



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)



2020/21

Interim Report

中期報告



MEDICAL

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MEICAL



# Corporate Information

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

Gao Yuan Xing  
Tang Rong  
Huang He (retired on 31 August 2020)

#### Non-executive Directors

Jiang Nian (Chairman)  
Xiao Yan  
Wu Yanmin

#### Independent non-executive Directors

Chen Weijun  
Zhang Zhihong (resigned on 11 November 2020)  
Wang Rongliang

#### Audit Committee

Chen Weijun (Chairman)  
Zhang Zhihong (resigned on 11 November 2020)  
Wang Rongliang

#### Remuneration Committee

Zhang Zhihong (Chairman)  
(resigned on 11 November 2020)  
Jiang Nian  
Wang Rongliang

#### Nomination Committee

Zhang Zhihong (Chairman)  
(resigned on 11 November 2020)  
Jiang Nian  
Wang Rongliang

### HONORARY CHAIRMAN

Mao Yumin

### COMPANY SECRETARY

Poon Hon Yin

### REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM 11, Bermuda

### 董事會

#### 執行董事

高源興  
唐榕  
黃鶴(於二零二零年八月三十一日退任)

#### 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(於二零二零年十一月十一日辭任)  
王榮樑

#### 審核委員會

陳偉君(主席)  
張志鴻(於二零二零年十一月十一日辭任)  
王榮樑

#### 薪酬委員會

張志鴻(主席)  
(於二零二零年十一月十一日辭任)  
蔣年  
王榮樑

#### 提名委員會

張志鴻(主席)  
(於二零二零年十一月十一日辭任)  
蔣年  
王榮樑

### 名譽主席

毛裕民

### 公司秘書

潘漢彥

### 註冊辦事處

Clarendon House  
2 Church Street  
Hamilton HM 11, Bermuda

## Corporate Information 公司資料

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

### PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

Conyers Corporate Services (Bermuda) Limited

Clarendon House  
2 Church Street  
Hamilton HM 11, Bermuda

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

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

### AUDITORS

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

### PRINCIPAL BANKER

Bank of Communications Co., Ltd.

### STOCK CODE

399

### COMPANY WEBSITE

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

### 香港主要營業地點

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

### 股份登記總處及過戶代理處

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

### 香港股份登記分處及 過戶代理處

卓佳登捷時有限公司  
香港  
皇后大道東183號  
合和中心54樓

### 核數師

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

### 主要往來銀行

交通銀行股份有限公司

### 股份代號

399

### 公司網站

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

# Chairman's Statement

## 主席報告

Dear Shareholders,

On behalf of the board (the “Board”) of directors (the “directors”) of Innovative Pharmaceutical Biotech Limited, (the “Company”, together with its subsidiaries, the “Group”), I hereby present to all shareholders of the Company (the “Shareholders”) the unaudited consolidated financial results of the Group for the six months ended 30 September 2020 (the “Financial Period”) and the six months ended 30 September 2019 (the “Previous Financial Period”).

For the Financial Period, the Group recorded revenue of approximately HK\$7.1 million, a decrease of approximately 36% in revenue from approximately HK\$11.1 million as recorded in the Previous Financial Period. The decrease in revenue was mainly due to the impact of the outbreak of coronavirus from the beginning of 2020.

For the Financial Period, the loss attributable to the owners of the Company amounted to approximately HK\$93.45 million, representing a decrease in loss of approximately 15.41% from the loss attributable to owners of the Company in the amount of approximately HK\$110.48 million recorded in the Previous Financial Period. The comparative decrease in loss for the Financial Period of HK\$17.03 million was primarily due to the change in fair value of investments in convertible bonds and impairment loss on interest in associate were not required as both the investments in convertible bonds and interest in associate had been disposed in October 2019.

各位股東：

本人謹代表領航醫藥及生物科技有限公司(「本公司」，連同其附屬公司統稱「本集團」)之董事(「董事」)會(「董事會」)向本公司所有股東(「股東」)提呈本集團截至二零二零年九月三十日止六個月(「本財政期間」)及截至二零一九年九月三十日止六個月(「上一財政期間」)之未經審核綜合財務業績。

本集團於本財政期間之收益為約7,100,000港元，較上一財政期間錄得之收益約11,100,000港元減少約36%。收益減少主要是由於自二零二零年年初開始的冠狀病毒爆發造成的影響所致。

於本財政期間，本公司擁有人應佔虧損為約93,450,000港元，較上一財政期間錄得之本公司擁有人應佔虧損約110,480,000港元減少約15.41%。本財政期間之虧損相對減少17,030,000港元，主要由於在二零一九年十月出售可換股債券投資及於一間聯營公司權益，故此不再需要可換股債券投資之公平值變動及於一間聯營公司權益之減值虧損所致。

# Chairman's Statement

## 主席報告

### OUTLOOK

The epidemic has become under control, economic activities and consumer confidence may need months to recover. The Group remains optimistic of the recovery of the trading business. The Board will be closely monitoring the development of epidemic and formulate any strategic plan as appropriate.

The Group also engages in development of a technology that would allow insulin to be administered orally. The technology is still in the research and development stage. The Group has commenced the part B, Phase III of the clinical trial in August 2020 which is typically considered as the final stage of clinical trial before commercialization. The Group will use its best endeavours to commercialise the product by the fourth quarter of 2022.

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

### APPRECIATION

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

**Jiang Nian**

*Chairman*

Shanghai, 27 November 2020

### 展望

疫情已經受控，而經濟活動及消費者信心或須數月方能恢復。本集團對貿易業務復甦保持樂觀。董事會將繼續密切監察疫情發展，並將因應情況釐定策略性計劃。

本集團亦致力於開發一種令胰島素可透過口服方式服用之技術。該技術仍處於研發階段。本集團已於二零二零年八月開始臨床試驗第三期B段，其通常被視為商業化臨床試驗之最後階段。本集團將盡最大努力於二零二二年第四季將該產品商業化。

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

### 致謝

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

**蔣年**

*主席*

上海，二零二零年十一月二十七日

# Management Discussion and Analysis

## 管理層討論及分析

### GROUP RESULTS

Revenue of the Group for the Financial Period amounted to approximately HK\$7.1 million, representing an decrease of approximately 36% as compared with the total revenue of approximately HK\$11.1 million that was recorded in the Previous Financial Period. The increase was mainly attributable to the decrease in business of the trading of beauty equipment and products segment during the Financial Period. Loss attributable to the owners of the Company decreased to HK\$93.45 million for the Financial Period, representing a decrease from the loss of HK\$110.48 million that was recorded in the Previous Financial Period. The decrease of loss was primarily due to the Group disposed the investments in convertible bonds and interest in an associate in October 2019. The change in fair value of investments in convertible bonds and impairment loss on interest in an associate were not required for the Financial Period as compared with the Previous Financial Period.

### BUSINESS REVIEW

#### Trading of beauty equipment and products

During the Financial Period, revenue arising from the trading of beauty equipment and products amounted to approximately HK\$7.1 million, representing a decrease of approximately 36% from the revenue in the amount of approximately HK\$11.1 million that was recorded in the Previous Financial Period. The trading revenue was adversely affected by the surge of the COVID-19 pandemic.

#### Research and development

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

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

### 集團業績

於本財政期間，本集團之收益約7,100,000港元，較上一財政期間錄得之總收益約11,100,000港元減少約36%。有關增加主要由於本財政期間美容設備及產品貿易分部之業務減少。於本財政期間，本公司擁有人應佔虧損下降至93,450,000港元，較上一財政年度錄得之虧損110,480,000港元有所下降。虧損下降乃由於本集團於二零一九年十月出售對可換股債券之投資及於一間聯營公司權益。與上一財政期間相比，本財政期間不需要就可換股債券投資之公平值變動及於一間聯營公司權益之減值虧損。

### 業務回顧

#### 美容設備及產品貿易

於本財政期間，美容設備及產品貿易所得收益約為7,100,000港元，較上一財政期間錄得之收益約11,100,000港元減少約36%。貿易收益受到COVID-19大流行的不利影響。

### 研發

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

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

# Management Discussion and Analysis

## 管理層討論及分析

At the end of the Financial Period, the Directors of the Company have performed impairment assessment on the intangible asset. The recoverable amount of the intangible asset is determined based on the estimated fair value of the In-process R&D. Based on the assessment, the recoverable amount of the Group's intangible asset is estimated to be higher than the carrying amount and therefore the Directors of the Company considered that no impairment is necessary as at 30 September 2020.

The enrolment of patients has commenced in July 2020. The enrolment of patients will be an ongoing process and is expected to be completed during the period from January 2021 to March 2021. The Group has invited 23 hospitals to participate in the Clinical Trial, of which 18 hospitals (including Jiangsu Hospital) have already accepted the invitation whereas the remaining 2 hospitals are still undergoing internal approval procedures required by the respective hospital's ethical committee at the end of the Financial Period.

The clinical trial testing for the first group of subjects has also commenced in August 2020 and will take approximately 24 weeks to complete. Based on the current timetable, all of the 650 subjects are expected to complete the clinical trial testing by the fourth quarter of 2021.

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

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

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

於本財政期間末，本公司董事已對無形資產作出減值評估。無形資產的可收回款項基於研發過程的估計公平值釐定。根據該評估，估計本集團無形資產的可收回款項將高於其賬面值，因此，本公司董事認為毋須於二零二零年九月三十日作出減值。

患者招募已於二零二零年七月開展。患者招募過程將持續進行，預期於二零二一年一月至二零二一年三月期間完成。本集團已邀請23間醫院參與臨床試驗，其中18間醫院(包括江蘇醫院)已接受邀請，而其餘2間醫院於本財政期間末仍在進行相關醫院倫理委員會規定的內部審批程序。

第一組受試者的臨床試驗已於二零二零年八月開始，需時約24週完成。根據現時的時間表，預期全部650名受試者將於二零二一年第四季度前完成臨床試驗。

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

基於當前可得資料，本公司預計該產品將於二零二二年第四季度開始為本集團產生收益。

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



# Management Discussion and Analysis

## 管理層討論及分析

### PROSPECTS

#### Trading of beauty equipment and products

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

Revenues and profit margins of the Group from the trading segment have been relatively stable in the past and trading volume is the key determiner of the profitability of the segment. However, the COVID-19 pandemic and the trade conflicts between China and US will have an unpredictable impact on the economy in Hong Kong and China. The Group will cautiously explore the trading business in Hong Kong. The Group will reinforce our risk management policy and will proactive in adopting timely measures to balance its risk and return in the long run. The Group competes by offering trading terms that are more favourable to its suppliers and vendors compared to the Group's competitors.

#### Securities investment

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

#### Research and development

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

### 前景

#### 美容設備及產品貿易

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

過往，本集團來自貿易分部之收益及利潤一直保持相對穩定，及貿易量為該分部盈利能力之主要決定因素。然而，COVID-19大流行及中美貿易衝突將對香港及中國的經濟產生不可預測之影響。本集團將審慎探索香港貿易業務，並將強化我們的風險管理政策，積極採取及時措施平衡其風險及長期回報。本集團透過向供應商及賣方提供比本集團競爭對手更優越之貿易條件進行競爭。

#### 證券投資

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

#### 研發

為進一步確保該產品能夠在二零二二年第四季實現商品化，本集團還將為項目配置更多人力資源及加強項目組，使項目組的有關人員定期監測進度及定期向本公司管理層報告，確保按照本集團的時間表完成研發過程，以實現該產品於二零二二年第四季的商品化。

# Management Discussion and Analysis

## 管理層討論及分析

### FINANCIAL REVIEW

#### Capital structure

### 財務回顧

#### 資本架構

	30.9.2020 二零二零年 九月三十日 HK\$'000 千港元	31.3.2020 二零二零年 三月三十一日 HK\$'000 千港元
Authorised: 法定：		
50,000,000,000 ordinary shares of HK\$0.01 each (the "Shares") 50,000,000,000股每股面值0.01港元之普通股(「股份」)	500,000	500,000
Issued and fully paid: 已發行及已繳足：		
1,464,193,024 Shares (As at 31 March 2020 1,464,193,024 Shares) 1,464,193,024股股份(於二零二零年三月三十一日： 1,464,193,024股股份)	14,642	14,642

#### Liquidity and financial resources

As at 30 September 2020, the Group had bank and cash balances of approximately HK\$11.9 million (31 March 2020: approximately HK\$22.9 million).

As at 30 September 2020, total borrowings of the Group were approximately HK\$921.7 million (31 March 2020: approximately HK\$835.7 million) which reflected the debt value of the Company's unconverted convertible bonds, lease liabilities, amounts due to non-controlling interests, amounts due to former non-controlling interests, loans from a substantial shareholder, amount due to a former associate, and loans from a former associate and a non-controlling interest.

#### 流動資金及財務資源

於二零二零年九月三十日，本集團之銀行及現金結餘約11,900,000港元(二零二零年三月三十一日：約22,900,000港元)。

於二零二零年九月三十日，本集團之總借貸約921,700,000港元(二零二零年三月三十一日：約835,700,000港元)，反映本公司之未轉換可換股債券之債務價值、租賃負債、應付非控股權益款項、應付前非控股權益款項、一位主要股東貸款、應付前聯營公司款項及來自一間前聯營公司及一非控股權益貸款。

# Management Discussion and Analysis

## 管理層討論及分析

The ratio of current assets to current liabilities of the Group was 0.04 as at 30 September 2020 as compared to the 0.60 as at 31 March 2020. The Group's gearing ratio as at 30 September 2020 was 0.66 (31 March 2020: 0.60) which is calculated based on the Group's total liabilities of approximately HK\$930.9 million (31 March 2020: approximately HK\$851.1 million) and the Group's total assets of approximately HK\$1,404.5 million (31 March 2020: approximately HK\$1,418.9 million).

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

### Significant acquisition and investments

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

### Charges on the Group's assets

As at 30 September 2020, the Group and the Company did not have any charges on their assets (31 March 2020: Nil).

### Contingent liabilities

Details of litigation and contingent liabilities are set out in note 16 to unaudited condensed consolidated financial statements.

本集團於二零二零年九月三十日之流動資產對流動負債之比率為0.04，而於二零二零年三月三十一日則為0.60。本集團於二零二零年九月三十日之資本負債比率為0.66(二零二零年三月三十一日：0.60)，乃根據本集團之負債總額約930,900,000港元(二零二零年三月三十一日：約851,100,000港元)及本集團之資產總額約1,404,500,000港元(二零二零年三月三十一日：約1,418,900,000港元)計算。

本集團重視盈餘現金及現金等價物之安全、短期承諾和可用性。

### 重大收購及投資

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

### 本集團資產抵押

於二零二零年九月三十日，本集團及本公司並無任何資產抵押(二零二零年三月三十一日：無)。

### 或然負債

訴訟及或然負債詳情載於未經審核簡明綜合財務報表附註16。

# Management Discussion and Analysis

## 管理層討論及分析

### Foreign exchange exposure

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

### Number and numeration of employees

As at 30 September 2020, the Group had 28 full time employees (31 March 2020: 29), most of whom work in the Company's subsidiaries in the PRC. It is the Group's policy that the remuneration of employees and Directors are in line with the market and commensurate with their responsibilities. Discretionary year-end bonuses are payable to the employees based on individual performance. Other employee benefits include medical insurance, retirement schemes, training programmes, and education subsidies.

Total staff costs including the Directors' remuneration for the Financial Period amounts to approximately HK\$4.1 million (Previous Financial Period: approximately HK\$3.9 million).

### Segment information

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

### Tang Rong

*Executive Director*

Hong Kong, 27 November 2020

### 外匯風險

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

### 僱員人數及薪酬

於二零二零年九月三十日，本集團有28名(二零二零年三月三十一日：29名)全職僱員，大部分均任職本公司於中國之附屬公司。本集團之政策乃僱員及董事之薪酬須與市場一致，並與彼等職責相符。酌情年末花紅乃根據個人表現而向僱員支付。其他僱員福利包括醫療保險、退休計劃、培訓課程及教育資助。

於本財政期間之員工總成本(包括董事酬金)約為4,100,000港元(上一財政期間：約3,900,000港元)。

### 分部資料

分部資料之詳情載於未經審核簡明綜合財務報表附註3。

### 唐榕

*執行董事*

香港，二零二零年十一月二十七日

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

### COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

#### Code provision A.2.1

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

#### Code provision A.4.1

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

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

### 遵守企業管治守則

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

#### 守則條文第A.2.1條

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

#### 守則條文第A.4.1條

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

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

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

### Code provision E.1.5

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

### Non-compliance after the financial period

Following the resignation of Dr. Zhang Zhihong, an independent non-executive director, on 11 November 2020, the Company has (i) two independent non-executive Directors, which is below the minimum requirements under Rule 3.10(1) and Rule 3.10A of the Listing Rules; (ii) two members of audit committee of Company (the "Audit Committee"), which is below the minimum requirement under Rule 3.21 of the Listing Rules; (iii) two members of remuneration committee of the Company (the "Remuneration Committee") but the position of chairman is vacant and the Remuneration Committee does not comprise a majority of independent non-executive directors, which do not comply with the requirements under Rule 3.25 of the Listing Rules; and (iv) two members of nomination committee of the Company (the "Nomination Committee") but the position of chairman is vacant, which does not comply with Code Provision A.5.1. The Company is endeavoring to identify a suitable candidate to fill the vacancy to meet the relevant requirements of the Listing Rules and the Code and will make further announcement(s) as and when appropriate.

### AUDIT COMMITTEE

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

### 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。為了本公司和股東整體的最大利益，本公司認為更合適的股息分紅政策需要綜合考慮本公司當時的財務狀況、經營狀況、資本要求和市場條件，使本公司能夠更好地應對未來的發展這些因素後確定股息分紅政策。

### 本財政期間後之不合規事宜

於獨立非執行董事張志鴻博士在二零二零年十一月十一日辭任後，本公司有(i)兩名獨立非執行董事，人數低於上市規則第3.10(1)條及第3.10A條項下的最低人數規定；(ii)兩名本公司審核委員會（「審核委員會」）成員，人數低於上市規則第3.21條項下的最低人數規定；(iii)兩名本公司薪酬委員會（「薪酬委員會」）成員，但主席一職懸空，且薪酬委員會之組成並非由獨立非執行董事佔大多數，故未符合上市規則第3.25條之規定；及(iv)兩名本公司提名委員會（「提名委員會」）成員，但主席一職懸空，故未符合守則條文A.5.1。本公司正努力物色合適人選填補空缺，以符合上市規則及守則之有關規定，並將在適當時候另行發表公告。

### 審核委員會

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

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

The Audit Committee consists of two independent non-executive Directors after the resignation of Dr Zhang Zhihong on 11 November 2020.

### DIRECTORS' SECURITIES TRANSACTIONS

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

### DIRECTORS' INTERESTS IN SHARES

As at 30 September 2020, the interests or short positions of the Directors, chief executive of the Company or their associates in any Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required to be recorded in the register and required to be kept by the Company under Section 352 of the SFO, or which is otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

於張志鴻博士在二零二零年十一月十一日辭任後，審核委員會由兩名獨立非執行董事組成。

### 董事進行之證券交易

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

### 董事於股份之權益

於二零二零年九月三十日，本公司董事、高級行政人員或彼等之聯繫人士於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之任何股份、相關股份或債券中擁有須記錄於登記冊及根據證券及期貨條例第352條本公司須存置或須根據標準守則以其他方式知會本公司及聯交所之權益或淡倉如下：

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

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

於本公司已發行股本之好倉

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

Save as disclosed above, as at 30 September 2020, none of the Directors, chief executive of the Company nor their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which is otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文披露者外，於二零二零年九月三十日，概無本公司董事、高級行政人員或彼等之聯繫人士於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債券中擁有須根據證券及期貨條例第352條記錄於本公司須存置之登記冊或須根據標準守則以其他方式知會本公司及聯交所之任何權益或淡倉。



## Other Information Provided in Accordance with the Listing Rules

### 根據上市規則披露之其他資料

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

As at 30 September 2020, the register of interests and short positions in the shares and underlying shares of the Company kept under Section 336 of the SFO showed that, the following, other than a Director or chief executive of the Company, had an interest or deemed interest of 5% or more in the issued share capital of the Company:

#### Long/Short 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

於二零二零年九月三十日，根據證券及期貨條例第336條存置之本公司股份及相關股份之權益及淡倉登記冊所載，下列人士（不包括本公司之董事或高級行政人員）於本公司已發行股本中擁有或被視為擁有5%或以上權益：

#### 於本公司已發行股本之好倉／ 淡倉

Name of Shareholder 股東姓名／名稱	Capacity 身份	Number of shares/ underlying shares held 持有之股份／ 相關股份數目	Long (L) or Short (S) position 好倉(L)或 淡倉(S)	Percentage of the issued share capital of the Company 佔本公司已發行 股本百分比
Dr. Mao Yumin (note 1) 毛裕民博士(附註1)	Beneficial owner 實益擁有人	1,187,200,000	L	81.08%
	Interest of a controlled corporation 受控制法團之權益	88,951,350	L	6.08%
United Gene Holdings Limited (note 1) 聯合基因控股有限公司(附註1)	Interest of a controlled corporation 受控制法團之權益	88,951,350	L	6.08%
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	88,951,350	L	6.08%
Ease Gold Investments Limited (note 2) (附註2)	Interest of a controlled corporation 受控制法團之權益	88,951,350	L	6.08%
Good Links Limited (note 3) (附註3)	Interest of a controlled corporation 受控制法團之權益	13,951,350	L	0.95%
Victory Trend Limited (note 3) (附註3)	Interest of a controlled corporation 受控制法團之權益	13,951,350	L	0.95%
Best Champion Holdings Limited (note 4) 凱佳控股有限公司(附註4)	Interest of a controlled corporation 受控制法團之權益	13,951,350	L	0.95%
China United Gene Investment Holdings Limited (note 5) (附註5)	Beneficial owner 實益擁有人	13,951,350	L	0.95%
Chau Yiu Ting 周耀庭	Beneficial owner 實益擁有人	328,600,000	L	22.44%

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

### Notes:

1. These include (i) 363,200,000 ordinary shares held by Dr. Mao directly; (ii) 824,000,000, 55,000,000 and 20,000,000 derivative shares held by Dr. Mao, JNJ Investments Limited ("JNJ") and United Gene International Holdings Group Limited respectively, which shall be issued by the Company upon exercise of the conversion rights attached to the convertible bonds in an aggregate principal amount of HK\$359,600,000 issued by the Company. JNJ is an indirect wholly-owned subsidiary of United Gene Group Limited, which is in turn owned as to 33% by United Gene Holdings Limited. United Gene International Holdings Group Limited is wholly-owned by JNJ; (iii) 13,951,350 ordinary shares held through China United Gene Investment Holdings Limited, which is held as to 60% by Best Champion Holdings Limited, and which is in turn held as to 33.5% and 33% by United Gene Holdings Limited and Victory Trend Limited respectively. Victory Trend Limited is wholly owned by Good Links Limited. United Gene Holdings Limited and Good Links Limited are 100% and 50% held by Dr. Mao respectively.
2. Ease Gold Investments Limited, is wholly-owned by Dr. Xie Yi ("Dr. Xie"), which owns 33.50% and 33% equity interests of Best Champion Holdings Limited and United Gene Group Limited respectively.
3. Victory Trend Limited is wholly-owned by Good Links Limited, which is in turn owned as to 50% by Dr. Mao and as to 50% by Dr. Xie. Victory Trend Limited owns 33.00% equity interests of Best Champion Holdings Limited.
4. The equity interest of Best Champion Holdings Limited is owned as to 33.50%, 33.50% and 33.00% by United Gene Holdings Limited, Ease Gold Investments Limited and Victory Trend Limited, respectively.
5. China United Gene Investment Holdings Limited is owned as to 60% by Best Champion Holdings Limited.

Save as disclosed above, the directors were not aware of any other relevant interests or short positions of 5% or more in the issued share capital of the Company as at 30 September 2020.

### 附註：

1. 彼等包括(i)由毛博士直接持有的363,200,000股普通股；(ii)於行使可換股價券附帶之轉換權後，由本公司發行之衍生股份 — 本金總額為359,600,000港元之可換股價券，乃分別由毛博士持有824,000,000股、JNJ投資有限公司(JNJ)持有55,000,000股及聯合基因國際有限公司持有20,000,000股。JNJ為一間United Gene Group Limited間接全資擁有的附屬公司，而United Gene Group Limited由聯合基因控股有限公司擁有33%。聯合基因國際有限公司由JNJ全資擁有；(iii)由凱佳控股有限公司擁有60%股權的China United Gene Investment Holdings Limited持有之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。
2. Ease Gold Investments Limited (由謝毅博士(謝博士))全資擁有)分別擁有凱佳控股有限公司及United Gene Group Limited之33.50%及33%股權。
3. Victory Trend Limited 由 Good Links Limited 全資擁有，而 Good Links Limited 由毛博士及謝博士分別擁有50%及50%，而Victory Trend Limited 擁有凱佳控股有限公司之33.00%股權。
4. 凱佳控股有限公司分別由聯合基因控股有限公司、Ease Gold Investments Limited 及 Victory Trend Limited 擁有33.50%、33.50%及33.00%股權。
5. China United Gene Investment Holdings Limited 由凱佳控股有限公司擁有60%股權。

除上文披露者外，於二零二零年九月三十日，董事並不知悉佔本公司已發行股本5%或以上之任何其他相關權益或淡倉。

## **Other Information Provided in Accordance with the Listing Rules**

根據上市規則披露之其他資料

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

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

### **購買、出售或贖回本公司之 上市證券**

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

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

### 簡明綜合損益及其他全面收益表

For the six months ended 30 September 2020

截至二零二零年九月三十日止六個月

		<b>Six months ended</b>	
		<b>30 September</b>	
		截至九月三十日止六個月	
		2020	2019
		二零二零年	二零一九年
		HK\$'000	HK\$'000
		千港元	千港元
		<b>(unaudited)</b>	<b>(unaudited)</b>
		<b>(未經審核)</b>	<b>(未經審核)</b>
		Notes	
		附註	
Revenue	收益	3	<b>7,152</b>
Cost of sales and services	銷售及服務成本		<b>(6,387)</b>
Gross profit	毛利		1,052
Other income	其他收入		221
Other gains and losses, net	其他收益及虧損淨額	4	—
Selling expenses	銷售開支		<b>(122)</b>
Administrative expenses	行政開支		<b>(7,742)</b>
Share of results of associates	分佔聯營公司業績		—
Finance costs	財務費用	5	<b>(87,329)</b>
Loss before tax	稅前虧損		<b>(94,207)</b>
Income tax	所得稅		—
Loss for the period	期內虧損	6	<b>(94,207)</b>

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

### 簡明綜合損益及其他全面收益表

For the six months ended 30 September 2020

截至二零二零年九月三十日止六個月

		<b>Six months ended</b>	
		<b>30 September</b>	
		截至九月三十日止六個月	
		2020	2019
		二零二零年	二零一九年
		HK\$'000	HK\$'000
		千港元	千港元
Notes		<b>(unaudited)</b>	<b>(unaudited)</b>
附註		<b>(未經審核)</b>	<b>(未經審核)</b>
Other comprehensive (expense) income	其他全面(開支)收益		
Items that may be subsequently reclassified to profit or loss:	其後可能重新分類至損益之項目：		
Exchange difference on translation of foreign operations	換算海外業務之匯兌差額	<b>(26)</b>	(532)
		<b>(26)</b>	(532)
Total comprehensive expense for the period	期內全面開支總額	<b>(94,233)</b>	(111,828)
Loss for the period attributable to:	以下人士應佔期內虧損：		
Owners of the Company	本公司擁有人	<b>(93,449)</b>	(110,479)
Non-controlling interests	非控股權益	<b>(758)</b>	(817)
		<b>(94,207)</b>	(111,296)

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

## 簡明綜合損益及其他全面收益表

For the six months ended 30 September 2020

截至二零二零年九月三十日止六個月

		<b>Six months ended</b>	
		<b>30 September</b>	
		截至九月三十日止六個月	
		2020	2019
		二零二零年	二零一九年
		HK\$'000	HK\$'000
		千港元	千港元
Notes		<b>(unaudited)</b>	<b>(unaudited)</b>
附註		(未經審核)	(未經審核)
Total comprehensive expense for the period attributable to:	以下人士應佔期內全面開支總額：		
Owners of the Company	本公司擁有人	<b>(93,475)</b>	(111,011)
Non-controlling interests	非控股權益	<b>(758)</b>	(817)
		<b>(94,233)</b>	(111,828)
		<b>HK cents</b>	HK cents
		港仙	港仙
Loss per share	每股虧損		
Basic	基本	8	8
		<b>(6.38)</b>	(7.55)
Diluted	攤薄	<b>(6.38)</b>	(7.55)

## Condensed Consolidated Statement of Financial Position

### 簡明綜合財務狀況表

At 30 September 2020

於二零二零年九月三十日

			At 30 September 2020 於二零二零年 九月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 March 2020 於二零二零年 三月三十一日 HK\$'000 千港元 (audited) (經審核)
		Notes 附註		
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	9	—	35
Right-of-use assets	使用權資產		<b>2,841</b>	3,433
Intangible assets	無形資產	10	<b>1,373,224</b>	1,373,224
			<b>1,376,065</b>	1,376,692
<b>Current assets</b>	<b>流動資產</b>			
Trade receivables	貿易應收賬款	11	<b>12,870</b>	15,608
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		<b>3,602</b>	3,642
Bank and cash balances	銀行及現金結餘		<b>11,928</b>	22,936
			<b>28,400</b>	42,186

# Condensed Consolidated Statement of Financial Position

## 簡明綜合財務狀況表

At 30 September 2020

於二零二零年九月三十日

			At 30 September 2020 於二零二零年 九月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 March 2020 於二零二零年 三月三十一日 HK\$'000 千港元 (audited) (經審核)
		Notes 附註		
<b>Current liabilities</b>	<b>流動負債</b>			
Trade payables	貿易應付賬款	12	5,136	10,253
Lease liabilities	租賃負債		2,127	2,285
Accruals and other payables	應計費用及其他應付款項		4,040	5,140
Amounts due to non-controlling interests	應付非控股權益款項		3,092	3,092
Amounts due to former non-controlling interests	應付前非控股權益款項		823	823
Loan from a substantial shareholder	來自一位主要股東貸款		7,000	7,000
Amount due to a former associate	應付前聯營公司款項		41,947	41,947
Convertible Bonds	可換股債券	13	665,896	—
			<b>730,061</b>	70,540
<b>Net current liabilities</b>	<b>流動負債淨額</b>		<b>(701,661)</b>	(28,354)
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>674,404</b>	1,348,338
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Convertible bonds	可換股債券	13	164,159	743,142
Lease liabilities	租賃負債		24	1,111
Loan from a non-controlling interest	來自非控股權益貸款		20,929	20,929
Loan from a former associate	來自前聯營公司貸款		15,752	15,383
			<b>200,864</b>	780,565
<b>NET ASSETS</b>	<b>資產淨額</b>		<b>473,540</b>	567,773



# Condensed Consolidated Statement of Financial Position

## 簡明綜合財務狀況表

At 30 September 2020

於二零二零年九月三十日

			At 30 September 2020 於二零二零年 九月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 March 2020 於二零二零年 三月三十一日 HK\$'000 千港元 (audited) (經審核)
		Notes 附註		
<b>Capital and reserves</b>	<b>資本及儲備</b>			
Share capital	股本	14	<b>14,642</b>	14,642
Reserves	儲備		<b>(498,490)</b>	(405,015)
Equity attributable to owners of the Company	本公司擁有人應佔權益		<b>(483,848)</b>	(390,373)
Non-controlling interests	非控股權益		<b>957,388</b>	958,146
<b>TOTAL EQUITY</b>	<b>權益總額</b>		<b>473,540</b>	567,773

The condensed consolidated financial statements on pages 19 to 48 were approved and authorised for issue by the Board of Directors on 27 November 2020 and are signed on its behalf by:

載於第19頁至第48頁之簡明綜合財務報表已經由董事會於二零二零年十一月二十七日批准及授權刊發，並由以下董事代表簽署：

**JIANG NIAN**

蔣年

*DIRECTOR*

董事

**TANG RONG**

唐榕

*DIRECTOR*

董事

# Condensed Consolidated Statement of Changes in Equity

## 簡明綜合權益變動表

For the six months ended 30 September 2020

截至二零二零年九月三十日止六個月

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

# Condensed Consolidated Statement of Changes in Equity

## 簡明綜合權益變動表

For the six months ended 30 September 2020

截至二零二零年九月三十日止六個月

	Attributable to owners of the Company 本公司擁有人應佔									
	Share capital	Share premium	Convertible bonds equity reserve	Other reserve	Statutory reserve	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
			可換股債券			外幣兌換				
	股本	股份溢價	權益儲備	其他儲備	法定儲備	儲備	累計虧損	總計	非控股權益	權益總額
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	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
					(Note a) (附註a)		(Note b) (附註b)			
At 1 April 2020 (audited) 於二零二零年四月一日(經審核)	14,642	1,119,294	575,392	4,140	347	2	(2,104,190)	(390,373)	958,146	567,773
Loss for the period 期內虧損	-	-	-	-	-	-	(93,449)	(93,449)	(758)	(94,207)
Other comprehensive expense for the period 期內其他全面開支	-	-	-	-	-	(26)	-	(26)	-	(26)
Total comprehensive expense for the period 期內全面開支總額	-	-	-	-	-	(26)	(93,449)	(93,475)	(758)	(94,233)
At 30 September 2020 (unaudited) 於二零二零年九月三十日(未經審核)	14,642	1,119,294	575,392	4,140	347	(24)	(2,197,639)	(483,846)	957,388	473,540

### Notes:

- (a) As stipulated by the relevant laws and regulations of the PRC, before distribution of the net profit each year, the Group's subsidiaries established in the PRC shall set aside 10% of its net profit after taxation to the statutory reserve. The reserve can only be used, upon approval by the board of directors of these PRC established subsidiaries and by the relevant authority, to offset accumulated losses or increase in capital. During the six months ended 30 September 2020 and 2019, there was no transfer from retained profits to the statutory reserve since the Group's PRC subsidiaries incurred net loss during both periods.
- (b) Remittance outside the PRC of retained profits of the subsidiaries established in the PRC is subject to approval of the local authorities and the availability of foreign currencies generated and retained by these subsidiaries.

### 附註：

- (a) 按照中國的相關法律及法規所訂明，每年分派純利前，本集團在中國設立的附屬公司須自其除稅後純利撥出10%至法定儲備。法定儲備僅可用於抵銷累計虧損或增資，並須得到此等在中國設立之附屬公司之董事會及有關政府當局核准後方可使用。於截至二零二零年及二零一九年九月三十日止六個月，由於本集團之中國附屬公司均錄得虧損淨額，故於該兩段期間並無任何金額從保留溢利轉撥至法定儲備。
- (b) 於中國成立之附屬公司之保留溢利之境外匯款須經當地政府當局批准及視乎此等附屬公司產生及保留外幣之可能性而定。

# Condensed Consolidated Statement of Cash Flows

## 簡明綜合現金流量表

For the six months ended 30 September 2020

截至二零二零年九月三十日止六個月

		<b>Six months ended</b>	
		<b>30 September</b>	
		截至九月三十日止六個月	
		2020	2019
		二零二零年	二零一九年
		<b>(unaudited)</b>	<b>(unaudited)</b>
		(未經審核)	(未經審核)
NET CASH USED IN OPERATING ACTIVITIES	經營活動所用現金淨額	<b>(9,690)</b>	(13,931)
INVESTING ACTIVITIES	投資活動		
Deposit on disposal of the investment in an associated company	出售於一間聯營公司投資之按金	—	50,000
NET CASH GENERATED FROM INVESTING ACTIVITIES	投資活動所得現金淨額	—	50,000
FINANCING ACTIVITIES	融資活動		
Interest paid on lease liabilities	租賃負債之已付利息	<b>(47)</b>	—
Repayment of lease liabilities	償還租賃負債	<b>(1,245)</b>	—
Amount due to a shareholder	應付一位股東款項	—	(18,000)
Loan from a subsidiary of an associate	來自一間聯營公司之附屬公司貸款	—	9,989
NET CASH USED IN FINANCING ACTIVITIES	融資活動所用現金淨額	<b>(1,292)</b>	(8,011)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物(減少)/增加淨額	<b>(10,982)</b>	28,058
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	期初現金及現金等價物	<b>22,936</b>	17,058
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	外幣匯率變動影響	<b>(26)</b>	(532)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD, represented by bank balances and cash	期末現金及現金等價物，指銀行結餘及現金	<b>11,928</b>	44,584

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 September 2020

截至二零二零年九月三十日止六個月

### 1. BASIS OF PREPARATION

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

### 2. PRINCIPAL ACCOUNTING POLICIES

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

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2020 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2020.

#### Application of new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 April 2020 for the preparation of the Group’s condensed consolidated financial statements:

##### Amendments to HKFRS 3

香港財務報告準則第3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 HKFRS 9, HKAS 39 and HKFRS 7

香港財務報告準則第9號、香港會計準則第39號及

香港財務報告準則第7號修訂本

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

### 1. 編製基準

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

### 2. 主要會計政策

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

除以下陳述外，截至二零二零年九月三十日止六個月的簡明綜合財務報表所採用的會計政策及計算方法與編製本集團截至二零二零年三月三十一日止年度之年度財務報表所遵循者一致。

#### 應用新訂及經修訂香港財務報告準則

本集團於本中期期間首次應用以下由香港會計師公會頒佈之經修訂香港財務報告準則(其自二零二零年四月一日或之後開始的年度期間強制生效)以編製本集團簡明綜合財務報表：

##### *Definition of a Business*

業務的定義

##### *Definition of Material*

重大的定義

##### *Interest Rate Benchmark Reform*

利率基準改革

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

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 September 2020

截至二零二零年九月三十日止六個月

### 3. REVENUE AND SEGMENT INFORMATION

The Group has three reportable and operating segments as follows:

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

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

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

### 3. 收益及分部資料

本集團有以下三個呈報及營運分部：

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

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

下表為按呈報及經營分部分類的本集團收益及業績分析：

	Trading of beauty equipment and products 美容設備及產品貿易		Securities investment 證券投資		Research and development 研發		Total 總計	
	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)
Six months ended 30 September 截至九月三十日止六個月								
Revenue from external customers 來自外界客戶之收入	7,152	11,126	—	—	—	—	7,152	11,126
Segment (loss) profit after tax 除稅後分部(虧損)溢利	643	916	(8)	(8)	(1,801)	(1,668)	(1,166)	(760)

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 September 2020

截至二零二零年九月三十日止六個月

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

### 3. 收益及分部資料 (續)

		Six months ended 30 September 截至九月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)
Reconciliation of reportable segment profit (loss) after tax:	除稅後呈報分部溢利(虧損)對賬：		
Total segment profit/(loss)	分部溢利／(虧損)總額	<b>(1,166)</b>	(760)
Corporate and other expenses	企業及其他開支	<b>(93,041)</b>	(86,723)
Share of results of associates	分佔聯營公司業績	—	6,312
Unallocated other income, gains and losses, net	未分配其他收入、收益及虧損淨額	—	(30,125)
Consolidated loss for the period	期內綜合虧損	<b>(94,207)</b>	(111,296)

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

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### 4. OTHER GAINS AND LOSSES, NET

### 4. 其他收益及虧損淨額

		Six months ended 30 September 截至九月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)
Change in fair value of investments in convertible bonds	可換股債券投資之公平值變動	—	(14,281)
Impairment loss on interest in an associate	於一間聯營公司權益之減值虧損	—	(16,378)
		—	(30,659)

### 5. FINANCE COSTS

### 5. 財務費用

		Six months ended 30 September 截至九月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)
Effective interest expense on convertible bonds	可換股債券實際利息開支	86,913	74,131
Imputed interest expense on loan from a non-controlling interest of a subsidiary	來自一間附屬公司非控股權益貸款之估算利息開支	—	1,332
Interest expense on loan from the subsidiary of a former associate	來自一間前聯營公司之附屬公司貸款之利息開支	369	189
Interest on lease liability	租賃負債之利息	47	—
		87,329	75,652



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截至二零二零年九月三十日止六個月

### 6. LOSS FOR THE PERIOD

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

### 6. 期內虧損

期內虧損乃扣除下列各項後達致：

	Six months ended 30 September 截至九月三十日止六個月		
	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)	
Depreciation of property, plant and equipment	物業、廠房及設備折舊	35	30
Depreciation of right-of-use assets	使用權資產折舊	592	—
Operating lease charges of land and buildings	土地及樓宇之經營租賃支出	—	1,114
Cost of inventories recognised as an expense	確認為開支之存貨成本	6,387	10,074
Staff costs including directors' emoluments	包括董事酬金在內之員工成本	4,070	3,852

### 7. DIVIDENDS

No dividends were paid, declared or proposed during the interim period. The directors have determined that no dividend will be paid in respect of the interim period (2019: Nil).

### 7. 股息

於本中期期間概無派付、宣派或擬派股息。董事決定，概不會就本中期期間支付股息(二零一九年：無)。

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### 8. LOSS PER SHARE

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

### 8. 每股虧損

本公司擁有人應佔每股基本虧損按以下數據計算：

		Six months ended 30 September 截至九月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)
<b>Loss</b>	<b>虧損</b>		
Loss for the purposes of basic and diluted loss per share (loss for the period attributable to owners of the Company)	就計算每股基本及攤薄虧損之虧損(本公司擁有人應佔期內虧損)	<b>(93,449)</b>	(110,479)

		Six months ended 30 September 截至九月三十日止六個月	
		2020 二零二零年 Number of shares 股份數目 '000 以千計	2019 二零一九年 Number of hares 股份數目 '000 以千計
<b>Number of shares</b>	<b>股份數目</b>		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	就計算每股基本及攤薄虧損之普通股加權平均數	<b>1,464,193</b>	1,464,193

The computation of diluted loss per share for the six months ended 30 September 2020 and 2019 does not assume the conversion of the Company's outstanding convertible bonds since their assumed conversion would decrease the loss per share for both periods.

計算截至二零二零年及二零一九年九月三十日止六個月之每股攤薄虧損時，並無假設本公司之未轉換可換股債券被轉換，此乃由於假如該等可換股債券被轉換，會減少兩段期間之每股虧損。

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## 簡明綜合財務報表附註

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截至二零二零年九月三十日止六個月

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

No property, plant and equipment was acquired and disposed by the Group during the six months ended 30 September 2020 period (six months ended 30 September 2019: Nil).

### 10. INTANGIBLE ASSETS

The intangible assets represent an in-process research and development project involving an oral insulin product (the “Product”) (the “In-process R&D”). The patents of an invention “a method of production of oil-phase preparation of oral insulin (一種製備口服胰島素油相製劑的方法)” in relation to the Product are registered under the joint names of Fosse Bio-Engineering Development Limited (“Fosse Bio”) and Tsinghua University, Beijing (“THU”) granted by State Intellectual Property Office of the PRC and United States Patent and Trademark Office of the United States of America on 4 August 2004 and 28 March 2006 respectively and will be expired on 20 April 2021 and 12 April 2022 respectively. Fosse Bio is a subsidiary of Smart Ascent, which became a subsidiary of the Company upon completion of the acquisition on 28 July 2014. In addition, Fosse Bio and THU have entered into the agreements in 1998 (the “THU Collaboration Arrangement”) in connection with the research and development of the Product. The THU Collaboration Arrangement has been expired in October 2018. On 12 November 2018, the Group has entered into a supplemental agreement with THU to renew the term of the collaboration for another five years to October 2023 (the “renewed THU Collaboration Arrangement”). Pursuant to the renewed THU Collaboration Arrangement, Fosse Bio would be entitled to commercialise the relevant technologies of the Product and to manufacture and

### 9. 物業、廠房及設備變動

於截至二零二零年九月三十日止六個月內，本集團並無購入及出售物業、廠房及設備(截至二零一九年九月三十日止六個月：無)。

### 10. 無形資產

無形資產指涉及口服胰島素產品(「該產品」)正在進行的研發項目(「研發過程」)。一項有關該產品之「一種製備口服胰島素油相製劑的方法」之專利以福仕生物工程有限公司(「福仕」)及北京清華大學(「清華大學」)共同名義登記，並由中國國家知識產權局及美國國家專利及商標局分別於二零零四年八月四日及二零零六年三月二十八日授出，並將分別於二零二一年四月二十日及二零二二年四月十二日到期。福仕是進生之附屬公司，並於本公司在二零一四年七月二十八日完成收購後成為本公司之附屬公司。此外，福仕及清華大學於一九九八年簽訂多項有關研發該產品之協議(「清華大學合作協議」)。清華大學合作協議已於二零一八年十月十二日，本集團已與清華大學訂立補充協議，以將合作年期另外重續五年至二零二三年十月(「重續清華大學合作協議」)。根據該重續清華大學合作協議，福仕有權商品化該產品

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

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### 10. INTANGIBLE ASSETS (Continued)

sell the Product on an exclusive basis, and THU, is entitled to 1.5% of Fosse Bio's annual sales upon commercialisation of the Product. Accordingly, Fosse Bio has the exclusive right for the commercialisation of the Product for the duration of the unexpired term of the renewed THU Collaboration Arrangement. The recoverable amount of the In-process R&D is determined based on fair value calculations. The fair value calculation used cash flow projections, prepared by the management based on certain key assumptions. The expected future economic benefits attributable to the In-process R&D approved by the management cover a 10-year period and a discount rate of 22.98% was used. The management believed that any reasonably possible change in any of these assumptions used in cash flow projections would not cause the carrying amount of In-process R&D to exceed the recoverable amount. Other key assumptions for fair value calculations related to the estimation of cash inflows which include budgeted sales and gross margins where such estimation is based on management's expectations for the market development.

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

### 10. 無形資產(續)

之有關技術及獨家生產及銷售該產品，而清華大學有權於該產品商品化完成後享有福仕1.5%之年銷售額。據此，福仕在重續清華大學合作協議未屆滿年內擁有商品化該產品之專有權。研發過程之可收回金額乃按公平值計算法釐定。公平值計算法使用管理層基於若干主要假設編製之現金流量預測。由管理層批准之研發過程應佔之預期未來經濟利益涵蓋10年期，並採用22.98%之貼現率。管理層相信，該等用於現金流量預測之假設之任何合理可能變化將不會導致研發過程之賬面值超出可收回金額。其他有關估計現金流入之公平值計算法之主要假設，包括銷售預算及毛利率，是基於管理層對市場發展之預期作出。

根據可收回金額估計，本公司董事認為，毋須就研發過程確認減值。

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## 簡明綜合財務報表附註

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截至二零二零年九月三十日止六個月

### 11. TRADE RECEIVABLES

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

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

		At 30 September 2020 於二零二零年 九月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 March 2020 於二零二零年 三月三十一日 HK\$'000 千港元 (audited) (經審核)
30 days or less	30日或以下	1,262	—
31 to 60 days	31至60日	1,113	—
61 to 90 days	61至90日	1,321	725
Over 90 days	90日以上	9,174	14,883
		<b>12,870</b>	15,608

### 12. TRADE PAYABLES

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

		At 30 September 2020 於二零二零年 九月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 March 2020 於二零二零年 三月三十一日 HK\$'000 千港元 (audited) (經審核)
30 days or less	30日或以下	1,125	—
31 to 60 days	31至60日	1,033	—
Over 180 days	180日以上	2,978	10,253
		<b>5,136</b>	10,253

### 11. 貿易應收賬款

本集團授予客戶之信貸期一般為90日。

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

### 12. 貿易應付賬款

貿易應付賬款按發票日期呈列之賬齡分析如下:

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### 13. CONVERTIBLE BONDS

### 13. 可換股債券

		At 30 September 2020 於二零二零年 九月三十日 HK\$'000 千港元	At 31 March 2020 於二零二零年 三月三十一日 HK\$'000 千港元
<b>Current liabilities</b>	<b>流動負債</b>		
Convertible Bonds III	可換股債券三	665,896	—
<b>Non-current liabilities</b>	<b>非流動負債</b>		
Convertible Bonds I	可換股債券一	123,800	135,928
Convertible Bonds II	可換股債券二	40,359	84,764
Convertible Bonds III	可換股債券三	—	512,071
		164,159	732,763
		830,055	732,763

#### Convertible Bond I

The Company issued convertible bonds in an aggregate principle amount of HK\$436,800,000 and HK\$51,200,000 respectively on 25 October 2013 and 27 December 2013 (collectively referred to as “Convertible Bonds I”) for the acquisition of the convertible bonds issued by Extrawell in aggregate principal amount of HK\$320,650,000 (“Sale CB-I”) and 450,000,000 ordinary shares of Extrawell. Both Sale CB-1 and 450,000,000 ordinary shares of Extrawell were disposed in October 2019. The Convertible Bonds I with a zero coupon rate mature on the tenth anniversary of the date of issue.

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

#### 可換股債券一

本公司已於二零一三年十月二十五日及二零一三年十二月二十七日發行本金總額分別為436,800,000港元及51,200,000港元的可換股債券(統稱「可換股債券一」)，以收購由精優發行本金總額為320,650,000港元的可換股債券(「待售可換股債券一」)及450,000,000股精優普通股。待售可換股債券一及450,000,000股精優普通股均已於二零一九年十月出售。可換股債券一之票面息率為零，於發行日期起計十週年當日到期。

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0.4港元，須受反攤薄條款限制。

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### 13. CONVERTIBLE BONDS (Continued)

#### Convertible Bond I (Continued)

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

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

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

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

		Principal amount 本金額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
As at 1 April 2019 (audited)	於二零一九年四月一日 (經審核)	351,600	120,978
Interest charge (Note 5)	利息開支(附註5)	—	14,950
30 September 2019 (unaudited)	二零一九年九月三十日 (未經審核)	351,600	135,928
As at 1 April 2020 (audited)	於二零二零年四月一日 (經審核)	256,000	110,977
Interest charge (Note 5)	利息開支(附註5)	—	12,823
30 September 2020 (unaudited)	二零二零年九月三十日 (未經審核)	256,000	123,800

### 13. 可換股債券(續)

#### 可換股債券一(續)

倘可換股債券一未獲轉換，則將於發行日期起計十週年當日按面值予以贖回。

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

於兩段中期期間，概無可換股債券一獲轉換為本公司普通股。

於兩段期間內，可換股債券一負債部分之變動載列如下：

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### 13. CONVERTIBLE BONDS (Continued)

#### Convertible Bond II

The Company issued convertible bonds in an aggregate principle amount of HK\$64,000,000, HK\$64,000,000, HK\$64,000,000 and HK\$64,000,000 respectively on 24 April 2014, 30 August 2014, 31 December 2014 and 30 April 2015 (collectively referred to as “Convertible Bonds II”) for the acquisition of the convertible bonds issued by Extrawell in an aggregate principal amount up to HK\$256,520,000 (“Sale CB-II”) first, second, third and fourth batches respectively which was disposed in October 2019. The Convertible Bonds II with zero coupon rate will mature on the tenth anniversary of the date of issue.

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

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

### 13. 可換股債券(續)

#### 可換股債券二

本公司已於二零一四年四月二十四日、二零一四年八月三十日、二零一四年十二月三十一日及二零一五年四月三十日發行本金總額分別為64,000,000港元、64,000,000港元、64,000,000港元及64,000,000港元的可換股債券(統稱「可換股債券二」)，以分別收購第一批、第二批、第三批及第四批由精優發行本金總額最高為256,520,000港元的可換股債券(「待售可換股債券二」，其已於二零一九年十月出售)。可換股債券二之票面息率為零，於發行日期起計十週年當日到期。

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

倘可換股債券二未獲轉換，則將於發行日期起計十週年當日按面值予以贖回。



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### 13. CONVERTIBLE BONDS (Continued)

#### Convertible Bond II (Continued)

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

### 13. 可換股債券(續)

#### 可換股債券二(續)

可換股債券二以港元發行。本公司於二零一四年四月二十四日、二零一四年八月三十日、二零一四年十二月三十一日及二零一五年四月三十日發行之可換股債券二負債部分之公平值分別為6,622,000港元、6,916,000港元、7,577,000港元及7,790,000港元，乃透過貼現現金流量法，利用類似非可換股債券的現行市場利率釐定，並計及本公司之信貸風險。本公司於二零一四年四月二十四日、二零一四年八月三十日、二零一四年十二月三十一日及二零一五年四月三十日發行之可換股債券二分類為權益部分之換股權公平值分別為131,454,000港元、118,983,000港元、112,597,000港元及109,371,000港元，乃採用二項式模式計算。輸入該模式之參數如下：

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

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 September 2020

截至二零二零年九月三十日止六個月

### 13. CONVERTIBLE BONDS (Continued)

#### Convertible Bond II (Continued)

Notes:

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

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

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

### 13. 可換股債券 (續)

#### 可換股債券二 (續)

附註:

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

於兩段中期期間，概無可換股債券二獲轉換為本公司普通股。

於兩段期間，可換股債券二之負債部分之變動載列如下：

		<b>Principal amount</b> 本金額 HK\$'000 千港元	<b>Carrying amount</b> 賬面值 HK\$'000 千港元
As at 1 April 2019 (audited)	於二零一九年四月一日 (經審核)	256,000	75,970
Interest charge (Note 5)	利息開支(附註5)	—	8,794
30 September 2019(unaudited)	二零一九年九月三十日 (未經審核)	256,000	84,764
As at 1 April 2020 (audited)	於二零二零年四月一日 (經審核)	103,600	36,314
Interest charge (Note 5)	利息開支(附註5)	—	4,045
30 September 2020 (unaudited)	二零二零年九月三十日 (未經審核)	103,600	40,359

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## 簡明綜合財務報表附註

For the six months ended 30 September 2020

截至二零二零年九月三十日止六個月

### 13. CONVERTIBLE BONDS (Continued)

#### Convertible Bond III

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

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

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

### 13. 可換股債券(續)

#### 可換股債券三

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

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

倘可換股債券三未獲轉換，則將於發行日期起計七週年當日按面值予以贖回。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 September 2020

截至二零二零年九月三十日止六個月

### 13. CONVERTIBLE BONDS (Continued)

#### Convertible Bond III (Continued)

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

### 13. 可換股債券(續)

#### 可換股債券三(續)

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

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

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

Notes:

附註:

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

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## 簡明綜合財務報表附註

For the six months ended 30 September 2020

截至二零二零年九月三十日止六個月

### 13. CONVERTIBLE BONDS (Continued)

#### Convertible Bond III (Continued)

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

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

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

		Principal amount 本金額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
As at 1 April 2019 (audited)	於二零一九年四月一日 (經審核)	715,000	461,684
Interest charge (Note 5)	利息開支(附註5)	—	50,387
30 September 2019 (unaudited)	二零一九年九月三十日 (未經審核)	715,000	512,071
As at 1 April 2020 (audited)	於二零二零年四月一日 (經審核)	715,000	595,851
Interest charge (Note 5)	利息開支(附註5)	—	70,045
30 September 2020 (unaudited)	二零二零年九月三十日 (未經審核)	715,000	665,896

### 13. 可換股債券(續)

#### 可換股債券三(續)

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

於兩段中期期間，概無可換股債券三獲轉換為本公司普通股。

於兩段期間，可換股債券三負債部分之變動列載如下：

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## 簡明綜合財務報表附註

For the six months ended 30 September 2020

截至二零二零年九月三十日止六個月

### 14. SHARE CAPITAL

### 14. 股本

		Number of shares 股份數目 '000 千股	Share capital 股本 HK\$'000 千港元
Ordinary shares of HK\$0.01 each	每股面值0.01港元的普通股		
Authorised:	法定：		
As at 1 April 2019, 30 September 2019, 1 April 2020 and 30 September 2020	於二零一九年四月一日、 二零一九年九月三十日、 二零二零年四月一日及 二零二零年九月三十日	50,000,000	500,000
Issued and fully paid:	已發行及繳足：		
As at 1 April 2019 (audited)	於二零一九年四月一日 (經審核)	1,464,193	14,642
As at 30 September 2019 (unaudited)	於二零一九年九月三十日 (未經審核)	1,464,193	14,642
As at 1 April 2020 (audited)	於二零二零年四月一日 (經審核)	1,464,193	14,642
As at 30 September 2020 (unaudited)	於二零二零年九月三十日 (未經審核)	1,464,193	14,642

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 September 2020

截至二零二零年九月三十日止六個月

### 15. RELATED PARTY TRANSACTIONS

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

### 15. 關連人士交易

本集團於期內與關連人士進行之交易如下：

		Six months ended 30 September	
		截至九月三十日止六個月	
		2020	2019
		二零二零年	二零一九年
		HK\$'000	HK\$'000
		千港元	千港元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Service fee expense paid and payable to Dr. Mao, a shareholder of the Company	已付及應付本公司股東毛博士之服務費開支	336	336
Amount due to Dr. Mao, a shareholder of the Company*	應付本公司股東毛博士之款項*	7,000	7,000
Compensation of key management personnel:	主要管理人員之報酬：		
Short-term employment benefits	短期僱員福利	1,375	1,375
Post-employment benefits	離職後福利	18	18

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

\* 該款項為無抵押及無利息，且還款期為支款日後三年。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 September 2020

截至二零二零年九月三十日止六個月

### 16. CONTINGENT LIABILITIES AND LITIGATION

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

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

### 16. 或然負債及訴訟

於中國有關中荷(平湖)生物技術有限公司(「中荷(平湖)」)之訴訟

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



# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 September 2020

截至二零二零年九月三十日止六個月

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

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

of CNL (Pinghu) were to be frozen, but the actual amount frozen was HK\$222,000 as at 30 June 2012, which was significantly lower than the amount stated in the civil ruling. The frozen balance was released during the year ended 30 June 2013. On 14 January 2013, an independent construction consulting company, which was appointed by Pinghu District Court, issued a statement certifying the total construction cost incurred would be in a range between RMB15,093,000 (equivalent to approximately HK\$19,142,000) and RMB18,766,000 (equivalent to HK\$23,801,000). According to the relevant legal opinion dated on 29 July 2013, the possibility for Pinghu District Court for adopting the construction cost of RMB18,766,000 is higher. On 20 December 2013, the 浙江省平湖市人民法院 (People’s Court of Pinghu City, Zhejiang Province) delivered a further civil ruling, pursuant to which, CNL (Pinghu) shall, after the said civil ruling came into force, pay to Jiangsu Ruifeng, among other things, a fee of RMB3,309,000 (equivalent to approximately HK\$4,197,000) for the construction services rendered. CNL (Pinghu) filed an application to appeal to 浙江省嘉興市中級人民法院 (the Intermediate People’s Court of Jiaxing City, Zhejiang Province). On 25 April 2014, 浙江省嘉興市中級人民法院 upheld the original ruling of 浙江省平湖市人民法院 and the Company was required to pay approximately RMB4,223,000 (equivalent to approximately HK\$5,333,000) to Jiangsu Ruifeng. Full provision had been made by the Group in this regard as at 30 September 2014. During the year ended 31 March 2015, the Company has received payment notice of approximately RMB2,897,000 (equivalent to approximately HK\$3,660,000) and settled accordingly. There is no further payment was made by the Company for the period ended 30 September 2020.

### 16. 或然負債及訴訟(續)

於中國有關中荷(平湖)生物技術有限公司(「中荷(平湖)」)之訴訟(續)

定，據此，中荷(平湖)之銀行存款人民幣15,000,000元或等同金額之資產將被凍結，惟被凍結之實際金額於二零一二年六月三十日為222,000港元，其大幅低於民事裁定所列之金額。該凍結餘額已於截至二零一三年六月三十日止年度解除。於二零一三年一月十四日，一間獨立建築顧問公司獲平湖區法院委任，發出一份聲明，證明建築總成本為人民幣15,093,000元(相當於約19,142,000港元)與人民幣18,766,000元(相當於約23,801,000港元)之間。根據日期為二零一三年七月二十九日之相關法律意見，平湖區法院採納建築成本人民幣18,766,000元的可能性較高。於二零一三年十二月二十日，浙江省平湖市人民法院發出進一步民事裁定，據此，中荷(平湖)須於民事裁定生效後向江蘇瑞峰支付(其中包括)就所提供的建造服務之費用人民幣3,309,000元(相當於約4,197,000港元)。中荷(平湖)向浙江省嘉興市中級人民法院申請上訴。於二零一四年四月二十五日，浙江省嘉興市中級人民法院維持浙江省平湖市人民法院之原來判決，而本公司須向江蘇瑞峰支付約人民幣4,223,000元(相當於約5,333,000港元)。本集團已於二零一四年九月三十日就此計提撥備總額。於截至二零一五年三月三十一日止年度，本公司已接獲付款通知及據此結清費用約人民幣2,897,000元(相當於約3,660,000港元)。於截至二零二零年九月三十日止期間，本公司並無作出進一步付款。

