



東瑞製葯(控股)有限公司

**DAWNRAYS PHARMACEUTICAL (HOLDINGS) LIMITED**

(在開曼群島註冊成立的有限公司)

(incorporated in the Cayman Islands with limited liability)

股份編號：2348 Stock Code：2348

**2018**

ANNUAL REPORT

年報

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## 公司資料

### BOARD OF DIRECTORS

#### EXECUTIVE DIRECTORS

Ms. LI Kei Ling (*Chairman*)

Mr. HUNG Yung Lai

Mr. LI Tung Ming (resigned on 23 February 2018)

Mr. CHEN Shaojun (appointed on 8 January 2018)

#### NON-EXECUTIVE DIRECTOR

Mr. LEUNG Hong Man

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CHOI Tat Ying Jacky (retired on 24 May 2018)

Mr. LO Tung Sing Tony

Mr. EDE, Ronald Hao Xi

Ms. LAM Ming Yee Joan (appointed on 25 May 2018)

### CHIEF EXECUTIVE OFFICER

Mr. CHEN Shaojun

### AUDIT COMMITTEE

Mr. CHOI Tat Ying Jacky (*Former Chairman*)  
(retired on 24 May 2018)

Mr. LO Tung Sing Tony (*Chairman*)  
(appointed as Chairman on 24 May 2018)

Mr. EDE, Ronald Hao Xi

Ms. LAM Ming Yee Joan (appointed on 25 May 2018)

### REMUNERATION COMMITTEE

Mr. EDE, Ronald Hao Xi (*Chairman*)

Ms. LI Kei Ling

Mr. CHOI Tat Ying Jacky (retired on 24 May 2018)

Mr. LO Tung Sing Tony

Ms. LAM Ming Yee Joan (appointed on 25 May 2018)

### NOMINATION COMMITTEE

Ms. LI Kei Ling (*Chairman*)

Mr. CHOI Tat Ying Jacky (retired on 24 May 2018)

Mr. LO Tung Sing Tony

Mr. EDE, Ronald Hao Xi

Ms. LAM Ming Yee Joan (appointed on 25 May 2018)

### 董事會

#### 執行董事

李其玲女士 (*主席*)

熊融禮先生

李東明先生 (於二零一八年二月二十三日辭任)

陳紹軍先生 (於二零一八年一月八日獲委任)

#### 非執行董事

梁康民先生

#### 獨立非執行董事

蔡達英先生 (於二零一八年五月二十四日退任)

勞同聲先生

EDE, Ronald Hao Xi 先生

林明儀女士 (於二零一八年五月二十五日獲委任)

### 總裁

陳紹軍先生

### 審核委員會

蔡達英先生 (*前任主席*)  
(於二零一八年五月二十四日退任)

勞同聲先生 (*主席*) (於二零一八年五月二十四日  
被委任為主席)

EDE, Ronald Hao Xi 先生

林明儀女士 (於二零一八年五月二十五日被委任)

### 薪酬委員會

EDE, Ronald Hao Xi 先生 (*主席*)

李其玲女士

蔡達英先生 (於二零一八年五月二十四日退任)

勞同聲先生

林明儀女士 (於二零一八年五月二十五日被委任)

### 提名委員會

李其玲女士 (*主席*)

蔡達英先生 (於二零一八年五月二十四日退任)

勞同聲先生

EDE, Ronald Hao Xi 先生

林明儀女士 (於二零一八年五月二十五日被委任)

**AUDITORS**

Ernst & Young  
*Certified Public Accountants, Hong Kong*

**PRINCIPAL BANKERS**

Bank of China (Hong Kong) Limited, Hong Kong  
 The Hong Kong and Shanghai Banking Corporation Limited, Hong Kong  
 Industrial and Commercial Bank of China Suzhou Wuzhong Sub-Branch  
 Agricultural Bank of China Suzhou Nanmen Sub-Branch  
 Bank of China Suzhou Wuzhong Sub-Branch

**HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS**

Units 3001-02, 30/F, CNT Tower, 338 Hennessy Road,  
 Wanchai, Hong Kong

**REGISTERED OFFICE**

Cricket Square  
 Hutchins Drive  
 P.O. Box 2681  
 Grand Cayman KY1-1111  
 Cayman Islands

**PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE**

Conyers Trust Company (Cayman) Limited  
 Cricket Square, Hutchins Drive, P.O. Box 2681,  
 Grand Cayman KY1-1111, Cayman Islands

**HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE**

Tricor Abacus Limited  
 Level 22, Hopewell Centre,  
 183 Queen's Road East, Hong Kong

**核數師**

安永會計師事務所  
 執業會計師，香港

**主要往來銀行**

中國銀行(香港)有限公司，香港  
 香港上海滙豐銀行有限公司，香港  
 中國工商銀行蘇州市吳中支行  
 中國農業銀行蘇州市南門支行  
 中國銀行蘇州吳中支行

**總辦事處及主要營業地點**

香港灣仔軒尼詩道338號  
 北海中心30樓3001-02室

**註冊辦事處**

Cricket Square  
 Hutchins Drive  
 P.O. Box 2681  
 Grand Cayman KY1-1111  
 Cayman Islands

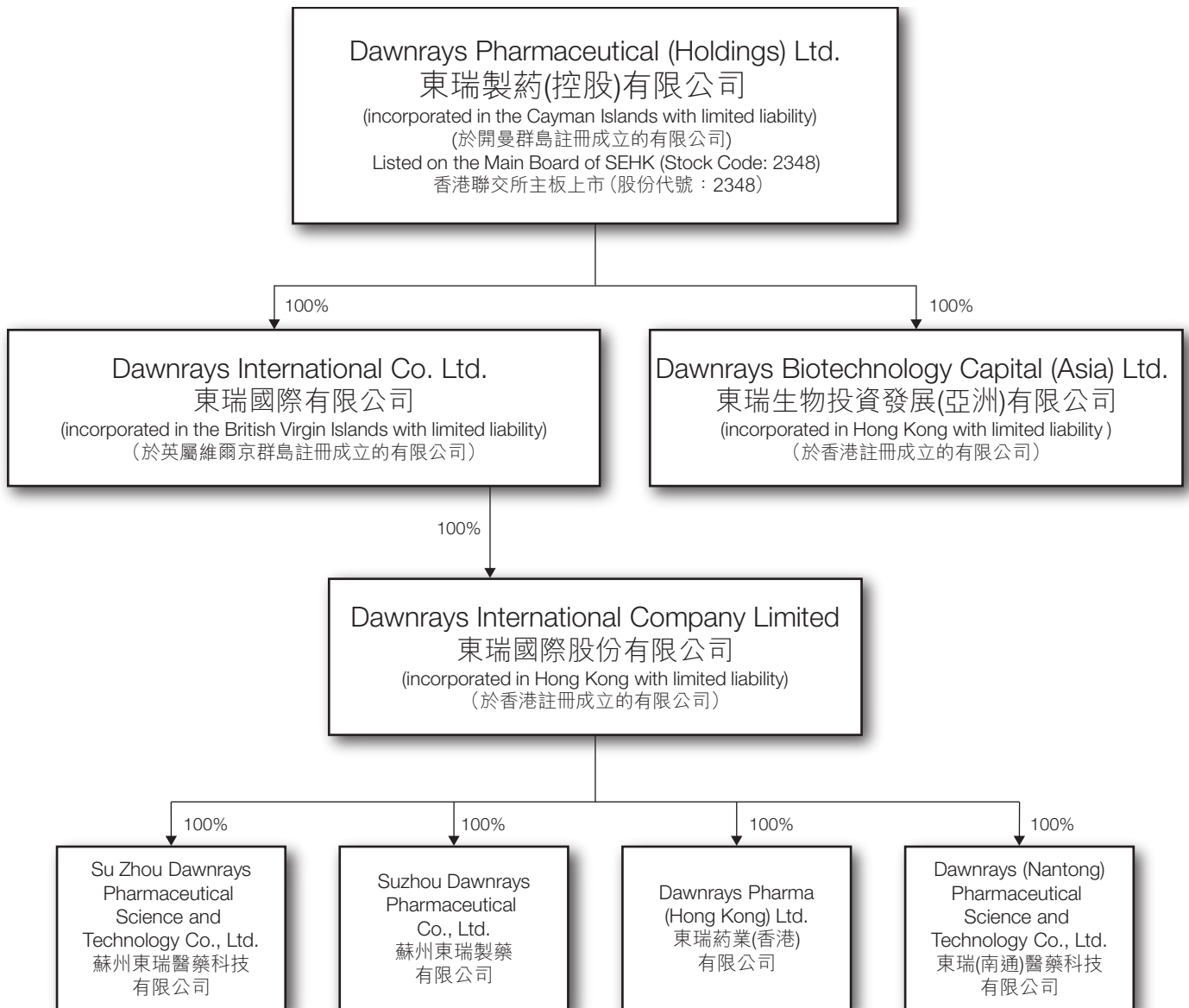
**主要股份過戶登記處**

Conyers Trust Company (Cayman) Limited  
 Cricket Square, Hutchins Drive, P.O. Box 2681,  
 Grand Cayman KY1-1111, Cayman Islands

**香港股份過戶登記分處**

卓佳雅柏勤有限公司  
 香港皇后大道東183號  
 合和中心22樓

## 本集團架構圖



Dear SHAREHOLDERS,

On behalf of the board (the "Board") of the directors (the "Directors") of Dawnrays Pharmaceutical (Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group"), I'm pleased to present the results of the Group for the year ended 31 December 2018 (the "reporting period").

## GROUP RESULTS

The Group has recorded revenue of approximately RMB948,938,000 for the year ended 31 December 2018 (2017: RMB882,483,000), representing an increase of 7.5% as compared to 2017. Profit attributable to owners of the parent was approximately RMB303,960,000 (2017: RMB292,978,000), representing an increase of 3.7% over 2017.

The increase in the revenue and the profit was primarily attributable to the growth in the sales amount of specific medicines of the Group during the reporting period, and the greater increase in the sales amount of cephalosporin bulk medicines as compared with 2017.

## FINAL DIVIDEND

The Board recommends the payment of a final dividend of HK\$0.06 per sub-divided share for the year ended 31 December 2018, amounting to the total sum of approximately HK\$95,183,000 (equivalent to approximately RMB81,450,000), to the shareholders whose names appeared in the register of members as of Wednesday, 29 May 2019 subject to the approval of the shareholders at the forthcoming 2019 Annual General Meeting (the "2019 AGM"). Taking into consideration the interim dividend of HK\$0.015 per sub-divided share and special dividend of HK\$0.075 per sub-divided share paid on 11 October 2018, the total annual dividend distributed for the year is HK\$0.15 per sub-divided share. The annual dividend payout ratio remains approximately 33.7% if the one-off special dividend is not counted.

致各股東：

本人欣然代表東瑞製葯(控股)有限公司(「本公司」)之董事(「董事」)會(「董事會」)提呈本公司及其附屬公司(統稱「本集團」)截至二零一八年十二月三十一日止年度(「報告期間」)之業績報告。

## 本集團業績

本集團截至二零一八年十二月三十一日止年度錄得收入約人民幣948,938,000元(二零一七年：人民幣882,483,000元)，較二零一七年增加7.5%。母公司擁有人應佔溢利約人民幣303,960,000元(二零一七年：人民幣292,978,000元)，較二零一七年增加3.7%。

收入與利潤的增加主要由於本集團專科藥銷售額於報告期間維持增長，以及頭孢菌素類原料藥銷售額與二零一七年比較取得較大增長所致。

## 末期派息

董事會建議派發截至二零一八年十二月三十一日止年度末期股息每拆細股份為港幣0.06元，合共約港幣95,183,000元(約相當於人民幣81,450,000元)予於二零一九年五月二十九日(星期三)已登記在股東名冊上之股東，惟須待股東在即將舉行之二零一九年股東週年大會上(「二零一九年股東週年大會」)批准通過，方可作實。連同於二零一八年十月十一日已派發中期股息每拆細股份港幣0.015元及特別股息每拆細股份港幣0.075元，二零一八年全年度派發股息將為每拆細股份港幣0.15元。如不計算一次性特別股息，全年派息比例維持約33.7%。

### BUSINESS REVIEW AND PROSPECT

2018 was a key year for deep reform of the system and operational environment of China's pharmaceutical sector, with the successive introduction of policies on the payment under the medical insurance scheme, drug research and development, group purchasing organizations, national essential drug list and otherwise. Driven by various policies, the pharmaceutical industry faced continued pressure from drug price adjustment. In addition, new institutions were established in the reform of state institutions in the first half of 2018 and will, in the opinions of most people, have a material and profound influence on the future health reform.

During the year, due to market fluctuations arising out of the adoption of various policies, there was greater short-term uncertainty, which made it necessary for enterprises to take appropriate and timely management measures to achieve annual business targets in the medium and long-term business planning, in response to recent changes in the market. During the reporting period, the Group continued to see an annual growth in the total sales of specific medicines in the volatile market conditions, with the reputation for the curative effect of drugs and the brand effect for products which have been built for years, and appropriate and effective marketing measures.

In recent years, the Group has gradually stabilized the production quality of bulk medicines and reasonably adjust the production costs through continuously improving the production technology and manufacturing process management of cephalosporin bulk medicines, thus enhancing the product competitiveness. During the reporting period, due to the enhancement of product competitiveness as well as an active market of bulk medicines, the Group reported a significant increase in the sales amount of cephalosporin bulk medicines as compared with 2017, basically reversing losses on intermediate and bulk medicines in the last few financial years.

Looking forward to the future development, as I stated in the 2018 Interim Report of the Company, the government focuses on the supply reform and the control of the growth in public medical expenses, and encourages the pharmaceutical industry to improve product quality and invest more resources in product research and development and technological innovation, through different industrial policies and measures, so as to improve the overall level of China's pharmaceutical industry and make more quality and reliable products available for pharmaceutical consumers.

### 業務回顧與展望

二零一八年是中國醫藥行業體制與經營環境進入深度變革極其關鍵一年，涉及醫保支付、藥品研發、帶量採購、國家基本藥物目錄等範疇的政策相繼出台。在各項政策聯合驅動下，製藥行業持續面對藥品價格調整壓力。另外，二零一八年上半年國家機構改革組建了新機構，輿論大多認為該些機構對於未來醫療改革將產生實質且深遠有力的影響。

年內，由於各項政策頒佈誘發市場不時波動，短期的不確定性增加，致使企業必須在中長期的業務規劃中，不時因應市場的近期變化採取適當及時的管理措施以達成年度的業務目標。於報告期間，本集團憑藉經年累月建立起的藥品療效確切之美譽及產品品牌效應，配置適切有效的市場營銷措施，使得在波動的市場環境中，仍可以維持專科藥銷售總額按年增長的趨勢。

近些年，本集團通過持續改進頭孢菌素類原料藥的生產技術和製程管理，原料藥生產質量逐漸穩定而生產成本也有合理調整，令產品競爭力有所提升。於報告期間，由於產品競爭力提升，原料藥市場也較為活躍，本集團頭孢菌素類原料藥銷售額與二零一七年比較有較大幅度增長，基本扭轉過去數個財政年度中間體及原料藥連續虧損的狀況。

展望未來發展，誠如本人在本公司二零一八年度中期報告所言，政府一方面聚焦在供給的改革，管控公營醫療費用的開支增長，另一方面通過不同的產業政策和措施，鼓勵製藥行業提高產品質量以及投入更多資源研發產品和技術創新，從而整體提升中國製藥行業水準，令藥品消費群有更多優質可靠的產品選擇。

The Group is deeply aware that there would be continued pressure on the selling prices of drug products, subject to the aforesaid premises. According to the current product mix of the Group and the competition with similar products, the management will continuously adopt a marketing strategy which meets the Group's needs and have products sold in various levels of markets, so as to maintain the Group's sales standards and advantages in terms of specific medicines.

More importantly, the Group understands that improving the product mix in a reasonable, timely and orderly manner according to social needs is the cornerstone for corporate sustainable development, while the most basic reality for the development of new products by an enterprise is that new products must be highly recognized in the market and by consumers after the launch, with the continued increase of sales cycles, so as to achieve a positive growth in cash flow and profit. The existing specific medicines successfully developed by the Group and verified through sales in the market reflect the effective insight of the Group in selecting and developing products as well as its ability to launch new products in the market and successfully sell them. Therefore, the Group will put forth effort to review the organization and research and development orientation of the research and development department, thoroughly review all products under research and research projects, and allocate optimal financial resources to accelerate the implementation of related work.

In addition, following the first step the Company has taken in December 2016 in engaging in research and development of biotech drugs, with the establishment of the joint venture company to develop monoclonal antibody drugs for cholesterol lowering and cancer treatment, the Group has also pursued an outward expansion, with the implementation of a plan to acquire chemical pharmaceutical enterprises from external parties with a view to diversify the Group's chemical pharmaceutical product mix within a reasonable period of time. Meanwhile, the Group has established a R&D-based enterprises by joint venture with companies having strong R&D strength to build a new research and development platform which operates independently, and focus on new drug products which are developed, using new technologies of drug delivery systems, so as to meet the market demand for drugs in innovative dosage forms.

在上述前提下，本集團深明各類藥物產品銷售價格將可能持續受到擠壓。按照本集團現時的產品結構以及同類產品競爭狀況，管理層將持續採取較為適合本集團需要的營銷策略，把產品滲透各層級市場，以維持本集團在專科藥方面的銷售水準和優勢。

更為重要者，乃本集團深明企業可持續發展基石在於產品結構能合理按時按社會需求有序推進添增，而企業研發新產品的最基本現實，在於新產品投放市場後必須獲得市場和消費者的高度認受，能實現不斷擴大的銷售循環，創造良好的現金流及盈利增長。本集團成功開發且得到市場銷售驗證的現有專科藥品種，印證了本集團篩選開發產品的高效觸角，以及把新產品投放市場並成功銷售的能力。因此，本集團將著力檢討研發部門的組織與研發方向，徹底檢視所有在研產品與研究項目，配置最佳財務資源，以加速推展有關工作。

此外，繼本公司在二零一六年十二月邁開涉足生物科技藥物研發的第一步，成立了聯營公司研發降膽固醇水平的單克隆抗體藥物和治療癌症的單克隆抗體藥物。本集團亦已開展尋求外延式的增長延伸，進行向外方收購化學製藥企業的計劃，以期於合理時間內豐富本集團化學藥物產品結構。同時，本集團與具備良好研發實力的機構合資建立研發型企業，以開闢新的獨立自主運營的研發平台，專注利用給藥系統新技術研發新的藥物產品，滿足市場對創新型劑型藥物的需求。



## 主席報告

Although the pharmaceutical industry has to face the pressure from the continuous adjustment of product prices, the huge population, accelerated ageing population and improvement in the actual spending power of consumers and other factors have provided considerable room and opportunities for the development of China's pharmaceutical market. Subject to the successful implementation of various business plans and expansion projects, the Company is cautiously optimistic about the future development of the Group.

The Group will continue to practice its time-honored pragmatic style of operation, aim at the long-term shareholder interest, make well-advised decisions and endeavor to develop our business. Meanwhile, the management will continue to recruit outstanding talents, optimize the management system and stabilise the management team in a bid to create reasonable returns for the shareholders of the Company.

### APPRECIATION

Meanwhile, I would like to take this opportunity to express my appreciation for the great support and contribution in various business from the Company's shareholders and directors and the Group's partners, management personnel and all staff in the previous year.

By Order of the Board

**Li Kei Ling**

*Chairman*

Hong Kong, 21 March 2019

雖然製藥行業須面對產品價格持續調整壓力，但龐大的社會人口、人口老齡化加速、消費群實際可支付能力提升等因素，使得中國醫藥市場仍具備可觀的發展空間和機遇。於成功落實各項業務計劃和擴展項目的前提下，本公司對於本集團未來發展抱持審慎樂觀態度。

本集團將秉承一貫的務實經營作風，以股東長遠利益為依歸，穩妥決策，努力發展本集團業務；同時將不斷引進優秀人才，優化管理體系，穩定管理人員隊伍，以期為本公司股東的投資創造合理回報。

### 感謝

藉此機會，本人衷心感謝本公司股東、董事及本集團夥伴、管理人員和員工於過去一年在各項業務上所作的支持與貢獻。

承董事會命

**李其玲**

*主席*

香港，二零一九年三月二十一日

## REVIEW OF OPERATIONS

During the review period, under the pressure of intense market competition, sales of the Group's anti-hypertensive drug in "An" (安) series medicines and anti-allergic drug "Xikewei" (西可韋) (Cetirizine Hydrochloride Tablets) increased slightly as compared to 2017. "Leiyide" (雷易得) (Entecavir Dispersible Tablets) continued to see an increase in sales in Mainland China, but the failure of Hong Kong GSK to win the bid in 2018 led to a decrease in the sales of "Leiyide" (雷易得) exported by the Group, thus resulting in a slight decrease in the overall sales of "Leiyide" (雷易得). Sales of cephalosporin finished medicines was relatively stable. The competitiveness of cephalosporin intermediates and bulk medicines was enhanced significantly due to continuous improvement in product quality and production cost reduction by the Group. The turnover increased by 34.2%, while for the segment results, there was a turnaround from years of losses to profits.

During the period, the Group's marketing management team closely checked the effectiveness of various business plans, adjusted the Group's marketing ideas and sales strategies properly in line with the rapid market changes, strengthened allocation of resources, and optimized supply and sales system, in an effort to maintain the market shares. The Group's marketing management team will continue deepening the market, make efforts to further improve the organization control over the market at various levels, and endeavor to ensure the reasonable increase in sales amount of that series of medicines in 2019, thereby making contributions to the Group's profitability.

### ANTI-HYPERTENSIVE PRODUCTS

Hypertension is the most common chronic non-communicable disease. According to medical statistics, the prevalence rate of hypertension among Chinese residents aged 18 and above is over 25%, so anti-hypertensive drugs have a broad market prospect. The Group paid special attention to market development in this field, and participated in the national "Chinese Hypertension Intervention Efficacy Study" (CHIEF). The Group cooperated with more than 150 medical institutions to provide anti-hypertensive drugs for over 10,000 patients, so the Group enjoyed favorable brand reputation among doctors and hypertension patients.

## 業務營運回顧

於回顧期內，在競爭激烈的市場環境下，本集團治療高血壓的「安」系列產品及抗過敏藥物「西可韋」（鹽酸西替利嗪片）的銷售，與二零一七年度比較略有增長。「雷易得」（恩替卡韋分散片）國內銷售繼續增長，惟香港GSK二零一八年未中標致本集團出口「雷易得」銷售減少，從而導致「雷易得」總體銷售略有下降。頭孢菌素類成品藥銷售相對穩定。頭孢菌素中間體及原料藥由於本集團不斷提高產品品質，降低生產成本，中間體及原料藥產品競爭能力較大提高。銷售額增長34.2%，分類業績也一改持續多年虧損的局面，實現盈利。

期內，本集團營銷管理人員緊密檢查各項業務計劃成效，因應市場急促變化，適當調整本集團產品營銷思路和銷售策略並加強配置資源，優化供銷體系，力保市場份額。本集團營銷管理人員將持續深化市場工作，以促使各層級市場的組織管控更趨完善，盡力確保該等系列產品銷售金額在二零一九年取得合理增長，於本集團的盈利作出貢獻。

### 抗高血壓產品

高血壓是最常見的慢性非傳染性疾病，據醫療統計，中國18歲及以上居民高血壓患病率為25%以上，因此抗高血壓用藥市場前景廣闊。本集團特別注重在此領域的市場發展，過去曾參與國家「中國高血壓綜合防治研究」(CHIEF)，與150多個醫療機構合作，為10,000多名患者提供高血壓用藥，所以本集團在醫生以及高血壓患者中擁有良好品牌口碑。

## 管理層討論與分析

During the period, considering the tendency that the product market of common anti-hypertensive drugs extended downwards from the first terminal, the Group's marketing management carried out precise design and control of the key marketing impact points such as sales channels and sales price of major product "Anneizhen" (安內真) (Amlodipine Besylate Tablets), strengthened allocation of resources, and attached importance to reinforcing the promotion activities of the second and third market terminals, thereby ensuring the continual sales of such products on the market and guaranteeing the stability of market shares. Based on the Group's integration of the survey data of market research institutions, the sales of "Anneizhen" (安內真) was placed the leading position among similar products on the second and third market terminals in many cities and provinces, and occupied considerable market shares. Moreover, the sales of another anti-hypertensive drug "Anneixi" (安內喜) (Losartan Potassium and Hydrochlorothiazide Tablets) of the Group recorded an increase of 31.0% compared with 2017. Ever since 2016, the Group's marketing management team made a decision on transformation of the sales model of "Anneixi" (安內喜), which made great progress in 3 years, and was placed the leading position among domestic brands in terms of sales. Along with the further refined management in future, it is anticipated that "Anneixi" (安內喜) will become the Group's second star product for anti-hypertension. In the future, the Group's marketing management team will focus more attention on brand planning, channel planning, price planning and academic promotion of the "An" (安) series products, strengthen the access design of products to different markets by closely following up national policies related to chronic disease management, and further expand the new market.

### ANTIVIRAL PRODUCTS

According to market information, Entecavir is currently "basic" medicine for clinical treatment of hepatitis B, accounting for more than half of the nucleoside drugs. In 2017, the market scale of the single variety of Entecavir in China exceeded RMB5 billion. There was a steady increase in the domestic market share of "Leiyide" (雷易得) of the Group by virtue of the "unique cyclodextrin inclusion technology" and the "international quality" strengths. During the period, under the full efforts of the Group's sales teams, all the market promotion work was successfully implemented, better domestic sales results than expected were obtained, remarkable growth in sales amount as compared to 2017 was recorded, and the long-term stable market foundation was laid for "Leiyide" (雷易得). Meanwhile, in response to change in national medical insurance policies and the implementation of group purchasing organizations, the Group adjusted marketing strategies in a timely manner, enhanced academic promotion, and further tapped the market potential of the product.

期內，針對治療高血壓常用藥產品市場從第一終端向下延伸的趨勢，本集團營銷管理人員對主要產品「安內真」（苯磺酸氨氯地平片）的銷售渠道、銷售價格等市場營銷關鍵影響點作出了較嚴密的設計和控制，並且加強資源配置，注重加強了對第二及第三終端的推廣活動，確保了該等產品在該等市場的持續銷售並保證了市場份額的穩定。據本集團綜合市場調研機構調查資料，「安內真」於多個省市在第二及第三終端的銷售處於同類產品領先位置，佔據可觀的市場份額。此外，本集團另一高血壓產品「安內喜」（氯沙坦鉀氫氯噻嗪片）銷售額較二零一七年增長31.0%。自二零一六年起，營銷管理人員對「安內喜」作出了銷售模式轉型的決策，於三年內取得了較大進步，在國產品牌的銷售位處前領位置。隨著未來進一步的精細化管理，本集團預期「安內喜」將成為本集團第二個抗高血壓的明星產品。於未來本集團營銷管理層將著重關注「安」系列產品的品牌規劃、渠道規劃、價格規劃和學術推廣，緊隨國家慢性病管理相關政策，加強對不同市場的產品准入設計，進一步開拓新的市場。

### 抗病毒產品

據市場訊息，恩替卡韋是當下臨床治療乙肝的「基礎」用藥，佔據核苷類藥物的一半以上；二零一七年恩替卡韋單品種在中國的市場規模超過人民幣50億元。本集團「雷易得」憑藉「獨特的環糊精包合技術」和「國際品質」的質量優勢，國內市場佔有率穩步提升。期內在本集團銷售團隊的全面努力下，將各項市場推廣工作成功落實，於國內銷售方面取得比預期較好的結果，銷售金額較二零一七年取得了可觀增長，並且長遠建構了「雷易得」較穩固的市場根基。同時本集團因應國家醫保政策變化和帶量採購的推行，及時調整行銷策略，加大學術推廣力度，進一步發揮該產品市場潛力。

**ANTI-ALLERGIC PRODUCTS**

Cetirizine Hydrochloride is a kind of antihistamine drug without central nervous sedation. It is the first choice for community clinics to treat allergies, as well as one of the national low price drug catalog products. During the period, the Group's marketing management deeply research the product of "Xikewei" (西可韋), the competitive products, business customers, etc., and made corresponding adjustment in marketing policy, thereby ensuring its stable market shares. As the sales price of such products is too low, many competitive enterprises have reduced their concern of similar products. However, the Group will combine the sales advantages and spare no effort to promote consistency evaluation of "Xikewei" (西可韋) and take the lead in acquiring the quality advantages of consistency evaluation, so as to further reinforce and enhance the sales volume and market share of "Xikewei" (西可韋). Another product of the Group — "Xikexin" (西可新) (Levocetirizine Dihydrochloride Tablets) also recorded certain sales scale, which performed effect of filling up the vacancy in terms of sales price and business channels, and made up the market impacts arising from adjustment of the marketing policy for "Xikewei" (西可韋).

**FINISHED CEPHALOSPORIN PRODUCTS**

The finished cephalosporin product has long been occupying a significant share of China's antibiotics market due to its good efficacy and safety, and will always have a broad market space because of factors such as environmental pollution (e.g., haze) and enormous social population. In recent years, the restriction of antibiotics, tenders and other factors have inhibited the R&D, production and sales of the Group's products. In view of this, the Group's management optimized the product mix by referring to the actual market circumstances and by combining the corporate strengths, and made certain achievements in satisfying the productivity, profitability and sales volume. Meanwhile consistency evaluation was actively carried out, which laid a good foundation for the subsequent development of the products.

**INTERMEDIATES AND BULK MEDICINES**

During the review period, there was a greater improvement in product competitiveness for the Group's business of intermediates and bulk medicines for cephalosporin antibiotics, due to product quality improvement and production cost reduction, and there was a turnaround from years of losses to segment profit for such business. Meanwhile, related review and filing work was actively carried out, which further stabilized the market share.

**抗過敏產品**

鹽酸西替利嗪是無中樞鎮靜作用的抗組胺藥，是社區治療抗過敏的首選藥物，同時也是國家低價藥目錄產品。期內，本集團營銷管理層對「西可韋」產品、競爭產品、商業客戶等進行深入研究，在營銷政策上作出相應調整，確保了穩定的市場份額。由於此類產品目前銷售價格過低，很多競爭企業對此類產品關注度下降，所以本集團將結合銷售優勢不遺餘力的推進「西可韋」一致性評價的工作，率先取得一致性評價的質量優勢，以便進一步鞏固和提升「西可韋」銷售數量和市場份額。本集團另一產品「西可新」(鹽酸左西替利嗪片)也有一定規模的銷售，從而在銷售價格和商業渠道等方面，起著補缺效能，很好的彌補了「西可韋」在營銷政策調整過程所產生的市場衝擊。

**頭孢菌素類成品**

頭孢菌素類成品由於其療效及安全性較好，長期在中國抗生素市場佔有重要的比重，並且由於環境污染(如霧霾)及社會人口龐大等因素，在未來始終存在廣闊的市場空間。本集團由於近年來受限抗、招標等因素影響，制約了產品的研發、生產和銷售。對此本集團管理層針對市場實際情況，結合企業優勢，優化了產品結構，在滿足產能、盈利以及銷售方面取得了一定成效。同時積極開展一致性評價工作，為後續該類產品的發展打下良好的基礎。

**中間體及原料藥**

本集團的頭孢菌素抗生素中間體及原料藥業務，於回顧期內，由於產品品質的提高及生產成本的降低，產品競爭力較大提高，該類別分類溢利一改多年的虧損局面，扭虧為盈。同時積極開展關聯評審備案工作，進一步穩固市場佔有率。

## 管理層討論與分析

### PRODUCT R&D

Apart from the description in the following section of “NEW PRODUCTS AND PATENT LICENSING”, the Group’s ongoing projects cover the therapeutic areas of circulatory system, digestive system, endocrine system, antiviral drugs, etc. The Group will continue investing more resources in production technology and product R&D and innovation, and seek after various scientific research cooperation opportunities so as to strengthen our product mix and profitability foundation.

### CONSISTENCY EVALUATION

As at 31 December 2018, the Group carried out quality consistency research of 17 varieties, of which clinical researches into the bio-equivalability (BE) of 6 varieties had been completed and applications for consistency evaluation for 5 varieties of them were submitted to the Center for Drug Evaluation, CFDA. Among them, applications of two varieties (Anneizhen (安內真) 5mg and Leyide (雷易得) 0.5mg) were approved. In addition, clinical research into the bio-equivalability (BE) is being done for another one variety.

### OTHER MATTERS

During the period, the Group continued improving production, product quality, human resources, internal audit etc., and endeavored to enhance the risk control capability and improve the operating level of various systems, in an attempt to maintain the Group’s sustainable development in the fierce business competition environment.

## PRODUCTION AND SALES

For the year ended 31 December 2018, the Group’s production volume and sales volume of intermediates and bulk medicines respectively increased by 12.7% and 4.1% as compared to that in 2017. The production volume and sales volume of cephalosporin powder for injection increased by 55.7% and 26.9% respectively, as compared with last year. The increase in the sales volume of powder for injection was mainly due to processing agency businesses. The production volume of solid-dosage-forms increased by 12.6% as compared with last year, while the sales volume was basically in line with last year. As for the international business, the Group kept expanding its overseas market, with a slight increase in the sales in the overseas market in spite of the failure to win the bid in respect of “Leyide” (雷易得) in the Hong Kong market. The sales in the overseas market accounted for 13.2% of the overall sales of the Group, representing a decrease of 0.8 percentage points as compared with last year.

### 產品研發

除於下列「新產品和專利授權情況」一節所述外，本集團在研項目覆蓋治療領域包括循環系統、消化系統、內分泌系統和抗病毒藥物等。本集團將持續投入更多資源於生產技術和產品的研發創新，並對外尋求各種科研合作機會，以加強產品結構和盈利基礎。

### 一致性評價

截至二零一八年十二月三十一日止，本集團進行質量一致性研究品種17個，6個品種已完成生物等效性(BE)臨床研究，其中5個品種已向國家食品藥品監督管理總局藥品審評中心進行一致性評價申請，當中2個品種(安內真5mg和雷易得0.5mg)的申請已獲批准。此外，另一個品種正在進行生物等效性(BE)臨床研究。

### 其他事宜

期內，本集團於生產、產品質量、人力資源及內部審計等方面亦不斷改進，提高風險管控能力及完善各體系運作水準，以確保本集團於激烈的業務競爭環境中保持可持續發展。

## 生產銷售情況

截至二零一八年十二月三十一日止年度，本集團中間體及原料藥的生產量及銷售量與二零一七年比較，分別為生產量增加12.7%，銷售量增長4.1%。頭孢菌素粉針劑的生產量較去年增長55.7%，銷售量較去年上升26.9%。粉針劑銷售量的增加主要是開展了代加工業務。固型劑的生產量比去年增長12.6%，銷售量與去年基本持平。國際業務方面，本集團不斷開拓海外市場，雖受香港市場「雷易得」未中標影響，總體海外市場銷售還是略有增長。海外市場銷售佔本集團總體銷售份額的13.2%，比上年減少0.8個百分點。

### NEW PRODUCTS AND PATENT LICENSING

- (1) In 2018, applications were submitted to Jiangsu Food and Drug Administration for registration of a total of 11 varieties (including 6 supplementary applications and 5 re-registration applications); 5 re-registration approvals and 6 supplementary filing cases were obtained.
- (2) One invention patent was obtained in 2018  
A national invention patent (Patent No. ZL201510368880.2) was granted for “A Photo-degradation Product of Ceftriaxone Sodium and Its Preparation Method and Analytical Detection Method” in June 2018.
- (3) Two utility model patent certificates were obtained in 2018
  - (i) An utility model patent certificate (Patent No. ZL201720983181.3) was granted for “A System for Recycling the Dichloromethane in Cephalosporin Synthesis” in April 2018.
  - (ii) An utility model patent certificate (Patent No. ZL201820948153.2) was granted for “A Metformin Hydrochloride Tablet Tableting Device” in January 2019.

### HONORS AWARDED IN 2018

Time of Awards	Honors
March 2018	Suzhou Dawnrays Pharmaceutical Co., Ltd. was honored as “Top Ten New Economy Enterprises of Jiangsu Province” (The First Session) jointly by Jiangsu Provincial Brand Strategy Promotion Committee (江蘇名牌事業促進會), Jiang Su Province Enterprise Directors Association (江蘇省企業家協會) and Jiangsu Federation of Industrial Economics (江蘇省工業經濟聯合會).
June 2018	Suzhou Dawnrays Pharmaceutical Co., Ltd. was rated by Jiangsu Economic and Information Technology Commission (江蘇省經濟和資訊化委員會) as the “Pilot Enterprise for the Implementation of Integration of Information Technology and Industrialization Management System in Jiangsu in 2018”.

### 新產品和專利授權情況

- (1) 二零一八年共有 11 個品種向江蘇省食品藥品監督管理局進行了註冊申報(其中申請補充申請 6 個，再註冊申請 5 個)；獲再註冊批件 5 個；獲補充備案件 6 個。
- (2) 二零一八年獲得一項發明專利  
「一種頭孢曲松鈉光降解產物及其製備方法和分析檢測方法」於二零一八年六月被授予國家發明專利(專利號 ZL201510368880.2)。
- (3) 二零一八年共獲得兩項實用新型專利證書
  - (i) 「一種頭孢菌素合成中二氯甲烷回收系統」於二零一八年四月被授予實用新型專利證書(專利號 ZL201720983181.3)。
  - (ii) 「一種鹽酸二甲雙胍片壓片裝置」於二零一八年一月被授予實用新型專利證書(專利號 ZL201820948153.2)。

### 二零一八年獲得之榮譽

頒授時間	榮譽
二零一八年三月	蘇州東瑞製藥有限公司被江蘇名牌事業促進會、江蘇省企業家協會、江蘇省工業經濟聯合會評為「首屆江蘇十大新經濟企業」榮譽稱號。
二零一八年六月	蘇州東瑞製藥有限公司被江蘇省經濟和資訊化委員會評為「2018年江蘇省兩化融合管理體系貫標試點企業」。

# Management Discussion and Analysis

## 管理層討論與分析

Time of Awards	Honors	頒授時間	榮譽
September 2018	“Xikewei (西可韋) Cetirizine Hydrochloride Tablets” of Suzhou Dawnrays Pharmaceutical Co., Ltd. was rated by Suzhou Famous-brand Product Identification Commission (蘇州市名牌產品認定委員會) as the “2018 Suzhou Famous-brand Product”.	二零一八年九月	蘇州東瑞製藥有限公司產品「西可韋牌鹽酸西替利嗪片」被蘇州市名牌產品認定委員會評為「2018年蘇州名牌產品」。
November 2018	Suzhou Dawnrays Pharmaceutical Co., Ltd. was honored by Suzhou Economic and Information Technology Commission (蘇州市經濟和資訊化委員會) as the “Demonstration Enterprise for Specialization, Refinement, Characteristic and Novelty in Suzhou in 2018”.	二零一八年十一月	蘇州東瑞製藥有限公司被蘇州市經濟和資訊化委員會評為「2018年蘇州市專精特新示範企業」榮譽稱號。
	The 2018 Excellent Product Brand in the Pharmaceutical Industry in Jiangsu was granted for both “Amlodipine Besylate Tablets” and “Entecavir Dispersible Tablets” of Suzhou Dawnrays Pharmaceutical Co., Ltd.		蘇州東瑞製藥有限公司產品「苯磺酸氨氯地平片」、「恩替卡韋分散片」均榮獲2018年江蘇省醫藥行業優秀產品品牌。
	Suzhou Dawnrays Pharmaceutical Co., Ltd. was awarded as “Top 100 Enterprises of China’s Chemical Pharmaceutical Industry in Integrated Corporate Strength in 2018.” with the company’s product “Amlodipine Besylate Tablets (“Anneizhen” 安內真) was awarded as Excellent Product Brand in Anti-Hypertensive Class of China’s Chemical Pharmaceutical Industry in 2018.		蘇州東瑞製藥有限公司榮獲「2018中國化學製藥行業工業企業綜合實力百強」；公司產品「苯磺酸氨氯地平片(安內真)」榮獲2018中國化學製藥行業降血壓類優秀產品品牌。
January 2019	Suzhou Dawnrays Pharmaceutical Co., Ltd. was honored as “Top 10 Star Enterprises (Industrial) in the Development Zone in 2018” by the Management Commission of Suzhou Wuzhong Economic Development Zone (蘇州吳中經濟開發區管委會).	二零一九年一月	蘇州東瑞製藥有限公司被蘇州吳中經濟開發區管委會評為「2018年度開發區十大明星企業(工業)」榮譽稱號。

Time of Awards	Honors	頒授時間	榮譽
February 2019	<p>Suzhou Dawnrays Pharmaceutical Co., Ltd. was granted the titles of “Top 100 Enterprises in the Real Economy in Wuzhong District in 2018” and “Advanced Enterprise in the Manufacturing Industry in Wuzhong District in 2018 in Terms of Transformation and Upgrade” by the government of Wuzhong District, Suzhou City.</p> <p>Suzhou Dawnrays Pharmaceutical Co., Ltd. was rated by Suzhou Wuzhong Economic Development Zone as the “2018 Outstanding Contribution Unit” and the “Innovative and Transforming Enterprise”.</p>	二零一九年二月	<p>蘇州東瑞製藥有限公司被蘇州市吳中區政府評為「吳中區2018年度實體經濟百強企業」及「吳中區2018年度製造業轉型升級先進企業」。</p> <p>蘇州東瑞製藥有限公司被蘇州吳中經濟開發區評為「2018年度突出貢獻單位」及「創新轉型發展企業」。</p>

## FINANCIAL REVIEW

### SALES AND GROSS PROFIT

For the year ended 31 December 2018, the Group recorded a turnover of approximately RMB948,938,000, increased by RMB66,455,000 or 7.5% compared with last year. Of which the turnover of intermediates and bulk medicines was RMB210,519,000, increased by RMB53,637,000 or 34.2% compared with last year. The turnover of finished drugs was RMB738,419,000, increased by RMB12,818,000 or 1.8% compared with last year. The reasons for the increase in turnover mainly attributed to growth in sales of intermediates and bulk medicines.

Sales amount of finished drugs, comprising system specific medicines, powder for injection and tablets of cephalosporin and other oral solid-dosage-form of antibiotics, reached approximately RMB738,419,000. Taking into account of the total turnover, sales amount of finished drugs was approximately 77.8%, decreased by 4.4 percentage points compared with last year. Sales amount of system specific medicines accounted for 91.3% of sales of finished drugs.

Gross profit was approximately RMB595,029,000, increased by RMB33,480,000 compared with last year, representing an increase of 6.0%. Gross profit margin decreased by approximately 0.9 percentage points to 62.7% from 63.6% as in last year. It was mainly due to the increased sales proportion of intermediates and bulk medicines.

## 財務回顧

### 銷售及毛利

截至二零一八年十二月三十一日止年度，本集團全年銷售額約人民幣948,938,000元，比上年增長7.5%，銷售額增長人民幣66,455,000元。其中中間體及原料藥銷售額人民幣210,519,000元，比去年上升34.2%，銷售額增長人民幣53,637,000元；成藥銷售額人民幣738,419,000元，比去年上升1.8%，銷售額增長人民幣12,818,000元。營業額增長的主要原因乃由於中間體及原料藥銷售增長所致。

成藥包括系統專科藥、頭孢菌素的粉針劑、片劑及其他口服抗生素固型劑，銷售金額約人民幣738,419,000元。成藥的銷售金額佔總體銷售金額的比重約77.8%，較去年的銷售比重減少了4.4個百分點。其中系統專科藥佔成藥銷售的比重約91.3%。

毛利額約人民幣595,029,000元，比去年增加約人民幣33,480,000元，增長幅度為6.0%。毛利率為62.7%，較去年的63.6%減少了約0.9個百分點。主要是中間體及原料藥銷售佔比增加。



# Management Discussion and Analysis

## 管理層討論與分析

### TABLE OF TURNOVER ANALYSIS

### 營業額分析 — 按產品劃分

PRODUCT 產品	TURNOVER 營業額			SALES BREAKDOWN 銷售比例		
	(RMB'000) (人民幣千元) 2018 二零一八年	(RMB'000) (人民幣千元) 2017 二零一七年	(RMB'000) (人民幣千元) Changes 變幅	(%) 2018 二零一八年	(%) 2017 二零一七年	Percentage points 百分點 Changes 變幅
Intermediates and Bulk Medicines 中間體及原料藥	210,519	156,882	53,637	22.2	17.8	4.4
Finished Drugs 成藥	738,419	725,601	12,818	77.8	82.2	-4.4
Overall 總體	948,938	882,483	66,455	100.0	100.0	0.0

### EXPENSES

During the year, the total expenses incurred were approximately RMB251,126,000, equivalent to 26.5% of turnover (2017: 24.9%). The total expenses increased by approximately RMB31,590,000 compared with last year which was RMB219,536,000. The selling and distribution expenses increased by RMB18,768,000 compared with last year due to adjustment in sales model. Administrative expenses increased by RMB693,000 compared with last year. Other expenses increased by RMB10,990,000 compared with last year, mainly due to the increase in research and development expenses.

### 費用

年內，費用總支出約共人民幣251,126,000元，較去年人民幣219,536,000元增加人民幣31,590,000元。佔營業額的比例為26.5%（二零一七年：24.9%）。由於銷售模式調整而增加市場推廣費，銷售費用比去年增加人民幣18,768,000元。行政費用較去年增加人民幣693,000元。其他費用較去年增加人民幣10,990,000元，主要是研發費增加。

### SEGMENT PROFIT

For the year ended 31 December 2018, the segment profit of finished drugs segment was approximately RMB489,683,000, increased by RMB1,472,000 when compared with 2017 which was RMB488,211,000. The segment results of intermediates and bulk medicines segment recorded gain of approximately RMB2,912,000. The earnings increased by RMB8,267,000 compared with the loss of RMB5,355,000 in 2017. As the Group had strict control in the production cost of cephalosporin bulk medicines, the overall production cost reduced and as a result, the Group's intermediates and bulk medicines business was in a turnaround.

### 分類溢利

截至二零一八年十二月三十一日止年度，成藥分部的分類溢利約人民幣489,683,000元，較二零一七年人民幣488,211,000元增加盈利人民幣1,472,000元。中間體及原料藥分部的分類溢利約人民幣2,912,000元，較二零一七年虧損人民幣5,355,000元，回升人民幣8,267,000元。由於本集團嚴格控制頭孢菌素原料藥的生產成本，總體成本有所下降，故本集團中間體及原料藥業務扭虧為盈。

## INTERESTS AND RIGHTS IN ASSOCIATE

During the year, AD Pharmaceuticals Co., Ltd., which was invested by the Group's subsidiary Dawnrays Biotechnology Capital (Asia) Ltd., has carried out the Phase I clinical trial for AK102, a monoclonal antibody agent and received clinical trial approval document for AK109, a monoclonal antibody agent. For the year ended 31 December 2018, AD Pharmaceuticals Co., Ltd. reported loss for the year of RMB40,140,000 including the R&D and administrative expenses of approximately RMB40,727,000 in total. As a result, the Group shared, in proportion to the investment percentage, an investment loss of approximately RMB14,049,000. It was RMB6,682,000 in 2017.

## PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

For the year ended 31 December 2018, profit attributable to owners of the parent amounted to approximately RMB303,960,000, representing an increase of RMB10,982,000 or 3.7% compared with RMB292,978,000 in last year. Such increase was primarily attributable to the increase in profit contribution from "An"(安) series products of the system specific medicines, and profit occurred from business of intermediates and bulk medicines.

## ANALYSIS ON THE RETURN ON ASSETS

As at 31 December 2018, net assets attributable to owners of the parent were approximately RMB1,921,162,000. The return on net assets, which is defined as the profit attributable to owners of the parent divided by net assets attributable to owners of the parent was 15.8% (2017: 16.2%). The current ratio and quick ratio was 5.34 and 4.88 respectively. Turnover days for trade receivables were approximately 73 days. The turnover days for trade receivables including bills receivables were 125 days. Turnover days for inventory were approximately 137 days.

## 分佔於聯營公司之權益

年內，本集團附屬公司東瑞生物投資發展(亞洲)有限公司投資的康融東方(廣東)醫藥有限公司已開展單抗藥物AK102一期臨床實驗並收到單抗藥物AK109的臨床批件。截至二零一八年十二月三十一日止年度，康融東方(廣東)醫藥有限公司呈報全年虧損人民幣40,140,000元其中包括研發費及行政費共用約人民幣40,727,000元，因此，本集團按投資比例承擔投資損失人民幣14,049,000元，二零一七年為人民幣6,682,000元。

## 母公司擁有人應佔溢利

截至二零一八年十二月三十一日止年度，母公司擁有人應佔溢利約人民幣303,960,000元，比去年人民幣292,978,000元增加人民幣10,982,000元，上升幅度3.7%。利潤上升的主要原因是系統專科藥中「安」系列利潤貢獻增加和原料藥及中間體業務產生利潤所致。

## 資產盈利能力分析

於二零一八年十二月三十一日，母公司擁有人應佔淨資產約人民幣1,921,162,000元，淨資產收益率(界定為母公司擁有人應佔溢利除以母公司擁有人應佔淨資產)為15.8%(二零一七年：16.2%)。流動比率和速動比率分別為5.34和4.88，應收賬款周轉期約73日，應收賬款(含應收票據)周轉期約125日，存貨周轉期約137日。

### FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

As at 31 December, 2018, the Group had financial assets at fair value through profit or loss (comprising of certain listed shares investments) including:

- (i) invested in certain Hong Kong public listed shares amounted approximately RMB8,149,000 (31 December 2017: approximately RMB8,743,000);
- (ii) invested in financial bonds issued by China Development Bank amounted approximately RMB70,000,000 (31 December 2017: 0) with expected yield amounting approximately RMB478,000;
- (iii) purchased certain wealth management products of RMB110,000,000 (including “Sui Xin E” (隨心E) with principal amount RMB50,000,000, “Ben Li Feng Tian Tian Li” (本利豐天天利) with principal amount RMB40,000,000 and “Dan Wei Jie Gou Xing Cun Kuan 881292” (單位結構性存款881292) with principal amount RMB20,000,000) (31 December 2017: 0) of floating interest rate principal-preservation type with interest rate from 2.2% to 4.1% from three good credit worth banks in China. The expected yield would be approximately RMB766,000 in total. The wealth management products were mainly relatively lower risk of default. All principal and interests will be paid together on the maturity date. The Board believes that the investment in aforementioned wealth management products can strengthen the financial position of the Group and bring the fruitful contribution to the profit of the Group.

The above mentioned financial assets at fair value through profit or loss amounted to approximately RMB189,393,000 (31 December, 2017: approximately RMB8,743,000), representing approximately 8.0% (31 December 2017: 0.4%) of the total assets of the Group. For the year ended 31 December, 2018, the Group recorded the realized gain of approximately RMB1,400,000 on the disposal of the financial assets at fair value through profit of loss and unrealized fair value gains (net) of approximately RMB236,000 for the financial assets at fair value through profit of loss. The Board believes that the investment in equity investments and financial assets can diversify the investment portfolio of the Group and achieve a better return to the Group in future.

### 以公允價值計量且其變動計入損益之財務資產

於二零一八年十二月三十一日，本集團持有以公允價值計量且其變動計入損益之財務資產（包含若干上市權益投資）包括：

- (i) 投資若干於香港公開上市股權約人民幣8,149,000元（於二零一七年十二月三十一日：約人民幣8,743,000元）；
- (ii) 投資國家開發銀行發行的金融債券約人民幣70,000,000元（於二零一七年十二月三十一日：無）；預期收益約人民幣478,000元；
- (iii) 於3間中國信用良好的銀行購買保本浮動收益理財產品人民幣110,000,000元（包括「隨心E」本金人民幣50,000,000元、「本利豐天天利」本金人民幣40,000,000元及「單位結構性存款881292」人民幣20,000,000元）（於二零一七年十二月三十一日：無），利息為2.2%–4.1%之間，預期收益共約人民幣766,000元。理財產品主要為違約風險相對較低，所有本金和利息於到期日一併支付。董事會認為投資上述理財產品能加強本集團財務狀況及為本集團帶來豐厚收益。

上述以公允價值計量且其變動計入損益之財務資產合共約人民幣189,393,000元（二零一七年十二月三十一日：約人民幣8,743,000元），佔本集團總資產約8.0%（二零一七年：0.4%）。截至二零一八年十二月三十一日止年度，本集團合共錄得已實現出售以公允價值計量且其變動計入損益之財務資產利潤約人民幣1,400,000元及未實現以公允價值計量且其變動計入損益之公允價值收益（淨額）約人民幣236,000元。董事會認為投資於股權投資及財務資產能為本集團投資組合多元化及未來取得更佳收益。

## LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2018, the Group had cash and bank balance approximately RMB645,363,000 (as at 31 December 2017: RMB611,077,000). For the purpose of operating the idle funds more effectively and improve returns, the Group has purchased wealth management products and bonds from several banks in Mainland China. As at 31 December 2018, the financial asset at fair value through profit or loss was RMB189,393,000 (as at 31 December 2017: RMB8,743,000), of which, floating interest rate principal-preservation type of wealth management products amounted to RMB110,766,000 and one-year bonds issued by China Development Bank amounted to RMB70,478,000. In addition, in other receivables, an amount of RMB350,000,000 was fixed interest rate principal-preservation type of wealth management products. The principal and interest of these principal-preservation type of wealth management products can be received on maturity date. During the year, the net cash inflows from operating activities was approximately RMB274,294,000 (2017: RMB390,741,000). Net cash outflows used in investing activities was approximately RMB12,736,000 (2017: RMB452,396,000). Net cash outflows used in financing activities was approximately RMB204,193,000 (2017: RMB137,862,000).

As at 31 December 2018, the Group had aggregate bank facilities of approximately RMB1,402,762,000 (as at 31 December 2017: RMB918,341,000), of which, bank facilities of HK\$117,000,000 were secured by corporate guarantee of the Company. As at 31 December 2018, the Group had no bank loans. Its debt ratio (defined as sum of interest-bearing bank loans over total assets) was 0% (as at 31 December 2017: 0%).

As at 31 December 2018, the Group had trade receivables of approximately RMB199,614,000 (as at 31 December 2017: RMB184,853,000), mainly due to the influence of changes in sales model of pharmaceutical enterprises resulted from the implementation of “two-invoice system” throughout pharmaceutical industry in Mainland China.

As at 31 December 2018, the Group had the inventory balance of approximately RMB148,043,000 (as at 31 December 2017: RMB121,133,000).

## 流動資金及財政資源

於二零一八年十二月三十一日，本集團持有現金及銀行存款約人民幣645,363,000元（於二零一七年十二月三十一日：人民幣611,077,000元）。此外為更有效運用閒置資金及提高回報，本集團於多間國內銀行購買理財產品及債券。於二零一八年十二月三十一日以公允值計量且其變動計入損益之財務資產為人民幣189,393,000元（於二零一七年十二月三十一日：人民幣8,743,000元），其中人民幣110,766,000元為保本浮動利率類型理財產品及人民幣70,478,000元為國家開發銀行發行的一年期債券。此外，其他應收款中的人民幣350,000,000元為保本類固定利率類型理財產品。該等保本類理財產品及債券的本息可在到期日收回。年內，經營業務的現金流入淨額約人民幣274,294,000元（二零一七年：人民幣390,741,000元）；使用在投資活動的現金流出淨額約人民幣12,736,000元（二零一七年：人民幣452,396,000元）；使用在融資活動的現金流出淨額約人民幣204,193,000元（二零一七年：人民幣137,862,000元）。

於二零一八年十二月三十一日，本集團之銀行信貸總額約人民幣1,402,762,000元（於二零一七年十二月三十一日：人民幣918,341,000元），其中港幣117,000,000元銀行信貸額度以本公司擔保。於二零一八年十二月三十一日，本集團沒有任何銀行貸款，負債比率（界定為計息銀行貸款除以資產總值）為0%（於二零一七年十二月三十一日：0%）。

於二零一八年十二月三十一日，本集團應收貿易賬款額約人民幣199,614,000元（於二零一七年十二月三十一日：人民幣184,853,000元），主要是由於中國內地醫藥行業「兩票制」的實施，製藥企業銷售模式發生改變的影響。

於二零一八年十二月三十一日，本集團存貨餘額約人民幣148,043,000元（於二零一七年十二月三十一日：人民幣121,133,000元）。

## 管理層討論與分析

As at 31 December 2018, the Group's contracted but not provided for plant and machinery capital commitments and capital contributions payable to an associate amounted to approximately RMB84,130,000 (as at 31 December 2017: RMB4,500,000), which mainly derived from workshop transformation in Dawnrays (Nantong) Pharmaceutical Science and Technology Co., Ltd. and staff dorm renovation and minor works in Suzhou Dawnrays Pharmaceutical Co., Ltd and capital investment in an associate.

Due to the urban planning adjustment of Wuzhong Economic Development District by Suzhou Municipal People's Government, Suzhou Dawnrays Pharmaceutical Co., Ltd., a wholly-owned subsidiary of the Group, entered into the Relocation Compensation Agreement with the government where it operates on 20 December 2017. Both parties agreed the relocation compensation amount was approximately RMB351,200,000. In January 2018, Suzhou Dawnrays Pharmaceutical Co., Ltd. received the first relocation compensation of RMB70,238,000.

During the period, Dawnrays International Co. Ltd., the Group's subsidiary, transferred all the equity of Guangdong Dawnrays Pharmaceutical Co., Ltd., its subsidiary which had suffered from consecutive loss, to an independent third party at the price of RMB2,900,000, and relevant equity transfer formalities have been completed. The registered capital of Guangdong Dawnrays Pharmaceutical Co., Ltd. was RMB3,000,000, and the net liabilities at time of disposal were RMB59,000.

Save as aforesaid disclosure, the Group had no significant external investments or material acquisitions or disposal of subsidiaries and associated companies during the year.

### FOREIGN EXCHANGE AND TREASURY POLICIES

At the beginning of 2018, the Group adopted foreign exchange forward contract to hedge against foreign exchange rate risk, as a result, as at 31 December 2018, the loss in exchange difference was RMB182,000 only. The Group's substantial business activities, assets and liabilities are denominated in Renminbi, so the risk derived from the foreign exchange to the Group is not high. The treasury policy of the Group is to manage any risk of foreign exchange or interest rate (if any) only if it will potentially impose a significant impact on the Group. The Group continues to observe the foreign exchange and interest rate market, and may hedge against foreign currency risk with foreign exchange forward contracts and interest rate risk with interest rate swap contracts if necessary.

於二零一八年十二月三十一日，本集團已訂約但未作撥備的廠房及機器資本開支承擔及應付一間聯營公司之資本投入共約人民幣84,130,000元（於二零一七年十二月三十一日：人民幣4,500,000元），主要涉及東瑞（南通）醫藥科技有限公司的車間改造、蘇州東瑞製藥有限公司的員工宿舍裝修和零星工程及聯營公司的投資款。

由於蘇州市人民政府對吳中經濟開發區城市規劃調整，本集團全資附屬公司蘇州東瑞製藥有限公司於二零一七年十二月二十日與所在地政府簽署拆遷補償協議，雙方協定之拆遷補償金額約人民幣351,200,000元，於二零一八年一月蘇州東瑞製藥有限公司已收到首批拆遷補償金人民幣70,238,000元。

回顧期內，本集團附屬公司東瑞國際股份有限公司已完成將其連續虧損的附屬公司廣東東瑞藥業有限公司以人民幣2,900,000元價格向獨立第三方出售其全部股權，有關之股權轉讓手續已完成。廣東東瑞藥業有限公司的註冊資本為人民幣3,000,000元，處置時淨負債為人民幣59,000元。

年內，除上述披露外，本集團並無對外作出重大投資、購入或出售附屬公司及聯營公司。

### 外幣及庫務政策

於二零一八年初，由於本集團採取了外匯遠期合約對沖匯率風險，故截至二零一八年十二月三十一日止年度，本集團匯兌損失僅人民幣182,000元。本集團大部分業務交易、資產、負債均主要以人民幣結算，故本集團所承受的外匯風險不大。本集團的庫務政策為只會在外匯風險或利率風險（如有）對本集團有潛在重大影響時進行管理。本集團將繼續監察其外匯和利率市場狀況，並於有需要時以外匯遠期合約對沖外匯風險及利息掉期合約對沖利率風險。

### STAFF AND REMUNERATION POLICY

As at 31 December 2018, the Group employed approximately 856 employees and the total remuneration was approximately RMB126,904,000 (2017: RMB120,615,000). The Group regards human resources as the most valuable assets and truly understands the importance of attracting and retaining high-performance employees. The remuneration policy is generally based on the references of market salary index and individual qualifications. The Group provides its employees with other fringe benefits, including defined contribution retirement schemes, share option scheme and medical coverage. The Group also offers some of its employees stationed in the PRC with dormitory accommodation.

### CHARGES ON ASSETS

As at 31 December 2018, the Group had not pledged any assets to banks to secure credit facilities granted to its subsidiaries (as at 31 December 2017: Nil).

### CONTINGENT LIABILITIES

As at 31 December 2018, the Group had no material contingent liabilities.

### PLANS FOR SIGNIFICANT INVESTMENTS AND EXPECTED SOURCE OF FUNDING

Save for those disclosed above in connection with capital commitments under the section “Liquidity and Financial Resources”, and increase of registered capital and capital for relocation plans as mentioned in the Annual Report 2017 and the “Events after the Reporting Period” below, the Group does not have any plan for material investments or acquisition of capital assets.

The Group has sufficient financial and internal resources to pay the capital commitments, capital expenditure for relocation plans, investment projects and increased registered share capital described above.

### SEGMENT INFORMATION

An analysis of the Group’s segment information for the year ended 31 December 2018 is set out in note 3 to the financial statements.

### 僱員及薪酬政策

於二零一八年十二月三十一日，本集團約有員工856名，員工費用總額約人民幣126,904,000元（二零一七年：人民幣120,615,000元）。本集團視人力資源為最寶貴的財富，深明吸納及挽留表現稱職的員工的重要性。薪酬政策一般參考市場薪酬指標及個別員工的資歷而定。本集團為員工提供的其他福利包括定額供款退休計劃、購股權計劃及醫療福利。本集團並在中國為其若干中國的僱員提供宿舍。

### 資產抵押

於二零一八年十二月三十一日，本集團無資產抵押予銀行以獲取授予其附屬公司的信貸額度。（於二零一七年十二月三十一日：無）。

### 或有負債

於二零一八年十二月三十一日，本集團並無重大或有負債。

### 未來重大投資及預期融資來源

除於上述「流動資金及財政資源」所載有關資本開支承擔及於二零一七年年報提及的增加註冊資本、搬遷計劃資本及下述「於報告期後事項」所披露者外，本集團並無任何未來重大投資計劃或購入資本資產計劃。

本集團有充足的財政及內部資源足以支付上述資本開支承擔、搬遷計劃資本開支、投資項目及增加註冊資本。

### 分類資料

本集團截至二零一八年十二月三十一日止年度之分類資料分析載於財務報表附註3。

The board of Directors (the “Board”) of Dawnrays Pharmaceutical (Holdings) Limited (the “Company”) believes that corporate governance is essential to the success of the Company and its subsidiaries (collectively referred to as the “Group”). Good corporate governance can safeguard the interests of all shareholders and enhance corporate value. Therefore, the Board has adopted various measures to ensure that a high standard of corporate governance is maintained.

To the best knowledge, information and belief of the Directors, the Company has complied with the code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange of Hong Kong Ltd. (the “Stock Exchange”) for the year ended 31 December 2018.

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 of the Listing Rules as the Company’s code of conduct for dealings in securities of the Company by the Directors. Based on specific enquiry of all Directors, the Company confirms that all the Directors have complied with the required standard set out in the Model Code, throughout the accounting period covered by the 2018 annual report.

### THE BOARD

The Board is responsible for the leadership and control of the Company and oversees the Group’s businesses, strategic decisions and performance. The management has been delegated the authority and responsibility by the Board for the management of the Group. In addition, the Board has also delegated various responsibilities to the board committees. Further details of these committees are set out in this report.

No corporate governance committee has been established and so the Board is responsible for performing the corporate governance functions such as developing and reviewing the Company’s policies, practices on corporate governance, training and continuous professional development of directors and senior management, developing, reviewing and monitoring the code of conduct to employees and directors such as inside information disclosure regulations and assuring the Company’s policies and practices on compliance with legal and regulatory requirements, etc.

東瑞製葯(控股)有限公司(「本公司」)之董事會(「董事會」)深信企業管治為本公司及其附屬公司(統稱「本集團」)成功的關鍵，良好的企業管治能保障全體股東權益及提升企業價值，因此董事會已採取各項措施，以確保維持高標準的企業管治。

就董事所知、所得資料及所信，截至二零一八年十二月三十一日年度，本公司一直遵守香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十四的企業管治守則(「管治守則」)所載之守則條文規定。

### 證券交易的標準守則

本公司已採納上市規則附錄十的上市發行人董事進行證券交易的標準守則(「標準守則」)作為董事買賣本公司證券的行為守則。根據對所有董事作出的特定查詢後，本公司確認所有董事於二零一八年年報覆蓋的會計期內一直遵守標準守則所規定的準則。

### 董事會

董事會負責領導及監控本公司，並負責監管本集團之業務、策略方針及表現。董事會亦轉授權力及責任予管理層，以管理本集團。此外，董事會亦已將各種職責分派至董事會轄下委員會。該等委員會之詳情載於本報告內。

由於並無成立企業管治委員會，因此由董事會負責執行企業管治職能，如制定及檢討本公司企業管治之政策及常規、為董事及高級管理層提供培訓及持續專業發展，制定、檢討及監察僱員及董事的操守準則例如內幕信息披露管理制度及確保本公司之政策及常規符合法律及監管規定等。

The Board held 21 board meetings including 6 regular meetings and 15 ad-hoc meetings during the year ended 31 December 2018. The regular board meetings were to consider, among other things, reviewing and approving the interim and annual results of the Group, overall group strategy, annual budgets, approval of major capital transactions and other significant operational and financial matters. The ad-hoc meetings were convened when circumstance required such as reviewing and approving capital expenses for production facilities, proposed special dividend and share sub-division, appointment of director and management, set up of research and development project and etc.

Details of the attendance of Directors at board meetings, annual general meeting of the Company (the “AGM”), extraordinary general meeting of the Company (the “EGM”) and other three board committees’ meetings (the Audit Committee, the Nomination Committee and the Remuneration Committee) during the year 2018 are set out in the following table:

Name of Directors	董事姓名	Board 董事會	AGM 股東 週年大會	No. of meetings attended/held 會議出席次數／舉行次數			
				EGM 特別 股東大會	Audit Committee 審核委員會	Nomination Committee 提名委員會	Remuneration Committee 薪酬委員會
<i>Executive Directors</i> 執行董事							
Ms. Li Kei Ling (Chairman)	李其玲女士(主席)	21/21	1/1	1/1	-	5/5	4/4
Mr. Hung Yung Lai	熊融禮先生	21/21	1/1	1/1	-	-	-
Mr. Li Tung Ming <sup>1</sup>	李東明先生 <sup>1</sup>	1/1	-	-	-	-	-
Mr. Chen Shaojun <sup>2</sup>	陳紹軍先生 <sup>2</sup>	19/20	1/1	0/1	-	-	-
<i>Non-executive Director</i> 非執行董事							
Mr. Leung Hong Man	梁康民先生	13/21	1/1	0/1	-	-	-
<i>Independent Non-executive Directors</i> 獨立非執行董事							
Mr. Choi Tat Ying Jacky <sup>3</sup>	蔡達英先生 <sup>3</sup>	7/8	1/1	-	2/2	2/3	3/3
Mr. Lo Tung Sing Tony	勞同聲先生	14/21	1/1	1/1	5/5	4/5	4/4
Mr. EDE, Ronald Hao Xi	EDE, Ronald Hao Xi 先生	10/21	1/1	1/1	5/5	5/5	4/4
Ms. Lam Ming Yee Joan <sup>4</sup>	林明儀女士 <sup>4</sup>	7/8	-	1/1	3/3	1/1	0/0

<sup>1</sup> Mr. Li Tung Ming resigned on 23 February 2018, 1 board meeting was held before his resignation.

<sup>2</sup> Mr. Chen Shaojun was appointed as an executive director on 8 January 2018, 20 board meetings were held after his appointment.

<sup>3</sup> Mr. Choi Tat Ying Jacky was retired with effect from the conclusion of annual general meeting of the Company held on 24 May 2018, 8 board meetings, 2 audit committee meetings, 3 nomination committee meetings and 3 remuneration committee meetings were held before his retirement.

<sup>4</sup> Ms. Lam Ming Yee Joan was appointed as an independent non-executive director, member of audit committee, nomination committee and remuneration committee on 25 May 2018, 8 board meetings, 3 audit committee meetings and 1 nomination committee meeting were held after her appointment.

董事會於截至二零一八年十二月三十一日止年度內已舉行二十一次董事會會議，包括六次定期董事會會議及十五次臨時董事會會議。定期會議是考慮(其中包括)審閱及批准本集團中期及全年業績、整體企業策略、年度預算、批准重大資本交易及其他重大營運及財務事宜。臨時會議是在情況有需要時例如考慮及批准生產設備的資本開支、建議派發特別股息及股份拆細、管理層任命、委任董事、及研發項目立項等而召開。

於二零一八年，各董事於董事會會議、本公司股東週年大會(「股東週年大會」)、特別股東大會(「特別股東大會」)及另外三個董事委員會會議(審核委員會、提名委員會及薪酬委員會)的出席詳情列載於下表：

<sup>1</sup> 李東明先生於二零一八年二月二十三日起辭任，於彼辭任前共舉行一次董事會會議。

<sup>2</sup> 陳紹軍先生於二零一八年一月八日起被委任為執行董事，自彼委任後共舉行20次董事會會議。

<sup>3</sup> 蔡達英先生於二零一八年五月二十四日股東週年大會後退休董事，於彼退休前共舉行八次董事會、二次審核委員會、三次提名委員會及三次薪酬委員會會議。

<sup>4</sup> 林明儀女士於二零一八年五月二十五日被委任為獨立非執行董事、審核委員會、提名委員會、薪酬委員會成員，自彼獲委任後共舉行八次董事會、三次審核委員會及一次提名委員會會議。



At least 14 days' notice of regular board meeting is given to all Directors. The agenda and board papers are sent to the Directors at least 3 days before the meetings of the Board and board committees so that the Directors have the time to review the documents. Directors can include matters for discussion in the agenda if the need arises. Minutes of meetings of the Board and board committees are recorded in sufficient details that matters considered and decisions reached. The draft and final versions of the minutes will be sent to Directors within a reasonable time after the meetings. Minutes of meetings of the Board and board committees are kept by the company secretary of the Company and open for inspection on reasonable notice by any Director.

All Directors are entitled to have unrestricted access to the advice and service of the company secretary with a view to ensuring that board procedures, and all applicable rules and regulations are followed. Upon reasonable request and appropriate circumstances, Directors can seek independent professional advice to assist them to discharge their duties, at the Company's expenses.

If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board had determined to be material, the matter will be dealt with by holding a board meeting with the presence of disinterested Independent Non-executive Directors or a meeting of a board committee set up for that purpose pursuant to a resolution passed in a board meeting.

### BOARD COMPOSITION

The Board currently comprises seven Directors, of whom three are Executive Directors, one is Non-executive Director and three are Independent Non-executive Directors. The composition meets the requirement of the Listing Rules for the Board to have at least one-third in number of its members comprising Independent Non-executive Directors. The three Independent Non-executive Directors are persons of high caliber, with academic and professional qualifications in the fields of accounting and business management respectively. With their experience gained from senior positions held in other organisations, they provide strong support towards the effective discharge of the duties and responsibilities of the Board. The biographies of the Directors are set out in pages 39 to 42 to the 2018 annual report, which demonstrates the skills, expertise, experience and qualifications of the Directors.

The Company has received annual confirmation of independence from the three Independent Non-executive Directors in accordance with Rule 3.13 of the Listing Rules. The Board has assessed their independence and concluded that all the Independent Non-executive Directors are independent within the definition of the Listing Rules.

董事會定期會議的通告於會議舉行最少十四天前發出予各董事。董事會及其轄下委員會會議的議程及相關會議文件，至少在每次會議三天前送交予各董事，使各董事有時間審閱該等文件。如有需要，董事可在議程中加插欲討論的事項。董事會及其轄下委員會的會議記錄均詳盡記錄會議上考慮事項及達致的決定，並於會議後合理時間內把初稿及最終定稿發送給董事。董事會及轄下委員會會議記錄由本公司公司秘書存置，並於任何董事發出合理通知時供公開查閱。

所有董事均有權取得公司秘書的意見和服務，以確保董事會程序及所有適用規則及規例均獲得遵守；根據合理要求並在適當情況下，董事可尋求獨立專業意見，以妥善履行彼等之職責，費用由本公司支付。

倘董事會認為主要股東或董事在董事會將予考慮的事項中存有董事會認為屬重大的利益衝突，將以在該事項中本身沒有重大利益的獨立非執行董事出席的董事會議或根據董事會會議通過之決議案就此而成立之董事委員會會議處理。

### 董事會組成

董事會現由七名董事組成，其中三位成員為執行董事、一位為非執行董事及三位為獨立非執行董事。其組成情況符合上市規則要求董事會成員最少須有三分之一為獨立非執行董事之做法，三位獨立非執行董事極具才幹，在會計及工商管理各範疇擁有學術及專業資歷；加上他們在其他機構擔任高層職位所累積的經驗，對董事會有效地履行其職責上提供強大的支持。各董事履歷載於二零一八年報第39至42頁，當中載列各董事之技能、專業知識、經驗及資格。

本公司已接獲該三名獨立非執行董事根據上市規則第3.13條發出之年度獨立性確認書。董事會已評估彼等之獨立性，並確定全體獨立非執行董事均屬上市規則所界定之獨立人士。

Ms. Li Kei Ling, the Chairman of the Board and Mr. Hung Yung Lai, one of the Executive Directors, are directors and ultimate shareholders of several private companies incorporated in Hong Kong and British Virgin Islands.

Save as disclosed above, the Board members have no financial, business, family or other material/relevant relationships with each other. The balanced Board composition is formed to ensure strong independence exists across the Board which can effectively exercise independent judgement.

## DIRECTORS' CONTINUOUS TRAINING AND DEVELOPMENT

Directors understand the importance of continuous professional development and are willing to develop and refresh their knowledge and skills. This is to ensure that their contribution into the Board remains informed and relevant.

The Directors are committed to complying with the CG Code A.6.5 on Directors' training. All Directors had participated in continuous professional development and provided a record of training they received for the year ended 31 December 2018 to the Company.

The individual training record of each Director received for the year ended 31 December 2018 is set out below:

Directors	董事	Briefings and updates on the listing rules, business, operations, and corporate governance matters 有關上市條例、業務、營運及企業管治事宜之簡報及更新	Attending or participating in seminars/conferences relevant to the management or business 出席或參加與管理或業務有關之講座／會議
Ms. Li Kei Ling	李其玲女士	✓	✓
Mr. Hung Yung Lai	熊融禮先生	✓	—
Mr. Chen Shaojun	陳紹軍先生	✓	✓
Mr. Leung Hong Man	梁康民先生	✓	—
Mr. Lo Tung Sing Tony	勞同聲先生	✓	—
Mr. Ede, Ronald Hao Xi	EDE, Ronald Hao Xi 先生	✓	—
Ms. Lam Ming Yee Joan	林明儀女士	✓	—

As Mr. Li Tung Ming and Mr. Choi Tat Ying Jacky resigned and retired on 23 February 2018 and 24 May 2018 respectively, they did not submit their individual training record to the Company.

董事會主席李其玲女士及其中一位執行董事熊融禮先生為數家於香港及英屬維爾京群島註冊成立的私人公司的董事及最終股東。

除上文披露外，董事會成員間並無任何財務、業務、家族或其他重大／相關關係。董事會以如此均衡之架構組成，目的在確保整個董事會擁有穩固之獨立性，能夠有效地作出獨立判斷。

## 董事之持續培訓及發展

董事了解持續專業發展之重要性並願意發展及更新其知識和技能，以確保其繼續在具備全面資訊及切合所需之情況下向董事會作出之貢獻。

董事承諾遵守管治守則第A.6.5條有關董事培訓，於截至二零一八年十二月三十一日止年度，全體董事均有參與持續專業發展，並已向本公司提供其所接受之培訓記錄。

於截至二零一八年十二月三十一日止年度，各董事接受培訓之個人記錄載列如下：

李東明先生及蔡達英先生分別於二零一八年二月二十三日及二零一八年五月二十四日辭任及退任，故沒有提交個人培訓記錄給本公司。

### APPOINTMENTS AND ELECTION OF DIRECTORS

The nomination committee will consider the appointment of new Directors first by reviewing the profiles of the candidates and making recommendations to the Board. New Directors appointed by the Board during the year to fill a casual vacancy or as an addition to the Board shall retire and submit themselves for re-election at the first general meeting immediately followed their appointment.

Non-executive Directors are appointed for a fixed term of two years and are subject to retirement by rotation and re-election by shareholders at annual general meeting in accordance with the Company's articles of association (the "Articles").

According to the Company's Articles, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years at the annual general meeting. All retiring Directors shall be eligible for re-election.

### RESPONSIBILITIES OF DIRECTORS

Every newly appointed Director will receive a comprehensive, formal and tailored induction on his first appointment to have a proper understanding of the operations and business of the Group and that he is fully aware of his responsibilities under statute and common law, the Listing Rules, applicable legal requirements and other regulatory requirements and the business and governance policies of the Company. The Directors endeavour to give sufficient time and attention to the Group's affairs and are continually updated with legal and regulatory developments, business and market changes and the strategic development of the Group to facilitate the discharge of their responsibilities.

The Independent Non-executive Directors take an active role in Board meetings, contribute to the development of strategies and policies and make sound and independent judgement on issues of strategy, policy, performance, accountability, resources, key appointments and standard of conduct. They will take lead where potential conflicts of interests arise. They are also members of various board committees and scrutinize the overall performance of the Group in achieving agreed corporate goals and objectives, and monitoring the reporting of performance.

### 董事委任及選舉

新董事之委任先經提名委員會考慮，審閱候選人之履歷後向董事會作出建議。年內獲董事會委任填補臨時空缺或新增加入董事會之新董事須退任並於緊隨彼等獲委任後之股東大會上膺選連任。

非執行董事的固定委任年期為兩年，並須根據本公司組織章程細則（「組織章程細則」）於股東週年大會上輪席告退並重選連任。

根據組織章程細則，於每屆股東週年大會上，當時為數三分一的董事（或如董事並非三的倍數，則須為最接近但不少於三分一的董事人數）均須輪席告退，惟每名董事（包括按特定任期委任之董事）須至少每三年於股東週年大會上輪值告退一次。所有退任董事符合資格膺選連任。

### 董事之責任

每位新委任董事均會在首次接受委任時獲得全面、正式兼特為其而設的就任須知，以對本集團之營運及業務有適當理解，以及完全知悉彼在法規及普通法、上市規則、適用之法律規定及其他監管規定以及本公司之業務及管治政策下之職責。董事將致力付出足夠時間及精神以處理本集團事務，並獲持續更新有關法律及規管變更、業務及市場變動以及本集團之策略發展，以便履行彼等之職責。

獨立非執行董事在董事會會議上擔當活躍角色，可為制訂策略及政策作出貢獻，並就策略、政策、表現、問責、資源、重大委任及行為準則事宜作出可靠及獨立之判斷。彼等會於潛在利益衝突出現時發揮牽頭引導作用。彼等亦出任多個董事會轄下委員會之成員，審查本集團在實現議定企業目標及指標時之整體表現，並監察表現之呈報。

## SUPPLY OF AND ACCESS TO INFORMATION

The management has the obligation to supply the Board with monthly updates and adequate information to enable it to make informed decisions on matters placed before it. Where any Director requires more information than is volunteered by the management, each Director has separate and independent access to the Group's management to make further enquires if necessary. Where queries are raised by Directors, management will respond as promptly and fully as possible.

## CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under Code Provision of the CG Code A.2.1, the roles of the chairman (the "Chairman") and the chief executive officer (the "CEO") should be separated and should not be performed by the same individual. The Board has appointed Ms. Li Kei Ling as the Chairman. She has executive responsibilities and provides leadership to the Board such as ensuring all Directors are properly briefed on issues arising at Board meetings and received complete and reliable information in a timely manner so that the Board works effectively and discharges its responsibilities. Mr. Chen Shaojun was appointed by the Board as the CEO of the Company and has been delegated with the authority and responsibility for implementing the Board's policies and the Group's daily business operations and management. The CEO will periodically present the updated market situation, long term strategies and objectives of the Group, quarterly results variances analysis between the actual performances and the budget targets to the Board at the Board meeting. This helps the Board to monitor the Group's business operations and to adjust the targets when required.

## ACCOUNTABILITY AND AUDIT

The management provides explanation and information to the Board so as to enable the Board to make an informed assessment of the financial and other information put before the approval by the Board.

The Directors and CEO acknowledge their responsibility to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and in presenting the interim and annual financial statements and announcements to shareholders. The Board is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern, the Board therefore continues to adopt the going concern approach in preparing the accounts.

## 資料之提供及獲取

管理層有責任向董事會提供月報及充足之資料，以供董事會對提呈事項作出知情決定。倘有任何董事要求獲得除管理層自願提供之資料以外之其他資料，董事於必要時可透過不同及獨立途徑接觸本集團管理層，以作出進一步諮詢。若有董事提出問題，管理層將儘快作出全面的回應。

## 主席及總裁

根據管治守則A.2.1規定，主席（「主席」）及行政總裁（「行政總裁」）之職務應分開，不得由同一人兼任。董事會委任李其玲女士為主席，彼負有執行責任及領導董事會，如確保董事會會議上所有董事均適當知悉當前的事項和及時收到完備可靠的資訊，使董事會有效地運作和履行其職責。陳紹軍先生獲董事會委任為本公司總裁並獲授予權力和責任負責推行董事會的政策及本集團的日常業務的營運及管理工作，總裁於每一季度向董事會提呈，會上闡述更新之市場情況、本集團長期策略及目標，季度業績實際表現與預算目標有所差異之分析，此舉有助董事會監控本集團之業務營運及於必要時修訂目標。

## 問責及核數

管理層向董事會提供有關解釋及資料，令董事會對提呈董事會批准之財務及其他資料作出知情評估。

董事及總裁確認須負責為每一財政年度編製能真實及公允地反映本集團業務狀況之財務報告及向股東提呈中期及年度財務報表及公佈。董事會並不知悉任何重大不確定因素會對本集團的持續經營能力投下重大疑惑，因此，董事會仍然採用持續經營基準編製賬目。

The Board acknowledges its responsibility to present a balanced, clear and understandable assessment in the Company's annual and interim reports and other financial disclosures required under the Listing Rules, and reports to the regulators as well as the information required to be disclosed pursuant to the statutory requirements.

The responsibilities of the auditors to the shareholders are set out in the Independent Auditor's Report on pages 63 to 68.

### RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for overseeing the Group's risk management and internal control systems and reviewing their effectiveness at least annually through the Audit Committee. The Audit Committee assists the Board in fulfilling its oversight and corporate governance roles in the Group's financial, operational, compliance, risk management and internal controls, and the resourcing of the finance and internal audit functions.

The CEO and senior management of the Group is responsible for the design, implementation and monitoring of the risk management and internal control systems. Appropriate policies and controls have been set and established to ensure that assets are safeguarded against improper use or disposal, relevant rules and regulations are adhered to and complied with, reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements, and key risks that may impact on the Group's performance are appropriately identified and managed. However the systems and internal controls can only provide reasonable and not absolute assurance against material misstatement or loss, as they are designed to manage, rather than eliminate the risk of failure to achieve business objectives.

The Group's internal control system is designed to safeguard assets against misappropriation and unauthorized disposition and to manage operational risks. Of which including:

- (1) establishing written policies and work flow for major operations and production cycles to ensure compliance with applicable laws, regulations, and industry standards;
- (2) clearly defined the authorities and key responsibilities of each business and operational unit, having in place appropriate segregation of duties and setting proper authorization levels to ensure adequate checks and balances; and

董事會確認，其有責任在本公司年度報表及中期報告和根據上市規則規定須予披露的其他財務資料，以及向監管者提交的報告書以至根據法例規定須予披露的資料，提供平衡、清晰及易於理解之評估。

核數師向股東承擔的責任載於第63至68頁獨立核數師報告內。

### 風險管理及內部監控

董事會確認其監管本集團的風險管理及內部監控系統的責任，以及透過審核委員會至少每年檢討其成效。審核委員會協助董事會履行其於本集團財務、營運、合規、風險管理及內部監控，以及財務及內部審計職能方面資源的監管及企業管治角色。

本集團總裁及高級管理層負責風險管理及內部監控系統的設計、實施及監察。適當的政策和監控已訂立及建立，以確保保障資產不會在未經許可下使用或處置，依從及遵守相關規則及規例，根據相關會計準則及監管申報規定保存可靠的財務及會計記錄，以及適當地識別及管理可能影響本集團表現的主要風險。惟有關係統及內部監控只能作出合理而非絕對的保證可防範重大失實陳述或損失，其訂立旨在管理而非消除未能達致業務目標的風險。

本集團的內部監控系統乃為確保資產不會被不當挪用及未經授權處理以及管理經營風險而設計，其中包括：

- (1) 訂明書面工作制度和主要業務與生產週期的工作流程以確保遵照有關法律、規例和生產製造標準；
- (2) 清楚界定各業務及營運部門的權責，制訂適當的分工，實施妥善的審批權，以確保有效之制衡；及

- (3) rules and guidelines are set to control treasury activities, financial and management reporting, human resources functions and computer systems' operations.

The Group's risk management framework includes the following elements:

- (i) identify significant risks in the Group's operation environment and evaluate the impacts of those risks on the Group's business;
- (ii) develop necessary measures to mitigate, reduce or transfer such risks; and
- (iii) monitor and review the effectiveness of such measures.

The Group has embedded its risk management systems into the core operating practices of the business. On an ongoing basis, business and operational units assess and identify their potential risks which may impact on their ability to achieve their business objectives and/or those of the Group. The head of each unit has to complete relevant risk and control self-assessment questionnaires and confirm to the CEO that appropriate internal control policies and procedures have been established and properly complied with. CEO conducts review of the effectiveness of risk management annually and presents report to the Audit Committee after review.

In addition, the Board monitors and reviews the adequacy and effectiveness of the internal control systems through a programme of internal audit. The internal audit department is set up by the Company to review the major operational and financial control of the Group in compliance with the established processes and standards on a continuing basis and aims to cover all major operations of the Group on a rotational basis. The internal audit department reports directly to the Chairman of the Board and the Audit Committee. The Audit Committee examines the internal audit department's review and opinions about operational effectiveness of the Group's internal control system and reports to the Board.

During 2018, based on the internal audit report and the risk management report presented by internal audit department and CEO respectively, the Audit Committee and the Board were not aware of any areas of concern that would have a material impact on the Group's financial position or results of operations and considered the risk management and internal control systems to be generally effective and adequate including the adequacy of resources, staff qualifications and experience, training programs and budget of the accounting, internal audit and financial reporting functions.

- (3) 訂立規則及指引以監控本集團庫務事宜、財務與管理匯報、人力資源功能及電腦系統之運作。

本集團的風險管理框架包括以下部分：

- (i) 識別本集團業務環境的重大風險及評估該等風險對本集團業務的影響；
- (ii) 制定紓緩或減少或轉移該等風險的控制措施；及
- (iii) 監察及檢討有關措施的有效性。

本集團已把其風險管理系統融入業務的核心營運常規，業務及營運部門持續評估及識別各自可能影響其實現本身及／或本集團經營目標的能力的潛在的風險，各單位主管須填寫有關風險及內部監控的自我評估問卷，並向總裁確認已制訂及妥善遵守適當的內部監控政策及程序；總裁須每年對風險管理有效性進行評估並於評估後提交報告給審核委員會。

此外，董事會透過內部稽核程序監察及檢討其內部監控系統是否足夠及有效。本公司設立內部審計部以持續基準審閱本集團之主要營運及財務控制是否遵照制定的流程和標準，及旨在以循環基準涵蓋本集團之所有主要營運，內部審計部直接向董事會主席及審核委員會匯報。而審核委員會則審閱內部審計部對本集團內部監控系統運作成效的檢討結果及意見，並向董事會作出匯報。

於二零一八年，根據內部審計部及總裁分別提交的內部審計報告及風險管理報告，審核委員會及董事會均無發現任何將對本集團的財務狀況或經營業績造成重大影響而需多加關注的事項，亦認為風險管理及內部監控系統整體而言充足並具成效，包括在會計、內部審計及財務匯報職能方面有足夠的資源、員工資歷及經驗，以及有足夠的員工培訓課程及預算。

### INSIDE INFORMATION POLICY

The Company has established policy to ensure that inside information is disseminated to the public in an equal and timely manner in accordance with applicable laws and regulations. Access to inside information is at all times confined to relevant senior management executed on “as needed” basis, until proper disclosure or dissemination of inside information is made in accordance with applicable laws and regulation. Relevant personnel and other professional parties involved are reminded to preserve confidentiality of the inside information until it is publicly disclosed.

### DELEGATION BY THE BOARD

The day-to-day management of the Group is delegated to the management by the Board, with division heads responsible for individual department’s daily operations.

Major corporate matters that are specifically delegated by the Board to the management include the preparation of interim and annual reports and announcements for the Board’s approval before publishing, execution of business strategies and initiatives adopted by the Board, implementation of adequate systems of internal controls and risk management procedures, and compliance with relevant statutory requirements and rules and regulations.

### BOARD COMMITTEES

The Board has established the nomination committee, remuneration committee and audit committee. The committees’ terms of references defined their functions and responsibilities have been posted on the Company’s website.

#### NOMINATION COMMITTEE

As at 31 December 2018, the nomination committee of the Company (the “Nomination Committee”) had Ms. Li Kei Ling as the committee’s chairman, and the three Independent Non-executive Directors, Mr. Lo Tung Sing Tony, Mr. Ede, Ronald Hao Xi and Ms. Lam Ming Yee Joan as the committee’s members. The Nomination Committee’s terms of reference are summarized as follows:

- (1) to review the structure, size and composition (including the skill, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company’s corporate strategy;

### 內幕消息政策

本公司已制定政策，以確保內幕消息根據適用法例及法規公平及適時地向公眾發佈。在任何時候，只限於相關高級管理層人員並按情況需要方能獲取內幕消息，直至內幕消息根據適用法例及法規予以披露或發佈，並提醒相關負責之員工及其他專業人士須將內幕消息保密直至已公開披露。

### 董事會權力的轉授

董事會轉授本集團之日常管理權力給管理層，部門主管負責各部門的日常運作。

董事會特別委託管理層執行之主要企業事宜包括籌備中期及年度報告及通告以供董事會於公佈前批核，執行董事會所採納之業務策略及措施、推行妥善內部監控制度及風險管理程序以及遵守有關法定規定、規則與規例。

### 董事會轄下的委員會

董事會成立提名委員會、薪酬委員會及審核委員會。闡明委員會的權力及職責的職權範圍登載於本公司網站上。

#### 提名委員會

於二零一八年十二月三十一日，本公司提名委員會（「提名委員會」）以李其玲女士為委員會主席及三名獨立非執行董事勞同聲先生、EDE, Ronald Hao Xi先生及林明儀女士為委員會成員。提名委員會之職權範圍概述如下：

- (1) 至少每年檢討董事會之架構、人數及組成（包括技術、知識及經驗）；並就任何為配合本公司之公司策略而擬對董事會作出之變動提出建議；

- |  |  |
|--|--|
| <p>(2) to identify individuals suitably qualified to become Board members and to select or make recommendations to the Board on the selection of individuals nominated for directorships;</p>        | <p>(2) 物色具備合適資格可擔任董事的人士，挑選提名有關人士出任董事或就此向董事會提出意見；</p> |
| <p>(3) to assess the independence of independent non-executive directors; and</p>  | <p>(3) 評核獨立非執行董事的獨立性；及</p>                           |
| <p>(4) to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive officer.</p> | <p>(4) 就董事委任或重新委任以及董事（尤其是主席及總裁）繼任計劃向董事會提出建議。</p>     |

### BOARD DIVERSITY POLICY

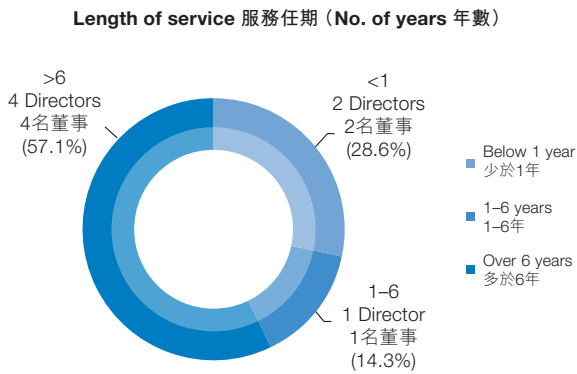
The Nomination Committee adopted a board diversity policy (the “Board Diversity Policy”) which seeks to achieve board diversity through the consideration of a number of factors, including but not limited to ethnicity, working experience, professional skills, knowledge and length of service. The Company believes that increasing diversity at the Board level is an important part of achieving its strategic objectives and to attract and retain the best people. Appointments to the Board shall be on merit, in the context of the skills and experience the Board as a whole requires to be effective, and against objective criteria and with due regard for the benefits of diversity. There are many considerations that factor into the Nomination Committee’s nomination process including legal requirements, best practices, and skills required to complement the Board’s skill set and the number of Directors needed to discharge the duties of the Board and its Committees. But it will not set any restrictions like gender, age, cultural or educational background when short listing candidates. The Company believes that a truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background and other qualities of Directors. The Nomination Committee shall review the diversity of the Board at least annually taking into account the Group’s business model and specific needs and shall monitor the implementation of the Board Diversity Policy and, if appropriate, make recommendations on proposed changes to the Board to complement the Company’s corporate strategy.

### 董事會成員多元化政策

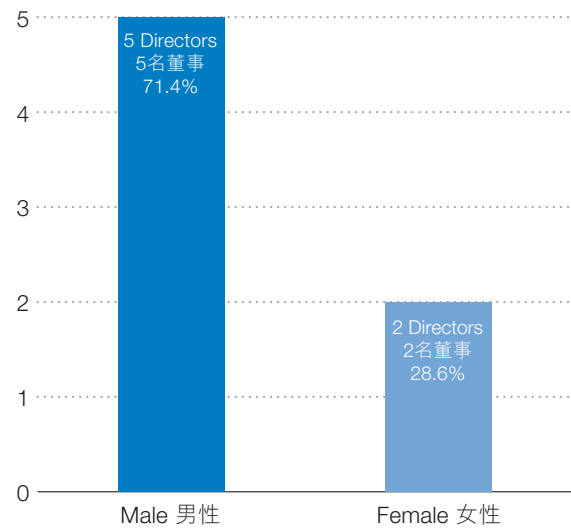
提名委員會已採納董事會成員多元化政策（「多元化政策」）透過考慮項因素，包括但不限於種族、工作經驗、專業技能、知識及服務年期，務求達致董事會成員多元化。本公司相信，提升董事會層面的多樣性乃實現其策略性目標及吸引和挽留人才的一個重要部分。董事會應當用人唯才，以董事會整體有效運作所需的技能和經驗為本，依循客觀標準，並適當考慮多樣性的好處。提名委員會的提名過程中包括不少考慮因素，如法律要求、最佳常規和董事會的所需技能，以及履行董事會及其委員會的職責所需要的董事人數等。但篩選候選名單時不會設置任何如性別、年齡、文化或教育背景等限制。本公司相信，一個真正多元化的董事會將包括具備不同技能、地區及行業經驗、背景及其他資歷的董事，並可加以善用。考慮到本集團業務模式及具體需要，提名委員會須至少每年審閱董事會成員的多樣性，並須監察多元化政策的執行，並如合適會就為配合本公司策略而擬對董事會作出的變動提出建議。



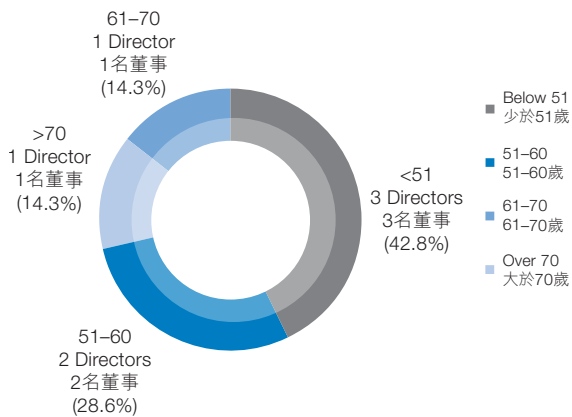
### A Length of Service 服務任期



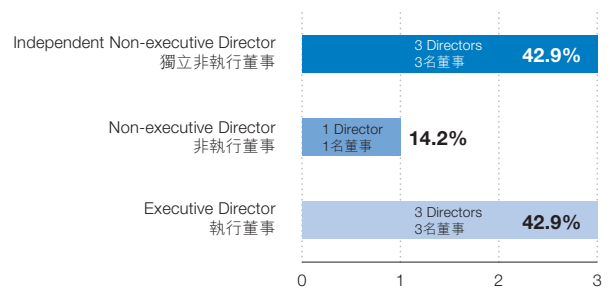
### B Gender 性別



### C Age 年齡



### D Designation 職務



## NOMINATION POLICY

The Nomination Committee recommends candidates for nomination to the Board, which approves the final choice of candidates. The Nomination Committee was responsible to maintain the nomination policy of the Company (the "Nomination Policy") and review the same from time to time. The objective of the Nomination Policy is to assist the Company in fulfilling its duties and responsibilities as provided in its terms of reference. This Nomination Policy sets out, inter alia, the selection criteria and the evaluation procedures in nominating candidates to be appointed or re-appointed as Directors of the Company. The Nomination Committee shall consider any and all candidates recommended as nominees for Directors to the Committee by any Directors or Shareholders of the Company in accordance with the Articles. The Nomination Committee may also undertake its own search process for candidates and may retain the services of professional search firms or other third parties to assist in identifying and evaluating potential nominees. The Nomination Committee shall endeavour to find individuals of high integrity who possess the qualifications, qualities, skills, experience and independence (in case of Independent Non-executive Directors) to effectively represent the best interests of all Shareholders. Candidates will be selected for their ability to exercise good judgment, and to provide practical insights and diverse perspectives. The Nomination Committee may use any process it deems appropriate for the purpose of evaluating candidates including personal interviews, background checks, written submission by the candidates and third party references. As far as practicable, nominees for each election or appointment of Directors shall be evaluated using a substantially similar process. The Nomination Committee believes that independence is an important part of fulfilling the Directors' duty to supervise the management of the business and affairs of the Company. Non-executive Directors and Executive Directors are required to disclose his/her competing businesses to the Company. Cross-directorships in Hong Kong or overseas between Directors are also reviewed annually. The Nomination Committee is accountable for assessing whether any competing businesses or interlocking directorships could materially interfere with the exercise of objective and unfettered judgement by relevant Directors or their ability to act in the best interests of the Group.

## 提名政策

提名委員會向董事會推薦提名候選人，由董事會通過最終人選。提名委員會負責維持本公司的提名政策（「提名政策」），並不時對提名政策進行檢討。提名政策目標為協助本公司履行其於職權範圍內規定的職責。本提名政策載列（其中包括）提名待委任或重選為本公司董事之人選的評選標準及評估程序。根據公司組織章程細則，提名委員會應考慮由任何本公司董事或股東向委員會建議的任何及所有董事候選人。提名委員會亦可自行尋找候選人及可保留專業人事中介或其他第三方的服務以協助物色及評估有潛質的候選人。提名委員會會致力物色誠實守信並擁有資格、資質、技能、經驗及獨立性（倘為獨立非執行董事）的人士加入董事會，以有效代表所有股東的最佳利益，挑選具有良好的判斷力、能提供可行實用的見解及多元化觀點的能力的候選人。提名委員會可以任何其認為適當的方法評估候選人，包括面試、背景調查、候選人的陳述書及第三方引薦。每次選舉或委任董事時，應盡可能以大致相同的程序評估候選人。提名委員會認為，擁有獨立性是履行其職責，以監督本公司的業務及事務的管理的一個重要部分。非執行董事和執行董事須披露其與本公司的競爭業務。委員會亦會就董事於香港或海外的跨董事職務作每年檢討。提名委員會負責評估董事會否受其競爭業務及跨董事職務，重大影響其在履行職責時作出客觀及不受約束的決定，以維護本集團之最佳利益。

During the year 2018, the Nomination Committee had five meetings to review the independence of independent non-executive directors, the renewal of Directors' letter of appointment and the qualification of candidate for independent non-executive director vacancy and the recommendation of the appointment of new directors.

### REMUNERATION COMMITTEE

As at 31 December 2018, the remuneration committee of the Company (the "Remuneration Committee") had Mr. Ede, Ronald Hao Xi, an Independent Non-executive Director, as the committee's chairman, Ms. Li Kei Ling, and two Independent Non-executive Directors, Mr. Lo Tung Sing Tony and Ms. Lam Ming Yee Joan as the committee's members. The Remuneration Committee's terms of reference are summarized as follows:

- (i) to recommend to the Board on the Group's policy and structure of all Directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (ii) to determine with delegated responsibility, the remuneration packages of individual executive Directors and senior management;
- (iii) to review and approve compensation payable to Executive Directors and senior management for any loss or termination of office or appointment ;
- (iv) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct; and
- (v) to ensure that no Director or any of her/his associates is involved in deciding her/his own remuneration.

The Group's remuneration policy bases on the market practice, the qualification, duties and responsibilities of Directors and employees. In order to attract, retain, and motivate high-performance persons, the Company has adopted share option scheme to reward those participants who contribute to the success of the Group's operations.

於二零一八年，提名委員會舉行了五次會議評估獨立非執行董事的獨立性、董事委任函的續期、獨立非執行董事候選人的資格及建議委任新董事給董事會。

### 薪酬委員會

於二零一八年十二月三十一日，本公司薪酬委員（「薪酬委員會」）以獨立非執行董事Ede, Ronald Hao Xi先生為委員會主席，李其玲女士及兩名獨立非執行董事一勞同聲先生及林明儀女士為委員會成員。薪酬委員會職權範圍概述如下：

- (i) 就本集團董事及高級管理層的全體薪酬政策及架構，以及就設立正規而具透明度的程序制定薪酬政策，向董事會提出建議；
- (ii) 獲董事會轉授責任釐定各執行董事及高級管理層之薪酬待遇；
- (iii) 檢討及批准向執行董事及高級管理層就其喪失或終止職務或委任時應向彼等支付之補償金；
- (iv) 檢討及批准因行為失當而遭解聘或免職之董事所涉及的補償安排；及
- (v) 確保任何董事或其任何聯繫人不得參與自行釐定薪酬。

本集團的薪酬政策是參照市場慣例、董事及員工的資歷、職務及責任釐訂，為招攬、挽留及激勵表現稱職人員，本公司採納購股權計劃，從而對為本集團業務成功作出貢獻之參與者提供獎勵。

The Board considers that the executive directors of the Company, CEO and the financial controller are the key management personnel of the Group. For the year ended 31 December 2018, the aggregate emoluments payable to directors, CEO and the financial controller were within the following bands:

		Number of individuals 人數
Nil to HK\$1,000,000	零至港幣 1,000,000 元	8
HK\$1,000,001 to HK\$2,000,000	港幣 1,000,001 元至港幣 2,000,000 元	1
HK\$2,000,001 to HK\$3,000,000	港幣 2,000,001 元至港幣 3,000,000 元	-
HK\$3,000,001 to HK\$4,000,000	港幣 3,000,001 元至港幣 4,000,000 元	-
HK\$4,000,001 to HK\$5,000,000	港幣 4,000,001 元至港幣 5,000,000 元	1

Details of the amount of Directors' and chief executive officer's emoluments are set out in note 7 to the financial statements and the details of the Share Option Scheme are set out in note 29 to the financial statements.

The Remuneration Committee had four meetings in 2018 to determine the bonus of senior management and the director remuneration of newly appointed directors.

#### AUDIT COMMITTEE

The Company has an audit committee (the "Audit Committee") which was established in compliance with Rule 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee comprises three Independent Non-executive Directors of the Company who among themselves possess a wealth of management experience in the accounting profession, commercial, medical and pharmaceutical sectors.

As at 31 December 2018, the Audit Committee's chairman was Mr. Lo Tung Sing Tony, Mr. Ede, Ronald Hao Xi and Ms. Lam Ming Yee Joan were the committee's members. The Audit Committee's terms of reference are summarized as follows:

- (i) to consider and recommend to the board the independence, appointment, re-appointment and removal of external auditors;
- (ii) to approve the remuneration and terms of engagement of the external auditors, and to deal with any questions of its resignation or dismissal;

董事會認為本公司執行董事、總裁及財務總監均為本集團主要管理人員。截至二零一八年十二月三十一日止年度，應付董事、總裁及財務總監之薪酬介乎以下範圍：

董事及總裁酬金之詳情載於財務報表附註7，而購股權計劃之詳情載於財務報表附註29。

於二零一八年，薪酬委員會舉行了四次會議以釐定高級管理層獎金及新委任董事之董事薪酬。

#### 審核委員會

本公司遵照上市規則第3.21條，以審閱及監管本集團財務申報過程及內部監控成立審核委員會（「審核委員會」）。審核委員會包括三名本公司獨立非執行董事。彼等分別於會計專業、商業及醫藥行業具有豐富之管理經驗。

於二零一八年十二月三十一日，審核委員會主席為勞同聲先生、EDE, Ronald Hao Xi先生及林明儀女士為委員會成員。審核委員會的職權範圍概述如下：

- (i) 就外聘核數師的獨立性、委任、重新委任及罷免作出考慮並向董事會提供建議；
- (ii) 批准外聘核數師的薪酬及聘用條款，及處理任何有關該核數師辭職或辭退該核數師的問題；

- (iii) to review financial information; and
- (iv) to oversee financial reporting system, risks management and internal control system.

During the year 2018, the Audit Committee had five meetings, two of which were held with external auditors without presence of executive directors. The work performed by the Audit Committee for the year ended 31 December 2018 is summarized below:

- (1) reviewed the external auditors' independence, the terms of engagement and approved the remuneration of the external auditors;
- (2) reviewed the annual audit plan of the external auditors and discussed with them about the nature and scope of the audit;
- (3) reviewed the Group's interim financial information and annual financial statements, before submission to the Board, discussed the financial reporting matters and any areas of concerns during the audits, including but not limited to the impact of the changes in accounting policies and practices, and on the compliance with accounting standards, the Listing Rules and the legal requirements;
- (4) reviewed internal audit report and annual audit plan of the internal audit department and the effectiveness of internal audit function, risk management and internal control systems.

The audited financial statements of the Company for the year ended 31 December 2018 have been reviewed by the Audit Committee before recommending them to the Board for approval.

### AUDITORS' REMUNERATION

Ernst and Young has been reappointed as the Company's external auditors at the AGM on 24 May 2018 until the conclusion of the next AGM. During the year 2018, the remuneration paid or payable to the Company's external auditors in respect of services provided is as follows:

Fees for statutory audit service amounted to RMB1,510,000  
Fees for non-statutory audit service amounted to RMB780,000  
Fees for non-audit service amounted to RMB250,000

- (iii) 審閱財務資料；及
- (iv) 監管財務申報制度、風險管理及內部監控系統。

於二零一八年，審核委員會開會五次，其中兩次在執行董事不在場的情況下與外聘核數師開會。截至二零一八年十二月三十一日止年度，審核委員會的工作摘要如下：

- (1) 審閱外聘核數師的獨立身份、聘任書及批准外聘核數師的薪酬；
- (2) 與外聘核數師檢討年度審核計劃，及討論審核性質及範疇；
- (3) 在向董事會提交半年及年度財務報表前作出審閱，討論有關財務報告事宜及審核過程中之任何問題，包括但不限於會計政策及慣例變動之影響、及是否遵守會計準則、上市規則及法律之規定；
- (4) 審閱內部審計部提交的內部審計報告及每年的內部審計計劃、及內部審核功能、風險管理及內部監控系統的有效性。

本公司截至二零一八年十二月三十一日止年度經審核的財務報表於提呈董事會批准前經由審核委員會審閱。

### 核數師酬金

安永會計師事務所於本公司二零一八年五月二十四日股東週年大會上獲續聘為本公司之外聘核數師直至應屆股東週年大會為止。於二零一八年，就所提供服務已付或應付本公司之外聘核數師之酬金如下：

法定的核數服務費用共人民幣 1,510,000 元  
非法定的核數服務費用共人民幣 780,000 元  
非核數服務費用共人民幣 250,000 元

## COMPANY SECRETARY

Ms. Pang Kit Ling, the company secretary of the Company, is a full time employee of the Group. During the year, the company secretary of the Company confirmed that she had taken no less than 15 hours of relevant professional training.

## CONSTITUTIONAL DOCUMENTS

There is no change in the Company's memorandum and articles of association during the year ended 31 December 2018.

## SHAREHOLDERS' RIGHTS

Pursuant to Articles 58 of the Company's Articles of Association, 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 to the Board or the secretary of the Company, to require an extraordinary 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 months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the shareholder(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the shareholder(s) as a result of the failure of the Board shall be reimbursed to the shareholder(s) by the Company.

There is no provision allowing shareholders to move new resolutions at general meetings under the Cayman Islands Companies Law or the Articles of Association of the Company. Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph.

As regards, proposing a person for election as a director, please refer to the procedures available on the website of the Company.

Shareholders may at any time send their enquiries and concerns to the Board in writing to the Company's principal place of business in Hong Kong at Units 3001-02, 30/F, CNT Tower, 338 Hennessy Road, Wanchai, Hong Kong.

## 公司秘書

本公司公司秘書彭潔玲女士為本集團全職僱員，年內，本公司公司秘書確認彼曾參加不少於15小時的相關專業培訓。

## 組織章程文件

於截至二零一八年十二月三十一日止年度，本公司之組織章程大綱及組織章程細則並無任何變動。

## 股東權利

根據本公司之公司組織章程細則第58條之規定，任何一位或以上於遞呈要求日期持有不少於本公司繳足股本（附有於本公司股東大會表決權利）十分之一的股東，於任何時候有權透過向本公司董事會或秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項；且該大會應於遞呈該要求後兩個月內舉行。倘遞呈後二十一日內，董事會未有召開該大會，則股東（們）可親自以相同方式召開該大會，股東因董事會未有召開會議而招致的任何合理費用，須由本公司償還股東。

開曼群島公司法或本公司之公司組織章程細則並無列明股東可在股東大會上提呈任何新決議案。有意提呈決議案之股東可按上段所載程序要求本公司召開股東大會。

關於提名董事候選人之事宜，請參閱本公司網站所載之程序。

股東可隨時致函本公司之香港主要營業地點（地址為香港灣仔軒尼詩道338號北海中心30樓3001-02室），向董事會提出查詢及表達意見。

### COMMUNICATIONS WITH SHAREHOLDERS

The Board recognises the importance of good communications with all shareholders. The Company establishes and maintains different communication channels with its shareholders through the publication of annual and interim reports. Our corporate website which contains corporate information, corporate governance practice, interim and annual reports, announcements and circulars issued by the Company enables the Company's shareholders to have timely and updated information of the Company.

The Company's AGM is a valuable forum for the Board to communicate directly with the shareholders. The Chairman of the Board attends the AGM and arranges the chairman of the committees or in the absence of the chairman of such committees, another member of the committees to be available to answer questions at the AGM. The Chairman proposes separate resolutions for each issue to be considered, including the election of Directors, and put each proposed resolution to the vote by way of a poll. Voting results are posted on the Company's website on the day of AGM.

### 與股東的溝通

董事會認同與所有股東有良好的溝通至為重要，本公司設立不同渠道保持與股東溝通，包括刊印年度報告、中期報告，本公司之網站載有公司資料、企業管治常規、本公司刊發之中期及年度報告、公告及通函，使本公司股東可及時地取得本公司之最新資訊。

本公司的股東週年大會提供寶貴場合讓董事會直接與股東溝通。董事會主席出席股東週年大會，並安排董事會轄下委員會的主席，或在該等委員會的主席缺席時由另一名委員會成員在股東週年大會上回答提問。主席就每項獨立之事宜個別提出決議案以供審議，包括選舉董事，並對各項提呈之決議案以投票方式進行表決。投票表決之結果於股東週年大會日於本公司網站上登載。

### EXECUTIVE DIRECTORS

**Ms. Li, Kei Ling**, aged 70, is an Executive Director and Chairman of the Company. Ms. Li is one of the founders of the Group. She founded the Group in December 1995 and was appointed to the Board in October 2002. She was also the chief executive officer of the Company from 1 March 2015 to 17 April 2016. Ms. Li is also the Chairman of Dawnrays International Co. Ltd., Dawnrays International Co., Ltd. (東瑞國際股份有限公司), Suzhou Dawnrays Pharmaceutical Co., Ltd., Su Zhou Dawnrays Pharmaceutical Science and Technology Co., Ltd., Dawnrays (Nantong) Pharmaceutical Science and Technology Co., Ltd. and Dawnrays Pharma (Hong Kong) Ltd., which are all subsidiaries of the Company. She is the Chairman of the Nomination Committee and a member of the Remuneration Committee. Ms. Li has over twenty years of experience in corporate management, strategic planning, business operations and finance, in particular for pharmaceutical enterprises in the PRC. She is responsible for supervising the strategic management decisions to ensure good corporate governance practices and business policies are established, and executing the overall developmental strategies of the Group.

**Mr. HUNG, Yung Lai**, aged 74, is an Executive Director of the Company and one of the founders of the Group. Mr. Hung founded the Group in December 1995 and was appointed to the Board in October 2002. Mr. Hung also holds directorship in Dawnrays International Co. Ltd., Dawnrays Biotechnology Capital (Asia) Ltd., Dawnrays International Co. Ltd. (東瑞國際股份有限公司), Suzhou Dawnrays Pharmaceutical Co., Ltd., Su Zhou Dawnrays Pharmaceutical Science and Technology Co., Ltd., Dawnrays (Nantong) Pharmaceutical Science and Technology Co., Ltd. and Dawnrays Pharma (Hong Kong) Ltd., which are all subsidiaries of the Company. Mr. Hung holds a degree from 上海音樂學院 (Shanghai Conservatory of Music). He has over twenty years of experience in corporate management and corporate development, and has participated in founding and managing of pharmaceutical and high-tech enterprises. Mr. Hung is an executive director and the chairman of Sing Lee Software (Group) Ltd., a company listed on the Growth Enterprise Market of the Stock Exchange.

### 執行董事

**李其玲女士**，70歲，本公司執行董事兼主席。李女士為本集團創辦人之一，彼於一九九五年十二月創立本集團並於二零零二年十月被委任為董事。於二零一五年三月一日至二零一六年四月十七日，彼亦是本公司總裁。李女士亦是本公司之附屬公司包括東瑞國際有限公司、東瑞國際股份有限公司、蘇州東瑞製藥有限公司、蘇州東瑞醫藥科技有限公司、東瑞（南通）醫藥科技有限公司及東瑞藥業（香港）有限公司之主席，彼也是提名委員會主席及薪酬委員會的成員。李女士於企業管理、策略規劃、業務營運及財務等方面，尤其在中國製藥企業的上述有關方面，擁有逾二十年經驗。彼負責監督管理決策之執行，確保制定良好的企業管治常規和經營方針，及制定本集團的整體發展策略。

**熊融禮先生**，74歲，本公司執行董事及本集團創辦人之一。熊先生於一九九五年十二月創立本集團並於二零零二年十月被委任為董事。熊先生亦於本公司之附屬公司包括東瑞國際有限公司、東瑞生物投資發展（亞洲）有限公司、東瑞國際股份有限公司、蘇州東瑞製藥有限公司、蘇州東瑞醫藥科技有限公司、東瑞（南通）醫藥科技有限公司及東瑞藥業（香港）有限公司擔任董事職務。熊先生持有上海音樂學院的學位。彼於企業管理與公司發展方面擁有逾二十年經驗，並曾創立及管理製藥及高科技企業。熊先生是聯交所創業板上市公司新利軟件（集團）股份有限公司的執行董事兼主席。



### 董事及高級管理層履歷

**Mr. CHEN, Shaojun**, aged 41, is an Executive Director and chief executive officer of the Company. He joined the sales and marketing department of Suzhou Dawnrays Pharmaceutical Company Limited, a subsidiary of the Company, in August 2002 as area manager and was responsible for developing area market of new specific medicines of the Group and managing its sales business. Mr. Chen has long specialized in sales promotion, network building, brand upgrading, planning and managing of business development in China pharmaceutical market. He has accumulated almost twenty years of experience in pharmaceutical sales and marketing and corporate development and management. Mr. Chen was appointed as executive vice president of the Company in December 2014 and became the chief executive officer of the Company on 18 April 2016 to take charge of daily business operations of the Group. Mr. Chen was appointed as Executive Director of the Company on 8 January 2018. Mr. Chen also holds directorship in Suzhou Dawnrays Pharmaceutical Co., Ltd., Su Zhou Dawnrays Pharmaceutical Science and Technology Co., Ltd. and Dawnrays (Nantong) Pharmaceutical Science and Technology Co., Ltd., which are all subsidiaries of the Company. He is also the general manager of Dawnrays Pharma (Hong Kong) Limited, a subsidiary of the Company.

### NON-EXECUTIVE DIRECTOR

**Mr. LEUNG, Hong Man**, aged 44, is a Non-executive Director of the Company. He joined the Group and was appointed to the Board in November 2005. Mr. Leung has started his business career in knitting machinery since 1993. He has over 10 years experience in sales and management and also over 10 years experience in finance and property investments. In recent years, Mr. Leung has strived to exploit business in hi-tech agriculture and arts and cultural industries. Mr. Leung currently is the shareholder and the director of Toyo International Investment Ltd., which has been one of the substantial shareholders (as required to be disclosed under Part XV of the Securities and Futures Ordinance) of the Company since September 2005.

**陳紹軍先生**，41歲，本公司執行董事兼總裁，於二零零二年八月加盟本公司之附屬公司蘇州東瑞製藥有限公司銷售及市場推廣部擔任地區經理，負責開拓本集團的新專科藥產品地區市場和管理其銷售業務。陳先生長期專注於中國醫藥市場的銷售推廣、網絡建設、品牌提升及業務拓展的計劃與管理工作，於醫藥營銷及企業發展與管理等方面積累了近二十年的經驗。於二零一四年十二月，陳先生被委任為本公司常務副總裁；並於二零一六年四月十八日成為本公司總裁，負責管理本集團日常營運事務。陳先生於二零一八年一月八日被委任為本公司執行董事。陳先生亦於本公司之附屬公司包括蘇州東瑞製藥有限公司、蘇州東瑞醫藥科技有限公司及東瑞(南通)醫藥科技有限公司擔任董事職務。彼亦是本公司附屬公司東瑞藥業(香港)有限公司總經理。

### 非執行董事

**梁康民先生**，44歲，本公司非執行董事，彼於二零零五年十一月加盟本集團及被委任為董事。梁先生自一九九三年開展針織機械事業，在銷售及管理工作方面累積超過十年經驗，以及逾十年的金融及房地產投資經驗。近年更致力拓展高新農業事務和文化藝術行業。梁先生現時為東海國際投資有限公司(自二零零五年九月起成為本公司根據證券及期貨條例第XV部需要披露的主要股東之一)的股東及董事。

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. LO, Tung Sing Tony**, aged 50, is an Independent Non-executive Director of the Company. Mr. Lo joined the Group in October 2010. He is the Chairman of the Audit Committee, a member of the Remuneration Committee and the Nomination Committee of the Company respectively. Mr. Lo has extensive experience in financial management and business development in Hong Kong and multinational companies. He obtained his Bachelor degree in Business Administration from The Chinese University of Hong Kong and Master of Science in Financial Management from The University of London. Mr. Lo is an associate member of The Hong Kong Institute of Certified Public Accountants and a full member of CPA Australia. He currently holds the position of the Head of Corporate Financial Control at The Hong Kong Jockey Club.

**Mr. EDE, Ronald Hao Xi**, aged 60, is an Independent Non-executive Director of the Company. Mr. Ede joined the Group in June 2015 and was appointed as a Non-executive Director. He was re-designated as an Independent Non-executive Director, the Chairman of the Remuneration Committee, a member of the Audit Committee and the Nomination Committee of the Company with effect from 1 July 2017. Mr. Ede has extensive experience in financial and business management in multinational companies. He obtained his Bachelor degree in Business Administration from The University of Hawaii and a Master of Business Administration degree from The University of Washington. He is also a fellow member of the Institute of Singapore Chartered Accountants. Mr. Ede was appointed as Mindray Medical International Ltd's independent director and chairman of the audit committee in January 2017. Mr. Ede currently holds the position of executive director and chief financial officer of Innovent Biologics Inc. (a company listed on the Main Board of the Stock Exchange of Hong Kong Limited).

### 獨立非執行董事

勞同聲先生，50歲，本公司獨立非執行董事。勞先生於二零一零年十月加盟本集團。彼現分別為本公司審核委員會主席、薪酬委員會及提名委員會的成員。勞先生於香港及跨國公司財務管理及業務發展方面擁有廣泛經驗。勞先生於香港中文大學取得工商管理學士學位及於倫敦大學取得財務管理學碩士學位。彼亦是香港會計師公會及澳洲會計師公會會員。彼現任香港賽馬會公司財務管制主管。

**EDE, Ronald Hao Xi** 先生，60歲，本公司獨立非執行董事。EDE先生於二零一五年六月加盟本集團及被委任為非執行董事。於二零一七年七月一日起被調任為本公司獨立非執行董事、薪酬委員會主席、審核委員會以及提名委員會的成員。EDE先生於跨國公司財務及業務管理方面擁有廣泛經驗。彼於夏威夷大學(The University of Hawaii)取得工商管理學士學位及於華盛頓大學(The University of Washington)取得工商管理碩士學位。彼亦是新加坡特許會計師公會資深會員。EDE先生於二零一七年一月被委任為邁瑞醫療國際有限公司的獨立董事及審核委員會主席。EDE先生現任信達生物製藥(一間於香港聯合交易所有限公司主板上市公司)執行董事兼首席財務官。

### 董事及高級管理層履歷

**Ms. LAM, Ming Yee Joan**, aged 51, is an Independent Non-executive Director of the Company. Ms. Lam joined the group in May 2018. She is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company respectively. Ms. Lam earned her bachelor degree in accountancy from City University of Hong Kong. She is a certified public accountant in Hong Kong. Ms. Lam has extensive experience in the finance and accounting field, gained from major international financial institutions and listed company in Hong Kong.

#### SENIOR MANAGEMENT

**Mr. WU, Yi Jun**, aged 55, is the Financial Controller of the Group. Mr. Wu is responsible for the Group's financial management including financial planning, capital budgeting, execution of costing, budget planning and monitoring. Mr. Wu obtained a Bachelor degree of Accountancy from Nanjing Audit Institute (renamed as Nanjing Audit University in 2015). He attained economist and senior accountant qualification in the PRC. Mr. Wu has over thirty years' experience in auditing, budgeting, financial management, corporate banking, economic management and PRC's taxation regulations. Mr. Wu joined the Group in December 2002.

**林明儀女士**，51歲，本公司獨立非執行董事，林女士於二零一八年五月加盟本集團，彼現分別為本公司審核委員會、薪酬委員會及提名委員會的成員。林女士擁有香港城市大學會計學學士學位，彼亦是香港專業會計師。林女士曾於多家跨國金融機構及香港上市公司任職，擁有豐富的財務與會計管理經驗。

#### 高級管理層

**吳義俊先生**，55歲，本集團財務總監，負責本集團的財務管理包括財務策劃、資金規劃、成本核算、預算編制及監督工作。吳先生持有南京審計學院（於二零一五年更名為南京審計大學）會計學士學位，並持有經濟師和中國高級會計師資格。吳先生於審計、財政預算、財務管理、銀行借貸、經濟管理及中國稅務法規方面擁有超過三十年經驗。吳先生於二零零二年十二月加盟本集團。

The board of Directors (the “Board”) herein present their report and the audited financial statements of Dawnrays Pharmaceutical (Holdings) Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2018.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the subsidiaries are set out in note 1 to the financial statements. There were no significant changes in the nature of the Group’s principal activities during the year.

## DIVIDEND POLICY

The Company aims to provide its shareholders with a target annual dividend payout ratio between 25% to 50% of the profit after tax attributable to owners of the parent in any financial year subject to the following factors:

1. the Company’s actual and expected cash flow positions and financial performance;
2. projected capital expenditure, future expansion plans and growth opportunities;
3. the Group’s debts to equity ratio, return on equity and the relevant financial covenants;
4. general economic conditions and business cycle of the Group’s core business;
5. general expectation of shareholders and investors of the Company; and
6. any other factors that the Board deems appropriate.

The Board will declare dividends semi-annually. The payment of final dividend is subject to the approval of Shareholders and scrip dividend distribution option also may be provided for the election of the Shareholders in relation to the payment of final dividend in any financial year. This dividend policy and the declaration and/or payment of dividends under this policy are subject to the Board’s continuing determination that this dividend policy and the declaration and/or payment of dividends would be in the best interests of the Group and the Shareholders, and are in compliance with all applicable laws and regulations.

董事會(「董事會」)提呈其董事會報告及東瑞製葯(控股)有限公司(「本公司」)及其附屬公司(統稱「本集團」)截至二零一八年十二月三十一日止年度的經審核財務報表。

## 主要業務

本公司的主要業務為投資控股。附屬公司的主要業務詳情載列於財務報表附註1。本集團於年內的主要業務性質並無重大變動。

## 股息政策

本公司致力於任何財政年度為其股東派發約佔母公司擁有人除稅後溢利的25%–50%的年度派息比例，惟受限於以下因素：

1. 本公司的實際及預期現金流狀況及財務表現；
2. 預計資本開支、未來擴展計劃及增長機會；
3. 本集團負債權益比率、股本回報率及相關財務契約；
4. 整體經濟狀況及本集團核心業務的業務週期；
5. 本公司股東及投資者的整體期望；及
6. 董事會認為適當的任何其他因素。

董事會將每半年宣派股息。末期股息的派發須待股東批准，而本公司亦可能於任何財政年度就末期股息的派發提供以股代息分派選項以供股東選擇。董事會會持續審訂本股息政策以及根據本政策宣派及／或派發的股息，以確定本股息政策以及宣派及／或派發的股息符合本集團及股東的最佳利益，並遵守所有適用法律及法規。

### RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 December 2018 and the state of affairs of the Company and the Group at that date are set out in the audited financial statements on pages 69 to 197.

An interim dividend of HK\$0.015 and a special dividend of HK\$0.075 per ordinary share were paid on 11 October 2018. The Board recommends the payment of a final dividend of HK\$0.06 per ordinary share in respect of the year, to shareholders on the register of members on 29 May 2019. This recommendation has been incorporated in the financial statements as an allocation of retained profits within the equity section of the statement of financial position.

### BUSINESS REVIEW

Review of the Group's business for the year ended 31 December 2018 are presented in "Chairman's Statement" and "Management Discussion and Analysis" on pages 5 to 8 and pages 9 to 15 respectively. The "Financial Review" on pages 15 to 21 also includes an analysis of the Group's financial key performance indicators during the year. Future developments in the Group's business are disclosed in "Chairman's Statement" on pages 6 to 8 and "Management Discussion and Analysis" on pages 9 to 12.

The applicable discussion and analysis as cross-referenced above shall form an integral part of this Report of the Directors.

### EVENTS AFTER THE REPORTING PERIOD

In order to enhance the Group's R&D, production and selling ability, diversify the product lines and improve the future profitability of the Group, the Group entered into a framework agreement with "Supper Fort Holdings Limited", an independent third party, on 27 February 2019 after the reporting period, in respect of the acquisition of the entire issued share capital of TOP FIELD LIMITED, the target company, at a consideration of HK\$438 million (subject to adjustment), subject to the formal sale and purchase agreement.

### 業績及股息

本集團截至二零一八年十二月三十一日止年度的溢利及本公司及本集團於該日的財務狀況，載於經審核財務報表第69至197頁。

每股普通股港幣0.015元的中期股息及港幣0.075元的特別股息已於二零一八年十月十一日派發。董事會建議向於二零一九年五月二十九日名列股東名冊的股東支付末期股息每股普通股港幣0.06元。有關建議已列入財務報表，並以分配保留溢利的形式計入財務狀況表內權益一節中。

### 業務回顧

本集團截至二零一八年十二月三十一日止年度的業務回顧，分別載於「主席報告」第5至8頁及「管理層討論與分析」第9至15頁。「財務回顧」第15至21頁亦包括了本年度本集團主要財務表現指標的分析。本集團的未來發展於「主席報告」第6至8頁及「管理層討論與分析」第9至12頁披露。

上述互相參照之適用討論及分析是本董事會報告書的組成部分。

### 報告期後事項

為增強本集團研發、生產、銷售能力，豐富產品線，提高集團未來盈利能力，於期後二零一九年二月二十七日，本集團與獨立第三方「興安豐盛投資有限公司」訂立框架協定，擬投資港幣4.38億元(可予調整)收購目標公司TOP FIELD LIMITED的全部已發行股本，惟受限於達成正式買賣協議。

In order to maintain continuous and sound development of the Group's businesses, expanding its business scope and increasing new sources of profit, it sought external sources and carried out business cooperation. On 15 March 2019 after the reporting period, Suzhou Dawnrays Pharmaceutical Co., Ltd., a subsidiary of the Group, signed an agreement with Guangzhou Huaqi Yixin Technology Co., Ltd. (廣州華啟醫信科技有限公司) and Zhuhai Changze Ruide Technology Enterprise (珠海長澤睿德科技企業) (limited partnership) (both independent third parties), in respect of the establishment of Nanjing PharmaRays Science and Technology Ltd. (tentative name), a R&D-oriented joint venture company, in order to build a new research and development platform which operates independently, and focus on new drug products which are developed, using new technologies of drug delivery systems, so as to meet the market demand for drugs in innovative dosage forms. The registered capital of such company was RMB50 million, which was owned as to 65% by Suzhou Dawnrays Pharmaceutical Co., Ltd.

## PRINCIPAL RISKS AND UNCERTAINTIES

Details about the Group's financial risk management objectives and policies are disclosed in Note 35 to the financial statements. The following risks and uncertainties may affect the results and business operations of the Group, some of which are inherent to pharmaceutical sector and some are from external sources.

### (1) DRUG APPROVAL PROCESS IN RELATION TO PRODUCTS UNDER DEVELOPMENT

The actual timing of the market launch of products under development could vary significantly from our estimates due to a number of factors including delays or failures in our pre-clinical studies or clinical trials, the lengthy approval process and the uncertainties in the outcome of regulatory approval process. If any of the necessary approvals in relation to products under development is delayed or not obtained, this could adversely affect the timing of the market launch of the products. The Group is committed to investing in research and development of new drugs in order to ensure a rich product pipeline.

為保持本集團業務能持續健康的向前發展，拓展本集團的業務範圍和增加新的盈利點，本集團尋求外部資源，開展業務合作。於期後二零一九年三月十五日，本集團子公司蘇州東瑞製藥有限公司與獨立第三方廣州華啟醫信科技有限公司和珠海長澤睿德科技企業(有限合夥)簽訂合資成立研發型公司南京福美瑞信科技有限公司(暫名)之協議。以開闢新的獨立自主運營的研發平台，專注利用給藥系統新技術研發新的藥物產品，滿足市場對創新型劑型藥物的需求。該公司註冊資金為人民幣5,000萬元。蘇州東瑞製藥有限公司佔65%股份。

### 主要風險及不確定性

本集團的金融風險管理目標及對策載於財務報表附註35。下列之風險及不確定性可能會影響本集團之業績及業務經營，部份因素屬醫藥行業固有，部份則來自外界來源。

### (1) 有關開發中產品之藥品批准

開發中產品上市之實際時間可能由於多項因素而與本集團預期之時間存在重大差異，包括臨床前研究或臨床試驗延遲或失敗，審批流程需時及監管批准過程結果之不確定性。倘任何開發中產品須取得之必要批准有所延誤或未能獲取，將影響該等產品上市之實際時間。本集團致力投資於研發新藥品以確保擁有豐富的在研產品線。

### (2) TENDER AND PRICE CONTROL

In each province where we market our products, the Group has to participate in a government-led tender process every year or every few years. In the event that the Group fails to win the tender in a provincial tender process, the sale of the Group's products to public hospitals in such province will be prohibited and the Group will lose market share in such province. In addition, certain new methods have been recently adopted in the provincial tender process, which may exert further downward pressure against the price of pharmaceutical products and the Group's market share, revenue and profitability may be adversely affected. The Group has a team of staff monitoring and handling the drug tenders with the objective of winning the tenders for the Group's products at a desirable price level.

### (3) HEALTHCARE REFORM IN CHINA

The healthcare system in the PRC is undergoing a crucial reform period, where laws, regulations and policies in effect governing the medical, healthcare and pharmaceutical industry are constantly evolving. New policies implementation may have material effects to the Group. It may also incur significant costs, divert the resources and attention of the management and thus leading to more uncertainties and risks in respect of the Group's business and operation.

### (2) 招標及價格控制

在本集團營銷產品的各個省份，本集團須每年參與或每隔幾年參與政府主導的招標程序。倘本集團未能在某個省級招標程序中中標，本集團的產品將不能銷售至該省份的公立醫院，本集團也將會失去該省份的市場份額；另外，最近省級招標過程中採用若干新方法，可能對醫藥產品價格造成進一步下調的壓力。這對本集團的市場份額、收入及盈利能力可能會有不利影響。本集團擁有一隊監督及處理藥品招標之隊伍，負責為本集團產品爭取以理想之價格水平中標。

### (3) 中國醫療改革

中國當前處於醫療體制改革關鍵時期，很多監管醫療保健及製藥業的法律、法規或執行政策正在發展且經常變更。新政策推行均可能對本集團造成重大影響，也可能產生高昂費用、分散資源及管理層注意力，因而使本集團的業務及營運面臨的不確定因素及風險增加。

## ENVIRONMENTAL POLICIES AND PERFORMANCE

The Board is well aware of the importance of environmental protection on the Group's sustainability and stable development. The Group strives to improve product quality while achieving the best balance between cost control and environmental protection, devotes to be a resource-saving and environment-friendly enterprise with low energy and resources consumption and low level of discharge on wastages. The Group has established an environmental management system to promote clean production, to reduce pollution and to reduce the risk of environmental accidents. The Group also evaluates environmental and social risks of its suppliers on a regular basis to ensure the safety of its supply chains.

## 環保政策及表現

董事會非常瞭解環境保護對本集團持續穩定發展的重要性。本集團力求在提高產品品質的同時在成本控制及環境保護之間取得最佳平衡，致力成為能源資源消耗少、污染物排放低、節約資源及保護環境的企業。本集團通過環境管理體系的建立，推行清潔生產，減少污染，降低環境事故風險，亦定期評估供應商的环境和社會風險，以確保其供應鏈安全。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The environmental, social and governance report of the Company prepared in accordance with Appendix 27 of the Listing Rules will be announced on The Stock Exchange of Hong Kong Limited and the Company's website within three months after the publication of the annual report of the Company.

## COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

As far as the directors and management are aware, for the year ended 31 December 2018, the Group has complied in all material respects with the relevant laws and regulations that have a significant impact on the business and operations of the Group.

## KEY RELATIONSHIPS

### (1) EMPLOYEES

Being people-oriented, the Group ensures all staff are reasonable remunerated and also continues to improve and regularly review and update its policies on remuneration and benefits, training, occupational health and safety. The staff and remuneration policy are presented in "Management Discussion and Analysis" on page 21.

### (2) SUPPLIERS

The Group has established a supplier management system to handpick suppliers through a screening and evaluation process based on quality and price. Furthermore, the Group also carries out field audit on its suppliers when necessary, with a view to make endeavor to ensure its suppliers are equipped to provide guarantees on quality, as well as safety and other environmental issues that require managerial skills. Such audit cover a number of areas, including productivity, technical standards, quality assurance, supply capability, as well as safety and environmental management credentials.

## 環境、社會及管治報告

根據上市規則附錄27編製的本公司環境、社會及管治報告將於本公司年報刊發後三個月內在香港聯合交易所有限公司及本公司網站上公佈。

## 遵守相關法律及規例

就董事及管理層所知，截至二零一八年十二月三十一日止年度，本集團已遵守對本集團業務及營運有重大影響之相關法律及規例。

## 重要關係

### (1) 僱員

本集團以人為本，給予僱員合理待遇，同時為挽留人才不斷完善薪酬福利、培訓、職業健康與安全等制度，並定期檢討更新。本集團的僱員及薪酬政策載於「管理層討論與分析」第21頁。

### (2) 供應商

本集團建立了供應商管理制度，通過品質、價格對供應商篩選及評估以挑選供應商。此外，為求致力確保供應商在品質保證、安全及其他環境管理等方面的能力，本集團按需要到供應商現場調查，對其生產能力、技術水準、品質保證能力、供貨能力、安全環境管理資質等方面進行實地審查。



### (3) DISTRIBUTORS

The Group sells some of products to customers through third-party distributors. The Group works closely with distributors to ensure that the Group shares the view for upholding brand value and customer services, specifically focusing on attracting and retaining customers in order to drive sales growth. The Group also requires distributors to comply with the Group's policies and promotional activities standards. The Group also monitors the financial condition and repayment history of distributors.

### (4) CUSTOMERS

The Group maintains a good relationship with its customers and constantly endeavours to deliver quality products and services to its customers. The Group also directs dedicated efforts to deal with complaints about relevant products and has established relevant processes to handle complaints. In addition the Group has assigned staff to investigate customers' complaint cases and provide timely feedbacks in order to safeguard customers' benefits.

## CORPORATE GOVERNANCE

Details of the Company's corporate governance practices are set out in the Corporate Governance Report on pages 22 to 38 of the annual report.

## EMOLUMENT POLICY

The Group's emolument policy bases on the market practice, the qualification, duties and responsibilities of Directors and employees. Other fringe benefits, including defined contribution retirement schemes, share option scheme and medical cover are also provided.

## REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors and five highest paid individuals during the year are set out in notes 7 and 8 to the financial statements.

### (3) 分銷商

本集團透過第三方分銷商向客戶出售部份產品。本集團與分銷商合作緊密，以確保本集團於提升品牌價值及客戶服務方面(尤其是專注於吸引和維繫顧客以促進銷售增長)之觀點一致。本集團要求分銷商遵守本集團的政策及推廣活動標準，亦會監察分銷商之財務狀況及還款紀錄。

### (4) 客戶

本集團與顧客關係良好，不斷致力為客戶提供優質產品及服務，對有關產品的投訴更是高度重視，並已制定處理投訴機制，公司設有專責人員對投訴事件進行調查，並對客戶提供及時回饋，保障客戶利益。

## 企業管治

本公司之企業管治常規詳情載於年報第22至38頁之企業管治報告內。

## 薪酬政策

本集團的薪酬政策是參照市場慣例、董事及員工的資歷、職務及責任釐訂。另提供其他福利包括定額供款退休計劃、購股權計劃及醫療福利。

## 董事及五名最高薪人士之酬金

年內，董事及五名最高薪人士之酬金詳情載於財務報表附註7及附註8。

## SUMMARY OF FINANCIAL INFORMATION

A summary of the published results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements, is set out on page 198. This summary does not form part of the audited financial statements.

## DONATION

During the year, the Group made charitable donation amounting to RMB658,000.

## PROPERTY, PLANT AND EQUIPMENT AND LAND USE RIGHTS

Details of movements in property, plant and equipment and land use rights of the Company and the Group during the year are set out in notes 13 and 14 to the financial statements, respectively.

## INTEREST-BEARING BANK LOANS

The Group did not have interest-bearing bank loans as at 31 December 2018.

## SHARE CAPITAL

On 3 August 2018, the Shareholders in the extraordinary general meeting approved sub-division of each of the issued and unissued ordinary shares of par value of HK\$0.10 of the Company into two sub-divided share of par value of HK\$0.05 each in the share capital of the Company with effect from 6 August 2018.

Details of movements in share capital of the Company during the year are set out in note 28 to the financial statements.

## PRE-EMPTIVE RIGHTS

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

## 財務資料概要

節錄自本集團最近五個財政年度已公佈的經審核財務報表的已公佈業績、資產及負債概要載於第198頁。該概要並不構成經審核財務報表的部分。

## 捐款

年內，本集團的慈善捐款為人民幣658,000元。

## 物業、廠房及設備及土地使用權

本公司及本集團於年內的物業、廠房及設備及土地使用權的變動詳情，分別載於財務報表的附註13及14。

## 計息銀行貸款

本集團於二零一八年十二月三十一日沒有計息銀行貸款。

## 股本

於二零一八年八月三日的特別股東大會上，本公司股東批准本公司每股面值港幣0.10元之已發行及未發行普通股股份拆細為兩股本公司股本中每股面值港幣0.05元之拆細股份。

本公司之股本於本年度之變動載於財務報表附註28。

## 優先購買權

本公司的公司組織章程細則或開曼群島法律並無有關優先購買權的條文，規定本公司須按比例提呈發售新股予現有股東。

## 董事會報告

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

During the year, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities for the year ended 31 December 2018.

### RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in consolidated statement of changes in equity and note 30 to the financial statements.

### DISTRIBUTABLE RESERVES

At 31 December 2018 the Company's reserves available for distribution amounted to RMB240,959,000, of which RMB81,450,000 has been proposed as a final dividend for the year. Under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, the share premium account of the Company of approximately RMB26,160,000 as at 31 December 2018 is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business. The share premium account may also be distributed in the form of fully paid bonus shares.

### MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for 18.16% of the total sales for the year and sales to the largest customer included therein amounted to 4.89%. Purchases from the Group's five largest suppliers accounted for 21.57% of the total purchases for the year and purchases from the largest supplier included therein amounted to 2.95%.

None of the Directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or suppliers.

### 購買、贖回或出售本公司上市證券

截至二零一八年十二月三十一日止年度內，本公司或其任何附屬公司概無購買、贖回或出售任何本公司上市證券。

### 儲備

本公司及本集團於年內的儲備變動詳情，載於綜合權益變動表及財務報表附註30。

### 可供分派儲備

本公司於二零一八年十二月三十一日的可供分派儲備達人民幣240,959,000元，其中建議人民幣81,450,000元用作宣派年內的末期股息。根據開曼群島公司法（一九六一年第三卷，經綜合及修訂）第二十二章，本公司於二零一八年十二月三十一日可供分派予本公司股東的股份溢價賬約人民幣26,160,000元，惟本公司須於緊接建議派發股息當日後，本公司有能力清償其於一般業務過程中到期的債務。股份溢價賬亦可以繳足紅股的方式分派。

### 主要客戶及供應商

於回顧年內，向本集團五大客戶的銷售額佔銷售總額的18.16%，而向其中最大客戶的銷售額則佔4.89%。向本集團五大供應商的採購額佔年內採購總額的21.57%，而向其中最大供應商的採購額則佔2.95%。

本公司董事或其任何聯繫人或任何股東（據董事所知，擁有本公司已發行股本逾5%權益）於本集團五大客戶或供應商中並無擁有任何實益權益。

## DIRECTORS

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

### EXECUTIVE DIRECTORS

Ms. Li Kei Ling  
Mr. Hung Yung Lai  
Mr. Li Tung Ming (resigned on 23 February 2018)  
Mr. Chen Shaojun (appointed on 8 January 2018)

### NON-EXECUTIVE DIRECTOR

Mr. Leung Hong Man

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Choi Tat Ying Jacky (retired on 24 May 2018)  
Mr. Lo Tung Sing Tony  
Mr. Ede, Ronald Hao Xi  
Ms. Lam Ming Yee Joan (appointed on 25 May 2018)

In accordance with the article 87 of the Company's articles of association (the "Articles"), Ms. Li Kei Ling and Mr. Ede, Ronald Hao Xi will retire by rotation and being eligible, offer themselves for re-election at the forthcoming annual general meeting ("AGM").

As Ms. Lam Ming Yee Joan was appointed as an Independent Non-executive Director by the Board since 25 May 2018 pursuant to article 86(3) of the Articles, she will retire from office at the forthcoming AGM, and being eligible offer herself for re-election.

The Company has received annual confirmations of independence from Mr. Lo Tung Sing Tony, Mr. Ede, Ronald Hao Xi and Ms. Lam Ming Yee Joan and as at the date of this report still considers them to be independent.

## DIRECTORS' AND KEY MANAGEMENT'S BIOGRAPHIES

The Board considers the executive directors of the Company, CEO and the financial controller are the key management personnel of the Group.

Biographical details of the Directors of the Company and the financial controller are set out on pages 39 to 42 of the annual report.

## 董事

本公司於年內及截至本報告刊發之日止的董事如下：

### 執行董事

李其玲女士  
熊融禮先生  
李東明先生(於二零一八年二月二十三日辭任)  
陳紹軍先生(於二零一八年一月八日被委任)

### 非執行董事

梁康民先生

### 獨立非執行董事

蔡達英先生(於二零一八年五月二十四日退任)  
勞同聲先生  
EDE, Ronald Hao Xi先生  
林明儀女士(於二零一八年五月二十五日被委任)

根據本公司公司組織章程細則(「組織章程細則」)第87條，李其玲女士及EDE, Ronald Hao Xi先生將於應屆股東週年大會(「股東週年大會」)上輪席告退，並符合資格願膺選連任。

由於林明儀女士是根據組織章程細則第86(3)條於二零一八年五月二十五日起獲董事會委任為獨立非執行董事，彼將於應屆股東週年大會上告退，及符合資格願膺選連任。

本公司已取得勞同聲先生、EDE, Ronald Hao Xi先生及林明儀女士的年度獨立確認書，並於本報告刊發之日仍視彼等為獨立人士。

## 董事及主要管理層履歷

董事會認為本公司執行董事、總裁及財務總監均為本集團主要管理人員。

本公司董事及財務總監的履歷詳情載於年報第39至42頁。

### DIRECTORS' SERVICE CONTRACTS

Ms. Li Kei Ling entered into a service contract with the Company for a term of two years which commenced on 1 July 2003. Ms. Li's service contract was renewed for a term of three years which commenced on 1 July 2005 and will continue thereafter for successive terms of three years. Her appointment is subject to termination by either party giving not less than three months' written notice. Ms. Li is currently entitled to director's fee and other remuneration from the Group totally HKD1,162,800 per year.

Mr. Hung Yung Lai entered into a service contract with the Company for a term of two years which commenced on 1 July 2003. Mr. Hung's service contract was renewed for a term of three years which commenced on 1 July 2005 and will continue thereafter for successive terms of three years. His appointment is subject to termination by either party giving not less than three months' written notice. Mr. Hung is currently entitled to director's fee and other remuneration from the Group totally HKD742,800 per year.

Mr. Chen Shaojun entered into a service contract with the Company for a term of two years which commenced on 8 January 2018. His appointment is subject to termination by either party giving not less than two months' written notice. Mr. Chen is currently entitled to director's fee and other remuneration from the Group totally HKD1,818,000 and a discretionary bonus payable at the absolute discretion of the Board from time to time.

Mr. Leung Hong Man entered into a letter of appointment with the Company for a term of two years which commenced on 1 November 2005 and will continue thereafter for successive terms of two years. Mr. Leung is currently entitled to a basic annual remuneration of HK\$300,000. Mr. Leung's appointment is subject to termination by either party giving not less than one month's written notice. Save for the above director's fee, Mr. Leung is not entitled to any other remuneration.

### 董事服務合約

李其玲女士與本公司簽訂服務合約，由二零零三年七月一日開始為期兩年。李女士的服務合約於二零零五年七月一日獲續約三年，其後每次續期三年，其委任可由任何一方發出不少於三個月書面通知書予以終止。李女士目前於本集團有權享有董事袍金及其他酬金每年共港幣1,162,800元。

熊融禮先生與本公司簽訂服務合約，由二零零三年七月一日開始為期兩年。熊先生的服務合約由二零零五年七月一日開始獲續約三年，其後每次續期三年，其委任可由任何一方發出不少於三個月書面通知書予以終止。熊先生目前於本集團有權享有董事袍金及其他酬金每年共港幣742,800元。

陳紹軍先生與本公司訂立服務合約，由二零一八年一月八日開始為期兩年。其委任可由任何一方發出不少於二個月書面通知書予以終止。陳先生目前於本集團有權享有董事袍金及其他酬金每年共港幣1,818,000元及董事會不時酌情發放的花紅。

梁康民先生與本公司訂立委任函，由二零零五年十一月一日開始為期兩年，其後每次續期兩年，梁先生現時享有年度酬金港幣300,000元。梁先生的委任均可於任何一方發出不少於一個月書面通知書予以終止。除上述董事袍金外，梁先生並無享有任何其他酬金。

Mr. Lo Tung Sing Tony entered into a letter of appointment with the Company for a term of two years which commenced on 1 October 2010 and will continue thereafter for successive terms of two years. Mr. Ede, Ronald Hao Xi entered into a letter of appointment with the Company for a term of two years commenced on 15 June 2015 and renewed on 15 June 2017 for a term of two years. As Mr. Ede was re-designated as independent non-executive director, he entered into a new letter of appointment with the Company for a term of two years commenced on 1 July 2017. Ms. Lam Ming Yee Joan entered into a letter of appointment with the Company for a term of two years which commenced on 25 May 2018 and will continue thereafter for successive terms of two years. Each of Mr. Lo's, Mr. Ede's and Ms. Lam's appointment is respectively subject to termination by either party giving not less than one month's written notice. Each of Mr. Lo, Mr. Ede and Ms. Lam is currently entitled to an annual remuneration of HK\$360,000. Save for the above directors' fees, the three Independent Non-executive Directors are not entitled to any other remuneration.

No Director proposed for re-election at the forthcoming AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

## DIRECTORS' INTERESTS IN CONTRACTS

No Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group. There was no contract of significance between the Group, its controlling shareholder or any of its subsidiaries during the year.

## MANAGEMENT CONTRACTS

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

勞同聲先生與本公司訂立委任函，由二零一零年十月一日開始為期兩年，其後每次續期兩年。EDE, Ronald Hao Xi先生於二零一五年六月十五日與本公司訂立為期兩年的委任函並於二零一七年六月十五日續期兩年，因EDE先生被調任為獨立非執行董事，彼與本公司重新簽訂由二零一七年七月一日開始為期兩年的委任函。林明儀女士與本公司訂立委任函，由二零一八年五月二十五日開始為期兩年。勞先生、EDE先生及林女士的委任均可分別於任何一方發出不少於一個月書面通知書予以終止。勞先生、EDE先生及林女士現時各自享有年度酬金港幣360,000元。除上述董事袍金外，三名獨立非執行董事並無享有任何其他酬金。

擬於應屆股東週年大會上再獲推選的董事，並無與本公司訂立不可於一年內免賠償(除法定賠償外)予以終止的服務合約。

## 董事於合約的權益

概無董事於對本集團業務屬重大的任何合約中直接或間接擁有重大權益。於年內本集團、其控股股東或其任何附屬公司之間並無任何重大合約。

## 管理合約

於年內，概無訂立或存在任何有關處理及管理本公司全部業務或業務的重要部份的合約。

### COMPETITION AND CONFLICT OF INTERESTS

According to the Company's competition and conflict of interest policy, a board member's serving as a director and/or officer of an entity that competes with the Group's business is involving a conflict of interest. A director involves in such kind of conflict of interest shall not be present in the meeting and participate in or be permitted to hear the board's discussion of related matters. A director who has a conflict of interest with respect to a contract or transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote.

Mr. EDE Ronald Hao Xi (Mr. EDE), an independent non-executive director of the Company, has been serving as executive director and chief financial officer of a listed company in Hong Kong. Part of that listed company's business is competing with the business of the Group's associate and so Mr. EDE is involving a conflict of interest under the Group's competition and conflict of interest policy. To avoid such a possible conflict, during the year under review, upon agreement with Mr. EDE, he was not present in meetings when the board discussed, decided and voted on the matters and business with respect to the Group's associate.

Except abovementioned, in the opinion of the Directors, none of the Directors, the substantial shareholders of the Company and any of their respective close associates has engaged in any businesses that competes or may compete, either directly or indirectly with the business of the Group or has any other conflict of interests with the Group during the year under review which are required to be disclosed under the Listing Rules.

### PERMITTED INDEMNITY PROVISION

Pursuant to the Articles, every Director is entitled to be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he may sustain or incur in or about the execution and/or discharge of his duties and/or the exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or offices, to the extent as permitted by laws.

The Company has acquired insurance coverage on Directors' and officers' liabilities which provides certain indemnities against liabilities incurred in respect of any legal actions which may be taken against Directors and officers in the execution and discharge of their duties or in relation thereto.

### 競爭及利益衝突

根據本公司競爭及利益衝突政策，董事會成員擔任一間與本集團有競爭業務之企業的董事及／或高級管理人是涉及利益衝突。董事如涉及此等利益衝突時將不會出席會議及參與或被准許聆聽董事會討論有關事項。董事如與將會在會議上投票的合約或交易有利益衝突時，將不會被計入以投票為目的出席的法定人數中。

EDE, Ronald Hao Xi先生(EDE先生)，本公司獨立非執行董事，擔任另一間於香港上市的公司的執行董事及首席財務官。該上市公司的部份業務正與本集團之聯營公司之業務競爭，因此根據本公司競爭及利益衝突政策，EDE先生涉及利益衝突。為避免該等可能發生的衝突，於回顧年內，經與EDE先生協定，董事會就本集團的聯營公司的事項或業務需討論、決定及投票時，EDE先生沒有出席會議。

除上述披露外，董事認為，本公司董事、主要股東及彼等各自任何緊密聯繫人，概無於本年度內從事任何與本集團業務構成或可能構成直接或間接競爭的業務，或與本集團出現任何其他利益衝突，而須根據上市規則予以披露。

### 獲准許的彌償條文

根據組織章程細則，在法律容許的範圍內，各董事有權從公司的資產中按其可能產生或就或因其執行及／或履行職務及／或行使其權力時所產生及／或與其職責、權力或職務有關的所有成本、費用、開支、虧損及負債獲得彌償。

本公司已為董事及行政人員購買責任保險，為彼等因履行其職責或相關事宜時可能要承擔的法律責任提供若干彌償。

## EQUITY-LINKED AGREEMENTS

Details of the equity-linked agreements entered into during the year or subsisting at the end of the year are set out below:

### SHARE OPTION SCHEME

After the expiry of the Company's 2003 share option scheme, the Company adopted another share option scheme which was approved by the shareholders at the annual general meeting on 24 May 2013 and was effective on 21 June 2013 (the "2013 Share Option Scheme" or "Scheme"). The Scheme will remain in force for 10 years from the effective date until 20 June 2023 with purpose of providing incentives and rewards to eligible persons (including the Company's directors, independent non-executive directors, employees of the Group and other eligible participants as defined under the 2013 Share Option Scheme) who contribute to the success of the Group's operations. As Share Sub-division approved by the shareholders of the Company already became effective on 6 August 2018, the figures have also been adjusted on the assumption that the Share Sub-division had been effective from the beginning of the year. The number and exercise price of share options and the closing price of the Company's shares at immediate date before the grant as at 1 January 2018 are adjusted. The detailed disclosures relating to the Scheme including the purposes and the eligible participants of the Scheme and valuation of options are set out in Note 29 to the financial statements. The total number of shares available for issue under the Scheme is 158,956,800 shares which representing approximately 10.02% of the issued share capital of the Company at the date of this annual report.

## 股票掛鈎協議

於年內曾訂立或年終仍存在之股票掛鈎協議詳情載列如下：

### 購股權計劃

自本公司二零零三購股權計劃屆滿後，本公司採納另一個於二零一三年五月二十四日之股東週年大會上獲股東批准並於二零一三年六月二十一日生效的購股權計劃（「二零一三購股權計劃」或「該計劃」），該計劃由生效日起計十年內有效直至二零二三年六月二十日止。旨在對本集團業務成就作出貢獻的合資格參與者（包括本公司的董事、獨立非執行董事、本集團的僱員及根據二零一三購股權計劃所界定的其他合資格參與者）的激勵及獎勵。由於經本公司股東批准的股份拆細已於二零一八年八月六日生效，比較數字為假設股份拆細已於年初生效而作出調整。故於二零一八年一月一日購股權數目及購股權行使價及緊接授出購股權前一天本公司股份收市價格已作出調整。有關該計劃的詳情包括該計劃的目的與合資格參與者及購股權的估值載於財務報表附註29。於本報告日，根據該計劃可予發行的股份總數為158,956,800股，約佔本公司已發行股份的10.02%。



# Report of the Directors

## 董事會報告

Movements of Company's share options under the Scheme during the year were as follows:

於年內，該計劃中的本公司購股權變動如下：

Name or category of participant	參與者名稱或類別	Number of share options 購股權數目				At 31 December 2018 於二零一八年十二月三十一日	Date of grant of share options (a) (dd/mm/yy) 授出購股權日期 (a) (日/月/年)	Exercise period of share options (dd/mm/yy) 購股權行使期間 (日/月/年)	Exercise price of share options (b) 購股權行使價 (b) HK\$ 港幣	Closing price of the Company's shares at immediate date before the grant (c) 緊接授出購股權前一天本公司股份收市價格 (c) HK\$ 港幣
		At 1 January 2018 於二零一八年一月一日	Granted during the year 年內已授出	Exercised during the year 年內已行使	Lapsed during the year (d) 年內已失效 (d)					
<b>Chief Executive Officer</b> Mr. Chen Shaojun (e)	總裁 陳紹軍先生 (e)	6,000,000	-	-	-	6,000,000	08/01/15	08/01/16-07/01/21	2.575	2.485
		6,000,000	-	-	-	6,000,000	18/03/15	18/03/16-17/03/21	2.635	2.575
		4,000,000	-	-	-	4,000,000	16/04/15	16/04/16-15/04/21	3.670	3.585
		16,000,000	-	-	-	16,000,000				
<b>Other employees</b> In aggregate	其他僱員 總計	2,000,000	-	-	-	2,000,000	17/09/14	17/09/15-16/09/20	3.220	3.035
		5,800,000	-	-	-	5,800,000	08/01/15	08/01/16-07/01/21	2.575	2.485
		8,000,000	-	-	(200,000)	7,800,000	16/04/15	16/04/16-15/04/21	3.670	3.585
		2,800,000	-	-	-	2,800,000	23/11/15	23/11/16-22/11/21	3.190	3.185
		3,000,000	-	-	-	3,000,000	11/05/16	11/05/17-10/05/22	3.170	3.145
		2,400,000	-	-	(2,400,000)	-	08/09/16	08/09/17-07/09/22	2.830	2.780
		12,000,000	-	-	(700,000)	11,300,000	29/11/17	29/11/18-28/11/23	2.125	2.095
		36,000,000	-	-	(3,300,000)	32,700,000				
52,000,000	-	-	(3,300,000)	48,700,000						

- (a) The vesting period of the share options is from the date of the grant until the commencement of the exercise period. (a) 購股權的歸屬期為授出日期至行使期開始為止。
- (b) The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital. (b) 倘進行供股或發行紅股或本公司股本出現其他類似變動，則購股權的行使價須予以調整。
- (c) The price of the Company's shares disclosed as at immediate date before the grant of the share options is the Stock Exchange closing price on the trading day immediately prior to the date of grant of the options. (c) 於授予購股權前一天所披露的本公司股份價格為緊接授予購股權當日前一個交易日的聯交所收市價。
- (d) Options lapsed in accordance with the terms of the Scheme due to resignation of employees. (d) 基於僱員辭任職務，購股權根據計劃的條款而予以失效。

(e) Mr. Chen Shaojun was appointed as chief executive officer of the Company on 18 April 2016 and then was appointed as executive director of the Company on 8 January 2018. Mr. Chen Shaojun was granted totally 8,000,000 share options in 2015. The total number of share options granted to Mr. Chen was adjusted to 16,000,000 share options after Share Sub-division representing approximately 1.01% of the issued share capital of the Company at the date of this report, which exceeds the rule “the maximum number of shares issuable under share options to each eligible person in the Scheme is limited to 1% of the shares of the Company issue at any time” of the Scheme. This is due to the Company repurchased shares and cancelled in 2017 resulted in the issued share capital of the Company decreased.

During the year, no options granted under 2013 Share Option Scheme were exercised by any director or any employees or were cancelled.

#### DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2018, the interests and short positions of the Directors and Chief Executive Officer in the shares or underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

(e) 陳紹軍先生於二零一六年四月十八日起被委任為本公司總裁並於二零一八年一月八日被委任為本公司執行董事。陳紹軍先生於二零一五年被授予共8,000,000股購股權。陳先生被授予的購股權總數於股份拆細後調整為16,000,000股購股權約佔本報告日本公司已發行股份的1.01%，超過該計劃條款「該計劃每位合資格參與者的購股權的可予發行最高股份數目，以本公司於任何時間的已發行股份1%為限」的規定。此乃由於本公司於二零一七年購回股份並註銷，使本公司已發行股份減少所致。

於年內，本公司沒有註銷，亦沒有任何董事或員工行使根據二零一三購股權計劃授出之購股權。

#### 董事及總裁於股份及相關股份的權益及淡倉

於二零一八年十二月三十一日，董事及總裁於本公司或其相聯法團（定義見證券及期貨條例（「證券及期貨條例」第XV部）的股本、相關股份及債券中，擁有記錄於本公司根據證券及期貨條例第352條存置的登記冊，或根據上市公司董事進行證券交易的標準守則須知會本公司及聯交所的權益及淡倉載列如下：

# Report of the Directors

## 董事會報告

Long positions in ordinary shares of the Company:

於本公司普通股中的好倉：

### Number of ordinary shares held, capacity and nature of interest (a) 持有的股份數目、身份及權益性質 (a)

Name 名稱	Notes 附註	Directly beneficially owned 直接實益擁有	Share Option granted 獲頒授的購股權	Through controlled corporation 通過控制公司持有	Total 總數	Approximate percentage of the Company's issued share capital (%) 約佔本公司 已發行股本的 百分比 (%)
<b>Directors</b>						
<b>董事</b>						
Ms. Li Kei Ling 李其玲女士	(b)	101,419,000	–	588,144,000	689,563,000	43.47
Mr. Hung Yung Lai 熊融禮先生	(b)	624,000	–	588,144,000	588,768,000	37.11
Mr. Leung Hong Man 梁康民先生	(c)	–	–	100,000,000	100,000,000	6.30
Mr. Chen Shaojun 陳紹軍先生	(d)	6,136,000	16,000,000	–	22,136,000	1.40

Long positions in shares and underlying shares of associated corporation:

於相聯法團股份及相關股份中的好倉：

Name of Director 董事名稱	Name of associated corporation 相聯法團名稱	Relationship with the Company 與本公司的關係	Number of Ordinary shares 持有普通 股份數目	Capacity and nature of interest 身份及權益性質	Approximate percentage of the associated corporation's issued share capital (%) 約佔相聯法團 已發行股本的 百分比 (%)
Ms. Li Kei Ling 李其玲女士	Fortune United Group Limited	the Company's holding company 本公司的控股公司	2	Through a controlled corporation 通過一間控制公司	50
Mr. Hung Yung Lai 熊融禮先生	Fortune United Group Limited	the Company's holding company 本公司的控股公司	2	Through a controlled corporation 通過一間控制公司	50

## Notes:

- (a) As Share Sub-division approved by the shareholders of the Company already became effective on 6 August 2018, the figures have also been adjusted on the assumption that the Share Sub-division had been effective from the beginning of the year.
- (b) 588,144,000 shares of the Company are held by Fortune United Group Limited, a company incorporated in the British Virgin Islands. Keysmart Enterprises Limited, which is wholly-owned by Ms. Li Kei Ling, and Hunwick International Limited, which is wholly-owned by Mr. Hung Yung Lai, are each beneficially interested in 50% of the share capital of Fortune United Group Limited.
- (c) 100,000,000 shares of the Company are held by Toyo International Investment Limited, a company incorporated in Hong Kong. Mr. Leung Hong Man and Mr. Leung Yiu Sing are each beneficially interested in 50% of the share capital of Toyo International Investment Limited.
- (d) 6,136,000 shares of the Company are directly beneficially owned by Mr. Chen Shaojun and 16,000,000 underlying shares are the share options granted to him under the share option scheme of the Company. Mr. Chen is deemed to be interested in the shares which will be issued to him upon his exercise of options, representing approximately 1.01% of the Company's issued share capital as at the date of this report.

Save as disclosed above, as at the date of this report, none of the Directors or Chief Executive Officer had registered an interest or short position in the shares or underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the heading "Share option scheme", "Directors' and Chief Executive Officer's interests and short positions in shares and underlying shares" above and in the share option scheme disclosures in note 29 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

## 附註：

- (a) 由於經本公司股東批准的股份拆細已於二零一八年八月六日生效，數份數目為假設股份拆細已於年初生效而作出調整。
- (b) 588,144,000 股本公司股份由一家於英屬維爾京群島註冊成立的公司 Fortune United Group Limited 所持有。Fortune United Group Limited 的股本由李其玲女士全資擁有的 Keysmart Enterprises Limited 及由熊融禮先生全資擁有的 Hunwick International Limited 各自實益擁有 50% 權益。
- (c) 100,000,000 股本公司股份由一家於香港註冊成立的公司東海國際投資有限公司所持有。東海國際投資有限公司的全部已發行股本由梁康民先生及梁耀成先生各自實益擁有 50% 權益。
- (d) 6,136,000 股本公司股份由陳紹軍先生直接實益擁有，16,000,000 股相關股份的權益為根據本公司購股權計劃授予彼的購股權，陳先生被視為擁有當行使該批購股權時發行給彼之股份權益，約佔本公司於本報告日已發行股份的 1.01%。

除上述者外，於本報告刊發之日，概無董事或總裁於本公司或其任何相聯法團的股份、相關股份或債券中，擁有須根據證券及期貨條例第 352 條予以記錄，或根據上市公司董事進行證券交易的標準守則須知會本公司及聯交所的權益或淡倉。

## 董事購買股份或債券的權益

除於上述「購股權計劃」一節、「董事及總裁於股份及相關股份的權益及淡倉」一節及財務報表附註 29 所載購股權計劃披露的事宜外，年內並無任何董事、彼等的配偶或未滿 18 歲的子女獲授可透過收購本公司股份或債券的方法收購權益的權利，或彼等行使任何該等權利，或本公司、其控股公司或其任何附屬公司訂立任何安排，以令董事可收購任何其他法人團體有關權利。

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

As at 31 December 2018, the following interests or short positions in the shares and underlying shares of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

### 主要股東及其他人士於股份及相關股份的權益

於二零一八年十二月三十一日，根據證券及期貨條例第336條須於本公司存置的權益登記冊上記錄，於本公司股份及相關股份的權益或淡倉載列如下：

Name 名稱	Notes 附註	Nature of interest 權益性質	Number of Shares held (a) 持有的股份數目 (a)	Approximate percentage of the Company's issued share capital (%) 約佔本公司 已發行股本 的百分比 (%)	Long position/ short position 好倉/淡倉
Fortune United Group Limited	(b)	Directly Beneficially owned 直接實益擁有	588,144,000	37.07	Long position 好倉
Keysmart Enterprises Limited	(b)	Through controlled corporation 通過控制公司持有	588,144,000	37.07	Long Position 好倉
Hunwick International Limited	(b)	Through controlled corporation 通過控制公司持有	588,144,000	37.07	Long Position 好倉
Mdm. lu Pun 姚彬女士	(c)	Family interest 家屬權益	588,768,000	37.11	Long Position 好倉
Mr. Li Tung Ming 李東明先生		Directly Beneficially owned 直接實益擁有	224,000	0.02	Long Position 好倉
	(d)	Through controlled corporation 通過控制公司持有	80,000,000	5.04	Long Position 好倉
Time Lead Investments Limited	(d)	Directly Beneficially owned 直接實益擁有	80,000,000	5.04	Long Position 好倉
Toyo International Investment Limited 東海國際投資有限公司	(e)	Directly Beneficially owned 直接實益擁有	100,000,000	6.30	Long Position 好倉
Mdm. Lo Mei Sai 羅美茜女士	(f)	Family interest 家屬權益	100,000,000	6.30	Long Position 好倉
Mr. Leung Yiu Sing 梁耀成先生	(e) & (g)	Through controlled corporation 通過控制公司持有	104,180,000	6.57	Long Position 好倉

Name 名稱	Notes 附註	Nature of interest 權益性質	Number of Shares held (a) 持有的股份數目 (a)	Approximate percentage of the Company's issued share capital (%) 約佔本公司 已發行股本 的百分比 (%)	Long position/ short position 好倉/淡倉
Mdm. Chu Shuet Fong 朱雪芳女士	(h)	Family interest 家屬權益	100,000,000	6.30	Long Position 好倉
	(g)	Through controlled corporation 通過控制公司持有	4,180,000	0.27	Long Position 好倉
FMR LLC	(i)	Through controlled corporation 通過控制公司持有	79,792,734	5.03	Long Position 好倉

Notes:

附註：

- (a) As Share Sub-division approved by the shareholders of the Company already became effective on 6 August 2018, the figures have also been adjusted on the assumption that the Share Sub-division had been effective from the beginning of the year.
- (a) 由於經本公司股東批准的股份拆細已於二零一八年八月六日生效，數份數目為假設股份拆細已於年初生效而作出調整。
- (b) The issued capital of Fortune United Group Limited is equally beneficially owned by Keysmart Enterprises Limited and Hunwick International Limited which are in turn, respectively, wholly-owned by Ms. Li Kei Ling and Mr. Hung Yung Lai, Executive Directors of the Company.
- (b) Fortune United Group Limited 的已發行股本由 Keysmart Enterprises Limited 及 Hunwick International Limited 平均實益擁有。Keysmart Enterprises Limited 及 Hunwick International Limited 分別由本公司的執行董事李其玲女士及熊融禮先生全資擁有。
- (c) Mdm. Lu Pun is the wife of Mr. Hung Yung Lai and is deemed to be interested in the shares of the Company held by Mr. Hung Yung Lai.
- (c) 姚彬女士為熊融禮先生的配偶，故被視為於熊融禮先生持有的本公司股份中擁有權益。
- (d) The issued capital of Time Lead Investments Ltd. is beneficially owned by Mr. Li Tung Ming,
- (d) Time Lead Investments Limited 的已發行股本由李東明先生實益擁有。
- (e) The issued capital of Toyo International Investment Limited is equally beneficially owned by Mr. Leung Hong Man, the Non-executive Director of the Company and his father Mr. Leung Yiu Sing.
- (e) 東海國際投資有限公司的已發行股本分別由本公司的非執行董事梁康民先生及彼之父親梁耀成先生平均實益擁有。
- (f) Mdm. Lo Mei Sai is the wife of Mr. Leung Hong Man and is deemed to be interested in the shares of the Company held by Mr. Leung Hong Man.
- (f) 羅美茜女士為梁康民先生的配偶，故被視為於梁康民先生持有的本公司股份中擁有權益。
- (g) 4,180,000 shares of the Company are held by Dragon Asia Industrial (Holdings) Limited, a company incorporated in Hong Kong. Mr. Leung Yiu Sing and Mdm. Chu Shuet Fong, his wife, are each beneficially interested in 50% of the issued share capital of Dragon Asia Industrial (Holdings) Limited.
- (g) 4,180,000 股本公司股份由香港註冊成立的公司東龍實業集團有限公司所持有，東龍實業集團有限公司的全部已發行股本由梁耀成先生及其配偶朱雪芳女士各自實益擁有 50% 權益。
- (h) Mdm. Chu Shuet Fong is the wife of Mr. Leung Yiu Sing and is deemed to be interested in the shares of the Company held by Mr. Leung Yiu Sing.
- (h) 朱雪芳女士為梁耀成先生的配偶，故被視為於梁耀成先生持有的本公司股份中擁有權益。

## 董事會報告

- (i) According to the corporate substantial shareholder notice of FMR LLC filed for the relevant event dated 13 September 2018 as shown on the website of the Stock Exchange, the relevant interests of FMR LLC were held via FMR LLC and its subsidiaries.

Save as disclosed above, as at 31 December 2018, no person, other than the Directors and Chief Executive Officer of the Company, whose interests are set out in the section “Directors’ and Chief Executive Officer’s interests and short positions in shares and underlying shares” above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

### SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company’s total issued share capital was held by the public as at the date of this report.

### AUDITORS

Ernst & Young will retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming AGM.

ON BEHALF OF THE BOARD

**Li Kei Ling**

*Chairman*

Hong Kong, 21 March 2019

- (i) 誠如聯交所網頁所示，根據FMR LLC日期為二零一八年九月十三日就相關事項存檔的公司主要股東通知，FMR LLC的相關權益乃由FMR LLC及其附屬公司持有。

除上文披露者外，於二零一八年十二月三十一日，並無其他人士（本公司董事及總裁除外，有關彼等的權益載於上文「董事及總裁於股份及相關股份的權益及淡倉」一節）登記於本公司股份或相關股份中擁有的權益或淡倉（須根據證券及期貨條例第336條予以登記）。

### 足夠的公眾持股量

根據本公司獲得的已公開資料及據董事所知，於本報告刊發之日，公眾人士持有本公司已發行股本總額至少25%。

### 核數師

安永會計師事務所將退任，而重新委任彼等為本公司核數師的決議案，將於應屆股東週年大會上提呈。

代表董事會

**李其玲**

*主席*

香港，二零一九年三月二十一日



**TO THE SHAREHOLDERS OF  
DAWRAYS PHARMACEUTICAL (HOLDINGS) LIMITED  
(Incorporated in the Cayman Islands with limited liability)**

### OPINION

We have audited the consolidated financial statements of Dawnrays Pharmaceutical (Holdings) Limited (the “Company”) and its subsidiaries set out on pages 69 to 197, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss, the consolidated statement of 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, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the Hong Kong Institute of Certified Public Accountants (“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 Group 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 opinion.

致東瑞製葯(控股)有限公司  
(在開曼群島註冊成立的有限公司)  
全體股東

### 意見

本核數師(以下簡稱「我們」)已審計列載於第69至197頁東瑞製葯(控股)有限公司(以下簡稱「貴公司」)及其附屬公司的綜合財務報表,此綜合財務報表包括於二零一八年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益表、綜合全面收益表、綜合權益變動表及綜合現金流量表,以及載有主要會計政策概要的綜合財務報表附註。

我們認為,該等綜合財務報表已根據國際會計準則委員會(「國際會計準則委員會」)頒佈的國際財務報告準則(「國際財務報告準則」)真實而公允地反映貴集團於二零一八年十二月三十一日的綜合財務狀況,及其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》的披露要求妥為編製。

### 意見的基礎

我們已根據香港會計師公會(「香港會計師公會」)頒佈的香港審計準則(「香港審計準則」)進行審計。我們就該等準則承擔的責任在本報告「核數師就審計綜合財務報表須承擔的責任」一節中闡述。根據香港會計師公會頒佈的職業會計師道德守則(「守則」),我們獨立於貴集團,並已履行守則中的其他職業道德責任。我們相信,我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。



### 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 of the current period. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

#### Key audit matter

##### 關鍵審計事項

#### *Provision for inventories*

##### 存貨撥備

The Group reported inventories of RMB148 million as at 31 December 2018. The Group had exposure to the impairment risks of intermediates and bulk medicines with negative margin and obsolete, slow-moving finished drugs. We focused on this area because inventories were material to the Group as at 31 December 2018 and the determination of the impairment provision for inventories involved a high level of management's judgement and estimates in future sales.

於二零一八年十二月三十一日，貴集團存貨餘額為人民幣148百萬元。貴集團存在利潤為負的中間體及原料藥以及過時及滯銷成藥有關的存貨減值風險。我們關注於此，是因為貴集團於二零一八年十二月三十一日的存貨屬重大，且存貨減值撥備的釐定涉及管理層對未來銷售的高水平判斷及估計。

#### 關鍵審計事項

關鍵審計事項是根據我們的職業判斷，認為對本期綜合財務報表的審計最為重要的事項。該等事項的應對以對綜合財務報表整體進行審計及出具意見為背景，且我們不會對該等事項單獨發表意見。我們對下述每一事項在審計中是如何應對的描述也以此為背景。

我們已履行本報告「核數師就審計綜合財務報表須承擔的責任」一節所述的責任，包括有關該等事項的責任。相應地，我們的審計工作包括執行為應對評估的綜合財務報表重大錯報風險而設計的審計程序。我們執行審計程序的結果，包括應對以下事項所執行的程序，為我們就隨附的綜合財務報表整體發表審計意見提供了基礎。

#### How our audit addressed the key audit matter

##### 我們的審計如何應對關鍵審計事項

We evaluated the inventory impairment assessments made by management, including expected selling prices and expiration dates of the related inventories, and the Group's future plan of sale. We assessed the ageing reports of pharmaceutical products, by tracing the production dates back to the product release reports. We checked the condition of inventories by physical inspection on a sample basis.

我們評估管理層作出的存貨減值估計，包括相關存貨的預期售價及到期日，以及貴集團的未來銷售計劃。我們透過查閱產品檢驗合格報告追蹤其生產日期，來評定藥品的庫齡報告。我們透過抽樣實地盤點，測試存貨是否保存完好。

## KEY AUDIT MATTERS (Cont'd)

**Key audit matter****關鍵審計事項**

The Group's disclosures about provision for inventories are contained in note 2.4 summary of significant accounting policies — Inventories, note 2.5 significant accounting judgements, estimates and assumptions — Net realisable value of inventories, note 6 Profit before tax and note 18 Inventories to the financial statements.

貴集團有關存貨撥備的披露資料載於財務報告附註2.4重大會計政策概要 — 存貨、附註2.5主要會計判斷、估計及假設 — 存貨的可變現淨值、附註6除稅前溢利及附註18存貨內。

**OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT**

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than 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.

**關鍵審計事項(續)****年報所載的其他資料**

貴公司董事須對其他資料負責。其他資料包括年報所載資料，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他資料，我們亦不會就其發表任何形式的鑒證結論。

就審計綜合財務報表而言，我們的責任是閱讀其他資料，及在此過程中考慮其他資料是否與綜合財務報表或我們在審計過程中所瞭解的情況有重大不符，或者似乎有重大錯報。基於我們已執行的工作，如果我們認為其他資料有重大錯報，我們需要報告有關事實。就此而言，我們無需報告任何事項。

### RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities 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. Our report is made solely to you, as a body, 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 HKSA's 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.

### 董事就綜合財務報表須承擔的責任

貴公司董事須負責根據國際會計準則委員會頒佈的國際財務報告準則及香港《公司條例》披露要求編製真實而公允列報的綜合財務報表，以及對於編製不存在由於舞弊或錯誤而導致的重大錯報的綜合財務報表所需的內部控制負責。

在編製綜合財務報表時，貴公司董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非貴公司董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會協助貴公司董事履行監督貴集團財務報告過程的責任。

### 核數師就審計綜合財務報表須承擔的責任

我們的目標是對綜合財務報表整體是否不存在由於舞弊或錯誤而導致的任何重大錯報取得合理保證，並出具包括我們意見的核數師報告。我們僅向全體股東（作為一個整體）報告，除此之外本報告不可用作其他用途。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

合理保證是高水平的保證，但不能保證按香港審計準則進行的審計總能發現重大錯報。錯報可以由舞弊或錯誤引起，如果合理預期錯報個別或匯總起來可能影響綜合財務報表使用者依據該等綜合財務報表所作出的經濟決定，則有關的錯報可被視作重大。

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism 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.

## 核數師就審計綜合財務報表須承擔的責任 (續)

在根據香港審計準則進行審計的過程中，我們運用了職業判斷，保持了職業懷疑態度。我們亦：

- 識別及評估由於舞弊或錯誤而導致綜合財務報表存在重大錯報的風險，設計及執行審計程序以應對該等風險，以及取得充足及適當的審計憑證，作為我們意見的基礎。由於舞弊可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因舞弊而導致的重大錯報的風險高於未能發現因錯誤而導致的重大錯報的風險。
- 瞭解與審計相關的內部控制，以設計適當的審計程序，但目的並非對 貴集團內部控制的有效性發表意見。
- 評價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資料的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論，並根據所得的審計憑證，就可能導致對 貴集團持續經營的能力產生重大疑慮的事件或情況是否存在重大不確定性得出結論。如果我們認為存在重大不確定性，則有必要在核數師報告中提請報表使用者關注綜合財務報表中的相關披露資料，假若有關披露資料不足，則我們應當發表非無保留意見。我們的結論是基於截至核數師報告日止所取得的審計憑證。然而，未來事件或情況可能導致 貴集團不能繼續持續經營。
- 評價綜合財務報表的整體列報方式、結構及內容，包括披露資料，以及綜合財務報表是否公允反映相關交易及事項。

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

- 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 the Audit Committee 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 the Audit Committee 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 the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of 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 this independent auditor's report is Lai Chee Kong.

#### Ernst & Young

*Certified Public Accountants*

22/F, CITIC Tower,  
1 Tim Mei Avenue,  
Central, Hong Kong

21 March 2019

### 核數師就審計綜合財務報表須承擔的責任 (續)

- 就 貴集團實體或業務活動的財務資料獲取充分、適當的審計憑證，以對綜合財務報表發表意見。我們負責指導、監督及執行集團審計。我們對審計意見承擔全部責任。

我們與審核委員會溝通計劃的審計範圍、時間安排、重大審計發現等事項，包括我們於審計期間識別出內部控制的任何重大缺陷。

我們亦向審核委員會提交聲明，說明我們已符合有關獨立性的相關道德要求，並與彼等溝通所有合理地被認為會影響我們獨立性的關係及其他事項，以及(倘適用)相關的防範措施。

從與審核委員會溝通的事項中，我們釐定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們於核數師報告中描述該等事項，除非法律或法規不允許對某件事項作出公開披露，或在極端罕見的情況下，若有合理預期於我們報告中溝通某事項而造成的負面後果將會超過其產生的公眾利益，我們將不會在此等情況下在報告中溝通該事項。

本獨立核數師報告的審計項目合夥人為黎志光。

#### 安永會計師事務所

執業會計師

香港中環  
添美道1號  
中信大廈22樓

2019年3月21日

# Consolidated Statement of Profit or Loss

## 綜合損益表

Year ended 31 December 2018 截至二零一八年十二月三十一日止年度

			<b>2018</b>	2017
			二零一八年	二零一七年
		Notes	<b>RMB'000</b>	RMB'000
		附註	人民幣千元	人民幣千元
<b>REVENUE</b>	收入	4	<b>948,938</b>	882,483
Cost of sales	銷售成本		<b>(353,909)</b>	(320,934)
<b>Gross profit</b>	毛利		<b>595,029</b>	561,549
Other income and gains	其他收入及收益	4	<b>47,923</b>	30,372
Selling and distribution expenses	銷售及分銷費用		<b>(106,854)</b>	(88,086)
Administrative expenses	行政費用		<b>(83,184)</b>	(82,491)
Other expenses	其他費用		<b>(59,936)</b>	(48,946)
Finance costs	財務費用	5	<b>(1,152)</b>	(13)
Share of profits and losses of an associate	應佔一間聯營公司之盈利及虧損		<b>(14,049)</b>	(6,682)
<b>PROFIT BEFORE TAX</b>	除稅前溢利	6	<b>377,777</b>	365,703
Income tax expense	所得稅	10	<b>(73,817)</b>	(72,725)
<b>PROFIT FOR THE YEAR</b>	本年度溢利		<b>303,960</b>	292,978
Attributable to:	以下各項應佔：			
Owners of the parent	母公司擁有人		<b>303,960</b>	292,978
<b>EARNINGS PER SHARE</b>	母公司普通股權益持有人			
<b>ATTRIBUTABLE TO ORDINARY</b>	應佔每股盈利			
<b>EQUITY HOLDERS OF THE PARENT</b>		12		
Basic, for profit for the year	基本，以本年度溢利計算		<b>RMB0.1916</b>	RMB0.1837
Diluted, for profit for the year	攤薄，以本年度溢利計算		<b>RMB0.1916</b>	RMB0.1837

# Consolidated Statement of Comprehensive Income

## 綜合全面收益表

Year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		<b>2018</b>	2017
		二零一八年	二零一七年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
<b>PROFIT FOR THE YEAR</b>	本年度溢利	<b>303,960</b>	292,978
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:	以後期間將被重分類至損益表的其他全面收益/(虧損)：		
Exchange differences	匯兌差額	<b>8,773</b>	(4,794)
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX</b>	本年度除稅後其他全面收益/(虧損)總額	<b>8,773</b>	(4,794)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>	本年度除稅後全面收益總額	<b>312,733</b>	288,184
Attributable to:	以下各項應佔：		
Owners of the parent	母公司擁有人	<b>312,733</b>	288,184

# Consolidated Statement of Financial Position

## 綜合財務狀況表

31 December 2018 於二零一八年十二月三十一日

		Notes 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	13	486,269	520,860
Land use rights	土地使用權	14	38,093	39,134
Construction in progress	在建工程	15	10,572	9,991
Intangible assets	無形資產	16	63,706	35,748
Investment in an associate	於一間聯營公司之投資	17	29,599	43,648
Long-term prepayments	長期預付款	20	21,629	–
Deferred tax assets	遞延稅項資產	26	5,823	4,688
Total non-current assets	非流動資產總額		655,691	654,069
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Inventories	存貨	18	148,043	121,133
Trade and notes receivables	應收貿易及票據款項	19	346,802	313,214
Prepayments, other receivables and other assets	預付款、其他應收款項及其他資產	20	380,737	472,975
Financial assets at fair value through profit or loss	以公允值計量且其變動計入損益之財務資產	21	189,393	8,743
Cash and bank	現金及銀行存款	22	645,363	611,077
Total current assets	流動資產總額		1,710,338	1,527,142
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Trade and notes payables	應付貿易及票據款項	23	130,417	143,404
Other payables and accruals	其他應付款及預提費用	24	169,772	160,997
Income tax payable	應付所得稅		19,945	15,648
Total current liabilities	流動負債總額		320,134	320,049
<b>NET CURRENT ASSETS</b>	<b>淨流動資產</b>		1,390,204	1,207,093
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>資產總額減流動負債</b>		2,045,895	1,861,162



# Consolidated Statement of Financial Position

## 綜合財務狀況表

31 December 2018 於二零一八年十二月三十一日

		Notes	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
		附註		
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>			
Government grants	政府撥款	25	1,508	1,878
Deferred tax liabilities	遞延稅項負債	26	52,987	53,126
Other liabilities	其他負債	27	70,238	–
			<b>124,733</b>	55,004
<b>Net assets</b>	<b>淨資產</b>		<b>1,921,162</b>	1,806,158
<b>EQUITY</b>	<b>權益</b>			
<b>Equity attributable to owners of the parent</b>	<b>母公司擁有人應佔權益</b>			
Issued capital	已發行股本	28	84,197	84,197
Reserves	儲備	30	1,836,965	1,721,961
<b>Total equity</b>	<b>權益總額</b>		<b>1,921,162</b>	1,806,158

**LI Kei Ling**

李其玲

Director

董事

**HUNG Yung Lai**

熊融禮

Director

董事

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

Year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		Attributable to owners of the parent 母公司擁有人應佔權益								
		Issued capital	Share premium account	Capital redemption reserve	Share option reserve	Contributed surplus	Statutory surplus reserve	Exchange fluctuation reserve	Retained profits	Total equity
		已發行股本	股份溢價	資本購回儲備	購股權儲備	繳入盈餘	公積金	匯兌波動儲備	保留溢利	權益總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(note 28)			(note 29)	(note 30)	(note 30)	(note 30)	(note 30)	
		(附註28)			(附註29)	(附註30)	(附註30)	(附註30)	(附註30)	
At 1 January 2018	於二零一八年一月一日	84,197	26,160	4,193	31,631	100,175	255,539	(10,840)	1,315,103	1,806,158
Profit for the year	本年度溢利	-	-	-	-	-	-	-	303,960	303,960
Other comprehensive income for the year:	本年度其他全面收益：									
Exchange differences	匯兌差額	-	-	-	-	-	-	8,773	-	8,773
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	-	-	8,773	303,960	312,733
Final 2017 dividend declared	宣派二零一七年末期股息	-	-	-	-	-	-	-	(76,826)	(76,826)
Equity-settled share option arrangements	以股權支付的購股權安排	-	-	-	5,312	-	-	-	-	5,312
Interim 2018 dividend	二零一八年中中期股息	-	-	-	-	-	-	-	(21,036)	(21,036)
Special dividend	特別股息	-	-	-	-	-	-	-	(105,179)	(105,179)
Transfer from retained profits	自保留溢利中轉發	-	-	-	-	-	35,506	-	(35,506)	-
At 31 December 2018	於二零一八年十二月三十一日	84,197	26,160*	4,193*	36,943*	100,175*	291,045*	(2,067)*	1,380,516*	1,921,162

\* These reserve accounts comprise the consolidated reserves of RMB1,836,965,000 (2017: RMB1,721,961,000) in the consolidated statement of financial position.

\* 此等儲備合共人民幣1,836,965,000元(二零一七年：人民幣1,721,961,000元)構成綜合財務狀況表上的儲備金額。

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

Year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		Attributable to owners of the parent 母公司擁有人應佔權益									
		Issued capital	Treasury shares	Share premium account	Capital redemption reserve	Share option reserve	Contributed surplus	Statutory surplus reserve	Exchange fluctuation reserve	Retained profits	Total equity
		已發行股本	庫存股份	股份溢價	資本購回	購股權儲備	繳入盈餘	公積金	匯兌波動	保留溢利	權益總額
Notes		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
附註		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(note 28)				(note 29)	(note 30)	(note 30)	(note 30)	(note 30)	
		(附註28)				(附註29)	(附註30)	(附註30)	(附註30)	(附註30)	
At 1 January 2017	於二零一七年一月一日	84,952	(74)	60,281	3,400	24,220	100,175	221,559	(6,046)	1,148,289	1,636,756
Profit for the year	本年度溢利	-	-	-	-	-	-	-	-	292,978	292,978
Other comprehensive loss for the year:	本年度其他全面虧損：										
Exchange differences	匯兌差額	-	-	-	-	-	-	-	(4,794)	-	(4,794)
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	-	-	-	(4,794)	292,978	288,184
Exercise of share options	行使購股權	112	-	4,499	-	(1,100)	-	-	-	-	3,511
Final 2016 dividend declared	宣派二零一六年末期股息	-	-	-	-	-	-	-	-	(71,082)	(71,082)
Dividend on shares issued for employee share options exercised after 31 December 2016	二零一六年十二月三十一日後行使的僱員購股權所發行股份的股息	-	-	-	-	-	-	-	-	(70)	(70)
Shares repurchased and cancelled	已購回的股份及註銷	(793)	-	(38,620)	793	-	-	-	-	(793)	(39,413)
Shares repurchased in previous year and cancelled this year	往年已購回的股份及於本年註銷	(74)	74	-	-	-	-	-	-	-	-
Equity-settled share option arrangements	以股權支付的購股權安排	29	-	-	-	8,511	-	-	-	-	8,511
Interim 2017 dividend	二零一七年中期股息	11	-	-	-	-	-	-	-	(20,239)	(20,239)
Transfer from retained profits	自保留溢利中轉發	-	-	-	-	-	-	33,980	-	(33,980)	-
At 31 December 2017	於二零一七年十二月三十一日	84,197	-	26,160*	4,193*	31,631*	100,175*	255,539*	(10,840)*	1,315,103*	1,806,158

\* These reserve accounts comprise the consolidated reserves of RMB1,721,961,000 (2016: RMB1,551,878,000) in the consolidated statement of financial position.

\* 此等儲備合共人民幣1,721,961,000元(二零一六年：人民幣1,551,878,000元)構成綜合財務狀況表上的儲備金額。

# Consolidated Statement of Cash Flows

## 綜合現金流量表

Year ended 31 December 2018 截至二零一八年十二月三十一日止年度

			<b>2018</b>	2017
			二零一八年	二零一七年
		Notes	<b>RMB'000</b>	RMB'000
		附註	人民幣千元	人民幣千元
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>經營活動的現金流量</b>			
Profit before tax	除稅前溢利		<b>377,777</b>	365,703
Adjustments for:	就下列調整：			
Finance costs	財務費用	5	<b>1,152</b>	13
Share of profits and losses of an associate	應佔一間聯營公司之盈利及虧損		<b>14,049</b>	6,682
Interest income	利息收入	4	<b>(32,445)</b>	(21,284)
Dividend income from financial assets at fair value through profit or loss	以公允值計量且其變動計入損益之財務資產的股息收入	4	<b>(258)</b>	-
Dividend income from equity investments at fair value through profit or loss	以公允值計量且其變動計入損益之股權投資的股息收入	4	-	(346)
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目的虧損	6	<b>346</b>	375
Depreciation	折舊	6	<b>50,974</b>	51,974
Amortisation of intangible assets	無形資產攤銷	16	<b>656</b>	671
Recognition of land use rights	土地使用權確認	6	<b>1,041</b>	1,041
Gain on disposal of a subsidiary	出售一間附屬公司之收益	6	<b>(2,959)</b>	-
Gain on disposal of financial assets at fair value through profit or loss	出售以公允值計量且其變動計入損益之財務資產的收益	6	<b>(1,400)</b>	-
Gain on disposal of equity investments at fair value through profit or loss	出售以公允值計量且其變動計入損益之股權投資的收益	6	-	(304)
Fair value gains, net:	公允值收益，淨額：			
Financial assets at fair value through profit or loss	以公允值計量且其變動計入損益之財務資產	6	<b>(236)</b>	-
Equity investments at fair value through profit or loss	以公允值計量且其變動計入損益之股權投資	6	-	(1,475)
Equity-settled share option expense	以股權支付的購股權開支	6	<b>5,312</b>	8,511
Write-down of inventories to net realisable value	存貨撇減至可變現淨值	6	<b>4,383</b>	2,058
Impairment of intangible assets	無形資產減值	16	<b>1,697</b>	-
Expense off of intangible assets	費用化之無形資產	16	<b>4,600</b>	-
Reversal of impairment of trade receivables	應收貿易款項減值回撥		-	(219)
			<b>424,689</b>	413,400

# Consolidated Statement of Cash Flows

## 綜合現金流量表

Year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		Notes 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
(Increase)/decrease in inventories	存貨(增加)/減少		<b>(31,293)</b>	1,555
Increase in trade and notes receivables	應收貿易及票據款項增加		<b>(33,588)</b>	(87,335)
Decrease/(increase) in prepayments and other assets	預付款及其他資產 減少/(增加)		<b>3,065</b>	(4,210)
Increase in deposits and other receivables	按金及其他應收款項增加		<b>(11,180)</b>	(649)
(Decrease)/increase in trade and notes payables	應付貿易及票據款項 (減少)/增加		<b>(12,987)</b>	55,466
Increase in other payables and accruals	其他應付款項及預提費用增加		<b>6,752</b>	67,008
Decrease in government grants	政府撥款減少		<b>(370)</b>	(370)
Income tax paid	已付所得稅		<b>(70,794)</b>	(54,124)
<b>Net cash flows from operating activities</b>	<b>經營活動產生的現金流量淨額</b>		<b>274,294</b>	390,741
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>投資活動的現金流量</b>		
Interest received	已收利息		<b>33,747</b>	13,126
Dividend income from financial assets at fair value through profit or loss	已收以公允值計量且其變動計入損益之財務資產的股息收入	4	<b>258</b>	-
Dividend income from equity investments at fair value through profit or loss	已收以公允值計量且其變動計入損益之股權投資的股息收入	4	<b>-</b>	346
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目的所得款項		<b>154</b>	169
Disposal of a subsidiary	出售一間附屬公司	31	<b>2,756</b>	-
Proceeds from disposal of financial assets at fair value through profit or loss	出售以公允值計量且其變動計入損益之財務資產的所得款項		<b>98,136</b>	-
Proceeds from disposal of equity investments at fair value through profit or loss	出售以公允值計量且其變動計入損益之股權投資的所得款項		<b>-</b>	1,520
Decrease/(increase) in term deposits with maturity over three months	減少/(增加)到期日超過三個月之定期存款		<b>30,330</b>	(150,330)
Purchase of wealth management products	購買理財產品		<b>(460,000)</b>	(449,000)
Redemption of wealth management products	贖回理財產品		<b>449,000</b>	210,000
Purchases of items of property, plant and equipment and construction in progress	購置物業、廠房及設備項目及在建工程		<b>(16,863)</b>	(15,697)
Purchases of intangible assets	購置無形資產		<b>(31,713)</b>	(11,510)
Purchases of financial assets at fair value through profit or loss	購置以公允值計量且其變動計入損益之財務資產		<b>(167,150)</b>	-

# Consolidated Statement of Cash Flows

## 綜合現金流量表

Year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		Notes 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Purchases of equity investments at fair value through profit or loss	購置以公允值計量且其變動計入損益之股權投資		-	(690)
Purchase of a shareholding in an associate	購置於一間聯營公司的股權		-	(50,330)
Advances of investment in an associate	預付聯營公司投資款		<b>(21,629)</b>	-
Proceeds of relocation compensation	已收政府拆遷賠償款	27	<b>70,238</b>	-
Net cash flows used in investing activities	投資活動使用的現金流量淨額		<b>(12,736)</b>	(452,396)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>融資活動的現金流量</b>				
Proceeds from exercise of share options	行使購股權的所得款項		-	3,511
Repurchase of shares	購回公司股份		-	(41,532)
Proceeds from bank loans	取得銀行貸款所收到的現金		<b>102,762</b>	-
Repayment of bank loans	償還銀行貸款的現金		<b>(102,762)</b>	(8,437)
Interest paid	已付利息	5	<b>(1,152)</b>	(13)
Dividends paid	已付股息		<b>(203,041)</b>	(91,391)
Net cash flows used in financing activities	融資活動使用的現金流量淨額		<b>(204,193)</b>	(137,862)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>				
<b>現金及現金等價物增加/(減少)淨額</b>			<b>57,365</b>	(199,517)
Cash and cash equivalents at beginning of year	年初現金及現金等價物		<b>460,747</b>	663,296
Effect of foreign exchange rate changes, net	匯率變動之影響，淨額		<b>7,251</b>	(3,032)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>年終現金及現金等價物</b>		<b>525,363</b>	460,747
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>				
<b>現金及現金等價物結餘分析</b>				
Cash and bank balances	現金及銀行結存		<b>61,563</b>	138,045
Short-term deposits	短期銀行存款		<b>463,800</b>	322,702
			<b>525,363</b>	460,747

## 財務報表附註

31 December 2018 於二零一八年十二月三十一日

### 1. CORPORATE AND GROUP INFORMATION

Dawnrays Pharmaceutical (Holdings) Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands on 20 September 2002 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principal place of business is located at Units 3001-02, 30/F, CNT Tower, 338 Hennessy Road, Wanchai, Hong Kong.

The Company and its subsidiaries (collectively referred to as the “Group”) underwent a reorganisation on 21 June 2003 to rationalise the Group’s structure in preparation for the listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), pursuant to which the Company became the holding company of the Group (the “Group Reorganisation”).

The shares of the Company were listed on the Main Board of the Stock Exchange on 11 July 2003.

During the year, the Group was principally engaged in the development, manufacture and sale of non-patented pharmaceutical medicines including intermediate pharmaceuticals, bulk medicines and finished drugs. In the opinion of the directors, Fortune United Group Limited, a company incorporated in the British Virgin Islands, is the ultimate holding company of the Company.

### 1. 公司及本集團資料

東瑞製葯(控股)有限公司(「本公司」)於二零零二年九月二十日根據開曼群島公司法(一九六一年第三卷，經綜合及修訂)第二十二章於開曼群島註冊成立為獲豁免有限公司。本公司之註冊辦事處地址是Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands，而主要營業地點之地址則是香港灣仔軒尼詩道338號北海中心30樓3001-02室。

通過集團重組優化本公司及其附屬公司(統稱「本集團」)的架構以籌備本公司的股份在香港聯合交易所有限公司(「聯交所」)主板上市，於二零零三年六月二十一日，本公司成為組成本集團的附屬公司的控股公司(「集團重組」)。

本公司股份於二零零三年七月十一日於聯交所主板上市。

本集團於年內主要從事非專利藥物開發、製造及銷售，包括中間體、原料藥及成藥。董事認為，於英屬維爾京群島註冊成立的公司Fortune United Group Limited，是本公司的最終控股公司。

## 1. CORPORATE AND GROUP INFORMATION (Cont'd)

### INFORMATION ABOUT SUBSIDIARIES

Particulars of the Company's subsidiaries are as follows:

## 1. 公司及本集團資料(續)

附屬公司資料

本公司之附屬公司詳情如下：

Name	Place of incorporation/ registration and operations	Issued share/ paid-up capital	Percentage of equity attributable to the Company	Principal activities
公司名稱	註冊成立/ 註冊及營業地點	已發行/ 已繳足股本	本公司應佔 股權百分比	主要業務
<b>Directly held</b>				
<b>直接持有</b>				
Dawnrays International Company Limited 東瑞國際有限公司	British Virgin Islands 英屬維爾京群島	US\$100 100美元	100%	Investment holding 投資控股
Dawnrays Biotechnology Capital (Asia) Limited 東瑞生物投資發展(亞洲)有限公司	Hong Kong 香港	HK\$100 港幣100元	100%	Investment holding 投資控股
<b>Indirectly held</b>				
<b>間接持有</b>				
Dawnrays International Company Limited 東瑞國際股份有限公司	Hong Kong 香港	HK\$500,000 港幣500,000元	100%	Investment holding and sale of pharmaceutical products 投資控股及銷售醫藥產品
Suzhou Dawnrays Pharmaceutical Co., Ltd. # 蘇州東瑞製藥有限公司#	Mainland China 中國大陸	US\$45,000,000 45,000,000美元	100%	Manufacture and sale of pharmaceutical products 製造及銷售醫藥產品
Su Zhou Dawnrays Pharmaceutical Science and Technology Co., Ltd.# 蘇州東瑞醫藥科技有限公司#	Mainland China 中國大陸	US\$6,000,000 6,000,000美元	100%	Manufacture and sale of pharmaceutical intermediates 製造及銷售醫藥中間體
Dawnrays Pharma (Hong Kong) Limited 東瑞藥業(香港)有限公司	Hong Kong 香港	HK\$500,000 港幣500,000元	100%	Sale of pharmaceutical products 銷售醫藥產品
Dawnrays (Nantong) Pharmaceutical Science and Technology Co., Ltd. # 東瑞(南通)醫藥科技有限公司#	Mainland China 中國大陸	US\$15,000,000 15,000,000美元	100%	Manufacture and sale of pharmaceutical intermediates 製造及銷售醫藥中間體

# These subsidiaries were registered under PRC law as foreign-owned enterprises.

# 該等附屬公司按中國法律註冊為外商投資企業。



### 2.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) (which include all International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations) issued by the International Accounting Standards Board (“IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss that have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

#### BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2018. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of the subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

### 2.1 編製基準

綜合財務報表已根據國際會計準則理事會（「國際會計準則理事會」）頒佈的國際財務報告準則（「國際財務報告準則」）（包括所有國際財務報告準則、國際會計準則（「國際會計準則」）及詮釋）及香港《公司條例》披露要求而編製。除以公允值計量且其變動計入損益之財務資產外，這些財務報表按歷史成本原則編製，並以人民幣（「人民幣」）列示，除另有指明外，所有金額均四捨五入至最接近千位。

#### 合併基準

綜合財務報表包括本公司及其附屬公司截至二零一八年十二月三十一日止年度的財務報表。附屬公司乃指本公司直接或間接控制的實體（包括一個結構性實體）。獲得控制權是當集團擁有權力從被投資方獲得變量回報或通過對投資方的控制權（如：既存權力賦予集團指揮被投資方相關活動的現實能力）影響其回報。

當並未直接或間接擁有被投資方大多數投票權或類似的權力時，本集團會考慮所有相關因素或外部環境以評估其是否對被投資方具有控制權，包括：

- (a) 與其他投票權持有者之間的契約式協定；
- (b) 從其他契約式協定中獲取的權力；及
- (c) 本集團的投票權和潛在投票權。

編製附屬公司財務報表的報告期間與本公司相同，會計政策亦貫徹一致。附屬公司業績由本集團取得控制權當日起全面合併入賬，並一直合併入賬直至控制權終止日為止。

## 2.1 BASIS OF PREPARATION (Cont'd)

### BASIS OF CONSOLIDATION (Cont'd)

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

## 2.1 編製基準(續)

### 合併基準(續)

損益及其他全面收益各組成部分歸屬至本集團母公司擁有人及非控股權益，即使此舉會導致非控股權益出現虧絀結餘。本集團內公司間的資產與負債、股權、收入、開支及與本集團成員公司間交易相關的現金流已於合併賬目時全數抵銷。

當事實及情況表明上述所列之控制權的三個元素中的一個或多個有變時，本集團重新評估是否控制投資對象。於附屬公司擁有權權益發生變動，如不會導致對其失去控制權，將作為權益交易入賬。

倘本集團失去對一間附屬公司的控制權，則其終止確認(i)該附屬公司的資產(包括商譽)及負債、(ii)任何非控股權益的賬面值及(iii)於權益內記錄的累計折算差額；及確認(i)所收代價的公允值、(ii)所保留任何投資的公允值及(iii)損益賬中任何因此產生的收益或虧損。先前於其他全面收益內確認的本集團應佔部份以如同本集團已直接出售相關資產或負債的相同基準要求，重新分類為損益或保留溢利(視何者屬適當)。

## 財務報表附註

31 December 2018 於二零一八年十二月三十一日

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i>
Amendments to IFRS 4	<i>Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts</i>
IFRS 9	<i>Financial Instruments</i>
IFRS 15	<i>Revenue from Contracts with Customers</i>
Amendments to IFRS 15	<i>Clarifications to IFRS 15 Revenue from Contracts with Customers</i>
Amendments to IAS 40	<i>Transfers of Investment Property</i>
IFRIC 22	<i>Foreign Currency Transactions and Advance Consideration</i>
<i>Annual Improvements 2014–2016 Cycle</i>	Amendments to IFRS 1 and IAS 28

### 2.2 會計政策及披露的變動

本集團已於本年度財務報表中首次採納以下新訂及經修訂的國際財務報告準則。

國際財務報告準則第2號 (修訂本)	股份支付交易之 分類及計量
國際財務報告準則第4號 (修訂本)	一併應用國際財務報告 準則第9號金融工具及 國際財務報告準則 第4號保險合約
國際財務報告準則第9號	金融工具
國際財務報告準則第15號	來自客戶合約之收入
國際財務報告準則第15號 (修訂本)	國際財務報告準則第15號 來自客戶合約之收入 之澄清
國際會計準則第40號 (修訂本)	轉讓投資物業
國際財務報告詮釋委員會 詮釋第22號	外匯交易及預付代價
二零一四年至二零一六年 週期之年度改進	對國際財務報告準則 第1號及國際會計準則 第28號的修訂

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Cont'd)

Except for the amendments to IFRS 4, IAS 40 and *Annual Improvements to IFRSs 2014-2016 Cycle*, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the new and revised IFRSs are described below:

- (a) Amendments to IFRS 2 address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding a certain amount in order to meet an employee's tax obligation associated with the share-based payment; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. The amendments clarify that the approach used to account for vesting conditions when measuring equity-settled share-based payments also applies to cash-settled share-based payments. The amendments introduce an exception so that a share-based payment transaction with net share settlement features for withholding a certain amount in order to meet the employee's tax obligation is classified in its entirety as an equity-settled share-based payment transaction when certain conditions are met. Furthermore, the amendments clarify that if the terms and conditions of a cash-settled share-based payment transaction are modified, with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as an equity-settled transaction from the date of the modification. The amendments have had no impact on the financial position or performance of the Group as the Group does not have any cash-settled share-based payment transactions and has no share-based payment transactions with net settlement features for withholding tax.

## 2.2 會計政策及披露的變動(續)

除國際財務報告準則第4號、國際會計準則第40號及國際財務報告準則二零一四年至二零一六年週期之年度改進與編制本集團之財務報表無關外，新定及經修訂國際財務報告準則的性質及影響如下：

- (a) 國際財務報告準則第2號(修訂本)處理三個主要範疇：歸屬條件對計量以現金結算的股份支付交易的影響；為僱員履行與以股份支付相關之稅務責任而預扣若干金額的具有淨額結算特質之股份支付交易之分類；及對股份支付交易的條款及條件作出令其分類由以現金結算變為以權益結算之修訂時的入賬。該等修訂澄清計量以權益結算之股份支付時歸屬條件的入賬方法亦適用於以現金結算之股份支付。該等修訂引入一個例外情況，在符合若干條件時，為僱員履行稅務責任而預扣若干金額的具有淨額結算特質之股份支付交易，乃整項分類為以權益結算之股份支付交易。此外，該等修訂澄清，倘以現金結算之股份支付交易的條款及條件被修訂，令其成為以權益結算之股份支付交易，則該交易自修訂日期起作為以權益結算之交易入賬。該等修訂並無對本集團之財務狀況或表現產生任何重大影響，原因為本集團並無任何以現金結算之股份支付交易，亦無預扣稅項的具有淨額結算特質之股份支付交易。

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Cont'd)

- (b) IFRS 9 *Financial Instruments* replaces IAS 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: classification and measurement, impairment and hedge accounting.

The Group has recognised the transition adjustments against the applicable opening balances in equity at 1 January 2018. Therefore, the comparative information was not restated and continues to be reported under IAS 39.

#### *Classification and measurement*

Under IFRS 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through other comprehensive income (“OCI”); equity instruments are subsequently measured at fair value through profit or loss, or fair value through OCI. The classification is based on two criteria: the Group’s business model for managing the assets; and whether the instruments’ contractual cash flows represent solely payments of principal and interest on the principal amount outstanding.

The assessment of the Group’s business model was made as of the date of initial application, 1 January 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 January 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

### 2.2 會計政策及披露的變動(續)

- (b) 國際財務報告準則第9號金融工具於二零一八年一月一日或之後開始的年度期間取代國際會計準則第39號金融工具：確認及計量，整合金融工具會計處理的所有三個方面：分類及計量、減值及對沖會計處理。

本集團已就二零一八年一月一日的相關年初結餘於權益中確認過渡性調整。因此，並無重報比較資料，並繼續根據國際會計準則第39號呈報比較資料。

#### *分類及計量*

根據國際財務報告準則第9號，債務工具其後按公允值計量且其變動計入損益、按攤銷成本計量或按公允值計量且其變動計入其他全面收益(「其他全面收益」)；權益工具其後按公允值計量且其變動計入損益，或按公允值計量且其變動計入其他全面收益。分類乃基於兩項標準作出：本集團管理資產的業務模式；及工具的合約現金流量是否僅為支付本金及以未償付本金金額為基礎的利息。

本集團於首次應用日期二零一八年一月一日評估業務模式，其後追溯應用於二零一八年一月一日前並未終止確認的財務資產。債務工具的合約現金流量是否僅包括本金及利息乃根據於初始確認資產時的事實及情況評估。

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Cont'd)

(b) (Cont'd)

### *Classification and measurement (Cont'd)*

The classification and measurement requirements of IFRS 9 did not have a significant impact on the Group. The Group continued measuring at fair value all financial assets previously held at fair value under IAS 39. The following are the changes in the classification of the Group's financial assets:

Trade and other receivables previously classified as receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are now classified and measured as debt instruments at amortised cost. Notes receivables previously classified as receivables are held with a business model with the objective of both holding to collect contractual cash flows and selling as the Group sometimes endorses notes receivable to suppliers prior to their expiry date. These are now classified and measured as debt instruments at fair value through OCI.

There are no changes in classification and measurement for the Group's financial liabilities.

## 2.2 會計政策及披露的變動(續)

(b) (續)

### *分類及計量(續)*

國際財務報告準則第9號的分類及計量規定對本集團並無任何重大影響。本集團繼續按公允值計量過往根據國際會計準則第39號按公允值持有的所有財務資產。以下為本集團財務資產的分類變動：

過往分類為應收款項的貿易及其他應收款項乃持有以收取合約現金流量為目標及產生僅為支付本金及利息的現金流量。該等項目現作為按攤銷成本計量的債務工具分類及計量。過往分類為應收款項的應收票據由於本集團有時會在到期前將其背書給供應商，管理該等應收票據的業務模式既以收取合約現金流量為目標又以出售為目標。該等項目現按以公允值計量且其變動計入其他全面收益的債務工具進行分類及計量。

本集團財務負債之分類及計量並無任何變動。

# Notes to Financial Statements

## 財務報表附註

31 December 2018 於二零一八年十二月三十一日

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Cont'd)

(b) (Cont'd)

#### Classification and measurement (Cont'd)

In summary, upon the adoption of IFRS 9, the Group had the following required or elected reclassifications as at 1 January 2018:

### 2.2 會計政策及披露的變動(續)

(b) (續)

#### 分類及計量(續)

總括而言，於採納國際財務報告準則第9號後，本集團於二零一八年一月一日有以下必要或選定之重新分類：

#### IFRS 9 measurement category

#### 國際財務報告準則第9號計量類別

			Fair value through profit or loss 以公允值計量 且其變動 計入損益 RMB'000 人民幣千元	Amortised cost 攤銷成本 RMB'000 人民幣千元	Fair value through OCI 以公允值計量 且其變動計入 其他全面收益 RMB'000 人民幣千元
IAS 39 measurement category	國際會計準則第39號計量類別				
<b>Financial assets</b>	<b>財務資產</b>				
Trade and notes receivables	應收貿易及票據款項	313,214	–	184,853	128,361
Financial assets included in prepayments, other receivables and other assets	計入預付款、其他應收款項及其他資產之財務資產	461,005	–	461,005	–
Equity investments at fair value through profit or loss	以公允值計量且其變動計入損益之股權投資	8,743	8,743	–	–
Cash and bank	現金及銀行存款	611,077	–	611,077	–
			8,743	1,256,935	128,361
<b>Financial liabilities</b>	<b>財務負債</b>				
Trade and notes payables	應付貿易及票據款項	143,404	–	143,404	–
Financial liabilities included in other payables and accruals	計入其他應付款及預提費用之財務負債	62,957	–	62,957	–
			–	206,361	–

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Cont'd)

### (b) (Cont'd)

#### *Impairment*

The adoption of IFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Group to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets.

Upon the adoption of IFRS 9, no additional impairment was recognised on the Group's financial assets.

- (c) IFRS 15 and its amendments replace IAS 11 *Construction Contracts*, IAS 18 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. IFRS 15, establishes a new five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The disclosures are included in notes 2.5 and 4 to the financial statements. As a result of the application of IFRS 15, the Group has changed the accounting policy with respect to revenue recognition in note 2.4 to the financial statements.

The Group has adopted IFRS 15 using the modified retrospective method of adoption. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group has elected to apply the standard to contracts that are not completed as at 1 January 2018.

## 2.2 會計政策及披露的變動(續)

### (b) (續)

#### *減值*

國際財務報告準則第9號以前瞻性的預期信貸虧損(「預期信貸虧損」)方法取代國際會計準則第39號的已產生虧損方法，採納國際財務報告準則第9號基本上改變本集團就財務資產減值虧損的會計處理。國際財務報告準則第9號規定本集團須就所有並非按以公允值計量且其變動計入損益持有的債務工具及合約資產確認預期信貸虧損撥備。

於採納國際財務報告準則第9號後，本集團的財務資產並無確認額外減值。

- (c) 國際財務報告準則第15號及其修訂取代國際會計準則第11號建造合約、國際會計準則第18號收入及相關詮釋，除有限例外情況外，適用於所有因與客戶簽訂合約而產生的收入。國際財務報告準則第15號建立了新的五步模式，將應用於自客戶合約產生之收入。根據國際財務報告準則第15號，收入按能反映實體因向客戶轉讓貨物或提供服務而預計有權獲得之對價金額確認。國際財務報告準則第15號的原則為計量及確認收入提供更加系統化的方法。該準則亦引入廣泛的定性及定量披露規定，包括分拆收入總額，關於履約責任、不同期間之間合約資產及負債賬目結餘的變動以及主要判斷及估計的資料。披露內容載於財務報表附註2.5及附註4。由於採用國際財務報告準則第15號，本集團已就財務報表附註2.4的收入確認更改會計政策。

本集團以修訂式追溯應用法採納國際財務報告準則第15號。根據此方法，該項準則適用於初始應用日期的所有合約或僅適用於當日尚未完成的合約。本集團選擇將該項準則應用於二零一八年一月一日尚未完成的合約。



## 財務報表附註

31 December 2018 於二零一八年十二月三十一日

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Cont'd)

(c) (Cont'd)

The cumulative effect of the initial application of IFRS 15 was recognised as an adjustment to the opening balance of retained profits as at 1 January 2018. Therefore, the comparative information was not restated and continues to be reported under IAS 11, IAS 18 and related interpretations.

#### *Consideration received from customers in advance*

Before the adoption of IFRS 15, the Group recognised consideration received from customers in advance as advances from customers included in other payables and accruals. Under IFRS 15, the amount is classified as contract liabilities which is included in other payables and accruals.

Therefore, upon adoption of IFRS 15, the Group reclassified RMB13,841,000 from advances from customers included in other payables to contract liabilities as at 1 January 2018 in relation to the consideration received from customers in advance as at 1 January 2018.

As at 31 December 2018, under IFRS 15, RMB13,897,000 was reclassified from advances from customers included in other payables to contract liabilities in relation to the consideration received from customers in advance for the sale of pharmaceutical products and the provision of pilot test services.

Except for those described above, the adoption of IFRS 15 does not have any material impact on the Group's consolidated financial statements.

### 2.2 會計政策及披露的變動(續)

(c) (續)

首次應用國際財務報告準則第15號的累計影響被確認為對二零一八年一月一日保留溢利結餘的調整。因此，比較期間數據不會被重述，而繼續以國際會計準則第11號、國際會計準則第18號以及相關解釋進行列報。

#### *預收客戶代價*

採納國際財務報告準則第15號前，本集團已確認預收客戶的代價為其他應付款及預提費用項下的預收賬款。根據國際財務報告準則第15號，該款項分類為計入其他應付款及預提費用的合約負債。

因此，採納國際財務報告第15號後，本集團於二零一八年一月一日將於二零一八年一月一日與預收客戶代價相關的計入其他應付款的預收賬款人民幣13,841,000元重新分類至合約負債。

於二零一八年十二月三十一日，根據國際財務報告準則第15號，人民幣13,897,000元由計入其他應付款的預收賬款重新分類至與客戶預先就銷售醫藥產品及提供試驗測試服務所收取的代價有關的合約負債。

除上文所述者外，採納國際財務報告準則第15號對本集團的綜合財務報表並無任何重大影響。

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Cont'd)

- (d) IFRIC 22 provides guidance on how to determine the date of the transaction when applying IAS 21 to the situation where an entity receives or pays advance consideration in a foreign currency and recognises a non-monetary asset or liability. The interpretation clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset (such as a prepayment) or non-monetary liability (such as deferred income) arising from the payment or receipt of the advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the entity must determine the transaction date for each payment or receipt of the advance consideration. The interpretation has had no impact on the Group's financial statements as the Group's accounting policy for the determination of the exchange rate applied for initial recognition of non-monetary assets or non-monetary liabilities is consistent with the guidance provided in the interpretation.

## 2.2 會計政策及披露的變動(續)

- (d) 國際財務報告詮釋委員會第22號為在應用國際會計準則第21號時因實體以外幣收取或支付預付代價及確認非貨幣性資產或負債的情況下如何釐定交易日期提供指引。該詮釋澄清，就釐定於初始確認有關資產、開支或收入(或其中部分)所用的匯率時，交易日期為實體初始確認因支付或收取預付代價而產生的非貨幣性資產(如預付款)或非貨幣負債(如遞延收入)之日。倘確認有關項目前存在多筆預付款或預收款，實體須就每筆付款或收款釐定交易日期。該詮釋並無對本集團的財務報表造成任何影響，原因為本集團為釐定非貨幣資產或非貨幣負債初始確認而應用的匯率的會計政策與該詮釋所提供的指引一致。

## 財務報表附註

31 December 2018 於二零一八年十二月三十一日

### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to IFRS 3	<i>Definition of a Business</i> <sup>2</sup>
Amendments to IFRS 9	<i>Prepayment Features with Negative Compensation</i> <sup>1</sup>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>4</sup>
IFRS 16	<i>Leases</i> <sup>1</sup>
IFRS 17	<i>Insurance Contracts</i> <sup>3</sup>
Amendments to IAS 1 and IAS 8	<i>Definition of Material</i> <sup>2</sup>
Amendments to IAS 19	<i>Plan Amendment, Curtailment or Settlement</i> <sup>1</sup>
Amendments to IAS 28	<i>Long-term Interest in Associates and Joint Venture</i> <sup>1</sup>
IFRIC 23	<i>Uncertainty over Income Tax Treatments</i> <sup>1</sup>
<i>Annual Improvements 2015–2017 Cycle</i>	Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23 <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 1 January 2020
- <sup>3</sup> Effective for annual periods beginning on or after 1 January 2021
- <sup>4</sup> No mandatory effective date yet determined but available for adoption

### 2.3 已頒佈但尚未生效的國際財務報告準則

本集團並未於該等財務報表中應用以下已頒佈但尚未生效的新訂及經修訂國際財務報告準則。

國際財務報告準則第3號 (修訂本)	業務之定義 <sup>2</sup>
國際財務報告準則第9號 (修訂本)	具有負補償的預付款特性 <sup>1</sup>
國際財務報告準則第10號及 國際會計準則第28號	投資者與其聯營或合營企業之間的資產出售或注資 <sup>4</sup>
國際財務報告準則第16號	租賃 <sup>1</sup>
國際財務報告準則第17號	保險合約 <sup>3</sup>
國際會計準則第1及28號 (修訂本)	重大性之定義 <sup>2</sup>
國際會計準則第19號 (修訂本)	計畫修正、縮減或清償 <sup>1</sup>
國際會計準則第28號 (修訂本)	於聯營公司或合營企業之長期權益 <sup>1</sup>
國際財務報告詮釋委員會 詮釋第23號	所得稅會計處理的不確定性 <sup>1</sup>
二零一五年至二零一七年 週期之年度改進	對國際財務報告準則第3號、國際財務報告準則第11號、國際會計準則第12號及國際會計準則第23號的修訂 <sup>1</sup>

- <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> 於二零二零年一月一日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> 並無釐定強制生效日期惟可供採納

## 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (Cont'd)

Further information about those IFRSs that are expected to be applicable to the Group is described below:

Amendments to IFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group expects to adopt the amendments prospectively from 1 January 2020.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB in December 2015 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

## 2.3 已頒佈但尚未生效的國際財務報告準則 (續)

預期適用於本集團之有關該等國際財務報告準則的其他資料如下：

國際財務報告準則第3號(修訂本)澄清及就業務的定義引入額外指引。該等修訂本澄清，就將被視為一項業務的一組整合活動和資產而言，其須至少包括一項投入及一個共同對創造產出的能力作出重大貢獻的實質性過程。一項業務的存在要素無須包括創造產出所需的所有投入及過程。該等修訂本移除了市場參與者是否有能力收購業務及持續產出的評估。相反，重點在於所取得的投入及實質性過程是否共同對創造產出的能力作出重大貢獻。該等修訂本亦將產出的定義縮小至專注於向客戶提供的商品或服務、投資收入或日常活動產生的其他收入。此外，該等修訂本為評估一項所取得過程是否具有實質性提供指引，並引入公允值集中測試選項，以允許對一項已取得一組活動及資產是否並非一項業務進行簡化評估。本集團預期自二零二零年一月一日起採納該等修訂本。

國際財務報告準則第10號及國際會計準則第28號之修訂本解決國際財務報告準則第10號及國際會計準則第28號之間對於處理投資者與其聯營公司或合營企業之間的資產出售或投入的規定的不一致性。該等修訂本要求於投資者與其聯營公司或合營企業之間的資產出售或投入構成一項業務時，確認全部收益或虧損。對於不構成業務的資產交易，交易所產生的收益或虧損僅以無關聯的投資者於該聯營公司或合營企業的權益為限，於投資者的損益中確認。該等修訂本將於未來期間應用。國際會計準則委員會已於二零一五年十二月剔除了國際財務報告準則第10號及國際會計準則第28號之修訂本的以往強制生效日期，而新的強制生效日期將於對聯營公司及合營企業的會計處理完成更廣泛的檢討後釐定。然而，該等修訂本可於現時採納。

### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (Cont'd)

IFRS 16, replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two elective recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in IAS 40, or relates to a class of property, plant and equipment to which the revaluation model is applied. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under IFRS 16 is substantially unchanged from the accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between operating leases and finance leases. IFRS 16 requires lessees and lessors to make more extensive disclosures than under IAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group will adopt IFRS 16 from 1 January 2019. The Group plans to adopt the transitional provisions in IFRS 16 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2019 and will not restate the comparatives. In addition, the Group plans to apply the new requirements to contracts that were previously identified as leases applying IAS 17 and measure the lease liability at

### 2.3 已頒佈但尚未生效之國際財務報告準則 (續)

國際財務報告準則第16號取代國際會計準則第17號租賃、國際財務報告詮釋委員會第4號釐定安排是否包含租賃、準則詮釋委員會—詮釋第15號經營租賃—優惠及準則詮釋委員會—詮釋第27號評估涉及租賃法律形式交易的內容。該準則載列確認、計量、呈列及披露租賃的原則，並要求承租人就大多數租賃確認資產及負債。該準則包括給予承租人的兩項租賃確認豁免—低價值資產租賃及短期租賃。於租賃開始日期，承租人將確認於租賃期作出租賃付款為負債（即租賃負債）及代表可使用相關資產的權利為資產（即使用權資產）。使用權資產其後按成本減累計折舊及任何減值虧損計量，除非使用權資產符合國際會計準則第40號投資物業的定義或與應用重新評估模式的一類物業、廠房及設備有關則除外。租賃負債其後會就反映租賃負債利息而增加及因租賃付款而減少。承租人將須分別確認租賃負債的利息開支及使用權資產的折舊開支。承租人亦須將於若干事件發生時重新計量租賃負債，例如由於租賃期變更及用於釐定該等付款的一項指數或比率變更而引致未來租賃付款變更。承租人一般將重新計量租賃負債的數額確認為使用權資產的調整。國際財務報告準則第16號大致沿用國際會計準則第17號內出租人的會計處理方式。出租人將繼續使用與國際會計準則第17號相同的分類原則對所有租賃進行分類，並將之分為經營租賃及融資租賃。國際財務報告準則第16號規定承租人及出租人須作出較之國際會計準則第17號所規定者更加廣泛之披露。承租人可選擇按全面追溯方式或經修訂追溯方式應用有關準則。本集團將自二零一九年一月一日起採納國際財務報告準則第16號。本集團計劃採納國際財務報告準則第16號的過渡性條款，確認初步採納的累積影響為於二零一九年一月一日對保留盈利的期初結餘所作的調整，且將不會重列比較數字。此外，本集團計劃將新規定應用於先前應用國際會計準則第17號獲識別為租賃的合約，並按剩餘租賃付款採用本集團於首次應用日期的增量借款利率折現的現值計量租

### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (Cont'd)

the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. The right-of-use asset will be measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before the date of initial application. The Group plans to use the exemptions allowed by the standard on lease contracts whose lease terms end within 12 months as of the date of initial application. During 2018, the Group has performed a detailed assessment on the impact of adoption of IFRS 16. As disclosed in note 36 to the consolidated financial statements, the Group had total future minimum lease payments under non-cancellable operating leases as at 31 December 2018 amounting to RMB42,000. Based on the preliminary assessment by the Directors, assuming all non-cancellation operating lease arrangements as disclosed in note 36 to the consolidated financial statements meet the IFRS 16 criteria, the adoption of IFRS 16 will have no significant impact on the Group's net assets and performance.

Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from 1 January 2020. The amendments are not expected to have any significant impact on the Group's financial statements.

### 2.3 已頒佈但尚未生效之國際財務報告準則 (續)

質負債。使用權資產按租賃負債的金額計量，並按於隨接首次應用日期前的財務狀況表中確認的租賃相關的任何預付或應計租賃款項金額予以調整。本集團計劃使用租賃合約(其租賃期於首次應用日期起12個月內結束)標準所允許的豁免。於二零一八年，本集團已就採納國際財務報告準則第16號的影響進行詳盡的評估。誠如綜合財務報表附註36所披露，於二零一八年十二月三十一日，本集團根據不可撤銷經營租賃的未來應付最低租賃款總額為人民幣42,000元。基於董事的初步評估，倘綜合財務報表附註36所披露的所有不可撤銷經營租賃安排符合國際財務報告準則第16號的標準，則採用國際財務報告準則第16號將不會對本集團的淨資產及表現產生任何重大影響。

國際會計準則第1號及國際會計準則第8號修訂本重新詮釋對重大的定義。新定義訂明，倘資料遺漏、失實或模糊不清，而可能合理預期影響一般用途的財務報表的主要使用者按該等財務報表作出的決定，則有關資料屬重大。該等修訂本澄清，重要性將視乎資料的性質或量級而定。倘資料失實可能合理預期影響主要使用者作出的決策，則其屬重大。本集團預期自二零二零年一月一日起採納該等修訂。該等修訂預期不會對本集團的財務報表造成任何重大影響。

### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (Cont'd)

Amendments to IAS 28 clarify that the scope exclusion of IFRS 9 only includes interests in an associate or joint venture to which the equity method is applied and does not include long-term interests that in substance form part of the net investment in the associate or joint venture, to which the equity method has not been applied. Therefore, an entity applies IFRS 9, rather than IAS 28, including the impairment requirements under IFRS 9, in accounting for such long-term interests. IAS 28 is then applied to the net investment, which includes the long-term interests, only in the context of recognising losses of an associate or joint venture and impairment of the net investment in the associate or joint venture. The Group expects to adopt the amendments on 1 January 2019 and will assess its business model for such long-term interests based on the facts and circumstances that exist on 1 January 2019 using the transitional requirements in the amendments. The Group also intends to apply the relief from restating comparative information for prior periods upon adoption of the amendments.

IFRIC 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of IAS 12 (often referred to as “uncertain tax positions”). The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation is to be applied retrospectively, either fully retrospectively without the use of hindsight or retrospectively with the cumulative effect of application as an adjustment to the opening equity at the date of initial application, without the restatement of comparative information. The Group expects to adopt the interpretation from 1 January 2019. The interpretation is not expected to have any significant impact on the Group’s financial statements.

### 2.3 已頒佈但尚未生效之國際財務報告準則 (續)

國際會計準則第28號修訂本澄清國際財務報告準則第9號的範圍豁免僅包括應用權益法核算的聯營企業或合營企業之權益，且不包括實質上構成聯營企業或合營企業投資淨額一部分的長期權益(其中尚未實施權益法)。因此，計算此類長期權益時，實體應用國際財務報告準則第9號(包括國際財務報告準則第9號下的減值要求)而非國際會計準則第28號。只有在確認聯營企業或合營企業的虧損及聯營企業或合營企業淨投資減值的情況下，國際會計準則第28號才應用於淨投資(包括長期權益)。本集團預期於二零一九年一月一日採納該等修訂，並使用修訂本的過渡性規定，根據二零一九年一月一日所存在的事實及情況評估該等長期權益的業務模式。本集團亦有意於採納該等修訂後，採用前期重列比較資料的寬免。

國際財務報告準則詮釋委員會詮釋第23號用以解決，當稅務處理產生的不確定性影響到對於國際會計準則第12號的應用時(通常稱為「不確定稅務事項」)，所得稅的會計處理方法(包括當期所得稅和遞延所得稅)。該解釋既不應用於國際會計準則第12號範圍以外的稅收和徵稅，尤其亦不包括與不確定稅項的處理有關的利息和罰金的相關規定。該詮釋專門用於解決(i)實體是否考慮分開處理不確定稅項；(ii)實體在測算稅務部門做出稅務處理時所用的假設；(iii)實體如何釐定應稅利潤或稅務虧損、計稅基礎、未使用的稅務虧損、未使用的稅收抵免以及稅率；及(iv)實體如何應對實務及所處環境中的變化。實體須對該解釋進行追溯應用，追溯應用包括未使用先見之明的完全追溯應用，或者將追溯應用的累計影響調整至首次應用的期初權益，而並不對比較資料進行重述。本集團計劃將於二零一九年一月一日採用該詮釋。該項詮釋預期不會對本集團財務報表產生任何重大影響。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### INVESTMENTS IN ASSOCIATES

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The Group's share of the post-acquisition results and other comprehensive income of associates is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

## 2.4 重大會計政策概要

### 於聯營公司的投資

聯營公司為本集團於其一般不少於20%股本投票權中擁有長期權益的實體，且可對其發揮重大影響力。重大影響力是指參與投資對象的財務及經營決策的權力，但並非控制或共同控制該等決策的權力。

本集團於聯營公司的投資乃按權益會計法以本集團應佔淨資產減任何減值虧損於綜合財務狀況表列賬。已就可能存在的任何不同會計政策作出調整。本集團應佔聯營公司的收購後業績及其他全面收益乃分別計入綜合損益及其他全面收益表。此外，當聯營公司的權益內直接確認一項變動，則本集團在適當情況下會在綜合權益變動表確認其應佔的任何變動金額。本集團與其聯營公司交易的未變現盈利及虧損乃按本集團應佔該聯營公司的投資撇銷，惟當未變現虧損提供所轉讓資產減值的憑證時則除外。收購聯營公司所產生的商譽列為本集團於聯營公司的投資之一部分。

倘於聯營公司的投資成為於合營企業的投資抑或於合營企業的投資成為於聯營公司的投資，保留權益不予重新計量。相反，投資繼續按權益法列賬。在所有其他情況下，失去對聯營公司之重大影響力或對合營企業之共同控制權後，本集團按其公允值計量及確認任何剩餘投資。聯營公司或合營企業於失去重大影響力或共同控制權時的賬面值與剩餘投資及出售所得款項的公允值之間的任何差額乃於損益賬內確認。

當於聯營公司的投資歸類為持有待售時，則按國際財務報告準則第5號持有待售及已終止營運的非流動資產入賬。



### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### **BUSINESS COMBINATIONS AND GOODWILL**

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

### 2.4 重大會計政策概要(續)

#### **業務合併及商譽**

業務合併採用收購法列賬。轉讓的代價乃以收購日的公允值計算，該公允值為本集團轉讓的資產、本集團向被收購方之前度擁有人承擔的負債，及本集團發行以換取被收購方控制權的股本權益於收購日的公允值的總和。於各業務合併中，本集團對於現時持有的權益及賦予其持有人於清盤時按比例分享資產淨值的權益的被收購方非控股權益，可選擇以公允值抑或被收購方可識別淨資產的應佔比例計算。所有其他非控股權益部份乃按公允值計量。收購成本於產生時列為開支。

當本集團購入一項業務時，會根據合約條款、於收購日的經濟環境及相關條件，評估將承接的財務資產及負債，以作出適合的分類及標示，其中包括將被收購方主合約中的嵌入式衍生工具進行分離。

倘企業合併分階段進行，收購方先前持有的被收購方股權應按收購日的公允值重新計量，而任何收益或虧損於損益中確認。

收購方將予轉讓的任何或有對價將於收購日按公允值確認。分類為一項資產或負債的或有對價按公允值計量，且公允值的變動計入損益。分類為權益的或有對價並無重新計量，而後續結算於權益中入賬。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### BUSINESS COMBINATIONS AND GOODWILL (Cont'd)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets of the subsidiary acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

## 2.4 重大會計政策概要(續)

### 業務合併及商譽(續)

商譽起初按成本計量，即已轉讓總代價、已確認非控股權益及本集團先前持有的被收購方股權的公允值總額，超逾與所收購可識別淨資產及所承擔負債的差額。如總代價及其他項目低於所收購子公司資產淨值的公允值，評估後其差額將於損益內確認為議價收購收益。

於初始確認後，商譽按成本減任何累積減值虧損列賬。商譽須每年作減值測試，若有事件發生或情況改變顯示賬面值有可能減值時，則會更頻密地進行測試。本集團於十二月三十一日進行商譽的年度減值測試。為進行減值測試，自收購日起業務合併產生之商譽將分配至預計將受益於合併之協同效應之本集團各個現金產生單位或各個現金產生單位組別，而毋須慮及本集團有否將其他資產或負債分配至該等單位或該等單位組別。

減值乃通過評估商譽有關之現金產生單位(或現金產生單位組別)之可收回金額釐定。倘現金產生單位(或現金產生單位組別)之可收回金額低於賬面值，則確認減值虧損。就商譽確認之減值虧損不得於其後期間撥回。

倘商譽已分配予現金產生單位(或現金產生單位組別)而該單位的部份業務已出售，則在釐定所出售業務的收益或虧損時，與所出售業務相關的商譽會計入該業務的賬面值。在該情況下出售的商譽，乃根據所出售業務的相對價值及現金產生單位的保留份額進行計量。

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### FAIR VALUE MEASUREMENT

The Group measures financial instruments at fair value at the end of each reporting period. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

### 2.4 重大會計政策概要(續)

#### 公允值計量

本集團於每一報告期末以公允值計量金融工具。公允值為市場參與者於計量日期在有序交易中出售資產所收取的價格或轉讓負債所支付的價格。公允值計量乃根據假設出售資產或轉讓負債的交易於資產或負債主要市場或(在無主要市場情況)最具優勢市場進行而作出。主要及最具優勢市場須為本集團可進入之市場。資產或負債的公允值乃按假設市場參與者於資產或負債定價時會以最佳經濟利益行事計量。

非財務資產的公允值計量須計及市場參與者能自最大限度使用該資產達致最佳用途，或將該資產出售予將最大限度使用該資產達致最佳用途的其他市場參與者，所產生的經濟效益。

本集團採納適用於不同情況且具備充分數據以供計量公允值的估值方法，以儘量使用相關可觀察輸入值及儘量減少使用不可觀察輸入值。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### FAIR VALUE MEASUREMENT (Cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### FOREIGN CURRENCIES

These financial statements are presented in RMB, which is the functional currency of most of the group companies. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

## 2.4 重大會計政策概要(續)

### 公允值計量(續)

所有於本財務報表計量或披露的資產及負債乃基於對公允值計量整體而言屬重大的最低級輸入值按以下公允值等級分類：

- 第一級 — 基於相同資產或負債於活躍市場的報價(未經調整)
- 第二級 — 基於對公允值計量而言屬重大的可觀察(直接或間接)最低級輸入值的估值方法
- 第三級 — 基於對公允值計量而言屬重大的不可觀察最低級輸入值的估值方法

就按經常性基準於本財務報表確認的資產及負債而言，本集團透過於各報告期間結束時重新評估分類(基於對公允值計量整體而言屬重大的最低級輸入值)確定是否發生不同等級轉移。

### 外幣

該等財務報表以人民幣呈列。人民幣是本集團內大多數公司的功能貨幣。本集團各實體釐定其本身的功能貨幣，而各實體財務報表載列的項目以功能貨幣計量。

本集團實體記錄的外幣交易最初以交易當日各功能貨幣匯率記錄入賬。以外幣列值的貨幣性資產及負債，則按報告期末的適用功能貨幣現貨匯率換算。所有由貨幣性項目結算或折算產生的匯兌差額計入損益表。

以外幣列值及按歷史成本計算的非貨幣項目，乃按首次交易當日的匯率換算。

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### FOREIGN CURRENCIES (Cont'd)

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currency of the Company, Dawnrays International Company Limited (“Dawnrays (BVI)”), Dawnrays Biotechnology Capital (Asia) Limited (“Dawnrays Biotechnology”), Dawnrays International Company Limited (“Dawnrays International”) and Dawnrays Pharma (Hong Kong) Limited (“Dawnrays Pharma”) (collectively the “Overseas Companies”) is the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these companies are translated into RMB at the exchange rate prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the weighted average exchange rate for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of the Overseas Companies are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of the Overseas Companies which arise throughout the year are translated into RMB at the weighted average exchange rate for the year.

### 2.4 重大會計政策概要(續)

#### 外幣(續)

在釐定於初始確認與預付代價有關的非貨幣資產或非貨幣負債終止確認而產生的有關資產、開支或收入所用的匯率時，初次交易的日期為本集團因預付代價而初始確認非貨幣性資產或非貨幣性負債之日。倘存在多筆預付款或預收款，本集團會就每筆預付代價付款或收款釐定交易日期。

本公司、東瑞國際有限公司(「東瑞(BVI)」)、東瑞生物投資發展(亞洲)有限公司(「東瑞生物」)、東瑞國際股份有限公司(「東瑞國際股份」)及東瑞藥業(香港)有限公司(「東瑞藥業」)(統稱「海外公司」)的功能貨幣為港幣。於報告期末，該等公司的資產與負債按報告期末的匯率換算為人民幣，而損益表則按年度的加權平均匯率換算為人民幣。因此而產生的匯兌差額在其他全面收益中予以確認並記入匯兌波動儲備中。於出售國外業務時，就該特定境外業務在其他全面收益中的部分將於損益表確認。

就綜合現金流量表而言，境外公司的現金流量按現金流量日期適用的匯率換算為人民幣。海外公司在年內產生的經常性現金流量會按該年度的加權平均匯率換算為人民幣。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### REVENUE RECOGNITION (APPLICABLE FROM 1 JANUARY 2018)

#### *Revenue from contracts with customers*

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

## 2.4 重大會計政策概要(續)

### 收入確認(自二零一八年一月一日起適用)

#### *來自客戶合約之收入*

來自客戶合約之收入於貨品或服務的控制權轉移於客戶時予以確認，而該金額反映本集團預期就提供該等貨品或服務有權獲得之代價。

當合約中的代價包含可變金額時，本集團會估計向客戶轉讓貨品或服務將有權獲得的代價金額。可變代價於合約開始時估計並受其約束，直至當與可變代價相關之不明朗因素於其後消除時已確認的累計收入金額極有可能不會出現重大收入撥回為止。

當合約就貨品或服務轉讓予客戶而為客戶提供超過一年的重大利益的融資成分時，收入按應收款項的現值計量，並使用本集團與客戶在合約開始時的單獨融資交易中反映的貼現率貼現。當合約中包含為在本集團提供一年以上的重大財務利益的融資成分時，合約項下確認的收入包括按實際利率法計算的合約負債所產生的利息開支。就客戶付款至轉讓承諾商品或者服務的期限為一年或者更短的合約而言，交易價格採用國際財務報告準則第15號中可行權宜之計，不對重大融資部分的影響作出調整。

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### REVENUE RECOGNITION (APPLICABLE FROM 1 JANUARY 2018) (Cont'd)

##### Revenue from contracts with customers (Cont'd)

(a) Sale of pharmaceutical products

Revenue from the sale of pharmaceutical products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the pharmaceutical products.

Some contracts for the sale of pharmaceutical products provide customers with rights of volume rebates. The rights of volume rebates give rise to variable consideration.

Retrospective volume rebates may be provided to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the most likely amount method is used for contracts with a single-volume threshold. The requirements on constraining estimates of variable consideration are applied and a refund liability for the expected future rebates is recognised.

(b) Rendering of pilot test services

Revenue from the rendering of pilot test services is recognised over the period of time because the customer simultaneously receives and consumes the benefits provided by the Group.

##### Other income

Rental income is recognised on a time proportion basis over the lease terms.

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

### 2.4 重大會計政策概要(續)

#### 收入確認(自二零一八年一月一日起適用)(續)

##### 來自客戶合約之收入(續)

(a) 銷售醫藥產品

來自銷售醫藥產品的收入於資產控制權轉移至客戶時確認，一般為交付醫藥產品時。

部份醫藥產品銷售合約為客戶提供批量折扣權利。批量折扣權利產生可變代價。

倘某些客戶在規定期間購買產品數量超過合約所規定數量，本集團可向該等客戶提供可回溯批量折扣。該折扣可用於抵銷客戶的應付金額。單一批量限額合約採用「最可能金額方法」，以估計預期未來折扣的可變代價。本集團應用可變代價估計限制規定，並就預期未來折扣的退款責任進行確認。

(b) 提供試驗測試服務

來自提供試驗測試服務的收入在某一時段內確認，原因為客戶同時收取及消耗本集團所提供的利益。

##### 其他收入

租金收入乃根據租賃年期以時間比例作基準確認。

利息收入按實際利率法以累計基準計算，實際利率即將於金融工具估計可用年期或更短期間(視情況而定)所收取估計日後現金流量準確折算至該財務資產賬面淨值的利率。

股息收入會在股東收取款項的權利被確立、與股息相關的經濟利益可能流入本集團，且股息金額能可靠計量時確認。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### REVENUE RECOGNITION (APPLICABLE BEFORE 1 JANUARY 2018)

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from sale of goods, when the significant risks and rewards of ownership of the goods have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.
- (b) rental income, on a time proportion basis over the lease terms;
- (c) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset; and
- (d) dividend income, when the shareholders' right to receive payment has been established.

### CONTRACT LIABILITIES (APPLICABLE FROM 1 JANUARY 2018)

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received a consideration (or an amount of consideration that is due) from the customer. If a customer pays the consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

## 2.4 重大會計政策概要(續)

### 收入確認(於二零一八年一月一日前適用)

收入乃於經濟利益極有可能流入本集團並能可靠計算時，按下列基準確認：

- (a) 銷售貨品收入，在貨品擁有權的重大風險及回報已轉移至買方時確認入賬，屆時本集團不再擁有一般與所有權相關的管理權或已售出的貨品的控制權；
- (b) 租金收入，根據租賃年期以時間比例作基準確認；
- (c) 利息收入，按實際利率法以累計基準計算，實際利率即將於金融工具估計可用年期或更短期間(視情況而定)所收取估計日後現金流量準確折算至該財務資產賬面淨值的利率；及
- (d) 股息收入，在股東收取款項的權利被確立時確認。

### 合約負債(自二零一八年一月一日起適用)

合約負債指本集團因已向客戶收取對價或對價款項已到期而須向客戶轉讓商品或服務的責任。倘客戶於本集團將貨品或服務轉讓予客戶前支付對價，則於作出付款或付款到期時(以較早者為準)確認合約負債。合約負債於本集團履行合約時確認為收入。



## 財務報表附註

31 December 2018 於二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### INCOME TAX

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

##### *Current income tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries where the Group operates.

##### *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

### 2.4 重大會計政策概要(續)

#### 稅項

所得稅包括當期及遞延稅項。有關損益外確認項目的所得稅在損益表外確認，即在其他全面收益中確認或直接在權益中確認。

##### *當期所得稅*

當期所得稅資產及負債按預期可收回或支付予稅務機構的金額計量，該等金額乃基於考慮本集團營運的國家現有詮釋及慣例在報告期末已立例制定或大致上已立例制定的稅率（及稅務法例）計算。

##### *遞延稅項*

在報告期末資產及負債的稅基與其就財務報告而言的賬面值之間的所有時間性差異，須按負債法計提遞延稅項。

所有應課稅暫時性差異均會確認遞延稅項負債，惟下列情況除外：

- 倘若遞延稅項負債的起因，是由於初始確認商譽或在一宗非屬業務合併的交易中初始確認的資產或負債，而且在交易時，對會計利潤或應課稅利潤或虧損均無影響；及
- 對於涉及附屬公司投資的應課稅暫時性差異而言，倘若撥回暫時性差異的時間可以控制，以及暫時性差異不甚可能在可見將來撥回。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### INCOME TAX (Cont'd)

#### Deferred tax (Cont'd)

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each 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 deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

## 2.4 重大會計政策概要(續)

### 稅項(續)

#### 遞延稅項(續)

對於所有可扣減暫時性差異、結轉的未用稅項抵扣及未用稅項虧損，若日後有可能出現應課稅利潤，可用以抵扣該等可扣減暫時性差異、結轉的未用稅項抵扣及未用稅項虧損的，則遞延稅項資產一律確認入賬，惟下列各點除外：

- 倘若有關可扣減暫時性差異的遞延稅項資產的起因，是由於在一宗非屬業務合併的交易中初始確認資產或負債，而且在交易時，對會計利潤或應課稅利潤或虧損均無影響；及
- 對於涉及附屬公司投資的可扣減暫時性差異而言，只有在時間性差異有可能在可見將來撥回，而且日後有可能出現應課稅利潤，可用以抵扣該等暫時性差異時，方會確認遞延稅項資產。

遞延稅項資產的賬面值，在每個報告期末予以審閱。若不再可能有足夠應課稅利潤用以抵扣相關稅項資產的全部或部份，則扣減遞延稅項資產賬面值。未被確認遞延稅項資產於各報告期末進行重新評估，並當可能有足夠應課稅溢利讓全部或部份遞延稅項資產被動用時確認。

遞延稅項資產和負債仍按資產變現或負債清償的期間預期適用的稅率計算，並以報告期末已經生效或大致上已經生效的稅率(及稅法)為基準。

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### INCOME TAX (Cont'd)

##### *Deferred tax (Cont'd)*

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### GOVERNMENT GRANTS

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

### 2.4 重大會計政策概要(續)

#### 稅項(續)

##### *遞延稅項(續)*

僅於本集團擁有依法執行權利，可抵銷本期稅項資產、本期稅項負債與遞延稅項資產及遞延稅項負債，而有關所得稅由同一稅務機關就同一稅務實體或不同稅務實體徵收，且該不同稅務實體計劃在日後每個預計有大額遞延稅項負債需清償或有大額遞延稅項資產可以收回的期間內，按淨額基準結算本期稅項負債及資產，或同時變現資產及清償負債時，遞延稅項資產及遞延稅項負債予以對銷。

#### 政府撥款

政府撥款於可合理地保證將會獲得撥款，以及將遵守所有附帶條件時以公允值予以確認。倘撥款與一項費用有關，即按其擬補貼成本予以支出之期間內有系統地確認為收入。

倘撥款與一項資產有關，即將其公允值撥入遞延收入，並於有關資產的預計可使用年內以等額年金撥往損益表或扣減資產賬面值，以減少折舊形式撥往損益表。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### RETIREMENT BENEFIT SCHEMES

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees’ basic salaries and charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group’s employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

The employees of the Group’s subsidiaries which operate in Mainland China (the “Mainland China Subsidiaries”) are required to participate in a central pension scheme operated by the local municipal government. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

### ACCOMMODATION BENEFITS

Contributions to an accommodation fund administered by the Public Accumulation Funds Administration Centre in Mainland China are charged to the statement of profit or loss as incurred.

## 2.4 重大會計政策概要(續)

### 退休福利計劃

本集團根據強制性公積金計劃條例為合資格參加強制性公積金計劃的僱員設立一個定額供款強制性公積金計劃(「強積金計劃」)。供款數目乃按僱員基本薪金若干百分比而作出，並根據強積金計劃的規則於到期支付時自損益表中扣除。強積金計劃的資產與本集團資產分開，由獨立管理的基金保管。本集團的僱主供款於向強積金計劃供款時全數歸僱員所有；惟根據強積金計劃的規則，本集團的僱主自願供款，在僱員未能享有全數供款前離職的情況下，可退回本集團。

本集團於中國大陸營運的附屬公司(「中國大陸附屬公司」)的員工均須參與由當地政府運作的中央退休計劃。供款根據中央退休計劃的規則於到期日支付時自損益表中扣除。

### 住房福利

有關對由中國大陸公積金管理中心管理的住房公積金的供款，乃於產生時自損益表扣除。

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when 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 capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Where funds have been borrowed generally, and used for the purpose of obtaining qualifying assets, an appropriate capitalisation rate shall be applied to the expenditure on the individual assets.

#### SHARE-BASED PAYMENTS

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants (the Company's directors, employees of the Group and other eligible participants) of the Group receive remuneration in the form of share-based payments, whereby eligible participants render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with eligible participants is measured by reference to the fair value at the date at which they are granted. The fair value is determined using the Black-Scholes-Merton valuation model, further details of which are given in note 29 to the financial statements. The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

### 2.4 重大會計政策概要(續)

#### 借貸成本

直接歸屬於收購、建造或生產符合條件的資產(即需要經過相當長時間才能達到預定可使用或可銷售狀態的資產)的借貸成本,經資本化後計入該等資產的成本。當該等資產基本達到預定可使用或可銷售狀態後,借貸成本停止資本化。專項借款作臨時投資所賺取的投資收入,在該借款撥作符合條件的資產的開支之前,從資本化借貸成本中扣除。所有其他借款成本在其發生的當期確認為開支。借貸成本由利息及企業就借款所產生的其他成本所組成。

當已為取得合資格資產借入一般借款時,個別資產之開支按適當資本化比率撥作資本。

#### 股份支付

本公司設立一項購股權計劃作為給予為本集團業務成功作出貢獻的合資格參與者的激勵及獎勵。本集團的合資格參與者(本公司董事、本集團僱員及其他合資格參與者)按以股份支付的方式收取酬金,合資格參與者則提供服務以作為收取權益工具的代價(「權益結算交易」)。

與合資格參與者進行權益結算交易的成本,乃參考授出權益當日的公允值計算。公允值乃按柏力克-舒爾斯估值模式釐定,有關詳情載於財務報表附註29。權益結算交易的成本於達到績效及/或服務條件的期間內連同權益相應增加部份確認於僱員福利開支。由每個結算日直至歸屬日就權益結算交易確認的累積支出,反映歸屬期屆滿部份以及本集團對最終將會歸屬的權益工具數目的最佳估計。在某一期間損益表內的扣除或進賬,乃反映累計開支於期初與期終確認時的變動。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### SHARE-BASED PAYMENTS (Cont'd)

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the participants as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in note 12).

## 2.4 重大會計政策概要(續)

### 股份支付(續)

釐定報酬之授出日公允值並不考慮服務及非市場表現條件，惟能達成條件之可能性則被評定為將最終歸屬為本集團權益工具數目之最佳估計之一部份。市場表現條件將反映在授出日之公允值。附帶於報酬中但並無相關聯服務要求之其他任何條件皆視為非歸屬條件。非歸屬條件之報酬以公允值反映並即時確認為開支。除非該報酬當中也包含服務及／或表現條件。

因未能達至非市場表現及／或服務條件，而最終並無歸屬之報酬並不會確認開支，倘報酬包含一項市場或非歸屬條件，則無論市場或非歸屬條件是否達成，交易會被視為已歸屬，惟需達成所有其他表現及／或服務條件。

當權益結算報酬的條款修訂時，倘符合原始報酬條款，以如同條款並無修訂情況下的最少支出確認支出。因修訂而導致股份支付的總公允值有所增加，或對參與者帶來利益，均會按修訂當日的計算確認額外支出。

當權益結算報酬註銷時，會視作報酬已於註銷當日經已歸屬，而報酬尚未確認的任何支出會即時確認。該報酬包括當非歸屬條件在實體或僱員的控制下未能得到滿足時的報酬。然而，倘註銷的報酬有任何替代的新報酬，並指定為授出當日的替代報酬，則該項註銷及新報酬會如上段所述被視為原有報酬的修訂般處理。

未行使購股權的攤薄影響會入賬為計算每股攤薄盈利時的額外股份攤薄(詳情載於附註12內)。

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### INVESTMENTS AND OTHER FINANCIAL ASSETS (POLICIES UNDER IFRS 9 APPLICABLE FROM 1 JANUARY 2018)

##### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade and notes receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade and notes receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition (applicable from 1 January 2018)" above.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

### 2.4 重大會計政策概要(續)

投資及其他財務資產(國際財務報告準則第9號項下之政策,自二零一八年一月一日起適用)

##### *初始確認及計量*

財務資產於初始確認時分類為其後按攤銷成本計量、按公允值計量且其變動計入其他全面收益及按公允值計量且其變動計入損益的財務資產。

於初始確認時,財務資產分類取決於財務資產的合約現金流量特點及本集團管理該等財務資產的業務模式。除並無重大融資成分或本集團已應用可行權宜方法並無調整重大融資成分影響的應收貿易及應收票據款項外,本集團按公允值加上(倘財務資產並非按公允值計量且其變動計入損益)交易成本計量財務資產。並無重大融資成分或本集團已應用可行權宜方法的應收貿易及應收票據款項根據上文「收入確認(自二零一八年一月一日起適用)」所載的政策按國際財務報告準則第15號釐定的交易價格計量。

為使財務資產按攤銷成本或按公允值計量且其變動計入其他全面收益進行分類及計量,其產生的現金流量應純粹為支付本金及以未償付本金金額為基礎的利息(「純粹支付本金及利息」)。

本集團管理財務資產的業務模式指其如何管理其財務資產以產生現金流量。業務模式確定現金流量是否來自收集合約現金流量、出售財務資產,或兩者兼有。

所有一般買賣之財務資產概於交易日(即本集團承諾買賣該資產之日期)予以確認。一般買賣乃指按照一般市場規定或慣例在一定期間內交付資產之財務資產買賣。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### INVESTMENTS AND OTHER FINANCIAL ASSETS (POLICIES UNDER IFRS 9 APPLICABLE FROM 1 JANUARY 2018) (Cont'd)

#### *Subsequent measurement*

The subsequent measurement of financial assets depends on their classification as follows:

#### *Financial assets at amortised cost (debt instruments)*

The Group measures financial assets at amortised cost if both of the following conditions are met:

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

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

#### *Financial assets at fair value through other comprehensive income (debt instruments)*

The Group measures debt investments at fair value through other comprehensive income if both of the following conditions are met:

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

## 2.4 重大會計政策概要(續)

投資及其他財務資產(國際財務報告準則第9號項下之政策,自二零一八年一月一日起適用)(續)  
後續計量

財務資產的後續計量取決於其分類,如下:

#### *按攤銷成本計量之財務資產(債務工具)*

倘滿足以下兩個條件,本集團按攤銷成本計量財務資產:

- 於旨在持有財務資產以收取合約現金流量的業務模式中持有的財務資產。
- 財務資產的合約條款於特定日期產生的現金流量純粹為未償付本金及以未償付本金金額為基礎的利息。

按攤銷成本計量之財務資產使用實際利率法後續計量,並可能作出減值。當資產終止確認、變更或減值時,收益及虧損於損益表中確認。

#### *按公允值計量且其變動計入其他全面收益之財務資產(債務工具)*

倘滿足以下兩個條件,本集團將債務工具作為按公允值計量且其變動計入其他全面收益的財務資產計量:

- 於旨在持有財務資產以收取合約現金流量及出售財務資產的業務模式中持有的財務資產。
- 財務資產的合約條款於特定日期產生的現金流量純粹為未償付本金及以未償付本金金額為基礎的利息。



### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### **INVESTMENTS AND OTHER FINANCIAL ASSETS (POLICIES UNDER IFRS 9 APPLICABLE FROM 1 JANUARY 2018) (Cont'd)** **Subsequent measurement (Cont'd)**

##### *Financial assets at fair value through other comprehensive income (debt instruments) (Cont'd)*

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

##### *Financial assets at fair value through other comprehensive income (equity investments)*

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

### 2.4 重大會計政策概要(續)

投資及其他財務資產(國際財務報告準則第9號項下之政策,自二零一八年一月一日起適用)(續)  
後續計量(續)

按公允值計量且其變動計入其他全面收益之財務資產(債務工具)(續)

就按公允值計量且其變動計入其他全面收益之債務工具而言,利息收入、外匯重估及減值虧損或撥回於損益表中確認,並按與按攤銷成本計量之財務資產相同的方式計算。其餘公允值變動於其他全面收益中確認。終止確認時,於其他全面收益中確認的累計公允值變動將重新計入損益表。

按公允值計量且其變動計入其他全面收益之財務資產(股權投資)

於初始確認時,本集團可選擇於股權投資符合國際會計準則第32號「金融工具:呈報」項下的股權定義且並非持作買賣時,將其不可撤回地分類為指定按公允值計量且其變動計入其他全面收益之股權投資。分類乃按個別工具基準釐定。

該等財務資產的收益及虧損概不會重新計入損益表。在支付權已經確立、與股息相關的經濟利益很可能流入本集團且股息金額能夠可靠計量時,股息於損益表中確認為其他收入,惟當本集團於作為收回財務資產一部分成本的所得款項中獲益時則除外,於此等情況下,該等收益於其他全面收益入賬。指定為按公允值計量且其變動計入其他全面收益之股權投資不需作出減值評估。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### INVESTMENTS AND OTHER FINANCIAL ASSETS (POLICIES UNDER IFRS 9 APPLICABLE FROM 1 JANUARY 2018) (Cont'd) Subsequent measurement (Cont'd)

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

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value profit or loss are also recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

## 2.4 重大會計政策概要(續)

### 投資及其他財務資產(國際財務報告準則第9號項下之政策,自二零一八年一月一日起適用)(續) 後續計量(續)

#### 以公允值計量且其變動計入損益之財務資產

以公允值計量且其變動計入損益之財務資產包括以交易為目的而持有的財務資產及於首次確認時指定為以公允值計量且其變動計入損益之財務資產,或強制規定按公允值計量之財務資產。財務資產如以短期賣出或購回為目的而購買,則分類為以交易為目的而持有的投資。現金流量並非純粹為支付本金及利息的財務資產,不論其業務模式如何,均作為按公允值計量且其變動計入損益之財務資產分類及計量。儘管如上文所述債務工具可以按攤銷成本分類,但於初始確認時,倘能夠消除或顯著減少會計錯配,則債務工具可指定為按公允值計量且其變動計入損益。

以公允值計量且其變動計入損益之財務資產於財務狀況表按公允值入賬,公允值變動淨額於損益表確認。

該類別包括本集團並無不可撤回地選擇按公允值計量且其變動計入其他全面收益進行分類的衍生工具及股權投資。在支付權已經確立、與股息相關的經濟利益很可能流入本集團且股息金額能夠可靠計量時,分類為以公允值計量且其變動計入損益的財務資產的股權投資股息亦在損益表中確認為其他收入。

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### **INVESTMENTS AND OTHER FINANCIAL ASSETS (POLICIES UNDER IFRS 9 APPLICABLE FROM 1 JANUARY 2018) (Cont'd)**

##### **Subsequent measurement (Cont'd)**

*Financial assets at fair value through profit or loss (Cont'd)*

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

### 2.4 重大會計政策概要(續)

投資及其他財務資產(國際財務報告準則第9號項下之政策,自二零一八年一月一日起適用)(續)  
後續計量(續)

以公允值計量且其變動計入損益之財務資產(續)

當嵌入混合合約(包含財務負債及非金融主體)的衍生工具具備與主體不緊密相關的經濟特徵及風險;具備與嵌入式衍生工具相同條款的單獨工具符合衍生工具的定義;且混合合約並非按公允值計量且其變動計入損益,則該衍生工具與主體分開並作為單獨衍生工具列賬。該等嵌入式衍生工具以公允值計量,而公允值變動於損益表確認。僅當合約條款發生變更,致使合約相關的現金流量發生重大變化時或財務資產重分類為非以公允值計量且其變動計入損益類別時,該嵌入式衍生工具才須進行重估。

嵌入混合合約(包含財務資產主體)的衍生工具不得單獨列賬。財務資產主體連同嵌入式衍生工具須整體分類為按公允值計量且其變動計入損益之財務資產。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### INVESTMENTS AND OTHER FINANCIAL ASSETS (POLICIES UNDER IAS 39 APPLICABLE BEFORE 1 JANUARY 2018)

#### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

#### *Subsequent measurement*

The subsequent measurement of financial assets depends on their classification as follows:

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

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive net changes in fair value presented as other income and gains and negative net changes in fair value presented as finance costs in the statement of profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for "Revenue recognition (applicable before 1 January 2018)" above.

## 2.4 重大會計政策概要(續)

投資及其他財務資產(國際會計準則第39號項下之政策,於二零一八年一月一日前適用)

#### *初始確認及計量*

財務資產的初始確認分類為以公允值計量且其變動計入損益之財務資產、貸款和應收款項、持至到期日的投資及可供出售財務投資,或被指定為有效對沖中設計為對沖工具的衍生工具,如適用。除了是以公允值計量且其變動計入損益之財務資產情況,財務資產初始確認時,以公允值附加因獲得財務資產產生的交易成本進行計量。

所有一般買賣之財務資產概於交易日(即本集團承諾買賣該資產之日期)予以確認。一般買賣乃指按照一般市場規定或慣例在一定期間內交付資產之財務資產買賣。

#### *後續計量*

財務資產的後續計量取決於其分類,如下:

#### *以公允值計量且其變動計入損益之財務資產*

以公允值計量且其變動計入損益之財務資產包括以交易為目的而持有的財務資產及於首次確認時指定為以公允值計量且其變動計入損益的財務資產。財務資產如以短期賣出或購回為目的而購買,則分類為以交易為目的而持有的投資。衍生工具(包括單獨的嵌入式衍生工具),除非其被指定為有效對沖工具(定義見國際會計準則第39號),亦被分類為以交易為目的而持有的財務資產。

以公允值計量且其變動計入損益之財務資產於財務報表按公允值入賬,公允值收益變動呈列於損益表的其他收入及收益,及公允值虧損變動呈列於損益表的財務費用。該等公允值變動淨額不包括任何以公允值計量且其變動計入損益之財務資產的股利或利息收入。該等收入根據上述「收入確認」(二零一八年一月一日前適用)中的會計政策確認。

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### INVESTMENTS AND OTHER FINANCIAL ASSETS (POLICIES UNDER IAS 39 APPLICABLE BEFORE 1 JANUARY 2018)

(Cont'd)

##### *Subsequent measurement (Cont'd)*

##### *Financial assets at fair value through profit or loss (Cont'd)*

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in IAS 39 are satisfied.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated as at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in the statement of profit or loss. The loss arising from impairment is recognised in the statement of profit or loss in finance costs for loans and in other expenses for receivables.

### 2.4 重大會計政策概要(續)

投資及其他財務資產(國際會計準則第39號項下之政策, 於二零一八年一月一日前適用)(續)

##### *後續計量(續)*

*以公允值計量且其變動計入損益之財務資產(續)*

僅在滿足國際會計準則第39號時, 於初始確認日將財務資產指定為以公允值計量且其變動計入損益之財務資產。

如果嵌入式衍生工具的經濟特徵和風險與主合同的經濟特徵和風險並不緊密相關, 且主合同並非交易性或指定以公允值計量且其變動計入損益, 則主合同內的嵌入式衍生工具單獨列為衍生工具, 並以公允值入賬。該等嵌入式衍生工具以公允值計量, 而公允值變動於損益表確認。僅當合同條款發生變更, 致使合同相關的現金流量發生重大變化時或財務資產重分類為非以公允值計量且其變動計入損益類別時, 該嵌入式衍生工具才須進行重估。

##### *貸款和應收款項*

貸款和應收款項為沒有在市場上市, 具有固定的或可確定現金支付的非衍生財務資產。於初始計量後, 這類資產其後使用實際利率法按攤銷成本減去任何減值來列賬。攤銷成本乃經計及收購折讓或溢價及實際利率法相關的費用或成本計算。實際利率法攤銷計入損益表之其他收入及收益。貸款的減值虧損於損益表確認為財務費用及應收款項的減值虧損於損益表確認為其他費用。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### INVESTMENTS AND OTHER FINANCIAL ASSETS (POLICIES UNDER IAS 39 APPLICABLE BEFORE 1 JANUARY 2018)

(Cont'd)

#### Subsequent measurement (Cont'd)

##### Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held to maturity when the Group has the positive intention and ability to hold them to maturity. Held-to-maturity investments are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance income in the statement of profit or loss. The loss arising from impairment is recognised in the statement of profit or loss in other expenses.

##### Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments and debt securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the statement of profit or loss in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to the statement of profit or loss in other gains or losses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in the statement of profit or loss as other income in accordance with the policies set out for "Revenue recognition (applicable before 1 January 2018)" above.

## 2.4 重大會計政策概要(續)

投資及其他財務資產(國際會計準則第39號項下之政策, 於二零一八年一月一日前適用)(續)

#### 後續計量(續)

##### 持至到期日的投資

持至到期日的投資乃指付款金額固定或可以確定, 有固定到期日且本集團管理層有明確意向及能力持有至到期日之非衍生財務資產。其後, 持至到期日的投資以實際利率法按攤銷成本減去任何減值來列賬。攤銷成本乃經計及收購折讓或溢價及實際利率法相關的費用或成本計算。實際利率法攤銷計入損益表之財務收入。減值虧損於損益表確認為其他費用。

##### 可供出售財務投資

可供出售財務投資是在上市和非上市的股權投資及債務證券中的非衍生財務資產。分類為可供出售之股權投資為並非歸類為持有以作買賣或劃分為以公允值計量且其變動計入損益之股權投資。該類債務證券為打算無限期待持有並可因流動性需求或市況變化出售的債券。

經初始確認後, 可供出售財務投資日後按公允值計量, 其未變現損益將作為其他全面收益, 在可供出售投資估值儲備中確認, 直至該投資被取消確認(屆時累積損益確認為損益表中的其他收入), 或直至該投資被認定出現減值(屆時累積損益確認為損益表中其他收益或虧損內, 並從可供出售投資估值儲備中剔除)。所賺取的利息和股息將分別作為利息收入和股息收入進行呈報, 按照上文「收入確認」(二零一八年一月一日前適用)所載政策, 確認為損益表中的其他收入。

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### INVESTMENTS AND OTHER FINANCIAL ASSETS (POLICIES UNDER IAS 39 APPLICABLE BEFORE 1 JANUARY 2018)

(Cont'd)

##### Subsequent measurement (Cont'd)

###### Available-for-sale financial investments (Cont'd)

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss.

### 2.4 重大會計政策概要(續)

投資及其他財務資產(國際會計準則第39號項下之政策,於二零一八年一月一日前適用)(續)

##### 後續計量(續)

###### 可供出售財務投資(續)

倘非上市股權投資的公允價值因(a)合理公允價值估計範圍的變動對該投資而言影響重大或(b)範圍內的若干估計可能性無法合理地評估及用作估計公允價值而不能可靠地計量,則該等投資按成本減任何減值虧損入賬。

本集團對可供出售財務資產進行估值以評估短期內經其出售的能力和意向是否仍然適當。當在罕有情況下,因市場不活躍,以致本集團未能交易該等財務資產時,如管理層有意向及能力於可見未來持有該等資產或持有至到期,本集團或會選擇將該等財務資產重新分類。

就從可供出售類別重分類的財務資產而言,於重分類日期的公允賬面值將成為其新攤銷成本,而之前在權益中確認的該資產的任何收益或虧損使用實際利率法在投資的剩餘年限攤銷並計入損益。新攤銷成本與預期現金流量之間的任何差額也使用實際利率法按資產的剩餘年期攤銷。倘資產其後出現減值,則計入權益的金額應重新分類至損益表。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### DERECOGNITION OF FINANCIAL ASSETS (POLICIES UNDER IFRS 9 APPLICABLE FROM 1 JANUARY 2018 AND POLICIES UNDER IAS 39 APPLICABLE BEFORE 1 JANUARY 2018)

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

## 2.4 重大會計政策概要(續)

取消確認財務資產(國際財務報告準則第9號項下之政策, 於二零一八年一月一日起適用及國際會計準則第39號項下之政策, 於二零一八年一月一日前適用)

在下列情況下, 將基本取消確認(即於本集團綜合財務狀況表移除)財務資產(或(如適當)一項財務資產的一部份或一組同類財務資產的一部份):

- 可獲取資產所得現金流量的權利期滿; 或
- 本集團已轉讓其可獲取資產所得現金流量的權利或已承擔根據交付協議須無重大延誤地按「轉移」協議向其向第三方悉數支付所得現金流量, 及(a)本集團轉讓資產絕大部份的風險及回報, 或(b)本集團既無轉讓亦無保留資產絕大部份的風險及回報, 但已轉讓資產的控制權。

當本集團已轉讓其收取一項資產所得現金流量的權利或已訂立一項轉移協議, 會評估是否及何種程度上保留該資產的風險及回報。當並無轉讓或保留該項資產的絕大部份風險及回報, 亦並無轉讓該項資產的控制權, 則本集團將繼續確認該轉讓資產, 條件為本集團須持續涉及該項資產。在該情況下, 本集團亦確認相關負債。已轉讓資產及相關負債按反映本集團已保留權利及責任的基準計量。

本集團以擔保形式持續涉及轉讓資產, 該已轉讓資產乃以該項資產之原賬面值及本集團可能需要支付之最高代價兩者之較低者計量。



### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### **IMPAIRMENT OF FINANCIAL ASSETS (POLICIES UNDER IFRS 9 APPLICABLE FROM 1 JANUARY 2018)**

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. 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, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

##### *General approach*

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, 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 and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

### 2.4 重大會計政策概要(續)

財務資產減值(國際財務報告準則第9號項下之政策，於二零一八年一月一日起適用)

本集團就並非按公允值計量且其變動計入損益的所有債務工具確認預期信貸虧損撥備。預期信貸虧損乃基於以原實際利率的近似值貼現的根據合約到期的合約現金流量與本集團預期收取的所有現金流量之間的差額釐定。預期現金流量將包括出售所持抵押物的現金流量或組成合約條款的其他信貸提升措施。

##### *一般方法*

預期信貸虧損分兩個階段進行確認。就自初始確認起未有顯著增加的信貸風險而言，預期信貸虧損按未來十二個月內可能發生違約事件而導致的信貸虧損(12個月預期信貸虧損)計量。就自初始確認起已顯著增加的信貸風險而言，不論何時發生違約，於餘下風險年期內的預期信貸虧損均須計提虧損撥備(存續期預期信貸虧損)。

本集團於各報告日評估相關金融工具的信貸風險自初始確認後是否已顯著增加。在進行有關評估時，本集團會就金融工具於報告日期發生違約的風險與金融工具於首次確認當日發生違約的風險進行比較及考慮合理可靠且毋須付出不必要的成本或努力即可獲得的資料，包括過往資料及前瞻性資料。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### IMPAIRMENT OF FINANCIAL ASSETS (POLICIES UNDER IFRS 9 APPLICABLE FROM 1 JANUARY 2018) (Cont'd)

#### General approach (Cont'd)

For debt investments at fair value through other comprehensive income, the Group applies the low credit risk simplification. At each reporting date, the Group evaluates whether the debt investments are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the external credit ratings of the debt investments. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

## 2.4 重大會計政策概要(續)

財務資產減值(國際財務報告準則第9號項下之政策, 於二零一八年一月一日起適用)(續)

#### 一般方法(續)

對於以公允價值計量且其變動計入其他全面收益之債務投資, 本集團採用低信貸風險簡化處理。於各報告日期, 本集團利用所有合理且可靠、毋須付出不必要的成本或努力即可獲得的資料評估債務投資是否被認為具有低信貸風險。進行有關評估時, 本集團重新評估債務投資的外部信貸評級。此外, 本集團認為當合約付款逾期超過30天時, 信貸風險顯著增加。

本集團認為, 倘合約付款逾期90天, 則發生財務資產違約事件。然而, 在若干情況下, 倘內部或外部資料顯示本集團在計及任何本集團持有的信用增級前不可能悉數收取未收取合約金額, 則本集團亦可認為發生財務資產違約事件。倘無法合理預期能收回合約現金流量, 則撇銷財務資產。

除應收貿易款項及合約資產採用下述簡化方法外, 按公允價值計量且其變動計入其他全面收益之債務投資及按攤銷成本計量之財務資產按一般方法進行減值, 並按下列預期信貸虧損計量階段分類。

## 財務報表附註

31 December 2018 於二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### IMPAIRMENT OF FINANCIAL ASSETS (POLICIES UNDER IFRS 9 APPLICABLE FROM 1 JANUARY 2018) (Cont'd)

##### General approach (Cont'd)

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

##### Simplified approach

For trade and notes receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

### 2.4 重大會計政策概要(續)

#### 財務資產減值(國際財務報告準則第9號項下之 政策，於二零一八年一月一日起適用)(續)

##### 一般方法(續)

- 階段1 – 信貸風險自初始確認後並無顯著增加的金融工具，虧損撥備按等同12個月預期信貸虧損的金額計量
- 階段2 – 信貸風險自初始確認後顯著增加但無信貸減值的金融工具，虧損撥備按等同存續期預期信貸虧損的金額計量
- 階段3 – 於報告日期為信貸減值的財務資產(但於購買或發起時並無信貸減值)，虧損撥備按等同存續期預期信貸虧損的金額計量

##### 簡化方法

對於不包含重大融資成分的應收貿易及票據款項，或當本集團採用不調整重大融資成分影響的可行權宜方式時，本集團計算預期信貸虧損時應用簡化方法。根據簡化方法，本集團並無追蹤信貸風險的變化，反而於各報告日期根據存續期預期信貸虧損確認減值撥備。本集團已根據其以往信貸虧損經驗，建立撥備矩陣，並就債務人及經濟環境的特定前瞻性因素作出調整。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### IMPAIRMENT OF FINANCIAL ASSETS (POLICIES UNDER IAS 39 APPLICABLE BEFORE 1 JANUARY 2018)

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

#### *Financial assets carried at amortised cost*

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

## 2.4 重大會計政策概要(續)

財務資產減值(國際會計準則第39號項下之政策,於二零一八年一月一日前適用)

本集團於各報告日評估是否有客觀證據顯示財務資產或一組財務資產出現減值。倘且僅倘因初始確認資產後發生的一項或多項事件而對該項或該組財務資產的估計未來現金流量所造成的影響能可靠地估計,則減值存在。減值跡象可包括一名或一組借款人正面臨重大經濟困難、違約或未能償還利息或本金、彼等有可能破產或進行其他財務重組,以及有可觀察得到的數據顯示估計未來現金流量出現可計量的減少,例如欠款數目變動或出現與違約相關的經濟狀況。

#### *按攤銷成本計量之財務資產*

就按攤銷成本計量之財務資產而言,本集團首先會按個別基準就個別屬重大的財務資產或按組合基準就個別不屬重大的財務資產,個別評估是否存在客觀減值跡象。倘本集團認定按個別基準經評估的財務資產(無論具重要性與否)並無客觀跡象顯示存有減值,則該項資產會歸入一組具有相似信貸風險特性的財務資產內,並共同評估該組財務資產是否存在減值。經個別評估減值的資產,其減值虧損會予確認或繼續確認入賬,而不會納入綜合減值評估之內。

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### IMPAIRMENT OF FINANCIAL ASSETS (POLICIES UNDER IAS 39 APPLICABLE BEFORE 1 JANUARY 2018) (Cont'd)

##### *Financial assets carried at amortised cost (Cont'd)*

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in the statement of profit or loss.

##### *Assets carried at cost*

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

### 2.4 重大會計政策概要(續)

財務資產減值(國際會計準則第39號項下之政策, 於二零一八年一月一日前適用)(續)

##### *按攤銷成本計量之財務資產(續)*

計量任何認為減值虧損的金額會按該項資產的賬面值與估計未來現金流量現值(不包括尚未產生的未來預期信貸虧損)的差額計量。估計未來現金流量的現值以財務資產的初始實際利率(即初始確認時的實際利率)折現。

該資產的賬面值會通過使用備抵賬而減少, 而虧損於損益表確認。利息收入於經縮減賬面值中持續累計, 且採用計量減值虧損時用以折現未來現金流量的利率。當日後收回不可實現及所有抵押品已變現或已轉至本集團時, 會撤銷貸款及應收款項連同任何相關撥備。

倘於隨後年度, 因在確認減值後發生事件導致估計減值虧損數額增加或減少, 則會透過調整撥備數額調高或調低先前確認的減值虧損。倘撤銷數額其後獲收回, 則收回的數額會於損益表計作其他費用。

##### *按成本計量的資產*

倘有客觀證據證明因未能可靠地計量其公允值而不按公允值計量的非上市權益工具或屬衍生工具資產而繫於此非上市權益工具並須以其交收結算出現減值虧損, 虧損金額按該項資產之賬面值與估算未來現金流量之現值(按類似財務資產目前市場回報率折現)之差額計算。該等資產之減值虧損不會回撥。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### IMPAIRMENT OF FINANCIAL ASSETS (POLICIES UNDER IAS 39 APPLICABLE BEFORE 1 JANUARY 2018) (Cont'd)

#### *Available-for-sale financial investments*

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the statement of profit or loss, is removed from other comprehensive income and recognised in the statement of profit or loss.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss — is removed from other comprehensive income and recognised in the statement of profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through the statement of profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

## 2.4 重大會計政策概要(續)

財務資產減值(國際會計準則第39號項下之政策,於二零一八年一月一日前適用)(續)

#### *可供出售財務投資*

就可供出售財務投資而言,本集團會於每個報告期末評估有否客觀跡象顯示一項投資或一組投資出現減值。

如可供出售資產已出現減值,其成本(扣除任何所付本金及攤銷)及現有公允值之差額,扣除以往於損益表確認之減值虧損後,將由其他全面收益轉出,並於損益表內確認。

倘股權投資被列作可供出售類別,則客觀跡象將包括該項投資的公允值重大或長期跌至低於其成本值。「重大」乃指相對投資的原始成本進行評估,而「長期」則指相對公允值低於其原始成本期間進行評估。倘出現減值跡象,則累計虧損(按收購成本與現時公允值的差額減該項投資先前在損益表內確認的任何減值虧損計量)將從其他全面收益中移除,並於損益表內確認。被列作可供出售的股權工具之減值虧損不可透過損益表撥回,而其公允值於減值後的增加部份會直接於其他全面收益中確認。

對於重大的以及長期的定義需要進行判斷。本集團根據一項投資的公允價值低於其成本的持續時間或程度,結合其他因素進行判斷。

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### **IMPAIRMENT OF FINANCIAL ASSETS (POLICIES UNDER IAS 39 APPLICABLE BEFORE 1 JANUARY 2018) (Cont'd)**

##### *Available-for-sale financial investments (Cont'd)*

In the case of debt instruments classified as available for sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. Impairment losses on debt instruments are reversed through the statement of profit or loss if the subsequent increase in fair value of the instruments can be objectively related to an event occurring after the impairment loss was recognised in the statement of profit or loss.

#### **FINANCIAL LIABILITIES (POLICIES UNDER IFRS 9 APPLICABLE FROM 1 JANUARY 2018 AND IAS 39 APPLICABLE BEFORE 1 JANUARY 2018)**

##### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and notes payables and other payables.

### 2.4 重大會計政策概要(續)

財務資產減值(國際會計準則第39號項下之政策, 於二零一八年一月一日前適用)(續)

##### *可供出售財務投資(續)*

對於分類為可供出售之債務工具, 評估減值的標準與按攤銷成本計量之財務資產所採用者相同。然而, 減值的入賬金額乃按攤銷成本與其現行公允值之差額, 扣除先前在損益表確認之投資減值虧損計量。未來利息收益乃按資產之經削減賬面值持續累計, 並用於計量減值虧損時用於貼現未來現金流量之利率。利息收益乃作為財務收入之一部分記錄入賬。倘債務工具的公允值隨後增加可客觀上與在損益表確認減值虧損後發生的事件相關, 則債務工具之減值虧損於損益表回撥。

財務負債(國際財務報告準則第9號項下之政策, 自二零一八年一月一日起適用, 以及國際會計準則第39號項下之政策, 於二零一八年一月一日前適用)

##### *初始確認及計量*

財務負債於初始確認時乃視情況分類為以公允值計量且其變動計入損益之財務負債、貸款及借款、或在有效對沖中被指定為對沖工具的衍生工具。

所有財務負債初始按公允值確認, 惟貸款及借款及應付款則扣除直接應佔交易成本。

本集團的財務負債包括應付貿易及票據款項及其他應付款項。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### FINANCIAL LIABILITIES (POLICIES UNDER IFRS 9 APPLICABLE FROM 1 JANUARY 2018 AND IAS 39 APPLICABLE BEFORE 1 JANUARY 2018) (Cont'd)

#### *Subsequent measurement*

The subsequent measurement of financial liabilities depends on their classification as follows:

#### *Financial liabilities at fair value through profit or loss (policies under IFRS 9 applicable from 1 January 2018)*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

## 2.4 重大會計政策概要(續)

財務負債(國際財務報告準則第9號項下之政策,自二零一八年一月一日起適用,以及國際會計準則第39號項下之政策,於二零一八年一月一日前適用)(續)

#### 後續計量

財務負債的後續計量取決於其分類,如下:

#### 以公允值計量且其變動計入損益之財務負債(自二零一八年一月一日起按國際財務報告準則第9號原則應用)

以公允值計量且其變動計入損益之財務負債包括以交易為目的而持有財務負債及於首次確認時指定為按公允值計量且變動計入損益之財務負債。

以近期內回購為目的而買入的財務負債被分類為交易性財務負債。此類別包括本集團訂立的未被指定為對沖關係(定義見國際財務報告準則第9號)中對沖工具的衍生金融工具。單獨的嵌入式衍生工具,除非其被指定為有效對沖工具,否則亦分類為交易性財務負債。交易性財務負債所產生的損益在損益表中確認。在損益表中確認的公允值淨損益並不包含就該等財務負債所支付的任何利息。

僅在滿足國際財務報告準則第9號時,於初始確認日將財務負債指定為以公允值計量且其變動計入損益之財務負債。指定為以公允值計量且其變動計入損益之財務負債所產生之損益在損益表中確認,除本集團自身信貸風險所產生之收益或虧損於其他全面收益中列報外,未來並不能重新分類至損益表。在損益表中確認的公允值淨損益並不包含就該等財務負債所支付的任何利息。



### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### **FINANCIAL LIABILITIES (POLICIES UNDER IFRS 9 APPLICABLE FROM 1 JANUARY 2018 AND IAS 39 APPLICABLE BEFORE 1 JANUARY 2018) (Cont'd)**

##### *Subsequent measurement (Cont'd)*

*Financial liabilities at fair value through profit or loss (policies under IAS 39 applicable before 1 January 2018)*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in IAS 39 are satisfied.

##### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

### 2.4 重大會計政策概要(續)

財務負債(國際財務報告準則第9號項下之政策,自二零一八年一月一日起適用,以及國際會計準則第39號項下之政策,於二零一八年一月一日前適用)(續)

##### 後續計量(續)

以公允值計量且其變動計入損益之財務負債(國際會計準則第39號項下之政策,於二零一八年一月一日前適用)

以公允值計量且其變動計入損益之財務負債包括以交易為目的而持有財務負債及於首次確認時指定為以公允值計量且其變動計入損益的財務負債。

以近期內回購為目的而買入的財務負債被分類為交易性財務負債。此類別包括本集團訂立的未被指定為對沖關係(定義見國際會計準則第39號)中對沖工具的衍生金融工具。單獨的嵌入式衍生工具,除非其被指定為有效對沖工具,否則亦分類為交易性財務負債。交易性財務負債所產生的損益在損益表中確認。在損益表中確認的公允值淨損益並不包含就該等財務負債所支付的任何利息。

僅在滿足國際會計準則第39號時,於初始確認日將財務負債指定為於初始確認時以公允值計量且其變動計入損益之財務負債。

##### 貸款及借款

於初始確認後,計息貸款及借款其後會使用實際利率法按攤銷成本計量,若折現沒有重大影響,則按成本值列賬。當負債被取消確認或透過實際利率法進行攤銷時,盈虧於損益表內確認。

攤銷成本於計及收購事項任何折讓或溢價及屬實際利率不可或缺一部分的費用或成本後計算。實際利率攤銷計入損益表的財務費用內。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### DERECOGNITION OF FINANCIAL LIABILITIES (POLICIES UNDER IFRS 9 APPLICABLE FROM 1 JANUARY 2018 AND IAS 39 APPLICABLE BEFORE 1 JANUARY 2018)

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit or loss.

### OFFSETTING OF FINANCIAL INSTRUMENTS (POLICIES UNDER IFRS 9 APPLICABLE FROM 1 JANUARY 2018 AND IAS 39 APPLICABLE BEFORE 1 JANUARY 2018)

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

## 2.4 重大會計政策概要(續)

取消確認財務負債(國際財務報告準則第9號項下之政策,自二零一八年一月一日起適用,以及國際會計準則第39號項下之政策,於二零一八年一月一日前適用)

債務被解除或取消或到期時,取消確認財務負債。

倘現有財務負債由同一貸方授予條款迥異的其他債項取代,或現有財務負債的條款經重大修訂,則該等變更或修訂視作取消確認原負債及確認新負債,各賬面值的差額於損益表確認。

抵銷金融工具(國際財務報告準則第9號項下之政策,自二零一八年一月一日起適用,以及國際會計準則第39號項下之政策,於二零一八年一月一日前適用)

倘現時存在一項可依法強制執行的權利,可抵銷已確認金額,且亦有意以淨額結算或同時變現資產及償付債務,則財務資產及負債均可予抵銷,並將淨金額列入綜合財務狀況表內。

### 物業、廠房、設備與折舊

除在建工程以外之物業、廠房及設備乃按成本值減去累計折舊及任何減值虧損列賬。物業、廠房及設備項目之成本包括其購入價及將資產達至運作狀況及運抵有關位置作擬定用途之任何直接應佔成本。

物業、廠房及設備項目投入運作後產生的開支,例如維修和保養開支,一般於產生期間自損益表扣除。於符合確認條件的情況下,主要檢修的開支於資產賬面值中資本化為一項重置。倘物業、廠房及設備的重要部分須分階段更換,本集團將此組成部份作為一項單獨資產,分別確定其使用壽命並相應計提折舊。

## 財務報表附註

31 December 2018 於二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION (Cont'd)

Depreciation is calculated on the straight-line basis over the estimated useful life of the asset as follows:

Leasehold land	Over the lease terms
Buildings	20 to 25 years
Machinery and other equipment	5 to 10 years
Office equipment	3 to 25 years
Motor vehicles	4 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

#### CONSTRUCTION IN PROGRESS

Construction in progress represents property, plant and equipment under construction, which are stated at cost less any impairment losses, and are not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is transferred to the appropriate category of property, plant and equipment when completed and ready for use.

### 2.4 重大會計政策概要(續)

#### 物業、廠房、設備與折舊(續)

折舊以直線基準於資產的估計可使用年內計算如下：

租賃土地	按租賃年期
樓宇	20年至25年
機器及其他設備	5年至10年
辦公設備	3年至25年
汽車	4年

如物業、廠房及設備的某項目部分具有不同可使用年期，則該項目的成本按合理基準分配在各部分中，而每一部分個別計算折舊。殘值，可使用年期和折舊方法至少於每個會計年度末復核，並在合適的情況下調整。

當一項物業、廠房及設備包含初始確認的任何重大部分被處置或其使用或出售估計並無未來經濟效益時，則取消確認。於取消確認該資產時產生的任何收益或虧損(以處置所得款項淨額與該項目的賬面值的差額計算)乃計入該資產取消確認時的損益表內。

資產的剩餘價值、可使用年期及折舊方法於每個結算日進行檢討並作適當未來調整。

#### 在建工程

在建工程指興建中的物業、廠房及設備，並以成本扣除減值虧損入賬及不予折舊。成本包括直接興建成本及於建築期間相關的借貸資金產生的資本化借貸成本。當在建工程完工並可使用時，即會轉撥為適當類別的物業、廠房及設備。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### LEASES

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the statement of profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the statement of profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the statement of profit or loss on the straight-line basis over the lease terms.

### LAND USE RIGHTS

Land use rights represent prepaid land lease payments under operating leases, which 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 buildings elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

## 2.4 重大會計政策概要(續)

### 租賃

把資產所有權絕大部分回報及風險(不包括合法業權)轉讓給本集團的租賃視為融資租賃入賬。訂立融資租賃時,租賃資產的成本會按最低租賃付款的現值(不包括利息部分)撥充資本化,連同有關責任一併入賬,以反映相關購買及融資。根據撥作資本的融資租賃持有的資產(包括融資租賃下的預付土地租賃款項)計入物業、廠房及設備,於租期或資產估計可用年期之較短的期間內折舊。該等租約的財務費用自損益表扣除,以計算租期內固定的定期收費比率。

凡資產擁有權的絕大部分回報及風險仍歸出租人所有的租約,均列作經營租約。如本集團是出租人,則本集團根據經營租約出租的資產均計入非流動資產,而經營租約的應收租金則以直線法在租賃期內計入損益表。如本集團是承租人,則經營租約的應付租金(扣除得自出租人的任何激勵)以直線法在租賃期內自損益表扣除。

### 土地使用權

土地使用權指按經營租約而支付的預付土地租賃款項,最初以成本列賬,隨後以直線法按租賃期予以確認。

當租賃支出不能可靠地劃分入土地及樓宇部分,全數租賃支出作為融資租賃計入物業、廠房設備中的土地及樓宇成本中。

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### INTANGIBLE ASSETS (OTHER THAN GOODWILL)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

#### *Research and development costs*

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products commencing from the date when the products are put into commercial production. The estimated residual value is zero.

### 2.4 重大會計政策概要(續)

#### 無形資產(商譽除外)

單獨收購的無形資產初始確認時按成本計算。於企業合併中購入的無形資產的成本為收購當日的公允值。無形資產的可使用年期可分為有限或無限。年期有限的無形資產其後於可使用經濟年內攤銷。並當有跡象顯示無形資產可能減值時，管理層將評估其減值金額。可使用年期有限的無形資產的攤銷期間及方法，最少會於每個財政年度末檢查。

可使用年期無限的無形資產每年按個別或按視作現金產出單位進行減值測試。該無形資產不予攤銷。可使用年期無限的無形資產的可使用年期每年進行檢查，以確定是否仍然可以支持年期無限的評估。如不支持，將按未來適用法將可使用年期評估由無限改為有限的變化記錄入賬。

#### 研發成本

所有研究費用於產生時自損益表扣除。

開發新產品的項目所產生的支出僅在本集團可以證實以下情況時予以資本化和遞延：使無形資產完成並可使用或銷售在技術上可行；有完成的意向且有能力使用或出售資產；資產如何產生未來經濟效益；具備完成項目的資源；及能夠可靠地計量開發期間的支出。不符合上述標準的產品開發支出在發生時記作費用。

遞延開發成本乃按成本值減任何減值虧損列賬，並以直線法由有關產品開始商業生產之日起按相關產品之商業期限攤銷。估計殘值為零。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### INTANGIBLE ASSETS (OTHER THAN GOODWILL) (Cont'd)

Research and development costs (Cont'd)

Category 類別	Estimated useful life 估計可使用年期	Annual amortisation rate 每年攤銷比率
Software 軟件	10 years 十年	10%
Deferred development costs 遞延開發成本	10 years 十年	10%

### IMPAIRMENT OF NON-FINANCIAL ASSETS

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets and non-current assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

## 2.4 重大會計政策概要(續)

無形資產(商譽除外)(續)

研發成本(續)

Category 類別	Estimated useful life 估計可使用年期	Annual amortisation rate 每年攤銷比率
Software 軟件	10 years 十年	10%
Deferred development costs 遞延開發成本	10 years 十年	10%

### 非財務資產減值

如有跡象顯示資產出現減值，或須對資產進行年度減值測試(存貨、財務資產及非流動資產除外)，則會估計該項資產的可收回金額。資產的可收回金額為資產或現金產出單位的使用價值或其公允值減出售成本的較高者，並就個別資產釐定，惟該項資產並無產生大部分獨立於其他資產或其他組別資產的現金流入則除外，於此情況下，就該項資產所屬的現金產出單位釐定可收回金額。

減值虧損僅於資產賬面值超逾可收回金額時確認。於評估使用價值時，估計未來現金流量以反映當時市場對貨幣時間價值及該項資產的特定風險的估計的稅前折現率折減至現值。減值虧損於產生期間自損益表與被減值資產功能一致的開支類別扣除。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### IMPAIRMENT OF NON-FINANCIAL ASSETS (Cont'd)

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

#### TREASURY SHARES

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in the statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

#### INVENTORIES

Inventories are stated at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials	Purchase cost on a weighted-average basis
Finished goods and work in progress	Cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs

Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

### 2.4 重大會計政策概要(續)

#### 非財務資產減值(續)

於各報告期末，均會評估是否有跡象顯示過往已確認的減值虧損不再存在或可能減少。如出現該跡象，則會估計可收回金額。過往確認的資產減值虧損(商譽除外)僅於用於釐定該項資產的可收回金額所採用的估計出現變化時撥回。但撥回之數額不應高於資產於以往年度未確認減值虧損時原將確定之賬面值(扣除任何折舊／攤銷)。該項減值虧損的撥回於發生時撥入損益表。

#### 庫存股份

本公司或本集團購回及持有之自身的權益工具(庫存股份)按成本直接於權益中確認。本集團購買、出售、發行或註銷自身的權益工具所得損益並無於損益表中確認。

#### 存貨

存貨按成本及可變現淨值兩者的較低者列賬。

將產品運至現址和變成現狀的成本的會計處理方法如下：

原材料	採購成本(按加權平均法釐定)
製成品及在製品	直接材料、直接人工成本，以及根據正常運作能力按適當比例分配的制造費用比例，但不包括借貸成本

可變現淨值則按估計售價減完成及出售時產生的任何估計成本計算。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### CASH AND CASH EQUIVALENTS

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted or pledged as to use.

### PROVISIONS

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of (i) the amount that would be recognised in accordance with the general guidance for provisions above; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the guidance for revenue recognition.

## 2.4 重大會計政策概要(續)

### 現金及現金等價物

就綜合現金流量表而言，現金及現金等價物是指手頭現金及活期存款，以及購入後通常於三個月內到期，可隨時轉換為已知金額現金的短期高變現能力但價值改變風險不大的投資，減按要求償還且組成本集團現金管理的不可或缺部分的銀行透支。

就綜合財務狀況表而言，現金及現金等價物包括手頭現金及銀行存款，包括定期存款，以及性質類似現金的資產，其用途不受限制或已抵押。

### 撥備

倘本集團因過往事件須承擔現時的責任(法定或推定)，而承擔該責任可能導致將來資源外流，且該責任所涉及金額能夠可靠地估計時，則確認撥備。

如折現影響重大，則就撥備而確認的金額為預期清償債務所需的未來開支於報告期末的現值。因時間流逝而引致的折現現值的增加計入損益表內的財務費用。

於業務合併時確認的或然負債在起始以公允值計量。隨後，會以以下較高者計量(i)根據上述撥備指引確認的金額；(ii)起始時確認較少的金額，當合適時，按收入確認指引確認累計攤銷。



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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### RELATED PARTIES

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and 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 a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group 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 Group or an entity related to the Group;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
  - (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.

### 2.4 重大會計政策概要(續)

#### 關聯方

倘符合下列條件，則被視為本集團的關聯方：

- (a) 關聯方可為下述人士或下述人士關係親切的家庭成員
  - (i) 對本集團有控制權或聯合控制權；
  - (ii) 對本集團可施加重大影響；或
  - (iii) 為本集團或其母公司的重要管理層人員的成員；

或

- (b) 如相關實體滿足下列條件之一，則視為關聯方：
  - (i) 該實體與本集團屬於同一集團的成員；
  - (ii) 該實體為另一實體的聯營方或合營方(或為另一實體的母公司、附屬公司或同系附屬公司)；
  - (iii) 該實體與本集團為同一第三方的合營企業；
  - (iv) 其中一方為第三方之合營企業，而另一方為第三方之聯營公司；
  - (v) 該實體為本集團或與本集團有關實體為僱員福利設立的退休福利計劃；
  - (vi) 該實體受上述(a)項中所述人士所控制或共同控制；
  - (vii) 上述(a)(i)項中所述人士對該實體具有重大影響或為該實體(或該實體的母公司)的主要管理層人員的成員；及
  - (viii) 該實體或該實體所屬集團的任何成員公司，為本集團或本集團的母公司提供主要管理人員服務。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### DIVIDENDS

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

## 2.5 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

### JUDGEMENTS

In the process of applying the Group's accounting policies, management has made the following judgement which has the most significant effect on the amounts recognised in the financial statements:

#### *Development costs*

Development costs are capitalised in accordance with the accounting policy in note 2.4 to the financial statements. Initial capitalisation of costs is based on management's judgements that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model.

## 2.4 重大會計政策概要(續)

### 股息

末期股息於股東週年大會獲股東批准後確認為負債。擬派發末期股息於財務報表附註披露。

由於本公司組織章程大綱及公司組織章程細則賦予董事宣派中期股息的權力，本公司可同時建議及宣派中期股息。因此，中期股息於建議及宣派時即時確認為負債。

## 2.5 主要會計判斷、估計及假設

管理層對本集團財務報表的編製需要作出會影響所呈報收入、支出、資產與負債之金額及各自之披露，以及或有負債之披露的判斷、估計及假設。然而，該等假設及估計之不確定性可能導致未來對受影響資產或負債之賬面值作出重大調整。

### 判斷

於應用本集團之會計政策時，管理層已作出如下判斷，對財務報表確認之金額具有最重大影響：

#### *開發成本*

開發成本乃根據財務報表附註2.4內的會計政策予以資本化。成本初始資本化乃通常當一個產品開發項目達到一個界定里程碑時根據管理層對確定技術與經濟可行性作出之判斷。

### 2.5 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Cont'd)

#### ESTIMATION UNCERTAINTY

The 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, are described below.

##### *Variable consideration for volume rebates*

The Group estimates variable consideration to be included in the transaction price for the sale of pharmaceutical products with volume rebates.

The Group's expected volume rebates are analysed on a per customer basis for contracts that are subject to a single volume threshold. Determining whether a customer will likely be entitled to a rebate depends on the customer's historical rebate entitlement and accumulated purchases to date.

The Group updates its assessment of expected volume rebates monthly and the refund liabilities are adjusted accordingly. Estimates of volume rebates are sensitive to changes in circumstances and the Group's past experience regarding rebate entitlements may not be representative of customers' actual rebate entitlements in the future. As at 31 December 2018, the amount recognised as refund liabilities was RMB9,258,000 for volume rebates.

##### *Provision for expected credit losses on trade receivables*

The Group uses a provision matrix to calculate ECLs for trade and notes receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type and ageing).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

### 2.5 主要會計判斷、估計及假設(續)

#### 估計不確定性

於報告期末會對日後及其他估計不確定性的主要來源作出重大假設，很大機會導致下一財政年度的資產及負債的賬面值須作出重大調整的假設討論如下。

##### *批量折扣的可變代價*

本集團會估計將予納入銷售給予批量折扣藥品的交易價格中的可變代價。

本集團的預期批量折扣乃就設有單一批量限額的合約按每個客戶進行分析。釐定客戶是否可能獲得折扣取決於客戶的歷史折扣的獲得情況及迄今為止的累計採購額。

本集團每月更新其對預期批量折扣的評估，並相應地調整退款負債。批量折扣的估計對情況變化相當敏感，而本集團過往有關折扣支付情況的經驗可能無法代表客戶未來的實際折扣的獲得情況。於二零一八年十二月三十一日，批量折扣中確認為退款負債的金額為人民幣9,258,000元。

##### *應收貿易款項之預期信貸虧損撥備*

本集團使用撥備矩陣計算應收貿易及票據款項之預期信貸虧損撥備。撥備率乃基於因就擁有類似虧損模式的多個客戶分部進行分組(即按客戶類別及賬齡)而逾期的日數計算。

撥備矩陣初步基於本集團過往觀察所得違約率而釐定。本集團將調整矩陣，藉以按前瞻性資料調整過往信貸虧損經驗。舉例而言，倘預測經濟環境(即本地生產總值)預期將於未來一年惡化，導致製造分部違約事件增加，則會調整過往違約率。於各報告日期，過往觀察所得違約率將予更新，並對前瞻性估計變動進行分析。

## 2.5 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Cont'd)

### ESTIMATION UNCERTAINTY (Cont'd)

#### *Provision for expected credit losses on trade receivables (Cont'd)*

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade and notes receivables is disclosed in note 19 to the financial statements, respectively.

#### *Net realisable value of inventories*

Net realisable value of inventories is the estimated selling price in the ordinary course of business less estimated selling expenses. These estimates are based on the current market condition and the historical experience of selling products of a similar nature. It could change significantly as a result of changes in customer taste or competitor actions. Management reassesses these estimates at each reporting date.

#### *Impairment of non-financial assets*

The Group assesses whether there are any indications of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

## 2.5 主要會計判斷、估計及假設(續)

### 估計不確定性(續)

#### *應收貿易款項之預期信貸虧損撥備(續)*

對過往觀察所得違約率、預測經濟環境及預期信貸虧損之間的關連性進行的評估屬重大估計。預期信貸虧損金額對情況變化及預測經濟環境相當敏感。本集團過往信貸虧損經驗及預測經濟環境亦未必能代表客戶日後的實際違約情況。有關本集團應收貿易及票據款項之預期信貸虧損的資料已於財務報表附註19披露。

#### *存貨的可變現淨值*

存貨的可變現淨值是在日常業務過程中減去估計的銷售費用的估計售價。這些估計是基於對當前市場狀況及銷售近似性質的產品的歷史經驗。它會因顧客口味的變化或競爭對手的行動而產生顯著的改變。管理層在每個報告日重新評估該等估計。

#### *非財務資產之減值*

本集團於各報告期末評估全部非財務資產是否存在任何減值跡象。其他非財務資產於出現其賬面值可能不可收回之跡象時進行減值測試。

## 財務報表附註

31 December 2018 於二零一八年十二月三十一日

### 3. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and has two reportable segments as follows:

- (a) Manufacture and sale of intermediates and bulk medicines (the “intermediates and bulk medicines” segment)
- (b) Manufacture and sale of finished drugs (including antibiotics finished drugs and non-antibiotics finished drugs) (the “finished drugs” segment)

Management monitors the operating results of these operating segments for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group’s profit before tax except that interest income, finance costs, government grants, dividend income, fair value gains/losses from the Group’s financial instruments as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, cash and bank, financial assets at fair value through profit or loss and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank loans, tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

### 3. 分類資料

為方便管理，本集團將業務單位按其產品劃分并由下列兩個可報告分類組成：

- (a) 製造及銷售中間體及原料藥（「中間體及原料藥」分類）
- (b) 製造及銷售成藥（包括抗生素製劑藥及非抗生素製劑藥）（「成藥」分類）

管理層監察經營分類之經營業績，以作出有關資源分配及表現評估的決策。分類表現乃根據可報告分類溢利（其為經調整除稅前溢利的計量）予以評估。經調整除稅前溢利乃貫徹以本集團的除稅前溢利計量，惟利息收入、財務費用、政府撥款、股息收入、來自本集團金融工具的公允值收益／虧損、以及總部及企業行政費用不包含於該計量。

分類資產不包括遞延稅項資產、現金及銀行存款、以公允值計量且其變動計入損益之財務資產及其他未分配總部及企業資產，乃由於該等資產以集團為基準管理。

分類負債不包括計息銀行貸款、應付稅項、遞延稅項負債及其他未分配總部及企業負債，乃由於該等負債以集團為基準管理。

分類間的銷售與轉讓乃參照按當時售價向第三者出售時所用的市場價格進行。

## 3. SEGMENT INFORMATION (Cont'd)

## 3. 分類資料(續)

Year ended  
31 December 2018

截至二零一八年  
十二月三十一日止年度

**Segment revenue:**  
Sales to external customers  
Intersegment sales

分類收入：  
對外銷售  
分類間銷售

**Segment results**

分類業績

*Reconciliation:*

調整：

Unallocated gains 未分配收益  
Corporate and other unallocated expenses 企業及其他未分配支出  
Finance costs 財務費用

Profit before tax

除稅前溢利

Intermediates and bulk medicines 中間體 及原料藥 RMB'000 人民幣千元	Finished drugs 成藥 RMB'000 人民幣千元	Elimination of intersegment sales 抵銷 分類間銷售 RMB'000 人民幣千元	Total 總數 RMB'000 人民幣千元
210,519	738,419	-	948,938
37,679	-	(37,679)	-
248,198	738,419	(37,679)	948,938
2,912	489,683	-	492,595
			45,118
			(158,784)
			(1,152)
			377,777

Year ended  
31 December 2017

截至二零一七年  
十二月三十一日止年度

**Segment revenue:**  
Sales to external customers  
Intersegment sales

分類收入：  
對外銷售  
分類間銷售

**Segment results**

分類業績

*Reconciliation:*

調整：

Unallocated gains 未分配收益  
Corporate and other unallocated expenses 企業及其他未分配支出  
Finance costs 財務費用

Profit before tax

除稅前溢利

Intermediates and bulk medicines 中間體 及原料藥 RMB'000 人民幣千元	Finished drugs 成藥 RMB'000 人民幣千元	Elimination of intersegment sales 抵銷 分類間銷售 RMB'000 人民幣千元	Total 總數 RMB'000 人民幣千元
156,882	725,601	-	882,483
37,671	-	(37,671)	-
194,553	725,601	(37,671)	882,483
(5,355)	488,211	-	482,856
			25,946
			(143,086)
			(13)
			365,703

# Notes to Financial Statements

## 財務報表附註

31 December 2018 於二零一八年十二月三十一日

### 3. SEGMENT INFORMATION (Cont'd)

### 3. 分類資料(續)

As at 31 December 2018 於二零一八年十二月三十一日

**Segment assets:** 分類資產：  
*Reconciliation:* 調整：  
 Corporate and other unallocated assets 企業及其他未分配資產

Total assets 總資產

**Segment liabilities:** 分類負債：  
*Reconciliation:* 調整：  
 Corporate and other unallocated liabilities 企業及其他未分配負債

Total liabilities 總負債

Intermediates and bulk medicines 中間體及原料藥 RMB'000 人民幣千元	Finished drugs 成藥 RMB'000 人民幣千元	Total 總數 RMB'000 人民幣千元
369,428	639,193	1,008,621
		1,357,408
		2,366,029
92,989	94,191	187,180
		257,687
		444,867

As at 31 December 2017 於二零一七年十二月三十一日

**Segment assets:** 分類資產：  
*Reconciliation:* 調整：  
 Corporate and other unallocated assets 企業及其他未分配資產

Total assets 總資產

**Segment liabilities:** 分類負債：  
*Reconciliation:* 調整：  
 Corporate and other unallocated liabilities 企業及其他未分配負債

Total liabilities 總負債

Intermediates and bulk medicines 中間體及原料藥 RMB'000 人民幣千元	Finished drugs 成藥 RMB'000 人民幣千元	Total 總數 RMB'000 人民幣千元
432,066	560,628	992,694
		1,188,517
		2,181,211
114,929	125,182	240,111
		134,942
		375,053

### 3. SEGMENT INFORMATION (Cont'd)

#### GEOGRAPHICAL INFORMATION

##### (a) Revenue from external customers

Mainland China	中國大陸
Other countries	其他國家

The revenue information above is based on the locations of the customers.

##### (b) Non-current assets

The Group's operations are substantially based in Mainland China and 95% of the non-current assets, excluding deferred tax assets and investment in an associate, of the Group are located in Mainland China. Therefore, no further analysis of geographical information is presented.

### 4. REVENUE, OTHER INCOME AND GAINS

An analysis of the Group's revenue is as follows:

Revenue from contracts with customers	來自客戶合約之收入
Sale of goods	商品銷售

### 3. 分類資料(續)

#### 地區分類

##### (a) 來自外部客戶的收入

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
823,598	759,088
125,340	123,395
<b>948,938</b>	<b>882,483</b>

上述收入資料是根據客戶所在地釐定。

##### (b) 非流動資產

本集團的營運主要集中在中國大陸，本集團95%的非流動資產(不包括遞延稅項資產及於一間聯營公司之投資)集中在中國大陸，故非流動資產的地區資料進一步分析並未呈報。

### 4. 收入、其他收入及收益

本集團收入的分析如下：

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
948,938	-
-	882,483
<b>948,938</b>	<b>882,483</b>



# Notes to Financial Statements

## 財務報表附註

31 December 2018 於二零一八年十二月三十一日

### 4. REVENUE, OTHER INCOME AND GAINS (Cont'd)

#### REVENUE FROM CONTRACTS WITH CUSTOMERS

(i) *Disaggregated revenue information*

For the year ended 31 December 2018

Segments	分類	Intermediates	Finished	Total
		and bulk medicines	drugs	
		中間體及原料藥	成藥	總數
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
<b>Type of goods or services</b>	<b>商品或服務類型</b>			
Sale of goods	商品銷售	208,426	738,419	946,845
Rendering of pilot test services	提供試驗測試服務	2,093	-	2,093
Total revenue from contracts with customers	來自客戶合約之總收入	210,519	738,419	948,938
<b>Geographical markets</b>	<b>地區市場</b>			
Mainland China	中國大陸	127,551	696,047	823,598
Other countries	其他國家	82,968	42,372	125,340
Total revenue from contracts with customers	來自客戶合約之總收入	210,519	738,419	948,938
<b>Timing of revenue recognition</b>	<b>收入確認時間</b>			
Goods transferred at a point in time	於某一時點轉讓貨物	208,426	738,419	946,845
Services transferred over time	於某一時段內提供服務	2,093	-	2,093
Total revenue from contracts with customers	來自客戶合約之總收入	210,519	738,419	948,938

### 4. 收入、其他收入及收益(續)

來自客戶合約之收入

(i) 分拆收入資料

截至二零一八年十二月三十一日止年度

## 4. REVENUE, OTHER INCOME AND GAINS (Cont'd)

## REVENUE FROM CONTRACTS WITH CUSTOMERS (Cont'd)

## (i) Disaggregated revenue information (Cont'd)

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	報告期初合約負債， 於本期確認的收入：
Sales of goods	商品銷售

## (ii) Performance obligations

Information about the Group's performance obligations is summarised below:

## Sale of pharmaceutical products

The performance obligation is satisfied upon delivery of the pharmaceutical products and payment is generally due within 90 days from delivery, except for new customers, where payment in advance is normally required. Some contracts provide customers with volume rebates which give rise to variable consideration subject to constraint.

## Rendering of pilot test services

The performance obligation is satisfied over time as services are rendered and short-term advances are normally required before rendering the services. Pilot test service contracts are for periods of one year or less, or are billed based on the time incurred.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at the end of the year 2018 is as follows:

Within one year	一年以內
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All the remaining performance obligations are expected to be recognised within one year. The amounts disclosed above do not include variable consideration which is constrained.

## 4. 收入、其他收入及收益(續)

## 來自客戶合約之收入(續)

## (i) 分拆收入資料(續)

下表顯示報告期初合約負債於本報告期內確認為收入的金額：

**2018**  
二零一八年  
**RMB'000**  
人民幣千元

**13,022**

## (ii) 履約責任

有關本集團履約責任的資料概述如下：

## 醫藥產品銷售

履約責任在交付醫藥產品時完成，付款通常在交貨後90天內到期，新客戶除外，新客戶通常需要提前付款。部分合約給予客戶批量折扣，因而產生了受限制的可變代價。

## 提供試驗測試服務

履約責任為在一段時間提供服務，並且在提供服務之前通常需要短期預付款。試驗測試服務合約為一年期或較短期間，或根據產生的時間收費。

於2018年年底，分配給未完成履約責任(未完成或部分未完成)的交易價格如下：

RMB'000  
人民幣千元

**13,897**

所有未完的履約責任預計將在一年內得到確認。上面披露的金額不包括受約束的可變代價。

# Notes to Financial Statements

## 財務報表附註

31 December 2018 於二零一八年十二月三十一日

### 4. REVENUE, OTHER INCOME AND GAINS (Cont'd)

### 4. 收入、其他收入及收益(續)

		Notes 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>Other income</b>	<b>其他收入</b>			
Bank interest income	銀行利息收入		<b>32,445</b>	21,284
Dividend income from financial assets at fair value through profit or loss	以公允值計量且其變動計入 損益之財務資產的股息收入		<b>258</b>	–
Dividend income from equity investments at fair value through profit or loss	以公允值計量且其變動計入 損益之股權投資的股息收入		<b>–</b>	346
Rental income	租金收入		<b>1,431</b>	2,241
Government grants	政府撥款		<b>6,642</b>	2,957
Others	其他		<b>1,107</b>	719
			<b>41,883</b>	27,547
<b>Gains</b>	<b>收益</b>			
Gain on sales of scrapped materials	出售廢品的收益		<b>1,445</b>	1,046
Gain on disposal of financial assets at fair value through profit or loss	出售以公允值計量且其變動計入 損益之財務資產的收益		<b>1,400</b>	–
Gain on disposal of equity investments at fair value through profit or loss	出售以公允值計量且其變動計入 損益之股權投資的收益		<b>–</b>	304
Fair value gains, net:	公允值收益，淨額：			
Financial assets at fair value through profit or loss	以公允值計量且其變動計入 損益之財務資產		<b>236</b>	–
Equity investments at fair value through profit or loss	以公允值計量且其變動計入 損益之股權投資		<b>–</b>	1,475
Gain on disposal of a subsidiary	出售一間附屬公司之收益	31	<b>2,959</b>	–
			<b>6,040</b>	2,825
			<b>47,923</b>	30,372

## 5. FINANCE COSTS

Interest on bank loans wholly repayable within five years	須於五年內悉數償還的銀行 貸款之利息
Interest on discounting of notes receivable	應收票據貼現之利息

## 5. 財務費用

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
	801	13
	351	–
	<b>1,152</b>	13

## 6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

Cost of inventories sold*	已售存貨成本*
Depreciation	折舊
Recognition of land use rights**	土地使用權確認**
Research and development costs:	研究及開發成本：
Amortisation of intangible assets***	無形資產攤銷***
Current year expenditure	本年度支出

## 6. 除稅前溢利

本集團的除稅前溢利乃經扣除/(計入)下列各項後釐定：

Notes 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
	350,727	317,544
13	50,974	51,974
14	1,041	1,041
16	418	460
	45,934	35,189
	<b>46,352</b>	35,649

# Notes to Financial Statements

## 財務報表附註

31 December 2018 於二零一八年十二月三十一日

### 6. PROFIT BEFORE TAX (Cont'd)

### 6. 除稅前溢利(續)

		Notes 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Minimum lease payments under operating leases:	經營租約下之最低租金：			
Buildings	樓宇		236	289
Auditors' remuneration:	核數師酬金：			
Statutory audit service	法定的核數服務		1,510	1,458
Non-statutory audit service	非法定的核數服務		780	—
Non-audit service	非核數服務		250	—
			<b>2,540</b>	1,458
Employee benefit expense (including directors' and chief executive officer's remuneration (note 7)):	僱員福利開支(包括董事及總裁酬金)(附註7)：			
Wages and salaries	工資及薪金		95,427	87,225
Equity-settled share option expense	以股權支付的購股權開支		5,312	8,511
Retirement benefits	退休福利		7,821	7,343
Accommodation benefits	住房福利		3,866	3,621
Other benefits	其他福利		14,478	13,915
			<b>126,904</b>	120,615
Foreign exchange differences, net	匯兌差額，淨額		182	6,289
Impairment of intangible assets	無形資產之減值	16	1,697	—
Write-down of inventories to net realisable value	存貨撇減至可變現淨值		4,383	2,058
Fair value gains, net:	公允值收益，淨額：			
Financial assets at fair value through profit or loss	以公允值計量且其變動計入損益之財務資產	4	(236)	—
Equity investments at fair value through profit or loss	以公允值計量且其變動計入損益之股權投資	4	—	(1,475)
Bank interest income	銀行利息收入	4	(32,445)	(21,284)
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備等項目的虧損		346	375
Gain on disposal of financial assets at fair value through profit or loss	出售以公允值計量且其變動計入損益之財務資產的收益	4	(1,400)	—
Gain on disposal of equity investments at fair value through profit or loss	出售以公允值計量且其變動計入損益之股權投資的收益	4	—	(304)
Gain on disposal of a subsidiary	出售一間附屬公司之收益	31	(2,959)	—
Expense off of intangible assets	費用化之無形資產	16	4,600	—

**6. PROFIT BEFORE TAX (Cont'd)**

- \* The depreciation of RMB40,390,000 for the year (2017:RMB42,160,000) is included in "Cost of inventories sold".
- \*\* The recognition of land use rights for the year is included in "Administrative expenses" on the face of the consolidated statement of profit or loss.
- \*\*\* The amortisation of intangible assets for the year is included in "Other expenses" on the face of the consolidated statement of profit or loss.

**7. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S REMUNERATION**

Directors' and chief executive officer's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

**6. 除稅前溢利(續)**

- \* 本年度折舊其中人民幣40,390,000元(二零一七年:人民幣42,160,000元)已計入「已售存貨成本」。
- \*\* 年內的土地使用權確認計入綜合損益表的「行政費用」。
- \*\*\* 年內的無形資產攤銷計入綜合損益表的「其他費用」。

**7. 董事及總裁酬金**

根據上市規則及香港公司條例第383(1)(a)、(b)、(c)及(f)節及公司條例第二部(董事利益資料披露)所披露年內的董事及總裁酬金如下:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Fees	袍金	1,220	935
Other emoluments:	其他薪酬:		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	3,092	3,669
Bonus	獎金	2,462	4,680
Equity-settled share option expense	以股權支付的購股權開支	1,486	2,612
Pension scheme contributions	退休金計劃供款	67	76
		<b>7,107</b>	11,037
		<b>8,327</b>	11,972

# Notes to Financial Statements

## 財務報表附註

31 December 2018 於二零一八年十二月三十一日

### 7. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S REMUNERATION (Cont'd)

#### (A) INDEPENDENT NON-EXECUTIVE DIRECTORS

The fees paid to independent non-executive directors during the year were as follows:

Mr. Pan Xue Tian (resigned on 1 July 2017)	潘學田先生 (於二零一七年七月一日辭任)
Mr. Choi Tat Ying, Jacky (retired on 24 May 2018)	蔡達英先生(於二零一八年五月 二十四日退任)
Mr. Lo Tung Sing, Tony	勞同聲先生
Mr. Ede, Ronald Hao Xi (re-designated on 1 July 2017)	EDE, Ronald Hao Xi先生 (於二零一七年七月一日被調任)
Ms. Lam Ming Yee, Joan (appointed on 25 May 2018)	林明儀女士(於二零一八年 五月二十五日獲委任)

There were no other emoluments payable to the independent non-executive directors during the year (2017: Nil).

### 7. 董事及總裁酬金(續)

#### (A) 獨立非執行董事

本年度獨立非執行董事的袍金如下：

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
-	94
175	187
273	187
273	94
183	-
<b>904</b>	<b>562</b>

本年度並無應付獨立非執行董事的其他酬金(二零一七年：無)。

## 7. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S REMUNERATION (Cont'd)

## 7. 董事及總裁酬金(續)

## (B) EXECUTIVE DIRECTORS, NON-EXECUTIVE DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

## (B) 執行董事、非執行董事及總裁

		Salaries, allowances and benefits		Equity- settled share option expense	Pension scheme contributions	Total remuneration	
	Fees	in kind	Bonus				
	袍金	薪金、津貼 及實物福利	獎金	以股權支付 的購股權開支	退休金 計劃供款	酬金總額	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
<b>2018</b>		<b>二零一八年</b>					
Executive directors:		執行董事：					
Ms. Li Kei Ling	41	李其玲女士	922	-	-	19	982
Mr. Hung Yung Lai	41	熊融禮先生	567	-	-	19	627
Mr. Li Tung Ming (resigned on 23 February 2018)	6	李東明先生(於二零一八年 二月二十三日辭任)	84	-	-	3	93
Mr. Chen Shaojun (appointed on 8 January 2018, also the chief executive officer)	-	陳紹軍先生(於二零一八年 一月八日獲委任， 並同時為總裁)	1,519	2,462	1,486	26	5,493
	<b>88</b>		<b>3,092</b>	<b>2,462</b>	<b>1,486</b>	<b>67</b>	<b>7,195</b>
Non-executive director:		非執行董事：					
Mr. Leung Hong Man	228	梁康民先生	-	-	-	-	228
	<b>316</b>		<b>3,092</b>	<b>2,462</b>	<b>1,486</b>	<b>67</b>	<b>7,423</b>
<b>2017</b>		<b>二零一七年</b>					
Executive directors:		執行董事：					
Ms. Li Kei Ling	41	李其玲女士	946	-	-	20	1,007
Mr. Hung Yung Lai	41	熊融禮先生	582	-	-	20	643
Mr. Li Tung Ming	41	李東明先生	582	-	-	20	643
	123		2,110	-	-	60	2,293
Non-executive directors:		非執行董事：					
Mr. Leung Hong Man	156	梁康民先生	-	-	-	-	156
Mr. Ede, Ronald Hao Xi* (re-designated on 1 July 2017)	94	EDE, Ronald Hao Xi先生* (於二零一七年七月一日 被調任)	-	-	-	-	94
	250		-	-	-	-	250
Chief executive officer:		總裁：					
Mr. Chen Shaojun	-	陳紹軍先生	1,559	4,680	2,612	16	8,867
	<b>373</b>		<b>3,669</b>	<b>4,680</b>	<b>2,612</b>	<b>76</b>	<b>11,410</b>



# Notes to Financial Statements

## 財務報表附註

31 December 2018 於二零一八年十二月三十一日

### 7. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S REMUNERATION (Cont'd)

#### (B) EXECUTIVE DIRECTORS, NON-EXECUTIVE DIRECTORS AND THE CHIEF EXECUTIVE OFFICER (Cont'd)

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

\* Mr. Ede, Ronald Hao Xi was redesignated from non-executive director to independent non-executive director with effect from 1 July 2017.

### 8. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included the chief executive officer and a director, details of whose remuneration are set out in note 7 above. Details of the remuneration of the remaining three (2017: three) non-director and non-chief executive officer highest paid employees for the year are as follows:

Salaries, allowances and benefits in kind	薪金、津貼及實物福利
Equity-settled share option expense	以股權支付的購股權開支
Pension scheme contributions	退休金計劃供款

The number of non-director and non-chief executive officer, highest paid employees whose remuneration fell within the following bands is as follows:

Nil to HK\$1,000,000	零至港幣 1,000,000 元
HK\$1,000,001 to HK\$1,500,000	港幣 1,000,001 元至港幣 1,500,000 元
HK\$1,500,001 to HK\$2,000,000	港幣 1,500,001 元至港幣 2,000,000 元

During the year, no share options were granted to non-director and non-chief executive officer highest paid employee. The fair value of such options, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above non-director and non-chief executive officer highest paid employees' remuneration disclosures.

### 7. 董事及總裁酬金 (續)

#### (B) 執行董事、非執行董事及總裁 (續)

年內概無董事放棄或同意放棄任何酬金的安排。

\* EDE, Ronald Hao Xi 先生於二零一七年七月一日起由非執行董事調任為獨立非執行董事。

### 8. 五位最高薪僱員

年內五位最高薪僱員包括總裁及一位董事，彼等之酬金詳情載於上文附註 7。餘下三位 (二零一七年：三位) 非董事及非總裁最高薪僱員於年內的薪酬如下：

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
2,856	2,860
213	633
30	75
<b>3,099</b>	<b>3,568</b>

酬金金額介乎下列組別的非董事及非總裁最高薪酬僱員的人數如下：

Number of employees 僱員人數	
2018 二零一八年	2017 二零一七年
-	-
3	2
-	1
<b>3</b>	<b>3</b>

年內，並無非董事及非總裁最高薪僱員獲授予購股權。該批在歸屬期間於損益表確認之購股權公允值於授予日釐定及包含在本年度財務報表之金額已在上述非董事非總裁最高薪酬僱員的薪酬披露之內。

## 9. RETIREMENT BENEFITS AND ACCOMMODATION BENEFITS

In compliance with the Mandatory Provident Fund Schemes Ordinance (the “MPF Ordinance”), the Company, Dawnrays International Company Limited, Dawnrays Pharma (Hong Kong) Limited and Dawnrays Biotechnology Capital (Asia) Limited have participated in the MPF Scheme, a defined contribution scheme managed by an independent trustee, to provide retirement benefits to their respective Hong Kong employees. Contributions to the MPF Scheme are made in accordance with the statutory limits prescribed by the MPF Ordinance.

As stipulated by the People’s Republic of China (the “PRC”) state regulations, the Mainland China Subsidiaries participate in a defined contribution retirement scheme. All employees are entitled to an annual pension equal to a fixed proportion of the average basic salary amount of the geographical area of their last employment at their retirement dates. The Mainland China Subsidiaries are required to make contributions to the local social security bureau at 20% to 22% (2017: 20% to 22%) of the previous year’s average basic salary amount of the geographical area where the employees are employed by the Mainland China Subsidiaries.

The Group has no further obligation for the payment of pension benefits beyond the annual contributions as set out above.

According to relevant rules and regulations of the PRC, the Mainland China Subsidiaries and their employees are each required to make contributions to an accommodation fund at 8% to 10% (2017: 8% to 10%) of the salaries and wages of the employees which is administered by the Public Accumulation Funds Administration Centre. There is no further obligation on the part of the Group except for such contributions to the accommodation fund.

As at 31 December 2018, the Group had no significant obligations apart from the contributions as stated above.

## 9. 退休福利及住房福利

遵照《強制性公積金計劃條例》(「強積金條例」)的規定，本公司、東瑞國際股份有限公司、東瑞藥業(香港)有限公司及東瑞生物投資發展(亞洲)有限公司已加入一項強積金計劃(由獨立信託人管理之定額供款計劃)，為香港僱員提供退休福利。向強積金計劃作出的供款乃按照強積金條例所訂明的規定限額為定。

據中國國家法規規定，中國大陸附屬公司須參與養老保險計劃。所有僱員於其退休日均有權享按彼等最後受聘地的平均基本薪金的固定比例計算的年度退休金。中國大陸附屬公司須向當地社會保障局供款，供款按僱員受僱於中國大陸附屬公司地區去年的平均基本薪金的20%至22%(二零一七年：20%至22%)計算。

除上述的年度供款外，本集團並無義務支付其他退休福利。

根據中國的有關規則及法規，中國大陸附屬公司及彼等僱員各自須按僱員的薪金及工資的8%至10%(二零一七年：8%至10%)向一項由公積金管理中心管理的住房基金供款。除該項向有關住房基金的供款外，本集團並無其他責任。

於二零一八年十二月三十一日，除上述供款外，本集團並無其他重大責任。

## 財務報表附註

31 December 2018 於二零一八年十二月三十一日

### 10. INCOME TAX

The major components of income tax expense for the years ended 31 December 2018 and 2017 are:

<i>Current income tax</i>	當期所得稅
Current income tax charge	當期所得稅支出
<i>Deferred income tax (note 26)</i>	遞延稅項(附註 26)
Total tax charge for the year	本年度稅項支出總額

Pursuant to section 6 of the Tax Concessions Law (1999 Revision) of the Cayman Islands, the Company has obtained an undertaking from the Governor-in-Council that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gain or appreciation shall apply to the Company or its operations. The undertaking for the Company is for a period of 20 years from 8 October 2002. Accordingly, the Company is not subject to tax.

The subsidiary incorporated in the British Virgin Islands (the “BVI”) is not subject to income tax, as this subsidiary does not have a place of business (other than a registered office only) or carry out any business in the BVI.

The Hong Kong subsidiaries are subject to tax at a statutory corporate income tax rate of 16.5% (2017: 16.5%) under the income tax rules and regulations of Hong Kong. No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in its respective Hong Kong subsidiaries during the year (2017: Nil).

### 10. 所得稅

截至二零一八年及二零一七年十二月三十一日止年度所得稅支出的主要組成部分如下：

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
75,091	64,262
(1,274)	8,463
<b>73,817</b>	<b>72,725</b>

根據開曼群島稅務豁免法(一九九九年修訂本)第6條，本公司已獲得總督會同行政局保證：開曼群島並無法律對本公司或其業務的所得溢利、收入、收益或增值徵稅。對本公司的承諾將由二零零二年十月八日起有效二十年。因此，本公司毋須納稅。

於英屬維爾京群島註冊成立的附屬公司無須繳納所得稅，因該附屬公司於英屬維爾京群島並無營業地點(惟註冊辦事處除外)或經營任何業務。

根據香港的所得稅規則與規例，香港附屬公司須按法定企業所得稅率16.5%(二零一七年：16.5%)繳稅。由於本集團於本年度在香港的各附屬公司並無產生應課稅溢利，故並無就香港利得稅作出撥備(二零一七年：無)。

**10. INCOME TAX (Cont'd)**

According to the PRC Enterprise Income Tax Law effective from 1 January 2008, the Mainland China Subsidiaries are all subject to income tax at the rate of 25% on their respective taxable income.

On 21 October 2008, Suzhou Dawnrays Pharmaceutical Co., Ltd. ("Suzhou Dawnrays Pharmaceutical") was qualified as a High-New Technology Enterprise ("HNTE") of Jiangsu Province. As a result, Suzhou Dawnrays Pharmaceutical had been entitled to a concessionary rate of income tax at 15% for three years commencing on 1 January 2008 and would apply for renewal of the qualification every three years.

All other subsidiaries in Mainland China were subject to the corporate income tax rate of 25% in 2018.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5%. The Group is therefore liable to withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

**10. 所得稅(續)**

根據於二零零八年一月一日起生效的中國企業所得稅法，中國大陸附屬公司須按其各自應課稅收入的25%所得稅率繳稅。

於二零零八年十月二十一日，蘇州東瑞製藥有限公司(「蘇州東瑞製藥」)獲取江蘇省高新技術企業(「高新技術企業」)資格。因此，蘇州東瑞製藥有權自二零零八年一月一日起的三年內享受15%的優惠所得稅率並每三年申請資格續期。

中國大陸的所有其他附屬公司於二零一八年須按25%稅率繳納企業所得稅。

根據中國企業所得稅法，於中國大陸成立的外商投資企業向外商投資者宣派的股息，須按10%的稅率徵收預扣稅。該規定自二零零八年一月一日起生效，並適用於二零零七年十二月三十一日後的盈利。倘中國大陸與外商投資者所在司法權區已簽訂稅務協議，則可採用較低的預扣稅率。本集團的適用稅率為5%。因此，自二零零八年一月一日起，本集團須就在中國大陸成立的附屬公司所產生的盈利而分配的股息履行徵收預扣稅的義務。

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## 10. INCOME TAX (Cont'd)

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the country or jurisdiction in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate, and a reconciliation of the applicable rate to the effective tax rate, are as follows:

## 10. 所得稅(續)

適用於除稅前溢利並以本公司及其大部份附屬公司註冊國家／司法權區法定稅率計算之稅項支出與以實際稅率計算之稅項支出對賬，以及適用稅率與實際稅率之對賬如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Accounting profit before income tax	除所得稅前會計溢利	<b>377,777</b>	365,703
At the PRC's statutory income tax rate of 25% (2017: 25%)	按中國法定所得稅稅率 25% (二零一七年：25%)	<b>94,444</b>	91,426
Tax effect of profits entitled to tax concession or lower tax rate enacted by local authority	可享稅項優惠溢利或當地機關 實行較低稅率之稅務影響	<b>(38,229)</b>	(37,161)
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	本集團中國附屬公司之可分配利潤之 預扣稅影響	<b>15,929</b>	15,291
Adjustments in respect of current income tax of previous years	有關過往年度當期所得稅 之調整	<b>106</b>	79
Expenses not deductible for tax	不可扣稅之開支	<b>3,951</b>	3,439
Tax credit for qualified research and development costs	符合加計扣除條件的研發成本 抵免所得稅	<b>(4,549)</b>	(2,347)
Tax losses not recognised	未確認稅項虧損	<b>2,813</b>	3,152
Tax losses utilised from previous periods	利用以前年度可抵扣稅項虧損	<b>(648)</b>	(1,154)
At the effective income tax rate of 19.54% (2017: 19.89%)	按實際所得稅稅率 19.54% (二零一七年：19.89%)	<b>73,817</b>	72,725

## 11. DIVIDENDS

## 11. 股息

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Interim— HK\$0.015 (2017: HK\$0.015**) per ordinary share*	中期股息：每股普通股*港幣0.015元 (二零一七年：港幣0.015元**)	<b>21,036</b>	20,239
Special— HK\$0.075 per ordinary share*	特別股息：每股普通股*港幣0.075元	<b>105,179</b>	—
Proposed final — HK\$0.06 (2017: HK\$0.06**) per ordinary share *	擬派末期股息：每股普通股*港幣0.06元 (二零一七年：港幣0.06元**)	<b>81,450</b>	76,826
		<b>207,665</b>	97,065

\* The number of shares for calculating dividends for year 2018 above already reflects the share sub-division (i.e. sub-division of each of the issued and unissued ordinary shares of par value of HK\$0.10 of the Company into two (2) sub-divided shares of par value of HK\$0.05 each in the share capital of the Company (the "Sub-divided Share") as approved by the shareholders of the Company in the extraordinary general meeting on 3 August 2018 with effect from 6 August 2018) (the "Share Sub-division"). Further details and definition of the Sub-divided Share and Share Sub-division are set out in the Company's announcement dated 11 July 2018 and the Company's circular dated 18 July 2018.

\*\* In 2017, the proposed interim and final dividend was HK\$0.03 and HK\$0.12 per ordinary share before the effect of the Share Sub-division. On the assumption that the Share Sub-division had been effective in the prior year, it was HK\$0.015 and HK\$0.06 per Sub-divided Share after the effect of the Share Sub-division.

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

\* 上述計算二零一八年股息的股份數目已反映股份拆細(即本公司股東於二零一八年八月三日股東特別大會上批准本公司每股面值港幣0.10元之已發行及未發行普通股股份拆細為兩(2)股本公司股本中每股面值港幣0.05元之拆細股份(「拆細股份」)，自二零一八年八月六日起生效)(「股份拆細」)。拆細股份及股份拆細之進一步詳情及釋義載於本公司日期為二零一八年七月十一日之公佈及本公司日期為二零一八年七月十八日之通函內。

\*\* 於二零一七年股份拆細的影響前每股普通股擬派中期及末期股息為港幣0.03元及港幣0.12元。假設股份拆細已於去年生效，股份拆細影響後的每股拆細股份擬派中期及末期股息應為港幣0.015元及港幣0.06元。

本年度擬派發的末期股息需待本公司股東於股東週年大會通過。

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### 12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of 1,586,382,000 sub-divided shares (2017 (adjusted): 1,594,834,000 sub-divided shares) in issue during the year.

The calculation of diluted earnings per share for the period is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

### 12. 母公司普通股權益持有人應佔每股盈利

每股基本盈利是按母公司普通股權益持有人應佔本年度溢利及年內已發行1,586,382,000拆細股份之加權平均股數(二零一七年(經調整): 1,594,834,000拆細股份)計算。

用作計算本期間攤薄後每股盈利乃基於母公司普通股權益持有人應佔本年度溢利。用作計算之普通股股份之加權平均股數是指年內已發行普通股股數，如同用作計算每股基本盈利，加上可能因行使或轉換具攤薄作用的普通股而假設將會無償發行的普通股之加權平均股數。

下列為用作計算每股基本盈利及攤薄後每股盈利的數據：

#### Earnings

Profit attributable to ordinary equity holders of the parent

#### 盈利

母公司普通股權益持有人應佔溢利

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>303,960</b>	292,978

#### Number of shares 股份數量

#### Shares

Weighted average number of sub-divided shares in issue during the year used in the basic earnings per share calculation

Effect of dilution — weighted average number of sub-divided shares:

Share options

Weighted average number of sub-divided shares adjusted for the effect of dilution

#### 股份

計算每股基本盈利所採用年內已發行拆細股份加權平均數

攤薄影響 — 加權平均拆細股份股數：

購股權

就攤薄影響作出調整後之加權平均拆細股份股數

2018 二零一八年 Thousands 千位	2017 二零一七年 Thousands 千位
<b>1,586,382</b>	1,594,834
—	—
<b>1,586,382</b>	1,594,834

## 13. PROPERTY, PLANT AND EQUIPMENT

## 13. 物業、廠房及設備

		Leasehold land	Buildings	Machinery and other equipment	Office equipment	Motor vehicles	Total
		租賃土地 RMB'000 人民幣千元	樓宇 RMB'000 人民幣千元	機器及 其他設備 RMB'000 人民幣千元	辦公室設備 RMB'000 人民幣千元	汽車 RMB'000 人民幣千元	總額 RMB'000 人民幣千元
<b>Cost:</b>	<b>成本：</b>						
As at 1 January 2017	於二零一七年一月一日	28,193	268,892	633,236	11,138	17,718	959,177
Additions	添置	-	-	612	882	-	1,494
Transferred from construction in progress (note 15)	在建工程轉撥(附註15)	-	306	6,378	68	1,239	7,991
Disposals	出售	-	-	(3,845)	(412)	(783)	(5,040)
Exchange realignment	匯兌調整	(2,066)	(332)	-	(105)	(41)	(2,544)
<b>As at 31 December 2017 and 1 January 2018</b>	<b>於二零一七年 十二月三十一日及 二零一八年一月一日</b>	<b>26,127</b>	<b>268,866</b>	<b>636,381</b>	<b>11,571</b>	<b>18,133</b>	<b>961,078</b>
Additions	添置	-	-	1,456	429	406	2,291
Transferred from construction in progress (note 15)	在建工程轉撥(附註15)	-	5,289	6,958	171	593	13,011
Disposal of a subsidiary (note 31)	出售一間附屬公司 (附註31)	-	-	-	(82)	(234)	(316)
Disposals	出售	-	(5)	(1,558)	(130)	(712)	(2,405)
Exchange realignment	匯兌調整	1,399	224	-	71	27	1,721
<b>As at 31 December 2018</b>	<b>於二零一八年 十二月三十一日</b>	<b>27,526</b>	<b>274,374</b>	<b>643,237</b>	<b>12,030</b>	<b>18,213</b>	<b>975,380</b>
<b>Accumulated depreciation and impairment:</b>	<b>累計折舊及減值：</b>						
As at 1 January 2017	於二零一七年一月一日	140	88,768	285,623	8,176	10,149	392,856
Depreciation provided for the year	年內折舊撥備	31	11,844	37,161	771	2,167	51,974
Disposals	出售	-	-	(3,420)	(371)	(705)	(4,496)
Exchange realignment	匯兌調整	(10)	(56)	-	(48)	(2)	(116)
<b>As at 31 December 2017 and 1 January 2018</b>	<b>於二零一七年 十二月三十一日及 二零一八年一月一日</b>	<b>161</b>	<b>100,556</b>	<b>319,364</b>	<b>8,528</b>	<b>11,609</b>	<b>440,218</b>
Depreciation provided for the year	年內折舊撥備	33	12,443	35,630	929	1,939	50,974
Disposal of a subsidiary (note 31)	出售一間附屬公司 (附註31)	-	-	-	(73)	(210)	(283)
Disposals	出售	-	(2)	(1,145)	(117)	(641)	(1,905)
Exchange realignment	匯兌調整	9	55	-	36	7	107
<b>As at 31 December 2018</b>	<b>於二零一八年 十二月三十一日</b>	<b>203</b>	<b>113,052</b>	<b>353,849</b>	<b>9,303</b>	<b>12,704</b>	<b>489,111</b>
<b>Net book value:</b>	<b>賬面淨值：</b>						
<b>As at 31 December 2018</b>	<b>於二零一八年 十二月三十一日</b>	<b>27,323</b>	<b>161,322</b>	<b>289,388</b>	<b>2,727</b>	<b>5,509</b>	<b>486,269</b>
As at 31 December 2017	於二零一七年 十二月三十一日	25,966	168,310	317,017	3,043	6,524	520,860



# Notes to Financial Statements

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### 14. LAND USE RIGHTS

The Group's land use rights represent prepaid land lease payments under operating leases and their carrying amounts are analysed as follows:

		<b>2018</b> 二零一八年 <b>RMB'000</b> 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日賬面值	<b>39,134</b>	40,175
Recognised during the year	年內確認	<b>(1,041)</b>	(1,041)
Carrying amount at 31 December	於十二月三十一日賬面值	<b>38,093</b>	39,134

### 15. CONSTRUCTION IN PROGRESS

As at 1 January	於一月一日	<b>9,991</b>	5,776
Additions	添置	<b>13,592</b>	12,206
Transferred to property, plant and equipment (note 13)	轉往物業、廠房及設備(附註 13)	<b>(13,011)</b>	(7,991)
As at 31 December	於十二月三十一日	<b>10,572</b>	9,991

### 14. 土地使用權

本集團之土地使用權指按經營租約預付之土地租賃款及其賬面值分析如下：

	<b>2018</b> 二零一八年 <b>RMB'000</b> 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Carrying amount at 1 January	<b>39,134</b>	40,175
Recognised during the year	<b>(1,041)</b>	(1,041)
Carrying amount at 31 December	<b>38,093</b>	39,134

### 15. 在建工程

	<b>2018</b> 二零一八年 <b>RMB'000</b> 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
As at 1 January	<b>9,991</b>	5,776
Additions	<b>13,592</b>	12,206
Transferred to property, plant and equipment (note 13)	<b>(13,011)</b>	(7,991)
As at 31 December	<b>10,572</b>	9,991

## 16. INTANGIBLE ASSETS

## 16. 無形資產

		2018 二零一八年			2017 二零一七年		
		Deferred development costs	Software	Total	Deferred development costs	Software	Total
		遞延開發成本	軟件	總額	遞延開發成本	軟件	總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Cost:</b>	<b>成本：</b>						
As at 1 January	於一月一日	52,227	2,474	54,701	42,239	1,129	43,368
Additions	添置	34,587	326	34,913	9,988	1,522	11,510
Expense off	費用化	(4,600)	-	(4,600)	-	-	-
Disposal of a subsidiary (note 31)	出售一間附屬公司 (附註31)	-	(15)	(15)	-	-	-
Disposals	出售	-	(284)	(284)	-	(177)	(177)
<b>As at 31 December</b>	<b>於十二月三十一日</b>	<b>82,214</b>	<b>2,501</b>	<b>84,715</b>	<b>52,227</b>	<b>2,474</b>	<b>54,701</b>
<b>Accumulated amortisation and impairment:</b>	<b>累計攤銷及減值：</b>						
As at 1 January	於一月一日	18,137	816	18,953	17,677	782	18,459
Amortisation provided for the year	年內攤銷	418	238	656	460	211	671
Impairment during the year	年內減值	1,697	-	1,697	-	-	-
Disposal of a subsidiary (note 31)	出售一間附屬公司 (附註31)	-	(13)	(13)	-	-	-
Disposals	出售	-	(284)	(284)	-	(177)	(177)
<b>As at 31 December</b>	<b>於十二月三十一日</b>	<b>20,252</b>	<b>757</b>	<b>21,009</b>	<b>18,137</b>	<b>816</b>	<b>18,953</b>
<b>Net book value:</b>	<b>賬面淨值：</b>						
As at 31 December	於十二月三十一日	61,962	1,744	63,706	34,090	1,658	35,748
As at 1 January	於一月一日	34,090	1,658	35,748	24,562	347	24,909

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## 17. INVESTMENT IN AN ASSOCIATE

## 17. 於一間聯營公司之投資

Share of net assets

應佔淨資產

2018	2017
二零一八年	二零一七年
RMB'000	RMB'000
人民幣千元	人民幣千元
<b>29,599</b>	43,648

As described in the Company's announcement dated 14 December 2016, Dawnrays Biotechnology, a wholly-owned subsidiary of the Group, and Zhongshan KF entered into the JV Agreement and established the JV Co. The total investment amount of the JV Co. is RMB243,470,000, comprising the total registered capital of RMB143,800,000 and the capital reserve of RMB99,670,000. The aggregate investment amount to be contributed by Dawnrays Biotechnology is RMB150,000,000 in cash. By the end of the year 2018, Phase 1 registered capital of RMB50,330,000 has been fully paid. According to JV Agreement, Dawnrays Biotechnology shall invest the remaining capital by installments as per the completion of the clinical trial of the project by AD Pharmaceuticals.

誠如本公司於二零一六年十二月十四日的公佈所述，本集團全資附屬公司東瑞生物及中山康方訂立合資協議及成立合資公司。合資公司的總投資額為人民幣243,470,000元，包括總註冊資本人民幣143,800,000元及資本公積人民幣99,670,000元。東瑞生物將以現金形式投入人民幣150,000,000元的總投資額。於二零一八年年底，第一期註冊資本人民幣50,330,000元已全部支付。根據合資協議，東瑞生物將根據康融東方完成項目的臨床試驗分期投入剩餘資本。

Particulars of the material associate are as follows:

主要聯營公司之詳情如下：

Name	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group	Principal activity
名稱	註冊／登記及 經營地點	本集團應佔擁有權 權益百分比	主要業務
AD Pharmaceuticals Co., Ltd. 康融東方(廣東)醫藥有限公司	Mainland China 中國大陸	35	Research and development of biotechnology and bio-pharmaceutical products 生物技術及生物醫藥產品研發

For the year ended 31 December 2018, AD Pharmaceuticals Co., Ltd. reported loss for the year of RMB40,140,000 including the R&D and administrative expenses of approximately RMB40,727,000 in total. As a result, the Group shared, in proportion to the investment percentage, an investment loss of approximately RMB14,049,000.

於二零一八年十二月三十一日止年度內，康融東方(廣東)醫藥有限公司公佈年內虧損人民幣40,140,000元，包括研發及各項行政費用共計約人民幣40,727,000元，因此，本集團按投資比例承擔投資損失約人民幣14,049,000元。

## 17. INVESTMENT IN AN ASSOCIATE (Cont'd)

The following table illustrates the summarised financial information in respect of AD Pharmaceuticals Co., Ltd. adjusted for any differences in accounting policies and reconciled to the carrying amount in the financial statements:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Current assets	流動資產	29,326	22,942
Non-current assets	非流動資產	96,256	104,212
Current liabilities	流動負債	(21,013)	(2,445)
Non-current liabilities	非流動負債	(20,000)	-
Net assets	淨資產	<b>84,569</b>	124,709
Reconciliation to the Group's interest in the associate:	與本集團於該聯營公司的權益對賬：		
Proportion of the Group's ownership	本集團擁有權比例	<b>35%</b>	35%
Carrying amount of the investment	投資賬面值	<b>29,599</b>	43,648
Revenue	收入	-	-
Loss for the year	本年度虧損	<b>(40,140)</b>	(19,090)

## 18. INVENTORIES

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Raw materials	原材料	38,231	33,747
Work in progress	在製品	39,768	48,576
Finished goods	製成品	76,160	42,056
Less: provision	減少：撥備	<b>(6,116)</b>	(3,246)
		<b>148,043</b>	121,133

## 17. 於一間聯營公司之投資(續)

下表列示就會計政策任何差異作出調整並與財務報表內賬面值對賬的康融東方(廣東)醫藥有限公司的財務資料概要：

## 18. 存貨

# Notes to Financial Statements

## 財務報表附註

31 December 2018 於二零一八年十二月三十一日

### 19. TRADE AND NOTES RECEIVABLES

### 19. 應收貿易及票據款項

		Notes 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Trade receivables	應收貿易款項	(i)	199,614	184,853
Notes receivable	應收票據款項	(ii)	147,188	128,361
			<b>346,802</b>	<b>313,214</b>

Notes:

- (i) The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally three months for major customers. Each customer has a credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to manage credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade and notes receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on invoice date and net of loss allowance, is as follows:

附註：

- (i) 除新客戶一般需預繳款項外，本集團主要按信貸方式與客戶交易。而主要客戶信貸期一般為三個月。每位客戶均設有信貸限額。本集團嚴謹監察其未償還應收款項，並設有信貸監控部門管理信貸風險。高級管理層更會定期檢討逾期欠款。鑒於以上所述及目前本集團的應收貿易款項涉及大量不同客戶，因此並無高度集中的信貸風險。應收貿易及票據款項不計利息。

扣除撥備後和根據發票日期，於報告期末的應收貿易款項的賬齡分析如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Trade receivables	應收貿易款項		
Outstanding balances with ages:	按賬齡劃分的尚欠餘額：		
Within 90 days	90日內	170,203	168,676
Between 91 and 180 days	91至180日	20,030	13,218
Between 181 and 270 days	181至270日	7,621	2,845
Between 271 and 360 days	271至360日	1,742	30
Over one year	一年以上	18	84
		<b>199,614</b>	<b>184,853</b>

## 19. TRADE AND NOTES RECEIVABLES (Cont'd)

Notes: (Cont'd)

- (i) (Cont'd)  
The movements in the loss allowance for impairment of trade receivables are as follows:

At beginning of year	於年初	-	437
Amount written off as uncollectible	無法收回而核銷金額	-	(218)
Impairment losses, net	減值損失，淨額	-	(219)

The ageing analysis of the trade receivables as at 31 December 2017 that were not considered to be impaired under IAS 39 is as follows:

Neither past due nor impaired	未逾期及並無減值	168,676
Less than three months past due	逾期少於3個月	13,218
Over three months past due	逾期3個月以上	2,959

Receivables that were neither past due nor impaired related to a large number of diversified customers for whom there was no recent history of default.

## 19. 應收貿易及票據款項(續)

附註：(續)

- (i) (續)  
應收貿易款項減值虧損撥備的變動如下：

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
-	437
-	(218)
-	(219)
-	-

根據國際會計準則第39號，於二零一七年十二月三十一日認為並無減值的應收貿易款項的賬齡分析詳情如下：

168,676	2017 二零一七年 RMB'000 人民幣千元
13,218	
2,959	
184,853	

未逾期及並無減值的應收款項乃與大量近期並無違約歷史的多名客戶有關。

## 財務報表附註

31 December 2018 於二零一八年十二月三十一日

## 19. TRADE AND NOTES RECEIVABLES (Cont'd)

Notes: (Cont'd)

- (i) (Cont'd)  
From 1 January 2018, the Group has applied the simplified approach to provide impairment for ECLs prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The ECLs below also incorporate forward looking information. The impairment as of 31 December 2018 is determined as follows:

## As at 31 December 2018

	Current
Expected credit loss rate	<0.1%
Gross carrying amount (RMB'000)	199,614
Impairment (RMB'000)	-

- (ii) Notes receivables previously classified as receivables are held with a business model with the objective of both holding to collect contractual cash flows and selling as the Group sometimes endorses notes receivable to suppliers prior to their expiry date. These are now classified and measured as debt instruments at fair value through OCI and presented as trade and notes receivables.

## Financial assets that are not derecognised in their entirety

At 31 December 2018, the Group endorsed certain notes receivable accepted by banks in the PRC (the "Endorsed Notes") with a carrying amount of RMB18,238,000 to certain of its suppliers in order to settle the trade payables due to such suppliers (the "Endorsement"). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Notes, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Notes and the associated trade payables settled. Subsequent to the Endorsement, the Group does not retain any rights on the use of the Endorsed Notes, including sale, transfer or pledge of the Endorsed Notes to any other third parties. The aggregate carrying amounts of the trade payables and other payables settled by the Endorsed Notes during the year to which the suppliers have recourse were RMB17,564,000 and RMB674,000 as at 31 December 2018, respectively.

## 19. 應收貿易及票據款項 (續)

附註：(續)

- (i) (續)  
自二零一八年一月一日起，本集團已採用簡化方法為國際財務報告準則第9號規定的預期信貸虧損計提減值，允許按照所有應收貿易款項的整個存續期內的預期損失金額計量損失準備。為計量預期信貸虧損，應收貿易款項已根據組合信用風險特徵和逾期天數進行分組。以下預期信貸虧損還包含前瞻性信息。於二零一八年十二月三十一日的減值情況如下：

於二零一八年十二月三十一日

	現況
預期信貸損失率	<0.1%
總賬面金額(人民幣千元)	199,614
減值(人民幣千元)	-

- (ii) 過往分類為應收款項的應收票據由於本集團有時會在到期日前將其背書給供應商，管理該等應收票據的業務模式既以收取合約現金流量為目標又以出售為目標。該等項目現按以公允值計量且其變動計入其他全面收益之債務工具進行分類及計量並列示為應收貿易及票據款項。

## 未全部終止確認之財務資產

於二零一八年十二月三十一日，於中國的銀行接納本集團背書若干面值人民幣18,238,000元之應收票據(「背書票據」)予其若干供應商，以支付結欠該等供應商之應付貿易款(「背書」)。董事認為，本集團實質上仍保留風險及回報，當中包括相關背書票據之違約風險，因此，本集團持續確認背書票據之全額賬面值及結付相關應付貿易款。背書後，本集團並無保留任何使用背書票據之任何權利，包括出售、轉讓或抵押背書票據予任何其他第三方。年內，透過背書票據支付之供應商有追索權之應付貿易款及其他應付款項於二零一八年十二月三十一日之總賬面值分別為人民幣17,564,000元和人民幣674,000元。

## 20. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

## 20. 預付款、其他應收款項及其他資產

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>Current</b>	<b>流動</b>		
Prepayments	預付款	8,905	11,970
Deposits and other receivables	按金及其他應收款項	21,832	12,005
Wealth management products	理財產品	350,000	449,000
		<b>380,737</b>	472,975
<b>Non-current</b>	<b>非流動</b>		
Long-term prepayment*	長期預付款*	21,629	-

\* Long-term prepayment represents the prepaid installment payment for investment in an associate.

\* 長期預付款指預付聯營公司分期投資款。

As at 31 December 2018, other receivables of the Group were considered to be of low credit risk and thus the Group has assessed that the ECL for other receivables is immaterial under the 12-month expected loss method and no impairment provision is required.

於二零一八年十二月三十一日，本集團的其他應收款項被視為信貸風險較低，以及本集團已評估其他應收款項於12個月內的預期信貸虧損並不重大，故無需減值撥備。

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

上述資產未有逾期及並無減值。上述結餘包括之財務資產與近期並無違約歷史的應收款項有關。

The carrying amounts of the prepayments, other receivables and other assets approximate to their fair values.

預付款、其他應收款項及其他資產之賬面價值與其公允價值相近。



# Notes to Financial Statements

## 財務報表附註

31 December 2018 於二零一八年十二月三十一日

### 21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

### 21. 以公允值計量且其變動計入損益之財務資產

		Notes 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Listed equity investments, at fair value	上市股權投資，按公允值	(i)	8,149	8,743
Listed debt investments, at fair value	上市債權投資，按公允值	(i)	70,478	-
Other unlisted investments, at fair value	其他非上市投資，按公允值	(ii)	110,766	-
			<b>189,393</b>	<b>8,743</b>

Notes:

- (i) Listed equity investments represented the Group's investments in public listed companies, which are quoted in an active market. The fair value of the listed equity investments is based on their quoted prices as of 31 December 2018 in an active market.

Listed debt investments represented the Group's investments in financial bonds issued by China Development Bank, which are quoted in an active market. The fair value of the listed debt investments is based on their quoted prices as of 31 December 2018 in an active market.

The above listed equity investments and listed debt investments at 31 December 2018 were classified as financial assets at fair value through profit or loss as they were held for trading.

- (ii) The above unlisted investments at 31 December 2018 were floating interest rate principal-preservation type of wealth management products. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest. The fair value of wealth management products is based on the bank quoted expected returns.

附註：

- (i) 上市股權投資指本集團於公眾上市公司的投資，其擁有活躍市場報價。上市股權投資之公允值乃根據截至二零一八年十二月三十一日之活躍市場報價而定。

上市債權投資指本集團對國家開發銀行發行的金融債券的投資，其擁有活躍市場報價。上市債權投資的公允值乃根據截至二零一八年十二月三十一日之活躍市場報價而定。

由於持作買賣，故上述於二零一八年十二月三十一日的上市股權投資及上市債權投資被分類為以公允值計量且其變動計入損益之財務資產。

- (ii) 上述於二零一八年十二月三十一日的非上市投資為保本浮動利率類型理財產品。因其合約現金流量並非僅是本金及利息付款，該等理財產品被強制分類為按公允值計量且其變動計入損益之財務資產。理財產品的公允值乃根據銀行報價的預期回報而定。

## 22. CASH AND BANK

## 22. 現金及銀行存款

		<b>2018</b>	2017
		<b>二零一八年</b>	二零一七年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Cash and cash in banks	現金及銀行存款	<b>61,563</b>	138,045
Short-term deposits	短期存款	<b>583,800</b>	473,032
		<b>645,363</b>	611,077
Term deposit with maturity over three months	到期日超過三個月 的定期存款	<b>120,000</b>	150,330
Cash and cash equivalents	現金及現金等價物	<b>525,363</b>	460,747

As at 31 December 2018, the cash and bank balances and short-term deposits of the Group denominated in RMB amounted to RMB618,364,000 (2017: RMB539,051,000) in Mainland China. The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks (including the pledged bank deposits and term deposit with maturity over three months) earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximate to their fair values.

於二零一八年十二月三十一日，本集團於中國大陸有原幣為人民幣的現金及銀行結存與短期存款總值人民幣618,364,000元(二零一七年：人民幣539,051,000元)。人民幣並不可自由兌換為其他貨幣，然而，根據中國大陸外匯管制法規及結匯、售匯與付匯管理法規，本集團獲准透過特許進行外匯業務的銀行將人民幣兌換為其他貨幣。

銀行存款(包括已抵押銀行存款及到期日超過三個月定期存款)的利息基於每日銀行存款利率的浮動利率賺取。短期定期存款期限界乎一日至三個月不等，視乎本集團的現金需求而定，並以相應的短期定期存款利率賺取利息。銀行結餘已存入近期沒有不良拖欠、信譽良好的銀行中。現金和現金等價物的賬面值接近其公允值。

## 財務報表附註

31 December 2018 於二零一八年十二月三十一日

### 23. TRADE AND NOTES PAYABLES

An ageing analysis of the trade payables and notes payable as at the end of the reporting period is as follows:

Outstanding balances with ages:	按賬齡劃分的尚欠餘額：
Within 90 days	90日內
Between 91 and 180 days	91至180日
Between 181 and 270 days	181至270日
Between 271 and 360 days	271至360日
Over one year	一年以上

The trade payables are non-interest-bearing and are normally settled on 90-day terms. The carrying amounts of the trade and notes payables approximate to their fair values. The aggregate carrying amount of the trade payables settled by the Endorsed Notes during the year to which the suppliers have recourse was RMB17,564,000 as at 31 December 2018 (note 19).

### 23. 應付貿易及票據款項

於報告期末的應付貿易及應付票據款項賬齡分析如下：

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>83,169</b>	102,872
<b>46,661</b>	39,485
<b>114</b>	155
<b>34</b>	138
<b>439</b>	754
<b>130,417</b>	143,404

應付貿易款項乃不計利息及一般按九十日除賬期繳付。應付貿易及票據款項之賬面值與其公允值相若。於二零一八年十二月三十一日，透過背書票據支付之供應商有追索權之應付貿易款之總賬面值為人民幣17,564,000元（附註19）。

## 24. OTHER PAYABLES AND ACCRUALS

## 24. 其他應付款及預提費用

		Notes	2018	2017
		附註	二零一八年 RMB'000 人民幣千元	二零一七年 RMB'000 人民幣千元
Advances from customers	預收賬款	(i)	-	14,760
Contract liabilities	合約負債	(i)	13,897	-
Accruals	預提費用		80,761	83,280
Taxes other than corporate income tax	除企業所得稅外的稅項		20,167	27,396
Payable for purchases of machinery and construction of buildings	新增機器及樓宇建築的應付款		3,495	4,475
Payable for purchases of intangible assets	購買無形資產的應付款		3,200	-
Other payables	其他應付款	(ii)	48,252	31,086
			<b>169,772</b>	<b>160,997</b>

Notes:

- (i) Details of contract liabilities as at 31 December 2018 and 1 January 2018 are as follows:

Short-term advances received from customers	從客戶收到的短期預付款
Sales of goods	商品銷售
Rendering of pilot test services	提供試驗測試服務
Total contract liabilities	合約負債總額

Contract liabilities include short-term advances received to deliver pharmaceutical products and render pilot test services.

- (ii) Other payables are non-interest-bearing and have an average settlement term of six months. The carrying amounts of other payables and accruals approximate to their fair values. The aggregate carrying amount of other payables settled by the Endorsed Notes during the year to which the suppliers have recourse was RMB674,000 as at 31 December 2018 (note 19).

附註：

- (i) 於2018年12月31日及2018年1月1日的合約負債詳情如下：

31 December 2018	1 January 2018
二零一八年十二月三十一日	二零一八年一月一日
RMB'000	RMB'000
人民幣千元	人民幣千元
13,147	13,841
750	-
<b>13,897</b>	<b>13,841</b>

合約負債包括提供藥品及提供試驗測試服務的短期預付款。

- (ii) 其他應付款乃不計利息及平均結算期為六個月。其他應付款及預提費用之賬面值與其公允值相若。於二零一八年十二月三十一日，透過背書票據支付之供應商有追索權之其他應付款之總賬面值為人民幣674,000元(附註19)。

# Notes to Financial Statements

## 財務報表附註

31 December 2018 於二零一八年十二月三十一日

### 25. GOVERNMENT GRANTS

At 1 January	於一月一日
Released to the consolidated statement of profit or loss	計入綜合損益表
At 31 December	於十二月三十一日

### 25. 政府撥款

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
1,878	2,248
(370)	(370)
<b>1,508</b>	<b>1,878</b>

### 26. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year are as follows:

### 26. 遞延稅項

年內遞延稅項資產及負債之變動如下：

#### DEFERRED TAX ASSETS

#### 遞延稅項資產

		Accrued expenses 預提費用 RMB'000 人民幣千元	Government grants 政府撥款 RMB'000 人民幣千元	Provisions 撥備 RMB'000 人民幣千元	Total 總數 RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	2,834	168	3,727	6,729
Deferred tax charged to the consolidated statement of profit or loss during the year (note 10)	年內於綜合損益表扣除之遞延稅項(附註 10)	(865)	(27)	(1,149)	(2,041)
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	1,969	141	2,578	4,688
Deferred tax credited/(charged) to the consolidated statement of profit or loss during the year (note 10)	年內於綜合損益表計入/(扣除)之遞延稅項(附註 10)	339	(27)	823	1,135
At 31 December 2018	於二零一八年十二月三十一日	<b>2,308</b>	<b>114</b>	<b>3,401</b>	<b>5,823</b>

## 26. DEFERRED TAX (Cont'd)

**DEFERRED TAX ASSETS (Cont'd)**

The Group has tax losses arising in Mainland China of RMB33,109,000 (2017: RMB37,416,000) that will expire in one to five years and tax losses arising from the Company and its Hong Kong subsidiaries of RMB86,722,000 (2017: RMB74,983,000) for offsetting against future taxable profits for which no deferred tax assets have been recognised, as they have arisen in subsidiaries that have been loss-making for some time and it is uncertain that taxable profits will be available against which the tax losses can be utilised.

**DEFERRED TAX LIABILITIES**

## 26. 遞延稅項(續)

**遞延稅項資產(續)**

本集團於中國大陸錄得稅項虧損人民幣33,109,000元(二零一七年:人民幣37,416,000元),可用作抵銷將於一至五年內到期的未來應課稅溢利,及於香港附屬公司錄得稅項虧損人民幣86,722,000元(二零一七年:人民幣74,983,000元)可用作抵銷未來應課稅溢利,與該等虧損有關的遞延稅項資產尚未確認,因其出現於產生虧損已有一段時間的附屬公司,不確定是否會有應課稅溢利可用於抵銷該等稅項虧損。

**遞延稅項負債**

		Fair value adjustment of financial assets at fair value through profit or loss	Depreciation allowance in excess of related depreciation	Withholding taxes	Total
		以公允值計量 且其變動計入 損益之 財務資產的 公允值調整	折舊免稅額 超過相關折舊	預扣稅	總額
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	–	–	46,704	46,704
Deferred tax charged to the consolidated statement of profit or loss during the year (note 10)	年內於綜合損益表扣除之遞延稅項(附註10)	–	–	6,422	6,422
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	–	–	53,126	53,126
Deferred tax (credited)/charged to the consolidated statement of profit or loss during the year (note 10)	年內於綜合損益表(計入)/扣除之遞延稅項(附註10)	125	856	(1,120)	(139)
At 31 December 2018	於二零一八年十二月三十一日	125	856	52,006	52,987

## 財務報表附註

31 December 2018 於二零一八年十二月三十一日

### 26. DEFERRED TAX (Cont'd)

#### DEFERRED TAX LIABILITIES (Cont'd)

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

### 27. OTHER LIABILITIES

Government relocation compensation received 政府拆遷賠償款

The government relocation compensation was part of the compensation received under the relocation compensation agreement entered into between the People's Government of Wuzhong Economic Development District, Suzhou City and Suzhou Dawnrays Pharmaceutical Co., Ltd., a wholly-owned subsidiary of the Group.

### 26. 遞延稅項(續)

#### 遞延稅項負債(續)

根據中國企業所得稅法，於中國大陸成立的外商投資企業向外商投資者宣派的股息，須按10%的稅率徵收預扣稅。該規定自二零零八年一月一日起生效，並適用於二零零七年十二月三十一日後的盈利。倘中國大陸與外商投資者所在司法權區已簽訂稅務協議，則可採用較低的預扣稅率。本集團的適用稅率為5%。因此，自二零零八年一月一日起，本集團須就在中國大陸成立的附屬公司所產生的盈利而分配的股息履行徵收預扣稅的義務。

### 27. 其他負債

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>70,238</b>	—

政府拆遷賠償款為根據蘇州市吳中經濟開發區人民政府與本集團全資附屬公司蘇州東瑞製藥有限公司協定之拆遷賠償協議收到的部份拆遷賠償款。

28. SHARE CAPITAL  
SHARES28. 股本  
股份

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Authorised:	法定：		
20,000,000,000 (2017: 10,000,000,000) ordinary shares of HK\$0.05 (2017:HK\$0.1) each	每股面值港幣 0.05 元(二零一七年： 港幣 0.1 元)的普通股 20,000,000,000 股(二零一七年： 10,000,000,000 股)	<b>1,000,000</b>	1,000,000
Issued and fully paid:	已發行及繳足：		
1,586,382,000 (2017: 793,191,000) ordinary shares of HK\$0.05 (2017:HK\$0.1) each	每股面值港幣 0.05 元(二零一七年： 港幣 0.1 元)的普通股 1,586,382,000 股(二零一七年： 793,191,000 股)	<b>79,319</b>	79,319
Equivalent to RMB'000	等值人民幣千元	<b>84,197</b>	84,197



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31 December 2018 於二零一八年十二月三十一日

### 28. SHARE CAPITAL (Cont'd)

#### SHARES (Cont'd)

As the Share Sub-division approved by the shareholders of the Company became effective on 6 August 2018, the total number of issued shares of the Company as at 31 December 2018 and 31 December 2017 as presented in this report are adjusted as follows:

### 28. 股本(續)

#### 股份(續)

由於經本公司股東批准的股份拆細已於二零一八年八月六日生效，故本報告中已就本公司於二零一八年十二月三十一日及二零一七年十二月三十一日之已發行股份總數目作出如下調整：

		Number of shares in issue 已發行 股份數目	Issued capital 已發行股本 HK\$'000 港幣千元	Share premium account 股份溢價 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
At 1 January 2017	於二零一七年一月一日	801,852,000	80,185	55,928	136,113
Shares repurchased in 2016 and cancelled in 2017	於二零一六年已購回的股份及 於二零一七年註銷	(820,000)	(82)	-	(82)
Shares repurchased and cancelled in 2017	已購回的股份及 於二零一七年註銷	(9,111,000)	(911)	(44,359)	(45,270)
Share options exercised	已行使的購股權	1,270,000	127	5,088	5,215
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日 及二零一八年一月一日	793,191,000	79,319	16,657	95,976
Effect of the Share Sub-division (as defined in note 11)	股份拆細的影響(附註11說明)	793,191,000	-	-	-
At 31 December 2018	於二零一八年十二月三十一日	1,586,382,000	79,319	16,657	95,976

Details of the Company's share option scheme are included in note 29 to the financial statements.

有關本公司購股權計劃之詳細內容，載列於財務報表附註29。

## 29. SHARE OPTION SCHEME

The Company adopted a share option scheme in 2003 (the “2003 Share Option Scheme”) for the purpose of providing incentives and rewards to eligible persons (including the Company’s directors, independent non-executive directors, employees of the Group and other eligible participants as defined under the 2003 Share Option Scheme) who contribute to the success of the Group’s operations. The 2003 Share Option Scheme became effective on 21 June 2003 and remained in force for 10 years from that date until 20 June 2013.

The maximum number of shares issuable under share options to each eligible person in the 2003 Share Option Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders’ approval in a general meeting.

A new share option scheme, which was approved by the shareholders at the annual general meeting on 24 May 2013, became effective on 21 June 2013 (the “2013 Share Option Scheme”, together with the 2003 Share Option Scheme, the “Scheme”) and will remain in force for 10 years until 20 June 2023. The principal terms of the 2013 Share Option Scheme are similar to the 2003 Share Option Scheme.

Share options granted to a director, chief executive officer or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company’s shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders’ approval in advance in a general meeting.

## 29. 購股權計劃

本公司於二零零三年採納的購股權計劃(「二零零三購股權計劃」)，旨在為對本集團業務成就作出貢獻的合資格人士(包括本公司董事、獨立非執行董事、本集團員工及於二零零三購股權計劃界定的其他合資格參與者)提供鼓勵及獎勵。二零零三購股權計劃於二零零三年六月二十一日生效並於該日起計十年內持續有效至二零一三年六月二十日。

在任何12個月期間內授予二零零三購股權計劃的每位合資格參與者的購股權的可予發行最高股份數目，以本公司於任何時間的已發行股份1%為限。凡進一步授出超逾此限額的購股權，須在股東大會上獲股東批准。

新購股權計劃(於二零一三年五月二十四日股東週年大會上獲股東批准)於二零一三年六月二十一日起生效(「二零一三購股權計劃」，與二零零三購股權計劃統稱「該計劃」)並持續十年有效至二零二三年六月二十日。二零一三購股權計劃之主要條款與二零零三購股權計劃相類似。

授予本公司董事、總裁或主要股東或彼等任何關聯方購股權須事先取得獨立非執行董事批准。此外，如於任何12個月期間授予本公司主要股東或獨立非執行董事或彼等任何關聯方的任何購股權超逾本公司於任何時間的已發行股份的0.1%，或有關購股權的總值(根據本公司股份於購股權授出日期的價格計算)超逾港幣5,000,000元，則須事先在股東大會上取得股東批准。

## 財務報表附註

31 December 2018 於二零一八年十二月三十一日

### 29. SHARE OPTION SCHEME (Cont'd)

The offer of a grant of share options may be accepted within 21 days from the date of offer, upon payment of a nominal consideration of HK\$10 by each grantee with no other consideration being payable by the grantee. An option may be exercised in accordance with the terms of the Scheme at any time during a period commencing on such date on or after the date on which the option is granted as the Board may determine in granting the option and expiring at the close of business on such date as the Board may determine in granting the option but in any event shall not exceed 10 years from the date of grant.

The exercise price of share options is determined by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; and (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer, provided that the exercise price shall not be less than the nominal value of the ordinary shares of the Company.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

As the Share Sub-division approved by the shareholders of the Company already became effective on 6 August 2018, the comparative figures have also been adjusted on the assumption that the Share Sub-division had been effective in the prior year.

### 29. 購股權計劃(續)

授予購股權的建議應於建議日期起計21日內獲接納，承授人接納購股權時無須支付其他代價，惟須支付港幣10元的象徵式代價。由董事會在授出購股權之日或其後所釐定的日期起至董事會在授出購股權時釐定的日期的營業時間結束時止，可隨時(無論如何不得超過由授出日期起計十年)根據該計劃的條款行使購股權。

購股權的行權價由董事釐定，惟不得低於以下各項的較高者：(i)本公司股份於授出購股權當日在聯交所所報的收市價；及(ii)本公司股份於緊接授出日期前五個交易日在聯交所所報的平均收市價，惟行權價不得少於本公司普通股的面值。

購股權並無賦予持有人可享有股息或於股東大會上投票的權利。

由於本公司股東批准的股份拆細已於二零一八年八月六日生效，比較數字亦已根據股份拆細於去年生效的假設作出調整。

## 29. SHARE OPTION SCHEME (Cont'd)

The following share options were outstanding under the Scheme during the year:

## 29. 購股權計劃(續)

以下為該計劃於年內未行使的購股權：

		2018 二零一八年		2017 二零一七年	
		Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
		加權平均 行權價	購股權數目	加權平均 行權價	購股權數目
		HK\$ 港幣	'000	HK\$ 港幣	'000
		per share 每股		per share 每股	
At 1 January	於一月一日	2.835	52,000	5.911	21,324
Granted during the year	年內已授出	-	-	4.250	6,000
Exercised during the year	年內已行使	-	-	3.130	(1,270)
Lapsed during the year	年內已失效	2.731	(3,300)	3.130	(54)
At 31 December	於十二月三十一日	2.842	48,700	5.670	26,000

As the Share Sub-division approved by the shareholders of the Company already became effective on 6 August 2018, the figures have also been adjusted on the assumption that the Share Sub-division had been effective from the beginning of the year.

由於本公司股東批准的股份拆細已於二零一八年八月六日生效，相關數字亦已根據股份拆細於年初生效的假設作出調整。

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### 29. SHARE OPTION SCHEME (Cont'd)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

#### 2018

二零一八年

Number of options 購股權數目 '000	Exercise price* 行權價* HK\$ per share 港幣每股	Exercise period 行使期間
2,000	3.220	17-09-2015 to 至 16-09-2020
11,800	2.575	08-01-2016 to 至 07-01-2021
6,000	2.635	18-03-2016 to 至 17-03-2021
11,800	3.670	16-04-2016 to 至 15-04-2021
2,800	3.190	23-11-2016 to 至 22-11-2021
3,000	3.170	11-05-2017 to 至 10-05-2022
11,300	2.125	29-11-2018 to 至 28-11-2023
<b>48,700</b>		

#### 2017

二零一七年

Number of options 購股權數目 '000	Exercise price* 行權價* HK\$ per share 港幣每股	Exercise period 行使期間
1,000	6.440	17-09-2015 to 至 16-09-2020
5,900	5.150	08-01-2016 to 至 07-01-2021
3,000	5.270	18-03-2016 to 至 17-03-2021
6,000	7.340	16-04-2016 to 至 15-04-2021
1,400	6.380	23-11-2016 to 至 22-11-2021
1,500	6.340	11-05-2017 to 至 10-05-2022
1,200	5.660	08-09-2017 to 至 07-09-2022
6,000	4.250	29-11-2018 to 至 28-11-2023
<b>26,000</b>		

\* The exercise price of the share options is subject to adjustment in case of rights or bonus issues, or other similar changes in the Company's share capital.

\* 倘進行供股或發行紅股或本公司股本出現其他類似變動，則購股權的行權價須予以調整。

## 29. SHARE OPTION SCHEME (Cont'd)

The fair value of equity-settled share options granted was estimated as at the date of grant, using the Black-Scholes-Merton valuation model, taking into account the terms and conditions upon which the options were granted. This value is inherently subjective and uncertain due to the assumptions made and the limitation of the valuation model used. The following table lists the inputs to the model:

Date of grant	授出日期	17/9/2014	8/1/2015	18/3/2015	16/4/2015	23/11/2015	11/5/2016	8/9/2016	29/11/2017
Dividend yield (%)	股息率 (%)	0.97	1.21	1.18	0.85	1.04	1.06	1.30	2.70
Expected volatility (%)	預期波幅 (%)	42	43	43	43	43	43	43	41
Historical volatility (%)	過往波幅 (%)	42	43	43	43	43	43	43	41
Risk-free interest rate (%)	無風險折現率 (%)	1.584	1.365	1.290	1.065	1.183	0.969	0.694	1.586
Expected life of option (year)	購股權預計年期 (年)	6	6	6	6	6	6	6	6
Fair value at the date of grant (HK\$)	於授出日期的公允值 (港幣)	2.45	1.92	1.97	2.82	2.42	2.34	2.03	1.27

The expected life of the options is based on the historical data over the past five years and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

As at 31 December 2018, the Company had 48,700,000 share options outstanding under the Scheme, which represented approximately 3.07% of the Company's shares in issue as at that date. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 48,700,000 additional ordinary shares of the Company, additional share capital of HK\$2,435,000 and share premium of HK\$135,960,500 (before share issue expenses).

## 29. 購股權計劃 (續)

授予以權益結算的購股權的公允值乃於授予購股權當日以柏力克-舒爾斯估值模式估計，並已考慮授予購股權的條款及條件。鑑於有關假設及所使用的估值模式存在限制，有關價值本身含主觀成分及不確定因素。下表列出該模式的輸入數值：

購股權預計年期乃根據過去五年的歷史資料釐定，未必能顯示行使購股權的方式。預期波幅反映過往波幅可顯示未來趨勢的假設，惟未來趨勢未必是實際結果。

並無其他授予購股權的因素列入公允值的計算當中。

於二零一八年十二月三十一日，本公司根據該計劃擁有48,700,000份購股權尚未獲行使，相當於當日本公司已發行股份約3.07%。根據本公司現時的資本架構，悉數行使餘下購股權將引致本公司發行48,700,000股額外普通股，增加港幣2,435,000元的股本以及股份溢價港幣135,960,500元(不含股份發行開支)。

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### 30. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 73 to 74 of the financial statements.

#### (i) CONTRIBUTED SURPLUS

The contributed surplus of the Group represents the difference between the then consolidated net assets of the subsidiaries acquired pursuant to the Group Reorganisation as set out in note 1, and the nominal value of the Company's shares issued in exchange therefor.

#### (ii) STATUTORY SURPLUS RESERVE (THE "SSR")

In accordance with the Company Law of the PRC and the articles of association of the Mainland China Subsidiaries, each of the Mainland China Subsidiaries is required to allocate 10% of their profit after tax, as determined in accordance with the PRC generally accepted accounting principles, to the SSR until this reserve reaches 50% of its registered capital. Part of the SSR may be converted to increase the paid-up capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

#### (iii) EXCHANGE FLUCTUATION RESERVE

The exchange fluctuation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

### 30. 儲備

本集團儲備於本年度及過往年度的金額及變動已載於財務報表第73頁至74頁的綜合權益變動表內。

#### (i) 繳入盈餘

本集團的繳入盈餘指根據附註1所載的集團重組所收購附屬公司當時的綜合資產淨值與本公司為換取有關資產而發行的本公司股份面值的差額。

#### (ii) 法定盈餘公積金

根據中國公司法及中國附屬公司的公司章程，中國附屬公司各自須按中國公認會計準則，將其稅後溢利的10%分配至法定盈餘公積金，直至法定盈餘公積金達到其註冊資本的50%。部分法定盈餘公積金可轉為繳足股本以增加股本，惟資本化後的餘額不可低於註冊資本的25%。

#### (iii) 匯兌波動儲備

匯兌波動儲備乃用作記錄換算外國附屬公司的財務報表所產生的匯兌差額。

## 31. DISPOSAL OF A SUBSIDIARY

During the year, Dawnrays International Co. Ltd., the Group's subsidiary, transferred all the equity of Guangdong Dawnrays Pharmaceutical Co., Ltd., its subsidiary which had suffered from consecutive loss, to an independent third party at the price of RMB2,900,000, and relevant equity transfer formalities have been completed. The registered capital of Guangdong Dawnrays Pharmaceutical Co., Ltd. was RMB3,000,000, and the net liabilities at time of disposal were RMB59,000.

## 31. 出售一間附屬公司

年內，本集團附屬公司東瑞國際股份有限公司以人民幣2,900,000元價格向獨立第三方出售其連續虧損的附屬公司廣東東瑞藥業有限公司的全部股權，有關之股權轉讓手續已完成。廣東東瑞藥業有限公司的註冊資本為人民幣3,000,000元，處置時淨負債為人民幣59,000元。

	Note	2018 二零一八年 RMB'000 人民幣千元
Net liabilities disposed of:		
Property, plant and equipment		33
Intangible assets		2
Cash and bank		144
Prepayments, other receivables and other assets		51
Accruals and other payables		(197)
Other liabilities		(92)
		(59)
Gain on disposal of a subsidiary	4	2,959
		2,900
Satisfied by:		
Cash		2,900

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

有關出售附屬公司之現金及現金等價物淨流入的分析如下：

		2018 二零一八年 RMB'000 人民幣千元
Cash consideration	現金代價	2,900
Cash and bank balances disposed of	處置現金和銀行結餘	(144)
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	有關出售附屬公司之現金和現金等價物的淨流入	2,756



# Notes to Financial Statements

## 財務報表附註

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### 32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

#### CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

### 32. 綜合現金流量表附註

#### 融資活動產生的負債變化

2018

二零一八年

At 1 January 2018  
Changes from financing cash flows

二零一八年一月一日  
融資活動的現金流量變化

**Bank and  
other loans**  
銀行及  
其他貸款  
**RMB'000**  
人民幣千元

-  
-

At 31 December 2018

二零一八年十二月三十一日

-

2017

二零一七年

At 1 January 2017  
Changes from financing cash flows  
Foreign exchange movement

二零一七年一月一日  
融資活動現金流量變化  
匯兌變動

Bank and  
other loans  
銀行及  
其他貸款  
RMB'000  
人民幣千元

9,104  
(8,437)  
(667)

At 31 December 2017

二零一七年十二月三十一日

-

## 33. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

## 33. 按類別劃分之金融工具

截至報告期末，各類金融工具的賬面值如下：

Financial assets	財務資產	2018 二零一八年				2017 二零一七年		
		Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income	Total	Financial assets at fair value through profit or loss	Loans and receivables	Total
		以公允價值計量 且其變動計入 損益之財務資產	按攤銷成本 計量之財務資產	以公允價值計量 且其變動計入 其他全面收益 之財務資產	總額	以公允價值計量 且其變動計入 損益之財務資產	貸款及 應收款項	總額
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Trade and notes receivables	應收貿易及票據款項	-	199,614	147,188	346,802	-	313,214	313,214
Financial assets included in prepayments, other receivables and other assets	計入預付款、其他應收款項及 其他資產之財務資產	-	371,832	-	371,832	-	461,005	461,005
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入 損益之財務資產	189,393	-	-	189,393	8,743	-	8,743
Cash and bank	現金及銀行存款	-	645,363	-	645,363	-	611,077	611,077
		189,393	1,216,809	147,188	1,553,390	8,743	1,385,296	1,394,039

## Financial liabilities

## 財務負債

		2018 二零一八年		2017 二零一七年	
		Financial liabilities at amortised cost	按攤銷成本計量 之財務負債	Financial liabilities at amortised cost	按攤銷成本計量 之財務負債
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Trade and notes payables	應付貿易及票據款項	130,417		143,404	
Financial liabilities included in other payables and accruals	計入其他應付款及預提費用 之財務負債	107,171		62,957	
		237,588		206,361	

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## 財務報表附註

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### 34. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value as at 31 December 2018:

Financial assets at fair value through profit or loss 以公允價值計量且其變動計入損益之財務資產

Fair value measurement using 使用以下各項進行公允價值計量			
Quoted prices in active markets 於活躍市場的報價 (Level 1) 第一級 RMB'000 人民幣千元	Significant observable inputs 重大可觀察輸入值 (Level 2) 第二級 RMB'000 人民幣千元	Significant unobservable inputs 重大不可觀察輸入值 (Level 3) 第三級 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
78,627	110,766	-	189,393

Assets measured at fair value as at 31 December 2017:

Equity investments at fair value through profit or loss 以公允價值計量且其變動計入損益之股權投資

Fair value measurement using 使用以下各項進行公允價值計量			
Quoted prices in active markets 於活躍市場的報價 (Level 1) 第一級 RMB'000 人民幣千元	Significant observable inputs 重大可觀察輸入值 (Level 2) 第二級 RMB'000 人民幣千元	Significant unobservable inputs 重大不可觀察輸入值 (Level 3) 第三級 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
8,743	-	-	8,743

During the years ended 31 December 2018 and 31 December 2017, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

The carrying amounts of cash and bank, trade and notes receivables, trade and notes payables, financial assets included in prepayments, other receivables and other assets and financial liabilities included in other payables and accruals approximate to their fair values.

### 34. 金融工具之公允價值層級

下表列明本集團金融工具的公允價值計量層級：

於二零一八年十二月三十一日按公允價值計量的資產：

於二零一七年十二月三十一日按公允價值計量的資產：

截至二零一八年十二月三十一日止年度及二零一七年十二月三十一日止年度，第一級與第二級間並無公允價值計量轉移，亦無轉入或移出第三級。

現金及銀行存款、應收貿易及票據款項、應付貿易及票據款項、計入預付款、其他應收款項及其他資產之財務資產、計入其他應付款及預提費用之財務負債之賬面值與其公允價值相若。

### 35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

#### FOREIGN CURRENCY RISK

The Group does not have any significant investment outside of Mainland China. However, the Group has transactional currency exposures. These exposures arise from sales of the Group's subsidiaries denominated in currencies other than the subsidiaries' functional currencies. Approximately 13.21% of the Group's sales for the year ended 31 December 2018 (2017: 13.98%) were denominated in currencies other than the functional currencies of the subsidiaries. Upon receipt of currencies other than the functional currency, the subsidiaries sell them to the banks at suitable time.

### 35. 金融風險管理目標及對策

本集團擁有應收貿易款項及應付貿易款項等其他各種財務資產及負債，此乃由其經營直接產生。

本集團金融工具所涉及的主要風險為外匯風險、信貸風險及流動資金風險。以下為董事會檢討並同意管理上述每項風險的政策之概要。

#### 外匯風險

本集團於中國大陸以外並無任何重大投資。然而，本集團仍面對交易貨幣風險。有關風險來自以本集團的中國大陸附屬公司以其功能貨幣以外之貨幣進行之銷售。截至二零一八年十二月三十一日止年度，本集團約13.21%銷售（二零一七年：13.98%）乃以本集團的中國大陸附屬公司的功能貨幣以外之貨幣計值。於收到功能貨幣以外之貨幣後，本集團的中國大陸附屬公司會適時將該等貨幣售予銀行以兌換為功能貨幣。

## 財務報表附註

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### 35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

#### FOREIGN CURRENCY RISK (Cont'd)

The following table demonstrates the sensitivity to a reasonably possible change in foreign currency exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

#### 2018

If RMB strengthens against the United States dollar  
If RMB weakens against the United States dollar

#### 二零一八年

倘人民幣兌美元升值  
倘人民幣兌美元貶值

#### 2017

If RMB strengthens against the United States dollar  
If RMB weakens against the United States dollar

#### 二零一七年

倘人民幣兌美元升值  
倘人民幣兌美元貶值

### 35. 金融風險管理目標及對策(續)

#### 外匯風險(續)

下表列示在所有其他可變因素維持不變之情況下，本集團的除稅前溢利對外幣匯率出現合理可能變動的敏感度(由於貨幣資產及負債的公允值變動)。

Change in foreign currency rate 外幣匯率變動	Increase/ (decrease) in profit before tax 對除稅前溢利 之增加/(減少) RMB'000 人民幣千元
+5%	(6,567)
-5%	6,567

### 35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

#### CREDIT RISK

*IAS 39 (replaced by IFRS 9 for periods beginning on 1 January 2018)*

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables and balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and short-term deposits, other receivables and equity investments at fair value through profit or loss, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty. There are no significant concentrations of credit risk within the Group.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 19 to the financial statements.

*IFRS 9 (for the periods beginning on or after 1 January 2018)*

Credit risk is the risk of loss due to the inability or unwillingness of a counterparty to meet its contractual obligation. The Group has no concentration of credit risk from third party debtors. The carrying amounts of cash and bank balances, financial assets included in prepayments, other receivables and other assets in the consolidated statement of financial position represent the Group's maximum exposure to credit risk in relation to its financial assets.

All cash and bank balances were deposited in high-credit-quality financial institutions without significant credit risk.

### 35. 金融風險管理目標及對策(續)

#### 信貸風險

*國際會計準則第39號(於二零一八年一月一日開始的年度期間以國際財務報告準則第9號替代)*

本集團僅與該等信譽可靠的第三者進行交易。按照本集團的政策，所有擬按信貸期進行交易的客戶，必須經過信貸核實程序後，方可落實。此外，本集團會持續監察應收款項及結餘的情況，而本集團的壞賬風險並不重大。

就有關本集團其他財務資產的信貸風險，其中包括現金及短期存款、其他應收款項及以公允價值計量且其變動計入損益之股權投資，本集團因對方違約所產生的信貸風險，上限相等於該等工具的賬面值。

由於本集團僅與該等享譽盛名兼信譽可靠的第三者進行交易，故不需要任何抵押。集中信貸風險由客戶／交易對手管理，因此本集團內並無任何重大集中信貸風險。

有關本集團因應收貿易款項所產生信貸風險的進一步定量資料乃披露於財務報表附註19。

*國際財務報告準則第9號(於二零一八年一月一日或之後開始的期間)*

信貸風險指交易對手無法或不願履行其合約責任而帶來的虧損風險。本集團並無來自第三方債務人之集中信貸風險。現金及銀行結餘、計入預付款之財務資產、其他應收款項及綜合財務狀況表中其他資產的賬面值乃本集團就其財務資產承受的最大信貸風險。

所有現金及銀行結餘均存入無重大信貸風險之信貸良好的金融機構。

### 35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

#### CREDIT RISK (Cont'd)

IFRS 9 (for the periods beginning on or after 1 January 2018)  
(Cont'd)

The Group has established a policy to perform an assessment at 31 December 2018, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering to group its other receivables into Stage 1 and Stage 2, as described below:

Stage 1 – When other receivables are first recognized, the Group records an allowance based on 12-month ECLs.

Stage 2 – When other receivables have shown a significant increase in credit risk since origination, the Group records an allowance for the lifetime ECLs.

Management also regularly reviews the recoverability of these receivables and follow up on the disputes or amounts overdue, if any. The management is of the opinion that the risk of default by counterparties is low.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as of the reporting date with the risk of default as of the date of initial recognition. It considers available reasonable and supportive forward-looking information.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. The expected loss allowance provision for these balances was not material during the year ended 31 December 2018.

The Group has applied IFRS 9, effective for the periods beginning on or after 1 January 2018. As at 31 December 2018, the credit rating of other receivables were performing. The Group assessed that the expected credit losses for these receivables are not material under the 12-month expected loss method. Thus no loss allowance provision was recognised during the year ended 31 December 2018.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables and other receivables are disclosed in note 19 and note 20.

### 35. 金融風險管理目標及對策(續)

#### 信貸風險(續)

國際財務報告準則第9號(於二零一八年一月一日或之後開始的期間)(續)

本集團已於二零一八年十二月三十一日制定政策，以透過考慮將其他應收款項分組為階段1及階段2來評估金融工具之信貸風險是否自初始確認起已大幅增加，詳情如下：

階段1 – 當其他應收款項獲初始確認時，本集團基於12個月預期信貸虧損確認撥備。

階段2 – 當其他應收款項自產生起顯示信貸風險大幅增加，本集團就存續期預期信貸虧損確認撥備。

管理層亦定期檢討該等應收款項的可收回性，並對有關糾紛或逾期款項(如有)進行跟進。管理層認為，交易對手違約的風險較低。

本集團於初始確認資產時考慮違約的可能性，及信貸風險有否於各報告期內按持續基準大幅增加。為評估信貸風險有否大幅增加，本集團比較資產於報告日期的違約風險與於初始確認日期的違約風險，並考慮所得合理及得到理據支持的前瞻性資料。

本集團採用簡化方法計提國際財務報告準則第9號所規定的預期信貸虧損，國際財務報告準則第9號允許使用存續期預期虧損計提應收貿易款項撥備。截至二零一八年十二月三十一日止年度，該等結餘的預期損失撥備金額並不重大。

本集團應用國際財務報告準則第9號，自二零一八年一月一日或之後開始之期間生效。於二零一八年十二月三十一日，本集團對其他應收款項進行信貸評級。本集團按12個月預計損失法評估該等應收款項的預期信貸虧損並不重大，故於截至二零一八年十二月三十一日止年度並未確認損失撥備金額。

有關本集團因應收貿易款項及其他應收款項所產生信貸風險的進一步定量資料乃披露於財務報表附註19及附註20。





## 財務報表附註

31 December 2018 於二零一八年十二月三十一日

### 35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

#### CAPITAL MANAGEMENT

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2018 and 31 December 2017.

The Group monitors capital using a gearing ratio, which is interest-bearing bank loans less cash and bank divided by the total equity. As at 31 December 2018 and 2017, the Group had no interest-bearing bank loans and thus no gearing ratio was calculated.

### 35. 金融風險管理目標及對策(續)

#### 資本管理

本集團管理資本的首要目標是保障本集團的持續經營能力及維持穩健的資本比率，以支援其業務發展及提升股東價值。

本集團會應經濟環境變化管理其資本架構並對其作出調整。為維持或調整資本架構，本集團或會調整支付予股東的股息款額、返還資本予股東或發行新股份。於截至二零一八年十二月三十一日及二零一七年十二月三十一日止年度內，有關資本管理的目標、政策及過程並無作出任何變動。

本集團使用資產負債比率監控資本，資產負債率為計息銀行貸款減現金及銀行存款除以總權益。於二零一八年及二零一七年十二月三十一日，本集團並無計息銀行貸款，因此並無計算資產負債比率。

## 36. COMMITMENTS

## (a) OPERATING LEASE COMMITMENTS

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to five years.

At 31 December 2018, the Group had total future minimum lease rentals payable under non-cancellable operating leases falling due as follows:

Within one year	一年內
After one year but within five years	一年後至不多於五年

## (b) CAPITAL COMMITMENTS

Contracted, but not provided for:	已訂約，但未作撥備：
Plant and machinery	廠房及機器
Capital contributions payable to an associate	應付一間聯營公司之投資款

## 36. 承擔

## (a) 經營租賃承擔

本集團根據經營租賃安排承租若干辦公物業。物業租賃的商定期限介乎一至五年之間。

於二零一八年十二月三十一日，本集團根據不可撤銷經營租約於日後未來應付最低租賃款項總額如下：

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
42	436
-	143
<b>42</b>	<b>579</b>

## (b) 資本承擔

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
4,460	4,500
79,670	-
<b>84,130</b>	<b>4,500</b>

## 財務報表附註

31 December 2018 於二零一八年十二月三十一日

### 37. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group:

Salaries, allowances and benefits in kind	薪金、津貼及實物福利
Employee share option benefits	員工購股權福利
Pension scheme contributions	退休金計劃供款
Total compensation paid to key management personnel	主要管理人員酬金總額

Further details of the directors' and the chief executive officer's emoluments are included in note 7 to the financial statements.

### 38. EVENTS AFTER THE REPORTING PERIOD

On 27 February 2019, Dawnrays International Company Limited, a wholly-owned subsidiary of the Company, entered into the Framework Agreement in respect of the acquisition of the entire issued share capital of Top Field Limited at an aggregate consideration of HK\$438 million (subject to adjustment), subject to the conclusion of a formal sale and purchase agreement.

On 15 March 2019, Suzhou Dawnrays Pharmaceutical Co. Ltd., a wholly owned subsidiary of the Company, entered into a joint venture agreement with two independent third parties to establish a R&D-base enterprise with registered capital of RMB50million. The registration of the R&D-base enterprise is underprocessing. Suzhou Dawnrays Pharmaceutical will acquire 65% share of the R&D-base enterprise. The principal business of the R&D-base enterprise will focus on new drug products which are developed, using new technologies of drug delivery systems, so as to meet the market demand for drugs in innovative dosage forms.

### 37. 關聯方交易

本集團主要管理人員酬金：

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
7,315	9,711
1,741	2,705
128	106
<b>9,184</b>	<b>12,522</b>

董事及總裁酬金詳情載於財務報表附註7。

### 38. 報告期後事項

於二零一九年二月二十七日，本公司全資附屬公司東瑞國際股份有限公司訂立框架協議以總代價港幣4.38億元(可予調整)收購Top Field Limited的全部已發行股份，惟受限於達成正式買賣協議。

於二零一九年三月十五日，本公司全資附屬公司蘇州東瑞製藥有限公司與兩名獨立第三方訂立合營協議，成立研發基地企業，註冊資本為人民幣5,000萬元。研發基地企業的註冊正在進行中。蘇州東瑞製藥有限公司將獲得65%的研發基地企業股權。研發基地企業的主要業務將集中在利用新型藥物輸送系統技術開發新藥產品上，以滿足市場對創新劑型藥物的需求。

## 39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

## 39. 本公司財務狀況表

於報告期末本公司的財務狀況表資料如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>		
Interests in subsidiaries	於附屬公司的權益	300,195	271,399
Total non-current assets	非流動資產總額	300,195	271,399
<b>CURRENT ASSETS</b>	<b>流動資產</b>		
Prepayments, other receivables and other assets	預付款、其他應收款項及其他資產	211	196
Financial assets at fair value through profit or loss	以公允值計量且其變動計入損益之 財務資產	8,149	8,743
Cash and bank	現金及銀行存款	2,494	8,302
Total current assets	流動資產總額	10,854	17,241
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>		
Other payables and accruals	其他應付款及預提費用	483	462
Total current liabilities	流動負債總額	483	462
<b>NET CURRENT ASSETS</b>	<b>淨流動資產</b>	10,371	16,779
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>資產總額減流動負債</b>	310,566	288,178
<b>Net assets</b>	<b>淨資產</b>	310,566	288,178
<b>EQUITY</b>	<b>權益</b>		
<b>Equity attributable to owners of the parent</b>	<b>母公司擁有人應佔權益</b>		
Issued capital	已發行股份	84,197	84,197
Reserves	儲備	226,369	203,981
<b>Total equity</b>	<b>權益總額</b>	310,566	288,178

# Notes to Financial Statements

## 財務報表附註

31 December 2018 於二零一八年十二月三十一日

### 39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Cont'd)

Note:

A summary of the Company's reserves is as follows:

### 39. 本公司財務狀況表(續)

附註：

本公司之儲備總結如下：

		Share premium account	Contributed surplus	Share option reserve	Capital redemption reserve	Exchange fluctuation reserve	Retained profits	Total
		股份溢價	繳入盈餘	購股權儲備	資本購回儲備	匯兌波動儲備	保留溢利	總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2017	於二零一七年一月一日	60,281	100,175	24,220	3,400	(55,141)	120,692	253,627
Profit for the year	本年度溢利	-	-	-	-	-	87,815	87,815
Other comprehensive loss for the year:	本年度其他全面虧損：							
Exchange differences	匯兌差額	-	-	-	-	(19,360)	-	(19,360)
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	(19,360)	87,815	68,455
Exercise of share options	行使購股權	4,499	-	(1,100)	-	-	-	3,399
Final 2016 dividend declared	宣派二零一六年末期股息	-	-	-	-	-	(71,082)	(71,082)
Dividend on shares issued for employee share options exercised after 31 December 2016	二零一六年十二月三十一日後行使的僱員購股權所發行股份的股息	-	-	-	-	-	(70)	(70)
Share repurchased and cancelled	已購回的股份及註銷	(38,620)	-	-	793	-	(793)	(38,620)
Equity-settled share option arrangements	以股權支付的購股權安排	-	-	8,511	-	-	-	8,511
Interim 2017 dividend	二零一七年年中期股息	-	-	-	-	-	(20,239)	(20,239)
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	<b>26,160</b>	<b>100,175</b>	<b>31,631</b>	<b>4,193</b>	<b>(74,501)</b>	<b>116,323</b>	<b>203,981</b>
Profit for the year	本年度溢利	-	-	-	-	-	201,342	201,342
Other comprehensive income for the year:	本年度其他全面收益：							
Exchange differences	匯兌差額	-	-	-	-	18,775	-	18,775
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	18,775	201,342	220,117
Final 2017 dividend declared	宣派二零一七年年末期股息	-	-	-	-	-	(76,826)	(76,826)
Equity-settled share option arrangements	以股權支付的購股權安排	-	-	5,312	-	-	-	5,312
Interim 2018 dividend	二零一八年年中期股息	-	-	-	-	-	(21,036)	(21,036)
Special dividend	特別股息	-	-	-	-	-	(105,179)	(105,179)
At 31 December 2018	於二零一八年十二月三十一日	<b>26,160</b>	<b>100,175</b>	<b>36,943</b>	<b>4,193</b>	<b>(55,726)</b>	<b>114,624</b>	<b>226,369</b>

### 39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Cont'd)

The contributed surplus of the Company represents the excess of the then consolidated net assets of the subsidiaries acquired pursuant to the Group Reorganisation referred to in note 30(i), over the nominal value of the Company's shares issued in exchange therefor.

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. The amount will either be transferred to the issued capital account and the share premium account when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

### 40. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 21 March 2019.

### 39. 本公司財務狀況表(續)

本公司的繳入盈餘如附註30(i)所述指根據集團重組所收購附屬公司當時的綜合資產淨值超逾本公司為換取有關資產而發行的本公司股份面值的部份。

購股權儲備包括已授出但尚未行使購股權的公允值，其進一步資料載於財務報表附註2.4股份支付的會計政策內。當有關購股權獲行使時，其數額將轉至已發行股本賬及股份溢價賬，或當有關購股權到期或被取消時，其數額將轉至保留溢利。

### 40. 財務報表的批准

財務報表已於二零一九年三月二十一日獲董事會批准及授權發行。

## Five Year Financial Summary

### 五年財務概要

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements, is set out below.

以下為本集團於過去五個財政年度之業績、資產及負債概要，此乃摘錄自己公佈經審核財務報表。

		Year ended 31 December 截至十二月三十一日止年度				
RESULTS	業績	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Revenue	收入	948,938	882,483	824,351	985,000	783,803
Cost of sales	銷售成本	(353,909)	(320,934)	(312,872)	(415,612)	(323,884)
Gross profit	毛利	595,029	561,549	511,479	569,388	459,919
Other income and gains	其他收入及收益	47,923	30,372	24,425	31,481	18,728
Selling and distribution expenses	銷售及分銷費用	(106,854)	(88,086)	(98,895)	(94,471)	(99,412)
Administrative expenses	行政費用	(83,184)	(82,491)	(64,625)	(74,940)	(61,009)
Other expenses	其他費用	(59,936)	(48,946)	(38,928)	(52,745)	(56,529)
Finance costs	財務費用	(1,152)	(13)	(157)	(1,524)	(2,804)
Share of profits and losses of an associate	應佔一間聯營公司之盈利及虧損	(14,049)	(6,682)	—	—	—
PROFIT BEFORE TAX	除稅前溢利	377,777	365,703	333,299	377,189	258,893
Income tax expense	所得稅	(73,817)	(72,725)	(67,382)	(74,991)	(53,748)
PROFIT FOR THE YEAR	本年度溢利	303,960	292,978	265,917	302,198	205,145
Attributable to: Owners of the parent	以下各項應佔： 母公司擁有人	303,960	292,978	265,917	302,198	205,145
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>					
<b>TOTAL ASSETS</b>	<b>總資產</b>	<b>2,366,029</b>	2,181,211	1,886,364	1,803,736	1,693,400
<b>TOTAL LIABILITIES</b>	<b>總負債</b>	<b>(444,867)</b>	(375,053)	(249,608)	(329,860)	(445,120)
<b>NET ASSETS</b>	<b>淨資產</b>	<b>1,921,162</b>	1,806,158	1,636,756	1,473,876	1,248,280

## CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the following periods:

- (i) from Monday, 20 May 2019 to Friday, 24 May 2019, both days inclusive, for the purpose of ascertaining shareholders' entitlement to attend and vote at the 2019 AGM. In order to be eligible to attend and vote at the 2019 AGM, all transfer of shares of the Company accompanied by the relevant share certificates and the appropriate share transfer forms must be lodged for registration not later than 4:30 p.m. on Friday, 17 May 2019 with the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (ii) from Thursday, 30 May 2019 to Friday, 31 May 2019, both days inclusive, for the purpose of ascertaining shareholders' entitlement to the proposed final dividend. In order to establish entitlements to the proposed final dividend, all transfer of shares of the Company accompanied by the relevant share certificates and the appropriate share transfer forms must be lodged for registration not later than 4:30 p.m. on Wednesday, 29 May 2019 with the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

During the periods mentioned in sub-paragraphs (i) and (ii) above, no transfers of shares will be registered.

## ANNUAL GENERAL MEETING

The 2019 AGM will be held on Friday, 24 May 2019. Details of the 2019 AGM are set out in the notice of AGM with constitutes part of the circular to Shareholders sent together with this annual report.

## 暫停辦理股份過戶登記

本公司將於下列時段暫停辦理股份過戶登記手續：

- (i) 由二零一九年五月二十日(星期一)至二零一九年五月二十四日(星期五)(包括首尾兩天)，暫停辦理股份過戶登記手續，以釐定有權出席二零一九年股東週年大會並於會上投票之股東身份。為確保符合資格出席二零一九年股東週年大會並於會上投票之權利，所有本公司的股份轉讓連同有關股票及股票轉讓書，須於二零一九年五月十七日(星期五)下午四時三十分前，送達本公司之香港股份過戶登記分處卓佳雅柏勤有限公司辦理過戶登記手續，地址為香港皇后大道東183號合和中心22樓。
- (ii) 由二零一九年五月三十日(星期四)至二零一九年五月三十一日(星期五)(包括首尾兩天)，暫停辦理股份過戶登記手續，以釐定享有建議派發末期股息的股東身份。為確保享有收取建議派發末期股息之權利，所有本公司的股份轉讓連同有關股票及股票轉讓書，須於二零一九年五月二十九日(星期三)下午四時三十分前，送達本公司之香港股份過戶登記分處卓佳雅柏勤有限公司辦理過戶登記手續，地址為香港皇后大道東183號合和中心22樓。

於上述分段(i)及(ii)的時段期間內，將不會辦理股份過戶登記手續。

## 股東週年大會

二零一九年股東週年大會將於二零一九年五月二十四日(星期五)舉行。二零一九年股東週年大會通告的詳情已載於發給股東通函內，該通函連同本年報一併寄發給股東。



## 股東資料

### FINANCIAL CALENDAR

2018 AGM	24 May 2018
Announcement of 2018 interim results	23 August 2018
Announcement of 2018 annual results	21 March 2019
2019 AGM	24 May 2019

### DIVIDENDS

2018 Interim dividend	HK\$0.015 per share
2018 Special dividend	HK\$0.075 per share
Payment date for 2018 interim dividend and Special dividend	11 October 2018
Proposed 2018 final dividend	HK\$0.06 per share
Ex-dividend date for 2018 final dividend	28 May 2019
Book closing dates for 2018 final dividend	30 May 2019–31 May 2019
Payment date for proposed 2018 final dividend	on or about 19 June 2019

### 財務日誌

二零一八年股東週年大會	二零一八年五月二十四日
公佈二零一八年中中期業績	二零一八年八月二十三日
公佈二零一八年全年業績	二零一九年三月二十一日
二零一九年股東週年大會	二零一九年五月二十四日

### 股息

二零一八年中中期股息	每股港幣0.015元
二零一八年特別股息	每股港幣0.075元
二零一八年中中期股息及特別股息派付日期	二零一八年十月十一日
建議派發二零一八年末期股息	每股港幣0.06元
二零一八年末期股息除息日期	二零一九年五月二十八日
二零一八年末期股息截止過戶日期	二零一九年五月三十至五月三十一日
建議派發之二零一八年末期股息派付日期	二零一九年六月十九日或前後



Units 3001-02, 30/F, CNT Tower, 338 Hennessy Road, Wanchai, Hong Kong

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