-for-sale equity investment that is carried at cost, the amount of impairment loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss is not reversed.

- (iii) **Financial liabilities and equity instruments**

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at fair value through profit or loss are initially measured at fair value and financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

*Financial liabilities at amortised cost*

Financial liabilities at amortised cost including trade and other payables, borrowings, and the liability component of convertible bonds issued by the Group are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

#### 4. 重大會計政策 (續)

- (h) **金融工具** (續)  
(ii) **金融資產減值 (於二零一八年四月一日應用香港財務報告準則第9號之前)** (續)

*就可供出售金融資產而言 (續)*

就按成本列賬之可供出售股權投資而言，減值虧損金額乃按資產賬面值與類似金融資產按現行市場回報率折現之估計未來現金流量現值間之差額計量。該減值虧損不予撥回。

- (iii) **金融負債及權益工具**

本集團按負債產生的目的分類其金融負債。按公平值計入損益之金融負債初步按公平值計量，而按攤銷成本計量之金融負債初步按公平值計量，扣除已產生之直接應佔成本。

*按攤銷成本列賬之金融負債*

按攤銷成本列賬之金融負債包括貿易及其他應付款項、借貸負債、以及本集團發行之可換股債券之負債部分，乃使用實際利率法計量。相關利息開支於損益內確認。

倘負債終止確認時，在整個攤銷過程中，收益或虧損於損益內確認。

#### 4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

##### (h) Financial instruments (Continued)

##### (iii) Financial liabilities and equity instruments (Continued)

*Convertible bonds containing liability and equity components, and early redemption option, if applicable*

Convertible bonds issued by the Group that contain both liability (together with the early redemption option which is closely related to the host liability component, if applicable) and conversion option components are classified separately into respective items on initial recognition in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

On initial recognition of convertible bonds issued by the Company, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the gross proceeds of the issue of the convertible bonds and the fair value assigned to the liability component, representing the conversion option for the holder to convert the convertible bonds into equity, is included in equity (convertible bonds equity reserve).

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The equity component, representing the option to convert the liability component into ordinary shares of the Company, will remain in convertible bonds equity reserve until the embedded option is exercised (in which case the balance stated in convertible bonds equity reserve will be transferred to share premium). Where the option remains unexercised at the expiry date, the balance stated in convertible bonds equity reserve will be released to the accumulated losses. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible bonds using the effective interest method.

#### 4. 重大會計政策 (續)

##### (h) 金融工具 (續)

##### (iii) 金融負債及權益工具 (續)

*可換股債券包括負債及權益部分及提前贖回權 (倘適用)*

本集團所發行包含負債(連同與主負債部分關係緊密之提早贖回期權, 倘適用)及換股權部分的可換股債券, 乃於初步確認時根據所訂立合約安排內容以及金融負債及股本工具的定義, 獨立分類為相關項目。將以固定金額現金或另一項金融資產交換本公司本身固定數目的股本工具方式結清的可換股權乃股本工具。

初步確認本公司發行之可換股債券, 負債部分的公平值乃按類似不可轉換債務的現行市場利率釐定。發行可換股債券的所得款項總額與撥往負債部分的公平值的差額(代表讓持有人將可換股債券轉換為權益的換股權)應列入權益(可換股債券權益儲備)內。

於隨後期間, 可換股債券的負債部分乃以實際利率法按攤銷成本列賬。權益部分(指可將負債部分轉換為本公司普通股的換股權)將保留於可換股債券權益儲備內, 直至該嵌入式換股權獲行使為止(於此情況下, 可換股債券權益儲備的結餘將轉撥至股份溢價)。倘換股權於到期日尚未行使, 可換股債券權益儲備的結餘將解除至累計虧損。換股權獲轉換或到期後不會於損益中確認任何收益或虧損。

發行可換股債券的交易成本, 按所得款項總額分配比例撥往負債及權益部分。權益部分交易成本於權益中直接扣除。與負債部分有關的交易成本計入負債部分的賬面值, 並以實際利率法於可換股債券期限內攤銷。

## 4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

### (h) Financial instruments (Continued)

#### (iv) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKAS 39.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

Where the Group issues its own equity instruments to a creditor to settle a financial liability in whole or in part as a result of renegotiating the terms of that liability, the equity instruments issued are the consideration paid and are recognised initially and measured at their fair value on the date the financial liability or part thereof is extinguished. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the year.

#### (v) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

#### (vi) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

## 4. 重大會計政策 (續)

### (h) 金融工具 (續)

#### (iv) 終止確認

本集團於金融資產的未來現金流量的合約權利屆滿或金融資產已轉讓及轉讓符合香港會計準則第39號之終止確認標準時，本集團終止確認金融資產。

金融負債於有關合約之特定責任獲解除、取消或到期時終止確認。

倘由於重新磋商金融負債之條款，本集團向債權人發行其自身權益工具以支付全部或部分之金融負債，則已發行之權益工具為已付代價並於抵銷金融負債或其部分日期按彼等之公平值初步確認及計量。倘已發行權益工具之公平值不能可靠計量，則權益工具將計量以反映所抵銷金融負債之公平值。所抵銷金融負債或其部分之賬面值與已付代價之差額於本年度損益中確認。

#### (v) 實際利率法

實際利率法是計算金融資產或金融負債的攤銷成本，以及攤分相關期內利息收入或利息支出的方法。實際利率是將估計未來現金收入或付款透過金融資產或負債之預期年期或(倘適用)更短期間準確折現之利率。

#### (vi) 權益工具

本集團發行之權益工具以所收款項減直接發行成本列賬。



## 4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

### (i) Impairment of assets (other than financial assets)

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- intangible assets; and
- investments in subsidiaries and interests in associates

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the impairment loss is treated as a revaluation decrease under that HKFRS.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the reversal of the impairment loss is treated as a revaluation increase under that HKFRS.

Value in use is based on the estimated future cash flows expected to be derived from the asset, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

## 4. 重大會計政策 (續)

### (i) 資產(金融資產除外)之減值

本集團於各報告期末審閱以下資產之賬面值，以確定是否有跡象顯示該等資產出現減值虧損或先前確認之減值虧損不再存在或可能有所減少：

- 物業、廠房及設備；
- 無形資產；及
- 於附屬公司之投資及於聯營公司的權益

倘資產之可收回金額(即其公平值減出售成本及使用價值兩者之較高者)估計少於其賬面值，則資產之賬面值將減至其可收回金額。減值虧損隨即確認為開支，除非相關資產根據另一香港財務報告準則按重估價值列賬，於此情況下，減值虧損視作根據香港財務報告準則之重估金額減少。

倘其後撥回減值虧損，資產之賬面值將增至其可收回金額之經修訂估計，惟已增加賬面值不得超出於過往年度並無就資產確認減值虧損而釐定之賬面值。減值虧損之撥回隨即確認為收入，除非相關資產根據另一香港財務報告準則按重估價值列賬，於此情況下，減值虧損撥回視作根據香港財務報告準則之重估金額增加。

使用價值乃根據預期將自資產獲得的估計未來現金流量釐定，並採用反映目前對金錢時間價值的市場評估及該資產或現金產生單位特定風險的除稅前貼現率貼現至其現值。

#### 4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

##### (j) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

##### (k) Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

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.

#### 4. 重大會計政策 (續)

##### (j) 現金及現金等價物

現金及現金等價物包括手頭現金、銀行活期存款以及原到期日為三個月或以下之其他短期高度流動投資。

##### (k) 撥備及或然負債

當本集團因過往事件而導致現時的責任(法律或推定)，而本集團可能將須結清該責任，並可對該責任的金額作出可靠估計，則確認撥備。撥備按於報告期末結清該現時責任所需的代價的最佳估計，並考慮有關責任的風險及不確定性進行計量。當撥備按履行現時責任估計所需之現金流量計量時，其賬面值為有關現金流量之現值(如貨幣時間價值之影響重大)。

當不大可能需要經濟利益流出或不能可靠地估計金額時，責任會作為或然負債予以披露，除非經濟利益流出的可能性甚微。可能責任的存在將僅由發生或不發生一件或以上未來事件確認，其亦作為或然負債予以披露，除非經濟利益流出的可能性甚微。

## 4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

### (l) 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 the consolidated statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method.

Fee paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting period.

### (m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

## 4. 重大會計政策 (續)

### (l) 借款

借款初步按公平值扣除所產生交易成本確認。借款其後按攤銷成本列示；所得款項(扣除交易成本)與贖回價值兩者間之任何差額，乃以實際利率法於借貸期間在綜合損益及其他全面收益表予以確認。

在貸款融資很有可能部分或全部提取的情況下，就設立貸款融資支付的費用乃確認為貸款交易成本。在此情況下，該費用將遞延至提取貸款發生時。倘有撥充資本作為流動資金服務的預付款項，並於其相關融資期間內予以攤銷。

除非本集團具有無條件權利將負債的結算遞延至報告期末後最少12個月，否則借貸歸類為流動負債。

### (m) 借貸成本

收購、建造或生產合資格資產(需大量時間方能達致可供擬定使用或出售用途的資產)直接應佔的借貸成本，乃加入該等資產的成本，直至該等資產大致可供擬定使用或出售用途為止。在特別借貸尚未用於有關合資格資產的費用而作短暫投資而賺取之投資收入，乃於可作資本化之借貸成本內扣除。

所有其他借貸成本乃於其產生期間於損益中確認。

#### 4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

##### (n) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from “loss before tax” as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable loss. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of a deferred tax asset is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

#### 4. 重大會計政策 (續)

##### (n) 稅項

所得稅支出指即期應付稅項及遞延稅項總額。

即期應付稅項乃按本年度應課稅溢利計算。應課稅溢利與綜合損益及其他全面收益表中的「稅前虧損」不同，乃由於其不包括在其他年度應課稅或可扣稅收入或開支，亦不包括不用課稅或不可扣稅之項目。本集團之即期稅項負債乃按報告期末已實行或實際上已實行之稅率計算。

遞延稅項乃根據綜合財務報表內資產及負債賬面值與計算應課稅虧損相應稅基之暫時差額而確認。遞延稅項負債一般就所有應課稅暫時差額確認。遞延稅項資產一般則於很可能有應課稅溢利可使用可扣減暫時差額作抵銷時就全部可扣減暫時差額予以確認。倘若交易中由商譽或初始確認(業務合併除外)其他資產及負債而引致之暫時差額，並不影響應課稅溢利或會計溢利，該等資產及負債不予確認。

遞延稅項負債乃就於附屬公司及聯營公司投資所產生應課稅暫時差額予以確認，除本集團能夠控制暫時差額的撥回及此暫時差額在可預見的將來很可能不會撥回則作別論。與上述投資相關的可扣減暫時差額產生之遞延稅項資產僅於很有可能具有足夠應課稅溢利以使用暫時差額利益作抵銷及預期於可預見將來撥回情況下方予以確認。

遞延稅項資產之賬面值乃於各報告期末進行檢討，並於不再可能有足夠應課稅溢利可供收回全部或部分資產時作調減。

## 4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

### (n) Taxation (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### (o) Retirement benefit costs and termination benefits

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related service.

Payments to state-managed retirement benefit schemes in the People's Republic of China (the "PRC") and Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

## 4. 重大會計政策(續)

### (n) 稅項(續)

遞延稅項資產及負債根據於報告期末已頒佈或實質已頒佈之稅率(及稅法)按預期適用於清償負債或變現資產期間之稅率計算。

遞延稅項負債及資產之計量反映本集團預期於報告期末收回或清償其資產及負債賬面值之方式會產生之稅務後果。

即期及遞延稅項於損益確認，惟與其他全面收益內或直接於權益中確認的項目有關者除外，在此情況下，即期及遞延稅項亦分別於其他全面收益或直接於權益內確認。

### (o) 退休福利成本及離職福利

短期僱員福利為預期於僱員提供相關服務的年度報告期末後十二個月前將悉數結算的僱員福利(離職福利除外)。短期僱員福利於僱員提供相關服務的年度內確認。

中華人民共和國(「中國」)國家管理退休福利計劃及強制性公積金計劃之供款，於僱員提供服務而有權獲得有關供款時確認為開支。

離職福利於及僅於本集團明確承諾終止僱用或因具詳細正式計劃之自願遣散作出補償，且無撤回的實際可能性時方予確認。

#### 4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

##### (p) Revenue recognition

###### Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2)

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

#### 4. 重大會計政策 (續)

##### (p) 收益確認

###### 來自客戶合約之收入 (根據附註2的過渡應用香港財務報告準則第15號)

根據香港財務報告準則第15號，本集團於完成履約責任時(或就此)確認收入，即於特定履約責任相關的商品或服務的「控制權」轉讓予客戶時。

履約責任指可區分的單一貨品及服務(或一批貨品或服務)或一系列大致相同的可區分貨品或服務。

倘符合下列其中一項標準，控制權隨時間轉移，而收入確認會按隨時間已完成相關履約責任的進度進行：

- 於本集團履約時，客戶同時取得並耗用本集團履約所提供的利益；
- 本集團的履約產生及提升一項資產，而該項資產於本集團履約時由客戶控制；或
- 本集團的履約並未產生對本集團有替代用途的資產，且本集團對迄今已完成履約的付款具有可強制執行的權利。

否則，收入會在客戶獲得可區分的貨品或服務的控制權時在某一時點確認。

#### 4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

##### (p) Revenue recognition (Continued)

###### Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2) (Continued)

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis.

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control of a product or service to a customer.

#### 4. 重大會計政策 (續)

##### (p) 收益確認 (續)

來自客戶合約之收入(根據附註2的過渡應用香港財務報告準則第15號)(續)

合約資產指本集團就本集團已向客戶轉讓的貨品或服務而收取代價的權利，有關權利並非無條件，並須根據香港財務報告準則第9號評估減值。相反，應收賬款指本集團收取代價的無條件權利，即只需待時間過去代價即需到期支付。

合約負債指本集團因已向客戶收取代價(或已到期收取代價)，而須向客戶轉讓貨品或服務的責任。

與合約有關的合約資產及合約負債按淨額基準入賬及呈列。

收益按與客戶訂立的合約中訂明的代價計量，本集團於向客戶轉移產品或服務控制權時確認收益。

## 4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

### (p) Revenue recognition (Continued)

#### Revenue recognition (prior to 1 April 2018)

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts and sales related taxes.

- (i) Revenue from trading of beauty equipment and products is recognised when the goods are delivered and titles have been passed to the customers.
- (ii) Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- (iii) Dividends income on equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

## 4. 重大會計政策 (續)

### (p) 收益確認 (續)

收益確認 (於二零一八年四月一日前)

收益按已收或應收代價之公平值計量，乃於正常業務過程中就已售貨品及已提供服務所應收取之款項 (扣除折扣及銷售相關稅項)。

- (i) 來自美容設備及產品貿易之收益於向客戶交付貨物及轉讓所有權時予以確認。
- (ii) 金融資產之利息收入於經濟利益將有可能流入本集團及收入金額能可靠地計量時確認。利息收入就未償還本金額及適用實際利率按時間基準累計，有關利率為於金融資產之預計年期將估計日後所收現金準確折算至該資產於初始確認時之賬面淨值之利率。
- (iii) 股本工具股息收入在本集團收取股息之權力確立時於損益確認。



## 4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

### (q) Leases

#### (i) Operating leases (As a lessee)

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged in the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease term.

#### (ii) Finance leases

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. At the commencement of the lease term, a finance lease is capitalised at the lower of the fair value of the leased asset and the present value of the minimum lease payments, each determined at the inception of the lease term.

The corresponding liability to the lessor is included in the statement of financial position as finance lease payable. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets under finance leases are depreciated the same as owned assets over the shorter of the lease term and their estimated useful lives.

## 4. 重大會計政策 (續)

### (q) 租賃

#### (i) 經營租約 (作為承租人)

擁有權之絕大部分風險及回報由出租人保留之租約乃分類為經營租約。根據經營租約所支付之款項(扣除出租人所給予之任何優惠後)於租期內以直線法自綜合損益及其他全面收益表扣除。

#### (ii) 融資租賃

融資租賃是指將擁有資產之風險及回報絕大部分轉讓予本集團之租賃。當租約開始時，融資租賃以租賃資產之公平值及最低租金現值(各自從租期開始起計)之較低者撥充資本。

出租人的相應負債於財務狀況表列作應付融資租賃。租賃付款於融資費用及尚未償還負債扣減之間作出分配。融資費用於租期內各期間分配，從而使負債尚未償還餘額利息的息率固定。

融資租賃下之資產與自置資產同樣按租期及其估計可使用年期(以較短者為準)計算折舊。

## 4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

### (q) Leases (Continued)

#### (iii) Lease of land and buildings

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments” in the consolidated statement of financial position and are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment (see note 4(f)). Unless it is clear that both elements are operating lease, in which case the entire lease is classified as an operating lease.

### (r) Dividend distribution

Dividend distribution to the Company’s shareholders is recognised as a liability in the Group’s and the Company’s financial statements in the year in which the dividends are approved by the Company’s shareholders or directors, where appropriate.

## 4. 重大會計政策 (續)

### (q) 租賃 (續)

#### (iii) 租賃土地及樓宇

當租賃包括土地及樓宇部分，本集團根據對附於各部分之擁有權之絕大部分風險及回報是否已轉移至本集團之評估，分別將各部分之分類評定為融資或經營租賃。具體而言，最低租賃付款(包括任何一整筆預付款項)於租賃初次訂立時按租賃土地部分及樓宇部分中的租賃權益相對公平值比例於土地與樓宇部分間分配。

倘租賃付款能可靠分配，以經營租賃入賬的土地租賃權益在綜合財務狀況表中列為「預付租賃付款」，且最初以成本呈列及隨後於租期內按直線法確認。倘若租賃付款無法於土地及樓宇分部間可靠分配時，則將整個租賃款當作物業、廠房及設備的融資租賃，並包括在土地和樓宇的成本中(見附註4(f))。倘兩個部分均屬於經營租賃，則整項租賃被分類為經營租賃。

### (r) 股息分派

向本公司股東之股息分派於本集團及本公司之年內財務報表中被確認為負債。其中股息由本公司股東或董事(倘合適)批准。

## 4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

### (s) Related parties

A related party is a person or entity that is related to the Group if:

- (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 the key management personnel of the Group or of the parent of the Group.
- (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 employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

## 4. 重大會計政策(續)

### (s) 關連方

關連方為與本集團有關連之人士或實體：

- (a) 倘屬以下人士，即該人士或該人士的近親為本集團的關連方：
  - (i) 控制或共同控制本集團；
  - (ii) 對本集團有重大影響力；或
  - (iii) 為本集團或本集團母公司主要管理人員的其中一名成員。
- (b) 倘符合下列任何條件，即該實體與本集團有關連：
  - (i) 該實體與本集團屬同一集團的成員公司(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的集團旗下成員公司的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) 實體為報告實體或與報告實體有關連的實體就僱員利益設立的離職福利計劃。倘該報告實體自設有該計劃，提供資助的僱主亦與該報告實體有關連。

## 4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

### (s) Related parties (Continued)

(b) (Continued)

- (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 the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

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 dependents of that person or that person's spouse or domestic partner.

## 4. 重大會計政策 (續)

### (s) 關連方 (續)

(b) (續)

- (vi) 實體受(a)所識別人土控制或受共同控制。
- (vii) 上文(a)(i)所識別人土對實體有重大影響力或屬該實體(或該實體的母公司)主要管理成員。
- (viii) 該實體或其所屬集團之任何成員公司，向本集團或本集團之母公司提供主要管理人員服務。

該名人士之緊密家庭成員是指該人士在與實體交易時，預期可影響或受該人士影響的家庭成員，其中包括：

- (i) 該人士之子女及配偶或家庭成員；
- (ii) 該名人士配偶或家庭成員之子女；該人士或該人士配偶或家庭成員之家屬。

## 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4 to the consolidated financial statements, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

### Significant influence over Longmark (Shanghai) HealthCare Limited ("Longmark (Shanghai)")

Note 17 describes that Longmark (Shanghai) is an associate of the Group, the Group held from 50.02% to 49.78% ownership interest in Longmark (Shanghai). Pursuant to the changes of memorandum and articles of associations of Longmark (Shanghai) on 29 November 2013, East Longmark (Shanghai) HealthCare Limited (東龍脈(上海)健康管理服務有限公司) ("East Longmark"), a wholly-owned subsidiary of the Group, can only appoint one out of the three directors in the board of directors of Longmark (Shanghai) and all the shareholders and board of directors' resolutions of Longmark (Shanghai) require 51% votes to pass. The directors of the Company are of the opinion that the Group lost control over Longmark (Shanghai) as a result of these changes effected on 29 November 2013 and only has significant influence over Longmark (Shanghai) by virtue of the contractual right to appoint one out of the three directors in the board of directors of Longmark (Shanghai) and its voting powers/rights in shareholders' and directors' meetings in which all shareholders and board of directors' resolutions require 51% votes to pass.

## 5. 重大會計判斷及估計不確定因素的主要來源

在應用載述於綜合財務報表附註4的本集團會計政策時，當其依據無法從其他渠道獲得時，即本公司董事須就資產和負債之賬面值作出判斷、估計及假設。該等估計及相關假設乃基於過往經驗及其他被視為相關的因素作出，因此，實際結果或會有別於該等估計。

有關估計及相關假設須持續予以檢討。倘會計估計的修訂僅影響作出修訂的期間，則有關修訂會在該期間確認，而倘修訂對現時及未來期間均有影響，則須在作出修訂的期間及未來期間確認。

### 應用會計政策時之重大判斷

以下為董事於應用本集團會計政策過程中所作出並對綜合財務報表所確認金額有最大影響的關鍵判斷，涉及估計的判斷(見下文)除外。

### 對龍脈(上海)健康管理服務有限公司(「龍脈(上海)」)之重大影響力

如附註17所述，龍脈(上海)為本集團之聯營公司，及本集團擁有龍脈(上海)由50.02%下調至49.78%的擁有權權益。根據龍脈(上海)組織章程大綱及細則於二零一三年十一月二十九日之變動，本集團之全資附屬公司東龍脈(上海)健康管理服務有限公司(「東龍脈」)僅能委任龍脈(上海)董事會三名董事中的其中一名且龍脈(上海)之所有股東及董事會決議案須獲得51%的贊成票方能通過。本公司董事認為，本集團因二零一三年十一月二十九日生效的該等變動而失去龍脈(上海)的控制權且僅透過可委任龍脈(上海)董事會三名董事中的其中一名的合同權利而對龍脈(上海)擁有重大影響力，而所有股東投票權/股東權利和董事會決議案須獲得51%的贊成票方能通過。

## 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

### Significant influence over Extrawell

Extrawell Pharmaceutical Holdings Limited (“Extrawell”) is a company of which shares are listed on the Main Board of the Stock Exchange.

Note 17 describes that Extrawell is an associate of the Group although the Group only owns 19.14% ownership interest in Extrawell. The Group has significant influence over Extrawell by virtue of the potential voting right upon full exercise of the conversion rights attaching to the convertible bonds of that company.

### Key sources of estimation uncertainty

The following are key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 “Share-based payment”, leasing transactions that are within the scope of HKAS 17 “Leases”, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 “Inventories” or value in use in HKAS 36 “Impairment of assets”.

## 5. 重大會計判斷及估計不確定因素的主要來源(續)

### 對精優之重大影響力

精優藥業控股有限公司(「精優」)是一家於聯交所主板上市的公司。

如附註17所述，儘管本集團僅擁有精優19.14%的所有權權益，但精優為本集團之聯營公司。由於悉數行使精優可換股債券附帶之轉換權後之潛在投票權，本集團對精優有重大影響力。

### 估計不確定因素之主要來源

下文載列於報告期末所作出有關未來之主要假設及估計不確定因素之其他主要來源，並具有相當風險導致須於下個財政年度之內就資產及負債之賬面值作出重大調整。

公平值為於計量日期在市場參與者之間在有序交易中出售一項資產而將收取或轉讓一項負債而將支付之價格(無論該價格為直接可觀察或採用另一估值法估計而得出)。在估計一項資產或負債之公平值時，本集團考慮資產或負債之特徵(倘市場參與者會於計量日期在為資產或負債定價時考慮該等特徵)。於該等綜合財務報表中就計量及／或披露而言之公平值乃按此基準釐定，惟香港財務報告準則第2號「股份付款」範圍內之股份付款交易、香港會計準則第17號「租賃」範圍內之租賃交易及與公平值有部分類似但並非公平值之計量，如香港會計準則第2號「存貨」之可變現淨值或香港會計準則第36號「資產減值」之使用價值除外。

## 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

### Key sources of estimation uncertainty *(Continued)*

In addition, for financial reporting purpose, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

### Loss allowance for trade and other receivables

The Group estimates the loss allowances for trade and other receivables by assessing the ECLs. This requires the use of estimates and judgements. ECLs are based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the end of reporting period. Where the estimation is different from the original estimate, such difference will affect the carrying amounts of trade receivables and thus the impairment loss in the period in which such estimate is changed. The Group keeps assessing the expected credit loss of trade and other receivables during their expected lives.

## 5. 重大會計判斷及估計不確定因素的主要來源<sup>(續)</sup>

### 估計不確定性之主要來源<sup>(續)</sup>

此外，就財務報告而言，公平值計量乃根據公平值計量之輸入數據之可觀察程度及輸入數據對公平值計量整體之重要性而分為第一、二或三級，詳情如下：

- 第一級輸入數據是於計量日期實體可獲之活躍市場上相同資產或負債之報價(未作調整)；
- 第二級輸入數據是第一級所包括報價以外，就資產或負債可直接或間接觀察之輸入數據；及
- 第三級輸入數據是就資產或負債之不可觀察輸入數據。

### 貿易應收賬款及其他應收款項的虧損撥備

本集團透過評估預期信貸虧損估計貿易應收賬款及其他應收款項的虧損撥備。這需要運用估計及判斷。預期信貸虧損乃根據跟集團的過往信貸虧損經驗，就具體債務人的因素作出之調整及於報告期末對當前及預期整體經濟狀況作出的評估得出。倘估計與初始估計出現差異，有關差異將影響貿易應收款項的賬面值，因此，有關估計期間的減值虧損會出現變動。本集團會在預期期限內不斷評估貿易應收款項的預期信貸虧損。

## 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

### Key sources of estimation uncertainty (Continued)

#### Fair value of investments in convertible bonds

The fair values of embedded conversion option of convertible bonds invested by the Group are calculated using valuation techniques. Valuation techniques are certified by an independent qualified valuer before being implemented for valuation and are calibrated to ensure that outputs reflect market conditions. Valuation models established by the valuer make the maximum use of market inputs and rely as little as possible on the Group's specific data. The model involves estimates on time to expiration, risk free rate, share price, share price volatility, discount rates and others. As at 31 March 2019, the carrying amount of the embedded conversion option of convertible bonds invested by the Group is HK\$111,942,000 (2018: HK\$121,106,000).

Should any of the estimates be revised, it may lead to a material change to the fair value of the investments in convertible bonds.

#### Fair value of the embedded conversion option of the convertible bonds issued by the Company

On initial recognition of convertible bonds issued by the Company, the fair value of the embedded conversion option of the convertible bonds was calculated using valuation techniques. Valuation techniques were certified by an independent qualified valuer before being implemented for valuation and were calibrated to ensure that outputs reflect market conditions. Valuation models established by the valuer make the maximum use of market inputs and rely as little as possible on the Group's specific data. The model involved estimates on time to expiration, risk free rate, share price, share price volatility, discount rate and others.

Should any of the estimates be revised, it may lead to a material change to the fair value of the convertible bonds issued by the Company.

## 5. 重大會計判斷及估計不確定因素的主要來源(續)

### 估計不確定性之主要來源(續)

#### 可換股債券投資之公平值

本集團投資之可換股債券之嵌入式換股權之公平值乃採用估值法計算。估值法經獨立合資格估值師於估值前核實並予以調整，以確保得出數據反映市況。估值師確定之估值模式會充分利用市場輸入數據而盡量少依賴本集團之特定數據。該模式涉及到期前之估計、無風險利率、股價、股價波動、貼現率及其他因素。於二零一九年三月三十一日，本集團投資之可換股債券之嵌入式換股權之賬面值111,942,000港元(二零一八年：121,106,000港元)。

任何對該估計進行之修改可能會導致可換股債券投資之公平值出現重大改變。

#### 本公司發行之可換股債券之嵌入式換股權之公平值

於首次確認本公司發行之可換股債券時，可換股債券之嵌入式換股權之公平值乃採用估值法計算。估值法經獨立合資格估值師於估值前核實並予以調整，以確保得出數據反映市況。估值師確定之估值模式會充分利用市場輸入數據而盡量減少依賴本公司之特定數據。該模式涉及到期前之估計、無風險利率、股價、股價波動、貼現率及其他因素。

任何對該估計進行之修改可能會導致本公司發行之可換股債券之公平值出現重大改變。



## 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

### Key sources of estimation uncertainty *(Continued)*

#### Impairment of intangible asset

The Group performs annual tests of impairment on intangible asset in relation to the In-process R&D involving the Product which are not yet available for use. Accordingly, the intangible assets relating to the Product with the carrying amount of approximately HK\$1,373,224,000 as at 31 March 2019 (2018: HK\$1,373,224,000) was tested for impairment. The recoverable amounts of cash-generating units are determined based on fair value calculations, which is highly dependent upon further research and development work required to be carried out, results of the clinical trials, the successful launching of the Product and the appropriate key assumptions to be applied in preparing cash flow projections. Details of the calculation of fair value are disclosed in note 19 to the consolidated financial statements. These calculations require the use of estimates and assumptions made by management on the future operation of the business, pre-tax discount rates, and other assumptions underlying the fair value calculations. In addition, the management is of the opinion that the Group would be successful in obtaining the regulatory approvals from the relevant government bodies and launching the Product in the second half of 2020 in the absence of unforeseeable circumstance. The management also based on the assumption that the Group would continue to have the exclusive right for commercialisation of the Product.

Should the actual outcome of the clinical trials and the launching of the Product be unsuccessful, the likelihood and timing in obtaining the regulatory approvals from the relevant government bodies to launch the product to be unrealised, or the key assumptions applied in preparing the cash flow projections from the Product in assessing impairment, including the discount rates or growth rate assumptions applied in the cash flow projections on the In-process R&D is different from the original estimates, such difference could materially affect the carrying value of the intangible assets. It will consequently have an adverse effect on the net assets and the results of the Group.

## 5. 重大會計判斷及估計不確定因素的主要來源 *(續)*

### 估計不確定性之主要來源 *(續)*

#### 無形資產減值

本集團就有關涉及一個未可供使用之產品的研發過程之無形資產進行減值測試。據此，於二零一九年三月三十一日賬面值約為1,373,224,000港元(二零一八年：1,373,224,000港元)與產品相關之無形資產已就減值進行測試。現金產生單位之可收回款額按公平值計算釐定，其高度視乎須進行之進一步研發工作、臨床試驗結果、產品成功推出及編製現金流量預測時將應用之主要假設。有關公平值計量方法之詳情於綜合財務報表附註19披露。該等計算須採用管理層就日後業務營運所作之估計及假設、除稅前折現率以及其他計算公平值時所作出之相關假設。加上，管理層認為，在無不可預見的情況下，本集團將能於二零二零年下半年度取得有關政府監管部門批准並推出產品。管理層就仍可繼續擁有獨家經營產品之權利作出相關假設。

倘產品之臨床試驗實際結果及推出不成功，獲得相關政府監管部門的批准並推出產品的可能性及時間未能實現或於評估減值時就編製產品之現金流量預測所應用之主要假設(包括研發過程之現金流量預測所應用的貼現率或增長率假設)，與最初估計有所不同，則該差異可能會對無形資產的賬面值造成重大影響，而此將對本集團之資產淨值及業績造成不利影響。

## 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

### Key sources of estimation uncertainty *(Continued)*

#### Going concern consideration

In the process of applying the Group's accounting policies, apart from those involving estimations, management has prepared the consolidated financial statements on the assumption that the Group will be able to operate as a going concern in the coming year, which is a critical judgement that has the most significant effect on the amounts recognised in the consolidated financial statements.

## 5. 重大會計判斷及估計不確定因素的主要來源 *(續)*

### 估計不確定性之主要來源 *(續)*

#### 持續經營考慮

於應用本集團的會計政策時，除涉及作出估計外，管理層已按本集團將能夠於來年持續經營之假設編製綜合財務報表，此乃對綜合財務報表所確認金額會產生最重大影響的重大判斷。

## 6. REVENUE

Revenue for the year represents the fair value of amounts received and receivable for goods sold or services rendered by the Group to outside customers, less discounts and related taxes for the year, is analysed as follows:

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trading of beauty equipment and products	<b>18,589</b>	15,811

The Group has three (2018: three) reportable and operating segments as follows:

- (a) trading of beauty equipment and products in Hong Kong (“Trading of beauty equipment and products”)
- (b) funds/securities investment in Hong Kong and outside Hong Kong (“Securities investment”)
- (c) research, development and commercialisation of the oral insulin product (“Research and development”)

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

The accounting policies of the operating segments are the same as those described in the consolidated financial statements. Segment (loss)/profit represents the loss incurred by or profit earned from each segment without allocation of corporate and other expenses and other income, gains and losses, net. All assets are allocated to segments other than corporate assets, interests in associates, investments in convertible bonds, amount due from the subsidiary of an associate and bank balances and cash. All liabilities are allocated to segments other than corporate liabilities, amounts due to the subsidiary of an associate, non-controlling interests and former non-controlling interests, loan from an associate and a non-controlling interest and convertible bonds.

## 6. 收益

年內收益指就本集團向外界客戶售出貨品或提供服務之已收及應收款項之公平值，已扣除年內之折扣及相關稅項，分析如下：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trading of beauty equipment and products	<b>18,589</b>	15,811

本集團有以下三個(二零一八年：三個)呈報及營運分部：

- (a) 於香港之美容設備及產品貿易(「美容設備及產品貿易」)
- (b) 於香港及香港境外之基金／證券投資(「證券投資」)
- (c) 研發及商品化口服胰島素產品(「研發」)

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

營運分部之會計政策與綜合財務報表所述者相同。分部(虧損)／溢利指在並無分配企業與其他開支及其他收入、收益及虧損淨額之情況下，各分部產生之虧損或賺取之溢利。分配所有資產予分部時並無計及企業資產、於聯營公司的權益、可換股債券投資、應收聯營公司之附屬公司款項、銀行結餘與現金；而分配所有負債予分部時並無計及企業負債、應付聯營公司之附屬公司款項、非控股權益及前非控股權益、來自聯營公司及非控股權益貸款及可換股債券。

## 7. SEGMENT REPORTING

### Segment revenues and results

## 7. 分部報告

### 分部收益及業績

		Trading of beauty equipment and products 美容設備及產品貿易		Securities investment 證券投資		Research and development 研發		Total 總計	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue from external customers	來自外部客戶之收益	18,589	15,811	-	-	-	-	18,589	15,811
Segment (loss)	分部(虧損)	1,747	1,395	(35,600)	(2,858)	(3,577)	(1,020)	(37,430)	(2,483)
Additional disclosures for operating segments:	營運分部之額外披露事項：								
Unallocated other income, gains and losses, net	未分配其他收入、收益及虧損淨額							9,651	(5,073)
Interest expenses on convertible bonds	可換股債券的利息開支							(129,142)	(110,725)
Corporate and other expenses	企業與其他開支							(27,641)	(19,599)
Effective interest income from investment in convertible bonds	來自可換股債券投資之實際利息收入							-	6,937
Change in fair value of derivative components of investment in convertible bonds	可換股債券投資之衍生部分之公平值變動							(56,485)	(65,735)
Share of results of associates	分佔聯營公司業績							13,326	8,632
Impairment loss on interest in an associate	於聯營公司權益之減值虧損							(33,190)	(42,945)
Loss before income tax	除所得稅前虧損							(260,911)	(230,991)
Income tax expense	所得稅開支							-	-
Loss for the year	年內虧損							(260,911)	(230,991)

**7. SEGMENT REPORTING** (Continued)  
Segment assets and liabilities

**7. 分部報告** (續)  
分部資產及負債

		Trading of beauty equipment and products 美容設備及產品貿易		Securities investment 證券投資		Research and development 研發		Total 總計	
		2019	2018	2019	2018	2019	2018	2019	2018
		二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	
Assets	資產								
Segment assets	分部資產	<b>30,297</b>	12,792	—	36,247	<b>1,375,894</b>	1,385,969	<b>1,406,191</b>	1,435,008
Investments in convertible bonds	可換股債券投資							<b>111,942</b>	166,447
Interests in associates	於聯營公司的權益							<b>48,954</b>	81,437
Corporate and other assets	企業與其他資產							<b>11,667</b>	31,271
Total assets	資產總額							<b>1,578,754</b>	1,714,163
Liabilities	負債								
Segment liabilities	分部負債	<b>21,206</b>	10,403	—	—	<b>153</b>	153	<b>21,359</b>	10,556
Convertible bonds	可換股債券							<b>658,632</b>	554,515
Corporate and other liabilities	企業與其他負債							<b>103,951</b>	82,267
Total liabilities	負債總額							<b>783,942</b>	647,338

## 7. SEGMENT REPORTING (Continued)

### Geographical information

The Group's operations are principally located in Hong Kong and the PRC. The Group's revenue from continuing operations from external customers based on location of operations and information about its non-current assets (excluding financial instruments) by geographical location of the assets are as follows:

		Revenue		Non-current assets (excluding financial instruments)	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Hong Kong	香港	18,589	15,811	1,454,756	1,454,823
The PRC	中國	—	—	—	—
		<b>18,589</b>	15,811	<b>1,454,756</b>	1,454,823

### Information about major customers

Revenue from customers of the corresponding year contributing over 10% of the total revenue are as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Customer A	客戶甲	18,589	14,994

Revenue from the above customer in the respective reporting period is derived from the segment of trading of beauty equipment and products.

## 7. 分部報告 (續)

### 地理資料

本集團之業務主要位於香港及中國。本集團按經營所在地劃分之來自外部客戶之持續經營業務收益及非流動資產(不包括金融工具)按其資產所在地理位置分類之資料如下：

### 有關主要客戶資料

相關年度貢獻超過總收益10%客戶之收益如下：

上述客戶於各報告期間所得收益乃來自美容設備及產品貿易分部。

## 8. OTHER INCOME/OTHER GAINS AND LOSSES, NET

## 8. 其他收入／其他收益及虧損，淨額

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Other income	其他收入		
Interest income from banks	銀行利息收入	205	73
Sundry income	雜項收入	—	3
Effective interest income from investments in convertible bonds	來自可換股債券投資之實際利息收入	—	6,937
Imputed interest income from loan to a subsidiary of the associate	來自聯營公司之附屬公司貸款之估算利息收入	1,787	2,485
		<b>1,992</b>	9,498
Other gains and losses, net	其他收益及虧損，淨額		
Impairment loss on trade receivables	貿易應收賬款之減值虧損	276	—
Gain on early repayment of loan to a subsidiary of the associate	提前償還聯營公司之附屬公司之貸款之收益	7,383	—
Change in fair value of derivative components of investments in convertible bonds	可換股債券投資之衍生部分之公平值變動	—	(65,735)
Change in fair value of investments in convertible bonds	可換股債券投資之公平值變動	(56,485)	—
Fair value loss on financial assets held-for-trading	交易性金融資產之公平值虧損	(18,124)	(5,787)
Impairment loss on interest in an associate	於聯營公司權益之減值虧損	(33,190)	(42,945)
Gain on disposal of available-for-sale financial assets	出售可供出售金融資產之收益	—	903
(Loss)/gain on disposal of financial assets held-for-trading	出售交易性金融資產之(虧損)/收益	(17,465)	2,034
Loss on disposals of property, plant and equipment	出售物業、廠房及設備之虧損	—	(1,268)
Impairment loss on other receivables	其他應收款項之減值虧損	—	(579)
		<b>(117,605)</b>	(113,377)

## 9. FINANCE COSTS

## 9. 財務費用

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Effective interest expense on convertible bonds (note 28)	可換股債券之實際利息開支(附註28)	129,142	108,869
Imputed interest expense on loan from the subsidiary of an associate	應收聯營公司之附屬公司貸款之估算利息開支	127	—
Imputed interest expense on loan from a non-controlling interest (note 26(c))	來自非控股權益貸款之估算利息開支(附註26(c))	2,424	1,856
		<b>131,693</b>	110,725

## 10. INCOME TAX EXPENSE

Hong Kong Profits Tax is provided at the rate of 16.5% (2018: 16.5%) of the estimated assessable profits for both years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and the Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% (2018: 25%).

No Hong Kong Profits Tax and PRC income tax have been made for the year as the group companies operating in Hong Kong and the PRC did not generate any assessable profits for the year (2018: Nil).

The income tax expense for the year can be reconciled to the loss before income tax per the consolidated statement of profit or loss and other comprehensive income as follows:

## 10. 所得稅開支

於該兩個年度香港利得稅乃按估計應稅溢利之16.5%(二零一八年: 16.5%)作出撥備。

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例,中國附屬公司之稅率為25%(二零一八年: 25%)。

由於香港營運之集團公司及於在中國營運的集團公司本年度並無產生任何應課稅溢利,因此本年度並無繳納香港利得稅及中國所得稅(二零一八年: 無)。

年內所得稅開支與綜合損益及其他全面收益表之除所得稅前虧損對賬如下:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loss before income tax	除所得稅前虧損	(260,911)	(230,991)
Tax at the domestic income tax rate of 16.5% (2018: 16.5%)	按本地所得稅稅率16.5%(二零一八年: 16.5%)計算之稅項	(43,050)	(38,113)
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法管轄區經營之附屬公司之不同稅率之影響	(1,036)	(701)
Tax effect of expense not deductible for tax purpose	就稅務不可扣減之開支之稅務影響	17,843	37,252
Tax effect of income not taxable for tax purpose	就稅務不應課稅之收入之稅務影響	(695)	(1,785)
Tax effect of tax loss not recognised	未確認稅務虧損之稅務影響	29,137	4,771
Tax effect of share of results of associates	分佔聯營公司業績之稅務影響	(2,199)	(1,424)
Income tax expense	所得稅開支	—	—



## 11. LOSS FOR THE YEAR

## 11. 年內虧損

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loss for the year has been arrived at after charging the following:	年內虧損乃扣除下列各項後達致：		
Auditors' remuneration	核數師酬金	1,100	1,150
Depreciation of property, plant and equipment	物業、廠房及設備折舊	67	617
Rental expense for premises under operating leases	經營租賃下之物業租金支出	2,413	2,342
Cost of inventories recognised as an expense	確認為開支之存貨成本	16,842	14,416
Staff costs, exclusive of directors' emoluments	不包括董事酬金在內之員工成本	3,570	3,564
Salaries, bonus and other benefits	薪金、花紅及其他福利		
Retirement benefits scheme contributions	退休福利計劃供款	157	607
		<b>3,727</b>	4,171

## 12. DIRECTORS' EMOLUMENTS

The board of directors represents the senior management of the Group.

The emoluments paid or payable to each of the nine (2018: nine) directors were as follows:

## 12. 董事酬金

董事會代表本集團高級管理層。

已付或應付九名(二零一八年：九名)董事之酬金如下：

Name of Directors		Directors' fee	Salaries and other benefits	Retirement benefit scheme contributions	Total
董事姓名		董事袍金	薪金及其他福利	退休福利計劃供款	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Tang Rong	唐榕	60	488	—	548
Chen Weijun	陳偉君	80	—	—	80
Xiao Yan	肖焱	60	—	—	60
Jiang Nian	蔣年	60	210	—	270
Zhang Zhihong	張志鴻	60	—	—	60
Wang Rongliang	王榮樑	60	—	—	60
Wu Yanmin	鄔燕敏	60	92	—	152
Gao Yuan Xing	高源興	60	1,300	18	1,378
Huang He	黃鶴	—	650	18	668
Total for the year ended 31 March 2019	截至二零一九年三月三十一日止年度之總額	500	2,740	36	3,276
Tang Rong	唐榕	60	488	—	548
Chen Weijun	陳偉君	80	—	—	80
Xiao Yan	肖焱	60	—	—	60
Jiang Nian	蔣年	60	—	—	60
Zhang Zhihong	張志鴻	60	—	—	60
Wang Rongliang	王榮樑	60	—	—	60
Wu Yanmin	鄔燕敏	60	—	—	60
Gao Yuan Xing	高源興	60	850	18	928
Huang He	黃鶴	—	650	18	668
Total for the year ended 31 March 2018	截至二零一八年三月三十一日止年度之總額	500	1,988	36	2,524

## 12. DIRECTORS' EMOLUMENTS (Continued)

No directors waived any emoluments in current and prior year.

During current year and prior year, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group.

## 13. EMPLOYEES' EMOLUMENTS

The five highest paid individuals in the Group during the year included three (2018: three) directors whose emoluments are reflected in the analysis presented above. The emoluments of the remaining two (2018: two) individuals are set out below:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Basic salaries and other benefits	基本薪金及其他福利	1,000	1,000
Retirement benefit scheme contributions	退休福利計劃供款	36	36
		<b>1,036</b>	<b>1,036</b>

The emoluments fell within the following band:

		Number of individuals 人數	
		2019 二零一九年	2018 二零一八年
Nil—HK\$1,000,000	零—1,000,000港元	2	2

## 14. DIVIDEND

The directors do not recommend the payment of dividend for the year ended 31 March 2019 (2018: Nil).

## 12. 董事酬金 (續)

於本年度及先前年度，概無董事放棄酬金。

於本年度及先前年度，本集團並無向任何董事支付酬金，作為彼等加入或於加入本集團時之獎勵。

## 13. 僱員酬金

年內，本集團五名最高薪人士包括三名(二零一八年：三名)董事，彼等之酬金於上表分析中反映。其餘兩名(二零一八年：兩名)人士之酬金載列如下：

酬金介乎以下範圍：

## 14. 股息

董事並不建議派發截至二零一九年三月三十一日止年度之股息(二零一八年：無)。

## 15. LOSS PER SHARE

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

Loss

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loss for the purposes of basic and diluted loss per share (Loss for the year attributable to owners of the Company)	就計算每股基本及攤薄虧損之虧損(本公司擁有人應佔年內虧損)	(260,272)	(231,048)

Number of shares

		2019 二零一九年 '000 千股	2018 二零一八年 '000 千股
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	就計算每股基本及攤薄虧損之普通股加權平均數	1,464,193	1,464,193

For the year ended 31 March 2019, basic and diluted loss per share was HK\$0.1778 (2018: HK\$0.1578), which is based on the loss for the year of approximately HK\$260,272,000 (2018: HK\$231,048,000) and the denominators detailed above for both basic and diluted loss per share.

No diluted loss per share has been presented as the exercise of the outstanding convertible bonds issued by the Company would result in a decrease in loss per share (i.e. anti-dilutive).

## 15. 每股虧損

本公司擁有人應佔每股基本及攤薄虧損乃按以下數據為基準計算：

虧損

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loss for the purposes of basic and diluted loss per share (Loss for the year attributable to owners of the Company)	就計算每股基本及攤薄虧損之虧損(本公司擁有人應佔年內虧損)	(260,272)	(231,048)

股份數目

		2019 二零一九年 '000 千股	2018 二零一八年 '000 千股
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	就計算每股基本及攤薄虧損之普通股加權平均數	1,464,193	1,464,193

根據年內虧損約260,272,000港元(二零一八年：231,048,000港元)及上文詳述之用作每股基本及攤薄虧損之分母，截至二零一九年三月三十一日止年度，每股基本及攤薄虧損為0.1778港元(二零一八年：0.1578港元)。

由於行使本公司發行之尚未行使可換股債券將導致每股虧損減少(即反攤薄)，故並無呈列每股攤薄虧損。

## 16. PROPERTY, PLANT AND EQUIPMENT

## 16. 物業、廠房及設備

		Leasehold land and buildings 租賃 土地及樓宇 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總額 HK\$'000 千港元
<b>COST OR VALUATION</b>	<b>成本或估值</b>				
At 1 April 2017	於二零一七年四月一日	32,132	1,667	293	34,092
Revaluation surplus	重估盈餘	(6,172)	—	—	(6,172)
Disposal	出售	(24,805)	(1,209)	—	(26,014)
Exchange differences	匯兌差額	(1,155)	58	20	(1,077)
At 31 March 2018 and 1 April 2018	於二零一八年三月三十一日 及二零一八年四月一日	—	516	313	829
At 31 March 2019	於二零一九年三月三十一日	—	516	313	829
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT</b>	<b>累計折舊及減值</b>				
At 1 April 2017	於二零一七年四月一日	—	1,428	279	1,707
Charge for the year	年內支出	527	75	15	617
Eliminated on revaluation	重估對銷	(527)	—	—	(527)
Disposal	出售	—	(1,209)	—	(1,209)
Exchange differences	匯兌差額	—	60	19	79
At 31 March 2018 and 1 April 2018	於二零一八年三月三十一日 及二零一八年四月一日	—	354	313	667
Charge for the year	年內支出	—	67	—	67
At 31 March 2019	於二零一九年三月三十一日	—	421	313	734
<b>CARRYING AMOUNTS</b>	<b>賬面值</b>				
At 31 March 2019	於二零一九年三月三十一日	—	95	—	95
At 31 March 2018	於二零一八年三月三十一日	—	162	—	162

## 17. INTERESTS IN ASSOCIATES

On 27 April 2013, the Company entered into the conditional sale and purchase agreement to acquire 450,000,000 ordinary shares of Extrawell, a listed company in Hong Kong, of par value HK\$0.01 each from JNJ Investment Limited (“JNJ”) (a company in which 33.33% equity interest is beneficially owned by each of Dr. Mao Yumin (“Dr. Mao”) and Dr. Xie Yi (“Dr. Xie”) — see note 33), at a consideration of HK\$288,000,000, which was satisfied by issuance of convertible bonds in the principal amount of HK\$288,000,000 by the Company. On 25 October 2013, since all conditions precedent to the abovementioned acquisition were fulfilled, the acquisition of the Extrawell’s shares was completed on 25 October 2013, of which 370,000,000 ordinary shares of Extrawell was acquired by issuance of convertible bonds (Convertible Bonds I — see Note 28) in the principal amount of HK\$236,800,000, and the remaining 80,000,000 ordinary shares of Extrawell were acquired on 27 December 2013 by issuance of Convertible Bonds I in the principal amount of HK\$51,200,000.

As a result of the change in the composition of the board of directors and the percentage of voting rights in shareholders’ and board of directors’ meetings on 29 November 2013, the Group was no longer in a position to exercise control over Longmark (Shanghai). Since then, Longmark (Shanghai) ceased to be subsidiary of the Group and became an associate of the Group.

## 17. 於聯營公司的權益

於二零一三年四月二十七日，本公司訂立有條件買賣協議，自JNJ投資有限公司(「JNJ」)(一間分別由毛裕民博士(「毛博士」)及謝毅博士(「謝博士」)各實益擁有33.33%權益之公司一見附註33)收購精優(一間香港上市公司)450,000,000股每股面值0.01港元之普通股，代價為288,000,000港元。該款項由本公司發行本金額為288,000,000港元之可換股債券支付。於二零一三年十月二十五日，由於上文所述收購的先決條件均獲達成，收購精優股份已於二零一三年十月二十五日完成，其中370,000,000股精優普通股乃透過發行本金額為236,800,000港元之可換股債券(可換股債券一，見附註28)購得，而餘下80,000,000股精優普通股乃透過發行本金額為51,200,000港元之可換股債券一於二零一三年十二月二十七日購得。

由於在二零一三年十一月二十九日之董事會組成及股東大會及董事會會議之投票比例發生變動，本集團不再對龍脈(上海)行使控制權。自此，龍脈(上海)已不再為本集團附屬公司，而成為本集團之聯營公司。

## 17. INTERESTS IN ASSOCIATES (Continued)

## 17. 於聯營公司的權益 (續)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cost of investment in associates — Listed in Hong Kong (Note a)	聯營公司投資成本 — 於香港上市 (附註a)	<b>476,841</b>	476,841
Share of post-acquisition results and other comprehensive income	應佔收購後業績及 其他全面收入	<b>109,531</b>	108,824
Impairment loss on interest in an associate (Note b)	於一間聯營公司權益之 減值虧損 (附註b)	<b>(437,696)</b>	(404,506)
Adjustment against non-controlling interests on initial recognition (Note c)	對非控股權益於初始確認時 之調整 (附註c)	<b>(99,722)</b>	(99,722)
		<b>48,954</b>	81,437
Fair value of listed investment (Note d)	上市投資之公平值 (附註d)	<b>48,954</b>	81,437

Notes:

- (a) The cost of investment in Extrawell represents the aggregate of (i) the fair value of the Convertible Bonds I with principal amount of HK\$236,800,000 issued by the Company on 25 October 2013 for the acquisition of 370,000,000 ordinary shares of Extrawell amounted to HK\$387,160,000; (ii) the fair value of the Convertible Bonds I with principal amount of HK\$51,200,000 issued by the Company on 27 December 2013 for the acquisition of 80,000,000 ordinary shares of Extrawell amounted to HK\$87,142,000; and (iii) further acquisition of 7,510,000 ordinary shares of Extrawell at cost of HK\$2,539,000 during the year ended 31 March 2015.
- (b) As at 31 March 2019, the Group recognised impairment loss of approximately HK\$33,190,000 (2018: HK\$42,945,000) in profit or loss which represented the difference between the fair value of the shares of Extrawell based on the share price of Extrawell as at 31 March 2019 and the carrying amount of interest in the associates.

附註：

- (a) 於精優之投資成本指(i)本公司為收購精優370,000,000股普通股(作價387,160,000港元)而於二零一三年十月二十五日所發行本金額為236,800,000港元的可換股債券一的公平值；(ii)本公司為收購精優80,000,000股普通股(作價87,142,000港元)而於二零一三年十二月二十七日所發行本金額為51,200,000港元的可換股債券一的公平值的總額；及(iii)於截至二零一五年三月三十一日止年度進一步以2,539,000港元之成本收購精優7,510,000股普通股。
- (b) 於二零一九年三月三十一日，本集團於損益內確認減值虧損約33,190,000港元(二零一八年：42,945,000港元)，這代表根據於二零一九年三月三十一日之精優股價釐定之精優股份公平值與於聯營公司之權益之賬面值兩者間之差異。

## 17. INTERESTS IN ASSOCIATES (Continued)

Notes: (Continued)

- (c) In 2015, the Group purchased 51% equity interest in Smart Ascent Limited ("Smart Ascent") from Extrawell (BVI) Limited ("Extrawell (BVI)"). Since SAL has become a non-wholly owned subsidiary of the Group and consequently SAL and its subsidiaries (collectively referred to as the "SAL Group") have been consolidated by the Group commencing from 28 July 2014, the amount of equity in SAL Group that is attributable to the remaining 49% interest in Smart Ascent held by Extrawell and included in the carrying amount of interest in Extrawell prior to the acquisition of Smart Ascent by the Group has been reclassified out of non-controlling interest (and interest in associate) and treated as part of equity attributable to owners of the Company to the extent of the Company's attributable equity interest in Extrawell which represented the share of equity in SAL Group attributable to the Company's ownership interest in Extrawell.
- (d) The fair value of listed investment is based on the quoted market bid price of the shares of Extrawell as at the end of the reporting period.

Details of each of the Group's associates at the end of the reporting period are as follows:

Name of associates 聯營公司名稱	Place of incorporation/ operation 註冊成立/ 經營地點	Principal place of operation 主要營業地點	Class of shares held 所持股份類別	Proportion of voting power held by the Company 本公司所持表決權比例		Proportion of nominal value of issued capital held by the Company 本公司所持已發行股本面值比例		Principal activity 主要業務
				2019	2018	2019	2018	
				二零一九年	二零一八年	二零一九年	二零一八年	
Extrawell	Bermuda	PRC	Ordinary shares	<b>19.14%</b>	19.14%	<b>19.14%</b>	19.14%	Development, manufacture and sale of pharmaceutical products
精優	百慕達	中國	普通股	<b>19.14%</b>	19.14%	<b>19.14%</b>	19.14%	開發、製造及銷售醫藥產品
Longmark (Shanghai)	PRC	PRC	Registered capital	<b>33.33%</b>	33.33%	<b>49.78%</b>	49.78%	Provision of health care management services
龍脈(上海)	中國	中國	註冊資本	<b>33.33%</b>	33.33%	<b>49.78%</b>	49.78%	提供健康管理服務

Summarised consolidated financial information in respect of the Group's material associate, Extrawell and its subsidiaries ("Extrawell Group"), is set out below. The summarised financial information below represents amounts shown in the Extrawell's consolidated financial statements prepared in accordance with HKFRSs.

## 17. 於聯營公司的權益 (續)

附註：(續)

- (c) 於二零一五年，本集團已自Extrawell (BVI) Limited (「Extrawell (BVI)」)購買進生有限公司(「進生」)51%之股權。由於進生已成為本集團之非全資附屬公司，而隨後進生及其附屬公司(統稱「進生集團」)已於二零一四年七月二十八日起綜合計入本集團，由精優所持有進生餘下49%權益應佔，且於本集團收購進生前計入精優權益賬面值之進生集團權益金額已由非控股權益(及於聯營公司的權益)中重新分類，按本公司應佔精優股權(即本公司於精優之擁有權權益應佔之進生集團股權)為限，以本公司擁有人應佔權益處理。
- (d) 上市投資之公平值是根據精優股份於報告期末的市場買入報價計算。

本集團各聯營公司於報告期末的詳情如下：

有關本集團主要聯營公司精優及其附屬公司(「精優集團」)之綜合財務資料概要載列如下。下文所載財務資料概要指根據香港財務報告準則編製之精優之綜合財務報表所列款項。



## 17. INTERESTS IN ASSOCIATES (Continued)

## 17. 於聯營公司的權益 (續)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current assets	流動資產	208,642	217,679
Non-current assets	非流動資產	987,444	999,104
Current liabilities	流動負債	79,738	103,770
Non-current liabilities	非流動負債	54,777	45,934
Non-controlling interests	非控股權益	(5,081)	(4,494)
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Non-current assets include the following:	非流動資產包括下列項目：		
Property, plant and equipment	物業、廠房及設備	140,740	155,469
Intangible assets	無形資產	1,807	1,807
Investments in convertible bonds	可換股債券投資	—	417,783
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	469,737	—
Available-for-sale investments	可供出售投資	—	59,047
Interest in an associate	於聯營公司的權益	330,062	330,970
Current assets include the following:	流動資產包括下列項目：		
Trade and bills receivables	貿易應收賬款及應收票據	20,047	21,076
Pledged bank deposits	已抵押銀行存款	20,994	20,502
Bank balances and cash	銀行結餘及現金	148,902	161,765
Current liabilities include the following:	流動負債包括下列項目：		
Accruals and other payables	應計費用及其他應付款項	56,201	60,721
Non-current liabilities include the following:	非流動負債包括下列項目：		
Convertible bonds	可換股債券	49,635	41,812

17. INTERESTS IN ASSOCIATES (Continued)

17. 於聯營公司的權益(續)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	收入	89,218	85,762
Profit for the year	年內溢利	63,324	29,272
Other comprehensive (expenses)/ income	其他全面(開支)/收益	(65,928)	11,956
Total comprehensive (expense)/income for the year	年內全面(開支)/收益 總額	(2,604)	41,228
Fair value and other equity accounting adjustments	公平值及其他權益之 會計調整	6,298	15,826
		3,694	57,054
Proportion of the Group's ownership interest in Extrawell	本集團於精優之擁有權權益 比例	19.14%	19.14%
Share of post-acquisition profits and other comprehensive income for the year	年內應佔收購後溢利及 其他全面收入	707	10,920
Share of results of associates	分佔聯營公司業績	13,326	8,632

## 17. INTERESTS IN ASSOCIATES (Continued)

## 17. 於聯營公司的權益(續)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Net assets of Extrawell Group	精優集團之資產淨值	<b>1,061,571</b>	1,067,079
Less: Equity component of the convertible bonds issued by Extrawell	減：精優發行之可換股債券之權益部分	<b>(512,359)</b>	(512,359)
		<b>549,212</b>	554,720
Proportion of the Group's ownership interest in Extrawell	本集團於精優之擁有權益比例	<b>19.14%</b>	19.14%
The Group's share of net assets of Extrawell	本集團應佔精優資產淨值	<b>105,119</b>	106,173
Goodwill	商譽	<b>156,258</b>	156,258
Adjustment against non-controlling interests on initial recognition	對非控股權益於初始確認時之調整	<b>(99,722)</b>	(99,722)
Impairment loss on interests in associates	於聯營公司的權益之減值虧損	<b>(33,190)</b>	(150,704)
Fair value and other equity accounting adjustments	公平值及其他權益之會計調整	<b>(79,511)</b>	69,432
Carrying amount of the Group's interest in Extrawell as an associate	本集團於聯營公司精優之權益之賬面值	<b>48,954</b>	81,437

### Information of associates that are not individually material

個別而言並不重大之聯營公司之資料

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
The Group's share of loss and total comprehensive expense for the year	本集團應佔年內虧損及全面開支總額	—	—
Carrying amount of the Group's interests in these associates	本集團於該等聯營公司權益之賬面值	—	—
The unrecognised share of loss of an associate for the year	年內未確認之應佔聯營公司虧損	—	(810)
Cumulative unrecognised share of loss of an associate	累計未確認之應佔聯營公司虧損	—	(13,267)

## 18. INVESTMENTS IN CONVERTIBLE BONDS

On 27 April 2013, the Company entered into the conditional sale and purchase agreement to acquire (i) convertible bonds issued by Extrawell in an aggregate principal amount of HK\$320,650,000 ("Sale CB-I") from Dr. Mao at an aggregate consideration of HK\$320,000,000 ("Consideration I"); and (ii) convertible bonds issued by Extrawell in an aggregate principal amount up to HK\$256,520,000 ("Sale CBII"), from Dr. Mao at an aggregate consideration up to a maximum amount of HK\$256,000,000 ("Consideration II"). Consideration I was satisfied by payment of cash amounting to HK\$120,000,000 and issuance of convertible bonds in the principal amount of HK\$200,000,000 by the Company. Consideration II was satisfied by issuance of convertible bonds in the principal amount of HK\$256,000,000 in four batches by the Company.

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

## 18. 於可換股債券的投資

於二零一三年四月二十七日，本公司訂立有條件買賣協議，以(i)自毛博士收購精優發行本金總額為320,650,000港元的可換股債券(「待售可換股債券一」)，總代價為320,000,000港元(「代價一」)；及(ii)自毛博士收購由精優發行本金總額最高為256,520,000港元的可換股債券(「待售可換股債券二」)，總代價最高為256,000,000港元(「代價二」)。代價一由本公司通過現金代價120,000,000港元及發行本金額為200,000,000港元之可換股債券支付。代價二將由本公司通過分四批發行本金額為256,000,000港元之可換股債券支付。

待售可換股債券一及待售可換股債券二(統稱「待售可換股債券」)為零息可換股債券，到期日為發行日期起計第二十週年當日，以港元計值。待售可換股債券賦予債券持有人權利，自發行日期起直至待售可換股債券到期日前第七個營業日內，隨時將可換股債券兌換為精優股份，轉換價為每股股份0.6413港元，惟須受反攤薄條款限制。

## 18. INVESTMENTS IN CONVERTIBLE BONDS

(Continued)

The fair values of the Sale CBs and its components on initial recognition and of the derivative component as at 31 March 2019 and 2018 are determined based on the valuation conducted by an independent professional valuer. The movements of the debt components and derivative components of Sale CBs for the year ended 31 March 2018 and the movements of Sale CBS at a whole for the year ended 31 March 2019 are set out as below:

		Debt component 債務部分 HK\$'000 千港元	Derivative component 衍生部分 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 1 April 2017	於二零一七年四月一日	38,404	186,841	225,245
Effective interest income (note 8)	實際利息收入(附註8)	6,937	—	6,937
Change in fair value (note 8)	公平值變動(附註8)	—	(65,735)	(65,735)
At 31 March 2018	於二零一八年三月三十一日	45,341	121,106	166,447
Initial application of HKFRS 9 (Note 3(a))	首次應用香港財務報告準則 第9號(附註3(a))			1,980
At 1 April 2018	於二零一八年四月一日			168,427
Change in fair value (note 8)	公平值變動(附註8)			(56,485)
As at 31 March 2019	於二零一九年三月三十一日			111,942

The acquisition of Sale CB-I was completed on 25 October 2013. The acquisition of the first, second and third batches of Sale CB-II, each batch having a principal amount of HK\$64,130,000, were completed on 24 April 2014, 30 August 2014 and 31 December 2014, respectively. The acquisition of the fourth batch of Sale CB-II with principal amount of HK\$64,130,000 was completed on 30 April 2015.

During the year ended 31 March 2019, the Group recognised subsequent decrease in fair value of the derivative component of investments in convertible bonds of HK\$56,485,000 (2018: HK\$65,735,000).

## 18. 於可換股債券的投資(續)

於二零一九年及二零一八年三月三十一日待售可換股債券及衍生部分初步確認之公平值乃基於獨立專業估值師進行之估值而釐定。截至二零一八年三月三十一日止年度待售可換股債券債務部分及衍生部分之變動以及截至二零一九年三月三十一日止年度待售可換股債券整體之變動載列如下：

收購待售可換股債券一已於二零一三年十月二十五日完成。收購本金總額各為64,130,000港元之第一批、第二批及第三批之待售可換股債券二，分別於二零一四年四月二十四日、二零一四年八月三十日及二零一四年十二月三十一日完成。收購第四批本金額為64,130,000港元之待售可換股債券二已於二零一五年四月三十日完成。

截至二零一九年三月三十一日止年度，本集團確認可換股債券投資的衍生部分之公平值隨後減少56,485,000港元(二零一八年：65,735,000港元)。

## 18. INVESTMENTS IN CONVERTIBLE BONDS 18. 於可換股債券的投資(續)

(Continued)

As at 31 March 2018, the carrying amounts of the debt and the derivative components of the investments in convertible bonds are HK\$45,341,000 and HK\$121,106,000 respectively.

於二零一八年三月三十一日，可換股債券投資的債務及衍生部分之賬面值分別為45,341,000港元及121,106,000港元。

At 31 March 2019

於二零一九年三月三十一日

		24 April 2014 二零一四年 四月二十四日	30 August 2014 二零一四年 八月三十日	31 December 2014 二零一四年 十二月三十一日	30 April 2015 二零一五年 四月三十日	31 March 2018 二零一八年 三月三十一日	31 March 2019 二零一九年 三月三十一日
Stock price	股價	HK\$0.4 0.4港元	HK\$0.335 0.335港元	HK\$0.325 0.325港元	HK\$0.55 0.55港元	HK\$0.179 0.179港元	<b>HK\$0.107</b> <b>0.107港元</b>
Exercise price	行使價	HK\$0.6413 0.6413港元	HK\$0.6413 0.6413港元	HK\$0.6413 0.6413港元	HK\$0.6413 0.6413港元	HK\$0.6413 0.6413港元	<b>HK\$0.6413</b> <b>0.6413港元</b>
Discount rate	貼現率	18.21%	18.44%	19.04%	18.76%	17.77%	<b>17.60%</b>
Risk-free rate (note a)	無風險利率(附註a)	2.70%	2.28%	2.24%	1.81%	1.95%	<b>1.42%</b>
Expected volatility (note b)	預期波幅(附註b)	63.71%	62.61%	61.73%	58.62%	57.00%	<b>56.14%</b>
Expected dividend yield (note c)	預期股息收益率(附註c)	0.00%	0.00%	0.00%	0.00%	0.00%	<b>0.00%</b>

Any changes in the major inputs used in the model will result in changes in the fair values of the debt and derivative components.

模式所用之主要輸入數據如發生任何變化將導致債務及衍生部分的公平值發生變化。

Notes:

附註：

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

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

## 19. INTANGIBLE ASSET

## 19. 無形資產

In-process  
R & D  
研發過程  
HK\$'000  
千港元

### COST AND CARRYING VALUES

At 1 April 2017, 31 March 2018,  
1 April 2018 and 31 March 2019

### 成本及賬面值

於二零一七年四月一日、  
二零一八年三月三十一日、  
二零一八年四月一日及  
二零一九年三月三十一日

1,373,224

The In-process R&D represented an in-process research and development project involving the Product. The patents of an invention “a method of production of oil-phase preparation of oral insulin (一種製備口服胰島素油相製劑的方法)” in relation to the Product are registered under the joint names of Fosse Bio-Engineering Development Limited (“Fosse Bio”) and Tsinghua University, Beijing (“THU”) granted by State Intellectual Property Office of the PRC and United States Patent and Trademark Office of the United States of America granted on 4 August 2004 and 28 March 2006 respectively and will be expired on 20 April 2021 and 12 April 2022 respectively. Fosse Bio is a subsidiary of Smart Ascent, which became a subsidiary of the Company upon completion of the acquisition on 28 July 2014. In addition, Fosse Bio and THU have entered into the agreements in 1998 in connection with the research and development of the Product. Pursuant to the THU Collaboration Arrangement, which is originally expired in October 2018. During the year ended 31 March 2019, the Group has entered into a supplemental agreement with THU to renew the terms of the collaboration for another five years to October 2023. (the “renewed THU-Collaboration Agreement”) under the renewed THU Collaboration Agreement Fosse Bio would be entitled to commercialise the relevant technologies of the Product and to manufacture and sell the Product on an exclusive basis, and THU is entitled to 1.5% of Fosse Bio’s annual sales upon commercialisation of the Product. Accordingly, Fosse Bio has the exclusive right for the commercialisation of the Product for the duration of the unexpired term of the renewed THU Collaboration Agreement.

研發過程指涉及產品正在進行的研發項目。一項有關該產品之「一種製備口服胰島素油相製劑的方法」之專利以福仕生物工程有限公司(「福仕」)及北京清華大學(「清華大學」)共同名義登記，並由中國國家知識產權局及美國國家專利及商標局分別於二零零四年八月四日及二零零六年三月二十八日授出，並將分別於二零二一年四月二十日及二零二二年四月十二日到期。福仕是進生之附屬公司，並於本公司在二零一四年七月二十八日完成收購後成為本公司之附屬公司。此外，福仕及清華大學於一九九八年簽訂多項有關研發產品之協議。根據該原來於二零一八年十月到期並繼而延續另外五年至二零二三年十月之合作研發協議。截至二零一九年三月三十一日止年度，本集團與清華大學訂立補充協議，以將合作年期另外重續五年至二零二三年十月(「重續合作研發協議」)。根據重續合作研發協議，福仕有權商品化產品之有關技術及獨家生產及銷售該產品，而清華大學有權於產品商品化完成後享有福仕1.5%之年銷售額。據此，福仕在重續合作研發協議中未屆滿年期內擁有商品化產品之專有權。

## 19. INTANGIBLE ASSETS (Continued)

Legal advisors of the Company have informed that if the THU collaboration agreement is early terminated or expired, Fosse Bio will no longer have the exclusive right of the commercialisation of the Product. Any of Fosse Bio or THU will have the rights to independently commercialise the patented product, without the consent from each other. However, given that THU is an educational unit and does not engage in commercialisation of the Product, the directors of the Company have prepared the cash flow projections for the 10-year period using the assumption that the product will be launched in the January of 2022.

The recoverable amount of the In-process R&D is determined based on fair value calculations using the income approach method, with reference to the professional valuation performed by Roma Appraisal Limited, an independent firm of professional qualified valuers. The fair value calculation used the cash flow projections prepared by the management based on certain key assumptions, in which the estimated cash inflows derived from budgeted sales and expected gross margin were based on the expectations for the market development. In addition, the fundamental assumptions included the regulatory approvals from the relevant government bodies (in particular, the granting of the certificate of new medicine and pharmaceutical manufacturing permit for the Product by China Food and Drug Administration of the PRC) to launch the Product in the January of 2022.

The expected future economic benefits attributable to the In-process R&D approved by the management cover a 10-year period. The calculation used in the cash flow projections with certain key parameters are as below:

		2019 二零一九年	2018 二零一八年
Discount rate (post-tax)	貼現率(稅後)	23.64%	26.08%
Growth rate	增長率	3%	3%
Gross profit ratio	總利潤率	64.44%	57.75%

## 19. 無形資產(續)

本公司之法律顧問已表示，假若合作研發協議提早終止或屆滿，福仕將不再擁有商品化產品之專有權。福仕或清華大學任何一方將可獨立就該已申請專利之產品進行商品化，而毋須對方同意。然而，鑒於清華大學是一教育機構而並無參予產品之商品化，本公司董事已就假設產品將於二零二二年一月推出，編製10年期之現金流量預測。

研發過程之可收回金額乃經參考獨立專業合資格估值師羅馬國際評估有限公司進行的專業估值，使用收入法按公平值計算法釐定。公平值計算法使用管理層基於若干主要假設編製之現金流量預測，其中估計現金流入來源於預計銷量而預期毛利率乃基於對市場發展的預期。此外，基本假設包括相關政府機構於二零二二年一月授出有關發佈產品的監管批准(具體而言，須由中國國家食品藥品監督管理總局頒發新藥及製藥許可證書)。

管理層審批的研發過程應佔預期未來經濟利益涵蓋10年期間。現金流量預測所用計算及若干關鍵參數如下所示：



## 19. INTANGIBLE ASSETS (Continued)

Based on the impairment review assessment, the recoverable amount of the Group's intangible asset is estimated to be higher than the carrying amount. Therefore the directors of the Company are of the opinion that no impairment on the carrying amount of the In-process R&D has to be recognised for the year (2018: Nil).

## 20. TRADE RECEIVABLES

The Group's trading terms with its customers are mainly based on credit. The credit terms of 90 days (2018: 30 to 90 days). All sales made to the major customers have short credit terms. These credit evaluations focus on the customers' past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management.

The following is an aged analysis of trade receivables presented based on the invoice date at the end of the reporting period:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
30 days or less	30日或以下	767	1,085
31 to 60 days	31至60日	762	817
61 to 90 days	61至90日	1,693	1,130
Over 90 days	超過90日	17,954	9,683
		<b>21,176</b>	12,715

The Group did not hold any collateral over these balances.

## 19. 無形資產 (續)

根據減值檢討評估，本集團估計無形資產的可收回款項將高於其賬面值。因此，本公司董事認為，毋須就年內研發過程之賬面值確認減值(二零一八年：無)。

## 20. 貿易應收賬款

本集團客戶之貿易條款主要以賒銷方式進行，客戶可獲得之信貸期為90日(二零一八年：30至90日)。向主要客戶作出之所有銷售均為短信貸期。該等信貸評估客戶支付到期款項之過往記錄，以及目前之支付能力，並考慮客戶以及與客戶運營之經濟環境相關之特定資料。本集團致力嚴格控制未收回之應收款項，高級管理層會定期審閱逾期餘款。

於報告期末，根據發票日期呈列之貿易應收賬款之賬齡分析如下：

本集團概無就該等結餘持有任何抵押品。

## 20. TRADE RECEIVABLES (Continued)

Ageing of trade receivables which were past due but not impaired:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
30 days or less	30日或以下	1,851	1,232
31 to 60 days	31至60日	1,985	1,008
61 to 90 days	61至90日	1,477	809
Over 90 days	超過90日	12,831	6,634
		<b>18,144</b>	9,683

## 20. 貿易應收賬款(續)

逾期但並無減值的貿易應收賬款之賬齡分析如下：

## 21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Prepaid rental, management fee and other prepaid project operating fund	預付租金、管理費及其他預付項目營運經費	46	2,180
Deposits paid	已付按金	2,091	718
Others	其他	4,168	10,196
Total	總計	<b>6,305</b>	13,094

## 21. 預付款項、按金及其他應收款項

## 22. FINANCIAL ASSETS HELD-FOR-TRADING

## 22. 交易性金融資產

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Unlisted investments	非上市投資		
Equity funds outside Hong Kong	於香港以外之股權基金	—	36,247
		—	36,247

During the year, the Group has recognised a fair value loss of HK\$18,124,000 (2018: HK\$5,787,000) in profit or loss.

年內，本集團已於損益內確認公平值虧損 18,124,000 港元(二零一八年：5,787,000 港元)。

## 23. BANK BALANCES AND CASH

Bank balances and cash comprise cash and bank balances held by the Group with original maturity of three months or less and carry interest at prevailing deposit rates which range from 0.016% to 0.027% (2018: 0.001% to 0.39%) per annum.

## 23. 銀行結餘及現金

銀行結餘及現金包括本集團持有之現金及銀行結餘，原到期日為三個月或更短時間，按現行存款利率計息，利率介乎每年 0.016% 至 0.027% (二零一八年：0.001% 至 0.39%)。

## 24. TRADE PAYABLES

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
30 days or less	30日或以下	698	1,001
31 to 60 days	31至60日	675	719
Over 60 days	超過60日	19,841	8,691
		<b>21,214</b>	<b>10,411</b>

The average credit period on purchase of goods normally range from 60 days to 90 days.

## 24. 貿易應付賬款

於報告期末，根據發票日期呈列之貿易應付賬款之賬齡分析如下：

購買貨品之平均信貸期通常介乎60日至90日。

## 25. LOAN TO A NON-CONTROLLING INTEREST AND AMOUNT DUE FROM THE SUBSIDIARY OF AN ASSOCIATE

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loan to a non-controlling interest Fordnew (Note a) Carrying value Less: Impairment loss	非控股權益貸款 福聯(附註a) 賬面值 減：減值虧損	<b>6,067</b> <b>(6,067)</b>	6,067 (6,067)
Amount due from the subsidiary of an associate Extrawell (BVI) (Note b)	應收聯營公司之 附屬公司款項 Extrawell (BVI) (附註b)	—	10,610

## 25. 非控股權益貸款及應收聯營公司之附屬公司款項

## 25. LOAN TO A NON-CONTROLLING INTEREST AND AMOUNT DUE FROM THE SUBSIDIARY OF AN ASSOCIATE

(Continued)

Notes:

- (a) This represents a loan made by Smart Ascent to Fordnew Industrial Limited ("Fordnew") pursuant to the loan agreement dated 25 May 2011. The loan is unsecured and non-interest bearing and repayment term was eight years after drawdown dates.

On 7 April 2014, Fordnew made a drawdown notice amounting to about HK\$2,789,000, and prior to the completion of acquisition on 28 July 2014, the aggregate utilised and unutilised balances were HK\$10,579,000 and HK\$19,421,000 respectively.

As at 31 March 2015, principal amounts of HK\$4,807,000, HK\$1,190,000 and HK\$4,582,000 are required to be repaid after 8 years from April 2011, April 2012 and April 2014 respectively. Accordingly, the balance is classified as non-current. Such non-current interest-free loan to a noncontrolling interest is recognised at its fair value of HK\$2,977,000 upon the acquisition of Smart Ascent with an effective interest rate of 26.99% per annum.

During the year ended 31 March 2019, no further imputed interest income has been credited to profit or loss since the amounts was fully impaired (2018: Nil).

- (b) This represented the amount due from Extrawell (BVI), which is the subsidiary of Extrawell. In December 2016, the directors of the Company revisited the terms and expected that the principal amount of HK\$19,780,000 will be received in July 2020. Accordingly, the balance is classified as non-current asset. Such non-current interest-free amount due from the subsidiary of an associate is recognised at its fair value of HK\$7,600,000 with an effective interest rate of 26.99% per annum.

The balance has been settled during the year.

During the year ended 31 March 2019, imputed interest income of HK\$1,787,000 (2018: HK\$2,485,000) has been credited to profit or loss.

## 25. 非控股權益貸款及應收聯營公司之附屬公司款項(續)

附註：

- (a) 該款項指進生根據日期為二零一一年五月二十五日之貸款協議向福聯實業有限公司(「福聯」)授出之貸款。該貸款為無抵押及無利息，且其還款期為支款日後八年期。

於二零一四年四月七日，福聯發出一份金額約為2,789,000港元之提款通知書，而於二零一四年七月二十八日之收購完成前，已使用及未使用之結餘總額分別為10,579,000港元及19,421,000港元。

於二零一五年三月三十一日，本金額4,807,000港元、1,190,000港元及4,582,000港元分別需於二零一一年四月、二零一二年四月及二零一四年四月起計八年後償還。據此，該結餘會被分類為非即期。在以實際年利率26.99%收購進生後，該借予非控股權益之非即期無息貸款2,977,000港元之公平值已被確認。

截至二零一九年三月三十一日止年度，由於該等款項已悉數減值，故不再有估算利息收入已計入損益(二零一八年：無)。

- (b) 指應收Extrawell (BVI)(精優之附屬公司)之款項。本公司董事於二零一六年十二月，重新審閱有關條款，預期本金額19,780,000港元有望於二零二零年七月收回。因此，該結餘分類為非流動資產。該應收聯營公司之附屬公司之非即期無息款項已按其公平值7,600,000港元確認，實際年利率為26.99%。

該結餘已於年內結清。

截至二零一九年三月三十一日止年度，估算利息收入為1,787,000港元(二零一八年：2,485,000港元)已計入損益。

**26. AMOUNTS DUE TO NON-CONTROLLING INTERESTS AND FORMER NON-CONTROLLING INTERESTS, AMOUNT DUE TO THE SUBSIDIARY OF AN ASSOCIATE, LOAN FROM A NON-CONTROLLING INTEREST AND LOAN FROM A SUBSIDIARY OF AN ASSOCIATE**

**26. 應付非控股權益及前非控股權益款項、應付聯營公司之附屬公司款項、來自非控股權益貸款及來自聯營公司之附屬公司貸款**

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Amounts due to non-controlling interests Fordnew (Notes a and b)	應付前非控股權益款項福聯(附註a及b)	<b>3,092</b>	22,351
Groupmark Investment Group Limited (Notes a and b)	Groupmark Investment Group Limited (附註a及b)	—	520
		<b>3,092</b>	22,871
Amounts due to former non-controlling interests Zheng Chang Xue (Notes a and b)	應付前非控股權益款項鄭昌學(附註a及b)	<b>559</b>	559
Hou Shi Chang (Notes a and b)	侯世昌(附註a及b)	<b>165</b>	165
Feel So Good Limited (Notes a and b)	Feel So Good Limited (附註a及b)	<b>99</b>	99
		<b>823</b>	823
Amount due to the subsidiary of an associate Extrawell (BVI) (Note d)	應付聯營公司之附屬公司款項Extrawell (BVI) (附註d)	<b>41,952</b>	41,947
Loan from a non-controlling interest Fordnew (Note c)	來自非控股權益貸款福聯(附註c)	<b>20,929</b>	7,923
Loan from a subsidiary of an associate Extrawell (BVI) (Note e)	來自聯營公司之附屬公司貸款Extrawell (BVI) (附註e)	<b>5,027</b>	—

## 26. AMOUNTS DUE TO NON-CONTROLLING INTERESTS AND FORMER NON-CONTROLLING INTERESTS, AMOUNT DUE TO THE SUBSIDIARY OF AN ASSOCIATE, LOAN FROM A NON-CONTROLLING INTEREST AND LOAN FROM A SUBSIDIARY OF AN ASSOCIATE

(Continued)

Notes:

- (a) The amounts are unsecured, interest-free and have no fixed terms of repayment.
- (b) The amounts represent contributions made by non-controlling interests of Fosse Bio in respect of working capital and operation funds for the further clinical trials of the oral insulin project. The amounts due to noncontrolling interests and former non-controlling interests were respectively HK\$22,671,000 and HK\$823,000 at the date of acquisition on 28 July 2014.
- (c) This represents a loan made by Fordnew to Fosse Bio pursuant to the loan agreement entered into between Smart Ascent and Fordnew on 25 May 2011. The loan is unsecured and non-interest bearing. Details of the loan are disclosed in note 25(a) to these consolidated financial statements. During the year ended 31 March 2019, imputed interest expense of HK\$2,424,000 (2018: HK\$1,856,000) has been charged to profit or loss.
- (d) The amount is unsecured, interest-free and is not repayable within one year.
- (e) On 27 July 2018, the Company and Extrawell (BVI) entered into a shareholders' loan agreement for a loan to Smart Ascent amounting to HK\$30 million in total (the "Loan"), to be contributed as to 59% i.e. HK\$15.3 million by the Company and as to 49% i.e. HK\$14.7 million by Extrawell (BVI). The Loan is unsecured, interest bearing at 5% per annum.

In September 2018, Smart Ascent had drawn down HK\$10 million of the Loan. As at 31 March 2019, interest expenses of HK\$127,000 is recognised to profit or loss.

## 26. 應付非控股權益及前非控股權益款項、應付聯營公司之附屬公司款項、來自非控股權益貸款及來自聯營公司之附屬公司貸款 (續)

附註：

- (a) 該款項為無抵押，免息及無固定償還期。
- (b) 該款項指福仕的非控股權益就該營運資金及口服胰島素項目的進一步臨床試驗的經營資金之供款。於收購日期二零一四年七月二十八日，該應付非控股權益款項及前非控股權益款項分別為22,671,000港元及823,000港元。
- (c) 這表示福聯根據於二零一一年五月二十五日進生與福聯簽訂貸款協議借予福仕之貸款為無抵押及無利息。貸款內容詳見綜合財務報表附註25(a)。截至二零一九年三月三十一日止年度，估算利息開支2,424,000港元(二零一八年：1,856,000港元)已於損益中扣除。
- (d) 該款項為無抵押，免息及無需在一年內償還。
- (e) 於二零一八年七月二十七日，本公司及Extrawell (BVI)訂立一份股東貸款協議，向進生提供總額為30,000,000港元之貸款(「該貸款」)，由本公司提供51%款項(即15,300,000港元)及由Extrawell (BVI)提供49%款項(即14,700,000港元)。該貸款為無抵押、年利率為5%。

於二零一八年九月，進生提取該貸款內10,000,000港元之款項。於二零一九年三月三十一日，利息支出127,000港元已於損益內確認。

## 27. DEFERRED TAX LIABILITIES

The following are the major deferred tax liabilities recognised by the Group and the movement thereon during the current year and prior year.

## 27. 遞延稅項負債

以下為本集團確認之主要遞延稅項負債及其於本年度及先前年度之變動。

		Intangible assets and revaluation of leasehold land and buildings 無形資產及重估租賃土地及樓宇 HK\$'000 千港元
At 1 April 2017	於二零一七年四月一日	2,162
Charged to other comprehensive income	於其他全面收益扣除	(2,162)
At 31 March 2018, 1 April 2018 and 31 March 2019	於二零一八年三月三十一日、二零一八年四月一日及二零一九年三月三十一日	—

At 31 March 2019, the Group had estimated unused tax losses of HK\$48,803,000 (2018: HK\$48,803,000) 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. The tax losses have not been agreed by the relevant authorities.

於二零一九年三月三十一日，本集團估計有未動用稅項虧損為48,803,000港元(二零一八年：48,803,000港元)，可用作抵銷日後溢利。由於未能預測日後溢利流量，故並無就有關稅項虧損確認遞延稅項資產。有關當局尚未議定稅項虧損。



## 28. CONVERTIBLE BONDS

The movement of liability component of Convertible Bonds issued by the Company for the year is set out below:

		Convertible Bonds I 可換股 債券一 HK\$'000 千港元	Convertible Bonds II 可換股 債券二 HK\$'000 千港元	Convertible Bonds III 可換股 債券三 HK\$'000 千港元	Convertible Bonds IV 可換股 債券四 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2017	於二零一七年四月一日	76,057	37,415	345,530	11,669	470,671
Effective interest expenses	實際利息開支	19,865	9,247	77,024	2,733	108,869
Interest expense paid	已付利息開支	—	—	(25,025)	—	(25,025)
At 31 March 2018 and 1 April 2018	於二零一八年三月三十一日 及二零一八年四月一日	95,922	46,662	397,529	14,402	554,515
Effective interest expenses	實際利息開支	25,056	11,533	89,180	3,373	129,142
Interest expense paid	已付利息開支	—	—	(25,025)	—	(25,025)
At 31 March 2019	於二零一九年三月三十一日	120,978	58,195	461,684	17,775	658,632

The effective interest rates of all the liability component of all the convertible bonds ranged from: 23.44% to 26.24% per annum (2018: 23.44% to 26.24% per annum).

### Convertible Bonds I

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

## 28. 可換股債券

年內本公司發行之可換股債券負債部分之變動載列如下：

所有可換股債券的所有負債部分的實際利率介乎：每年23.44%至26.24%（二零一八年：每年23.44%至26.24%）。

### 可換股債券一

本公司於二零一三年十月二十五日及二零一三年十二月二十七日發行可換股債券，合計本金分別為436,800,000港元及51,200,000港元（合稱「可換股債券一」），旨在收購待售可換股債券一以及精優的450,000,000股普通股。零息票率的可換股債券一在發行日期起計第十週年當日到期。

## 28. CONVERTIBLE BONDS (Continued)

### Convertible Bonds I (Continued)

The Convertible Bonds I entitle the bond holders to convert them into shares of the Company at any time within 10 years from the date of issue of the Convertible Bonds I, at the conversion price per share of HK\$0.40, subject to anti-dilution clauses.

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

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

		25 October 2013 二零一三年 十月二十五日	27 December 2013 二零一三年 十二月二十七日
		<b>Principal amount of HK\$436,800,000</b>	<b>Principal amount of HK\$51,200,000</b>
		本金額	本金額
		436,800,000港元	51,200,000港元
Stock price	股價	HK\$0.91 0.91港元	HK\$0.99 0.99港元
Exercise price	行使價	HK\$0.40 0.40港元	HK\$0.40 0.40港元
Discount rate	折扣率	26.12%	26.24%
Risk-free rate (note a)	無風險利率(附註a)	1.83%	2.32%
Expected volatility (note b)	預期波動(附註b)	86.71%	85.53%
Expected dividend yield (note c)	預期股息收益率(附註c)	0.00%	0.00%

## 28. 可換股債券 (續)

### 可換股債券一 (續)

可換股債券一賦予債券持有人權利，於發行可換股債券一日期後十年內隨時將可換股債券一轉換為本公司股份，轉換價為每股股份0.40港元，須受反攤薄條款限制。

倘可換股債券一未獲轉換，其將於發行日期後第十週年日按面值贖回。

可換股債券一以港元發行。本公司於二零一三年十月二十五日及二零一三年十二月二十七日所發行的可換股債券一的負債部分公平值分別為42,886,000港元及4,981,000港元，乃透過貼現現金流量法，利用類似非可換股債券的現行市場利率釐定，並計及本公司之信貸風險。本公司於二零一三年十月二十五日及二零一三年十二月二十七日發行之可換股債券一分類為權益部分換股權之公平值分別為671,267,000港元及82,161,000港元，乃透過二項式模式計算。該模式的輸入如下：

## 28. CONVERTIBLE BONDS (Continued)

### Convertible Bonds I (Continued)

Any changes in the major inputs used in the model will result in changes in the fair value of the liability component. The variables and assumptions used in calculating the fair value of the liability component are based on the directors' best estimate.

Notes:

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

During the year ended 31 March 2019 and 2018, none of the Convertible Bonds I was converted into ordinary shares of the Company.

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

## 28. 可換股債券(續)

### 可換股債券一(續)

模式所用之主要輸入數據發生任何變動，將導致債務部分公平值發生變化。計算負債部分公平值所用變量及假設乃基於董事的最佳估計。

附註：

- (a) 該利率乃參考於估值日期香港政府債券及國庫券的孳息率釐定。
- (b) 基於債券期間本公司的過往價格波幅。
- (c) 根據本公司的過往股息派付估計得出。

於截至二零一九及二零一八年三月三十一日止年度期間，並無可換股債券一被轉換為本公司普通股。

年內可換股債券一之負債部分變動情況如下：

		<b>Principal amount</b> 本金額 HK\$'000 千港元	<b>Carrying amount</b> 賬面值 HK\$'000 千港元
At 1 April 2017	於二零一七年四月一日	351,600	76,057
Effective interest expense	實際利息開支	—	19,865
At 31 March 2018 and 1 April 2018	於二零一八年三月三十一日 及二零一八年四月一日	351,600	95,922
Effective interest expense	實際利息開支	—	25,056
At 31 March 2019	於二零一九年三月三十一日	351,600	120,978

## 28. CONVERTIBLE BONDS (Continued)

### Convertible Bonds II

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

The Convertible Bonds II entitle the bond holders to convert them into shares of the Company at any time within 10 years from the date of issue of the Convertible Bonds II, at the initial conversion price per share of HK\$0.40, subject to anti-dilution clauses.

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

## 28. 可換股債券 (續)

### 可換股債券二

本公司於二零一四年四月二十四日、二零一四年八月三十日及二零一四年十二月三十一日分別以本金總額64,000,000港元、64,000,000港元以及64,000,000港元發行可換股債券(合稱為「可換股債券二」)，旨在分別收購待售可換股債券二第一批、第二批及第三批。零息票率的可換股債券二在發行日期起計第十週年當日到期。

可換股債券二賦予債券持有人權利，於發行可換股債券二日期後十年內隨時將可換股債券二轉換為本公司股份，初始轉換價為每股股份0.40港元，惟須受反攤薄條款限制。

倘可換股債券二未經轉換，將於發行日期起計第十週年當日按面值予以贖回。

## 28. CONVERTIBLE BONDS (Continued)

### Convertible Bonds II (Continued)

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

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

Any changes in the major inputs used in the model will result in changes in the fair value of the liability component. The variables and assumptions used in calculating the fair value of the liability component are based on the directors' best estimate.

## 28. 可換股債券(續)

### 可換股債券二(續)

可換股債券二以港元發行。本公司於二零一四年四月二十四日、二零一四年八月三十日及二零一四年十二月三十一日所發行的可換股債券二的負債部分公平值分別為6,622,000港元、6,916,000港元及7,577,000港元，乃透過貼現現金流量法，利用類似非可換股債券的現行市場利率釐定，並計及本公司之信貸風險。本公司於二零一四年四月二十四日、二零一四年八月三十日及二零一四年十二月三十一日發行之可換股債券二分類為權益部分換股權之公平值分別為131,454,000港元、118,983,000港元及112,597,000港元，乃透過二項式模式計算。該模式的輸入如下：

模式所用之主要輸入數據發生任何變動，將導致債務部分公平值發生變化。計算負債部分公平值所用變量及假設乃基於董事的最佳估計。

## 28. CONVERTIBLE BONDS (Continued)

### Convertible Bonds II (Continued)

Notes:

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

During the years ended 31 March 2019 and 2018, none of the Convertible Bonds II was converted into ordinary shares of the Company.

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

		<b>Principal amount</b> 本金額 HK\$'000 千港元	<b>Carrying amount</b> 賬面值 HK\$'000 千港元
As at 1 April 2017	於二零一七年四月一日	192,000	37,415
Interest charge	利息開支	—	9,247
At 31 March 2018 and 1 April 2018	於二零一八年三月三十一日 及二零一八年四月一日	192,000	46,662
Interest charge	利息開支	—	11,533
At 31 March 2019	於二零一九年三月三十一日	192,000	58,195

### Convertible Bonds III

The Company issued convertible bonds to its associate, Extrawell, in an aggregate principal amount of HK\$715,000,000 on 28 July 2014 (collectively referred to as "Convertible Bonds III") as part of the consideration paid to acquire of 51% equity interest in Smart Ascent. The Convertible Bonds III with coupon rate of 3.5% per annum will mature on the seventh anniversary of the date of issue.

The Convertible Bonds III entitle the bond holders to convert them into shares of the Company at any time within 7 years from the date of issue of the Convertible Bonds III, at the initial conversion price per share of HK\$2.50, subject to anti-dilution clauses.

## 28. 可換股債券 (續)

### 可換股債券二 (續)

附註：

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

截至二零一九年及二零一八年三月三十一日止年度，並無可換股債券二轉換成本公司普通股。

年內可換股債券二之負債部分之變動列載如下：

### 可換股債券三

本公司已於二零一四年七月二十八日發行本金總額為715,000,000港元之可換股債券(合稱「可換股債券三」)予其聯營公司精優，作為部分支付收購進生51%股權之代價。可換股債券三之票面年息率為3.5%，並將於發行日期起計第七週年當日到期。

可換股債券三賦予債券持有人權利，於發行可換股債券三日期後七年內隨時將可換股債券三轉換為本公司股份，初始轉換價為每股股份2.50港元，須受反攤薄條款限制。

## 28. CONVERTIBLE BONDS (Continued)

### Convertible Bonds III (Continued)

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

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

		28 July 2014 二零一四年 七月二十八日 Principal amount of HK\$715,000,000 本金額 715,000,000港元
Stock price	股價	HK\$1.27 1.27港元
Exercise price	行使價	HK\$2.50 2.50港元
Discount rate	貼現率	24.67%
Risk-free rate (note a)	無風險利率(附註a)	1.63%
Expected volatility (note b)	預期波幅(附註b)	80.04%
Expected dividend yield (note c)	預期股息收益率(附註c)	0.00%

Any changes in the major inputs used in the model will result in changes in the fair value of the liability component. The variables and assumptions used in calculating the fair value of the liability component are based on the directors' best estimate.

## 28. 可換股債券(續)

### 可換股債券三(續)

倘可換股債券三未獲轉換，則將於發行日期起計第七週年當日按面值予以贖回。

可換股債券三以港元發行。本公司於二零一四年七月二十八日發行之可換股債券三的負債部分的公平值為233,547,000港元，乃採用類似非可換股債券的現行市場利率按貼現現金流量法釐定，並已計及本公司的信貸風險。本公司於二零一四年七月二十八日發行之可換股債券三分類為權益部分換股權之公平值為136,646,000港元，乃採用二項式模式計算。該模式的輸入如下：

模式所用之主要輸入數據發生任何變動，將導致負債部分公平值發生變化。計算負債部分公平值所用變量及假設乃基於董事的最佳估計。

## 28. CONVERTIBLE BONDS (Continued)

### Convertible Bonds III (Continued)

Notes:

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

During the years ended 31 March 2019 and 2018, none of the Convertible Bonds III was converted into ordinary shares of the Company.

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

		<b>Principal amount</b> 本金額 HK\$'000 千港元	<b>Carrying amount</b> 賬面值 HK\$'000 千港元
At 1 April 2017	於二零一七年四月一日	715,000	345,530
Effective interest expense	實際利息開支	—	77,024
Interest expense paid	已支付利息開支	—	(25,025)
At 31 March 2018 and 1 April 2018	於二零一八年三月三十一日 及二零一八年四月一日	715,000	397,529
Effective interest expense	實際利息開支	—	89,180
Interest expense paid	已支付利息開支	—	(25,025)
At 31 March 2019	於二零一九年三月三十一日	715,000	461,684

### Convertible Bonds IV

The Company issued convertible bonds in an aggregate principal amount of HK\$64,000,000 on 30 April 2015 (collectively referred to as "Convertible Bonds IV") for the acquisition of Sale CB-II fourth batch. The Convertible Bonds IV with zero coupon rate will mature on the tenth anniversary of the date of issue.

The Convertible Bonds IV entitle the bond holders to convert them into shares of the Company at any time within 10 years from the date of issue of the Convertible Bonds IV, at the initial conversion price per share of HK\$0.40, subject to anti-dilution clauses.

## 28. 可換股債券 (續)

### 可換股債券三 (續)

附註：

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

截至二零一九年及二零一八年三月三十一日止年度，並無可換股債券三被轉換為本公司普通股。

年內可換股債券三之負債部分之變動列載如下：

### 可換股債券四

本公司已於二零一五年四月三十日發行本金總額為64,000,000港元之可換股債券(合稱「可換股債券四」)，以收購第四批待售可換股債券二。可換股債券四之票面年息率為零，將於發行日期起計第十週年當日到期。

可換股債券四賦予債券持有人權利，於發行可換股債券四日期後十年內隨時將可換股債券四轉換為本公司股份，初始轉換價為每股股份0.40港元，須受反攤薄條款限制。



## 28. CONVERTIBLE BONDS (Continued)

### Convertible Bonds IV (Continued)

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

The Convertible Bonds IV are issued in HK\$. The fair value of the liability component was HK\$7,790,000 for the Convertible Bonds IV issued by the Company on 30 April 2015, which has been determined by the discounted cash flow approach using the prevailing market interest rate of similar non-convertible bonds and taking into account the credit risk of the Company. The fair value of the conversion option of HK\$109,371,000 classified as equity component for the Convertible Bonds IV issued by the Company on 30 April 2015 was calculated using Binomial Model.

The inputs into the model were as follows:

		30 April 2015 二零一五年 四月三十日 Principal amount of HK\$64,000,000 本金額 64,000,000港元
Stock price	股價	HK\$1.16 1.16港元
Exercise price	行使價	HK\$0.40 0.40港元
Discount rate	貼現率	23.44%
Risk-free rate (note a)	無風險利率(附註a)	1.48%
Expected volatility (note b)	預期波幅(附註b)	79.49%
Expected dividend yield (note c)	預期股息收益率(附註c)	0.00%

Any changes in the major inputs used in the model will result in changes in the fair value of the liability component. The variables and assumptions used in calculating the fair value of the liability component are based on the directors' best estimate.

## 28. 可換股債券(續)

### 可換股債券四(續)

倘可換股債券四未獲轉換，則將於發行日期起計第十週年當日按票面值予以贖回。

可換股債券四以港元發行。本公司於二零一五年四月三十日發行之可換股債券四的負債部分的公平值為7,790,000港元，乃採用類似非可換股債券的現行市場利率按貼現現金流量法釐定，並已計及本公司的信貸風險。本公司於二零一五年四月三十日發行之可換股債券四分類為權益部分換股權之公平值為109,371,000港元，乃採用二項式模式計算。

該模式的輸入如下：

模式所用之主要輸入數據發生任何變動，將導致負債部分公平值發生變化。計算負債部分公平值所用變量及假設乃基於董事的最佳估計。

## 28. CONVERTIBLE BONDS (Continued)

### Convertible Bonds IV (Continued)

Notes:

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

During the years ended 31 March 2019 and 2018, none of the Convertible Bonds IV was converted into ordinary shares of the Company.

The movement of liability component of Convertible Bond IV for the year is set out below:

## 28. 可換股債券 (續)

### 可換股債券四 (續)

附註：

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

截至二零一九年及二零一八年三月三十一日止年度，並無可換股債券四被轉換為本公司普通股。

年內可換股債券四之負債部分之變動列載如下：

		<b>Principal amount</b> 本金額 HK\$'000 千港元	<b>Carrying amount</b> 賬面值 HK\$'000 千港元
At 1 April 2017	於二零一七年四月一日	64,000	11,669
Effective interest expense	實際利息開支	—	2,733
At 31 March 2018 and 1 April 2018	於二零一八年三月三十一日 及二零一八年四月一日	64,000	14,402
Effective interest expense	實際利息開支	—	3,373
At 31 March 2019	於二零一九年三月三十一日	64,000	17,775

## 29. SHARE CAPITAL

## 29. 股本

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Authorised:	法定：		
50,000,000,000 ordinary shares of HK\$0.01 each	50,000,000,000股每股面值 0.01港元之普通股	<b>500,000</b>	500,000
Issued and fully paid:	已發行及已繳足：		
1,464,193,024 ordinary shares of HK\$0.01 each	1,464,193,024股每股面值 0.01港元之普通股	<b>14,642</b>	14,642

As at 31 March 2019, the maximum number of shares issuable upon conversion of all outstanding convertible bonds issued by the Company is 1,805,000,000 (2018: 1,805,000,000).

於二零一九年三月三十一日，在轉換所有由本公司已發行之未行使之可換股債券後之可予發行最高股份數目為1,805,000,000股(二零一八年：1,805,000,000股)。

### 30. CONTINGENT LIABILITIES AND LITIGATION

#### Litigation concerning CNL (Pinghu) in the PRC

On 17 April 2012, a writ of summons was issued by 江蘇瑞峰建設集團有限公司 (Jiangsu Ruifeng Construction Group Co., Limited) (“Jiangsu Ruifeng”) in the PRC as the plaintiff against CNL (Pinghu), an indirect non-wholly owned subsidiary of the Company, as the defendant in relation to the disputes arising from the consideration and completion of construction services under the construction contracting services agreement dated 8 October 2010, the construction agreement dated 17 December 2010 and the supplemental agreement dated 8 March 2011 (collectively referred to as the “Construction Agreements”) entered into between CNL (Pinghu) and Jiangsu Ruifeng, to claim the outstanding construction cost of RMB13,150,000, the related interests and litigation costs of the case. Pursuant to the Construction Agreements, the total construction costs was RMB16,675,000. Jiangsu Ruifeng had issued invoices amounting to RMB29,126,000 in relation to the construction work they performed. The aggregated invoice amount was substantially different from the contracted amount. CNL (Pinghu) only settled the amount of RMB16,601,000 and was recorded as the cost of buildings as at 30 June 2012. On 24 April 2012, Jiangsu Ruifeng obtained a civil ruling against CNL (Pinghu), pursuant to which a bank deposit of RMB15,000,000 or equivalent amount of assets of CNL (Pinghu) were to be frozen, but the actual amount frozen was HK\$222,000 as at 30 June 2012, which was significantly lower than the amount stated in the civil ruling. The frozen balance was released during the year ended 30 June 2013. On 14 January 2013, an independent construction consulting company, which was appointed by Pinghu District Court, issued a statement certifying the total construction cost incurred would be in a range between RMB15,093,000 (equivalent to approximately HK\$19,142,000) and RMB18,766,000 (equivalent to HK\$23,801,000). According to the relevant legal opinion dated on 29 July 2013, the possibility for Pinghu District Court for adopting the construction cost of RMB18,766,000 is higher. On 20 December 2013, the 浙江省平湖市人民法院 (People’s Court of Pinghu City, Zhejiang Province) delivered a further civil ruling, pursuant to which, CNL (Pinghu) shall, after the said civil ruling came into force, pay to Jiangsu Ruifeng, among other things, a fee of RMB3,309,000 (equivalent to approximately HK\$4,197,000) for the construction services rendered. CNL (Pinghu) filed an application to appeal to 浙江省嘉興市中級人民法院 (the Intermediate People’s Court of Jiaxing City, Zhejiang Province). On 25 April 2014, 浙江省嘉興市中級人民法院 (the Intermediate People’s Court of Jiaxing City, Zhejiang Province) upheld the original ruling of 浙江省平湖市人民法院 (People’s Court of Pinghu City, Zhejiang Province) and the Company was required to pay approximately RMB4,223,000 (equivalent to approximately HK\$5,333,000) to Jiangsu Ruifeng. Total provision has been made by the Group in this regard since 31 March 2014.

### 30. 或然負債及訴訟

#### 於中國有關中荷(平湖)之訴訟

於二零一二年四月十七日，江蘇瑞峰建設集團有限公司(「江蘇瑞峰」)(作為原告)於中國向本公司之間接非全資附屬公司中荷(平湖)(作為被告)發出傳票令狀，內容有關由中荷(平湖)與江蘇瑞峰於二零一零年十月八日訂立之建造承包服務協議、於二零一零年十二月十七日訂立之建造協議及於二零一一年三月八日訂立之補充協議(統稱「建造協議」)項下之代價及完成建造服務所引起之爭議，江蘇瑞峰向中荷(平湖)索償人民幣13,150,000元之未支付建造款項、相關利息及案件之訴訟成本。根據建造協議，建造總成本為人民幣16,675,000元。江蘇瑞峰就其進行之建造工程發出發票，金額為人民幣29,126,000元。發票總額與合約金額出現重大差異。中荷(平湖)僅支付人民幣16,601,000元，並於二零一二年六月三十日記錄作建築成本。於二零一二年四月二十四日，江蘇瑞峰已取得針對中荷(平湖)之民事裁定，據此，中荷(平湖)之銀行存款人民幣15,000,000元或等同金額之資產將被凍結，惟於二零一二年六月三十日，被凍結之實際金額為222,000港元，其大幅低於民事裁定所列之金額。被凍結結餘於截至二零一三年六月三十日止年度解凍。於二零一三年一月十四日，一間獨立建築顧問公司獲平湖區法院委任，發出一份聲明，證明應計建築總成本介乎人民幣15,093,000元(相當於約19,142,000港元)與人民幣18,766,000元(相當於23,801,000港元)之間。根據法律顧問於二零一三年七月二十九日的意見，平湖區法院採納建築成本人民幣18,766,000元的可能性較高。於二零一三年十二月二十日，浙江省平湖市人民法院發出進一步民事裁定，據此，中荷(平湖)須於民事裁定生效後向江蘇瑞峰支付(其中包括)就所提供的建造服務之費用人民幣3,309,000元(相當於約4,197,000港元)。中荷(平湖)向浙江省嘉興市中級人民法院申請上訴。於二零一四年四月二十五日，浙江省嘉興市中級人民法院維持浙江省平湖市人民法院之原來判決，而本公司須向江蘇瑞峰支付約人民幣4,223,000元(相當於約5,333,000港元)。本集團已於二零一四年三月三十一日起就此計提撥備總額。

### 30. CONTINGENT LIABILITIES AND LITIGATION

(Continued)

#### Litigation concerning CNL (Pinghu) in the PRC

(Continued)

During the year ended 31 March 2015, the Company had received payment notice of approximately RMB2,897,000 (equivalent to approximately HK\$3,660,000) and settled accordingly.

Since then, the Company did not receive any payment notice of the remaining amount of RMB1,326,000 (equivalent to approximately HK\$1,649,000) from Jiangsu Ruifeng and therefore no payment was made by the Company during the year ended 31 March 2019 (2018: Nil).

### 31. COMMITMENTS

#### Operating lease commitments

As at 31 March 2019, the total future minimum lease payments of the Group under non-cancellable operating leases are payable as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Future aggregate minimum lease payments under operating leases in respect of leasehold land and buildings	根據租賃土地及樓宇之經營租賃支付之未來最低租賃款項總額		
— within one year	— 一年內	1,168	2,144
— in the second to fifth years inclusive	— 第二至第五年 (包括首尾兩年)	84	1,328
		<b>1,252</b>	3,472

### 30. 或然負債及訴訟(續)

#### 於中國有關中荷(平湖)之訴訟(續)

於截至二零一五年三月三十一日止年度，本公司已接獲付款通知及結清費用約人民幣2,897,000元(相當於約3,660,000港元)。

自此，本公司並無接獲江蘇瑞峰的人民幣1,326,000元(相當於約1,649,000港元)之餘額付款通知。故本公司於截至二零一九年三月三十一日止年度並無付款(二零一八年：無)。

### 31. 承擔

#### 經營租賃承擔

於二零一九年三月三十一日，本集團於不可撤銷經營租賃下之日後最低租賃款項總額如下：

### 31. COMMITMENTS (Continued)

#### Operating lease commitments (Continued)

Operating lease payments represent rentals payable by the Group for certain of its offices, laboratory and staff quarter. Leases are negotiated for terms ranging from one to three years (2018: one year to three years) and rentals are fixed over the lease terms and the above amounts do not include contingent rentals.

#### Capital commitments

As at 31 March 2019 and 31 March 2018, the Group has no capital commitment contracted but not provided for.

#### Other commitments

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

As at the date of acquisition of Smart Ascent and 31 March 2019, the aggregate balance utilised by and unutilised balances available for Fordnew were approximately HK\$10,579,000 (2018: HK\$10,579,000) and HK\$19,421,000 (2018: HK\$19,421,000) respectively.

### 31. 承擔(續)

#### 經營租賃承擔(續)

經營租賃付款指本集團就其若干辦公室、實驗室及員工宿舍應付之租金。租賃期限協定為介乎一至三年(二零一八年：一年至三年)，及租金於租賃期限固定，且上述款項不包括或然租金。

#### 資本承擔

於二零一九年三月三十一日及二零一八年三月三十一日，本集團概無已訂約但未撥備之資本承擔。

#### 其他承擔

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

於收購進生之日期及於二零一九年三月三十一日，福聯已使用之款項總數及福聯可使用而未使用之款項總數分別約為10,579,000港元(二零一八年：10,579,000港元)及19,421,000港元(二零一八年：19,421,000港元)。

## 31. COMMITMENTS (Continued)

### Other commitments (Continued)

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

- (1) Sea Ascent shall procure its wholly-owned subsidiary, Joy Kingdom Industrial Limited (“Joy Kingdom”), to establish a wholly foreign owned enterprise in the PRC in the name of 江蘇派樂施藥業有限公司 (Jiangsu Prevalence Pharmaceutical Limited) (“Jiangsu Prevalence”);
- (2) Sea Ascent shall advance a sum equivalent to RMB40 million to Joy Kingdom by way of an unsecured, non-interest bearing shareholder’s loan (“Shareholder’s Loan”) for the payment of the registered capital of Jiangsu Prevalence and the acquisition of land and construction of a factory (the “Plant”) at Pi Zhou City, Jiangsu, the PRC for the production of the Group’s Oral Insulin Enteric-Coated Soft Capsules (the “Medicine”);

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

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

## 31. 承擔(續)

### 其他承擔(續)

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

- (1) 振海將促使其全資附屬公司京悅實業有限公司(「京悅」)於中國成立外商獨資企業，並命名為江蘇派樂施藥業有限公司(「江蘇派樂施」)；
- (2) 振海將透過無抵押、免息股東貸款(「股東貸款」)形式向京悅墊付總額相當於人民幣40,000,000元之款項，用作支付江蘇派樂施之註冊資本以及支付於中國江蘇邳州市收購土地及興建一間廠房(「廠房」)所需資金，該廠房用於生產本集團之口服胰島素腸溶膠丸(「藥品」)；

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

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

### 31. COMMITMENTS (Continued)

#### Other commitments (Continued)

(ii) (Continued)

(3) (Continued)

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

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

### 31. 承擔 (續)

#### 其他承擔 (續)

(ii) (續)

(3) (續)

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

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



### 31. COMMITMENTS *(Continued)*

#### Other commitments *(Continued)*

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

### 32. RETIREMENT BENEFIT SCHEMES

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. The Group and each employee employed in Hong Kong are required to make a contribution of 5% on the employees' monthly relevant income with a maximum monthly contribution of HK\$1,500 per person.

The PRC employees of the Group are members of a state-managed retirement benefit scheme operated by the local government. The Group is required to contribute a specific percentage of their payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

### 31. 承擔 *(續)*

#### 其他承擔 *(續)*

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

### 32. 退休福利計劃

本集團為全體香港合資格僱員設立強制性公積金計劃。該計劃之資產透過受信託人控制之基金與本集團之資產分開持有。本集團及每名香港合資格僱員均須按僱員每月有關收入之5%供款，每月供款上限為每人1,500港元。

本集團中國僱員為地區政府營運之國營退休福利計劃之成員。本集團須按僱員之薪金成本的指定百分比比率向該退休福利計劃供款，作該等福利之資金。本集團於該退休福利計劃下之唯一責任為作出特定供款。

### 33. RELATED PARTY TRANSACTIONS

Dr. Mao and Dr. Xie have beneficial non-controlling interest in the shares of the Company. In addition, they have joint control of a company which has shareholding of the Company giving it significant influence over the Company. Save as those disclosed elsewhere in the consolidated financial statements, the Group has entered into the following related party transactions:

### 33. 關連人士交易

毛博士及謝博士於本公司股份中擁有實益非控股權益。此外，彼等共同控制一間擁有本公司股權並對本公司擁有重大影響力之公司。除綜合財務報表其他章節所披露者外，本集團已進行以下關連人士交易：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Service fee expense paid and payable to Dr. Mao, a shareholder of the Company (Note i)	已付及應付予本公司股東毛博士之服務費開支(附註i)	672	672
Loan from Dr. Mao, a shareholder of the Company (Note ii)	來自本公司股東毛博士之貸款(附註ii)	25,000	—
		<b>25,672</b>	672
Key management compensation:	主要管理層之報酬：		
Short-term employee benefits	短期僱員之福利	1,420	2,488
Post-employment benefits	離職後福利	36	36
		<b>1,456</b>	2,524

Notes:

- (i) This transaction constitutes continuing connected transaction under Chapter 14A of the Listing Rules and is exempted from the reporting and disclosure requirement pursuant to Rule 14A.76(1) of the Listing Rules.
- (ii) The loan from a shareholder is unsecured, non-interest bearing and repayment term was three years after drawdown date.

附註：

- (i) 此項交易構成上市規則第14A章項下的持續關聯交易且豁免遵守上市規則第14A.76(1)條項下的報告及披露規定。
- (ii) 來自股東之貸款為無抵押、無利息以及其還款期為支款日後三年期。

### 34. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY 34. 本公司附屬公司詳情

Name 名稱	Place of incorporation/ registration/ 註冊成立/ 註冊地點	Place of operation 營運地點	Registered/issued paid-up capital 註冊/已發行繳足股本	Percentage of ownership interest/voting power 擁有權權益/投票權之百分比				Principal activities 主要業務
				31.3.2019 二零一九年 三月三十一日		31.3.2018 二零一八年 三月三十一日		
				Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	
Lucky Full Holdings Limited 福滿控股有限公司	British Virgin Islands 英屬維爾京群島	British Virgin Islands 英屬維爾京群島	US\$1 ordinary share 1美元普通股	100%	—	100%	—	Investment holding 投資控股
Clear Rich International Limited 晴富國際有限公司	British Virgin Islands 英屬維爾京群島	British Virgin Islands 英屬維爾京群島	US\$1 ordinary share 1美元普通股	—	100%	—	100%	Investment holding 投資控股
China United Gene Health Limited 華夏聯合基因健康產業有限公司	Hong Kong 香港	Hong Kong 香港	HK\$1 ordinary share 1港元普通股	—	100%	—	100%	Trading of beauty equipment and products 美容設備及產品貿易
Mega Fortune Corporation Limited 麗高集團有限公司	Hong Kong 香港	Hong Kong 香港	HK\$1 ordinary share 1港元普通股	—	100%	—	100%	Investment holding 投資控股
First Team Limited 中荷(平湖)(附註a)	Hong Kong 香港	Hong Kong 香港	HK\$1 ordinary share 1港元普通股	—	100%	—	100%	Investment holding 投資控股
Multi-Wealth Investment Limited 盛得投資有限公司	Hong Kong 香港	Hong Kong 香港	HK\$1 ordinary share 1港元普通股	—	100%	—	100%	Investment holding 投資控股
Able Earn Investment Limited 麗高集團有限公司	Hong Kong 香港	Hong Kong 香港	HK\$1 ordinary share 1港元普通股	—	100%	—	100%	Investment holding 投資控股
Top Nice Holdings Limited 麗高集團有限公司	Hong Kong 香港	Hong Kong 香港	HK\$1 ordinary share 1港元普通股	—	100%	—	100%	Securities investment 證券控股
CNL (Pinghu) (Note a)	PRC 中國	PRC 中國	US\$20 million registered capital 20,000,000美元註冊資本	—	100%	—	70%	Distribution of bio-industrial products 分銷生物產業產品
Mega Cedar Group Limited	British Virgin Islands 英屬維爾京群島	British Virgin Islands 英屬維爾京群島	US\$1 ordinary share 1美元普通股	—	100%	—	100%	Investment holding and securities investment 投資控股及證券投資

### 34. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY (Continued) 34. 本公司附屬公司詳情 (續)

Name 名稱	Place of incorporation/ registration 註冊成立/ 註冊地點	Place of operation 營運地點	Registered/issued paid-up capital 註冊/已發行繳足股本	Percentage of ownership interest/voting power 擁有權益/投票權之百分比				Principal activities 主要業務
				31.3.2019 二零一九年 三月三十一日		31.3.2018 二零一八年 三月三十一日		
				Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	
Perfect Net Limited	British Virgin Islands 英屬維爾京群島	British Virgin Islands 英屬維爾京群島	US\$1 ordinary share 1美元普通股	—	100%	—	100%	Investment holding 投資控股
New Wonder Limited	British Virgin Islands 英屬維爾京群島	British Virgin Islands 英屬維爾京群島	US\$1 ordinary share 1美元普通股	—	100%	—	100%	Investment holding 投資控股
Rankup Holdings Limited	British Virgin Islands 英屬維爾京群島	British Virgin Islands 英屬維爾京群島	US\$1 ordinary share 1美元普通股	—	100%	—	100%	Investment holding 投資控股
Marvel Wonder Global Limited	British Virgin Islands 英屬維爾京群島	British Virgin Islands 英屬維爾京群島	US\$1 ordinary share 1美元普通股	—	100%	—	100%	Investment holding 投資控股
East Longmark (Note b)	PRC	PRC	HK\$28 million registered capital	—	100%	—	100%	Provision of genetic testing services 提供基因測試服務
東龍脈(附註b)	中國	中國	28,000,000港元 註冊資本					
Shanghai Honglian Investment Advisory Limited (Note c)	PRC	PRC	HK\$3.5 million registered capital	—	100%	—	100%	Inactive
上海弘連投資諮詢有限公司(附註c)	中國	中國	3,500,000港元 註冊資本					非活躍
Shanghai Xizhen International Trading Limited (Note d)	PRC	PRC	HK\$3 million registered capital	—	100%	—	100%	Inactive
上海熙貞國際貿易有限公司(附註d)	中國	中國	3,000,000港元 註冊資本					非活躍
Smart Ascent (Note e)	Hong Kong	Hong Kong	HK\$10,000 ordinary shares	—	51%	—	51%	Investment holding
進生(附註e)	香港	香港	10,000港元普通股					投資控股

### 34. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY (Continued) 34. 本公司附屬公司詳情 (續)

Name 名稱	Place of incorporation/ registration 註冊成立/ 註冊地點	Place of operation 營運地點	Registered/issued paid-up capital 註冊/已發行繳足股本	Percentage of ownership interest/voting power 擁有權權益/投票權之百分比				Principal activities 主要業務
				31.3.2019 二零一九年 三月三十一日		31.3.2018 二零一八年 三月三十一日		
				Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	
Fosse Bio (Note e)	Hong Kong	PRC	HK\$100,000 ordinary shares	—	30.79%	—	30.79%	Development and commercialisation of oral insulin products
福仕(附註e)	香港	中國	100,000港元普通股					研發及商品化口服胰島素產品
Welly Surplus (Note e) 瑞盈(附註e)	Hong Kong 香港	PRC 中國	HK\$100 ordinary shares 100港元普通股	—	30.79%	—	30.79%	Inactive 非活躍
Nation Joy Industries Limited (Note e) 國悅實業有限公司(附註e)	British Virgin Islands 英屬維爾京群島	British Virgin Islands 英屬維爾京群島	US\$10,000 ordinary shares 10,000美元普通股	—	60.38%	—	60.38%	Inactive 非活躍

Notes:

- CNL (Pinghu) is a wholly foreign-owned enterprise established in the PRC on 2 April 2008 for a period of fifty years.
- East Longmark is a wholly foreign-owned enterprise established in the PRC on 24 November 2011 for a period of thirty years.
- Shanghai Honglian Investment Advisory Limited is a wholly foreign-owned enterprise established in the PRC on 26 January 2015 for a period of thirty years.
- Shanghai Xizhen International Trading Limited is a wholly foreign-owned enterprise established in the PRC on 26 December 2014 for a period of thirty years.
- These companies became subsidiaries of the Company upon completion of Acquisition on 28 July 2014.

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affect the financial results of the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

附註:

- 中荷(平湖)為於二零零八年四月二日在中國成立之外商全資企業，為期五十年。
- 東龍脈為於二零一一年十一月二十四日在中國成立之外商全資企業，為期三十年。
- 上海弘連投資諮詢有限公司為於二零一五年一月二十六日在中國成立之外商全資企業，為期三十年。
- 上海熙貞國際貿易有限公司為於二零一四年十二月二十六日在中國成立之外商全資企業，為期三十年。
- 此等公司已於二零一四年七月二十八日之收購完成後成為本公司之附屬公司。

本公司董事認為，上表已包括對本集團本年度之財務業績有重大影響或構成資產淨值主要部分之附屬公司。而倘提供其他附屬公司之詳情，董事則認為會使篇幅過於冗長。

### 34. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY (Continued)

None of the subsidiaries had any debt securities outstanding at the end of the year or any time during the year.

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

於本年度完結時或年內任何時間上述附屬公司概無任何未償還之債務證券。

下表詳列本集團擁有重大非控股權益之非全資附屬公司：

Name of subsidiary 附屬公司名稱	Place of incorporation and principal place of business 註冊成立及主要經營地點	Proportion of ownership interests held by non-controlling interests 非控股權益所持有之權益擁有權之比例		Proportion of voting rights in board of directors' meeting held by non-controlling interests 非控股權益所持有之於董事會之投票權之比例		Loss and other comprehensive loss allocated to non-controlling interests 分配予非控股權益之虧損及其他全面虧損		Accumulated non-controlling interests 累計非控股權益	
		2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Smart Ascent (Note) 進生 (附註)	Hong Kong 香港	49%	49%	49%	49%	4,487	1,216	(2,035)	(6,522)
Fosse Bio (Note) 福仕 (附註)	Hong Kong/PRC 香港/中國	69.21%	69.21%	69.21%	69.21%	(1,745)	(1,710)	867,593	869,338
CNL (Pinghu) 中荷 (平湖)	PRC 中國	30%	30%	30%	30%	(3,380)	554	4,290	7,670
Individually immaterial subsidiaries with non-controlling interests 擁有非控股權益之獨立非主要附屬公司						(1)	(3)	(79)	(78)
						(639)	57	869,769	870,408

### 34. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY (Continued)

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

#### SAL Group

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current assets	流動資產	<b>3,636</b>	2,135
Non-current assets	非流動資產	<b>1,373,224</b>	1,383,834
Current liabilities	流動負債	<b>(361,966)</b>	(29,644)
Non-current liabilities	非流動負債	<b>(61,745)</b>	(49,864)
Equity attributable to owners of the Company	本公司擁有人應佔權益	<b>314,539</b>	435,000
Non-controlling interests	非控股權益	<b>638,610</b>	871,461
Revenue	收入	<b>1,787</b>	2,485
Expenses	開支	<b>(1,642)</b>	(3,505)
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	<b>145</b>	(1,020)
Loss and total comprehensive expense attributable to Owners of the Company	虧損及全面開支總額歸屬本公司擁有人	<b>74</b>	(524)
Non-controlling interests	非控股權益	<b>71</b>	(496)
		<b>145</b>	(1,020)
Net cash outflow from operating activities	於經營活動之現金流出淨額	—	—

There are no net cash flows from investing and financing activities.

### 34. 本公司附屬公司詳情(續)

有關本集團具有重大非控股權益的附屬公司的財務資料概要載於下文。下文所載財務資料概要呈列集團內公司間對銷前的金額。

#### 進生集團

投資及融資活動並無產生現金流淨額。

**34. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY** (Continued)

**CNL (Pinghu)**

中荷(平湖)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current assets	流動資產	<b>6,141</b>	19,579
Non-current assets	非流動資產	—	—
Current liabilities	流動負債	<b>(4,767)</b>	(6,938)
Non-current liabilities	非流動負債	—	—
Equity attributable to owners of the Company	本公司擁有人應佔權益	<b>(2,884)</b>	5,002
Non-controlling interests	非控股權益	<b>4,258</b>	7,639
Other income	其他收入	<b>204</b>	12,248
Expenses	開支	<b>(11,470)</b>	(10,402)
Gain/(loss) and total comprehensive expense for the year	年內收益／(虧損)及全面開支總額	<b>(11,266)</b>	1,846
Gain/(loss) and total comprehensive expense attributable to Owners of the Company	收益／(虧損)及全面開支總額歸屬本公司擁有人	<b>(7,886)</b>	1,323
Non-controlling interests	非控股權益	<b>(3,380)</b>	523
		<b>(11,266)</b>	1,846
Net cash outflow from operating activities	於經營活動之現金流出淨額	—	(7,030)
Net cash inflow from investing activities	於投資活動之現金流入淨額	—	25,960

There are no cash flows from investing and financing activities.

投資及融資活動並無產生現金流。



### 35. FINANCIAL INFORMATION OF THE COMPANY

### 35. 本公司之財務資料

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	95	162
Interests in associates	於聯營公司的權益	48,954	81,437
Investment in subsidiary	於附屬公司的投資	—	1
Investments in convertible bonds	可換股債券投資	111,942	166,447
		<b>160,991</b>	248,047
Current assets	流動資產		
Financial assets held-for-trading	交易性金融資產	—	36,247
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	590	10,590
Amounts due from group companies	應收集團公司之款項	359,501	439,255
Bank balances and cash	銀行結餘及現金	3,884	307
		<b>363,975</b>	486,399
Current liabilities	流動負債		
Accruals and other payables	應計費用及其他應付款項	1,104	1,342
Amount due to group companies	應付集團公司款項	—	72,480
		<b>1,104</b>	73,822
Net current assets	流動資產淨額	<b>362,871</b>	412,577
Total asset less current liabilities	總資產減流動負債	<b>523,862</b>	660,624
Non-current liabilities	非流動負債		
Convertible bonds	可換股債券	658,632	554,515
Loans from a shareholder	一位股東貸款	25,000	—
Total Non-current liabilities	非流動負債總額	<b>683,632</b>	554,515
NET (LIABILITIES) ASSETS	(負債) 資產淨額	<b>(159,770)</b>	106,109
Capital and reserves	資本及儲備		
Share capital	股本	14,642	14,642
Reserves	儲備	(174,412)	91,467
TOTAL EQUITY	權益總額	<b>(159,770)</b>	106,109

The financial statements were approved by the Board of Directors on 28 June 2019 and are signed on its behalf by:

財務報表已由董事會於二零一九年六月二十八日批准，並由以下董事代表簽署：

**Jiang Nian**  
蔣年  
DIRECTOR  
董事

**Tang Rong**  
唐榕  
DIRECTOR  
董事

### 35. FINANCIAL INFORMATION OF THE COMPANY (Continued)

#### Reserve of the Company

### 35. 本公司之財務資料(續)

#### 本公司之儲備

		Share premium	Convertible equity reserve	Accumulated losses	Total
		股份溢價	可換股權益儲備	累計虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1 April 2017	於二零一七年四月一日	1,119,294	1,152,862	(1,965,927)	306,229
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	—	—	(214,762)	(214,762)
At 31 March 2018 and 1 April 2018	於二零一八年三月三十一日及二零一八年四月一日	1,119,294	1,152,862	(2,180,689)	91,467
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	—	—	(265,879)	(265,879)
<b>At 31 March 2019</b>	<b>於二零一九年三月三十一日</b>	<b>1,119,294</b>	<b>1,152,862</b>	<b>(2,446,568)</b>	<b>(174,412)</b>

### 36. FINANCIAL INSTRUMENTS

#### Categories of financial instruments

### 36. 金融工具

#### 金融工具類別

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>Financial assets</b>	<b>金融資產</b>		
<i>Financial assets at FVTPL</i>	<i>按公平值計入損益之 金融資產</i>		
Investment in convertible bonds	可換股債券投資	<b>111,942</b>	—
Equity component of investments in convertible bonds	可換股債券投資的權益部分	—	121,106
Financial assets held-for-trading	交易性金融資產	—	36,247
<i>Financial assets at amortised cost</i>	<i>按攤銷成本列賬之金融資產</i>		
Debt component of investments in convertible bonds	可換股債券投資的 債務部分	—	45,341
Amount due from the subsidiary of an associate	應收聯營公司之 附屬公司款項	—	10,610
Trade receivables	貿易應收賬款	<b>21,176</b>	12,715
Deposits and other receivables	按金及其他應收款項	<b>6,259</b>	10,914
Bank balances and cash	銀行結餘及現金	<b>17,058</b>	20,227
<b>Total</b>	<b>總計</b>	<b>156,435</b>	257,160
<i>Financial liabilities at amortised cost</i>	<i>按攤銷成本列賬之金融負債</i>		
Convertible bonds	可換股債券	<b>658,632</b>	554,515
Trade payables	貿易應付賬款	<b>21,214</b>	10,411
Accruals and other payables	應計費用及其他應付款項	<b>7,273</b>	8,848
Amounts due to non-controlling interests	應付非控股權益款項	<b>3,092</b>	22,871
Loans from a non-controlling interest	來自非控股權益貸款	<b>20,929</b>	7,923
Amounts due to former non-controlling interests	應付前非控股權益款項	<b>823</b>	823
Amount due to the subsidiary of an associate	應付聯營公司之 附屬公司款項	<b>41,952</b>	41,947
Loan from a shareholder	一位股東貸款	<b>25,000</b>	—
Loan from an associate	來自聯營公司貸款	<b>5,027</b>	—
<b>Total</b>	<b>總計</b>	<b>783,942</b>	647,338

## 36. FINANCIAL INSTRUMENTS (Continued)

### Financial risk management objectives and policies

The Group's major financial instruments include investments in convertible bonds, financial assets held-for-trading, trade receivables, other receivables, bank balances, loans from/(to) non-controlling interests, trade payables, other payables, amounts due to non-controlling interests, amounts due to former non-controlling interests and convertible bonds. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include interest rate risk, credit risk and liquidity risk and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

#### Market risk

##### Interest rate risk

The Group's fair value interest rate risk primarily relate to debt component of convertible bonds held by the Group and the liability component of convertible bonds issued by the Company as set out in notes 18 and 28 to the consolidated financial statements respectively.

##### *Price risk on conversion option embedded in convertible bonds held by the Group*

The Group is required to estimate the fair value of the conversion option embedded in the convertible bonds held by the Group at the end of the reporting period with changes in fair value to be recognised in profit or loss as long as the convertible bonds are outstanding. The fair value adjustment will be affected either positively or negatively, amongst others, by the changes in share price and its volatility of the convertible bonds issuer.

##### *Price risk on investment funds held by the Group*

The Group is required to estimate the fair value of the investment funds held by the Group at the end of the reporting period with changes in fair value to be recognised in profit or loss as long as the investment funds are outstanding. The fair value adjustment will be affected either positively or negatively, amongst others, by the changes in share prices of the funds.

## 36. 金融工具 (續)

### 財務風險管理目標及政策

本集團之主要金融工具包括可換股債券投資、交易性金融資產、貿易應收賬款、其他應收款項、銀行結餘、來自/(向)非控股權益貸款、貿易應付賬款、其他應付款項、應付非控股權益款項、應付前非控股權益款項及可換股債券。該等金融工具之詳情於有關附註披露。與該等金融工具有關之風險包括利率風險、信貸風險及流動資金風險，而有關如何緩減該等風險的政策載列於下文。管理層管理及監察該等風險以確保可適時及有效地制訂合適的措施。

#### 市場風險

##### 利率風險

本集團之公平值利率風險主要與本集團持有之可換股債券之債務部分及本公司已發行之可換股債券之負債部分有關，分別載於綜合財務報表附註18及28。

##### *本集團持有之可換股債券有關嵌入之換股權之價格風險*

本集團須於報告期末估計本集團持有之可換股債券有關嵌入之換股權的公平值，只要可換股債券尚未兌換，公平值變動將於損益內確認。公平值調整將受(其中包括)可換股債券發行人之股價變動及其波幅的正面或負面影響。

##### *本集團持有之投資基金之價格風險*

本集團須於報告期末估計本集團持有投資基金之公平值，而只要投資基金尚未償還，公平值變動均須於損益內確認。公平值調整將受(其中包括)基金股價變動之正面或負面影響。

## 36. FINANCIAL INSTRUMENTS (Continued)

### Financial risk management objectives and policies (Continued)

#### Market risk (Continued)

##### Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to the change of share price and its volatility of the convertible bonds issuer at the reporting date.

If the share prices of the convertible bonds issuer had been 5% (2018: 5%) higher/lower and all other variables were held constant, the Group's post-tax loss for the year would be decreased/increased by HK\$4,161,000 (2018: HK\$7,709,000)/HK\$4,020,000 (2018: HK\$7,375,000), as a result of changes in fair value of conversion option embedded in the convertible bonds held by the Group.

If the volatility of share prices of the convertible bonds issuer had been 5% (2018: 5%) higher/lower and all other variables were held constant, the Group's post-tax loss for the year would be decreased/increased by HK\$4,321,000 (2018: HK\$3,956,000)/HK\$5,083,000 (2018: HK\$4,601,000), as a result of changes in fair value of conversion option embedded in the convertible bonds held by the Group.

If the share price of the investment funds had been 5% higher/lower and all other variables were held constant, the Group's post-tax loss for the year would be decreased/increased by HK\$nil/HK\$nil (2018: HK\$1,812,000/HK\$1,812,000), as a result of changes in fair value of the investment funds held by the Group.

In management's opinion, the sensitivity analyses are unrepresentative of the inherent market risk as the pricing model used in the fair value valuation of the conversion options embedded in the convertible bonds involves multiple variables and certain variables are interdependent.

## 36. 金融工具 (續)

### 財務風險管理目標及政策 (續)

#### 市場風險 (續)

##### 敏感度分析

下述敏感度分析乃根據可換股債券發行人於報告日期所面臨的股價變動及其波幅釐定。

倘可換股債券發行人的股價上升／下降5% (二零一八年：5%) 且所有其他可變因素維持不變，於年內，本集團稅後虧損將減少4,161,000港元 (二零一八年：7,709,000港元)／增加4,020,000港元 (二零一八年：7,375,000港元)，乃由於本集團持有的嵌入可換股債券之轉換權之公平值變動所致。

倘可換股債券發行人之股價波幅高於／低於5% (二零一八年：5%)，而所有其他變量保持不變，於年內，本集團稅後虧損將減少4,321,000港元 (二零一八年：3,956,000港元)／增加5,083,000港元 (二零一八年：4,601,000港元)，乃由於本集團持有的嵌入可換股債券之轉換權之公平值變動所致。

倘投資基金的股價上漲／下跌5%且所有其他變數保持不變，本集團年內稅後虧損因本集團持有之投資基金公平值變動而減少零港元／增加零港元 (二零一八年：減少1,812,000港元／增加1,812,000港元)。

管理層認為，由於嵌入可換股債券之轉換權之公平值估值所用的定價模式涉及多項變數而若干變數相互依賴，因此，敏感度分析不能反映固有市場風險。

## 36. FINANCIAL INSTRUMENTS (Continued)

### Financial risk management objectives and policies (Continued)

#### Credit risk

The Group's credit risk is primarily attributable to investments in convertible bonds, loan to a non-controlling interest, amount due from the subsidiary of an associate, trade and other receivables and bank balances for current period and prior year.

As at 31 March 2019, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is the carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position.

The investments in convertible bonds as at 31 March 2019 expose the Group to concentration of credit risk. At the end of the reporting period, the Group assesses the financial position and performance of the issuer of the convertible bonds of carrying amount of HK\$111,942,000 (2018: HK\$168,427,000) and in view of sufficient net asset and significant bank balance and cash of the issuer, the management considers the default risk on the investments in convertible bonds is not significant.

With respect to credit risk arising from amounts due from the subsidiary of an associate and loan to a non-controlling interest, the management would monitor the financial position/performance over the associate and the relevant subsidiary with such non-controlling interests. In this regard, management considers that the Group's credit risk is significantly reduced.

## 36. 金融工具 (續)

### 財務風險管理目標及政策 (續)

#### 信貸風險

本集團之信貸風險主要來自本期間及先前年度之可換股債券投資、非控股權益貸款、應收聯營公司之附屬公司款項、貿易及其他應收款項及銀行結餘。

於二零一九年三月三十一日，本集團所面臨之最大信貸風險(會因交易對方未能履行責任而令本集團承擔財政損失)為綜合財務狀況表列載之各項已確認之金融資產之賬面值。

於二零一九年三月三十一日就可換股債券投資令本集團面臨集中信貸風險。於報告期末，本集團評估了賬面值111,942,000港元(二零一八年：168,427,000港元)之可換股債券之發行人之財務狀況及表現並認為發行人有足夠淨資產及重大銀行結餘及現金，管理層認為投資可換股債券之違約風險並不重大。

就有關應收聯營公司之附屬公司款項及非控股權益貸款所產生信貸風險而言，管理層將會監察聯營公司及有關附屬公司非控股權益財務狀況/表現。有鑒於此，管理層認為本集團之信貸風險已大為減低。

## 36. FINANCIAL INSTRUMENTS (Continued)

### Financial risk management objectives and policies (Continued)

#### Credit risk (Continued)

The credit risk on the Group's bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for the determination of credit limits, credit approvals and other monitoring procedures. In addition, management reviews the recoverable amount of each individual trade debt regularly to ensure that adequate impairment losses are recognised for irrecoverable debts.

In respect of trade receivables, all sales made to major customers who have been given short credit terms. These credit evaluations focus on the customers' past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. The average credit period granted to the customers was 90 days (2018: 30 to 90 days). As at 31 March 2019, the carrying amount of trade receivables was concentrated on two (2018: two) customers. The Group will make specific provision for those balances which cannot be recovered. Normally, the Group does not obtain collateral from customers. In the opinion of the directors, the default risk faced by the Group is considered to be low.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position after deducting any impairment allowance. The Group does not provide financial guarantee which would expose the Group to credit risk.

## 36. 金融工具 (續)

### 財務風險管理目標及政策 (續)

#### 信貸風險 (續)

由於交易對方為國際信貸評級機構評定為高信貸評級之銀行，故本集團銀行結餘之信貸風險有限。

為盡量減低信貸風險，本集團管理層已委任專責釐定信貸限額、信貸批核及其他監察程序之團隊。此外，管理層會定期審閱各個別貿易債務之可收回金額，以確保就不可收回債務確認足夠減值虧損。

就貿易應收賬款而言，所有銷售給主要客戶皆給予短期信貸期。該等信貸評估客戶支付到期款項之過往記錄，以及目前之支付能力，並考慮客戶以及與客戶運營之經濟環境相關之特定資料。向客戶授出的平均信貸期為90天(二零一八年：30至90天)。於二零一九年三月三十一日，貿易應收賬款之賬面值集中於兩名(二零一八年：兩名)客戶。本集團將為無法收回之應收結餘計提特定撥備。一般而言下，本集團不會向客戶收取抵押品。董事認為，本集團面臨之違約風險為低。

面臨的最高信貸風險指扣除任何減值撥備後綜合財務狀況表內各項金融資產的賬面值。本集團並無提供將使本集團面臨信貸風險的財務擔保。

### 36. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies (Continued)

##### Credit risk (Continued)

The Group applied the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for all accounts receivables. To measure the expected credit losses, accounts receivables have been grouped based on shared credit risk characteristics and the days past due. The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 March 2019:

		Trade receivables 貿易應收賬款		
		Expected loss 預期虧損	Gross carrying amount 賬面總值 HK\$'000 千港元	Loss allowance 虧損撥備 HK\$'000 千港元
30 days or less	30天或以下	—	767	—
31 to 60 days	31–60天	—	762	—
61 to 90 days	61–90天	—	1,693	—
Over 90 days	超過90天	5%	17,954	165
		5%	21,176	165

Expected loss rates are based on actual loss experience over the past year. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

### 36. 金融工具 (續)

#### 財務風險管理目標及政策 (續)

##### 信貸風險 (續)

本集團應用香港財務報告準則第9號之簡化方法計量預期信貸虧損，其就所有應收賬款使用全期預期信貸虧損撥備。為計量預期信貸虧損，應收賬款已根據共享信貸風險特徵及逾期天數分類。下表提供關於本集團於二零一九年三月三十一日面臨信貸風險及貿易應收款項預期信貸虧損的資料：

預期虧損率基於過去一年之實際虧損經驗計算。過往虧損率予以調整以反映影響客戶結算應收款項能力的有關宏觀經濟因素的當前及前瞻性資料。



### 36. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies (Continued)

##### Credit risk (Continued)

##### Comparative information under HKAS 39

Prior to 1 April 2018, an impairment loss was recognised only when there was objective evidence of impairment. At 31 March 2018, trade receivables of HK\$466,000 was determined to be impaired. The aging analysis of trade debtors that were not considered to be impaired was as follows:

		2018 二零一八年 HK\$'000 千港元
Neither past due nor impaired	並未逾期或減值	3,032
Less than 90 days overdue	逾期少於90天	9,683
		12,715

The credit quality of other receivables excluding prepayments has been assessed with reference to historical information about the counterparties default rates and financial position of the counterparties. The directors are of the opinion that the credit risk of other receivables is low due to the sound collection history of the receivables due from them. Therefore, expected credit loss rate of the other receivables excluding prepayments is assessed to be close to zero and no provision was made as of 31 March 2019.

#### Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition to issuance of new shares, the Group also relies on convertible bonds as a significant source of liquidity for the years ended 31 March 2019 and 2018.

### 36. 金融工具 (續)

#### 財務風險管理目標及政策 (續)

##### 信貸風險 (續)

##### 香港會計準則第39號的比較資料

於二零一八年四月一日前，減值虧損僅在有客觀減值證據時確認。於二零一八年三月三十一日，貿易應收款項466,000港元被釐定為已減值。未視為減值的貿易應收款項之賬齡分析如下：

其他應收款項(不包括預付款項)的信貸質素乃經參考有關交易方違約率及交易方財務狀況的歷史資料評估。董事認為其他應收款項的信貸風險低微，乃由於應收彼等款項的收款記錄良好。因此，其他應收款項(不包括預付款項)的預期信貸虧損率評估乃接近於零，且截至二零一九年三月三十一日並無計提撥備。

#### 流動資金風險

於管理流動資金風險時，本集團監察及維持一定水平之現金及現金等價物，而管理層視該水平足以為本集團之業務提供資金，以及減少現金流量波動之影響。於截至二零一九年及二零一八年三月三十一日止年度，除發行新股份外，本集團亦倚賴可換股債券作為流動資金之主要來源。

### 36. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies (Continued)

##### Liquidity risk (Continued)

The following table details the Group's contractual maturity for its non-derivative financial liabilities based on the agreed repayment dates. The table includes both interest and principal cash flows.

Liquidity risk tables

		Weighted average interest rate	On demand or less than 1 month	1-3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Total undiscounted cash flows	Carrying amount at 31 March 2019 於二零一九年 三月三十一日 未貼現 現金流量總計 之賬面值
		加權平均利率 %	按要求或 少於一個月 HK\$'000 千港元	一至三個月 HK\$'000 千港元	三個月至一年 HK\$'000 千港元	一年至五年 HK\$'000 千港元	超過五年 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
31 March 2019	二零一九年三月三十一日								
Non-derivative financial liabilities	非衍生金融負債								
Trade payables	貿易應付賬款	-	21,214	-	-	-	-	21,214	21,214
Other payables	其他應付款	-	7,273	-	-	-	-	7,273	7,273
Amount due to non-controlling interests	應付非控股權益款項	-	3,092	-	-	-	-	3,092	3,092
Amounts due to former non-controlling interests	應付前非控股權益款項	-	823	-	-	-	-	823	823
Amount due to the subsidiary of an associate	應付聯營公司之附屬公司款項	-	-	-	-	41,952	-	41,952	41,952
Loan from a non-controlling interest	來自非控股權益貸款	26.99	-	-	-	20,929	-	20,929	20,929
Convertible bonds	可換股債券	21.97	-	-	25,025	1,236,367	256,000	1,517,392	658,632
			32,402	-	25,025	1,299,248	256,000	1,612,675	753,915

### 36. 金融工具 (續)

#### 財務風險管理目標及政策 (續)

##### 流動資金風險 (續)

下表詳述本集團之非衍生金融負債之合約到期日(以協定還款日期為依據)。該表包括利息及本金現金流量。

流動資金風險表

### 36. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies (Continued)

#### Liquidity risk (Continued)

#### Liquidity risk tables (Continued)

### 36. 金融工具 (續)

#### 財務風險管理目標及政策 (續)

#### 流動資金風險 (續)

#### 流動資金風險表 (續)

	Weighted average interest rate	On demand or less than 1 month	3 months to 1-3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Total undiscounted cash flows	Carrying amount at 31 March 2018
	加權平均利率	按要求或 少於一個月	一至三個月	三個月至一年	一年至五年	超過五年	現金流量總計 未貼現	於二零一八年 三月三十一日 之賬面值
	%	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
31 March 2018								
Non-derivative financial liabilities								
Trade payables		—	10,411	—	—	—	10,411	10,411
Other payables		—	8,848	—	—	—	8,848	8,848
Amount due to non-controlling interests		—	22,871	—	—	—	22,871	22,871
Amounts due to former non-controlling interests		—	823	—	—	—	823	823
Amount due to the subsidiary of an associate		—	—	—	—	41,947	41,947	41,947
Loan from a non-controlling interest	26.99	—	—	—	7,923	—	7,923	7,923
Convertible bonds	21.97	—	—	25,025	765,050	607,600	1,397,675	554,515
			42,953	—	25,025	814,920	607,600	1,490,498
								647,338

### 36. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies (Continued)

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

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

### 36. 金融工具 (續)

#### 財務風險管理目標及政策 (續)

#### 根據經常性基準按公平值計量之本集團金融資產之公平值

本集團之若干金融資產乃於報告期末按公平值計量。下表列載有關釐定該等金融工具公平值之方法(尤其是所使用之估值技巧及輸入數據)，以及根據公平值計量輸入值之可觀察程度將公平值計量分類之公平值架構級別(第一至第三級)之資料。

Financial assets 金融資產	Fair value as at 31 March 2019 於二零一九年三月三十一日 之公平值	Fair value hierarchy 公平值架構級別	Valuation technique and key inputs 估值技巧及主要輸入數據	Significant unobservable inputs 重大不可觀察輸入數據	Relationship of unobservable inputs to fair value 不可觀察輸入數據與公平值之關係
Financial assets held-for-trading	Unlisted investment fund HK\$nil (2018: HK\$36,247,000)	Level 2	Inputs, other than quoted prices included within Level 1, that are observable for the assets, either directly or indirectly	N/A	N/A
交易性金融資產	非上市投資基金零港元(二零一八年: 36,247,000港元)	第二級	輸入數據, 除第一級所包括報價外, 就資產可直接或	不適用	不適用
Conversion options embedded in Sale CB-I and Sale CB-II (as defined in note 18) classified as financial asset at FVTPL in the consolidated statement of financial position	Assets — HK\$111,942,000 (2018: HK\$121,106,000)	Level 3	Binomial Model  The fair value is estimated based on risk free rate for the life of the option and share price (from observable market data), expected volatility of the share price of Extrawell and expected dividend yield on the shares and exercise price.	Expected volatility of the share price of Extrawell, determined by reference to the historical share price of Extrawell.	The higher the volatility of the share price of Extrawell, the higher the fair value. (Note)
於綜合財務狀況表內分類為按公平值計入損益之金融資產之嵌入式待售可換股債券一及嵌入式待售可換股債券二(定義見附註18)之換股權	資產 — 111,942,000港元 (二零一八年: 121,106,000港元)	第三級	二項式模式  公平值乃基於行使權期內無風險利率、股價(來自可觀察市場數據)、精優之預期股價波幅、預期股息收益率及行使價估計。	精優之預期股價波幅乃經參考精優歷史股價釐定。	精優股價波幅越大, 公平值越高。(附註)

### 36. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies (Continued)

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

There is no transfer between different levels of the fair value hierarchy for the year ended 31 March 2019 and 2018.

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

#### Reconciliation of Level 3 fair value measurements of derivative financial instruments included in investments in convertible bonds

### 36. 金融工具 (續)

#### 財務風險管理目標及政策 (續)

#### 根據經常性基準按公平值計量之本集團金融資產之公平值 (續)

截至二零一九年及二零一八年三月三十一日止年度，不同公平值架構等級之間概無任何轉移。

本公司董事認為，按攤銷成本於綜合財務報表記賬之金融資產及金融負債之賬面值與其公平值相若。

#### 計入可換股債券投資之衍生金融工具之第三級公平值計量之對賬表

		HK\$'000 千港元
At 1 April 2017	於二零一七年四月一日	186,841
Change in fair value loss in profit or loss (Note)	公平值虧損於損益中之變動 (附註)	(65,735)
At 31 March 2018 and 1 April 2018	於二零一八年三月三十一日及 二零一八年四月一日	121,106
Change in fair value loss in profit or loss (Note)	公平值虧損於損益中之變動 (附註)	(56,485)
At 31 March 2019	於二零一九年三月三十一日	64,621

Note:

All the loss from change in fair value recognised in profit or loss relates to the conversion options embedded in Sale CB-I and Sale CB-II (as defined in note 18) held at the end of the current reporting period which is included in "other gains and losses, net".

附註：

所有於損益賬確認之公平值變動虧損與本報告期間結束時持有之嵌入式待售可換股債券一及待售可換股債券二 (定義見附註18) 之換股權有關，同時計入「其他收益及虧損淨額」。

### 37. NOTES SUPPORTING THE CONSOLIDATED STATEMENT OF CASH FLOWS

### 37. 綜合現金流量表附註

Reconciliation of liabilities arising from financing activities:

核對融資活動產生的負債：

		<b>Loan from a non-controlling interest (Note 26)</b> 來自非控股 權益貸款 (附註26) HK\$'000 千港元	<b>Convertible bonds (Note 28)</b> 可換股 債券 (附註28) HK\$'000 千港元
At 1 April 2018	於二零一八年四月一日	7,923	554,515
Changes from cash flows:	現金流量變化：		
Interest paid	已付利息	—	(25,025)
Total changes from financing cash flows:	融資現金流量變化合計：	—	(25,025)
Changes in fair value:	公平值變化：		
Other changes:	其他變化：		
Effective interest expenses	實際利息開支	—	129,142
Imputed interest expenses	估算利息開支	2,424	—
Total other changes	其他變化合計	2,424	129,142
At 31 March 2019	於二零一九年三月三十一日	<b>10,347</b>	<b>658,632</b>

### 38. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of amounts due to the subsidiary of an associate, non-controlling interests and former non-controlling interests, loan from a non-controlling interest and convertible bonds, net of cash and cash equivalents and equity attributable to owners of the Company, comprising share capital and reserves. The directors of the Company review the capital structure on an annual basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

The Group monitors its capital structure using net debt to equity ratio; whereby net debt comprises convertible bonds less bank balances and cash whilst equity means the total equity of the Group. During the year, the Group's strategy to maintain a healthy net debt to equity ratio has remained unchanged, and the debt to equity ratio is 0.95 as at 31 March 2019 (2018: 0.50).

### 39. THE EVENT AFTER REPORTING PERIOD

On 23 June 2019, the Company and Dr. Mao Yumin, being a substantial shareholder of the Company, entered into a sale and purchase agreement to disposal (i) 457,510,000 ordinary share(s) of Extrawell Pharmaceutical Holdings Limited (stock code: 00858) (the "Target Company") and (ii) the convertible bonds issued by the Target Company in principal amount of HK\$577,170,000 with no interest bearing at an aggregate consideration of HK\$270,000,000.

### 38. 資本風險管理

本集團管理資本之目標為保證本集團之實體能夠持續以最佳化債務和股權平衡為股東提供最大回報。本集團之整體策略與過往年度維持不變。

本集團之資本結構包含應付聯營公司之附屬公司、非控股權益及前非控股權益款項、來自非控股權益貸款及可換股債券、現金及現金等價物淨額以及本公司擁有人應佔權益，包括股本及儲備。本公司董事每年均就資本結構進行檢討。作為此檢討之一部分，董事認為資本成本及風險乃與各類資本有關連。根據董事之建議，本集團將會通過發行新股及回購股份以及發新債或贖回現有債務以平衡整體資本結構。

本集團使用淨負債權益比率監管其資本結構；其中淨負債指可換股債券減銀行結餘及現金，權益則指本集團之權益總額。於本年度，本集團維持穩健之淨負債權益比率之策略仍然不變。於二零一九年三月三十一日，債務對權益比率為0.95 (二零一八年：0.50)。

### 39. 報告期後事項

於二零一九年六月二十三日，本公司與毛裕民博士(本公司之主要股東)訂立買賣協議以出售(i)精優藥業控股有限公司(股份代號：00858)(「目標公司」)之457,510,000股普通股及(ii)目標公司所發行本金額577,170,000港元之不計息可換股債券，總代價為270,000,000港元。

# Financial Summary

## 財務概要

### RESULTS

### 業績

		31 March 2019 二零一九年 HK\$'000 千港元	For the year ended			
			31 March 2018 二零一八年 HK\$'000 千港元	31 March 2017 二零一七年 HK\$'000 千港元	31 March 2016 二零一六年 HK\$'000 千港元	31 March 2015 二零一五年 HK\$'000 千港元
		截至三月三十一日止年度				
Revenue	收益	18,589	15,811	9,187	19,908	33,976
Loss for the year/period from continuing operations	來自持續經營業務之年/期內虧損	(260,911)	(230,991)	(178,342)	(240,947)	(456,914)
Profit/(loss) for the year/period from discontinuing operation	來自已終止經營業務之年/期內溢利/(虧損)	—	—	—	—	—
Loss for the year/period	年/期內虧損	(260,911)	(230,991)	(178,342)	(240,947)	(456,914)
Attributable to:	歸屬：					
Owners of the Company	本公司擁有人	(260,272)	(231,048)	(169,788)	(236,865)	(451,684)
Non-controlling interests	非控股權益	(639)	57	(8,554)	(4,082)	(5,230)
		(260,911)	(230,991)	(178,342)	(240,947)	(456,914)



## ASSETS AND LIABILITIES

## 資產及負債

		As at 31 March 於三月三十一日				
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 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
Non-current assets	非流動資產	<b>1,534,215</b>	1,631,880	1,774,942	1,824,474	1,831,394
Current assets	流動資產	<b>44,539</b>	82,283	76,024	185,718	209,158
Current liabilities	流動負債	<b>(32,402)</b>	(42,953)	(73,741)	(120,940)	(81,957)
Non-current liabilities	非流動負債	<b>(751,540)</b>	(604,385)	(478,900)	(410,236)	(357,131)
Net assets	資產淨額	<b>794,812</b>	1,066,825	1,298,325	1,479,016	1,601,464
Attributable to:	歸屬：					
Owners of the Company	本公司擁有人	<b>(74,957)</b>	196,417	427,974	599,512	717,878
Non-controlling interests	非控股權益	<b>869,769</b>	870,408	870,351	879,504	883,586
Total equity	權益總額	<b>794,812</b>	1,066,825	1,298,325	1,479,016	1,601,464



INNOVATIVE PHARMACEUTICAL BIOTECH LIMITED

領航醫藥及生物科技有限公司

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

(於開曼群島註冊成立並於百慕達存續之有限公司)

(Stock Code 股份代號：399)