



# 东阳光药

YiChang HEC ChangJiang Pharmaceutical Co., Ltd.  
宜昌東陽光長江藥業股份有限公司

(A joint stock limited company incorporated in the People's Republic of China)  
(在中華人民共和國註冊成立之股份有限公司)

股份代號 Stock Code : 1558

# 2019

Annual Report  
年度報告



**OUR MISSION:  
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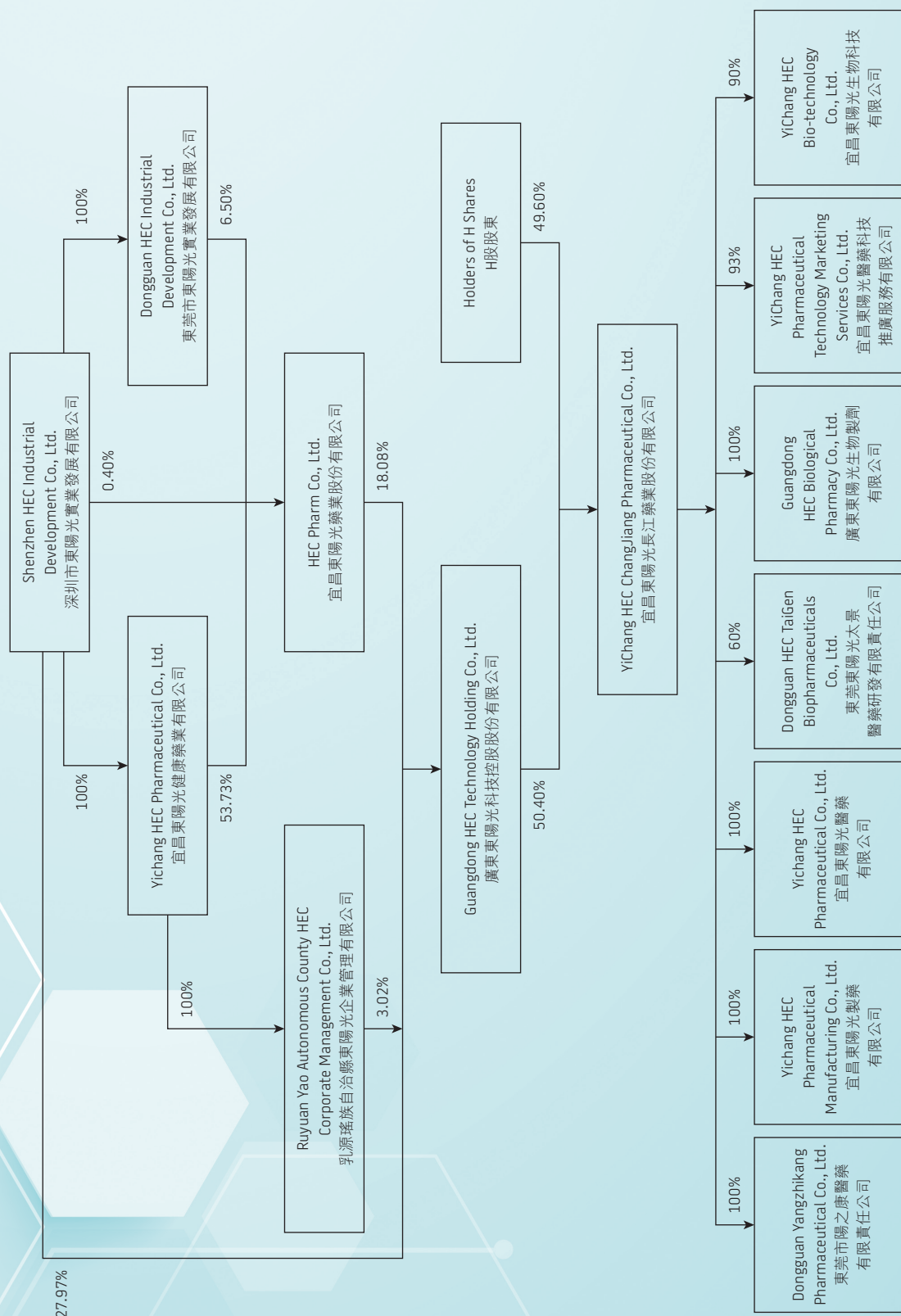
我們的使命一為每個人的健康

# CONTENTS 目錄

2	Corporate Structure	企業架構
3	Financial Summary	財務摘要
5	Corporate Profile	公司簡介
8	History of Development	發展歷程
10	Chairman's Statement	董事長報告書
13	Highlights of the Year	年度大事記
15	Management Discussion and Analysis	管理層討論及分析
64	Profiles of Directors, Supervisors and Senior Management	董事、監事及高級管理人員簡介
80	Report of the Board of Directors	董事會報告
130	Report of the Board of Supervisors	監事會報告
135	Corporate Governance Report	企業管治報告
169	Independent Auditor's Report	獨立核數師報告
180	Consolidated Statement of Profit or Loss and Other Comprehensive Income	綜合損益及其他全面收益表
181	Consolidated Statement of Financial Position	綜合財務狀況表
183	Consolidated Statement of Changes in Equity	綜合權益變動表
184	Consolidated Cash Flow Statement	綜合現金流量表
186	Notes to the Financial Statements	財務報表附註
305	Definitions	釋義
310	Corporate Information	公司資料

# CORPORATE STRUCTURE

## 企業架構



# FINANCIAL SUMMARY

## 財務摘要

The followings are the financial highlights for the year ended 31 December 2019 (“**this year**”) or (the “**Reporting Period**”):

- Revenue of the Group in 2019 was RMB6,224.02 million, representing a year-on-year increase of 147.92% as compared with 2018.
- Profit and total comprehensive income attributable to equity shareholders of the Company in 2019 (without taking into account the effect of the convertible bonds) was RMB2,095.82 million, representing a year-on-year increase of 122.36% as compared with 2018.
- Profit and total comprehensive income attributable to equity shareholders of the Company in 2019 (taking into account the effect of the convertible bonds) was RMB1,918.71 million, representing a year-on-year increase of 103.57% as compared with 2018.
- Basic and diluted earnings per share in 2019 were RMB4.27 and RMB4.10 respectively.
- The Board recommended the distribution of one (1) Bonus Share (tax inclusive) for every one (1) existing Share held by the shareholders of the Company and a final dividend of RMB0.3 per share (tax inclusive) from undistributed profit for the year ended 31 December 2019. The Bonus Shares will be issued by way of conversion of undistributable profit which is subject to the approval of the Shareholders at the forthcoming annual general meeting of the Company.

以下為截至二零一九年十二月三十一日止年度(「**本年度**」)或(「**報告期內**」)的財務摘要：

二零一九年本集團營業額為人民幣6,224.02百萬元，同比二零一八年增長147.92%。

二零一九年本公司權益股東應佔溢利及全面收益總額(不考慮可轉換債券影響)為人民幣2,095.82百萬元，同比二零一八年增長122.36%。

二零一九年本公司權益股東應佔溢利及全面收益總額(考慮可轉換債券影響)為人民幣1,918.71百萬元，同比二零一八年增長103.57%。

二零一九年每股基本及攤薄盈利分別為人民幣4.27元和人民幣4.10元。

董事會建議派發截至二零一九年十二月三十一日止年度通過未分配利潤向本公司股東發行每一(1)股現有股份送紅股一(1)股(含稅)及末期股息每股人民幣0.3元(含稅)，紅股將通過未分配利潤轉換的方式發行，須經股東本公司稍後舉行的股東週年大會上批准。

# FINANCIAL SUMMARY

## 財務摘要

		2015	2016	2017	2018	2019
		二零一五年	二零一六年	二零一七年	二零一八年	二零一九年
		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
<b>Operating result</b>	<b>經營業績</b>					
Revenue	營業額	692,910	941,504	1,601,567	2,510,476	<b>6,224,024</b>
Gross profit	毛利	514,576	727,270	1,321,151	2,111,667	<b>5,302,202</b>
Profit from operation	經營溢利	339,605	460,299	752,484	1,103,742	<b>2,473,556</b>
Profit before taxation	除稅前溢利	314,706	453,066	748,195	1,102,324	<b>2,269,053</b>
Profit and total comprehensive income attributable to equity shareholders of the Company	本公司權益股東應佔溢利及全面收益總額	265,750	380,597	647,101	942,536	<b>1,918,709</b>
<b>Profit margin</b>	<b>利潤率</b>					
Gross profit margin	毛利率	74.26%	77.25%	82.49%	84.11%	<b>85.19%</b>
Net profit margin	純利率	38.35%	40.42%	39.11%	35.90%	<b>30.64%</b>
<b>Earnings per share</b>	<b>每股盈利</b>					
Basic (RMB)	基本(人民幣：元)	0.79	0.84	1.43	2.09	<b>4.27</b>
Diluted (RMB)	攤薄(人民幣：元)	0.79	0.84	1.43	2.09	<b>4.10</b>
<b>Assets condition</b>	<b>資產狀況</b>					
Total assets	總資產	2,577,415	2,831,109	3,775,975	4,560,940	<b>9,912,339</b>
Total equity attributable to equity shareholders of the Company	本公司權益股東應佔總權益	2,142,849	2,457,807	2,807,836	3,433,956	<b>4,408,555</b>
Non-controlling interests	非控股權益	N/A 不適用	N/A 不適用	252,750	244,972	<b>214,600</b>
Total liabilities	總負債	434,566	373,302	715,389	882,012	<b>5,289,184</b>
Net cash generated from operating activities	經營活動所得現金淨額	287,394	397,206	670,751	715,392	<b>1,794,407</b>
Quick ratio (time)	速動比率(倍)	6.1	6.3	3.1	2.0	<b>2.2</b>

# CORPORATE PROFILE

## 公司簡介

YiChang HEC ChangJiang Pharmaceutical Co., Ltd. is a pharmaceutical manufacturing company that focuses on the development, manufacturing and sale of pharmaceutical products in the therapeutic areas of anti-virus, endocrine diseases and cardiovascular diseases. It's the domestic pharmaceutical manufacturing platform of the HEC Group.

The Company entered into China's pharmaceutical industry through the establishment of its predecessor, Yichang Changjiang Pharmaceutical Co., Ltd., in 2001. Up to now, we have been operating for more than 19 years, and are in the leading position in the domestic pharmaceutical industry in terms of pharmaceutical sales performance and research and development capability.

The Company was converted into a joint stock limited company on 11 May 2015, and was listed on the Main Board of the Hong Kong Stock Exchange on 29 December 2015, with the stock code 01558.HK.

Since its establishment, the Company has always followed the motto of "serving the Chinese with higher standards" and has a strong industrial foundation and leading competitive edges in the manufacturing, marketing and sales of pharmaceutical products. As of 31 December 2019, the Company has manufactured, promoted and sold a total of 40 pharmaceutical products in China, with more than 4,316 professional sales staff across nationwide product distribution network. Kewei (oseltamivir phosphate), one of the Company's core products, is the first-line drug for clinical application of anti-influenza virus in China and its granules form is the exclusive patented product of the Company. Oseltamivir phosphate was included in the National Essential Drug List (2018 Version) in 2018, and continued to be included in the National Drug List for Basic Medical Insurance, Work-Related Injury Insurance and Maternity Insurance (2019 Version) issued by the Ministry of Human Resources and Social Security of the People's Republic of China as well as the Influenza treatment plan (2019 version) published by National Health Commission. In 2019, oseltamivir phosphate capsules of the Company are in accordance with the Consistency of Quality and Efficacy Evaluation for Generic Drugs (the "**Consistency Evaluation**") standard, being the first drug variety which meets the standard in China.

宜昌東陽光長江藥業股份有限公司是一家專注於抗病毒、內分泌、心血管等疾病治療領域進行醫藥產品研發、生產及銷售為一體的製藥企業，是東陽光集團旗下的國內製劑平台。

本公司通過成立於二零零一年的公司前身—宜昌長江藥業有限公司進入中國醫藥行業。截至目前，我們已有逾19年的經營歷史，藥品銷售業績以及研發能力列國內醫藥企業領先地位。

二零一五年五月十一日，本公司改制為股份有限公司，並於二零一五年十二月二十九日於香港聯交所主板成功掛牌上市，股票代碼：01558.HK。

自成立以來，本公司始終秉承「用更高標準服務中國人」的製藥理念，在藥品製造和營銷方面均具有雄厚的產業基礎和領先的競爭優勢。截至二零一九年十二月三十一日，本公司在國內生產、推廣及銷售合共40款醫藥產品，並擁有覆蓋全國的產品分銷網絡及專業銷售人員逾4,316名。本公司核心產品之一—可威(磷酸奧司他韋)是中國抗流感病毒臨床應用的一線用藥，其顆粒劑型為本公司獨家專利產品。磷酸奧司他韋於二零一八年獲納入《國家基本藥物目錄(二零一八年版)》；二零一九年繼續入選由中國人力資源和社會保障部頒布的《國家基本醫療保險、工傷保險和生育保險藥品目錄(二零一九年版)》；二零一九年繼續入選由國家衛生健康委辦公廳發布的《流行性感胃診療方案(二零一九年版)》。二零一九年，本公司磷酸奧司他韋膠囊劑型成功仿製藥質量和療效一致性評價(「一致性評價」)，為國內首家符合該標準的品種。

## CORPORATE PROFILE

### 公司簡介

In addition, the Company has built strategic cooperative partnerships with various renowned pharmaceutical enterprises. The Company also established a joint venture company with TaiGen Biopharmaceuticals Holdings Limited (“**TaiGen Biopharmaceuticals**”) (TWSE: 4157.TWO) to conduct clinical trials of combination therapy with Yimitasvir Phosphate and Furaprevir. The Company reached a strategic cooperative partnership with China National Accord Medicines Corporation Ltd. (“**China National Accord Medicines**”) (SZSE: 000028.SZ) and kicked-off its first operational project during the year of 2018. The Company entered into a strategic cooperation framework agreement with Jointown Pharmaceutical Group Co., Ltd. (“**Jointown Pharmaceutical**”), pursuant to which the Company authorised Jointown Pharmaceutical as the exclusive general distribution agent for its products of three separate standards for Kewei to be sold through the OTC channel(s) within the PRC, the term of cooperation is for three years. Moreover, the Company entered into a strategic cooperation framework agreement with Alibaba Health Technology (China) Limited (“**Alibaba Health**”), commencing the cooperation to carry out influenza (“**Flu**”) special projects. The Company also entered into a strategic cooperation framework agreement with Guangdong Yihao Pharmaceutical Co., Ltd. (“**Yihao Pharmaceutical**”) under 111, Inc., pursuant to which, Yihao Pharmaceutical will assist the Company in enhancing its brand recognition and market share through pharmaceutical sales and promotion, online display and precise analysis concerning the healthcare big data for its users in relation to the products of the Company in the areas of cardiovascular diseases, endocrine diseases and antivirus. The Company believes that the abovementioned strategic cooperative partnerships will bring favourable development prospects for the Company’s business.

The Company is committed to the implementation of professionalism, branding and differentiated development strategies all along. The Company is committed to the establishment of a professional marketing team, a steady and innovative marketing operation and a strategic integration of resources, in order to create brand characteristics and core competitiveness unique to “Pharm HEC” in the industry and create additional value for the vast pharmaceutical consumers and our partners.

此外，本公司與諸多知名醫藥企業建立了戰略合作夥伴關係，與台灣太景醫藥研發控股公司(「**太景醫藥**」)(台灣證券交易所：4157.TWO)設立合資公司，以進行磷酸依米他韋與伏拉瑞韋的聯合用藥臨床試驗；與國藥集團一致藥業股份有限公司(「**國藥一致**」)(深圳證券交易所：000028.SZ)達成戰略合作夥伴關係，首個運營項目已於二零一八年內正式啟動；與九州通醫藥集團股份有限公司(「**九州通**」)訂立戰略合作框架協議，據此，本公司將產品可威三個單獨規格授權予九州通在中國大陸地區OTC渠道為期三年的獨家總代理權；與阿里健康科技(中國)有限公司(「**阿里健康**」)訂立戰略合作框架協議，開展流行性感冒(「**流感**」)專項項目合作；與111集團旗下的廣東壹號藥業有限公司(「**壹號藥業**」)簽署戰略合作框架協議，壹號藥業將就本公司心腦血管、內分泌及抗病毒等領域產品在藥品銷售與推廣、在線展示及用戶健康大數據精準分析等方面，協助本公司提升品牌認知及市場份額。本公司相信，以上戰略合作關係，將會為本公司業務帶來理想的發展前景。

本公司始終堅持實施專業化、品牌化、差異化的發展戰略，致力於營銷團隊的專業性打造、穩健創新的市場運作及戰略性的資源整合，在行業內創造「東陽光藥」獨有的品牌特色和核心競爭力，為廣大醫藥消費者及合作夥伴們創造更多價值。

In the future, the Company will further develop and expand its product lines and markets, enhance the international production standards and quality and continue to expand the coverage of marketing and sales to facilitate the further growth of business and profitability of the Company, and strive for more economic benefits and cost-effectiveness for our investors.

在未來，本公司將進一步發展及豐富產品綫、開拓市場及提升產品的國際化生產標準及質量，繼續擴大市場推廣及銷售範圍覆蓋，以促進本公司業務及盈利能力的進一步增長，為廣大投資者爭取更多經濟利益和效益。



# HISTORY OF DEVELOPMENT

## 發展歷程

- Inclusion in the Hong Kong Stock Connect List under the Shenzhen-Hong Kong Stock Connect
  - Became a constituent of the Hang Seng family of indexes
  - Being a subsidiary of A-share listed company, Guangdong HEC Technology Holding Co., Ltd.
    - 獲納入深港通下的港股通股票名單
    - 獲納入恒生指數系列成分股
  - 成為A股上市公司廣東東陽光科技控股股份有限公司之附屬公司
- Oseltamivir Phosphate Capsule being the first drug variety to pass the Consistency Evaluation
  - New drug application of yimitasvir phosphate was submitted and has been accepted
- 2019
- Comprehensively roll out the “Full Circulation” reform of H shares
  - 磷酸奧司他韋膠囊首家通過一致性評價的品種
  - 遞交磷酸依米他韋新藥上市申請並獲受理
  - 全面啟動H股「全流通」改革
- 2018
- Oseltamivir phosphate was listed as a drug recommended for treatment for influenza by the Influenza Treatment Guidelines (2018 Edition)
  - 《流行性感冒治療指南(二零一八年版)》中磷酸奧司他韋被列為流感推薦藥物
- 2017
- Started the cooperation with TaiGen Biopharmaceuticals on Hepatitis C. combination therapy
  - Obtained three approvals for the clinical trials for insulin product
- 2016
- Pharm HEC was awarded as the “Listed Enterprises of the Year 2016”
  - 與太景醫藥就丙肝聯合療法展開合作
    - 3個胰島素產品獲得臨床批件
  - 東陽光藥獲《二零一六年上市企業大獎》

# HISTORY OF DEVELOPMENT

## 發展歷程

		<ul style="list-style-type: none"><li>Transformed into a joint stock limited company by means of reorganization</li><li>Established strategic cooperation relationship with our controlling shareholder, and acquired the pre-emptive right to purchase products developed by the research institute of the controlling shareholder</li></ul>
	2015	<ul style="list-style-type: none"><li>Successfully listed on the Stock Exchange on 29 December 2015</li><li>重組改制為股份有限公司</li><li>與控股股東建立戰略合作關係，擁有控股股東下屬研究院研發成果優先購買權</li><li>二零一五年十二月二十九日於聯交所正式掛牌交易</li></ul>
Kewei product dominated the largest market share of oseltamivir phosphate products in China 可威產品佔據中國磷酸奧司他韋產品市場最大份額	2013	
	2008	<p>The Company's Kewei granule product was registered with the China Food and Drug Administration and the Company became the only manufacturer of oseltamivir phosphate granule in China</p> <p>公司可威顆粒劑產品於國家食品藥品監管局登記註冊，成為中國唯一一家磷酸奧斯他韋顆粒劑生產商</p>
The Company was licensed to manufacture oseltamivir phosphate products in China 獲得中國磷酸奧司他韋生產許可	2006	
	2001	<p>The predecessor of the Company was established in Hubei Province and formally entered into China's pharmaceutical industry</p> <p>公司前身在湖北省成立，正式進入中國醫藥行業</p>

# CHAIRMAN'S STATEMENT

## 董事長報告書

On behalf of the Board, I am hereby pleased to present the annual results of the Group for the year ended 31 December 2019 and the future outlook of 2020.

### 2019 REVIEW

2019 was a year filled with opportunities and challenges for China's pharmaceutical industry. The Consistency Evaluation policy was put in place on a regular basis, the scope of centralized procurement was gradually expanding while the control on medical insurance fee had entered a substantive stage. Not only it is a precondition for involving in the centralized procurement, generic drugs passing the Consistency Evaluation is also beneficial for developing the market of public medical institutions and capturing a greater market share of the original researched pharmaceuticals. Lowering drug price is an entry point for the control on medical insurance fee, laying a foundation for every reform in the medical system. On the other hand, the pharmaceutical regulators would further encourage pharmaceutical enterprises to increase investment in research and development and deepen the development of high value-added industries by expanding the scope of priority evaluation to accelerate the launching process for innovative clinical-needed drug and encouraging enterprises to promote drug innovation. As the focus of pharmaceutical industry in China is gradually shifting from imitation to innovation, drug innovation has become the core competitiveness which supports the future development of the enterprises, as well as a driver for domestic pharmaceutical enterprises in China to enter the international market. In view of this, pharmaceutical enterprises in China are facing more challenges, but at the same time, they will also gain more historic development opportunities.

本人謹代表董事會欣然呈報本集團截至二零一九年十二月三十一日止年度之年度業績，及對二零二零年工作簡要展望。

### 二零一九年回顧

二零一九年對於中國醫藥企業是充滿了機遇和挑戰的一年。一方面，一致性評價政策常態化，集中採購範圍逐步擴大，醫保控費進入實質性階段。仿製藥通過一致性評價，不僅有利於拓展公立醫療機構市場，也有利於搶佔原研藥的市場份額，也是參與集中採購的前提。藥價降低是醫保控費的切入點，為各項醫療體制改革提供數據基礎。另一方面，藥品監管部門通過加快審評審批程序推動臨床急需創新藥上市流程及鼓勵藥品創新，將進一步激勵醫藥企業持續增加研發投入，深化高附加值產業的發展。隨著中國醫藥行業發展主題逐漸由仿製切換到創新，藥物創新也成為支撐企業未來發展的核心競爭力，也是中國本土醫藥企業進入國際市場的驅動力。因此可見，中國醫藥企業在面向更多挑戰的同時，也將迎來更多歷史性的發展機遇。

# CHAIRMAN'S STATEMENT

## 董事長報告書

The Company has come to the fifth year since its listing on the Hong Kong Stock Exchange. The Board has been upholding the governance principles of “standardization, independence, rational structure and high efficiency” and constantly leading the management of the Company to improve its governance level and strengthen the Company’s management systems and internal control, striving to become a highly competitive listed company in the domestic and even the international market. During the reporting period, the Company completed the acquisition of 27 domestic leading generic drugs from Sunshine Lake Pharma and completed the acquisition of two diabetes drugs, which were rongliflozin l-pyroglutamic acid and liraglutide, in 2020, laying a solid foundation for the subsequent supply of products and sales. In addition, we completed the issue of US\$400,000,000 3.0% H Share Convertible Bonds to Blackstone. Introducing Blackstone Fund, an internationally reputable investment firm, as our long-term strategic investor will support the Company’s continued growth in its business by improving development strategies, strengthening international business cooperation and enhancing corporate governance, turning the Company to be the leader of domestic pharmaceutical industry and the first choice for global pharmaceutical manufacturing companies when selecting a partner in China.

In 2019, the Company’s overall performance recorded a leap-forward growth following the highly efficient operations by the management of the Company and the joint efforts of all employees of the Group. For the year ended 31 December 2019, revenue of the Group achieved RMB6,224.02 million, representing an increase of 147.92% as compared to the previous year, and a net profit of RMB1,907.19 million, representing an increase of 111.61% as compared to last year, realizing a significant increase in the overall performance.

自東陽光藥登陸香港聯交所以來，已進入第五個年頭，董事會一直秉承「規範、獨立、結構合理、富有效率」的治理理念，並帶領本公司管理層繼續完善自身治理水平、加強公司規範管理及完善內控制度，為建立在國內乃至國際市場具備強大競爭力的上市公司不斷努力。報告期內，本公司完成從廣東東陽光藥業有限公司購買27個國內領先仿製藥品種的收購，並於2020年完成收購焦谷氨酸榮格列淨、利拉魯肽兩個品種糖尿病治療藥物，為後續儲備產品及銷售打下堅實的基礎。此外，我們完成向黑石發行400,000,000美元年利率為3.0%的H股可轉換債券。本次引入國際知名投資機構黑石基金作為本公司的長期戰略投資者，將助力公司完善發展策略及戰略、加強國際商業合作及提升企業管治，將促進本公司業務的持續增長，成為國內製藥行業領軍者及全球製藥企業首選的中國合作夥伴。

二零一九年，在本公司管理層的高效運作及本集團全體員工的共同努力下，整體業績繼續實現跨越式發展。截至二零一九年十二月三十一日，本集團的營業收入達到人民幣6,224.02百萬元，同比增長147.92%，淨利潤達到人民幣1,907.19百萬元，同比增長111.61%，整體業績實現了大幅度的增長。

# CHAIRMAN'S STATEMENT

## 董事長報告書

### FUTURE PROSPECTS

The Company has established a mature drug research and development (“R&D”), production and sale platform and will continue to deepen innovation in the therapeutic areas of anti-virus, endocrine and metabolic diseases, cardiovascular diseases. Looking ahead into the future, the Company will continually increase its investment in R&D and accelerate the transformation of drug R&D into clinical research and clinical applications in the above-mentioned therapeutic areas. Additionally, the Company will closely follow the clinical needs, strengthen the R&D of oncology and anti-fibrosis drugs, continuously introduce new products and enrich the existing product portfolio.

The Company will continue to strengthen the construction of the sales team, consolidate its path in academic promotion and further expand the primary healthcare market. To prepare for the future, we have established a scientific and sustainable marketing strategy to create a highly recognized business image and well-respected reputation in the domestic market and laid down a solid foundation for new products to be rapidly launched in the market in the future.

We believe that under the leadership of the Board and the efforts of all employees, the Company would become a benchmark pharmaceutical enterprise in China and the world as well as a major and influential brand in China's pharmaceutical industry, through formulating comprehensive development strategy, implementing strict management system and strengthening of innovative R&D.

Once again, I would like to express my sincere gratitude to all Shareholders, Board members, the management and all employees and partners of the Company.

**TANG Xinfa**  
Chairman

27 March 2020

### 未來展望

本公司已建立起成熟的藥物研發、生產及銷售平台，並將繼續在抗病毒、內分泌及代謝疾病、心血管疾病等領域深化創新。展望未來，本公司將繼續加大研發投入，加速上述疾病領域藥物研發向臨床應用的轉化。此外，本公司將緊跟臨床需求，加強對抗腫瘤、抗纖維化等領域藥物的研發布局，不斷推出新產品，豐富現有產品組合。

本公司亦繼續加強銷售團隊的建設，繼續夯實學術推廣道路的同時，進一步開拓基層醫療市場。面向未來，我們已建立起科學、可持續性的市場銷售策略，全力打造國內市場內優良的商業形象和品牌口碑，為未來更多新產品進入市場能夠快速放量打下堅實的基礎。

我們相信，在董事會的帶領及全體員工的努力下，通過制定全面的發展戰略、實行嚴格的管理體系以及大力加強創新研發，東陽光藥成為中國乃至世界知名的一流標杆性醫藥企業及具有影響力的國民醫藥大品牌。

再次，本人謹向各位股東、董事會成員、本公司管理層、所有僱員及合作夥伴表示由衷的感謝。

董事長  
唐新發

二零二零年三月二十七日

## HIGHLIGHTS OF THE YEAR

### 年度大事記

1. The Consistency Evaluations of oseltamivir phosphate capsules and Benzbromarone tablets were completed, they were both the first of their respective drug variety to complete the Consistency Evaluation in China. In addition, Amlodipine Besylate Tablets of the Company passed the Consistency Evaluation.
1. 成功完成磷酸奧司他韋膠囊、苯溴馬隆片一致性評價工作，均為同品種國內首家。另本公司苯磺酸氨氯地平片通過一致性評價。
2. The Issue of US\$400,000,000 3.0% H Share Convertible Bonds to Blackstone was completed.
2. 完成向黑石發行4億美元年利率為3%的H股可轉換債券。
3. Purchased 27 types of generic drugs from Sunshine Lake Pharma, they are deemed to pass the Consistency Evaluation in China under the same production line principle.
3. 向廣東東陽光藥業購買27個品種仿製藥，通過共綫生產原則視同在國內通過一致性評價。
4. Increasing capital in Yichang HEC Pharmaceutical Manufacturing by RMB590 million.
4. 向宜昌東陽光製藥增資人民幣5.9億元。
5. The new drug application of yimitasvir phosphate, an innovative anti-Hepatitis C, was submitted and has been accepted.
5. 抗丙型肝炎新藥磷酸依米他韋遞交新藥上市申請並獲受理。

## HIGHLIGHTS OF THE YEAR

### 年度大事記

- |  |                                    |
|--|------------------------------------|
| 6. Acquisition of Guangdong HEC Biological Pharmacy Co., Ltd.  | 6. 收購廣東東陽光生物製劑有限公司。                |
| 7. Entering into a strategic cooperation framework agreement with Jointown Pharmaceutical.   | 7. 與九州通訂立戰略合作框架協議。                 |
| 8. Entering into a strategic cooperation framework agreement with Yihao Pharmaceutical.  | 8. 與壹號藥業訂立戰略合作框架協議。                |
| 9. Entering into a strategic cooperation framework agreement with Alibaba Health.  | 9. 與阿里健康訂立戰略合作框架協議。                |
| 10. Hubei provincial major science and technology innovation project funds: R&D of the raw materials and preparations of Yimitasvir Phosphate. | 10. 湖北省級重大科技創新專項資金：磷酸依米他韋原料及製劑的研發。 |

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### I. INDUSTRY REVIEW

Looking back to 2019, China's economy faced various challenges. As a national emerging industry of strategic importance, the pharmaceutical industry has continued to develop steadily in light of national policies. With the new policies related to pharmaceuticals, medical insurance and healthcare services released frequently, regulators have gradually strengthened the control over the industry from upstream supply to healthcare end-users, and the integration of the "three healthcare system reform" becomes smoother day by day.

#### **Full expansion of Bulk Purchase facilitates the optimization of the pharmaceutical industry structure**

In January 2019, the General Office of the State Council issued the Pilot Program of the Centralized Procurement and Use of Drugs Organized by the State (《國家組織藥品集中採購和使用試點方案》) for the purpose of marking deployment for centralized procurement of drugs and pilot program of drugs. Since then, the scope of centralized procurement products and the usage have been further expanded, and drug market has entered into a new development stage of national strategic procurement. Centralized procurement gives the generic drugs which pass the Consistency of Quality and Efficacy Evaluation for Generic Drugs (the "**Consistency Evaluation**") an opportunity to compete with the originator drug in the market, and provides drug options with high quality and fair price to healthcare end-users. Under module of the centralized procurement of drugs, pharmaceutical companies with strong R&D capabilities, diversified product reserve and well-developed production systems will enjoy the benefits offered by them to capture greater market share rapidly.

### I. 行業回顧

回首二零一九年，中國經濟面臨多重挑戰。作為國家的戰略性新興產業，醫藥行業在國家政策改革的推動下繼續穩健發展。隨著醫藥、醫保及醫療的相關新政頻出，監管機構對行業自上游供應到醫療終端各個環節的管控逐漸加強，三醫聯動日愈順暢化。

#### **帶量採購全面擴圍，撬動醫藥行業結構優化**

二零一九年一月，國務院辦公廳發布《國家組織藥品集中採購和使用試點方案》，旨在落實藥品集中採購和藥品試點計劃。此後，集中採購品種範圍及使用區域進一步擴大，藥品市場進入了國家戰略性採購的新發展階段。集中採購給予通過仿製藥質量和療效一致性評價（「**一致性評價**」）的仿製藥一個與原研藥競爭市場的機會，並提供給醫療終端質、價雙優的用藥選擇。藥品集中採購模式之下，研發實力雄厚、產品儲備豐富及生產體系成熟的醫藥企業也將借助隨之帶來的機遇，快速佔領市場份額。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### **Release of new Medical Reimbursement Drug List is advantageous to the sales of newly included drugs**

In August 2019, the National Healthcare Security Administration and the Ministry of Human Resources and Social Security issued the National Reimbursement Drug List for Basic Medical Insurance, Work-Related Injury Insurance and Maternity Insurance (《國家基本醫療保險、工傷保險和生育保險藥品目錄》) (the “**Medical Reimbursement Drug List**”). The adjustment of the Medical Reimbursement Drug List aims at unifying the national standards, mainly focused on the clinical needs and the balance between Chinese and western medicines. In addition, the establishment of the dynamic adjustment mechanism by the Medical Reimbursement Drug List enables a timely inclusion of newly launched drugs which have better therapeutic outcome than the listed drugs at a reasonable price, thereby promoting pharmaceutical innovation and being favorable to pharmaceutical companies with strong R&D capabilities. The Company’s core products such as oseltamivir phosphate capsules and granules, benzbromarone tablets, amlodipine tablets, telmisartan tablets, cetirizine tablets, moxifloxacin tablets and clarithromycin tablets all are listed in the Medical Reimbursement Drug List.

### **Promotion of pharmaceutical innovation and deepen the reform of drug trials**

While restructuring the structure of existing drug products, the regulators continue to encourage R&D and innovation. Through the implementation of the priority evaluation and approval system, the drug evaluation and approval procedures with therapeutic advantages and clinical needs are accelerated which improves the quality of medication and provides better choices to patients.

### **新版醫保藥品目錄發布，利好新增品種銷量**

二零一九年八月，國家醫保局和人力資源社會保障部聯合發布《國家基本醫療保險、工傷保險和生育保險藥品目錄》(「醫保目錄」)，本次醫保目錄調整為全國統一標準，重點關注了臨床需求及中西藥佔比平衡。此外，由醫保目錄建立的動態調整機制使新上市且療效優於已上市藥品的品種得以於合理價格適時調入目錄，進一步鼓勵醫藥創新並利好於研發實力雄厚的醫藥企業。本公司核心產品磷酸奧司他韋膠囊及顆粒、苯溴馬隆片、氨氯地平片、替米沙坦片、西替利嗪片、莫西沙星片及克拉黴素片等均列入新版醫保目錄。

### **鼓勵藥品創新，深化藥審改革**

監管機構對於現有藥品產品結構重塑的同時，持續地鼓勵研發創新，通過實行優先審評審批制度，加快具有治療優勢和臨床急需的藥物審評審批程序，提升用藥質量，為患者提供更優選擇。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

Looking forward, while the government continues to strongly support the development of the pharmaceutical industry, its supervision and guidance to the industry are further strengthened at the same time. In the future, the industry landscape will continue to differentiate. Pharmaceutical companies with strong R&D capabilities, enriched drug pipeline, well-developed production systems, strong brand advantages and excellent marketing team will be further benefited by market concentration so as to speed up their development. The Group will also seize the opportunity and strive to build an all-rounded pharmaceutical platform integrating R&D, production and sales and become a leading pharmaceutical enterprise in the PRC.

## II. BUSINESS REVIEW

### 1. Summary of Overall Results

In 2019, revenue of the Group was RMB6,224.02 million, representing a year-on-year increase of 147.92% as compared to 2018 and maintaining rapid growth. Profit and total comprehensive income attributable to equity shareholders of the Company (taking into account the effect of the convertible bonds) recorded RMB1,918.71 million, representing a year-on-year increase of 103.57% as compared to 2018. Profit and total comprehensive income attributable to equity shareholders of the Company (without taking into account the effect of the convertible bonds) recorded RMB2,095.82 million, representing a year-on-year increase of 122.36% as compared to 2018. Kewei granules, Kewei capsules, Ertongshu, Oumeining and Linluoxing are the core products of the Group, accounting for 68.7%, 26.7%, 1.7%, 0.8% and 0.7% respectively of the total revenue.

展望未來，政府在繼續大力支持醫藥行業發展的同時，也將進一步加強對行業的監管與指導。未來行業格局將繼續分化，擁有雄厚研發實力、豐富產品管線、成熟生產體系、強大品牌優勢及優秀市場營銷團隊的醫藥企業將進一步獲得市場集中度紅利，加速發展。本集團也將把握機遇，致力打造集研發、生產及銷售為一體的綜合製藥平台，發展成為國內領軍醫藥企業。

## II. 業務回顧

### 1. 整體業績概述

二零一九年，本集團營業額為人民幣6,224.02百萬元，較二零一八年同比增長147.92%，持續保持高速增長。本公司權益股東應佔溢利及全面收益總額（考慮可轉換債券之影響）為人民幣1,918.71百萬元，較二零一八年同比增長103.57%。本公司權益股東應佔溢利及全面收益總額（不考慮可轉換債券之影響）為人民幣2,095.82百萬元，較二零一八年同比增長122.36%。同時，可威顆粒、可威膠囊、爾同舒、歐美寧及琳羅星為本集團的核心產品，佔總營業額比例分別為68.7%、26.7%、1.7%、0.8%及0.7%。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### Basic information of the main drugs (products) by therapeutic areas

按治療領域劃分的主要藥(產)品基本情況

Main therapeutic areas	Drug (product) name	Registration classification of drugs (products)	Whether it belongs to the new drugs (products) launched during the Reporting Period	Production volume during the Reporting Period (box)	Sales volume during the Reporting Period (box)
主要治療領域	藥(產)品名稱	所屬藥(產)品註冊分類	是否屬於報告期內推出的新藥(產)品	報告期內的生產量(盒)	報告期內的銷售量(盒)
Anti-virus	Oseltamivir phosphate granule	Class 5 active chemical drug	No	93,062,270	110,675,907
抗病毒	磷酸奧司他韋顆粒	原化藥5類	否		
Anti-virus	Oseltamivir phosphate capsule	Class 6 active chemical drug	No	15,927,890	16,652,647
抗病毒	磷酸奧司他韋膠囊	原化藥6類	否		
Anti-virus	Valacyclovir hydrochloride tablet	Class 6 active chemical drug	No	146,280	171,819
抗病毒	鹽酸伐昔洛韋片	原化藥6類	否		
Endocrine and metabolism	Benzbromarone tablet	Class 4 active chemical drug	No	5,559,470	6,114,092
內分泌及代謝類藥	苯溴馬隆片	原化藥4類	否		
Endocrine and metabolism	Glipizide capsule	Class 6 active chemical drug	No	31,310	86,831
內分泌及代謝類藥	格列吡嗪膠囊	原化藥6類	否		
Cardiovascular	Telmisartan Tablet	Class 2 chemical drug	No	2,897,860	2,990,414
心血管類	替米沙坦片	化藥2類	否		
Cardiovascular	Simvastatin tablet	Class 6 active chemical drug	No	581,780	722,716
心血管類	辛伐他汀片	原化藥6類	否		

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

Main therapeutic areas	Drug (product) name	Registration classification of drugs (products)	Whether it belongs to the new drugs (products) launched during the Reporting Period	Production volume during the Reporting Period (box)	Sales volume during the Reporting Period (box)
主要治療領域	藥(產)品名稱	所屬藥(產)品註冊分類	是否屬於報告期內推出的新藥(產)品	報告期內的生產量(盒)	報告期內的銷售量(盒)
Cardiovascular	Amlodipine besylate tablet	Class 4 chemical drug	No	2,935,050	3,123,448
心血管類	苯磺酸氨氯地平片	化藥4類	否		
Cardiovascular	Lisinopril tablet	Class 6 active chemical drug	No	126,250	156,870
心血管類	賴諾普利片	原化藥6類	否		
Others	Clarithromycin tablet	Class 4 chemical drug	No	1,396,520	1,710,723
其他	克拉黴素片	化藥4類	否		
Others	Cetirizine hydrochloride dispersible tablet	Class 6 active chemical drug	No	1,586,160	1,991,502
其他	鹽酸西替利嗪分散片	原化藥6類	否		
Others	Azithromycin capsule	Class 4 chemical drug	No	131,260	214,015
其他	阿奇黴素膠囊	化藥4類	否		
Others	Moxifloxacin hydrochloride tablet	Class 4 chemical drug	Yes	821,252	820,929
其他	鹽酸莫西沙星片	化藥4類	是		

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### **Admission, new entrance and logout of the main drugs (products) in relation to the Essential Drug List and the Medical Reimbursement Drug List during the Reporting Period:**

As of 31 December 2019, a total of 12 varieties (a total 26 specifications) of the Group's drugs were included into the National Essential Drugs List (2018 version).

As of 31 December 2019, a total of 17 varieties (a total of 39 specifications) of the Group's drugs were included into the Medical Reimbursement Drug List.

報告期內納入、新進入和退出基藥目錄、醫保目錄的主要藥(產)品情況：

截至2019年12月31日，本集團共有12個品種(共計26個規格)藥品納入《國家基本藥物目錄(2018年版)》。

截至2019年12月31日，本集團共有17個品種(共計39個規格)藥品納入《醫保目錄》。

No.	Therapeutic area	Drug	Specifications	Status of essential drug	Status of Reimbursement Drug (2019 version)
序號	治療領域	藥品	規格	基藥情況	醫保情況 (2019年版)
1	Anti-virus 抗病毒	Oseltamivir phosphate capsule	75mg × 2 capsules	2018 Essential Drugs List	Maintained listed
		磷酸奧司他韋膠囊	75mg × 2粒	2018 基藥目錄	繼續入選
2		Oseltamivir phosphate capsule	75mg × 10 capsules	2018 Essential Drugs List	Maintained listed
		磷酸奧司他韋膠囊	75mg × 10粒	2018 基藥目錄	繼續入選
3		Oseltamivir phosphate capsule	75mg × 6 capsules	2018 Essential Drugs List	Maintained listed
		磷酸奧司他韋膠囊	75mg × 6粒	2018 基藥目錄	繼續入選
4		Oseltamivir phosphate granule	15mg × 10 packs	2018 Essential Drugs List	Maintained listed
		磷酸奧司他韋顆粒	15mg × 10包	2018 基藥目錄	繼續入選
5		Oseltamivir phosphate granule	25mg × 10 packs	2018 Essential Drugs List	Maintained listed
		磷酸奧司他韋顆粒	25mg × 10包	2018 基藥目錄	繼續入選
6		Oseltamivir phosphate granule	15mg × 12 packs	2018 Essential Drugs List	Maintained listed
		磷酸奧司他韋顆粒	15mg × 12包	2018 基藥目錄	繼續入選
7		Valacyclovir hydrochloride tablet	300mg × 6 tablets	-	Maintained listed
		鹽酸伐昔洛韋片	300mg × 6片	-	繼續入選
8		Valacyclovir hydrochloride tablet	300mg × 10 tablets	-	Maintained listed
		鹽酸伐昔洛韋片	300mg × 10片	-	繼續入選

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

No.	Therapeutic area	Drug	Specifications	Status of essential drug	Status of Reimbursement Drug (2019 version)
序號	治療領域	藥品	規格	基藥情況	醫保情況 (2019年版)
9	Endocrine and metabolism 內分泌及代謝	Benzbromarone table 苯溴馬隆片	50mg × 10 tablets 50mg × 10片	2018 Essential Drugs List 2018 基藥目錄	Maintained listed 繼續入選
10		Benzbromarone table 苯溴馬隆片	50mg × 30 tablets 50mg × 30片	2018 Essential Drugs List 2018 基藥目錄	Maintained listed 繼續入選
11		Benzbromarone table 苯溴馬隆片	50mg × 28 tablets 50mg × 28片	2018 Essential Drugs List 2018 基藥目錄	Maintained listed 繼續入選
12		Glipizide capsule 格列吡嗪膠囊	5mg × 30 capsules 5mg × 30粒	2018 Essential Drugs List 2018 基藥目錄	Maintained listed 繼續入選
13	Cardiovascular and others 心血管及其他	Amlodipine besylate tablet 苯磺酸氨氯地平片	5mg × 7 tablets 5mg × 7片	2018 Essential Drugs List 2018 基藥目錄	Maintained listed 繼續入選
14		Amlodipine besylate tablet 苯磺酸氨氯地平片	5mg × 14 tablets 5mg × 14片	2018 Essential Drugs List 2018 基藥目錄	Maintained listed 繼續入選
15		Amlodipine besylate tablet 苯磺酸氨氯地平片	5mg × 28 tablets 5mg × 28片	2018 Essential Drugs List 2018 基藥目錄	Maintained listed 繼續入選
16		Telmisartan tablet 替米沙坦片	40mg × 7 tablets 40mg × 7片	- -	Maintained listed 繼續入選
17		Telmisartan tablet 替米沙坦片	40mg × 14 tablets 40mg × 14片	- -	Maintained listed 繼續入選
18		Telmisartan tablet 替米沙坦片	80mg × 7 tablets 80mg × 7片	- -	Maintained listed 繼續入選
19		Telmisartan tablet 替米沙坦片	80mg × 14 tablets 80mg × 14片	- -	Maintained listed 繼續入選
20		Cetirizine hydrochloride dispersible tablet 鹽酸西替利嗪分散片	10mg × 6 tablets 10mg × 6片	- -	Maintained listed 繼續入選
21		Cetirizine hydrochloride dispersible tablet 鹽酸西替利嗪分散片	10mg × 12 tablets 10mg × 12片	- -	Maintained listed 繼續入選
22		Cetirizine hydrochloride dispersible tablet 鹽酸西替利嗪分散片	10mg × 24 tablets 10mg × 24片	- -	Maintained listed 繼續入選
23		Simvastatin tablet 辛伐他汀片	10mg × 10 tablets 10mg × 10片	2018 Essential Drugs List 2018 基藥目錄	Maintained listed 繼續入選

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

No.	Therapeutic area	Drug	Specifications	Status of essential drug	Status of Reimbursement Drug (2019 version)
序號	治療領域	藥品	規格	基藥情況	醫保情況 (2019年版)
24		Simvastatin tablet 辛伐他汀片	20mg × 7 tablets 20mg × 7片	2018 Essential Drugs List 2018 基藥目錄	Maintained listed 繼續入選
25		Simvastatin tablet 辛伐他汀片	20mg × 14 tablets 20mg × 14片	2018 Essential Drugs List 2018 基藥目錄	Maintained listed 繼續入選
26		Fudosteine tablet 福多司坦片	200mg × 12 tablets 200mg × 12片	- -	Maintained listed 繼續入選
27		Esomeprazole sodium for injection 艾司奧美拉唑鈉注射劑	40mg × 1 vial 40mg × 1支	2018 Essential Drugs List 2018 基藥目錄	Maintained listed 繼續入選
28		Esomeprazole sodium for injection 艾司奧美拉唑鈉注射劑	20mg × 1 vial 20mg × 1支	2018 Essential Drugs List 2018 基藥目錄	Maintained listed 繼續入選
29		Lisinopril tablet 賴諾普利片	10mg × 14 tablets 10mg × 14片	2018 Essential Drugs List 2018 基藥目錄	Maintained listed 繼續入選
30	Anti-infection 抗感染	Clarithromycin tablet 克拉霉素片	250mg × 6 tablets 250mg × 6片	2018 Essential Drugs List 2018 基藥目錄	Maintained listed 繼續入選
31		Clarithromycin dispersible tablet 克拉霉素分散片	250mg × 6 tablets 250mg × 6片	2018 Essential Drugs List 2018 基藥目錄	Maintained listed 繼續入選
32		Levofloxacin lactate tablet 乳酸左氧氟沙星片	100mg × 10 tablets 100mg × 10片	- -	Maintained listed 繼續入選
33		Roxithromycin tablet 羅紅霉素片	150mg × 6 tablets 150mg × 6片	- -	Maintained listed 繼續入選
34		Roxithromycin tablet 羅紅霉素片	150mg × 12 tablets 150mg × 12片	- -	Maintained listed 繼續入選
35		Azithromycin capsule 阿奇霉素膠囊	250mg × 6 capsules 250mg × 6粒	2018 Essential Drugs List 2018 基藥目錄	Maintained listed 繼續入選
36		Fluconazole capsule 氟康唑膠囊	50mg × 6 capsules 50mg × 6粒	2018 Essential Drugs List 2018 基藥目錄	Maintained listed 繼續入選
37		Fluconazole capsule 氟康唑膠囊	50mg × 10 capsules 50mg × 10粒	2018 Essential Drugs List 2018 基藥目錄	Maintained listed 繼續入選
38		Ciprofloxacin hydrochloride tablet 鹽酸環丙沙星片	250mg × 20 tablets 250mg × 20片	2018 Essential Drugs List 2018 基藥目錄	Maintained listed 繼續入選
39		Moxifloxacin hydrochloride tablet 鹽酸莫西沙星片	0.4g × 3 tablets 0.4g × 3片	2018 Essential Drugs List 2018 基藥目錄	Maintained listed 繼續入選

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### 2. R&D Pipeline

The Group made outstanding R&D progress in the therapeutic areas of anti-virus, endocrine and metabolic diseases during 2019.

#### 1. Anti-virus therapeutic area

The Company's oseltamivir phosphate capsule (75mg) is the first and exclusive drug of generics passed the Consistency Evaluation in the PRC, it continues to maintain the Company's leading position in the anti-influenza virus therapeutic area. The Company has also started the Consistency Evaluation process for oseltamivir phosphate granules, our exclusive patented product. The drug is expected to pass the Consistency Evaluation in the second half of 2020.

The Company has submitted the new drug application for yimitasvir phosphate, a national Class 1 innovative new drug, and such application has been accepted. Yimitasvir phosphate is an anti-hepatitis C oral antiviral drug, non-structural protein ("NS") 5A inhibitor. The drug is effective in treating liver cirrhosis-free genotype 1 Hepatitis C patients with SVR12 (sustained virological response in 12 weeks) at 99.8%, while maintaining favourable safety and tolerance properties. Yimitasvir phosphate is expected to be launched in the second half of 2020, and to be one of the first batch of new anti-hepatitis C oral direct-acting antiviral drugs which is developed by domestic enterprise in the PRC and launched into market successfully. The Phase III clinical trial for NS3/4A protease inhibitor furaprevir jointly developed with TaiGen Biopharmaceuticals Co. (Beijing), Ltd. ("TaiGen") in combination with yimitasvir phosphate has commenced and such new drug application is expected to be submitted in 2020.

### 2. 研發管線

二零一九年，本集團在研發抗病毒和內分泌及代謝疾病領域都取得了優異的進展。

#### 1. 抗病毒領域

本公司磷酸奧司他韋膠囊(75mg)為國內首家且獨家通過一致性評價的仿製藥，將繼續鞏固公司在抗流感病毒治療領域的優勢地位。本公司亦已啟動獨家專利品種磷酸奧司他韋顆粒的一致性評價工作，預計在二零二零年下半年通過一致性評價。

本公司已提交國家1類創新藥磷酸依米他韋的新藥上市申請並獲受理。磷酸依米他韋屬口服抗丙肝病毒藥物，非結構蛋白(「NS」)5A抑制劑。該藥品針對基因1型無肝硬化丙肝患者療效顯著，SVR12(12周持續病毒應答率)達99.8%，且用藥安全性及耐受性良好。磷酸依米他韋預計在二零二零年下半年獲批上市，有望成為第一批中國本土企業自主研發且成功上市的全口服直接抗丙肝病毒新藥之一。本公司與太景醫藥研發(北京)有限公司(「太景」)合作開發的NS3/4A蛋白酶抑制劑伏拉瑞韋與磷酸依米他韋的聯用已啟動臨床III期試驗，預計在二零二零年提交上市申請。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

Drugs (Products)	Current stage	Planned launch time	R&D investment amount	Expensed R&D investment amount	Capitalised R&D investment amount	Percentage of R&D investment in the operating income	Percentage of R&D investment in operating costs	Percentage change in the amount for the current period as compared to the same period last year	Explanation
藥(產)品	當前所處階段	計劃上市時間	研發投入金額 (RMB'000) (人民幣千元)	研發投入費用化金額 (RMB'000) (人民幣千元)	研發投入資本化金額 (RMB'000) (人民幣千元)	研發投入佔營業收入比例 (%)	研發投入佔營業成本比例 (%)	金額較上年同期變動比例 (%)	本期情況說明
Oseltamivir phosphate granules	Conducted the Consistency Evaluation	Launched	20,879.85	20,879.85	0	0.34%	2.27%	876.78%	Increase in R&D force, increase in labour cost
磷酸奧司他韋顆粒	進行一致性評價	已上市							增加研發力度，人工費用增加
Oseltamivir phosphate capsules	Completed the Consistency Evaluation	Launched	1,794.17	1,794.17	0	0.03%	0.19%	1,765.43%	Increase in clinical trial fees
磷酸奧司他韋膠囊	完成一致性評價	已上市							臨床試驗費用增加
Yimitasvir phosphate	Phase III clinical trial	2021	102,863.42	25,831.62	77,031.80	1.65%	11.17%	152.26%	Increase in direct materials
伏拉瑞韋	臨床III期	2021年							直接材料增加

## 2. Endocrine and metabolic diseases area

In the area of endocrine and metabolic diseases, the Group is dedicated to the R&D of insulin products and has a comprehensive product line, which covers both the second and the third generations of insulin.

## 2. 內分泌以及代謝疾病領域

在內分泌及代謝疾病領域，本集團致力於胰島素產品的研發，具有完整的產品線規劃，涵蓋第二代和第三代胰島素。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

The latest progress of the insulin products during the Reporting Period is as follows:

報告期內，胰島素系列產品最新進展如下：

The key endocrine and metabolic types	Current stage	Planned launch time	R&D investment amount	Expensed R&D investment amount	Capitalised R&D investment amount	Percentage of R&D investment in revenue	Percentage of R&D investment in operating costs	Percentage change in the amount for the current period as compared to the same period last year	Explanation
								本期金額	
關鍵內分泌及代謝品種	當前所處階段	計劃上市時間	研發投入金額 (RMB'000) (人民幣千元)	研發投入費用化金額 (RMB'000) (人民幣千元)	研發投入資本化金額 (RMB'000) (人民幣千元)	研發投入佔營業收入比例 (%)	研發投入佔營業成本比例 (%)	較上年同期變動比例 (%)	情況說明
Recombinant Human Insulin Injection	Submitted new drug application	2020	12,678.19	1,810.10	10,868.09	0.20%	1.38%	-45.63%	R & D expenditure has been reduced
重組人胰島素注射液	已提交上市申請	2020年							研發支出費用化減少
Isophane Protamine Recombinant Human Insulin Injection (Pre-mixed 30R)	Phase III clinical trial	2021	25,252.01	166.87	25,085.14	0.41%	2.74%	59.88%	Increase in clinical trial fees at the clinical stage
精蛋白重組人胰島素注射液(預混30R)	臨床III期	2021年							臨床階段臨床試驗費增加
Insulin Glargine Injection	Phase III clinical trial	2021	30,385.98	3,635.90	26,750.08	0.49%	3.30%	13.48%	Increase in clinical trial fees at the clinical stage
甘精胰島素注射液	臨床III期	2021年							臨床階段臨床試驗費增加
Insulin Aspart Injection	Phase I clinical trial	2022	36,626.89	4,154.58	32,472.31	0.59%	3.97%	20.57%	Increase in clinical trial fees at the clinical stage
門冬胰島素注射液	臨床I期	2022年							臨床階段臨床試驗費增加
Insulin Aspart 30 Injection	Phase III clinical trial	2022							
門冬胰島素30注射液	臨床III期	2022年							

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

The Group has established a complete R&D system for insulin products, which is developed in accordance with standards on biosimilar drugs adopted in Europe and the United States with quality equivalent to originator drugs. The results of clinical trials show that the statistics of recombinant human insulin injection developed by the Group compared with the originator biologics are highly consistent in terms of efficacy, safety and stability. The Group also has a comprehensive product line, which covers both the second and the third generations of insulin, that meets the clinical medication needs of doctors and patients. Moreover, the product line adopts a yeast expression system which is advanced in technology and easy for large scale production.

本集團已建立完善的胰島素系列產品研發體系，參照歐美生物類似藥標準開發，質量可達與原研生物等效。臨床試驗結果表明，本集團自主開發的重組人胰島素注射液和原研生物製劑在有效性、安全性及穩定性等數據高度一致。本集團亦擁有完整的產品線，涵蓋二代及三代胰島素，可滿足醫生、患者的臨床用藥需求，且生產線採用酵母表達體系，工藝先進、易於放大。

### 3. Progress of generic drug portfolio acquired from Sunshine Lake Pharma

### 3. 於廣東東陽光藥業收購之仿製藥組合進展

	Name of product	Indications	Drugs Registration Classification	Domestic progress	Estimated approval date	Number of filed manufacturers	Number of approved domestic generic manufacturers
	產品名稱	適應症	藥物註冊分類	國內進展	預計獲批時間	已申報廠家數量	已批准的國產仿製廠家數量
Cardiovascular drugs 心血管	Ticagrelor Tablet	Anti thrombus	Class 4 chemical drug	Filed	2020	Over 30	7
	替格瑞洛片	抗血栓	化藥4類	已申報	2020	超過30家	7
	Apixaban Tablets	Anti thrombus	Class 4 chemical drug	Filed	2020	Over 30	3
	阿哌沙班片	抗血栓	化藥4類	已申報	2020	超過30家	3
	Atorvastatin Calcium Tablets	Hyperlipidemia	Class 4 chemical drug	Filed	2021	Over 30	5
	阿托伐他汀鈣片	高血脂	化藥4類	已申報	2021	超過30家	5
	Rosuvastatin Calcium Tablets	Hyperlipidemia	Class 4 chemical drug	Filed	2020	Over 30	7
	瑞舒伐他汀鈣片	高血脂	化藥4類	已申報	2020	超過30家	7
	Amlodipine Tablets	Hypertension	Class 6 chemical drug	Filed	2021	Over 30	Over 30
氨氯地平片	高血壓	化藥6類	已申報	2021	超過30家	超過30家	

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

Name of product	Indications	Drugs Registration Classification	Domestic progress	Estimated approval date	Number of filed manufacturers	Number of approved domestic generic manufacturers
產品名稱	適應症	藥物註冊分類	國內進展	預計獲批時間	已申報廠家數量	已批准的國產仿製廠家數量
Metoprolol Succinate Sustained-release Tablets	Hypertension	Class 3 chemical drug	Filed	2021	14	9
琥珀酸美托洛爾緩釋片	高血壓	化藥3類	已申報	2021	14	9
Clopidogrel Tablets	Antithrombus	Class 4 chemical drug	Filed	2021	Over 30	3
氯吡格雷片	抗血栓	化藥4類	已申報	2021	超過30家	3
Rivaroxaban Tablets	Antithrombus	Class 4 chemical drug	Filed	2021	Over 30	2
利伐沙班片	抗血栓	化藥4類	已申報	2021	超過30家	2
Entecavir Tablets	HBV	Class 4 chemical drug	Filed	2020	Over 30	5
恩替卡韋片	HBV	化藥4類	已申報	2020	超過30家	5
Tenofovir Alafenemide Tablets	HBV/HIV	Class 4 chemical drug	Filed	2021	2	0
磷丙替諾福韋片	HBV/HIV	化藥4類	已申報	2021	2	0
Azithromycin Tablets	Anti-infection	Class 4 chemical drug	Filed	2021	Over 30	Over 30
阿奇霉素片	抗感染	化藥4類	已申報	2021	超過30家	超過30家
Olanzapine Tablets	Schizophrenia	Class 4 chemical drug	Filed	2020	Over 30	3
奧氮平片	精神分裂症	化藥4類	已申報	2020	超過30家	3
Olanzapine Orally Disintegrating Tablets	Schizophrenia	Class 4 chemical drug	Filed	2020	21	1
奧氮平口崩片	精神分裂症	化藥4類	已申報	2020	21	1
Entacapone Tablets	Parkinson's Disease	Class 4 chemical drug	Filed	2020	6	0
恩他卡朋片	帕金森綜合症	化藥4類	已申報	2020	6	0
Aripiprazole Tablets	Schizophrenia	Class 4 chemical drug	Filed	2021	26	4
阿立哌唑片	精神分裂症	化藥4類	已申報	2021	26	4
Aripiprazole Orally Disintegrating Tablets	Schizophrenia	Class 3 chemical drug	Filed	2021	10	1
阿立哌唑口崩片	精神分裂症	化藥3類	已申報	2021	10	1
Duloxetine Enteric Capsules	Depression	Class 4 chemical drug	Filed	2020	Over 30	1
度洛西汀腸溶膠囊	抑鬱症	化藥4類	已申報	2020	超過30家	1
Escitalopram Tablets	Depression	Class 4 chemical drug	Filed	2020	Over 30	13
艾司西酞普蘭片	抑鬱症	化藥4類	已申報	2020	超過30家	13

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

	Name of product	Indications	Drugs Registration Classification	Domestic progress	Estimated approval date	Number of filed manufacturers	Number of approved domestic generic manufacturers
	產品名稱	適應症	藥物註冊分類	國內進展	預計獲批時間	已申報廠家數量	已批准的國產仿製廠家數量
Endocrine/ metabolic drugs 內分泌/代謝	Sitagliptin Metformin Hydrochloride Tablets	Type 2 Diabetes	Class 4 chemical drug	Filed	2020	3	1
	西格列汀二甲雙胍片	2型糖尿病	化藥4類	已申報	2020	3	1
	Linagliptin Tablets	Type 2 Diabetes	Class 4 chemical drug	Filed	2020	13	0
	利格列汀片	2型糖尿病	化藥4類	已申報	2020	13	0
	Sitagliptin Tablets	Type 2 Diabetes	Class 4 chemical drug	Filed	2021	14	1
	西格列汀	2型糖尿病	化藥4類	已申報	2021	14	1
	Linagliptin and Metformin Hydrochloride Tablets	Type 2 Diabetes	Class 4 chemical drug	Filed	2020	3	0
	利格列汀二甲雙胍片	2型糖尿病	化藥4類	已申報	2020	3	0
	Alogliptin Tablets	Type 2 Diabetes	Class 4 chemical drug	Filed	2020	Over 30	2
	阿格列汀片	2型糖尿病	化藥4類	已申報	2020	超過30家	2
Urinary system drugs 泌尿系統	Febuxostat Tablets	Hyperuricemia	Class 3 chemical drug	Filed	2021	Over 30	3
	非布司他片	高尿酸血症	化藥3類	已申報	2021	超過30家	3
	Sildenafil Tablets	ED, PAH	Class 4 chemical drug	Filed	2021	Over 30	5
	西地那非片	ED、肺動脈高壓(PAH)	化藥4類	已申報	2021	超過30家	5
	Tadalafil Tablets	ED, PAH	Class 4 chemical drug	Filed	2020	Over 30	4
	他達那非片	ED、肺動脈高壓(PAH)	化藥4類	已申報	2020	超過30家	4
	Solifenacin Tablets	Bladder Hyperactivity Disorder	Class 4 chemical drug	Ready to file	2022	26	3
	索利那新片	膀胱多動症	化藥4類	擬申報	2022	26家	3

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### 3. Sales Performance Review

During the Reporting Period, the sales of the Group's core products are as follows:

- The revenue of Kewei (oseltamivir phosphate granules) amounted to RMB4,272.65 million, accounting for 68.65% of the total revenue;
- The revenue of Kewei (oseltamivir phosphate capsules) amounted to RMB1,660.52 million, accounting for 26.68% of the total revenue;
- The revenue of Ertongshu (benzbromarone tablets) amounted to RMB102.82 million, accounting for 1.65% of the total revenue;
- The revenue of Oumeining (telmisartan tablets) amounted to RMB52.46 million, accounting for 0.84% of the total revenue;
- The revenue of Linluoxing (moxifloxacin tablets) amounted to RMB44.81 million, accounting for 0.72% of the total revenue;

The total revenue of the above mentioned five drugs, being the core products of the Group, accounted for 98.54% of the total revenue.

### 3. 銷售情況回顧

報告期內，本集團核心產品的銷售情況如下：

- 可威(磷酸奧司他韋顆粒)的營業額為人民幣4,272.65百萬元，佔總營業額的68.65%；
- 可威(磷酸奧司他韋膠囊)的營業額為人民幣1,660.52百萬元，佔總營業額的26.68%；
- 爾同舒(苯溴馬隆片)的營業額為人民幣102.82百萬元，佔總營業額的1.65%；
- 歐美寧(替米沙坦片)的營業額為人民幣52.46百萬元，佔總營業額的0.84%；
- 琳羅星(莫西沙星片)的營業額為人民幣44.81百萬元，佔總營業額的0.72%；

上述5個品種的營業額之和佔總營業額的98.54%，為本集團的核心產品。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

Oseltamivir phosphate, the Company's core product, is the first-line drug for treatment of Flu in the PRC, which can be used in the treatment and prevention of Flu A and Flu B and is listed in the Influenza Treatment Guidance (2019 version). As rapid diagnosis becomes one of the diagnostic basis for confirmed cases of Flu, and the number of medical institutions providing services of rapid diagnosis of the etiology has increased significantly, the number of reported Flu cases has markedly increased as compared with previous years, the clinical application of the Company's products will then be further expanded.

During the Reporting Period, the Group continued adopting its comprehensive marketing strategy by four sale teams, i.e. a self-operated sales team responsible for the academic promotion of core drugs in Class II and III hospitals, a self-operated sales team handling all drugs in general practitioner-based medical institutions (Class I hospitals and clinics), a self-operated sales team responsible for all drugs in OTC pharmacies and a distribution-based team responsible for generic drugs in hospitals ranked Class II and above. During the Reporting Period, the Company has also started to expand its online pharmacy channel and has cooperated with a number of well-known online channel operators. As of 31 December 2019, the Group has a total of 4,316 staff in its sales teams. The establishment of these four sales teams shall lay a solid foundation to the sales volume of the Group's product portfolio in all channels.

本公司核心產品磷酸奧司他韋是目前國內治療流感的一線用藥，可用於治療及預防甲型及乙型流感，並列入《流行性感胃診療方案(二零一九年版)》。隨著快速診斷成為流感確診病例的診斷依據之一，以及提供病原學快速診斷服務的醫療機構數大幅度增加，流感報告病例數較往年明顯增加，本公司產品的臨床應用也將進一步拓寬。

報告期內，本集團延續了四大銷售團隊的全面市場營銷戰略，分別是負責核心品種在排名二級及以上等級醫院的學術推廣的自營銷售隊伍、負責所有品種在以全科醫生為主的醫療機構(排名一級的醫院和診所)的自營銷售隊伍、負責所有品種在OTC藥店的自營銷售隊伍和負責普藥品種在排名二級及以上等級醫院的招商銷售隊伍。報告期內，本公司亦開始拓展線上藥房渠道，並與多家知名線上渠道運營商展開合作。截止二零一九年十二月三十一日，本集團銷售團隊共計4,316人。四大銷售隊伍的建設將為本集團產品群在各個銷售渠道的全面放量奠定堅實的基礎。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

#### 4. Production Review

The Group adheres to the credo of “For Everyone’s Health” and strives to provide high quality medicine to patients. Led by this belief, the Group enhances its production system constantly, strengthens its supervision on the production process and improves the quality of products and services continuously.

At the same time, the Group is attentive about production safety and environmental protection. In respect of production safety, to ensure no occurrence of any major safety incidents, the Group has implemented safety education, strengthened safety risk management and promoted the establishment of safety standards. In respect of environmental protection, the Group takes environmental protection as its mission and adheres to green production. Specific measures were taken to deal with various pollutants generated during the production process so as to achieve the recycle of resources and environmental protection at the same time.

#### 4. 生產情況回顧

本集團堅守「為每個人的健康」的信條，堅持為病人提供高質量的藥物。圍繞這一信念，本集團不斷完善生產制度建設，加強生產過程監管，持續不斷的改進產品和服務的質量。

同時，本集團關注生產安全與環保治理。在生產安全方面，本集團落實安全教育，加強安全風險管理，推進安全標準建設，以確保不發生重大安全事故；在環保治理方面，本集團以保護環境為己任，堅持綠色生產，對於生產過程中產生的各種污染物採取針對性處理，在達到保護環境目的的同時實現資源再利用。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### III. OPERATING RESULTS AND ANALYSIS

#### 1. Revenue

For the year ended 31 December 2019, the Group recorded a revenue of RMB6,224.02 million, representing an increase of 147.92% as compared with RMB2,510.48 million for the year ended 31 December 2018, which was primarily attributable to the increase in sales volume as a result from the increased coverage level of the core product Kewei in medical institutions in all classes in the PRC.

The table below sets forth the revenue of the Group by therapeutic areas as a percentage of total revenue.

Drugs Registration Classification 藥品註冊分類	Year ended 31 December 截至十二月三十一日止年度				Change compared with last year 同比變化
	2019		2018		
	(RMB'000) (人民幣千元)	%	(RMB'000) (人民幣千元)	%	
Anti-viral drugs 抗病毒藥物	5,938,066	95.41%	2,254,227	89.79%	163.42%
— Kewei (oseltamivir phosphate) granules — 可威(奧司他韋)顆粒	4,272,654	68.65%	1,617,684	64.44%	164.12%
— Kewei (oseltamivir phosphate) capsules — 可威(奧司他韋)膠囊	1,660,519	26.68%	629,211	25.06%	163.90%
Endocrine and metabolic drugs 內分泌及代謝藥物	103,447	1.66%	100,740	4.01%	2.69%
— Ertongshu (benzbromarone tablets) — 爾同舒(苯溴馬隆片)	102,822	1.65%	98,703	3.93%	4.17%

### III. 經營業績及分析

#### 1. 營業額

截至二零一九年十二月三十一日止年度，本集團錄得營業額人民幣6,224.02百萬元，較截至二零一八年十二月三十一日止年度的人民幣2,510.48百萬元增加147.92%。該增加主要來源於核心產品可威在全國各級醫療機構覆蓋率上升帶來的銷售量擴大。

下表載列本集團各治療領域產品的銷售收入佔總營業額的百分比情況。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

Drugs Registration Classification 藥品註冊分類	Year ended 31 December 截至十二月三十一日止年度				Change compared with last year 同比變化 (%)	
	2019		2018			
	二零一九年		二零一八年			
	(RMB'000)	%	(RMB'000)	%		
	(人民幣千元)	%	(人民幣千元)	%	(%)	
Anti-infectives drugs (Antibiotics) 抗感染藥物	56,718	0.91%	6,342	0.25%	794.39%	
— Linluoxing (moxifloxacin tablets) — 琳羅星 (鹽酸莫西沙星片)	Class 4 chemical drug 化藥4類	44,811	0.72%	—	0.00%	N/A 不適用
— Yangzhike (clarithromycin sustained release tablets) — 陽之克 (克拉霉素緩釋片)	Class 4 chemical drug 化藥4類	7,201	0.12%	—	0.00%	N/A 不適用
Cardiovascular drugs 心腦血管藥物	84,844	1.36%	100,677	4.01%	-15.73%	
— Amlodipine besylate tablets (Xinhaning) 5 mg — 欣海寧 (氨氯地平片)	Class 4 chemical drug 化藥4類	24,062	0.39%	30,216	1.20%	-20.37%
— Telmisartan tablets 80 mg — 歐美寧 (替米沙坦片)	Class 2 chemical drug 化藥2類	52,459	0.84%	56,871	2.27%	-7.76%
Others 其他	40,949	0.66%	48,490	1.93%	-15.55%	
Total 合計	6,224,024	100.00%	2,510,476	100.00%	147.92%	

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

The following table sets forth the sales income of the Group's product, Kewei, in different provinces across the country and its percentage of total sales amount of Kewei (excluding income from OTC pharmacy channel) in 2019.

下表載列二零一九年本集團產品可威於全國各省份的銷售收入及佔可威總銷售額的百分比情況(不含OTC藥房渠道收入)。

Province and region	省份地區	Percentage of sales 銷售佔比	Percentage of provincial and regional population in national population 省份地區人口佔全國人口的百分比
Guangdong Province	廣東省	15.3%	8%
Shandong Province	山東省	9.9%	7%
Jiangsu Province	江蘇省	7.5%	6%
Henan Province	河南省	6.7%	7%
Zhejiang Province	浙江省	5.7%	4%
Hubei Province	湖北省	5.5%	4%
Hunan Province	湖南省	4.9%	5%
Hebei Province	河北省	5.6%	5%
Shaanxi Province	陝西省	4.4%	3%
Anhui Province	安徽省	4.2%	4%
Fujian Province	福建省	4.2%	3%
Sichuan Province	四川省	3.6%	6%
Beijing City	北京市	2.9%	1%
Jiangxi Province	江西省	2.4%	3%
Guangxi Province	廣西省	2.1%	3%
Shanxi Province	山西省	1.8%	3%
Gansu Province	甘肅省	1.6%	2%
Inner Mongolia Autonomous Region	內蒙古自治區	1.6%	2%
Heilongjiang Province	黑龍江省	1.5%	3%
Liaoning Province	遼寧省	1.5%	3%
Shanghai City	上海市	1.4%	2%
Chongqing City	重慶市	1.4%	2%
Guizhou Province	貴州省	1.3%	3%
Yunnan Province	雲南省	1.2%	3%
Jilin Province	吉林省	1.1%	2%
Xinjiang Uighur Autonomous Region	新疆維吾爾自治區	0.9%	2%

Note: The total population of each province is calculated according to the basis of 2010 (the Sixth National Population Census).

註：各省份人口總數按2010年(第六次全國人口普查)口徑統計。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### 2. Cost of Sales

The Group's cost of sales consists of (i) cost of raw materials, primarily including cost of active pharmaceutical ingredient (“API”), ancillary materials and packaging materials; (ii) labour cost, primarily including salaries and benefits of our staff directly involved in manufacturing of our products; (iii) manufacturing cost, primarily including depreciation of machinery, equipment and plant and cost of labour protection materials, fuel, machine oil and maintenance; and (iv) patent fees paid to third parties in relation to various patents and licences.

The Group's cost of sales increased by RMB523.01 million to RMB921.82 million for the year ended 31 December 2019 from RMB398.81 million for the year ended 31 December 2018, which was mainly due to the increase in sales volume.

### 2. 銷售成本

我們的銷售成本包括(i)原材料成本，主要是原料藥、輔料及包裝材料的成本；(ii)人工成本，主要是直接參與產品生產的員工之工資及福利；(iii)製造費用，主要包括機械設備廠房的折舊費、勞動保護材料的成本、燃料、機油及維護；及(iv)就各項專利許可向第三方支付專利費。

截至二零一九年十二月三十一日止年度，本集團的銷售成本為人民幣921.82百萬元，較截至二零一八年十二月三十一日止年度的人民幣398.81百萬元增加人民幣523.01百萬元，主要因銷售量的擴大而致。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

The table below sets forth the cost of sales of the Group by therapeutic areas and as a percentage of total cost of sales.

下表載列本集團各治療領域產品的銷售成本及佔總銷售成本的百分比情況。

Drugs Registration Classification 藥品註冊分類	Year ended 31 December 截至十二月三十一日止年度				Change compared with last year 同比變化	
	2019		2018			
	二零一九年		二零一八年			
	(RMB'000)	%	(RMB'000)	%	(%)	
	(人民幣千元)	%	(人民幣千元)	%	(%)	
Anti-viral drugs 抗病毒藥物	874,750	94.89%	360,930	90.50%	142.36%	
— Kewei (oseltamivir phosphate) granules — 可威(奧司他韋)顆粒	Class 5 active chemical drug 原化藥5類	592,984	64.33%	234,361	58.77%	153.02%
— Kewei (oseltamivir phosphate) capsules — 可威(奧司他韋)膠囊	Class 6 active chemical drug 原化藥6類	280,426	30.42%	124,665	31.26%	124.94%
Endocrine and metabolic drugs 內分泌及代謝藥物	10,172	1.10%	10,505	2.63%	-3.17%	
— Ertongshu (benzbromarone tables) — 爾同舒(苯溴馬隆片)	Class 4 active chemical drug 原化藥4類	9,905	1.07%	9,851	2.47%	0.54%
Anti-infectives drugs (Antibiotics) 抗感染藥物	19,460	2.11%	6,213	1.56%	213.23%	
— Linluoxing (moxifloxacin tablets) — 琳羅星(鹽酸莫西沙星片)	Class 4 chemical drug 化藥4類	12,439	1.35%	—	0.00%	N/A 不適用
— Yangzhike (clarithromycin sustained release tablets) — 陽之克(克拉霉素緩釋片)	Class 4 chemical drug 化藥4類	1,822	0.20%	—	0.00%	N/A 不適用
Cardiovascular drugs 心腦血管藥物	9,651	1.05%	10,695	2.68%	-9.77%	
— Amlodipine tablets — 欣海寧(氨氯地平片)	Class 4 chemical drug 化藥4類	3,745	0.41%	4,274	1.07%	-12.39%
— Telmisartan tablets — 歐美寧(替米沙坦片)	Class 2 chemical drug 化藥2類	4,579	0.50%	4,377	1.10%	4.62%
Others 其他	7,790	0.85%	10,466	2.62%	-25.57%	
Total 合計	921,822	100.00%	398,809	100.00%	131.14%	

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### 3. Gross Profit

For the year ended 31 December 2019, the Group's gross profit increased to RMB5,302.20 million, representing an increase of 151.09% as compared with RMB2,111.67 million for the year ended 31 December 2018. The Group's gross profit margin for the year ended 31 December 2019 was 85.19%, representing an increase as compared with the gross profit margin 84.11% for the year ended 31 December 2018. The increase in gross profit margin was primarily due to the scale advantages arising from the increase in sales volume of the core product Kewei.

The table below sets forth the gross profit of the Group by therapeutic areas.

### 3. 毛利

截至二零一九年十二月三十一日止年度，本集團的毛利增加至人民幣5,302.20百萬元，較截至二零一八年十二月三十一日止年度的人民幣2,111.67百萬元增加151.09%。截至二零一九年十二月三十一日止年度，本集團毛利率為85.19%，較截至二零一八年十二月三十一日止年度的毛利率84.11%有所提高，毛利率提高的主要原因是核心產品可威銷售量擴大引致的規模優勢。

下表載列本集團按治療領域劃分的毛利。

Drugs Registration Classification 藥品註冊分類	Year ended 31 December 截至十二月三十一日止年度				Change compared with last year 同比變化
	2019		2018		
	(RMB'000) (人民幣千元)	%	(RMB'000) (人民幣千元)	%	
Anti-viral drugs 抗病毒藥物	5,063,316	95.49%	1,893,297	89.66%	167.43%
— Kewei (oseltamivir phosphate) granules — 可威(奧司他韋)顆粒	3,679,670	69.40%	1,383,323	65.51%	166.00%
— Kewei (oseltamivir phosphate) capsules — 可威(奧司他韋)膠囊	1,380,093	26.03%	504,546	23.89%	173.53%
Endocrine and metabolic drugs 內分泌及代謝藥物	93,275	1.76%	90,235	4.27%	3.37%
— Ertongshu (benzbromarone tables) — 爾同舒(苯溴馬隆片)	92,917	1.75%	88,852	4.21%	4.58%

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

Drugs Registration Classification 藥品註冊分類	Year ended 31 December 截至十二月三十一日止年度				Change compared with last year 同比變化	
	2019		2018			
	二零一九年		二零一八年			
	(RMB'000) (人民幣千元)	%	(RMB'000) (人民幣千元)	%		
Anti-infectives drugs (Antibiotics) 抗感染藥物	<b>37,258</b>	<b>0.70%</b>	129	0.01%	28,782.17%	
— Linluoxing (moxifloxacin tablets) — 琳羅星(鹽酸莫西沙星片)	<b>Class 4 chemical drug</b> 化藥4類	<b>32,372</b>	<b>0.61%</b>	—	0.00%	N/A
— Yangzhike (clarithromycin sustained release tablets) — 陽之克(克拉霉素緩釋片)	<b>Class 4 chemical drug</b> 化藥4類	<b>5,379</b>	<b>0.10%</b>	—	0.00%	N/A
Cardiovascular drugs 心腦血管藥物	<b>75,193</b>	<b>1.42%</b>	89,982	4.26%	-16.44%	
— Amlodipine tablets — 欣海寧(氨氯地平片)	<b>Class 4 chemical drug</b> 化藥4類	<b>20,317</b>	<b>0.38%</b>	25,942	1.23%	-21.68%
— Telmisartan tablets — 歐美寧(替米沙坦片)	<b>Class 2 chemical drug</b> 化藥2類	<b>47,881</b>	<b>0.90%</b>	52,495	2.49%	-8.79%
Others 其他	<b>33,160</b>	<b>0.63%</b>	38,025	1.80%	-12.79%	
Total 合計	<b>5,302,202</b>	<b>100.00%</b>	2,111,667	100.00%	151.09%	

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

#### 4. Other Income

The Group's other revenue mainly includes (i) government subsidies, including amortization of subsidies for the construction of the production line of Kewei by instalment in accordance with accounting standards, and other R&D subsidies and awards granted by local government, and (ii) interest income and miscellaneous income.

For the year ended 31 December 2019, the Group's other income was RMB45.16 million, representing an increase of RMB20.56 million as compared with RMB24.60 million for the year ended 31 December 2018, which was due to the increase in interest income, which was offset by the decrease in government subsidies.

#### 5. Other Net Expenses

For the year ended 31 December 2019, the Group's other net expenses were RMB4.61 million, mainly including fair value change and exchange loss occurred by the convertible bonds and loss on disposal of assets, while the Group's other net income for the year ended 31 December 2018 was RMB5.51 million, representing a decrease of income RMB10.12 million as compared to 2018, which was due to the USD liability exposure and the change in the exchange rate of USD against RMB resulted in the net effects of an increase of RMB95.12 million in exchange losses and RMB88.25 million in fair value gains on convertible bonds.

#### 4. 其他收入

本集團的其他收入主要包括(i)政府補助，包括按會計準則分期攤銷計入的可威生產線建設補助，以及其他當地政府授予的研發補助或獎勵；及(ii)利息收入及雜項收入。

截至二零一九年十二月三十一日止年度，本集團的其他收入為人民幣45.16百萬元，較截至二零一八年十二月三十一日止年度的人民幣24.60百萬元，增加人民幣20.56百萬元。該增長是由於利息收入的增加，並抵減了政府補助經費的減少。

#### 5. 其他淨開支

截至二零一九年十二月三十一日止年度，本集團的其他淨開支為人民幣4.61百萬元，主要包括可轉換債券產生的公允價值變動及匯兌損失及處置資產損失等。而本集團於截至二零一八年十二月三十一日止年度的其他淨收入為人民幣5.51百萬元，較截至二零一八年的收入減少了人民幣10.12百萬元。該變化主要為美元負債敞口的變大及美元對人民幣匯率變動導致匯兌損失增加人民幣95.12百萬以及可轉換債券的公允價值收益人民幣88.25百萬元淨影響。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### 6. Expenses Analysis

For the year 2019, the Group's total expenses amounted to RMB3,073.70 million, representing an increase of RMB2,034.25 million as compared with RMB1,039.45 million for the year ended 31 December 2018. The main components of the Group's expenses are as follows:

### 6. 費用分析

於二零一九年度，本集團費用共計人民幣3,073.70百萬元，較截至二零一八年十二月三十一日止年度的人民幣1,039.45百萬元，增加人民幣2,034.25百萬元。本集團的費用主要構成如下：

		Year ended 31 December 截至十二月三十一日止年度		Change compared with last year
		2019 二零一九年 (RMB'000) (人民幣千元)	2018 二零一八年 (RMB'000) (人民幣千元)	(%) 同比變化 (%)
Distribution costs	分銷成本	<b>2,361,049</b>	653,650	261.21%
Administrative expenses	行政管理開支	<b>508,147</b>	384,385	32.20%
Finance costs	融資成本	<b>204,503</b>	1,418	14,321.93%
		<b>3,073,699</b>	1,039,453	195.70%

Distribution costs mainly consist of (i) marketing costs relating to academic promotion and other marketing activities; (ii) travel costs for marketing purposes; (iii) labour costs; and (iv) other costs.

分銷成本主要包括(i)有關學術推廣及其他營銷活動的營銷成本；(ii)為營銷目的之差旅成本；(iii)勞工成本；及(iv)其他成本。

The increase in distribution costs was mainly due to the increase in operating cost and travel expenses in relation to the Group's academic promotion and other marketing activities, closely relating to the increased efforts on academic promotion of the core product Kewei and enhancement of influence of other products. Meanwhile, the Group significantly enhanced the organizational structure of the sales teams and expanded the sales teams in 2019.

分銷成本的增加，主要是由於本集團進行學術推廣及其他營銷活動的運營成本和差旅費的增加，與本集團加強核心產品可威的學術推廣力度和擴大其他產品的影響力密切相關。同時，本集團於二零一九年著力加強了銷售團隊的組織建設，對銷售隊伍進行了擴張。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

Administrative expenses mainly consist of (i) R&D expenses; (ii) salaries and welfare benefits for management and administrative personnel; (iii) depreciation and amortization costs relating to our office and facilities and land use rights; and (iv) other miscellaneous costs.

The increase in administrative expenses was mainly due to the increase in labour costs and taxes and surcharges, offset by the decrease of R&D expense. For the year ended 31 December 2019, the Group's investment in R&D amounted to RMB162.62 million in total, representing 2.61% of the revenue and a decrease of RMB61.48 million due to some R&D expenditures capitalised as intangible assets as the capitalisation criteria were met as compared to the year ended 31 December 2018.

Finance costs mainly consist of interest for bank loans and convertible bonds. The increase in finance costs was mainly due to the Group had issued a new convertible bonds of USD400 million with 3% of annual interest rate in February 2019.

### 7. Profit Before Taxation

Profit before taxation in 2019 increased to RMB2,269.05 million, representing an increase of RMB1,166.73 million as compared with RMB1,102.32 million in 2018.

行政管理開支主要包括(i)研發費用；(ii)管理及行政人員的工資及福利；(iii)辦公室與設施及土地使用權相關的折舊及攤銷成本；及(iv)其他雜項成本。

行政管理開支的增加，主要是由於人工成本以及稅金及附加增加，抵銷研發費用的減少所致。於截至二零一九年十二月三十一日止年度，本集團研發投入合共為人民幣162.62百萬元，佔營業額的2.61%，相比截至二零一八年十二月三十一日止年度減少人民幣61.48百萬元是因為部分開發支出滿足資本化的條件資本化成無形資產。

融資成本主要包括銀行貸款及可轉換債券的利息費用。融資成本的增加，主要是因為本集團於2019年2月完成了年利率為3%的4億美金可轉換債券的發行。

### 7. 除稅前溢利

除稅前溢利由二零一八年的人民幣1,102.32百萬元，增加至二零一九年的人民幣2,269.05百萬元，增加人民幣1,166.73百萬元。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### 8. Income Tax

For the year ended 31 December 2019, the Group's income tax expenses were RMB361.87 million, representing an increase of RMB160.76 million as compared with RMB201.11 million for the year ended 31 December 2018, which was mainly due to the increase in profit before tax.

### 9. Profit for the Year

The Group's profit for the year was RMB1,907.19 million for the year ended 31 December 2019, representing an increase of RMB1,005.97 million as compared with RMB901.22 million for the year ended 31 December 2018.

## IV. FINANCIAL POSITION

### 1. Overview

As at 31 December 2019, the Group's total assets amounted to RMB9,912.34 million, with total liabilities of RMB5,289.18 million and shareholders' equity of RMB4,623.16 million.

### 8. 所得稅

截至二零一九年十二月三十一日止年度，本集團的所得稅費用為人民幣361.87百萬元，較截至二零一八年十二月三十一日止年度的人民幣201.11百萬元增加人民幣160.76百萬元，主要由於除稅前溢利的增長。

### 9. 年內溢利

截至二零一九年十二月三十一日止年度，本集團的年內溢利為人民幣1,907.19百萬元，較截至二零一八年十二月三十一日止年度的人民幣901.22百萬元增加人民幣1,005.97百萬元。

## IV. 財務狀況

### 1. 概覽

於二零一九年十二月三十一日，本集團總資產為人民幣9,912.34百萬元，總負債人民幣5,289.18百萬元，股東權益人民幣4,623.16百萬元。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### 2. Net Current Assets

The following table sets forth our current assets, current liabilities and net current assets for the date indicated.

		As at 31 December	
		於十二月三十一日	
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
<b>Current assets</b>	<b>流動資產</b>		
Inventories	存貨	192,321	164,286
Trade and other receivables	貿易及其他應收款項	2,359,250	1,027,332
Cash and cash equivalents	現金及現金等值項目	2,779,138	593,746
<b>Total current assets</b>	<b>總流動資產</b>	<b>5,330,709</b>	1,785,364
<b>Current liabilities</b>	<b>流動負債</b>		
Trade and other payables	貿易及其他應付款項	1,888,220	676,250
Contract liabilities	合約負債	131,328	8,095
Bank loans	銀行貸款	132,660	53,399
Deferred income	遞延收益	4,379	4,379
Current taxation	應付即期稅項	155,062	70,675
<b>Total current liabilities</b>	<b>總流動負債</b>	<b>2,311,649</b>	812,798
<b>Net current assets</b>	<b>淨流動資產</b>	<b>3,019,060</b>	972,566

Our net current assets increased by 210.42% from RMB972.57 million as at 31 December 2018 to RMB3,019.06 million as at 31 December 2019, which was mainly due to the increase in trade and other receivables due to the growth in sales, as well as the increase in cash and cash equivalents due to the issuance of convertible bonds.

### 2. 流動資產淨值

下表載列我們於所示日期的流動資產、流動負債及流動資產淨值。

		As at 31 December	
		於十二月三十一日	
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元

<b>Current assets</b>	<b>流動資產</b>		
Inventories	存貨	192,321	164,286
Trade and other receivables	貿易及其他應收款項	2,359,250	1,027,332
Cash and cash equivalents	現金及現金等值項目	2,779,138	593,746
<b>Total current assets</b>	<b>總流動資產</b>	<b>5,330,709</b>	1,785,364
<b>Current liabilities</b>	<b>流動負債</b>		
Trade and other payables	貿易及其他應付款項	1,888,220	676,250
Contract liabilities	合約負債	131,328	8,095
Bank loans	銀行貸款	132,660	53,399
Deferred income	遞延收益	4,379	4,379
Current taxation	應付即期稅項	155,062	70,675
<b>Total current liabilities</b>	<b>總流動負債</b>	<b>2,311,649</b>	812,798
<b>Net current assets</b>	<b>淨流動資產</b>	<b>3,019,060</b>	972,566

我們的淨流動資產自二零一八年十二月三十一日的人民幣972.57百萬元增加210.42%至二零一九年十二月三十一日的人民幣3,019.06百萬元，主要是由於銷售增長導致的貿易及其他應收款項的增加，以及由於可轉換債券的發行導致的現金及現金等值項目的增加。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### 3. Gearing Ratio and Quick Ratio

Gearing ratio represents total interest-bearing borrowings as at a record date divided by total shareholders' equity as at the same record date. Quick ratio represents current assets excluding inventories as at a record date divided by current liabilities as at the same record date.

The gearing ratio and the quick ratio of the Group as at 31 December 2019 was 65.65% and 2.22 times respectively. The gearing ratio and the quick ratio of the Group as at 31 December 2018 was 1.45% and 1.99 times respectively.

### 4. Bank Loans

In 2019, all bank loans were denominated in RMB. As at 31 December 2019, the balance of the Group's bank loans was RMB182.66 million, representing an increase of RMB129.26 million as compared to RMB53.40 million as at 31 December 2018. The increase in bank loans was mainly due to the reclassification of discounted note with recourse, the balance of the Group's bank loan excluding reclassification was RMB50.00 million. The Group is in good liquidity position with sufficient funding and has no repayment risk.

### 3. 資本負債比率及速動比率

資本負債比率指於記錄日期的計息貸款總額除以相同記錄日期的總股東權益。速動比率指於記錄日期的流動資產(不包括存貨)除以相同記錄日期的流動負債。

本集團於二零一九年十二月三十一日的資本負債比率及速動比率分別為65.65%及2.22倍。本集團於二零一八年十二月三十一日的資本負債比率及速動比率分別為1.45%及1.99倍。

### 4. 銀行貸款

二零一九年本集團的所有銀行貸款均為人民幣結算。於二零一九年十二月三十一日，本集團的銀行貸款餘額為人民幣182.66百萬元，較二零一八年十二月三十一日的人民幣53.40百萬元增加人民幣129.26百萬元。銀行貸款增加主要是由於附追索權的票據貼現重新分類所致，扣除重新分類後之本集團銀行銀行貸款餘額為人民幣50.00百萬元。本集團的流動資金狀況良好，資金充裕且並無償還風險。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### 5. Capital Expenditure

In order to meet the production demand for our products, the Group constructed plants and buildings, purchased administration offices, machines and equipment, acquired the ownership of approvals and the right of sale for purchasing, manufacturing and launching certain pharmaceutical products from Sunshine Lake Pharma in 2019 with an aggregate capital expenditure of RMB1,638.45 million, representing an increase of 105.79% as compared to RMB796.17 million in 2018.

### 6. Major Purchase and Sales

On 25 February 2019, the Company entered into an acquisition agreement with Sunshine Lake Pharma, pursuant to which the Company acquired the intellectual property rights, industrial property rights and ownership rights in relation to 27 pharmaceutical products within the PRC held by Sunshine Lake Pharma at a total consideration of RMB1,626,434,600, which comprised a prepayment of RMB813,217,300, milestone payments of RMB325,286,900 and balance amounts of RMB487,930,400. The acquisition was approved by the independent shareholders of the Company at the extraordinary general meeting held on 10 May 2019. For details, please refer to the announcements of the Company dated 25 February 2019 and 10 May 2019 and the circular of the Company dated 9 April 2019.

### 5. 資本支出

本集團為應對產品的生產需求，於二零一九年度興建廠房及樓宇、購買辦事處、機械設備、向廣東東陽光藥業購買若干藥品批件、生產及上市批文的擁有權銷售權等資本支出共計人民幣1,638.45百萬元，較二零一八年人民幣796.17百萬元增加105.79%。

### 6. 重大收購與出售

於二零一九年二月二十五日，本公司與廣東東陽光藥業訂立收購協議。根據該協議，本公司將收購廣東東陽光藥業所持有的27種藥品相關的中國境內所有知識產權、工業產權和所有權，總代價為人民幣1,626,434,600元，包括預付款人民幣813,217,300元、人民幣325,286,900元的里程碑付款及人民幣487,930,400元的餘額款項。收購事項於二零一九年五月十日召開的臨時股東大會上已獲得本公司獨立股東之批准。詳情請參閱本公司日期為二零一九年二月二十五日及二零一九年五月十日之公告及本公司日期為二零一九年四月九日之通函。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

On 13 November 2019 and 26 December 2019, the Company entered into a sale and purchase agreement and a supplemental agreement to such sale and purchase agreement with Sunshine Lake Pharma, pursuant to which, the Company agreed to acquire, and Sunshine Lake Pharma agreed to sell, the rongliflozin l-pyroglutamic acid and liraglutide together with the entire equity interests of these two products within the PRC at a total consideration of RMB1,645,600,000. The acquisition was approved by the independent shareholders of the Company at the extraordinary general meeting held on 22 January 2020. Please refer to the announcements of the Company dated 13 November 2019, 27 December 2019 and 22 January 2020 and the circular of the Company dated 5 January 2020 for further details.

Save as disclosed in this report, during the Reporting Period, the Group had not made any material acquisitions and disposal of subsidiaries, associates and joint ventures. Save as disclosed in this report, during the Reporting Period, the Group did not hold any significant investments.

### 7. Contingent Liabilities

As at 31 December 2019, the Group did not provide external guarantees.

### 8. Pledge of Assets

As of 31 December 2019, land use rights held for own use amounting to RMB69,802,000 and construction in progress amounting to RMB30,839,000 both held by the Group were pledged to a bank for bank loans (2018: nil); As of 31 December 2019, the Group had a total amount of RMB216,363,000 bill receivables that were pledged as securities for the issuance of new banks' acceptance bills and bank loans.

於二零一九年十一月十三日及二零一九年十二月二十六日，本公司與廣東東陽光藥業訂立購買協議及該買賣協議之補充協議，據此，本公司同意收購，而廣東東陽光藥業同意出售焦谷氨酸榮格列淨及利拉魯肽連同這兩種產品在中國境內的全部權益，總代價為人民幣1,645,600,000元。收購事項已於二零二零年一月二十二日召開的臨時股東大會上獲得本公司獨立股東之批准。詳情請參閱本公司日期為二零一九年十一月十三日的公告、二零一九年十二月二十七日及二零二零年一月二十二日的公告及本公司日期為二零二零年一月五日的通函內披露。

除本報告披露者外，於報告期間，本集團概無就附屬公司、聯營公司及合營企業作出任何重大收購及出售事項。除本報告披露者外，於報告期間，本集團概無持有任何重大投資。

### 7. 或有負債

截至二零一九年十二月三十一日，本集團並無對外擔保事項。

### 8. 資產抵押

截至二零一九年十二月三十一日，本集團持有用以自用的價值人民幣69,802,000元土地使用權及本集團持有的價值人民幣30,839,000元的在建工程抵押至銀行用於銀行貸款（二零一八年：無）；截至二零一九年十二月三十一日，本集團共有價值人民幣216,363,000元的應收票據質押於銀行用於發行新的銀行承兌匯票及銀行借款。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### 9. Employee and Remuneration Policies

#### (1) Human Resource Summary

As at 31 December 2019, the Group had a total of 6,212 employees.

by age:

Age Distribution		Number	Percentage
年齡分佈		人數	百分比
30 or below	30歲或以下	2,354	37.89%
31–40 (inclusive)	31–40歲(含)	3,313	53.33%
41–50 (inclusive)	41–50歲(含)	483	7.78%
Above 50	50歲以上	62	1.00%
Total	合計	6,212	100%

by education:

Education Level		Number	Percentage
文化程度		人數	百分比
Master or above	碩士(含)以上	108	1.74%
Bachelor	本科	1,938	31.20%
Associate	大專	2,954	47.55%
Vocational or below	專科以下	1,212	19.51%
Total	合計	6,212	100%

### 9. 僱員及薪酬政策

#### (1) 人力資源概況

於二零一九年十二月三十一日，本集團共有僱員6,212人。

按年齡結構分：

按學歷結構分：



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### (2) *Remuneration Policy*

The objective of the Group's remuneration policy is to motivate and retain talented employees to ensure the Group's development and such policy is determined by taking into consideration factors such as remuneration in respect of the overall remuneration standard in the industry and employee motivation. The management of the Company will review the remuneration policy of employees of the Group on a regular basis.

### (3) *Employee Benefits*

The Group strictly complies with the Labour Law, the Labour Contract Law and the Social Insurance Law of the PRC, under which it contributes various social insurance premiums and housing provident fund for employees. In addition to the statutory requirements of the PRC, the Group has established corresponding systems such as the Corporate Annuity Plan, Housing Welfare and Children's Welfare, and set up public welfare facilities such as kindergarten and infirmary room. In the future, the Group will provide employees with more benefits and protections in accordance with its development progress.

## 10. Others

- (1) The Group has not used any financial instruments for hedging, nor used any net investment amounts in foreign currencies for hedging via currency borrowing and/or other hedging instruments.
- (2) Almost all of the income and expenditure of the Group were denominated in RMB. Hence, the Group has not been subject to exchange rate fluctuation exposure.

### (2) 薪酬政策

本集團的薪酬政策根據行業的整體薪酬情況以及員工激勵等因素制定，旨在激勵和挽留優秀人才，為本集團的發展提供保障。本公司管理層定期檢討本集團的僱員薪酬政策。

### (3) 員工福利保障

本集團嚴格遵守中國《勞動法》、《勞動合同法》及《社會保險法》，依法為員工繳納各項社會保險及住房公積金。在中國法定保障的基礎上，本集團還制定了《年金制度》、《住房福利》、《子女福利》等相應制度，並建立幼兒園、醫療室等公共福利設施。未來，本集團還將根據自身發展情況，為員工帶來更多的福利保障。

## 10. 其他

- (1) 本集團概無使用金融工具做對沖用途，亦概無外幣投資淨額以貨幣借貸及／或其他外沖工具進行對沖。
- (2) 本集團絕大部分收入及支出均為人民幣為結算單位，故本集團並無匯率波動風險。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### V. OTHER SIGNIFICANT EVENTS

#### 1. Completion of the Issuance of H Share Convertible Bonds

On 14 August 2018, the Company entered into a subscription agreement with certain entities ultimately controlled by The Blackstone Group L.P. (the “**Blackstone Fund SPVs**”), pursuant to which, the Blackstone Fund SPVs have conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, the H share convertible bonds with an aggregate principal amount of US\$400,000,000 (the “**H Share Convertible Bonds**”). The H Share Convertible Bonds will bear interest at the rate of 3.0% per annum. During the Reporting Period, all the conditions precedent for the issue and subscription of the H Share Convertible Bonds have been fulfilled and that completion took place on 20 February 2019. Approval for the listing of, and permission to deal in, the Conversion Shares upon conversion of the Convertible Bonds have already been granted by the Listing Committee of the Stock Exchange. The proceeds from the issue of the H Share Convertible Bonds are intended to be used for the purposes of the acquisition of drugs and other pharmaceutical products (including active pharmaceutical ingredients), capital expenditure on production facilities, expansion of sales networks. The issue of H Share Convertible Bonds was an excellent opportunity for the Company to embrace market opportunities and enhance its market position in the pharmaceutical industry. At the same time, the Group planned to tap this opportunity to introduce The Blackstone Group L.P. and its affiliates as a long-term strategic investor to help the Company carry out drug acquisitions, advance its development strategy, operation and management, strengthen international cooperation, and improve corporate governance and investor relations. Details of the H Share Convertible Bonds were disclosed in the announcements of the Company dated 14 August 2018, 15 October 2018 and 20 February 2019 and the circular of the Company dated 11 September 2018.

### V. 其他重大事項

#### 1. 完成發行H股可轉換債券

於二零一八年八月十四日，本公司與由The Blackstone Group L.P.最終控制的若干實體（「**黑石基金特殊目的實體**」）訂立認購協議，據此，黑石基金特殊目的實體已有條件同意認購，而本公司已有條件同意發行，本金金額合共為400,000,000美元的H股可轉換債券（「**H股可轉換債券**」）。H股可轉換債券按以年利率3.0%計息。報告期內，發行及認購H股可轉換債券的全部先決條件已獲滿足，故於二零一九年二月二十日交割。聯交所上市委員會已批准轉換可轉換債券後的轉換股份上市及買賣。發行H股可轉換債券所得資金擬用於收購藥品和其他製藥產品（包括原料藥）、生產設施資本支出及擴大銷售網絡等。發行H股可轉換債券是本公司把握市場機遇及提升於醫藥行業的市場地位的良機。同時，本集團計劃藉此機會引入The Blackstone Group L.P.及其聯屬公司作為長期戰略投資者，以幫助本公司開展藥品收購，推進發展策略、運營及管理，加強國際合作及提升企業管治及投資者關係。有關H股可轉換債券之詳情於本公司日期為二零一八年八月十四日、二零一八年十月十五日及二零一九年二月二十日之公告及本公司日期為二零一八年九月十一日之通函內披露。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### 2. Acquisition of Target Assets of Sunshine Lake Pharma

On 25 February 2019, the Company entered into an acquisition agreement with Sunshine Lake Pharma. Pursuant to the agreement, the Company acquired the intellectual property rights, industrial property rights and ownership rights in relation to 27 pharmaceutical products within the PRC held by Sunshine Lake Pharma at a total consideration of RMB1,626,434,600. The acquisition was approved by the independent shareholders of the Company at the extraordinary general meeting held on 10 May 2019. For details, please refer to the announcements of the Company dated 25 February 2019 and 10 May 2019 and the circular of the Company dated 9 April 2019.

### 3. Passing of Consistency Evaluation for Various Products

The Company's oseltamivir phosphate capsule (75mg) has obtained the approval from the National Medical Products Administration for passing the Consistency Evaluation. Moreover, the new version of Medical Reimbursement Drug List issued by the National Healthcare Security Administration and the Ministry of Human Resources and Social Security on 20 August 2019, the notes in respect of oseltamivir have been adjusted. For details, please refer to the announcements of the Company dated 20 February 2019 and 22 August 2019.

The Company's benzbromarone tablet (50mg) has obtained the approval from the National Medical Products Administration for passing the Consistency Evaluation. For details, please refer to the announcement of the Company dated 30 September 2019.

### 2. 收購廣東東陽光藥業目標資產

於二零一九年二月二十五日，本公司與廣東東陽光藥業訂立收購協議。根據該協議，本公司將收購廣東東陽光藥業所持有的27種藥品相關的中國境內所有知識產權、工業產權和所有權，總代價為人民幣1,626,434,600元。收購事項已於二零一九年五月十日召開的臨時股東大會上已獲得本公司獨立股東之批准。有關詳情，請參閱本公司日期為二零一九年二月二十五日及二零一九年五月十日之公告，以及二零一九年四月九日之通函。

### 3. 多個產品通過一致性評價

本公司磷酸奧司他韋膠囊(75mg)已獲國家藥品監督管理局批准通過一致性評價。另外，於二零一九年八月二十日由國家醫療保障局和人力資源社會保障部發布的新版《醫保藥目錄》中，奧司他韋的備註受到調整。有關詳情，請參閱本公司日期為二零一九年二月二十日及二零一九年八月二十二日的公告。

本公司苯溴馬隆片(50mg)已獲國家藥品監督管理局批准通過一致性評價。詳情請參閱本公司日期為二零一九年九月三十日的公告。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

The Company's amlodipine besylate tablet (5mg) has obtained the approval from the National Medical Products Administration for passing the Consistency Evaluation. For details, please refer to the announcement of the Company dated 4 November 2019.

#### 4. Submission and Acceptance of the New Drug Application for Yimitasvir phosphate

The new drug application for the Company's self-developed anti-hepatitis C new drug yimitasvir phosphate has been submitted to and accepted by the National Medical Products Administration, it is expected to be launched in 2020. For details, please refer to the announcements of the Company dated 19 August 2019 and 11 September 2019.

#### 5. Establishment of Two Joint Ventures

On 24 July 2019, the Company and Yidu Guijun Pharmaceutical Technology Co., Ltd. (宜都桂鈞醫藥科技有限公司) to jointly establish YiChang HEC Pharmaceutical Technology Marketing Services Co., Ltd. (宜昌東陽光醫藥科技推廣服務有限公司) with a total registered capital of RMB50 million. According to the capital contribution agreement, the Company agreed to contribute RMB46.50 million in cash, representing 93% of the total registered capital of the joint venture. The Company plans to, through the joint venture, further set up other sub-joint ventures for drugs promoting and marketing services in different provinces and cities throughout the PRC with entities established by its employees. For details, please refer to the announcement of the Company dated 24 July 2019.

本公司苯磺酸氨氯地平片(5mg)已獲國家藥品監督管理局批准通過一致性評價。詳情請參閱本公司日期為二零一九年十一月四日的公告。

#### 4. 遞交磷酸依米他韋新藥上市申請並獲受理

本公司自主研發的抗丙肝新藥磷酸依米他韋已經向國家藥品監督管理局遞交新藥上市申請並獲受理，預計將在二零二零年內獲批上市。詳情請參閱本公司日期為二零一九年八月十九日及二零一九年九月十一日的公告。

#### 5. 成立兩家合資公司

於二零一九年七月二十四日，本公司與宜都桂鈞醫藥科技有限公司共同出資，設立宜昌東陽光醫藥科技推廣服務有限公司，註冊資本總額為人民幣5,000萬元。根據出資協議，本公司同意以現金出資人民幣4,650萬元，佔合資公司註冊資本總額的93%。本公司計劃透過合資公司與其員工所建立之實體在中國各省市進一步設立其他子合營企業以進行藥物推廣及營銷服務。詳情請參閱本公司日期為二零一九年七月二十四日的公告。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

On 12 December 2019, the Company and Yidu HEC Industrial Co., Ltd. (宜都東陽光實業發展有限公司) jointly injected capital to establish YiChang HEC Bio-technology with a total registered capital of RMB30 million. According to the capital contribution agreement, the Company agreed to contribute RMB27.0 million in cash, representing 90% of the total registered capital of YiChang HEC Bio-technology. For details, please refer to the announcement of the Company dated 12 December 2019.

### 6. Acquisition of Guangdong HEC Biological Pharmacy Co., Ltd. (“HEC Biological Pharmacy”)

On 12 September 2019, the Company entered into an equity transfer agreement with Shenzhen HEC Industrial pursuant to which, the Company agreed to acquire the entire equity interests in HEC Biological Pharmacy held by Shenzhen HEC Industrial. HEC Biological Pharmacy is an enterprise mainly engaged in the R&D of pharmaceutical products and medical devices as well as biotechnology, which will assist the Company to further expand production capacity, and lay a solid foundation for the continuous launch and sales of the reserve products in the future. For details, please refer to the announcement of the Company dated 12 September 2019.

於二零一九年十二月十二日，本公司與宜都東陽光實業發展有限公司共同出資成立宜昌東陽光生物科技，註冊資本總額為人民幣3,000萬元。根據出資協議，本公司同意以現金出資人民幣2,700萬元，佔宜昌東陽光生物科技註冊資本總額的90%。詳情請參閱本公司日期為二零一九年十二月十二日的公告。

### 6. 收購廣東東陽光生物製劑有限公司(「東陽光生物製劑」)

於二零一九年九月十二日，本公司與深圳市東陽光實業訂立股權轉讓協議，據此，本公司同意收購深圳市東陽光實業發展持有東陽光生物製劑的全部股權。東陽光生物製劑為一家主要從事研發藥品及醫療器械和生物技術研究的企業，將協助本公司進一步擴大產能，為後續源源不斷的儲備產品的上市及銷售打下堅實的基礎。詳情請參閱本公司日期為二零一九年九月十二日的公告。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### 7. Repurchase of H Shares of the Company

The Company has repurchased H Shares 16 times during the period from 1 January 2019 to 31 December 2019. Details of the repurchases conducted were set out in the next day disclosure returns of the Company published on 7 May 2019, 8 May 2019, 9 May 2019, 14 May 2019, 17 May 2019, 20 May 2019, 21 May 2019, 22 May 2019, 23 May 2019, 6 June 2019, 25 September 2019, 26 September 2019, 27 September 2019, 30 September 2019, 14 November 2019 and 18 November 2019, respectively.

### 7. 購回本公司H股

自二零一九年一月一日起直至二零一九年十二月三十一日期間，本公司已進行十六次購回H股。有關進行購回的詳情分別載於本公司於二零一九年五月七日、二零一九年五月八日、二零一九年五月九日、二零一九年五月十四日、二零一九年五月十七日、二零一九年五月二十日、二零一九年五月二十一日、二零一九年五月二十二日、二零一九年五月二十三日、二零一九年六月六日、二零一九年九月二十五日、二零一九年九月二十六日、二零一九年九月二十七日、二零一九年九月三十日、二零一九年十一月十四日及二零一九年十一月十八日刊發的翌日披露報表。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### 8. Rolling Out the Full Circulation Reform of H Shares

On 15 November 2019, the China Securities Regulatory Commission (“CSRC”) issued the Guidelines on Application for “Full Circulation” of Domestic Unlisted Shares of H-share Companies (CSRC Announcement [2019] No. 22) (《H股公司境內未上市股份申請「全流通」業務指引》(中國證券監督管理委員會公告[2019]22號)) and the supporting catalogue of materials for application for “Full Circulation” of H Shares and key points for review and of concern, so as to comprehensively roll out the “Full Circulation” reform of H Shares. On 22 November 2019, Guangdong HEC Technology Holding Co., Ltd. (“HEC”), a shareholder of the Company, held the eighteenth meeting of the tenth session of the Board of Directors at which the Proposal on Application for “Full Circulation” of the Domestic Shares of YiChang HEC ChangJiang Pharmaceutical Co., Ltd. held by Guangdong HEC Technology Holding Co., Ltd. (《關於申請廣東東陽光科技控股股份有限公司持有的宜昌東陽光長江藥業股份有限公司內資股股份「全流通」的議案》) was considered and approved. HEC decided to convert all the domestic shares of the Company held by it to overseas listed shares and list the same on the Main Board of the Stock Exchange, and entrust the Company to make the application to the CSRC for “Full Circulation” of H Shares and proceed with other matters related to the share conversion. For particulars, please refer to the announcement of the Company dated 22 November 2019.

### 8. 全面啓動H股全流通改革

二零一九年十一月十五日，中國證券監督管理委員會(「中國證監會」)發布了《H股公司境內未上市股份申請「全流通」業務指引》(中國證券監督管理委員會公告[2019]22號)，並配套發布H股「全流通」申請材料目錄及審核關注要點，全面推開H股「全流通」改革。本公司股東廣東東陽光科技控股股份有限公司(「東陽光」)於二零一九年十一月二十二日召開第十屆董事會第十八次會議審議通過了《關於申請廣東東陽光科技控股股份有限公司持有的宜昌東陽光長江藥業股份有限公司內資股股份「全流通」的議案》，東陽光決定將所持有的本公司內資股股份全部轉換為境外上市股份並在聯交所主板上市，並委託本公司向中國證監會提出H股「全流通」的申請及辦理其他股份轉換相關事宜，具體情況請參閱本公司日期為二零一九年十一月二十二日的公告。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### 9. Acquisition of Rongliflozin L-Pyroglutamic Acid and Liraglutide

On 13 November 2019 and 26 December 2019, the Company entered into a sale and purchase agreement and a supplemental agreement to such sale and purchase agreement with Sunshine Lake Pharma, pursuant to which, the Company agreed to acquire, and Sunshine Lake Pharma agreed to sell, the rongliflozin l-pyroglutamic acid and liraglutide together with the entire equity interests of these two products within the PRC at a total consideration of RMB1,645,600,000. The acquisition was approved by the independent shareholders of the Company at the extraordinary general meeting held on 22 January 2020. For details, please refer to the announcements of the Company dated 13 November 2019, 27 December 2019 and 22 January 2020 and the circular of the Company dated 5 January 2020.

### 9. 收購焦谷氨酸榮格列淨及利拉魯肽

於二零一九年十一月十三日及二零一九年十二月二十六日，本公司與廣東東陽光藥業訂立購買協議及該買賣協議之補充協議，據此，本公司同意收購，而廣東東陽光藥業同意出售焦谷氨酸榮格列淨及利拉魯肽連同這兩種產品在中國境內的全部權益，總代價為人民幣1,645,600,000元。收購事項已於二零二零年一月二十二日召開的臨時股東大會上獲得本公司獨立股東之批准。詳情請參閱本公司日期為二零一九年十一月十三日的公告、二零一九年十二月二十七日及二零二零年一月二十二日的公告及本公司日期為二零二零年一月五日的通函內披露。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### VI. EVENTS AFTER REPORTING PERIOD

#### 1. Strategic Cooperation Framework Agreement

On 3 January 2020, the Company entered into a strategic cooperation framework agreement with China Resources Pharmaceutical Commercial Group Co., Ltd. (華潤醫藥商業集團有限公司) (“CR Pharmaceutical Commercial”), pursuant to which, the Company and CR Pharmaceutical Commercial will jointly develop an internet platform dedicated to establishing online channels directly serving end-users and patients by leveraging on the distribution network and drug storage capability of CR Pharmaceutical Commercial, in order to enhance response to unexpected demand for the Company’s core product, oseltamivir phosphate series, across the PRC as well as to improve terminal coverage of other products. The strategic cooperation framework agreement is for a term of three years. For details, please refer to the announcement of the Company dated 3 January 2020.

### VI. 報告期後事項

#### 1. 戰略合作框架協議

於二零二零年一月三日，本公司與華潤醫藥商業集團有限公司（「華潤醫藥商業」）訂立了一份戰略合作框架協議，據此，本公司與華潤醫藥商業將借助華潤醫藥商業的配送網絡和藥物儲備能力，聯合開發互聯網渠道，致力於直接服務終端及患者的線上渠道建設，提升本公司核心產品磷酸奧司他韋系列對全國突發性需求的響應，並加強其他產品的終端覆蓋。戰略合作框架協議的合作期限為三年。詳情請參閱本公司日期為二零二零年一月三日的公告。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### 2. Successful Bid for the Centralized Procurement of Products

On 17 January 2020, the Company participated in the tender process in respect of the Second National Centralized Procurement of Pharmaceuticals (第二批國家組織藥品集中採購) organized by the National Organization Office for the Centralized Procurement and Usage of Pharmaceuticals (國家組織藥品集中採購和使用聯合採購辦公室). The Company's fudosteine tablet, moxifloxacin hydrochloride tablet and olmesartan medoxomil tablet have won the bid for the centralized procurement.

### 2. 產品集中採購中標

於二零二零年一月十七日，本公司參加了國家組織藥品集中採購和使用聯合採購辦公室組織的第二批國家組織藥品集中採購的投標。本公司的福多司坦片、鹽酸莫西沙星片及奧美沙坦酯片中標本次集中採購。

Name of Product	Number of successful tenders	Actual procurement volume of medical institutions	Tendering specification	Tendering Price	Successful tenders under the Group
品種名稱	中標企業數量	醫療機構合計實際採購量	中標規格	中標價格 (RMB) (人民幣)	本集團中標企業
Fudosteine Tablets	3	80.71 million tablets	0.2g x 20 tablet/box	RMB13.08/box	YiChang HEC ChangJiang Pharmaceutical Co., Ltd.
福多司坦片	3家	8,071萬片	0.2g x 20片/盒	13.08元/盒	宜昌東陽光長江藥業股份有限公司
Moxifloxacin Hydrochloride Tablet	5	19.41million tablets	0.4g x 3 tablet/box 0.4g x 6 tablet/box	RMB6.66/box RMB12.99/box	Dongguan Yangzhikang Pharmaceutical Co., Ltd.*
鹽酸莫西沙星片	5家	1,941萬片	0.4g x 3片/盒 0.4g x 6片/盒	6.66元/盒 12.99元/盒	東莞市陽之康醫藥有限責任公司
Olmesartan Medoxomil Tablets	4	84.95 million tablets	20mg x 28 tablet/box	RMB17.08/box	Dongguan Yangzhikang Pharmaceutical Co., Ltd.*
奧美沙坦酯片	4家	8,495萬片	20mg x 28片/盒	17.08元/盒	東莞市陽之康醫藥有限責任公司

For details, please refer to the announcement of the Company dated 17 January 2020.

詳情請參閱本公司日期為二零二零年一月十七日的公告。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### 3. Repurchase of H Shares and cancellation

The Company repurchased 500,000 H Shares on 13 January 2020. Details of which are set out in the next day disclosure return of the Company published on 13 January 2020. Such repurchased H Shares were cancelled on 9 April 2020. A total of 4,427,400 H Shares, being repurchased H Shares from 25 September 2019 to 13 January 2020, were cancelled on 9 April 2020. Details of which were set out in the next day disclosure return of the Company dated 9 April 2020 and the announcement of the Company dated 9 April 2020.

### 4. Entrusted Processing Framework Agreement

On 27 February 2020, the Company entered into the Entrusted Processing Framework Agreement with Sunshine Lake Pharma, pursuant to which Sunshine Lake Pharma will provide drug processing services for six drugs namely, Clarithromycin Sustained Release Tablets (克拉霉素緩釋片), Clarithromycin Tablets (克拉霉素片), Levofloxacin Tablets (左氧氟沙星片), Moxifloxacin Hydrochloride Tablets (鹽酸莫西沙星片), Olmesartan Tablets (奧美沙坦酯片) and Oseltamivir Phosphate Capsules (磷酸奧司他韋膠囊), to the Company and Dongguan Yangzhikang Pharmaceutical. Individual transactions are conducted in the form of entrusted processing order. Each separate entrusted processing order shall set out details in relation to the drugs to be processed. The terms of the separate entrusted processing order shall be in line with the provisions under the Entrusted Processing Framework Agreement. The unit price of processing each drug is agreed in the Entrusted Processing Framework Agreement. For details, please refer to the Company's announcements dated 27 February 2020 and 11 March 2020.

### 5. Amendments to the Articles of Association and Amendments to Rules and Procedures of Shareholders' General Meetings

On 6 March 2020, Shareholders and all class shareholders of the Company approved the Amendments to the Articles of Association and the Proposed Amendments to the Rules and Procedures of Shareholders' General Meetings at the 2020 second EGM, the 2020 first H Shareholders Class Meeting and the 2020 first Domestic Shareholders Class Meeting. Please refer to the Company's announcements dated 14 January 2020, 23 February 2020 and 6 March 2020 and the Company's circular dated 7 February 2020 for more details.

### 3. 購回H股股份及註銷

本公司於二零二零年一月十三日購回500,000股H股。有關購回的詳情載於本公司於二零二零年一月十三日刊發的翌日披露報表。有關自二零一九年九月二十五日起至二零二零年一月十三日止期間所購回的H股，合共4,427,400股H股，已於二零二零年四月九日註銷，有關詳情載於本公司於二零二零年四月九日刊發的翌日披露報表及二零二零年四月九日之公告。

### 4. 委託加工框架協議

於二零二零年二月二十七日，本公司與廣東東陽光藥業訂立委託加工框架協議，據此，廣東東陽光藥業同意向本公司及東莞市陽之康醫藥有限責任公司提供克拉霉素緩釋片、克拉霉素片、左氧氟沙星片、鹽酸莫西沙星片、奧美沙坦酯片及磷酸奧司他韋膠囊六種藥品加工服務。個別交易以委託加工訂單的形式進行。每份獨立的委託加工訂單應當載明具體委託藥品加工的詳情，且其條款符合委託加工框架協議的各項約定。每件藥品加工的單價於委託加工框架協議中協定。詳情請參閱本公司日期為二零二零年二月二十七日及二零二零年三月十一日之公告。

### 5. 修訂公司章程及修訂公司股東大會議事規則

於二零二零年三月六日，本公司股東及各類別股東在二零二零年第二次臨時股東大會、二零二零年第一次H股股東類別會議及二零二零年第一次內資股股東類別會議上通過修訂公司章程及修訂公司股東大會議事規則。有關修訂公司章程及修訂公司股東大會議事規則的詳情，請參閱本公司日期為二零二零年一月十四日、二零二零年二月二十三日及二零二零年三月六日的公告及本公司日期為二零二零年二月七日的通函。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### 6. Donations in relation to the outbreak of the novel coronavirus (COVID-19)

- (1) On 26 January 2020, the Company made a donation of RMB1 million to the Wuhan Charity Federation (武漢市慈善總會), supporting Wuhan to combat and control the outbreak of COVID-19. The donations will be used for procuring materials for epidemic prevention and control, including medical supplies, medical equipment, reagents, drugs, protective equipment and materials, cleansing equipment and consumables.
- (2) On 24 February 2020, the Company donated 0.1 million disposable protective masks, 3,900 N95 surgical masks, 20 barrels of sodium hypochlorite disinfectant to People's Government of Yidu City for the containment of the COVID-19 outbreak in Yidu City.
- (3) On 21 February 2020, the Company donated 7 tonnes of 84 disinfectant in total to the designated COVID-19 hospitals and multiple medical institutions in Jinan under the active cooperation from the Angel Health Project Fund (天使健康專項基金) and the Shandong Angel Health Charity Alliance (山東天使健康救助聯盟) of the Shandong Foundation for Development of Poverty Alleviation (山東省扶貧開發基金會).

The Group puts corporate social responsibility in the highest priority, showing love and care and making contributions to the society. We pay tribute to all front-line workers and with the hope to protect front-line medical workers in the fight against COVID-19.

### 6. 關於抗擊新冠病毒肺炎疫情的捐贈

- (1) 於二零二零年一月二十六日，本公司向武漢市慈善總會捐贈人民幣100萬元，用於支援武漢市抗擊新型冠狀病毒肺炎疫情。捐贈款項將用於置辦疫情控制物資，包括醫用設備、醫療設備、試劑、藥品、防護設備、清洗設備及耗材等。
- (2) 於二零二零年二月十四日，本公司向宜都市人民政府捐贈10萬隻一次性防護口罩、3,900隻N95醫用口罩、20桶次氯酸鈉消毒液，用於宜都市新型冠狀病毒感染的肺炎疫情的防控。
- (3) 於二零二零年二月二十一日，本公司在山東省扶貧開發基金會—天使健康專項基金和山東天使健康救助聯盟的積極配合下，向冠狀病毒肺炎救治定點醫院及濟南多家醫療機構共計捐贈7噸84消毒液。

本集團始終將企業社會責任視為義不容辭的第一責任，奉獻愛心，回報社會，並向奮鬥在抗疫一線的工作人員致敬，一線醫護人員護航。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### VII. RISK FACTORS AND RISK MANAGEMENT

Risks that may have material effects on the operation of the Group are as follows:

#### 1. The risk of products failing to pass Consistency Evaluation

According to the Opinions of the Office of the State Council on the Commencement of Consistency Evaluation on the Quality and Healing Effect of Generic Drugs (Guo Ban Fa [2016] No. 8) (《國務院辦公廳關於開展仿製藥質量和療效一致性評價的意見》(國辦發[2016]8號)) and the Announcement on the Implementation of Matters in Relation to the Opinions of the Office of the State Council on the Commencement of Consistency Evaluation on the Quality and Healing Effect of Generic Drugs issued by the China Food and Drug Administration on 26 May 2016 (2016 No. 106)(《關於落實〈國務院辦公廳關於開展仿製藥質量和療效一致性評價的意見〉有關事項的公告》(二零一六年第106號)), for generic drugs which have been approved for market launch prior to the implementation of the new registration category of chemical drugs, if the approval was not carried out according to the principle of consistency in quality and curative effect as the original researched pharmaceuticals, such generic drugs are subject to Consistency Evaluation and are required to have consistent quality and curative effect as the original researched pharmaceuticals. For the generic drugs which are not able to pass the Consistency Evaluation within the prescribed period, no further registration will be approved.

### VII. 風險因素及風險管理

對本集團經營可能產生重大影響的風險如下：

#### 1. 產品無法通過一致性評價的風險

根據《國務院辦公廳關於開展仿製藥質量和療效一致性評價的意見》(國辦發[2016]8號)和二零一六年五月二十六日食藥監總局發布的《關於落實〈國務院辦公廳關於開展仿製藥質量和療效一致性評價的意見〉有關事項的公告》(二零一六年第106號)，化學藥品新註冊分類實施前批准上市的仿製藥，凡未按照與原研藥品質量和療效一致原則審批的，均須開展一致性評價，要求仿製藥在質量和療效上與原研藥品能夠一致。在規定期限內未通過一致性評價的仿製藥，不予再註冊。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### 2. The risk of the decline in drug prices

With continuous progress in the reform of drug prices, deepening of reforms in the medical insurance system and the promulgation of other relevant policies and regulations, a declining trend in drug prices will appear. On 4 May 2015, the Notice on the Publication of Opinions on Proceeding with Reforms on Drug Prices (《關於印發推進藥品價格改革意見的通知》) was jointly issued by seven departments including the National Development and Reform Commission of the PRC to expressly cancel the drug prices originally set by the government except for narcotic drugs and Category 1 psychotropic drugs. On 15 November 2018, the “Document on Centralized Procurement of Drugs in 4+7 Cities” (《4+7城市藥品集中採購文件》) was officially released and bulk purchase was first conducted in 11 pilot cities. On 6 December 2018, the tender for bulk purchase among the “4+7” cities was opened in Shanghai, and tender results showed that there is a significant decrease in price of the target products which won the bid.

In this regard, the Group adopted corresponding policies in dealing with the aforesaid risks in 2019.

In respect of the Consistency Evaluation. For the year ended 31 December 2019, the Group acquired a total of thirty-three products from Sunshine Lake Pharma Co., Ltd., which were all approved by a foreign country for domestic declaration and deemed to have passed the Consistency Evaluation. The Group’s core product Kewei capsules and Benzbromarone tablets have been the first drug varieties to pass the Consistency Evaluation. The Consistency Evaluation of Kewei granules is scheduled to be completed in 2020.

### 2. 藥品價格下降的風險

隨著藥品價格改革持續推進，醫療保險制度改革的不斷深入，以及其他相關政策、法規的出台，藥品價格將呈現整體下降的趨勢。二零一五年五月四日，中國國家發展和改革委員會等7部門聯合發布《關於印發推進藥品價格改革意見的通知》，明確規定除麻醉藥品和第一類精神藥品外，取消原政府制定的藥品價格。二零一八年十一月十五日，《4+7城市藥品集中採購文件》正式發布，帶量採購將首先在11個城市進行試點。二零一八年十二月六日，「4+7」城市帶量採購在上海開標，招標結果顯示，此次中標品種大幅度降價。

針對上述，本集團於二零一九年實施了相應政策以應對上述風險。

在仿製藥一致性評價方面，截至二零一九年十二月三十一日止年度，本集團從廣東東陽光藥業有限公司收購的共計三十三個產品，均為國外獲批轉國內申報，視為通過一致性評價。本集團核心產品可威膠囊及苯溴馬隆片均為首家通過一致性評價。可威顆粒計劃於二零二零年完成一致性評價相關工作。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

Other products, including Clarithromycin Tablets, Clarithromycin Sustained Release Tablets and Levofloxacin Tablets were the first of their respective drug variety to exclusively pass the Consistency Evaluation; Olmesartan Tablets was the second first of its type to pass the consistency evaluation; Moxifloxacin tablets were the third drug variety to pass the Consistency Evaluation; Both Fudosteine Tablets and Amlodipine Besylate Tablets have passed the Consistency Evaluation.

As for the risk of decreasing drug price, there is less competition for the Group's core product, Kewei, and the cost of distribution is under control. Meanwhile, the Group is able to achieve self-sufficiency and reduce production costs for the production of Kewei's APIs.

其他產品，包括克拉黴素片、克拉黴素緩釋片、左氧氟沙星片首家且獨家通過一致性評價；奧美沙坦酯片首兩家通過一致性評價；莫西沙星片首三家通過一致性評價；福多司坦、苯磺酸氨氯地平片等均已通過一致性評價。

針對藥品價格下降的風險，本集團核心產品可威目前市場競品較少，價格可控。另外，對於生產可威的原料藥，本集團能夠實現自給自足，降低生產成本。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### VIII. FUTURE OUTLOOK

With the government encourages R&D and commercialization of innovative new drugs, and optimizes the approval process, domestic pharmaceutical companies enter into R&D fast track. Policies such as Consistency Evaluation of generic drugs and centralized procurement continue to promote the reform of pharmaceutical industry and accelerate the survival of the fittest among the enterprises. Pharmaceutical companies with strong R&D capabilities, diversified product pipelines, well-developed production systems, strong brand advantages and excellent marketing teams will gain unprecedented development opportunities.

The Company has established short, middle and long-term strategies for the sustainable long-term development. In the near future, the Company will continue to expand the sales of oseltamivir phosphate (Kewei), further solidify its leading position in the anti-influenza area in China by expanding business channels and strengthening academic promotion. Meanwhile, the Company is committed to expand its product lines in various fields such as anti-virus, endocrine and metabolic diseases and develop new scope of business, and is expected to launch therapeutic drugs including 5 anti-virus and anti-infectives drugs, 12 endocrine and metabolic drugs and 19 cardiovascular and nervous system drugs in or before 2022, forming a diversified product portfolio with Kewei as the core product (一核多星).

Looking forward, the Company will continue to enrich its product portfolio and improve its income structure by way of in-house R&D and external collaborations. The Company will integrate the resources of internal and external R&D, production and sales channels of the Group, and will expand its scope of business, strive to be a leading brand in the pharmaceutical manufacturing industry as well as an influential pharmaceutical corporate in China in therapeutic areas including anti-viral, endocrine and metabolic diseases.

### VIII. 未來前景

國家鼓勵創新藥品研發與上市，優化審批流程，國內藥企創新藥研發進入快車道。仿製藥一致性評價及集中採購等政策繼續推動醫藥行業改革，加速企業的優勝劣汰。擁有雄厚研發實力、豐富產品管綫、成熟生產體系、強大品牌優勢及優秀市場營銷團隊的醫藥企業將獲得前所未有的發展空間。

本公司已為可持續性長遠發展制定了完善的短中長期戰略。在未來近期，本公司將通過擴展業務渠道及夯實學術推廣，繼續拓展磷酸奧司他韋(可威)的銷售，加強鞏固本公司於國內抗流感領域的領軍地位。同時，本公司致力於豐富抗病毒、抗感染及內分泌代謝等領域產品綫，開拓新的業務範圍，並預計在二零二二年或之前上市5個抗病毒及抗感染藥物、12個內分泌代謝類藥物以及19個心血管及神經系統等治療領域藥物，形成以可威為核心產品的「一核多星」型產品組合。

展望遠期，本公司將通過自主研發及對外合作等方式持續豐富產品組合，優化收入結構。本公司將積極整合本集團內外研發、生產及銷售渠道資源，擴大業務範圍，力爭打造本公司為中國醫藥製造界的領軍品牌，成為國內在抗病毒、抗感染及內分泌代謝等領域具有影響力的醫藥企業。



# PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

## 董事、監事及高級管理人員簡介

### DIRECTORS

### 董事

During the Reporting Period and as at the date of this Annual Report, the Directors, Supervisors and Senior Management are as follows:

於報告期內及截至本年報日期，董事、監事及高級管理人員如下：

Name	Date of appointment	Start of term of office upon expiration of the term of the current session of the Board	Position
姓名	獲委任日期	任期起始時間至本屆董事會任期屆滿時	職位
Mr. TANG Xinfa (唐新發) 唐新發先生	4 May 2015 二零一五年五月四日	8 June 2018 二零一八年六月八日	Chairman and non-executive Director 董事長兼非執行董事
Mr. JIANG Juncai (蔣均才) 蔣均才先生	4 May 2015 二零一五年五月四日	8 June 2018 二零一八年六月八日	Executive Director 執行董事
Mr. ZHU Qiaohong (朱巧洪) <sup>(1)</sup> 朱巧洪先生 <sup>(1)</sup>	16 June 2018 二零一七年六月十六日	8 June 2018 二零一八年六月八日	Executive Director 執行董事
Mr. WANG Danjin (王丹津) 王丹津先生	27 February 2006 二零零六年二月二十七日	8 June 2018 二零一八年六月八日	Executive Director 執行董事
Mr. CHEN Yangui (陳燕桂) 陳燕桂先生	4 May 2015 二零一五年五月四日	8 June 2018 二零一八年六月八日	Executive Director 執行董事
Mr. LI Shuang (李爽) 李爽先生	8 June 2018 二零一八年六月八日	8 June 2018 二零一八年六月八日	Executive Director 執行董事
Mr. Eddy HUANG (黃翊) <sup>(2)</sup> 黃翊先生 <sup>(2)</sup>	20 February 2019 二零一九年二月二十日	20 February 2019 二零一九年二月二十日	Non-executive Director 非執行董事
Mr. TANG Jianxin (唐建新) 唐建新先生	4 May 2015 二零一五年五月四日	8 June 2018 二零一八年六月八日	Independent non-executive Director 獨立非執行董事
Mr. FU Hailiang (付海亮) 付海亮先生	4 May 2015 二零一五年五月四日	8 June 2018 二零一八年六月八日	Independent non-executive Director 獨立非執行董事
Mr. LEE Chi Ming (李志明) <sup>(3)</sup> 李志明先生 <sup>(3)</sup>	4 May 2015 二零一五年五月四日	8 June 2018 二零一八年六月八日	Independent non-executive Director 獨立非執行董事
Mr. ZHAO Dayao (趙大堯) <sup>(4)</sup> 趙大堯先生 <sup>(4)</sup>	11 October 2019 二零一九年十月十一日	11 October 2019 二零一九年十月十一日	Independent non-executive Director 獨立非執行董事

Notes<sup>(1)</sup>: Mr. ZHU Qiaohong resigned as an executive Director with effect from 20 February 2019.

附註<sup>(1)</sup>：朱巧洪先生已於二零一九年二月二十日辭任執行董事。

<sup>(2)</sup>: Mr. Eddy HUANG was appointed as a non-executive Director with effect from 20 February 2019.

<sup>(2)</sup>：黃翊先生於二零一九年二月二十日獲委任非執行董事。

<sup>(3)</sup>: Mr. LEE Chi Ming resigned as an independent non-executive Director with effect from 11 October 2019.

<sup>(3)</sup>：李志明先生已於二零一九年十月十一日辭任獨立非執行董事。

<sup>(4)</sup>: Mr. ZHAO Dayao was appointed as an independent non-executive Director with effect from 11 October 2019.

<sup>(4)</sup>：趙大堯先生於二零一九年十月十一日獲委任獨立非執行董事。

# PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

## 董事、監事及高級管理人員簡介

**Mr. TANG Xinfra (唐新發)**, aged 50, is the Chairman and a non-executive Director. He joined the Company in May 2015 and has served as a non-executive Director since then. He is a member of the Audit Committee.

唐新發先生，50歲，為董事長兼非執行董事。他於二零一五年五月加入本公司，此後一直擔任非執行董事一職。他為審核委員會成員。

Mr. Tang has extensive working experience in the following companies or entities:

唐先生在下列公司或實體擁有豐富的工作經驗：

Period 任期	Name of Company/Entity 公司／實體名稱	Position 職位	Principal Function 主要職能
Since September 2019 自 2019 年 9 月至今	Yidu Tang Junyi Health Industry Development Co., Ltd. 宜都唐俊義健康產業發展有限公司	executive director and manager 執行董事兼總經理	Corporate management and decision-making 公司管理與決策
Since September 2019 自 2019 年 9 月至今	Yidu Tang Juntao Pharmaceutical Technology Co., Ltd. 宜都唐俊濤醫藥科技有限公司	executive director and manager 執行董事兼總經理	Corporate management and decision-making 公司管理與決策
Since September 2019 自 2019 年 9 月至今	Ruyuan Yao Autonomous County Taidong Pharmaceutical Co., Ltd. 乳源瑤族自治縣泰東藥業有限公司	Legal representative and executive director 法定代表人兼執行董事	Corporate management and decision-making 公司管理與決策
Since April 2019 自 2019 年 4 月至今	Guangdong HEC Technology Holding Co., Ltd. 廣東東陽光科技控股股份有限公司	Vice chairman, executive director 副董事長、執行董事	Corporate management and decision-making 公司管理與決策
Since August 2018 自 2018 年 8 月至今	Dongguan Dong Yang Guang Gaoneng Medical Equipment Co., Ltd. 東莞東陽光高能醫療設備有限公司	director and manager 董事兼經理	Corporate management and decision-making 公司管理與決策
Since January 2017 自 2017 年 1 月至今	Dongguan HEC TaiGen Biopharmaceuticals Co., Ltd. 東莞東陽光太景醫藥研發有限責任公司	Legal representative, chairman and director 法定代表人、董事長、董事	Corporate management and decision-making 公司管理與決策
Since March 2016 自 2016 年 3 月至今	Shenzhen HEC Pharmaceutical Co., Ltd. 深圳市東陽光藥業有限公司	Director 董事	Corporate management and decision-making 公司管理及決策
Since December 2016 自 2016 年 12 月至今	Linzhi HEC Pharmaceutical Research Co., Ltd. 林芝東陽光藥業研發有限公司	Legal representative and director 法定代表人、董事	Corporate Management and decision-making 公司管理與決策

# PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

## 董事、監事及高級管理人員簡介

Period 任期	Name of Company/Entity 公司／實體名稱	Position 職位	Principal Function 主要職能
Since November 2015 自 2015 年 11 月至今	Shenzhen HEC Industrial Development Co., Ltd. 深圳市東陽光實業發展有限公司	Director and general manager 董事兼總經理	Corporate management and decision-making 公司管理及決策
Since December 2014 自 2014 年 12 月至今	Yichang HEC Research Co., Ltd. 宜昌東陽光藥研發有限公司	Legal representative, executive director and general manager 法定代表人、執行董事兼總經理	Corporate management and decision-making 公司管理及決策
Since March 2011 自 2011 年 3 月至今	Yichang HEC Pharm Co., Ltd. 宜昌東陽光藥業股份有限公司	Vice chairman, executive director and deputy general manager 副董事長、執行董事兼副總經理	Corporate management and decision-making 公司管理及決策
Since October 2010 自 2010 年 10 月至今	Dongguan HEC Medicine Development and Research Co., Ltd. 東莞東陽光藥物研發有限公司	Legal representative and executive director 法定代表人兼執行董事	Corporate management and decision-making 公司管理與決策
Since May 2010 自 2010 年 5 月至今	Linzhi HEC Pharmaceutical Investment Co., Ltd. 林芝東陽光藥業投資有限公司	Director 董事	Corporate management and decision-making 公司管理與決策
From September 2009 to April 2018 自 2009 年 9 月至 2018 年 4 月	Ruyuan HEC Pharmaceutical Co., Ltd. 乳源東陽光藥業有限公司	Director 董事	Corporate management and decision-making 公司管理與決策
Since September 2008 自 2008 年 9 月至今	Guangdong Southern China Advanced Pharmaceutical Co., Ltd. 廣東華南新藥創制有限公司	Director 董事	Corporate management and decision-making 公司管理與決策
Since September 2005 自 2005 年 9 月至今	Sunshine Lake Pharma Co., Ltd. 廣東東陽光藥業有限公司	Director 董事	Corporate management and decision-making 公司管理與決策
Since December 2004 自 2004 年 12 月至今	Dongguan HEC Industrial Development Co., Ltd. 東莞市東陽光實業發展有限公司	Legal representative and director 法定代表人、董事	Corporate management and decision-making 公司管理與決策
From September 2002 to September 2005 自 2002 年 9 月至 2005 年 9 月	Shenzhen HEC Industrial Development Co., Ltd. 深圳市東陽光實業發展有限公司	Chief of the office 辦公室主任	Corporate management and decision-making 公司管理與決策

Mr. Tang received a master degree in literary aesthetics from the Department of Chinese of Xiamen University in September 2002.

唐先生於二零零二年九月獲得廈門大學中文系文藝學專業碩士學位。

# PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

## 董事、監事及高級管理人員簡介

**Mr. ZHU Qiaohong (朱巧洪)**, aged 51, is an executive Director and the deputy general manager of the Company. He joined the Company in May 2002, and has served as the deputy general manager of the Company since May 2002, and served as an executive Director of the Company since June 2017.

Mr. Zhu Qiaohong has also been the vice chairman of Pharmaceutical Profession Association of Hubei Province since April 2015, and has served as a supervisor of Yichang HEC Pharmaceutical Co., Ltd. (a wholly-owned subsidiary of the Company) since June 2005. Mr. ZHU was the director of GMP office of Apeloa Kangyu Pharmaceutical Co., Ltd. from October 1993 to May 2002, and a technician of the General Security Station of the State-owned Ecological Forest (國有生態公益林業保護總站) of Dongyang City from August 1990 to October 1993. Moreover, Mr. Zhu graduated with a bachelor degree in science from Jilin University in July 1990. He was recognised as an engineer in pharmaceutical engineering by the Bureau of Human Resources and Social Security of Jinhua (formerly known as the Bureau of Personnel of Jinhua (金華市人事局)) in August 1999.

Mr. Zhu resigned as an executive Director on 20 February 2019.

**Mr. JIANG Juncai (蔣均才)**, aged 38, is an executive Director and the general manager of the Company. He joined the Company in May 2015 and has served as an executive Director since then. He is a member of the Remuneration and Evaluation Committee.

Mr. Jiang served as a director of Yidu HEC Industrial Development Co., Ltd. from March 2012 to May 2015. Prior to that, Mr. Jiang was a director of Yichang Shancheng Cordyceps Sinensis Co., Ltd. (宜昌山城水都冬蟲夏草有限公司) from March 2012 to July 2015, and successively served as a researcher at the biochemistry division, a researcher and deputy head of the traditional Chinese medicine division and the deputy head of the zoological and botanical division of Sunshine Lake Pharma from July 2006 to May 2012.

Mr. Jiang graduated with a master degree in science from Shenyang Pharmaceutical University in June 2006.

朱巧洪先生，51歲，為本公司執行董事兼副總經理。他於二零零二年五月加入本公司，自二零零二年五月起擔任本公司的副總經理，並自二零一七年六月起擔任本公司的執行董事。

朱巧洪先生自二零一五年四月起擔任湖北省醫藥行業協會副會長，自二零零五年六月起出任本公司全資附屬公司宜昌東陽光醫藥有限公司的監事。朱先生自一九九三年十月至二零零二年五月期間擔任浙江普洛康裕製藥有限公司GMP辦公室主任，並自一九九零年八月至一九九三年十月期間擔任東陽市國有生態公益林業保護總站技術員。此外，朱先生於一九九零年七月畢業於吉林大學，取得理學學士學位。一九九九年八月，他被金華市人力資源和社會保障局(原金華市人事局)評為醫藥工程專業工程師。

朱先生於二零一九年二月二十日辭任執行董事。

蔣均才先生，38歲，為執行董事兼本公司總經理。他於二零一五年五月加入本公司，此後一直擔任執行董事一職。他為薪酬與考核委員會成員。

蔣先生自二零一二年三月至二零一五年五月曾出任宜都市東陽光實業發展有限公司的董事。此前，蔣先生曾於二零一二年三月至二零一五年七月期間就任宜昌山城水都冬蟲夏草有限公司的董事，並於二零零六年七月至二零一二年五月期間先後擔任廣東東陽光藥業生物化學所研究員、傳統中藥所研究員及副所長以及動植物部副部長。

蔣先生於二零零六年六月畢業於瀋陽藥科大學，取得理學碩士學位。

## PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT 董事、監事及高級管理人員簡介

**Mr. WANG Danjin (王丹津)**, aged 50, is an executive Director and a deputy general manager of the Company. He joined the Company in February 2006, and has served as an executive Director since then.

Mr. Wang has also served as a supervisor of HEC Pharm from December 2010 to July 2015, and a director of Yichang HEC Pharmaceutical Co., Ltd. from April 2006 to January 2018. Prior to joining the Company, Mr. Wang was the head of production department of Jilin Tonghua Dongri Pharmaceutical Joint Stock Co., Ltd. (吉林省通化東日藥業股份有限公司) from March 2002 to January 2006, and a technologist at Liaoning Dandong Pharmaceutical Factory (遼寧省丹東製藥廠) from November 1991 to February 2002.

Mr. Wang graduated with a bachelor degree from Shenyang Pharmaceutical University (瀋陽藥科大學) through correspondence courses in January 2008. He is recognised as a licensed pharmacist by Ministry of Human Resources and Social Security of the People's Republic of China (formerly known as Ministry of Personnel of the People's Republic of China), and was recognised as a pharmacist-in-charge by Bureau of Human Resources and Social Security of Dandong (formerly known as Bureau of Personnel of Dandong (丹東市人事局) in October 2001.

王丹津先生，50歲，為執行董事兼本公司副總經理。他於二零零六年二月加入本公司，此後一直擔任執行董事一職。

王先生自二零一零年十二月至二零一五年七月還擔任宜昌東陽光的監事，以及自二零零六年四月至二零一八年一月在宜昌東陽光醫藥有限公司擔任董事。在加入本公司之前，王先生於二零零二年三月至二零零六年一月期間出任吉林省通化東日藥業股份有限公司生產部部長，以及於一九九一年十一月至二零零二年二月期間在遼寧省丹東製藥廠任工藝員。

王先生於二零零八年一月畢業於瀋陽藥科大學函授班，取得學士學位。他具備中華人民共和國人力資源和社會保障部(原中華人民共和國人事部)認可的執業藥師資格，及於二零零一年十月獲得丹東市人力資源和社會保障局(原丹東市人事局)認可的主管藥師資格。

# PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

## 董事、監事及高級管理人員簡介

**Mr. CHEN Yangui (陳燕桂)**, aged 38, is an executive Director. He joined the Company in May 2014, serving as the head of the sales department, Mr. Chen has served as an executive Director since May 2015.

In addition, Mr. Chen has served as the chairman and general manager of Yidu Guijun Pharmaceutical Technology Co., Ltd since May 2019. Mr. Chen has served as an executive director of Dongguan Yangzhikang Pharmaceutical Co., Ltd. (東莞市陽之康醫藥有限責任公司) since August 2018, has also served as a general manager and an executive director of Yichang HEC Pharmaceutical Co., Ltd. since March 2016 and January 2018, respectively, a legal representative of Yichang HEC Pharmaceutical Co., Ltd. since January 2018, a director of Dongguan HEC TaiGen Biopharmaceuticals Co., Ltd. (東莞東陽光太景醫藥研發有限責任公司) since January 2017, a supervisor of Ruyuan HEC Medical Instrument Co., Ltd. (乳源東陽光醫療器械有限公司) since July 2012 and a director of Ruyuan HEC Pharmaceutical Co., Ltd. since March 2010. Mr. Chen joined Dongguan HEC Medicine Development and Research Co., Ltd. in 2005, and successively held positions as a researcher, the deputy head of research and development department and the head of synthesis department before he was appointed as the deputy head of research institute and the head of generic drug department.

Mr. Chen graduated with a master degree in science from Hunan University in June 2006.

**Mr. LI Shuang (李爽)**, aged 39, is an executive Director and the deputy general manager of the Company. He joined the Company in August 2005 and worked as a member of the insulin research team. He has served as the deputy general manager of the Company since May 2015 and served as an executive Director since June 2018.

Mr. Li has also served as the deputy head of the Company's insulin factory since October 2013 and the head of API department of that factory since February 2006. Mr. Li was the head of purification department of the Company's insulin factory from December 2008 to September 2013.

Mr. Li graduated with a bachelor degree in engineering from China Three Gorge University (三峽大學) in June 2004.

陳燕桂先生，38歲，為執行董事。他於二零一四年五月加入本公司並擔任銷售總監。陳先生自二零一五年五月起擔任執行董事。

另外，陳先生自二零一九年五月起擔任宜都桂鈞醫藥科技有限公司董事長兼總經理，陳先生自二零一八年八月起擔任東莞市陽之康醫藥有限責任公司執行董事，自二零一六年三月起及自二零一八年一月起分別擔任宜昌東陽光醫藥有限公司總經理及執行董事，並自二零一八年一月起擔任宜昌東陽光醫藥有限公司法定代表人，自二零一七年一月起擔任東莞東陽光太景醫藥研發有限責任公司董事，自二零一二年七月起擔任乳源東陽光醫療器械有限公司的監事，二零一零年三月起擔任乳源東陽光藥業有限公司的董事。陳先生於二零零五年加入東莞東陽光藥物研發有限公司，先後擔任研究員、研發部副主管及綜合部主管，此後獲委任為研究所副所長及非專利藥部門主管等職。

陳先生於二零零六年六月畢業於湖南大學，取得理學碩士學位。

李爽先生，39歲，為執行董事兼本公司的副總經理。他於二零零五年八月加入本公司，擔任胰島素研究小組成員。他自二零一五年五月起擔任本公司的副總經理，並自二零一八年六月起擔任執行董事一職。

李先生自二零一三年十月起還出任本公司胰島素工廠的副廠長，以及自二零零六年二月起擔任該工廠的原料藥部主管。李先生曾於二零零八年十二月至二零一三年九月期間擔任本公司胰島素工廠純化車間的主管。

李先生於二零零四年六月畢業於三峽大學，取得工學學士學位。

## PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT 董事、監事及高級管理人員簡介

**Mr. Eddy HUANG (黃翊)**, aged 44, was appointed as a non-executive Director on 20 February 2019. He is a member of the Nomination Committee.

Mr. Huang is a senior managing director of Blackstone's Private Equity Group. Prior to joining Blackstone, Mr. Huang was a managing director at Morgan Stanley Private Equity Asia where he focused on private equity investments in China. Mr. Huang received an M.B.A. from Harvard Business School in 2002 and a B.A. from Yale University in 1997.

**Mr. TANG Jianxin (唐建新)**, aged 55, was appointed as an independent non-executive Director in May 2015. He is the chairman of the Audit Committee and a member of the Remuneration and Evaluation Committee.

Mr. Tang is an independent director of Wuhan Ligong Guangke CO.Ltd. (SZSE stock number: 300557) (since July 2019), an independent director of Wuhan Boiler Co., Ltd. (New Third Board stock number: 420063) (since October 2019), an independent director of Zhejiang Reclaim Construction Group Co., Ltd. (SZSE stock number: 002586) (since January 2020), an independent director of Hunan Tea Group Co., Ltd. (since May 2015) and a supervisor of Wuhan Jihua Jirui Financial Consulting Co., Ltd. (武漢市吉華吉瑞財務諮詢有限責任公司) (since December 2017).

**黃翊先生**，44歲，於二零一九年二月二十日獲委任為非執行董事。他為提名委員會成員。

黃先生現擔任黑石私募股權集團高級董事經理。於加入黑石前，黃先生曾擔任Morgan Stanley Private Equity Asia之董事經理，期間其專注於在中國的私募股權投資。黃先生於二零零二年獲得哈佛商學院工商管理碩士學位及於一九九七年獲得耶魯大學學士學位。

**唐建新先生**，55歲，於二零一五年五月獲委任為獨立非執行董事。他為審核委員會主席及薪酬與考核委員會成員。

唐先生現兼任武漢理工光科股份有限公司（深交所股份代碼：300557）獨立董事（2019年7月至今）、武漢鍋爐股份有限公司（新三板股份代碼：420063）獨立董事（2019年10月至今）、浙江省圍海建設集團股份有限公司（深交所股份代碼：002586）獨立董事（2020年1月至今）、湖南省茶業集團股份有限公司獨立董事（2015年5月至今）、武漢市吉華吉瑞財務諮詢有限責任公司監事（2017年12月至今）。

## PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### 董事、監事及高級管理人員簡介

Moreover, Mr. Tang was an independent director of Sino Great Wall Co., Ltd. (SZSE stock number: 000018) from December 2015 to December 2018, and has served as an independent director of Pingdingshan Tianan Coal Mining Co., Ltd. (SSE stock code: 601666) since May 2013. He has been an independent director of Zhongbai Holdings Group Co., Ltd. (SZSE stock code: 000759) from December 2011 to December 2017 and an independent director of Shenzhen Huapengfei Modern Logistics Co., Ltd. (SZSE stock code: 300350) from August 2010 to August 2016. He was an independent director of Wuhan Sanzhen Industry Holding Co., Ltd. (SSE stock code: 600168) from June 2009 to June 2015, and an independent director of Wuhan Zhongnan Commercial (Group) Co., Ltd. (SZSE stock code: 000785) from May 2008 to May 2014. Prior to that, Mr. Tang served as an independent director of Wuhan Accelink Technologies Co., Ltd. (SZSE stock code: 002281) from September 2006 to September 2009 and an independent director of Hubei Chutian Expressway Co., Ltd (湖北楚天高速公路股份有限公司) (SSE stock code: 600035) from April 2002 to April 2008. Mr. Tang has been a professor of the Accounting Department of Economics and Management School of Wuhan University since 2004 and a doctoral tutor at Wuhan University since 2006. He served as the dean of Accounting Department of Economics and Management School in the same university from 2005 to 2015. He worked for the postdoctoral research center of the accounting department of Renmin University of China from 2000 to 2002.

Mr. Tang received his bachelor degree from the Economics Department of Wuhan University in June 1985, and then obtained a master degree in economics and a doctoral degree in economics from Wuhan University in September 1988 and January 1999 respectively. Mr. Tang was granted independent auditor qualifications by the National Audit Office of the People's Republic of China in December 1992, and Certified Public Valuer qualification by the Chinese Institute of Certified Public Valuers in December 1996.

另外，唐先生自二零一五年十二月至二零一八年十二月擔任神州長城股份有限公司（深交所股份代碼：000018）的獨立董事，自二零一三年五月起擔任平頂山天安煤業股份有限公司（上交所股份代號：601666）的獨立董事，自二零一一年十二月至二零一七年十二月擔任中百控股集團股份有限公司（深交所股份代號：000759）的獨立董事，自二零一零年八月至二零一六年八月擔任深圳市華鵬飛現代物流股份有限公司（深交所股份代號：300350）的獨立董事，自二零零九年六月至二零一五年六月擔任武漢三鎮實業控股股份有限公司（上交所股份代號：600168）的獨立董事，及自二零零八年五月至二零一四年五月擔任武漢中商集團股份有限公司（深交所股份代號：000785）的獨立董事。此前，唐先生於二零零六年九月至二零零九年九月期間擔任武漢光迅科技股份有限公司（深交所股份代號：002281）的獨立董事，及於二零零二年四月至二零零八年四月期間擔任湖北楚天高速公路股份有限公司（上交所股份代號：600035）的獨立董事。唐先生自二零零四年起一直擔任武漢大學經濟與管理學院會計系教授，自二零零六年起一直擔任武漢大學的博士生導師。他於二零零五年至二零一五年擔任該校經濟與會計管理學院會計系主任。他於二零零零年至二零零二年期間在中國人民大學會計學博士後流動站任職。

唐先生於一九八五年六月獲得武漢大學經濟系學士學位，隨後分別於一九八八年九月和一九九九年一月取得武漢大學的經濟學碩士學位及經濟學博士學位。唐先生於一九九二年十二月獲得中華人民共和國審計署授予的獨立審計師資格，並於一九九六年十二月獲得由中國註冊資產評估師協會授予的註冊資產評估師資格。



## PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT 董事、監事及高級管理人員簡介

**Mr. FU Hailiang (付海亮)**, aged 48, was appointed as an independent non-executive Director in May 2015. He is the chairman of the Remuneration and Evaluation Committee and a member of the Nomination Committee.

Mr. Fu has been a partner and the head of administration function of Hubei S&H Law Firm since May 2005. He was a partner of Hubei Haohan Law Firm (湖北浩瀚律師事務所) from October 2000 to May 2005 and an associate at Wuhan Third Law Firm (武漢市第三律師事務所) from November 1996 to October 2000. Mr. Fu has been a council member of the Wuhan Lawyers Association and the chief of the Association of Finance, Securities and Law Industry (金融證券法律專業委員會) since February 2014.

Mr. Fu graduated with a professional certification in financial management from Wuhan University in July 1993, and graduated with a bachelor degree in law from Zhongnan University of Economics and Law in June 1998. After that, he graduated with a master degree in law from Wuhan University in February 2003. Mr. Fu has been admitted to practice PRC law in June 1998 and was recognized as an excellent lawyer of Hubei by the Department of Justice of Hubei and the Hubei Lawyers Association (湖北省律師協會) in March 2011.

**Mr. LEE Chi Ming (李志明)**, aged 66, was appointed as an independent non-executive Director in May 2015. He is the chairman of the Nomination Committee and a member of the Audit Committee.

Mr. Lee has also served as a director of Ever East Consultants Limited in Hong Kong since August 2013 and served as a director of Knowledge Transfer, Office of Research and Knowledge Transfer Services in the Chinese University of Hong Kong since November 2016. Prior to that, Mr. Lee served as an executive science director in the research of central nervous system and pain control and a global product director of AstraZeneca Pharmaceuticals Co. Ltd., a section head, associate director and project manager at Bayer Corporation and a senior group leader of neuroscience at Abbott Laboratories. He also worked as a lecturer and then a senior lecturer at the Chinese University of Hong Kong from September 1982 to February 1992.

付海亮先生，48歲，於二零一五年五月獲委任為獨立非執行董事。他為薪酬與考核委員會主席及提名委員會成員。

付先生自二零零五年五月起一直擔任湖北山河律師事務所的合夥人兼行政負責人。他於二零零零年十月至二零零五年五月期間曾任湖北浩瀚律師事務所的合夥人，及於一九九六年十一月至二零零零年十月期間曾任武漢市第三律師事務所的律師。付先生自二零一四年二月起擔任武漢市律師協會理事及金融證券法律專業委員會主任。

付先生於一九九三年七月畢業於武漢大學，取得財務管理專科學歷，並於一九九八年六月畢業於中南財經政法大學，取得法學學士學位。隨後，他於二零零三年二月畢業於武漢大學，取得法律碩士學位。付先生自一九九八年六月起獲准成為中國執業律師，且於二零一一年三月獲湖北省司法廳及湖北省律師協會評為湖北省優秀律師。

李志明先生，66歲，於二零一五年五月獲委任為獨立非執行董事。他為提名委員會主席及審核委員會成員。

另外，李先生自二零一三年八月起一直擔任香港恒東顧問有限公司董事，並自二零一六年十一月起擔任香港中文大學研究及知識轉移服務處知識轉移主任。此前，李先生曾於阿斯利康製藥有限公司擔任中樞神經系統和疼痛控制研究領域應用科學總監及環球產品總監，於拜耳公司擔任部門負責人、副主任及項目經理，並於雅培公司神經生物學擔任高級課題組帶頭人。他還曾於一九八二年九月至一九九二年二月期間任香港中文大學講師及高級講師。

# PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

## 董事、監事及高級管理人員簡介

Mr. Lee received a bachelor degree in science and a master degree in biochemistry from the University of Hong Kong in June 1975 and July 1977 respectively, and a doctoral degree in pharmacology from the University of Cambridge in July 1980 before he completed his postdoctoral research at the Johns Hopkins University in July 1982.

Mr. Lee resigned as an independent non-executive Director, the chairman of the Nomination Committee and a member of the Audit Committee on 11 October 2019.

**Mr. ZHAO Dayao (趙大堯)**, aged 63, was appointed as an independent non-executive Director on 11 October 2019. He is the chairman of the Nomination Committee and a member of the Audit Committee.

Mr. Zhao holds a degree in Neurology and Pediatrics from Beijing University Medical School and a doctorate degree in Science in Neurobiology from Harvard Medical School. Currently, he serves as the chief executive officer of Eucure (Beijing) Biopharma Co., Ltd. He has extensive experience in drug discovery and development. Since January 2016, Mr. Zhao has been the general manager of Pfizer China R&D Center Shanghai, Wuhan, and Beijing. He was also the head of Pfizer's Drug R&D Organization in China, which was fully responsible for all clinical development of Pfizer for the Chinese and the global markets. From 2011 to 2015, Mr. Zhao was the head of China R&D of Johnson & Johnson's pharmaceutical division. He established the operating model of R&D and scientific affairs and shaped a clear vision for such model to support the new Johnson & Johnson strategy, bringing together several groups from both Johnson & Johnson China and the Asia R&D center into one end-to-end R&D organization based in China. He led Johnson & Johnson China R&D to conduct numerous clinical trials and registered many new products in China and around the world.

Prior to joining Johnson & Johnson, Mr. Zhao was a group vice president at Genzyme Corporation. He headed up Genzyme Corporation's Japan-Asia Pacific R&D where he had overall responsibilities for Clinical Development, Pharmacovigilance, medical affairs and regulatory affairs. His role included the responsibility for all phases I to IV studies in the region. In addition, he had accountability for Genzyme Corporation's Quality Council for the region.

李先生分別於一九七五年六月及一九七七年七月取得香港大學的理學士學位及生物化學碩士學位，並於一九八零年七月取得劍橋大學的藥理學博士學位，之後於一九八二年七月完成約翰霍普金斯大學的博士後研究。

李先生於二零一九年十月十一日辭任獨立非執行董事、提名委員會主席及審核委員會成員。

**趙大堯先生**，63歲，於二零一九年十月十一日獲委任為獨立非執行董事。他為提名委員會主席及審核委員會成員。

趙先生持有北京大學醫學院神經學及兒科專業醫學學位及哈佛醫學院神經生物學理學博士學位。目前擔任祐和醫藥科技(北京)有限公司執行總裁。於藥物發現及開發方面擁有豐富經驗。自二零一六年一月起，趙先生為輝瑞公司中國研發中心上海、武漢及北京分部的總經理。彼亦為輝瑞公司中國藥物研發組織的負責人，該組織全面負責輝瑞公司中國和全球市場的所有臨床開發。自二零一一年至二零一五年，趙先生為強生公司製藥中國藥物研究及開發部的負責人。彼打造研發與科學事務的營運模式並為該模式形成一個清晰的願景，以支持強生公司的新戰略，並將強生公司中國與亞洲研發中心的數個團隊進行合併，打造一個以中國為基地的端到端研發組織。彼帶領強生公司中國研發團隊開展多項臨床試驗並在中國及全球註冊多項新產品。

於加入強生公司之前，趙先生為健贊公司集團的副總裁。彼負責健贊公司在日本一亞太地區的研發，在此彼全面負責臨床開發、藥物警戒、醫療事務及法規事務。其職責包括負責該地區一至四期研究的全部責任。此外，彼對該地區的健贊公司質量委員會負責。

# PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

## 董事、監事及高級管理人員簡介

Prior to his position at Genzyme Corporation, Mr. Zhao worked at Pfizer's R&D Center, where he was responsible for exploration and clinical development, and led the central nervous system clinical development team in North America at Novartis.

於彼就職於健贊公司前，趙先生就職於輝瑞公司研發中心，負責探索及臨床開發，並領導諾華公司在北美的中樞神經系統臨床開發團隊。

### SUPERVISORS

### 監事

Name	Date of appointment	Start of term of office upon expiration of the term of the current session of the Board of Supervisors	Position
姓名	獲委任日期	任期起始時間至本屆監事會任期屆滿時	職位
Ms. HUANG Fangfang (黃芳芳) <sup>(1)</sup> 黃芳芳女士 <sup>(1)</sup>	4 May 2015 二零一五年五月四日	8 June 2019 二零一八年六月八日	Chairman of the Board of Supervisors 監事會主席
Mr. TANG Jinlong (唐金龍) <sup>(2)</sup> 唐金龍先生 <sup>(2)</sup>	6 June 2019 二零一九年六月六日	6 June 2019 二零一九年六月六日	Chairman of the Board of Supervisors 監事會主席
Mr. WANG Shengchao (王勝超) 王勝超先生	21 July 2017 二零一七年七月二十一日	8 June 2018 二零一八年六月八日	Employee representative supervisor 職工代表監事
Mr. LUO Zhonghua (羅忠華) 羅忠華先生	16 June 2017 二零一七年六月十六日	8 June 2018 二零一八年六月八日	Supervisor 監事

Notes:

附註：

<sup>(1)</sup> Ms. HUANG Fangfang resigned as a Supervisor on 6 June 2019.

<sup>(1)</sup> 黃芳芳女士已於二零一九年六月六日辭任監事。

<sup>(2)</sup> Mr. TANG Jinlong was appointed as a Supervisor on 6 June 2019.

<sup>(2)</sup> 唐金龍先生於二零一九年六月六日獲委任監事。

## PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### 董事、監事及高級管理人員簡介

**Ms. HUANG Fangfang (黃芳芳)**, aged 38, is a Supervisor of the Company. She joined the Company in May 2015, and has been the chairman of the Board of Supervisors since then. She has also served as the executive deputy head of the generic drug department of Sunshine Lake Pharma Co., Ltd. since June 2014, and the head of formulation department of Sunshine Lake Pharma Co., Ltd. since February 2009. Prior to that, Ms. Huang was the head of analysis section under the formulation department of Sunshine Lake Pharma Co., Ltd. from July 2006 to February 2009, the head of formulation department of Sunshine Lake Pharma Co., Ltd. since February 2009, and the executive deputy head of the generic drug department of Sunshine Lake Pharma Co., Ltd. since June 2014.

Ms. Huang graduated with a master degree in science from Sun Yat-sen University in June 2006.

Ms. Huang had resigned as a supervisor on 6 June 2019.

**Mr. WANG Shengchao (王勝超)**, aged 37, is an employee representative Supervisor and the chief of the quality division of the Company. He joined the Company in May 2012 as a quality controller of the quality division, and served as the vice director of quality assurance of the quality division of the Company since April 2015. Mr. Wang held the position of the quality assurance director of the quality division of the Company from May 2016 to June 2017, and served as the deputy chief of the quality division of the Company from July 2017 to June 2019 and served as the chief of the quality division of the Company since July 2019.

Prior to joining the Company, Mr. Wang worked as a researcher of new traditional Chinese medicines in Hebei Yiling Pharmaceutical Group (河北以嶺醫藥集團) from July 2008 to March 2010, a pharmaceutical analysis researcher in Pharmaron (Beijing) New Medicines Technology Co., Ltd. (康龍化成(北京)新藥技術有限公司) from April 2010 to May 2011, and an inspection engineer and inspection supervisor of the quality department in Lepu (Beijing) Medical Equipment Co., Ltd. (樂普(北京)醫療器械股份有限公司) from June 2011 to May 2012.

Mr. Wang graduated from Shenyang Pharmaceutical University in July 2008 with a master degree in science.

**黃芳芳女士**，38歲，為本公司監事。她於二零一五年五月加入本公司，此後一直擔任監事會主席一職。另外，她自二零一四年六月起任廣東東陽光藥業有限公司仿藥所的常務副所長，以及自二零零九年二月起任廣東東陽光藥業有限公司製劑部主管。此前，黃女士於二零零六年七月至二零零九年二月期間任廣東東陽光藥業有限公司製劑部分析主管，自二零零九年二月起任廣東東陽光藥業有限公司製劑部主管，自二零一四年六月起任廣東東陽光藥業有限公司仿藥所的常務副所長。

黃女士於二零零六年六月畢業於中山大學，取得理學碩士學位。

黃女士於二零一九年六月六日辭任監事。

**王勝超先生**，37歲，為本公司職工代表監事及質量科科長。他於二零一二年五月加入本公司並擔任質量科質量控制員，自二零一五年四月起出任本公司質量科質量保證副主任，自二零一六年五月至二零一七年六月擔任本公司質量科質量保證主任，並自二零一七年七月起至二零一九年六月擔任本公司的質量科副科長，並自二零一九年七月擔任本公司的質量科科長。

加入本公司前，王先生曾於二零零八年七月至二零一零年三月就職於河北以嶺醫藥集團，擔任中藥新藥研究員；於二零一零年四月至二零一一年五月就職於康龍化成(北京)新藥技術有限公司，擔任藥物分析研究員；於二零一一年六月至二零一二年五月就職於樂普(北京)醫療器械股份有限公司，擔任質量部檢驗工程師兼檢驗主管。

王先生於二零零八年七月畢業於瀋陽藥科大學，取得理學碩士學位。

## PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT 董事、監事及高級管理人員簡介

**Mr. LUO Zhonghua (羅忠華)**, aged 36, is a Supervisor of the Company. He joined Dongguan HEC Medicine Development and Research Co., Ltd. (a subsidiary of Shenzhen HEC Industrial Development Co., Ltd. (深圳市東陽光實業發展有限公司), the controlling shareholder of the Company, since June 2005 to engage in the research and development of APIs. He is currently the head of the generic drug API synthesis department and deputy head of the generic drug division in Dongguan HEC Medicine Development and Research Co., Ltd.

Mr. Luo graduated from the Central South University in June 2005 with a bachelor's degree in pharmaceutical engineering and Sun Yat-sen University in 2015 with a master's degree in pharmaceutical analysis, respectively.

**Mr. TANG Jinlong (唐金龍)**, aged 51, he was appointed as a Supervisor of the Company on 6 June 2019 and has been a chairman of the Board of Supervisors since then. He joined the Company in July 2001 as deputy head (副部長) of the development department of the Company and served as the chairman of the Board of Supervisors since 6 June 2019. He was the head of development department of the Company from June 2003 to July 2004 and chief engineer of the Company from August 2004 to January 2008. Mr. Tang was the deputy general manager of Yidu HEC Biochemical Manufacturing Co., Ltd. (宜都東陽光生化製藥有限公司) from March 2006 to December 2010 and the factory manager of Hecheng factory (合成分廠廠長) from January 2008 to December 2010. Since June 2015, Mr. Tang is the director of HEC Pharm Co., Ltd. (宜昌東陽光藥業股份有限公司). Since February 2018, Mr. Tang is the chairman and legal representative of YiChang HEC Biochemical API Co., Ltd. (宜昌東陽光化學原料藥有限公司) and the director of Yichang HEC Pharmaceutical Manufacturing Co., Ltd. (宜昌東陽光製藥有限公司). Mr. Tang is the standing committee member of 6th, 7th and 8th Yidu City Committee of the Chinese People's Political Consultative Conference (宜都市政協常委).

Mr. Tang has obtained a degree in chemistry and pharmacy (化學製藥學士學位) in Wuhan Institute of Technology (武漢工程大學) in June 1990.

羅忠華先生，36歲，為本公司監事。他自二零零五年六月起加入東莞東陽光藥物研發有限公司(本公司控股股東深圳市東陽光實業發展有限公司之附屬公司)，從事原料藥研發工作，現擔任東莞東陽光藥物研發有限公司仿製藥原料藥合成部部長、仿藥所副所長。

羅忠華先生於二零零五年六月畢業於中南大學，取得製藥工程專業學士學位，並於二零一五年畢業於中山大學，取得藥物分析碩士學位。

唐金龍先生，51歲，於二零一九年六月六日獲委任為本公司監事，並自此擔任監事會主席一職。他於二零零一年七月加入本公司，任本公司開發部副部長，並於二零一九年六月六日起擔任監事會主席一職。他於二零零三年六月至二零零四年七月擔任本公司開發部部長，並於二零零四年八月至二零零八年一月擔任本公司總工程師。唐先生於二零零六年三月至二零一零年十二月出任宜都東陽光生化製藥有限公司副總經理，並於二零零八年一月至二零一零年十二月出任合成分廠廠長。自二零一五年六月起，唐先生擔任宜昌東陽光藥業股份有限公司董事。自二零一八年二月起，唐先生為宜昌東陽光化學原料藥有限公司董事長及法人代表及宜昌東陽光製藥有限公司董事。唐先生為第六屆、第七屆及第八屆宜都市政協常委。

唐先生於一九九零年六月取得武漢工程大學化學製藥學士學位。

# PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

## 董事、監事及高級管理人員簡介

### SENIOR MANAGEMENT

### 高級管理人員

Name	Date of joining the Group	Date of appointment	Position	Responsibility
姓名	加入本集團日期	獲委任日期	職位	職責
Mr. JIANG Juncai 蔣均才先生	4 May 2015 二零一五年五月四日	4 May 2015 二零一五年五月四日	General manager 總經理	Overall day-to-day management 整體的日常管理
Mr. WANG Danjin 王丹津先生	27 February 2006 二零零六年二月二十七日	4 May 2015 二零一五年五月四日	Deputy general manager 副總經理	Operational management 營運管理
Mr. LI Shuang 李爽先生	7 August 2005 二零零五年八月七日	4 May 2015 二零一五年五月四日	Deputy general manager 副總經理	Operational management 營運管理
Mr. ZHU Qiaohong <sup>(1)</sup> 朱巧洪先生 <sup>(1)</sup>	11 May 2002 二零零二年五月十一日	11 May 2002 二零零二年五月十一日	Deputy general manager 副總經理	Operational management 營運管理
Mr. ZHANG Qiang 張強先生	23 February 2018 二零一八年二月二十三日	25 February 2019 二零一九年二月二十五日	Chief financial officer 財務總監	Financial management 財務管理
Mr. LEI Xiantong <sup>(2)</sup> 雷先桐先生 <sup>(2)</sup>	4 May 2015 二零一五年五月四日	4 May 2015 二零一五年五月四日	Chief financial officer 財務總監	Financial management 財務管理
Mr. PENG Qiyun 彭琪雲先生	1 July 2016 二零一六年七月一日	15 October 2018 二零一八年十月十五日	Secretary of the Board 董事會秘書	Day-to-day operation of the Board 董事會的日常營運

Notes:

附註：

<sup>(1)</sup> Mr. ZHU Qiaohong resigned as an executive Director with effect from 20 February 2019 but still serves as deputy general manager of the Company.

<sup>(1)</sup> 朱巧洪先生於二零一九年二月二十日辭任執行董事，但仍留任本公司副總經理。

<sup>(2)</sup> Mr. LEI Xiantong resigned as the chief financial officer with effect from 25 February 2019.

<sup>(2)</sup> 雷先桐先生已於二零一九年二月二十五日辭任財務總監。

## PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT 董事、監事及高級管理人員簡介

For the biography of Mr. JIANG Juncai (蔣均才), Mr. WANG Danjin (王丹津), Mr. ZHU Qiaohong (朱巧洪) and Mr. LI Shuang (李爽), please refer to “Directors” in this section.

**Mr. LEI Xiantong (雷先桐)**, aged 50, joined the Company in May 2015, and served as the chief financial officer of the Company.

Mr. Lei has been the chief financial officer of HEC Pharm from December 2010 to May 2015. Mr. Lei has also been the deputy head of financial department of Yidu Dongyangguang Industrial Development Co., Ltd. from January 2004 to December 2010 and a staff member at the financial department from September 2001 to January 2004. Mr. Lei held positions relating to financial accounting in various companies before that.

Mr. Lei graduated with a professional certification in financial accounting from Zhongnan University of Economics (currently known as Zhongnan University of Economic and Law) in June 1997. Mr. Lei was recognised as a registered tax agent of China by the Ministry of Human Resources and Social Security of the People’s Republic of China.

Mr. Lei Xiantong resigned as the chief financial officer on 25 February 2019.

**Mr. ZHANG Qiang (張強)**, aged 44, is the chief financial officer of the Company. Mr. Zhang joined the Company in February 2018 and was appointed as the chief financial officer of the Company on 25 February 2019 and is responsible for the financial management of the Company.

Mr. Zhang has been the head of finance department of the Company since February 2018. Mr. Zhang has 20 years of experience in auditing, accounting and corporate finance. Prior to joining the Company, Mr. Zhang acted as an assistant auditor of Yichang Changjiang Accounting Firm\* (宜昌長江會計師事務所) from March 1999 to September 2001. He acted as the financial auditor of Yichang County Military Audit Bureau\* (宜昌市點軍區審計局) from October 2001 to May 2005 and served as the head of the finance department of HEC Pharm Co., Ltd. from May 2005 to February 2018.

有關蔣均才先生、王丹津先生、朱巧洪先生及李爽先生的履歷，請參閱本節「董事」部分。

**雷先桐先生**，50歲，於二零一五年五月加入本公司擔任本公司財務總監。

雷先生自二零一零年十二月至二零一五年五月擔任宜昌東陽光的財務總監。雷先生自二零零四年一月至二零一零年十二月期間出任宜都市東陽光實業發展有限公司的財務部副部長，並於二零零一年九月至二零零四年一月期間任財務部科員。雷先生此前曾於多家公司從事財務會計相關工作。

雷先生於一九九七年六月畢業於中南財經大學(現為中南財經政法大學)，取得財務會計專業專科學歷。雷先生獲中華人民共和國人力資源和社會保障部認可為註冊稅務師。

雷先桐先生於二零一九年二月二十五日辭任財務總監。

**張強先生**，44歲，為本公司財務總監。張先生於二零一八年二月加入本公司，於二零一九年二月二十五日獲委任為本公司財務總監，負責本公司財務管理事宜。

張先生自二零一八年二月起任本公司財務科長。張先生於審計、會計及財務管理方面擁有20年經驗。加入本公司之前，張先生自一九九九年三月至二零零一年九月擔任宜昌長江會計師事務所助理審計。張先生自二零零一年十月至二零零五年五月擔任宜昌市點軍區審計局財務審計，並自二零零五年五月至二零一八年二月擔任宜昌東陽光藥業股份有限公司財務科長。

# PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

## 董事、監事及高級管理人員簡介

Mr. Zhang graduated from Wuhan University of Hydraulic and Electrical Engineering (武漢水利電力大學) with a college degree in financial accounting in June 1997. Mr. Zhang is an intermediate accountant and a PRC certified public accountant.

張先生於一九九七年六月畢業於武漢水利電力大學，取得財務會計大專文憑。張先生為中級會計師及中國註冊會計師。

**Mr. PENG Qiyun (彭琪雲)**, aged 30 is the secretary of the Board. He joined the Company in July 2016, and has served as the assistant to secretary of the Board since then, and served as the secretary of the Board since October 2018.

**彭琪雲先生**，30歲，為董事會秘書。彭先生於二零一六年七月加入本公司，此後一直擔任董事會秘書助理，並自二零一八年十月起擔任董事會秘書。

Mr. Peng graduated from Qingdao University with a bachelor of science degree in mathematics and applied mathematics in June 2013, and obtained a master's degree in finance from Guangdong Finance College in June 2017.

彭先生於二零一三年六月畢業於青島大學，獲得數學及應用數學理學學士學位，並於二零一七年六月獲得廣東金融學院的金融碩士學位。

### JOINT COMPANY SECRETARIES

### 聯席公司秘書

#### **Mr. PENG Qiyun (彭琪雲)**

#### **彭琪雲先生**

For the biography of Mr. Peng Qiyun (彭琪雲), please refer to “Senior Management” in this section.

有關彭琪雲先生的履歷，請參閱本節「高級管理人員」部份。

#### **Ms. NG Wing Shan (吳詠珊)**

#### **吳詠珊女士**

**Ms. Ng Wing Shan (吳詠珊)** was appointed as a joint company secretary of the Company on 24 July 2015. Ms. Ng is an assistant vice president of SWCS Corporate Services Group (Hong Kong) Limited (formerly SW Corporate Services Group Limited) and is responsible for assisting listed companies in respect of professional company secretarial work. She has over 10 years of professional experience in the company secretarial field and is a fellow member of The Hong Kong Institute of Chartered Secretaries and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom.

**吳詠珊女士**，於二零一五年七月二十四日獲委任為本公司的聯席公司秘書。吳女士為方圓企業服務集團(香港)有限公司(前稱信永方圓企業服務集團有限公司)的副總監，負責為上市公司提供專業公司秘書工作方面的協助。她在公司秘書領域擁有逾10年專業經驗，並為香港特許秘書公會及英國特許公司治理公會(原稱為英國特許秘書及行政人員公會)資深會員。



# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

The Board of Directors hereby presents the Annual Report and the audited financial statements of the Group (the “**Financial Statements**”) for the year ended 31 December 2019 to Shareholders.

### BOARD OF DIRECTORS

The Board of Directors currently consists of nine Directors, comprising four executive Directors, two non-executive Directors and three independent non-executive Directors. The incumbent Directors during the year ended 31 December 2019 and as at the date of this Annual Report are:

#### Executive Directors

Mr. JIANG Juncai  
Mr. WANG Danjin  
Mr. CHEN Yangui  
Mr. ZHU Qiaohong (resigned on 20 February 2019)  
Mr. LI Shuang

#### Non-executive Directors

Mr. TANG Xinfu (*Chairman*)  
Mr. Eddy HUANG (appointed on 20 February 2019)

#### Independent Non-executive Directors

Mr. TANG Jianxin  
Mr. FU Hailiang  
Mr. LEE Chi Ming (resigned on 11 October 2019)  
Mr. ZHAO Dayao (appointed on 11 October 2019)

Mr. ZHU Qiaohong resigned from his positions as an executive Director and a member of the Nomination Committee due to other commitments on 20 February 2019.

董事會謹此向股東提呈本集團截至二零一九年十二月三十一日止年度的年報及經審核財務報表(「財務報表」)。

### 董事會

目前，董事會包括九名董事，其中包括四名執行董事、兩名非執行董事及三名獨立非執行董事。於截至二零一九年十二月三十一日止年度內及本年報日期，任職董事如下：

#### 執行董事

蔣均才先生  
王丹津先生  
陳燕桂先生  
朱巧洪先生(於二零一九年二月二十日辭任)  
李爽先生

#### 非執行董事

唐新發先生(董事長)  
黃翊先生(於二零一九年二月二十日獲委任)

#### 獨立非執行董事

唐建新先生  
付海亮先生  
李志明先生(於二零一九年十月十一日辭任)  
趙大堯先生(於二零一九年十月十一日獲委任)

朱巧洪先生因其他事務原因，於二零一九年二月二十日辭任執行董事及提名委員會成員之職務。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

Mr. LEE Chi Ming resigned from his positions as an independent non-executive Director, the chairman of the Nomination Committee and a member of the Audit Committee due to health and work reasons on 11 October 2019.

李志明先生因健康和工作原因，於二零一九年十月十一日辭任獨立非執行董事、提名委員會主席及審核委員會成員之職務。

### PRINCIPAL BUSINESS

The Company is a PRC pharmaceutical manufacturing company that focuses on the development, manufacturing and sale of pharmaceutical products in the therapeutic areas of anti-virus, endocrine and metabolic diseases and cardiovascular diseases. For further information of the principal business of the Company, please refer to the section “Business Review” of this Annual Report.

### 主要業務

我們是一家專注於抗病毒、內分泌及代謝類疾病、心血管疾病等治療領域產品開發、生產及銷售的中國製藥企業。有關本公司業務的進一步資料，請參見本年報「業務回顧」一節。

### SHARE CAPITAL

As of 31 December 2019, the total share capital of the Company was RMB448,820,050, divided into 448,820,050 shares of RMB1.00 each. Details of movements in the share capital of the Company during the year 2019 are set out in Note 23(e) to the Financial Statements.

### 股本

於二零一九年十二月三十一日，本公司總股本為人民幣448,820,050元，分為448,820,050股每股面值人民幣1.00元的股份。有關本公司股本於二零一九年度的變動詳情，載於財務報表附註23(e)。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

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

### 購買、出售或贖回本公司上市證券

During the year ended 31 December 2019, the Company repurchased a total of 7,130,200 H Shares (“H Shares”) on the Stock Exchange at an aggregate cash consideration of HK\$275,065,136.52 (excluding expenses), 3,202,800 H shares of which were cancelled on 16 July 2019, while 3,927,400 H shares were cancelled on 9 April 2020. Particulars of the repurchases are as follows:

截至二零一九年十二月三十一日止年度，本公司於聯交所購回總計7,130,200股H股股份（「H股」），總現金代價（不包括開支）為275,065,136.52港元，購回H股中的3,202,800股H股已於二零一九年七月十六日註銷，3,927,400股H股已於二零二零年四月九日註銷。有關購回之詳情如下：

Period of repurchase	購回期間	Total number of H Shares repurchased 已購回H股 總數目	Price paid per share 已付每股之價格		Aggregate consideration 總代價
			Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元	
May 2019	二零一九年五月	3,024,400	39.05	35.95	112,696,362.00
June 2019	二零一九年六月	178,400	35.70	35.25	6,326,520.00
September 2019	二零一九年九月	2,433,400	38.45	35.86	89,674,454.52
November 2019	二零一九年十一月	1,494,000	46.37	43.10	66,367,800.00
		7,130,200			275,065,136.52

The Directors exercise the repurchase mandate depending on the real-time market conditions and the funding arrangements of the Company. The Directors believe that the repurchase during the aforementioned period was advantageous for stabilizing the intrinsic value of shares and enhancing the Company’s profile and the net assets per share and/or earnings per share, the repurchase of shares is in the interests of the Company and the Shareholders.

本公司董事視乎實時市場情況及本公司融資安排行使回購授權。本公司董事認為，在上述提及期間進行回購有利於穩固股票的內在價值及提升公司形象，並加強本公司之每股股份資產淨值及／或每股股份盈利，進行股票回購是符合本公司及股東利益的措施。

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the year ended 31 December 2019.

除上文披露者外，本公司或其任何附屬公司於截至二零一九年十二月三十一日止年度內概無購買、出售或贖回本公司任何上市證券。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

### DEBENTURES IN ISSUE

The Company did not have any debentures in issue for the year ended 31 December 2019.

### EQUITY-LINKED AGREEMENT

Save as disclosed in the Management Discussion and Analysis on pages 15 to 63 of this Annual Report and the section headed “Proceeds from H Share Convertible Bonds” on pages 123 to 126 of this Annual Report, the Company did not enter into any equity-linked agreement, nor did any equity-linked agreement exist during the year ended 31 December 2019.

### PERMITTED INDEMNITY PROVISION

The Company has purchased appropriate liability insurance for its Directors, Supervisors and senior management. The permitted indemnity provisions are set out in such liability insurance.

Save as disclosed above, no permitted indemnity provision was made by the Company for the year ended 31 December 2019 and no permitted indemnity provision was in force as at the Latest Practicable Date.

### PLEDGING OF SHARES BY THE CONTROLLING SHAREHOLDER

The Controlling Shareholder didn't pledge any of its shares in the Company to secure the Company's debts or to secure guarantees or other support of the Company's obligations for the year ended 31 December 2019.

### 已發行債權證

截至二零一九年十二月三十一日止年度，本公司並無任何已發行債權證。

### 股票掛鈎協議

除本年報第15至63頁所載管理層討論及分析及除本年報第123至126頁所載「H股可轉換債券所得款項」一節所披露者外，截至二零一九年十二月三十一日止年度，本公司並無訂立任何股票掛鈎協議，亦無任何股票掛鈎協議存在。

### 獲許可彌償條文

本公司已為董事，監事及高級管理人員購買適當的責任保險。獲許可彌償條文的規定載於該等責任保險內。

除上述披露外，截至二零一九年十二月三十一日止年度，本公司並無作出獲許可彌償條文，且於最後實際可行日期，概無獲許可彌償條文生效。

### 控股股東股份抵押

截至二零一九年十二月三十一日止年度，控股股東並無為本公司的債務或為本公司取得擔保或其他債務支持作出保證而抵押本公司任何股份。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

### LOAN AGREEMENTS OR FINANCIAL ASSISTANCE OF THE COMPANY

The Company did not provide any financial assistance nor guarantee to its affiliated companies for the year ended 31 December 2019, which gives rise to a disclosure under Rule 13.16 of the Listing Rules. The Company did not enter into any loan agreement with covenants relating to specific performance of its Controlling Shareholder nor breach the terms of any loan agreements for the year ended 31 December 2019.

### SHARE OPTION SCHEME

The Company did not adopt any share option scheme.

### PRE-EMPTIVE RIGHTS

Pursuant to the Articles of Association and the laws of the PRC, the Company is not subject to any pre-emptive rights requiring it to propose new issues to its existing shareholders in proportion to their shareholdings.

### RESULTS

The audited results of operations of the Company and its subsidiaries for the year ended 31 December 2019 are set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on page 180. The financial condition of the Company and its subsidiaries for the year ended 31 December 2019 is set out in the Consolidated Statement of Financial Position on pages 181 to 182. The consolidated cash flow of the Company and its subsidiaries for the year ended 31 December 2019 is set out in the Consolidated Cash Flow Statement on pages 184.

Discussion and analysis about the operating performance and significant elements affecting the results of operations and financial condition of the Company during the year are set out in Management Discussion and Analysis of the Annual Report on page 15 to page 63.

### 本公司的貸款協議或財務資助

截至二零一九年十二月三十一日止年度，本公司並無向其聯屬公司提供任何根據上市規則第13.16條予以披露之財務資助或擔保。截至二零一九年十二月三十一日止年度，本公司並無訂立任何具有控股股東須履行特定責任相關契約的貸款協議，亦無違反任何貸款協議的條款。

### 購股權計劃

本公司並無採納任何購股權計劃。

### 優先購買權

根據公司章程及中國法律，本公司並無有關優先購買權的規定，因此本公司無需按持股比例向現有股東呈請發售新股的建議。

### 業績

本公司及其附屬公司截至二零一九年十二月三十一日止年度的經審核經營業績載於第180頁的綜合損益及其他全面收益表。本公司及其附屬公司截至二零一九年十二月三十一日止年度的財務狀況載於第181至182頁的綜合財務狀況表。本公司及其附屬公司截至二零一九年十二月三十一日止年度的綜合現金流量載於第184頁的綜合現金流量表。

有關經營表現的討論及分析與影響本公司年內經營業績及財務狀況的重要因素載於年報第15至63頁的管理層討論及分析。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

### BUSINESS REVIEW

A review of the business of the Group during the year and a discussion on the Group's future business development are provided on pages 10 to 12 and pages 15 to 63 of this Annual Report, respectively. Description of possible risks and uncertainties that the Group may be facing can be found on pages 60 to 62 of this Annual Report. Particulars of important events affecting the Group that have occurred since the end of the financial year are provided on note 29 to the Consolidated Financial Statements. An analysis of the Group's performance during the year using financial key performance indicators is provided on pages 32 to 48 of this Annual Report.

In addition, further information of the Company's environmental policies, performance and initiatives can be found in the section heading "Environmental Policies and Performance" of this Report of the Board of Directors. The Company's compliance with relevant laws and regulations which have a significant impact on the Company are provided in the section heading "Compliance with Laws and Regulations" of this Report of the Board of Directors. An account of the Company's relationships with its employees, customers and suppliers are disclosed in the section heading "Relationship with Stakeholders" of this Report of the Board of Directors.

### 業務回顧

有關本集團年內業務的審閱及對未來業務發展的討論分別載於本年報第10至12頁及第15至63頁。有關本集團可能面對的主要風險及不明朗因素載於本年報第60至62頁。自財政年度結束以來發生對本集團有影響的重大事件詳情載於本年報綜合財務報表附註29。主要財務關鍵表現指標對本集團年內表現的分析載於本年報第32至48頁。

此外，有關本公司環境政策、績效及活動的進一步資料載於本董事會報告的「環境政策及績效」部分。遵守對本公司有重大影響的相關法律法規的情況載於本董事會報告的「遵守法律及法規」部分。本公司與其僱員、客戶及供應商的關係說明載於本董事會報告的「持份者關係」部分。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

### BONUS SHARE AND FINAL DIVIDEND

The Board resolved to recommend the distribution of one (1) Bonus Share (tax inclusive) for every one (1) existing Shares held by the shareholders of the Company (“**Bonus Share(s)**”) and a final dividend of RMB0.3 (tax inclusive) (the “**2019 Final Dividend**”) per share from undistributed profit for the year ended 31 December 2019 to Shareholders whose names are listed on the Company’s register of members as at 16 June 2020, subject to the approval by the Shareholders at the annual general meeting of the Company for the year of 2019 (“**AGM**”) and the 2020 Second H Shareholders Class Meeting and the 2020 Second Domestic Shareholders Class Meeting to be held on Friday, 5 June 2020. The Bonus Shares will be issued by way of conversion of undistributable profit. The 2019 Final Dividend will be denominated and declared in RMB. The Company will pay dividends in respect of domestic shares in RMB and dividends in respect of H shares in HKD. Subject to the approval of the relevant resolution at the AGM and the 2020 Second H Shareholders Class Meeting and the 2020 Second Domestic Shareholders Class Meeting, the Bonus Shares and the 2019 Final Dividend are expected to be allotted, issued and paid on or around 10 July 2020.

Pursuant to the Enterprise Income Tax Law of the People’s Republic of China (《中華人民共和國企業所得稅法》) and its implementation rules, and other relevant provisions, the Company is required to withhold and pay a 10% enterprise income tax when paying the proposed Bonus Shares and 2019 Final Dividend to non-residential enterprise shareholders listed on the Company’s register of members of H shares. Any H share registered in the name of a non-individual registered shareholder, such as HKSCC Nominees Limited, other nominees or trustees or other organizations or corporates, will be deemed as shares held by a non-residential enterprise shareholder, and therefore the enterprise income tax on the receivable dividend in respect of such shares will be withheld.

### 紅股及末期股息

董事會議決建議派發截至二零一九年十二月三十一日止年度通過未分配利潤向本公司股東發行每一(1)股現有股份送紅股一(1)股(含稅)(「紅股」)及末期股息每股人民幣0.3元(含稅)(「二零一九年末期股息」)予於二零二零年六月十六日名列本公司股東名冊的股東，唯須待股東在本公司將於二零二零年六月五日(星期五)舉行的二零一九年年度股東週年大會及二零二零年第二次H股股東類別會議及二零二零年第二次內資股股東類別會議上批准後，方可作實。紅股將通過未分配利潤轉換的方式發行。二零一九年末期股息將會以人民幣計值及宣派。內資股股息將以人民幣派付，而H股股息則將以港元派付。待有關決議案於股東週年大會及二零二零年第二次H股股東類別會議及二零二零年第二次內資股股東類別會議通過後，紅股及二零一九年末期股息預計將於二零二零年七月十日或前後配發、發行及派發。

根據《中華人民共和國企業所得稅法》及其實施條例，以及其他相關規定，本公司在向名列本公司H股股東名冊的非居民企業股東派付建議紅股及二零一九年末期股息時，須按稅率10%代扣代繳企業所得稅。任何以香港中央結算(代理人)有限公司、其他提名人或受託人或其他組織或團體等非個人登記股東名義登記的H股，將被視作由非居民企業股東持有的股份，並因此須就該等股份應收股息預扣企業所得稅。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

Pursuant to the Individual Income Tax Law of China (《中華人民共和國個人所得稅法》) and its implementation provisions, the Notice of the State Administration of Taxation on the Issues Concerning Taxation and Administration of Individual Income Tax After the Repeal of the Document (Guo Shui Fa [1993] No. 045) (Guo Shui Han [2011] No. 348)《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)) and other related laws and regulations, the Company will withhold and pay the personal income tax at the tax rate of 10% for individual Shareholders of H shares. For the individual Shareholders of H shares who are citizens of countries or regions that have entered into a tax treaty with the PRC with tax rates higher than 10% but lower than 20%, the Company will withhold the tax at the agreed rates under such treaties. For the individual Shareholders of H shares who are citizens of countries or regions without taxation treaties with the PRC, the Company will withhold the tax at a rate of 20%.

Pursuant to the requirements under the Notice on Tax Policies for Shenzhen-Hong Kong Stock Connect Pilot Program (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)) promulgated by Ministry of Finance of the PRC, State Administration of Taxation and China Securities Regulatory Commission on 5 November 2016, for dividends received by domestic individual investors from investing in H shares listed on the Stock Exchange through Pilot Program of the Shenzhen-Hong Kong Stock Connect (“**Shenzhen-Hong Kong Stock Connect**”), the Company shall withhold and pay individual income tax at the rate of 20% on their behalf in accordance with the register of individual domestic investor as provided by the China Securities Depository and Clearing Corporation Limited (“**CSDCCL**”). For dividends received by domestic enterprises from investing in H shares listed on the Stock Exchange through Shenzhen-Hong Kong Stock Connect, the Company will not withhold the income tax of dividends for domestic enterprise investors in accordance with the register of the mainland enterprise investors as provided by CSDCCL and the tax payable shall be declared and paid by those domestic enterprise investors themselves, subject to corporate income taxes according to relevant laws and regulations or exempt from the enterprise income tax.

根據《中華人民共和國個人所得稅法》及其實施條例，以及《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)等相關法律法規的規定，本公司將為H股個人股東一般按照10%的稅率代扣代繳個人所得稅。對於協議稅率高於10%但低於20%稅率的協定國家或地區的H股個人股東，本公司派發股息時將按協議實際稅率扣繳個人所得稅；對於與中國沒有稅收協定國家或地區的H股個人股東，本公司派發股息時將按20%稅率扣繳個人所得稅。

根據中國財政部、國家稅務總局、中國證券監督管理委員會於二零一六年十一月五日發佈的《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)的規定，對內地個人投資者通過深港股票市場交易互聯互通機制試點(「**深港通**」)，投資聯交所上市H股取得的股息紅利，本公司將根據中國證券登記結算有限責任公司(「**中國結算**」)提供的內地個人投資者名冊，按照20%的稅率代扣個人所得稅；對內地企業投資者通過深港通投資聯交所上市股票取得的股息紅利所得，本公司將根據中國結算提供的內地企業投資者名冊，不代扣股息紅利所得稅款，由內地企業投資者自行申報繳納，自行依法計徵或免徵企業所得稅。



# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

The aforesaid non-residential enterprise Shareholders and foreign individual Shareholders may enjoy the concessionary tax rate in accordance with the relevant provisions of treaties or arrangements for avoidance of double taxation entered into between their country (region) and the PRC, and the Announcement No. 60 in 2015 of the State Administration of Taxation: Administrative Measures for Nonresidents to Enjoy the Treatments of Tax Treaties (《非居民納稅人享受稅收協定待遇管理辦法》) (the “Measures”) after completing relevant procedures. The aforesaid Shareholders shall provide complete information as required by the Measures to the Company by 25 June 2020. The Company will file tax return with competent tax authority of the place where the Company is located on behalf of such shareholders, who can enjoy relevant concessionary tax rate upon approval. The Company assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the Shareholders of H shares of the Company and for any claims arising from any delay in or inaccurate determination of the tax status or tax treatment of the Shareholders of H shares of the Company or any disputes over the withholding mechanism or arrangements.

### CLOSURE OF REGISTER OF MEMBERS AND RECORD DATE

In order to ascertain Shareholders’ entitlement to attend and vote at the AGM and the 2020 Second H Shareholders Class Meeting and the 2020 Second Domestic Shareholders Class Meeting to be held on Friday, 5 June 2020, the register of members of the Company will be closed from Tuesday, 2 June 2020 to Friday, 5 June 2020 (both days inclusive), during which period no transfer of shares will be registered.

以上非居民企業股東及外籍個人股東，可依據所在國家(地區)與中國簽署的避免雙重徵稅協定或安排的相關規定，以及國家稅務總局二零一五年第60號公告《非居民納稅人享受稅收協定待遇管理辦法》(「辦法」)的規定，在辦理相關手續後享受優惠稅率。以上股東須於二零二零年六月二十五日前提供辦法規定的完整資料給本公司，本公司代為向公司所在地主管稅務機關申報，經批准後可享受相關稅收優惠。對於本公司H股股東的納稅身份或稅務待遇及因本公司H股股東的納稅身份或稅務待遇未能及時確定或不準確確定而引致任何申索或對於代扣機制或安排的任何爭議，本公司概不負責，亦不承擔任何責任。

### 暫停辦理過戶登記及股權登記日

為釐定股東出席將於二零二零年六月五日(星期五)召開的股東週年大會及二零二零年第二次H股股東類別會議及二零二零年第二次內資股股東類別會議並於會上投票的資格，本公司將於二零二零年六月二日(星期二)至二零二零年六月五日(星期五)(包括首尾兩天)期間暫停辦理股份過戶登記手續，期間不會辦理股份過戶登記手續。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

In order to qualify for attending and voting at the AGM and the 2020 Second H Shareholders Class Meeting and the 2020 Second Domestic Shareholders Class Meeting, all unregistered H shareholders of the Company shall lodge transfer documents together with the relevant share certificates with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration before 4:30 p.m. on Monday, 1 June 2020. The shareholders of the Company whose names appear on the register of members of the Company at the close of business on Monday, 1 June 2020 are entitled to attend the AGM and the 2020 Second H Shareholders Class Meeting and the 2020 Second Domestic Shareholders Class Meeting.

In order to ascertain Shareholders' entitlement to the proposed Bonus Shares and 2019 Final Dividend, The register of members of the Company will be closed from Thursday, 11 June 2020 to Tuesday, 16 June 2020 (both days inclusive), during which period no transfer of shares will be registered. The shareholders of the Company whose names appear on the register of members of the Company at the close of business on Tuesday, 16 June 2020 are entitled to receive the proposed Bonus Shares and 2019 Final Dividend.

In order to qualify for receiving the proposed Bonus Shares and 2019 Final Dividend (subject to the approval by the Shareholders at the AGM and the 2020 Second H Shareholders Class Meeting and the 2020 Second Domestic Shareholders Class Meeting), unregistered H shareholders of the Company shall lodge transfer documents together with the relevant share certificates with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at the above mentioned address for registration before 4:30 p.m. on Wednesday, 10 June 2020.

### PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Company and its subsidiaries during the year of 2019 are set out in Note 10 to the Financial Statements.

如欲享有出席股東週年大會及二零二零年第二次H股股東類別會議及二零二零年第二次內資股股東類別會議以及於會上投票的資格，本公司的所有未登記H股股東須於二零二零年六月一日(星期一)下午四時三十分之前，將股份過戶文件連同有關股票送達本公司的H股股份過戶登記處香港中央證券登記有限公司以作登記，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖。於二零二零年六月一日(星期一)營業時間結束時名列本公司股東名冊的本公司股東，均有權出席股東週年大會及二零二零年第二次H股股東類別會議及二零二零年第二次內資股股東類別會議。

為釐定股東有權獲派擬派紅股及二零一九年末期股息的資格，本公司將於二零二零年六月十一日(星期四)至二零二零年六月十六日(星期二)(包括首尾兩天)期間暫停辦理股份過戶登記手續，期間不會辦理股份過戶登記手續。於二零二零年六月十六日(星期二)營業時間結束時名列本公司股東名冊的本公司股東，將有權收取擬派的紅股及二零一九年末期股息。

為了符合獲派擬派紅股及二零一九年末期股息(須待股東於股東週年大會及二零二零年第二次H股股東類別會議及二零二零年第二次內資股股東類別會議上批准，始可作實)的資格，本公司的未登記H股股東須於二零二零年六月十日(星期三)下午四時三十分之前，將過戶文件連同有關股票送達上述地址的本公司H股股份過戶登記處香港中央證券登記有限公司以作登記。

### 物業、廠房及設備

本公司及其附屬公司的物業、廠房及設備於二零一九年內的變動詳情載於財務報表附註10。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

### RESERVES

Details of movements in the reserves of the Company during the year 2019 are set out in Consolidated Statement of Changes in Equity, of which details of reserves available for distribution to equity Shareholders are set out in Consolidated Statement of Changes in Equity. The Company's reserves available for distribution to equity shareholders as at 31 December 2019 represents the retained profits of approximately RMB2,627.5 million (2018: RMB1,363.3 million).

### DONATIONS

During the Reporting Period, the Group made external donations of approximately RMB0.6 million (excluding personal donations of employees).

### BANK BORROWINGS AND OTHER BORROWINGS

Details of bank borrowings and other borrowings of the Company and its subsidiaries as at 31 December 2019 are set out in Note 20 to the Financial Statements.

### INFORMATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The partial information and the biographical details of Directors, Supervisors and senior management of the Company are set out on pages 64 to 79 of the Annual Report.

The Company has received an annual confirmation of independence from each of the independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules, and considers all the independent non-executive Directors to be independent of the Company.

### 儲備

本公司於二零一九年內的儲備變動詳情載於綜合權益變動表，其中可供分配予權益股東的儲備情況載於綜合權益變動表。於二零一九年十二月三十一日，本公司可供分配予權益股東的儲備佔保留溢利約人民幣2,627.5百萬元（二零一八年：人民幣1,363.3百萬元）。

### 捐款

於報告期間，本集團對外捐款約人民幣0.6百萬元（不包括僱員個人捐款）。

### 銀行貸款及其他借款

關於本公司及其附屬公司於二零一九年十二月三十一日之銀行貸款及其他借款的詳情載於財務報表附註20。

### 董事、監事及高級管理人員資料

董事、監事和高級管理人員的部分資料及簡歷詳情載於本年報第64至79頁。

本公司已收到每名獨立非執行董事根據上市規則第3.13條就其各自獨立性出具的年度確認書，並認為所有獨立非執行董事均獨立於本公司。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

### SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

The Company has entered into service contracts with the Directors. The principal particulars of these service contracts are (1) each of the contracts is for a term of three years following each Director's respective appointment date; and (2) each of the contracts is subject to termination in accordance with their respective terms. The service contracts may be renewed under the Articles of Association and applicable rules.

The Company has entered into contracts with the Supervisors in respect of, among others, compliance with relevant laws and regulations, the Articles of Association and provisions of arbitration.

Save as disclosed above, none of the Directors or Supervisors has entered into a contract of service with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

### EMOLUMENTS OF DIRECTORS AND SUPERVISORS

The remuneration of each executive Director are determined pursuant to the decisions of the Shareholders' general meeting, and with reference to the duty, responsibility and performance of the executive Directors, results of the Group and other factors which may be considered as relevant and appropriate. The non-executive Directors do not receive remuneration from the Company. The remuneration of independent non-executive Directors are determined with reference to their duties and responsibilities within the Company, the Company's remuneration policy and the prevailing market conditions.

Details of the emoluments of the Directors and Supervisors in 2019 are set out in Note 7 to the Financial Statements. None of the Directors or Supervisors waived any emoluments during the year ended 31 December 2019. During the Reporting Period, no emoluments were paid by the Group to any Director, any Supervisor or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

### 董事及監事的服務合約

本公司已與董事訂立了服務合約。該等服務合約的主要條款為：(1)各合約的期限為自各董事獲委任之日起三年；及(2)各合約根據其各自的條款終止。服務合約可根據公司章程及適用規則續簽。

本公司已與監事就(其中包括)遵守相關法律及法規、公司章程及仲裁條文訂立合約。

除上文所披露者外，概無董事或監事與本公司訂立本公司不可於一年內不付賠償(法定賠償除外)而終止的服務合約。

### 董事及監事的酬金

執行董事的薪酬乃根據股東大會的決定而釐定，有關薪酬乃參照執行董事的職責、責任和表現、本集團之業績及可能被視作相關和適宜的其他原因而釐定。非執行董事不在本公司領取薪酬。獨立非執行董事的薪酬乃參考彼等於本公司之職務及職責、本公司薪酬政策及現行市場狀況釐定。

董事及監事於二零一九年酬金的詳情載於財務報表附註7。截至二零一九年十二月三十一日止年度，概無董事或監事放棄任何酬金。於報告期間，本集團並無向任何董事、監事或任何五位最高薪酬人士支付任何酬金，作為吸引彼等加入本集團或加入本集團時之報酬或離職補償。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

Details of the emoluments of each senior management of the Company (excluding Directors who also hold executive positions) in 2019 are set out below:

各本公司高級管理人員(不包括兼任行政職銜的董事)於二零一九年酬金的詳情載列如下:

		Salaries, allowances and benefits in kind	Contributions to defined contribution retirement benefit schemes	Discretionary bonuses	2019 Total
		薪金、津貼 及實物福利	定額供款退休 福利計劃供款	酌情花紅	二零一九年總計
		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
Mr. Zhang Qiang <sup>(i)</sup> 張強先生 <sup>(i)</sup>	Chief financial officer 財務總監	147	15	100	262
Mr. LEI Xiantong <sup>(ii)</sup> 雷先桐先生 <sup>(ii)</sup>	Chief financial officer 財務總監	38	3	—	41
Mr. Peng Qiyun 彭琪雲先生	Secretary of the Board and joint company secretary 董事會秘書及聯席公司 秘書	119	12	100	231
Total 總計		304	30	200	534

Notes:

- (i) Mr. Zhang Qiang was appointed as the chief financial officer on 25 February 2019.
- (ii) Mr. LEI Xiantong resigned as the chief financial officer with effect from 25 February 2019.

附註:

- (i) 張強先生於二零一九年二月二十五日獲委任為財務總監。
- (ii) 雷先桐先生於二零一九年二月二十五日辭任財務總監。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

### DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTIONS, ARRANGEMENT OR CONTRACTS

At the end of the year of 2019 or at any time during the year, there were no transactions, arrangement or contracts of significance subsisting in relation to the Group's business to which the Company or any of its subsidiaries was a party, directly or indirectly, and in which any Director or Supervisor (or an entity connected with any Director or Supervisor) had a material interest.

### ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

During the Reporting Period, neither the Company, its holding company, any of its subsidiaries nor fellow subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

For the year 2019, none of the Directors or their associates had any competing interests in any business that constitutes or may constitute direct or indirect competition with the Company's businesses.

### 董事及監事於交易、安排或合約的權益

於二零一九年末或年內的任何時間，本公司或其任何附屬公司概無參與訂立各董事或監事（或與該董事或監事有關連的實體）直接或間接有重大權益、與本集團業務有關、且仍然有效的重要交易、安排或合約。

### 購入股份或債權證之安排

於報告期內，概無本公司、其控股公司或其任何附屬公司或同系附屬公司參與訂立任何安排，致使本公司董事可藉購入本公司或任何其他法人團體之股份或債權證而獲益。

### 董事於競爭業務的權益

於二零一九年度內，概無董事及彼等的聯繫人與本公司業務可能構成直接或間接競爭的任何業務中擁有任何競爭權益。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

### INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2019, to the knowledge of the Directors, the following Directors, supervisors and chief executive of the Company had interests or short positions in the Shares, underlying shares or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including those taken or deemed as their interests and short position in accordance with such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register kept by the Company referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange were as follows:

### 董事、監事及最高行政人員在股份、相關股份及債權證中擁有的權益及淡倉

於二零一九年十二月三十一日，就董事所知，下列董事、監事及本公司最高行政人員在本公司及其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債權證中擁有須根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所的權益及淡倉（包括其根據證券及期貨條例的該等規定被認為或視為擁有的權益及淡倉），或須根據證券及期貨條例第352條載入有關條例所述由本公司存置的登記冊內的權益及淡倉，或須根據標準守則知會本公司及聯交所的權益及淡倉：

Name 姓名	Types of Shares 股份類別	Capacity 身份	Number of Shares/ underlying Shares held (shares) 持有股份/ 相關股份數目 (股)	Approximate percentage of relevant class of share capital 相關類別股本 的概約百分比 (%)	Approximate percentage of total issued share capital 已發行股本總額 的概約百分比 (%)
<b>Directors 董事</b>					
TANG Xinfa 唐新發	H Shares H股	Beneficial owner 實益擁有人	65,200 (L)	0.029%	0.015%
CHEN Yangui 陳燕桂	H Shares H股	Beneficial owner 實益擁有人	33,200 (L)	0.015%	0.007%
LI Shuang 李爽	H Shares H股	Beneficial owner 實益擁有人	33,400 (L)	0.015%	0.007%
WANG Danjin 王丹津	H Shares H股	Beneficial owner 實益擁有人	33,600 (L)	0.015%	0.007%
JIANG Juncai 蔣均才	H Shares H股	Beneficial owner 實益擁有人	33,400 (L)	0.015%	0.007%
<b>Supervisors 監事</b>					
WANG Shengchao 王勝超	H Shares H股	Beneficial owner 實益擁有人	16,000 (L)	0.007%	0.004%
LUO Zhonghua 羅忠華	H Shares H股	Beneficial owner 實益擁有人	33,400 (L)	0.015%	0.007%

(L) — Long position

(L) — 好倉

The calculation is based on the total number of 448,820,050 shares in issue of the Company as at 31 December 2019, comprising 226,200,000 Domestic Shares and 222,620,050 H Shares.

計算乃根據本公司於二零一九年十二月三十一日的已發行股份總數448,820,050股而得出，包括226,200,000股內資股及222,620,050股H股。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

Save as disclosed above, as at 31 December 2019, to the knowledge of the Directors, none of the Directors, supervisors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of the SFO which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including those taken or deemed as their interest and/or short position in accordance with such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register kept by the Company referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

除上文所披露者外，於二零一九年十二月三十一日，據董事所知，概無董事、本公司監事或最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例）的股份、相關股份或債權證中擁有須根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所的權益或淡倉（包括其根據證券及期貨條例的該等規定被認為或視為擁有的權益及／或淡倉），或須根據證券及期貨條例第352條載入有關條例所述存置於本公司的登記冊內的權益或淡倉，或須根據標準守則知會本公司及聯交所的權益或淡倉。



# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

### SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

### 主要股東於股份的權益

As at 31 December 2019, to the knowledge of the Directors, the persons (other than the Directors, Supervisors or chief executive of the Company) who have an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

於二零一九年十二月三十一日，就董事所知，下列人士（董事、監事或本公司最高行政人員除外）於本公司股份或相關股份中擁有須根據證券及期貨條例第XV部第2及第3分部向本公司披露的權益或淡倉，及記錄於根據證券及期貨條例第336條須予備存於本公司的登記冊的權益或淡倉：

Name of Shareholders 股東名稱	Types of Shares 股份類別	Capacity 身份	Number of Shares/ underlying Shares held (shares) 持有股份/ 相關股份數目 (股)	Number of underlying shares held under equity derivatives (shares) 以股本衍生 工具持有 相關股份數目 (股)	Approximate percentage of relevant class of share capital 的概約百分比 (%)	Approximate percentage of total issued share capital 已發行股本總額 的概約百分比 (%)
Guangdong HEC Technology Holding Co., Ltd. 廣東東陽光科技控股股份有限公司	Domestic Shares 內資股	Beneficial owner 實益擁有人	226,200,000 (L)	-	100% (L)	50.40% (L)
Shenzhen HEC Industrial Development Co., Ltd. <sup>*2</sup> 深圳市東陽光實業發展有限公司 <sup>*2</sup>	Domestic Shares 內資股	Interest in controlled corporation 受控制法團權益	226,200,000 (L)	-	100% (L)	50.40% (L)
Shaoguan Xinyuneng Industrial Investment Company Limited <sup>2</sup> 韶關新寓能實業投資有限公司 <sup>2</sup>	Domestic Shares 內資股	Interest in controlled corporation 受控制法團權益	226,200,000 (L)	-	100% (L)	50.40% (L)
Ruyuan Yao Autonomous County Yuneng Electric Industrial Co., Ltd. <sup>2</sup> 乳源瑤族自治縣寓能電子實業有限公司 <sup>2</sup>	Domestic Shares 內資股	Interest in controlled corporation 受控制法團權益	226,200,000 (L)	-	100% (L)	50.40% (L)
Ruyuan Yao Autonomous County Xinjing Technology Development Co., Ltd. <sup>2</sup> 乳源瑤族自治縣新京科技發展有限公司 <sup>2</sup>	Domestic Shares 內資股	Interest in controlled corporation 受控制法團權益	226,200,000 (L)	-	100% (L)	50.40% (L)

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

Name of Shareholders 股東名稱	Types of Shares 股份類別	Capacity 身份	Number of Shares/ underlying Shares held (shares)	Number of underlying shares held under equity derivatives (shares)	Approximate percentage of relevant class of share capital	Approximate percentage of total issued share capital
			持有股份/ 相關股份數目 (股)	以股本衍生 工具持有 相關股份數目 (股)	相關類別股本 的概約百分比 (%)	已發行股本總額 的概約百分比 (%)
Mr. Zhang Zhongneng <sup>3</sup> 張中能先生 <sup>3</sup>	Domestic Shares 內資股	Interest in controlled corporation 受控制法團權益	226,200,000 (L)	-	100% (L)	50.40% (L)
Ms. Guo Meilan <sup>4</sup> 郭梅蘭女士 <sup>4</sup>	Domestic Shares 內資股	Interest in controlled corporation 受控制法團權益	226,200,000 (L)	-	100% (L)	50.40% (L)
North & South Brother Pharmacy Investment Company Limited 南北兄弟藥業投資有限公司	H Shares H股	Beneficial owner 實益擁有人	78,501,400 (L)	-	35.26% (L)	17.49% (L)
	H Shares H股	Beneficial owner 實益擁有人	75,000,000 (S)	-	33.69% (S)	16.71% (S)
North & South Brother Investment Holdings Limited <sup>5</sup>	H Shares H股	Interest in controlled corporation 受控制法團權益	78,501,400 (L)	-	35.26% (L)	17.49% (L)
	H Shares H股	Interest in controlled corporation 受控制法團權益	75,000,000 (S)	-	33.69% (S)	16.71% (S)
Mr. MO Kit <sup>5</sup> 毛杰先生 <sup>5</sup>	H Shares H股	Interest in controlled corporation 受控制法團權益	78,501,400 (L)	-	35.26% (L)	17.49% (L)
	H Shares H股	Interest in controlled corporation 受控制法團權益	75,000,000 (S)	-	33.69% (S)	16.71% (S)
Sanxing Electric (Hong Kong) Company Limited	H Shares H股	Beneficial owner 實益擁有人	13,480,400 (L)	-	6.06% (L)	3.00% (L)
Ningbo Sanxing Medical Electric Co., Ltd. <sup>6</sup>	H Shares H股	Interest in controlled corporation 受控制法團權益	13,480,400 (L)	-	6.06% (L)	3.00% (L)
AUX Holdings Co., Ltd. <sup>6</sup>	H Shares H股	Interest in controlled corporation 受控制法團權益	13,480,400 (L)	-	6.06% (L)	3.00% (L)
Mr. Zheng Jianjiang <sup>6</sup> 鄭堅江先生 <sup>6</sup>	H Shares H股	Interest in controlled corporation 受控制法團權益	13,480,400 (L)	-	6.06% (L)	3.00% (L)

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

Name of Shareholders 股東名稱	Types of Shares 股份類別	Capacity 身份	Number of Shares/ underlying Shares held (shares)	Number of underlying shares held under equity derivatives (shares)	Approximate percentage of relevant class of share capital	Approximate percentage of total issued share capital
			持有股份/ 相關股份數目 (股)	以股本衍生 工具持有 相關股份數目 (股)	相關類別股本 的概約百分比 (%)	已發行股本總額 的概約百分比 (%)
Ms. He Yiju <sup>7</sup> 何意菊女士 <sup>7</sup>	H Shares H股	Interest in controlled corporation 受控制法團權益	13,480,400 (L)	-	6.06% (L)	3.00% (L)
Stephen A. Schwarzman <sup>8</sup>	H Shares H股	Interest in controlled corporation 受控制法團權益	-	82,631,578 (L)	37.12% (L)	18.41% (L)
The Blackstone Group L.P. <sup>8</sup>	H Shares H股	Interest in controlled corporation 受控制法團權益	-	82,631,578 (L)	37.12% (L)	18.41% (L)
Blackstone Dawn Pte. Ltd. <sup>8</sup>	H Shares H股	Beneficial owner 實益擁有人	-	80,978,946 (L)	36.38% (L)	18.04% (L)
Pacific Asset Management Co., Ltd.	H Shares H股	Investment manager 投資經理	15,894,400 (L)	-	7.14% (L)	3.54% (L)
ISV Asset Management	H Shares H股	Investment manager 投資經理	13,393,400 (L)	-	6.02% (L)	2.98% (L)

(L) — Long position

(L) — 好倉

(S) — Short position

(S) — 淡倉

The calculation is based on the total number of 448,800,050 shares in issue of the Company as at 31 December 2019, comprising 226,200,000 Domestic Shares and 222,620,050 H Shares.

計算乃根據本公司於二零一九年十二月三十一日的已發行股份總數448,800,050股而得出，包括226,200,000股內資股及222,620,050股H股。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

### Notes:

\* Mr. Tang Xinfu is a director of Shenzhen HEC Industrial Development Co., Ltd..

1. The shareholding information of the shareholders of the Company as at 31 December 2019 are based on the information recorded in the register required to be kept by the Company under section 352 of the SFO.

2. As at 31 December 2019, Shenzhen HEC Industrial Development Co., Ltd. owned directly and indirectly 53.32% equity interest in Guangdong HEC Technology Holding Co., Ltd., 27.97% of which is directly owned, therefore Shenzhen HEC Industrial Development Co., Ltd. is deemed to be interested in the Shares held by Guangdong HEC Technology Holding Co., Ltd.

Ruyuan Yao Autonomous County Yuneng Electric Industrial Co., Ltd. owned 42.34% equity interest in Shenzhen HEC Industrial Development Co., Ltd. and 58% equity interest in Shaoguan Xinyuneng Industrial Investment Company Limited, which owned 27.00% equity interest in Shenzhen HEC Industrial Development Co., Ltd., therefore Ruyuan Yao Autonomous County Yuneng Electric Industrial Co., Ltd. is deemed to be interested in the Shares which are interested by Shenzhen HEC Industrial Development Co., Ltd.

Ruyuan Yao Autonomous County Xinjing Technology Development Co., Ltd. owned 30.66% equity interest in Shenzhen HEC Industrial Development Co., Ltd. and 42% equity interest in Shaoguan Xinyuneng Industrial Investment Company Limited, which owned 27.00% equity interest in Shenzhen HEC Industrial Development Co., Ltd., therefore Ruyuan Yao Autonomous County Xinjing Technology Development Co., Ltd. is deemed to be interested in the Shares which are interested by Shenzhen HEC Industrial Development Co., Ltd.

3. As at 31 December 2019, Mr. Zhang Zhongneng (“**Mr. Zhang**”) owned 99.69% equity interest in Ruyuan Yao Autonomous County Yuneng Electric Industrial Co., Ltd., therefore Mr. Zhang is deemed to be interested in the Shares which are interested by Ruyuan Yao Autonomous County Yuneng Electric Industrial Co., Ltd.

4. As at 31 December 2019, Ms. Guo Meilan (“**Ms. Guo**”) owned 99.51% equity interest in Ruyuan Yao Autonomous County Xinjing Technology Development Co., Ltd., therefore Ms. Guo is deemed to be interested in the Shares which are interested by Ruyuan Yao Autonomous County Xinjing Technology Development Co., Ltd. Ms. Guo is the spouse of Mr. Zhang and is deemed to be interested in the Shares which are interested by Mr. Zhang under the SFO.

5. As at 31 December 2019, North & South Brother Investment Holdings Limited owned 100% equity interest in North & South Brother Pharmacy Investment Company Limited and is deemed to be interested in the Shares which are interested by North & South Brother Pharmacy Investment Company Limited. Mr. Mo Kit owned 100% equity interest in North & South Brother Investment Holdings Limited and therefore, he is deemed to be interested in the Shares which are interested by North & South Brother Investment Holdings Limited.

### 附註：

\* 唐新發先生為深圳市東陽光實業發展有限公司的董事。

1. 本公司股東於二零一九年十二月三十一日的持股資料乃根據本公司按照證券及期貨條例第352條須予備存的登記冊所記錄的資料。

2. 於二零一九年十二月三十一日，深圳市東陽光實業發展有限公司直接及間接擁有廣東東陽光科技控股股份有限公司53.32%股本權益，其中27.97%為直接擁有，因此深圳市東陽光實業發展有限公司被視為於廣東東陽光科技控股股份有限公司所持有之股份中擁有權益。

乳源瑤族自治縣寓能電子實業有限公司擁有深圳市東陽光實業發展有限公司42.34%股本權益及擁有韶關新寓能實業投資有限公司(其擁有深圳市東陽光實業發展有限公司27.00%股本權益)58%股本權益，因此乳源瑤族自治縣寓能電子實業有限公司被視為於深圳市東陽光實業發展有限公司擁有的股份中擁有權益。

乳源瑤族自治縣新京科技發展有限公司擁有深圳市東陽光實業發展有限公司30.66%股本權益及擁有韶關新寓能實業投資有限公司(其擁有深圳市東陽光實業發展有限公司27.00%股本權益)42%股本權益，因此乳源瑤族自治縣新京科技發展有限公司被視為於深圳市東陽光實業發展有限公司擁有的股份中擁有權益。

3. 於二零一九年十二月三十一日，張中能先生(「張先生」)擁有乳源瑤族自治縣寓能電子實業有限公司99.69%股本權益，因此張先生被視為於乳源瑤族自治縣寓能電子實業有限公司擁有的股份中擁有權益。

4. 於二零一九年十二月三十一日，郭梅蘭女士(「郭女士」)擁有乳源瑤族自治縣新京科技發展有限公司99.51%股本權益。因此郭女士被視為於乳源瑤族自治縣新京科技發展有限公司擁有的股份中擁有權益。郭女士為張先生之配偶，且根據證券及期貨條例被視為於張先生擁有的股份中擁有權益。

5. 於二零一九年十二月三十一日，North & South Brother Investment Holdings Limited擁有南北兄弟藥業投資有限公司100%股本權益，因而被視為於南北兄弟藥業投資有限公司擁有權益的股份中擁有權益。毛杰先生於North & South Brother Investment Holdings Limited擁有100%股本權益，因此被視為於North & South Brother Investment Holdings Limited擁有的股份中擁有權益。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

6. As at 31 December 2019, Ningbo Sanxing Medical Electric Co., Ltd. owned 100% equity interest in Sanxing Electric (Hong Kong) Company Limited and is deemed to be interested in the Shares which are interested by Sanxing Electric (Hong Kong) Company Limited. AUX Holdings Co., Ltd. and Mr. Zheng Jianjiang owned 32.08% and 16.47% equity interest in Ningbo Sanxing Medical Electric Co., Ltd. respectively.

Mr. Zheng Jianjiang owned 85% equity interest in Ningbo Yuanhe Electronics Technology Co., Ltd and owned 85% equity interest in Ningbo Yuanxing Industrial Investments Co., Ltd. Also, Ningbo Yuanhe Electronics Technology Co., Ltd and Ningbo Yuanxing Industrial Investments Co., Ltd owned 35% and 65% equity interest in AUX Holdings Co., Ltd. respectively. Therefore, AUX Holdings Co., Ltd. and Mr. Zheng Jianjiang are deemed to be interested in Shares which are interested by Ningbo Sanxing Medical Electric Co., Ltd.

7. As at 31 December 2019, Ms. He Yiju is the spouse of Mr. Zheng Jianjiang and is deemed to be interested in the Shares which are interested by Mr. Zheng Jianjiang under the SFO.

8. This represents the Shares to be issued upon the exercise of the conversion right attached to the H Share convertible bonds, which price being initially HK\$38 per H Share, subject to adjustment. Stephen A. Schwarzman through The Blackstone Group L.P. and its directly and indirectly controlled entities are deemed to be interested in the unlisted derivatives — convertible instruments in relation to 80,978,946 Shares held by Blackstone Dawn Pte. Ltd., in relation to 464,803 Shares held by Blackstone Dawn Holdings ESC (Cayman) Ltd. and in relation to 1,187,829 Shares held by BCP VII Dawn ESC (Cayman) NQ Ltd.

Save as disclosed above, as at 31 December 2019, the Directors were not aware of any interests or short positions owned by any persons (other than the Directors, Supervisors or chief executive of the Company) in the Shares or underlying shares of the Company which are required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which are required to be recorded in the register of the Company required to be kept under section 336 of the SFO.

6. 於二零一九年十二月三十一日，Ningbo Sanxing Medical Electric Co., Ltd. 擁有 Sanxing Electric (Hong Kong) Company Limited 100% 股本權益，因而被視為於 Sanxing Electric (Hong Kong) Company Limited 擁有權益的股份中擁有權益。AUX Holdings Co., Ltd. 及鄭堅江先生分別擁有 Ningbo Sanxing Medical Electric Co., Ltd. 32.08% 及 16.47% 股本權益。

鄭堅江先生擁有 Ningbo Yuanhe Electronics Technology Co., Ltd 85% 股本權益以及擁有 Ningbo Yuanxing Industrial Investments Co., Ltd 85% 股本權益。此外，Ningbo Yuanhe Electronics Technology Co., Ltd 及 Ningbo Yuanxing Industrial Investments Co., Ltd 分別擁有 AUX Holdings Co., Ltd 35% 及 65% 股本權益。因此 AUX Holdings Co., Ltd. 及鄭堅江先生均被視為於 Ningbo Sanxing Medical Electric Co., Ltd. 擁有權益的股份中擁有權益。

7. 於二零一九年十二月三十一日，何意菊女士是鄭堅江先生的配偶，因而根據證券及期貨條例，被視為於鄭堅江先生擁有權益的股份中擁有權益。

8. 此代表行使 H 股可轉換債券上的轉換權時將予發行之股份。初始價格為每股 H 股 38 港元（可予調整）。Stephen A. Schwarzman 透過 The Blackstone Group L.P. 及其直接及間接控制實體被視為於非上市衍生工具中擁有權益，非上市衍生工具指有關 Blackstone Dawn Pte. Ltd. 所持 80,978,946 股股份，有關 Blackstone Dawn Holdings ESC (Cayman) Ltd. 所持 464,803 股股份以及有關 BCP VII Dawn ESC (Cayman) NQ Ltd. 所持有 1,187,829 股股份之可轉換工具。

除上文所披露外，於二零一九年十二月三十一日，據董事所知，概無任何人士（除董事、監事或本公司最高行政人員外）於本公司股份或相關股份或債權證中擁有須根據證券及期貨條例第 XV 部第 2 及第 3 分部向本公司披露的任何權益或淡倉，或記錄於根據證券及期貨條例第 336 條須予備存的本公司登記冊的權益或淡倉。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

### MANAGEMENT CONTRACT

No contract concerning the management and administration of all or any substantial part of our business was entered into by the Company or existed in 2019.

### CONNECTED TRANSACTIONS

The Group has conducted certain non-exempt connected transactions during the year of 2019.

#### 1. Acquisition of 27 pharmaceutical products

On 25 February 2019, the Company entered into an acquisition agreement with Sunshine Lake Pharma, pursuant to which the Company agreed to acquire, and Sunshine Lake Pharma agreed to dispose, the intellectual property rights, industrial property rights and ownership rights in relation to 27 pharmaceutical products within the PRC at a total consideration of RMB1,626,434,600 (the “**Acquisition I**”), which comprised a prepayment of RMB813,217,300, 27 milestone payments totalling RMB325,286,900 and two balance amounts totalling RMB487,930,400. The Parent Company is a controlling shareholder of the Company. Shenzhen HEC Industrial directly and indirectly holds approximately 53.32% equity interests in the Parent Company, of which, approximately 27.97% of equity interests were directly held, and Sunshine Lake Pharma is an indirect non-wholly owned subsidiary of Shenzhen HEC Industrial. Therefore, Sunshine Lake Pharma is a connected person of the Company by virtue of being an associate of the Parent Company. Accordingly, the transaction contemplated thereunder constituted a connected transaction of the Company. Pursuant to Rule 14A.81 of the Listing Rules, the transactions under the Previous Acquisition on 10 July 2018 and the Acquisition I shall be aggregated. As a result, the Acquisition I constitutes a major and connected transaction of the Company under Chapter 14A of the Listing Rules. The Acquisition I was approved by the independent shareholders of the Company at the 2019 second extraordinary general meeting of the Company held on 10 May 2019.

### 管理合約

於二零一九年內本公司並無就有關全部或任何重大部分業務的管理及行政工作簽訂或存在任何合約。

### 關連交易

本集團於二零一九年內進行了若干非豁免關連交易。

#### 1. 收購 27 種醫藥產品

於二零一九年二月二十五日，本公司與廣東東陽光藥業訂立收購協議，據此，本公司同意收購，而廣東東陽光藥業同意出售與 27 種醫藥產品相關的中國境內知識產權、工業產權和所有權，總代價為人民幣 1,626,434,600 元（「**收購事項 I**」），包括預付款人民幣 813,217,300 元、合計人民幣 325,286,900 元的 27 份里程碑付款及合計人民幣 487,930,400 元的兩期餘額款項。母公司為本公司的控股股東。深圳市東陽光實業直接及間接持有母公司約 53.32% 股權，其中約 27.97% 股權為直接持有，而廣東東陽光藥業為深圳市東陽光實業的間接非全資附屬公司。故此，廣東東陽光藥業由於為母公司的聯繫人，因而為本公司的關連人士。因此，其項下擬進行之交易構成本公司的關連交易。根據上市規則第 14A.81 條，於二零一八年七月十日的先前收購事項及收購事項 I 項下的交易將予以合併計算。因此，是次收購事項 I 構成本公司根據上市規則第十四 A 章之主要交易及關連交易。收購事項 I 於二零一九年五月十日召開的本公司二零一九年第二次臨時股東大會上已獲得本公司獨立股東之批准。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

For the reasons of entering into the transaction, the terms of payment and other detailed information, please refer to the announcements of the Company dated 25 February 2019 and 10 May 2019 and the circular of the company dated 9 April 2019.

### 2. Establishment of Joint Venture

On 24 July 2019, the Company entered into a capital contribution agreement with Yidu Guijun to jointly establish YiChang Marketing with a total registered capital of RMB50,000,000. According to the capital contribution agreement, the Company agreed to contribute RMB46,500,000 in cash, representing 93% of the total registered capital of YiChang Marketing; and Yidu Guijun agreed to contribute RMB3,500,000 in cash, representing 7% of the total registered capital of YiChang Marketing. Both Parties agreed that, their respective capital contributions shall be fully paid up by 30 June 2039. The Company plans to, through YiChang Marketing, further set up other sub-joint ventures for drugs promoting and marketing services in different provinces and cities throughout the PRC with entities established by its employees. Mr. CHEN Yangui is an executive Director of the Company and is therefore a connected person of the Company. Mr. CHEN holds more than 30% equity interests in Yidu Guijun. Therefore, Yidu Guijun is a connected person of the Company by virtue of being an associate of Mr. CHEN. As a result, the transaction between the Company and Yidu Guijun constitutes a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

For the reasons of entering into the transaction, the terms of payment other details, please refer to the Company's announcement dated 24 July 2019.

有關交易理由、付款安排及其他詳情請參閱本公司日期為二零一九年二月二十五日及二零一九年五月十日的公告以及本公司日期為二零一九年四月九日的通函。

### 2. 成立合資公司

於二零一九年七月二十四日，本公司與宜都桂鈞訂立出資協議，以共同成立宜昌推廣，其註冊資本總額為人民幣50,000,000元。根據出資協議，本公司同意以現金出資人民幣46,500,000元，佔宜昌推廣註冊資本總額的93%；及宜都桂鈞同意以現金出資人民幣3,500,000元，佔宜昌推廣註冊資本總額的7%。訂約方協定，彼等各自的出資須於二零三九年六月三十日前繳足。本公司計劃透過宜昌推廣與其員工所建立之實體在中國各省市進一步設立其他子合營企業以進行藥物推廣及營銷服務。陳燕桂先生為本公司的執行董事，並因此為本公司的關連人士。陳燕桂先生於宜都桂鈞持有30%以上的股權。因此，鑒於宜都桂鈞為陳燕桂先生的聯繫人，其為本公司的關連人士。因此，本公司與宜都桂鈞之間之交易構成本公司根據上市規則第十四A章之關連交易。

有關交易理由、付款安排及其他詳情請參閱本公司日期為二零一九年七月二十四日的公告。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

### 3. Acquisition of HEC Biological Pharmacy Co.

On 12 September 2019, the Company entered into an equity transfer agreement with Shenzhen HEC Industrial, pursuant to which the Company agreed to acquire, and Shenzhen HEC Industrial agreed to dispose of, 100% equity interests of HEC Biological Pharmacy Co at a consideration of RMB78,161,200. The Parent Company is a controlling shareholder of the Company and is therefore a connected person of the Company. Therefore, the transaction between the Company and Shenzhen HEC Industrial constitutes a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

For the reasons of entering into the transaction, the terms of payment and other details, please refer to the announcement of the Company dated 12 September 2019.

### 3. 收購東陽光生物製劑公司

於二零一九年九月十二日，本公司與深圳市東陽光實業訂立股權轉讓協議，據此，本公司同意收購而深圳市東陽光實業同意出售東陽光生物製劑公司的100%股權，代價為人民幣78,161,200元。母公司為本公司的控股股東。深圳市東陽光實業為母公司的控股股東而構成本公司之關連人士。因此，本公司與深圳市東陽光實業之間進行之交易構成本公司根據上市規則第十四A章之關連交易。

有關交易理由、付款安排及其他詳情請參閱本公司日期為二零一九年九月十二日的公告。



# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

#### 4. Acquisition of two pharmaceutical products

On 13 November 2019, the Company entered into a sale and purchase agreement with Sunshine Lake Pharma, pursuant to which the Company agreed to acquire, and Sunshine Lake Pharma agreed to sell, two products, including Rongliflozin L-Pyroglutamic Acid and Liraglutide together with all interests, benefits attached and all rights legally entitled, and all obligations assumed in accordance with laws within the PRC thereon, at a total consideration of RMB2,057,000,000 (the “**Acquisition II**”) including the first instalment of RMB1,028,500,000, second instalment of RMB514,250,000 and final instalment of total RMB514,250,000. On 26 December 2019, the Company and Sunshine Lake Pharm entered into a supplemental agreement to the sale and purchase agreement, pursuant to which the total consideration for the sale and purchase agreement is RMB1,645,600,000, including the first instalment of RMB550,000,000, second instalment of RMB246,840,000 and final instalment of up to RMB848,760,000 in a lump sum or Sunshine Lake Pharma shall return relevant payments to the Company in a lump sum. The Parent Company is a controlling shareholder of the Company. Shenzhen HEC Industrial directly and indirectly holds approximately 53.32% of the equity interests in the Parent Company, with approximately 27.97% of such equity interests being directly held, and Sunshine Lake Pharma is an indirect non-wholly owned subsidiary of Shenzhen HEC Industrial. Hence, Sunshine Lake Pharma is connected person of the Company by virtue of being an associate of the Parent Company. Accordingly, the Acquisition II also constitutes a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules. The Acquisition II was approved by the independent shareholders of the Company in the 2020 first extraordinary general meeting of the Company held on 22 January 2020.

#### 4. 收購兩種醫藥產品

於二零一九年十一月十三日，本公司與廣東東陽光藥業訂立購買協議，據此，本公司同意收購，而廣東東陽光藥業同意出售兩種產品，包括焦谷氨酸榮格列淨和利拉魯肽及其在中國境內所應附有的全部權益、利益及依法享有的全部權利和應依法承擔的全部義務，總代價為人民幣2,057,000,000元（「**收購事項II**」），包括第一期款項人民幣1,028,500,000元、第二期款項人民幣514,250,000元及合計人民幣514,250,000元的三筆尾款。於二零一九年十二月二十六日，本公司與廣東東陽光藥業訂立該買賣協議之補充協議，據此，該買賣協議之總代價為人民幣1,645,600,000元，包括第一期款項人民幣550,000,000元、第二期款項人民幣246,840,000元、最高合計人民幣848,760,000元的一次性尾款或者由廣東東陽光藥業向本公司一次性退還相關款項。母公司為本公司的控股股東。深圳市東陽光實業直接及間接持有母公司約53.32%股權，其中約27.97%股權為直接持有，而廣東東陽光藥業為深圳市東陽光實業的間接非全資附屬公司。故此，廣東東陽光藥業由於為母公司的聯繫人，因而為本公司的關連人士。因此，收購事項II亦構成本公司根據上市規則第十四A章之關連交易。收購事項II於二零二零年一月二十二日召開的本公司二零二零年第一次臨時股東大會上已獲得本公司獨立股東之批准。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

For the reasons of entering into the transaction, the terms of payment and other details, please refer to the announcements of the Company dated 13 November 2019, 27 December 2019 and 22 January 2020 and the circular of the Company dated 6 January 2020.

### 5. Entering into Capital Contribution Agreement

On 12 December 2019, the Company entered into a capital contribution agreement with Yidu HEC Industrial in respect of YiChang HEC Bio-technology. The total registered capital of YiChang HEC Bio-technology is RMB30,000,000. According to the capital contribution agreement, the Company agreed to contribute RMB27,000,000 in cash, representing 90% of the total registered capital of YiChang HEC Bio-technology. Since 90% equity interest of YiChang HEC Bio-technology is owned by the Company, it becomes a subsidiary of the Company. The Company plans to, through YiChang HEC Bio-technology, promote a Yidu base pharmaceutical intermediate project. The Parent Company is a controlling shareholder of the Company. Shenzhen HEC Industrial directly and indirectly holds approximately 53.32% of the equity interests in the Parent Company, with approximately 27.97% of such equity interests being directly held, and Yidu HEC Industrial is a direct non-wholly owned subsidiary of Shenzhen HEC Industrial. Therefore, Yidu HEC Industrial is a connected person of the Company by virtue of being an associate of the Parent Company. Accordingly, capital contribution agreement and the transaction contemplated thereunder also constitute a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

For the reasons of entering into the transaction, the terms of payment and other details, please refer to the announcement of the Company dated 12 December 2019.

有關交易理由、付款安排及其他詳情請參閱本公司日期為二零一九年十一月十三日、二零一九年十二月二十七日及二零二零年一月二十二日的公告及本公司日期為二零二零年一月六日之通函。

### 5. 訂立出資協議

於二零一九年十二月十二日，本公司與宜都東陽光實業就宜昌東陽光生物科技訂立出資協議。宜昌東陽光生物科技的註冊資本總額為人民幣30,000,000元。根據該出資協議，本公司同意以現金出資人民幣27,000,000元，佔宜昌東陽光生物科技註冊資本總額的90%。由於本公司佔有宜昌東陽光生物科技90%的股份權益，因此其成為本公司之附屬公司。本公司計劃透過宜昌東陽光生物科技推進宜都基地醫藥中間體項目。母公司為本公司的控股股東。深圳市東陽光實業直接及間接持有母公司約53.32%股權，其中約27.97%股權為直接持有，而宜都東陽光實業為深圳市東陽光實業的直接非全資附屬公司。故此，宜都東陽光實業由於為母公司的聯繫人，因而為本公司的關連人士。因此，該出資協議及其項下擬進行的交易亦構成本公司根據上市規則第十四A章之關連交易。

有關交易理由、付款安排及其他詳情請參閱本公司日期為二零一九年十二月十二日的公告。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

### Continuing Connected Transactions

The Group has conducted certain non-exempt continuing connected transactions during the year of 2019:

### 持續關連交易

本集團於二零一九年內進行了若干非豁免持續關連交易：

			Annual caps for 2019	Actual transaction amount in 2019
			二零一九年 年度上限	於二零一九年的 實際交易金額
			RMB million	RMB million
Continuing connected transactions	Connected persons		人民幣百萬元	人民幣百萬元
持續關連交易	關連人士			
1. Energy Purchase	HEC Pharm Yichang HEC Power Plant Co., Ltd.		41.94	19.93
1. 採購能源	宜昌東陽光 宜昌東陽光火力發電有限公司		41.94	19.93
2. Purchase of Packaging Materials and Chemical Raw Materials	HEC Pharm Shaoguan HEC Packaging and Printing Co., Ltd.		45.2	44.71
2. 採購包裝材料及化學原料	宜昌東陽光 韶關東陽光包裝印刷有限公司		45.2	44.71
3. Purchase of APIs	HEC Pharm		6.4	3.09
3. 採購原料藥	宜昌東陽光		6.4	3.09
4. 2017 Liquid Waste Processing Agreement	HEC Pharm		4.2	3.69
4. 二零一七年委託處理污水協議	宜昌東陽光		4.2	3.69
5. Framework Equipment Purchase Agreement	Yidu Changjiang Machine and Equipment Co., Ltd.		15.5	5.46
5. 設備購買框架協議	宜都長江機械設備有限公司		15.5	5.46
6. Framework Pharmaceutical Products and APIs Sales Agreement	Guangdong HEC Pharmaceutical Co., Ltd. HEC Medicine Retail Chain Co., Ltd.		10	2.61
6. 藥品及原料藥銷售框架協議	廣東東陽光藥業有限公司 東陽光藥零售連鎖有限公司		10	2.61
7. Entrusted Processing Framework Agreement	Sunshine Lake Pharma		15	3.19
7. 委託加工框架協議	廣東東陽光藥業		15	3.19
8. Civil Engineering Construction Contract	Yidu Construction		85.45	58.02
8. 土建工程施工合同	宜都建築		85.45	58.02
9. Civil Engineering Decoration Construction Contract	Yidu Construction		10	9.60
9. 土建裝飾工程施工合同	宜都建築		10	9.60

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

### 1. Framework Energy Procurement Agreement

On 6 December 2015, the Company entered into a framework energy procurement agreement with Shenzhen HEC Industrial in relation to the purchase of electricity and steam from Shenzhen HEC Industrial and its subsidiaries from time to time. The framework energy procurement agreement took effect upon the Listing Date and shall be valid for a period of three years ended in 2018. On 22 December 2017, the Company entered into the 2018-2020 framework energy procurement agreement with Shenzhen HEC Industrial with a term of three years, effective from 1 January 2018 to 31 December 2020. On 24 August 2018, the Board resolved to adjust the original annual caps under the 2018-2020 framework energy procurement agreement from RMB14,521,000, RMB31,940,000 and RMB39,519,000 to RMB24,521,000, RMB41,940,000 and RMB49,518,400 for the years ended 31 December 2018 and 31 December 2019 and for the year ending 31 December 2020, respectively. The Parent Company directly holds approximately 50.40% equity interests in the Company and is therefore a Controlling Shareholder of the Company. Shenzhen HEC Industrial is a connected person of the Company by virtue of being a controlling shareholder of the Parent Company. Therefore, the transactions between the Company and Shenzhen HEC Industrial constitutes a continuing connected transaction of the Company.

#### **Pricing Policy**

According to the framework energy procurement agreement, the price for the electricity to be charged under the 2018-2020 framework energy procurement agreement was determined with reference to the reply from Yichang Municipal Price Bureau to Yichang HEC Power Plant Co., Ltd. on direct supply of electricity price in Yidu District. The price for the steam to be charged under the 2018-2020 framework energy procurement agreement was determined with reference to the heat supply price of enterprise of heat supply from the heat pricing list of the heat supply enterprise issued by Yichang Municipal Price Bureau.

### 1. 框架能源採購協議

於二零一五年十二月六日，本公司與深圳市東陽光實業簽訂框架能源採購協議，內容有關不時向深圳市東陽光實業及其附屬公司購買電力和蒸汽。框架能源採購協議於上市日期生效及截至二零一八年止三個年度期間有效。於二零一七年十二月二十二日，本公司與深圳市東陽光實業訂立二零一八年至二零二零年框架能源採購協議，為期三年，自二零一八年一月一日起生效至二零二零年十二月三十一日屆滿。於二零一八年八月二十四日，本公司決議將二零一八年至二零二零年框架能源採購協議項下截至二零一八年十二月三十一日、二零一九年十二月三十一日及二零二零年十二月三十一日止年度的原年度上限人民幣14,521,000元、人民幣31,940,000元及人民幣39,519,000元分別調整至人民幣24,521,000元、人民幣41,940,000元及人民幣49,518,400元。母公司直接持有本公司約50.40%股權，因此成為本公司的控股股東。深圳市東陽光實業為母公司的控股股東因而為本公司之關連人士。因此，本公司與深圳市東陽光實業之間進行之交易構成本公司之持續關連交易。

#### **定價政策**

根據框架能源採購協議，二零一八年至二零二零年框架能源採購協議項下所收取電力之價格乃參考宜昌市物價局對宜昌東陽光火力發電有限公司（深圳市東陽光實業之附屬公司，向本公司提供電力及蒸汽）直供區內供電價格的覆函而定。二零一八年至二零二零年框架能源採購協議項下所收取之蒸汽價格乃參考宜昌市物價局發佈的供熱企業熱力價格表中同類型企業的供熱價格而定。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

For the reasons of entering into the transaction and other details, please refer to the prospectus of the Company dated 15 December 2015 and the announcements of the Company dated 22 December 2017 and 24 August 2018.

### 2. Framework Packaging and Chemical Materials Purchase Agreement

On 6 December 2015, the Company entered into a framework packaging and chemical materials purchase agreement with Shenzhen HEC Industrial in relation to the purchase of certain packaging and chemical materials from Shenzhen HEC Industrial and/or its associates (other than the Group) for the packaging and manufacturing of our pharmaceutical products. The framework packaging and chemical materials purchase agreement took effect upon the Listing Date and shall be valid for a period of three years ended in 2018. On 24 February 2017, the Board resolved to adjust the original annual cap for the year 2017 under the framework packaging and chemical materials purchase agreement from RMB18,829,000 to RMB23,829,000.

On 22 December 2017, the Company entered into the 2018-2020 framework packaging and chemical materials purchase agreement with Shenzhen HEC Industrial with a term of three years, effective from 1 January 2018 to 31 December 2020. On 24 August 2018, the Board resolved to adjust the original annual caps under the 2018-2020 framework packaging and chemical materials purchase agreement from RMB20,000,000, RMB25,200,000 and RMB32,000,000 to RMB40,000,000, RMB45,200,000 and RMB62,000,000 for the years ended 31 December 2018 and 31 December 2019 and for the year ending 31 December 2020, respectively. The Parent Company directly holds approximately 50.40% equity interests in the Company and is therefore a Controlling Shareholder of the Company. Shenzhen HEC Industrial is a connected person of the Company by virtue of being a controlling shareholder of the Parent Company. Therefore, the transactions between the Company and Shenzhen HEC Industrial constitutes a continuing connected transaction of the Company.

有關交易理由及其他詳情，請參閱本公司日期為二零一五年十二月十五日的招股章程及本公司日期為二零一七年十二月二十二日及二零一八年八月二十四日之公告。

### 2. 框架包裝及化學材料購買協議

於二零一五年十二月六日，本公司與深圳市東陽光實業簽訂框架包裝及化學材料購買協議，內容有關向深圳市東陽光實業及／或其聯繫人（本集團除外）購買特定包裝及化學材料用於包裝及生產藥物。框架包裝及化學材料購買協議於上市日期生效及截至二零一八年止三個年度期間有效。於二零一七年二月二十四日，董事會決議調整框架包裝及化學材料購買協議項下交易的原二零一七年度上限，由現有的人民幣18,829,000元至人民幣23,829,000元。

於二零一七年十二月二十二日，本公司與深圳市東陽光實業訂立二零一八年至二零二零年框架包裝及化學材料購買協議，為期三年，自二零一八年一月一日起生效至二零二零年十二月三十一日屆滿。於二零一八年八月二十四日，董事會決議將二零一八年至二零二零年框架包裝及化學材料購買協議項下截至二零一八年十二月三十一日、二零一九年十二月三十一日及二零二零年十二月三十一日止年度的原年度上限人民幣20,000,000元、人民幣25,200,000元及人民幣32,000,000元分別調整至人民幣40,000,000元、人民幣45,200,000元及人民幣62,000,000元。母公司直接持有本公司約50.40%股權，因此成為本公司的控股股東。深圳市東陽光實業為母公司的控股股東因而為本公司之關連人士。因此，本公司與深圳市東陽光實業之間進行之交易構成本公司之持續關連交易。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

### **Pricing Policy**

When selecting supplier of the packaging and chemical materials, our Company will obtain quotations from our connected person as well as from at least two independent third party suppliers. The price and terms offered by our connected person will be fair and reasonable and comparable to those offered by such independent third party suppliers. Our Directors believe that by requiring the price and terms offered by our connected person under this framework packaging and chemical materials purchase agreement to be comparable to two other independent third party suppliers, this will ensure that such price and terms will be on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

For the reasons of entering into the transaction and other details, please refer to the prospectus of the Company dated 15 December 2015 and the announcements of the Company dated 24 February 2017, 22 December 2017 and 24 August 2018.

### **定價政策**

於選擇包裝及化學物料供貨商時，本公司將向關連人士及至少兩名獨立第三方供貨商索取報價。我們的關連人士所提供的價格及條款將屬公平合理，並與該等獨立第三方供貨商所提供者相若。董事認為，通過要求我們關連人士在框架包裝及化學材料購買協議下所提供的價格及條款與兩名其他獨立第三方供貨商所提供者相若，能確保有關價格及條款將按正常商業條款進行，亦不損害本公司及其少數股東的權益。

有關交易理由及其他詳情，請參閱本公司日期為二零一五年十二月十五日的招股章程及本公司日期為二零一七年二月二十四日、二零一七年十二月二十二日及二零一八年八月二十四日之公告。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

### 3. Framework API Purchase Agreement

On 6 December 2015, the Company entered into a framework API purchase agreement with Shenzhen HEC Industrial for the purchase of certain APIs from Shenzhen HEC Industrial and/or its subsidiaries (other than the Group) for the production of our pharmaceutical products, mainly azithromycin, clarithromycin and roxithromycin products. The framework API purchase agreement took effect upon the Listing Date and shall be valid for a period of three years ended in 2018. On 22 December 2017, the Company entered into the 2018-2020 framework API purchase agreement with Shenzhen HEC Industrial with a term of three years, effective from 1 January 2018 to 31 December 2020. On 29 October 2019, the Board resolved to adjust the original annual caps under the 2018-2020 framework API purchase agreement from RMB6,000,000 and RMB8,500,000 to RMB6,400,000 and RMB9,000,000 for the year ended 31 December 2019 and for the year ending 31 December 2020, respectively. The Parent Company directly holds approximately 50.40% equity interests in the Company and is therefore a Controlling Shareholder of the Company. Shenzhen HEC Industrial is a connected person of the Company by virtue of being a controlling shareholder of the Parent Company. Therefore, the transactions between the Company and Shenzhen HEC Industrial constitutes a continuing connected transaction of the Company.

#### **Pricing Policy**

When selecting supplier of the API, our Company will obtain quotations from our connected person as well as from at least two independent third party suppliers. As we are also engaged in manufacturing of pharmaceutical products industry, we are familiar with the market price of relevant APIs required for the production. The price and terms offered by our connected person will be fair and reasonable and comparable to those offered by such independent third party suppliers. Our Directors believe that by requiring the price and terms offered by our connected person under this framework API purchase agreement to be comparable to two other independent third party suppliers, this will ensure that such price and terms will be on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

### 3. 框架原料藥購買協議

於二零一五年十二月六日，本公司與深圳市東陽光實業簽訂框架原料藥購買協議，內容有關向深圳市東陽光實業及／或其附屬公司（本集團除外）購買特定原料藥用於生產藥物，主要為阿奇霉素、克拉霉素及羅紅霉素產品。框架原料藥購買協議於上市日期生效及截至二零一八年止三個年度期間有效。於二零一七年十二月二十二日，本公司與深圳市東陽光實業訂立二零一八年至二零二零年框架原料藥購買協議，為期三年，自二零一八年一月一日起生效至二零二零年十二月三十一日屆滿。於二零一九年十月二十九日，董事會決議將二零一八年至二零二零年框架原料藥購買協議項下截至二零一九年十二月三十一日及二零二零年十二月三十一日止年度的原年度上限人民幣6,000,000元及人民幣8,500,000元分別調整至人民幣6,400,000元及人民幣9,000,000元。母公司直接持有本公司約50.40%股權，因此成為本公司的控股股東。深圳市東陽光實業為母公司的控股股東因而為本公司之關連人士。因此，本公司與深圳市東陽光實業之間進行之交易構成本公司之持續關連交易。

#### **定價政策**

選擇原料藥供貨商時，本公司將向關連人士及至少兩名獨立第三方供貨商索取報價。由於我們亦有從事藥物生產行業，我們熟知生產所需的相關原料藥的市價。我們的關連人士所提供的價格及條款將屬公平合理，並與該等獨立第三方供貨商所提供者相若。董事認為，通過要求我們關連人士在框架原料藥購買協議下所提供的價格及條款與兩名其他獨立第三方供貨商所提供者相若，能確保有關價格及條款將按正常商業條款進行，亦不損害本公司及其少數股東的權益。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

For the reasons of entering into the transaction and other details, please refer to the prospectus of the Company dated 15 December 2015 and the announcements of the Company dated 22 December 2017 and 29 October 2019.

#### 4. 2017 Liquid Waste Processing Agreement

On 24 February 2017, the Company entered into the 2017 liquid waste processing agreement with HEC Pharm, pursuant to which, HEC Pharm has agreed to provide liquid waste processing service to the Company. The term of the 2017 liquid waste processing agreement is from 24 February 2017 to 31 December 2019. On 24 August 2018, the Board resolved to adjust the original annual cap under the 2017 liquid waste processing agreement from RMB3,000,000 to RMB4,200,000 for the year ended 31 December 2019. The Parent Company directly holds approximately 50.40% equity interests in the Company and is therefore a Controlling Shareholder of the Company. Shenzhen HEC Industrial is the holding company of the Parent Company and HEC Pharm is an direct and indirect non-wholly owned subsidiary of Shenzhen HEC Industrial. Therefore, the transactions between the Company and HEC Pharm constitutes a continuing connected transaction of the Company.

#### **Pricing Policy**

HEC Pharm will only charge the service fees based on the actual cost (such as staff costs, electricity bill, equipment, venues, sewage treatment related raw materials) incurred, which is more favorable than the term that can be obtained by the Company from independent third parties.

For the reasons of entering into the transaction and other details, please refer to the announcements of the Company dated 24 February 2017 and 24 August 2018.

有關交易理由及其他詳情，請參閱本公司日期為二零一五年十二月十五日的招股章程及本公司日期為二零一七年十二月二十二日及二零一九年十月二十九日的公告。

#### 4. 二零一七年委託處理污水協議

於二零一七年二月二十四日，本公司與宜昌東陽光訂立二零一七年委託處理污水協議，據此宜昌東陽光同意向本公司提供液體廢料處理服務。二零一七年委託處理污水協議的期限自二零一七年二月二十四日起至二零一九年十二月三十一日止。於二零一八年八月二十四日，董事會決議將二零一七年委託處理污水協議項下截至二零一九年十二月三十一日止年度的原年度上限人民幣3,000,000元調整至人民幣4,200,000元。母公司直接持有本公司約50.40%股權，因此成為本公司的控股股東。深圳市東陽光實業為母公司的控股公司，而宜昌東陽光為深圳市東陽光實業的直接及間接非全資附屬公司。因此，本公司與宜昌東陽光之間的交易構成本公司的持續關連交易。

#### **定價政策**

宜昌東陽光將僅按所產生實際成本（如員工成本、電費、設備、場地、污水處理相關原材料等）收取服務費，優於本公司能夠自獨立第三方取得的條款。

有關交易理由及其他詳情，請參閱本公司日期為二零一七年二月二十四日及二零一八年八月二十四日的公告。



# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

### 5. Framework Equipment Purchase Agreement

On 24 February 2017, the Company entered into a framework equipment purchase agreement with Shenzhen HEC Industrial, pursuant to which, the Company has agreed to purchase customized equipment from Shenzhen HEC Industrial and/or its associates. The term of the framework equipment purchase agreement is from 24 February 2017 to 31 December 2019. On 24 August 2018, the Board resolved to adjust the original annual caps under the framework equipment purchase agreement from RMB9,500,000 and RMB5,500,000 to RMB29,500,000 and RMB15,500,000 for the years ended 31 December 2018 and 31 December 2019, respectively. The Parent Company directly holds approximately 50.40% equity interests in the Company and is therefore a controlling shareholder of the Company. Shenzhen HEC Industrial is a connected person of the Company by virtue of being a controlling shareholder of the Parent Company. Therefore, the transactions between the Company and Shenzhen HEC Industrial constitutes a continuing connected transaction of the Company.

#### **Pricing Policy**

Under the framework equipment purchase agreement, the price for the customized equipment will be determined with reference to the Consumption Quota and Unit Pricing Table for General Installation Works in Hubei Province 《湖北省通用安裝工程消耗量定額及單位估價表》 issued by the Department of Housing and Urban-Rural Development of Hubei Province in 2013. The Consumption Quota and Unit Pricing Table provides pre-determined formulas for service fees calculation by setting out each category of fees to be charged and the formula for calculating the fees in different scenarios under each category.

For the reasons of entering into the transaction and other details, please refer to the announcements of the Company dated 24 February 2017 and 24 August 2018.

### 5. 設備購買框架協議

於二零一七年二月二十四日，本公司與深圳市東陽光實業訂立設備購買框架協議，據此，本公司已同意向深圳市東陽光實業及／或其聯繫人採購定製設備。設備購買框架協議的期限自二零一七年二月二十四日起至二零一九年十二月三十一日止。於二零一八年八月二十四日，董事會決議將設備購買框架協議項下載至二零一八年十二月三十一日及二零一九年十二月三十一日止年度的原年度上限人民幣9,500,000元及人民幣5,500,000元分別調整至人民幣29,500,000元及人民幣15,500,000元。母公司直接持有本公司約50.40%股權，因此成為本公司的控股股東。深圳市東陽光實業為母公司的控股股東因而為本公司之關連人士。因此，本公司與深圳市東陽光實業之間進行之交易構成本公司之持續關連交易。

#### **定價政策**

根據設備購買框架協議，定製設備價格將參考湖北省住房和城鄉建設廳於二零一三年發佈的《湖北省通用安裝工程消耗量定額及單位估價表》釐定。《消耗量定額及單位估價表》載列每個應收費類別及計算每個類別不同情形下費用的公式，為計算服務費用提供預定公式。

有關交易理由及其他詳情，請參閱本公司日期為二零一七年二月二十四日及二零一八年八月二十四日的公告。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

### 6. Framework Pharmaceutical Products and APIs Sales Agreement

On 24 February 2017, the Company entered into the framework pharmaceutical products and APIs sales agreement with Shenzhen HEC Industrial, pursuant to which, Shenzhen HEC Industrial and/or its associates have agreed to purchase pharmaceutical products and APIs from the Company. The term of the framework pharmaceutical products and APIs sales agreement is from 24 February 2017 to 31 December 2019. The annual caps for the framework pharmaceutical products and APIs sales agreement for each of the three years ended 31 December 2017, 2018 and 2019 are RMB8,000,000, RMB9,000,000 and RMB10,000,000, respectively. The Parent Company directly holds approximately 50.40% equity interests in the Company and is therefore a Controlling Shareholder of the Company. Shenzhen HEC Industrial is a connected person of the Company by virtue of being a controlling shareholder of the Parent Company. Therefore, the transactions between the Company and Shenzhen HEC Industrial constitutes a continuing connected transaction of the Company.

#### **Pricing Policy**

As the Company also sells pharmaceutical products and APIs to independent third parties, the fees to be charged shall not be lower than the price charged to any independent third parties.

For the reasons of entering into the transaction and other details, please refer to the announcement of the Company dated 24 February 2017.

### 6. 藥品及原料藥銷售框架協議

於二零一七年二月二十四日，本公司與深圳市東陽光實業訂立藥品及原料藥銷售框架協議，據此，深圳市東陽光實業及／或其聯繫人已同意向本公司採購藥品及原料藥。藥品及原料藥銷售框架協議的期限自二零一七年二月二十四日起至二零一九年十二月三十一日止。藥品及原料藥銷售框架協議於截至二零一七年、二零一八年及二零一九年十二月三十一日止三個年度各年的年度上限分別為人民幣8,000,000元、人民幣9,000,000元及人民幣10,000,000元。母公司直接持有本公司約50.40%股權，因此成為本公司的控股股東。深圳市東陽光實業為母公司的控股股東因而為本公司之關連人士。因此，本公司與深圳市東陽光實業之間進行之交易構成本公司之持續關連交易。

#### **定價政策**

由於本公司亦向獨立第三方銷售醫藥產品及原料藥，故所收取的費用不得低於向任何獨立第三方收取的價格。

有關交易理由及其他詳情，請參閱本公司日期為二零一七年二月二十四日的公告。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

### 7. Entrusted Processing Framework Agreement

On 8 April 2019, the Company entered into an entrusted processing framework agreement with Sunshine Lake Pharma, pursuant to which Sunshine Lake Pharma agreed to provide drug processing services for two drugs namely, moxifloxacin Hydrochloride tablets and clarithromycin sustained release tablets to Dongguan Yangzhikang Pharmaceutical, a direct wholly-owned subsidiary of the Company. The term of the entrusted processing framework agreement commenced on 8 April 2019 and ended on 31 December 2019. The annual cap for the year ended 31 December 2019 under the entrusted processing framework agreement is RMB15,000,000. The Parent Company directly holds approximately 50.40% equity interests in the Company and is therefore a Controlling Shareholder of the Company. Shenzhen HEC Industrial is the holding company of the Parent Company and Sunshine Lake Pharma is an indirect non-wholly owned subsidiary of Shenzhen HEC Industrial. Therefore, Sunshine Lake Pharma is a connected person of the Company by virtue of being an associate of the Parent Company. Dongguan Yangzhikang Pharmaceutical is a directly wholly-owned subsidiary of the Company. Therefore, the transactions between the Company and Sunshine Lake Pharma constitutes a continuing connected transaction of the Company.

#### **Pricing policy**

A “Cost-plus” basis was adopted for the pricing of the processing fee payable to Sunshine Lake Pharma by the Group. Other than the necessary costs and expenses generated by the processing services, Sunshine Lake Pharma charged the Group for an additional fee of approximately 10% or lower of the processing fee.

For the reasons of entering into the transaction and other details, please refer to the announcement of the Company dated 8 April 2019.

### 7. 委託加工框架協議

於二零一九年四月八日，本公司與廣東東陽光藥業訂立委託加工框架協議，據此，廣東東陽光藥業同意向本公司之直接全資附屬公司東莞市陽之康醫藥提供鹽酸莫西沙星片和克拉霉素緩釋片兩種藥品加工服務。委託加工框架協議的期限自二零一九年四月八日至二零一九年十二月三十一日止。委託加工框架協議項下截至二零一九年十二月三十一日止年度的年度上限為人民幣15,000,000元。母公司直接持有本公司約50.40%股權，因此為本公司的控股股東。深圳市東陽光實業為母公司的控股公司，而廣東東陽光藥業為深圳市東陽光實業的間接非全資附屬公司。故此，廣東東陽光藥業作為母公司的聯繫人，因而為本公司的關連人士。東莞市陽之康醫藥為本公司的直接全資附屬公司。因此，本公司與廣東東陽光藥業之間之交易構成本公司之關連交易。

#### **定價政策**

就本集團應付廣東東陽光藥業之加工費價格採用「成本加成」機制。除加工服務產生之必需成本及開支外，廣東東陽光藥業向本集團收取加工費用約10%以內作為額外費用。

有關交易理由及其他詳情，請參閱本公司日期為二零一九年四月八日的公告。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

### 8. Civil Engineering Construction Contract

On 21 June 2019, the Company entered into a civil engineering construction contract with Yidu Construction, pursuant to which the Company entrusted Yidu Construction to provide civil engineering construction services for the synthesis workshop, machine repair workshop, hazardous waste warehouse, class A warehouse, class C warehouse, guard room, storage tank area, hydrogenation workshop, etc. in the phase I HEC project of innovative drugs and generic drugs. The term of the civil engineering construction contract shall end on or before 30 December 2020 where Yidu Construction shall complete the main construction and meet the equipment installation conditions. The annual caps for the year ended 31 December 2019 and the year ending 31 December 2020 under the civil engineering construction contract are RMB85,450,000 and RMB85,450,000, respectively. The Parent Company directly holds approximately 50.40% equity interests in the Company and is therefore a Controlling Shareholder of the Company. Shenzhen HEC Industrial is the holding company of the Parent Company and Yidu Construction is a subsidiary of Shenzhen HEC Industrial. Therefore, Yidu Construction is a connected person of the Company by virtue of being an associate of the Parent Company. Therefore, the transactions between the Company and Yidu Construction constitutes a continuing connected transaction of the Company.

#### **Pricing policy**

Local well-known construction enterprises in Yidu had been invited to participate in the open tendering for the engineering construction of the construction and installation of this project. The owner entrusted construction pricing consultant to draw up an all expenses budget which included the expenses of construction plan, construction and material, the budget was on the basis of "Consumption Quota and Full Cost Base Price Table for Housing Construction and Decoration Projects in Hubei Province (2018)\*" (湖北省房屋建築與裝飾工程消耗量定額及全費用基價表(2018)). The bid-winning principle of reviewed and reasonably-low price was adopted. The price offered by the winning bidder for this construction was the lowest among others, and it was 1.1% lower than base bidding price set by the owner.

### 8. 土建工程施工合同

於二零一九年六月二十一日，本公司與宜都建築訂立土建工程施工合同，據此，本公司委託宜都建築提供位於中國湖北省宜昌市宜都市枝城鎮樓子河村東陽光創新藥、仿製藥一期項目的合成車間、機修車間、危廢庫、甲類倉庫、丙類倉庫、門衛、儲罐區、氫化等土建工程的施工服務。土建工程施工合同的工期於二零二零年十二月三十日或之前結束，即宜都建築需完成相關工程主體工作內容，滿足設備安裝條件。土建工程施工合同項下截至二零一九年十二月三十一日止年度及截至二零二零年十二月三十一日止年度的年度上限分別為人民幣85,450,000元及人民幣85,450,000元。母公司直接持有本公司約50.40%股權，因此為本公司的控股股東。深圳市東陽光實業為母公司的控股公司，而宜都建築為深圳市東陽光實業的附屬公司。故此，宜都建築作為母公司的聯繫人，因而為本公司的關連人士。因此，本公司與宜都建築之間之交易構成本公司之持續關連交易。

#### **定價政策**

本項目建設就建築安裝工程事宜邀請宜都本地知名建築企業進行工程施工公開招標，業主委託工程造價諮詢單位進行施工圖包工包料全費用造價預算，預算基準為《湖北省房屋建築與裝飾工程消耗量定額及全費用基價表(2018)》，採取經評審的合理低價為中標人，本工程中標人價格為投標人最低報價且低於業主標底價1.1%。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

For the reasons of entering into the transaction and other details, please refer to the announcement of the Company dated 21 June 2019.

### 9. Civil Engineering Decoration Construction Contract

On 29 October 2019, the Company entered into a civil engineering decoration construction contract with Yidu Construction, pursuant to which the Company entrusted Yidu Construction to provide civil engineering and decoration construction services for the living areas of the Company (i.e. talent apartments, restaurants and training centers), which located in Louzihe Village, Zhicheng Town, Yidu, China. Such services include all engineering construction, completion acceptance and engineering quality warranty of pile foundation as included in the project drawings, foundation earthwork, civil engineering, decoration, water and electricity installation engineering (except electromechanical equipment installation engineering). The term of the civil engineering decoration construction contract commenced on 8 November 2019 and will be ended on 30 September 2020. The annual caps for the year ended 31 December 2019 and for the year ending 31 December 2020 under the civil engineering decoration construction contract are RMB10,000,000 and RMB23,930,461, respectively. The Parent Company directly holds approximately 50.40% equity interests in the Company and is therefore a Controlling Shareholder of the Company. Shenzhen HEC Industrial is the holding company of the Parent Company and Yidu Construction is a subsidiary of Shenzhen HEC Industrial. Therefore, Yidu Construction is a connected person of the Company by virtue of being an associate of the Parent Company. Therefore, the transactions between the Company and Yidu Construction constitutes a continuing connected transaction of the Company.

有關交易理由及其他詳情，請參閱本公司日期為二零一九年六月二十一日的公告。

### 9. 土建裝飾工程施工合同

於二零一九年十月二十九日，本公司與宜都建築訂立土建裝飾工程施工合同，據此，本公司委託宜都建築提供位於中國宜都枝城鎮樓子河村東陽光藥生活區(即人才公寓樓、食堂及培訓中心)土建及裝飾工程的施工服務，其中包括工程項目圖紙內的樁基、基礎土石方、土建、裝飾裝修、水電安裝工程(除機電設備安裝工程外)等工程的全部工程施工、竣工驗收、工程質量保修等內容。土建裝飾工程施工合同的期限為二零一九年十一月八日至二零二零年九月三十日。土建裝飾工程施工合同項下截至二零一九年十二月三十一日止年度及截至二零二零年十二月三十一日止年度的年度上限分別為人民幣10,000,000元及人民幣23,930,461元。母公司直接持有本公司約50.40%股權，因此本公司的控股股東。深圳市東陽光實業為母公司的控股公司，而宜都建築為深圳市東陽光實業的附屬公司。故此，宜都建築作為母公司的聯繫人，因而為本公司的關連人士。因此，本公司與宜都建築之間之交易構成本公司之持續關連交易。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

### **Pricing policy**

Local well-known construction enterprises in Yidu had been invited to participate in the open tendering for the engineering construction of the construction and installation of this project. The owner entrusted construction pricing consultant to draw up expenses budget which included the expenses of construction plan and construction but not the material expense. The budget was on the basis of "Consumption Quota and Full Cost Base Price Table for Housing Construction and Decoration Projects in Hubei Province (2018)\*" (湖北省房屋建築與裝飾工程消耗量定額及全費用基價表(2018)). The owner procured and provided materials for the construction and installation work on his own, the bidders set the tender price based on all measure and tax expenses such as labour cost, machineries and auxiliary materials. The bid-wining principle of reviewed and reasonably-low price was adopted. The price offered by the winning bidder for this construction was the lowest among others, and it was 1.5% lower than base bidding price set by the owner.

For the reasons of entering into the transaction and other details, please refer to the announcement of the Company dated 30 October 2019.

### **定價政策**

本項目建設就建築安裝工程事宜邀請宜都本地知名建築企業進行工程施工公開招標，業主委託工程造價諮詢單位進行施工圖包工不包料造價預算，預算基準為《湖北省房屋建築與裝飾工程消耗量定額及全費用基價表(2018)》，建築安裝主材為業主自行採購提供，投標人以人工、機械、輔材等除甲方供材外的所有措施稅費為投標報價。採取經評審的合理低價為中標人，本工程中標人價格為投標人最低報價且低於業主標底價1.5%。

有關交易理由及其他詳情，請參閱本公司日期為二零一九年十月三十日的公告。

### **Review by and Confirmation of Independent Non-executive Directors of the Company**

The independent non-executive Directors have reviewed the above continuing connected transactions, and confirmed that such transactions were:

- (i) carried out in the ordinary and usual course of business of the Group;
- (ii) made on normal or better commercial terms (as defined in the Listing Rules); and
- (iii) carried out according to the terms in the relevant transaction agreements, which are fair and reasonable, and in the interests of the Shareholders as a whole.

### **本公司獨立非執行董事審閱及確認**

獨立非執行董事已審閱上述持續關連交易，並確認該等交易：

- (i) 乃於本集團一般日常業務中進行；
- (ii) 按照一般或更佳商務條款(按上市規則所界定)訂立；及
- (iii) 乃根據相關交易協議的條款進行，屬公平合理，並符合股東的整體利益。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

### External auditor's report on the Group's continuing connected transactions

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued its letter to the Board in respect of the continuing connected transactions disclosed by the Group on page 106 of the Annual Report in accordance with Listing Rule 14A.56, including confirming that, in respect of such continuing connected transactions:

- (a) nothing has come to their attention that causes them to believe that the continuing connected transactions have not been approved by the Company's board of directors;
- (b) for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;
- (c) nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (d) with respect to the aggregate amount of each of the continuing connected transactions, nothing has come to their attention that causes them to believe that the continuing connected transactions have exceeded the relevant annual cap.

A copy of the auditor's letter has been provided by the Company to the Hong Kong Stock Exchange.

Details of the related party transactions of the Group are set out in Note 27 of the Consolidated Financial Statements. Apart from the connected transactions and continuing connected transactions as disclosed in this Annual Report, none of the related party transactions constituted connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules, which are subject to announcement or independent shareholders' approval requirements. The Company has complied with disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the connected transactions and the continuing connected transactions as set out in the Annual Report.

### 有關本集團持續關連交易之外部核數師報告

本公司的核數師已獲委聘，根據香港會計師公會所頒佈《香港核證工作準則》第3000號(經修訂)「歷史財務資料審計或審閱以外的核證工作」，及參考《實務說明》第740號「關於香港上市規則所述持續關連交易的核數師函件」，就本集團的持續關連交易作出匯報。核數師已根據上市規則第14A.56條向董事會發出有關本集團於年報第106頁所披露之持續關連交易的函件，其中包括確認就該等持續關連交易而言：

- (a) 不曾知悉任何事項會致使彼等相信持續關連交易並未獲本公司董事會批准；
- (b) 就有關本集團提供貨品或服務之交易而言，不曾知悉任何事項會致使彼等相信該等交易在各重大方面違反本集團之定價政策；
- (c) 不曾知悉任何事項會致使彼等相信該等交易在各重大方面並未根據規管該等交易之相關協議訂立；及
- (d) 就各項持續關連交易之總金額而言，不曾知悉任何事項會致使彼等相信持續關連交易已超過有關年度上限。

本公司已向香港聯交所提供核數師函件副本。

本集團的關聯方交易詳情載於綜合財務報表附註27。除於本年報披露的關連交易及持續關連交易外，概無關聯方交易構成上市規則第十四A章項下須予公告或由獨立股東批准的關連交易或持續關連交易。本公司已就本年報內所載列的關連交易和持續關連交易遵守之上市規則第十四A章項下的披露規定。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

### NON-COMPETITION AGREEMENT

The Company had entered into a non-competition agreement on 6 December 2015 (the “**Non-competition Agreement**”) with HEC Pharm, Linzhi HEC Pharmaceutical Investment Co., Ltd. (林芝東陽光藥業投資有限公司), Dongguan HEC Industrial Development Co., Ltd. (東莞市東陽光實業發展有限公司), Shenzhen HEC Industrial, Ruyuan Yao Autonomous County Yuneng Electric Industrial Co., Ltd. (乳源瑤族自治縣寓能電子實業有限公司), Ruyuan Yao Autonomous County Xinjing Technology Development Co., Ltd. (Mr. ZHANG Zhongneng (張中能) and Ms. GUO Meilan (郭梅蘭) (collectively, the “**Then Controlling Shareholders**”), under which such Then Controlling Shareholders agreed not to, and to procure their subsidiaries (other than the Group) not to, compete with us in our businesses and granted us options to acquire the businesses of production and sale of APIs and overseas sale of pharmaceutical products operated by the Then Controlling Shareholders and/or its subsidiaries (other than the Group) and certain future new business.

The Then Controlling Shareholders, the Parent Company, a subsidiary of Shenzhen HEC Industrial, and Shaoguan Xinyuneng Industrial Investment Company Limited (韶關新寓能實業投資有限公司), a subsidiary of Ruyuan Yao Autonomous County Yuneng Electric Industrial Co., Ltd., have confirmed in writing to the Company of their compliance with the Non-competition Agreement for disclosure in this Annual Report during the Reporting Period.

The independent non-executive Directors have reviewed the Non-competition Agreement and had determined that the Then Controlling Shareholders and their subsidiaries have not been in breach of the Non-competition Undertaking during the Reporting Period.

Save as disclosed above, during the Reporting Period, the Directors (including independent non-executive Directors) did not make any decisions in relation to whether to exercise or terminate an option or a right of first refusal and take up or waive any business opportunity.

### 避免同業競爭協議

我們已於二零一五年十二月六日與宜昌東陽光、林芝東陽光藥業投資有限公司、東莞市東陽光實業發展有限公司、深圳市東陽光實業、乳源瑤族自治縣寓能電子實業有限公司、乳源瑤族自治縣新京科技發展有限公司、張中能先生及郭梅蘭女士(統稱為「**時任控股股東**」)訂立避免同業競爭協議(「**避免同業競爭協議**」)，據此該時任控股股東同意不會，並將促使彼等的附屬公司(本集團除外)不會就我們的業務與我們競爭，並向我們授予選擇權以收購由時任控股股東及／或其附屬公司(本集團除外)經營的原料藥生產及銷售、製劑產品海外銷售業務及若干未來新業務。

時任控股股東、母公司(深圳市東陽光實業的附屬公司)及韶關新寓能實業投資有限公司(乳源瑤族自治縣寓能電子實業有限公司的附屬公司)已以書面形式向本公司確認，於報告期內，彼等已遵守在本年報內披露的避免同業競爭協議。

獨立非執行董事已審閱避免同業競爭協議，並確定於報告期內，時任控股股東及彼等的附屬公司並無違反避免同業競爭承諾。

除上文披露者外，於報告期間，董事(包括獨立非執行董事)並無就是否行使或終止選擇權或優先購買權及接納或放棄任何商機作出任何決定。



# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

### STRATEGIC COOPERATION AGREEMENT

We refer to the section headed “Business” in the prospectus of the Company dated 15 December 2015. As disclosed in the prospectus, we have entered into the Strategic Cooperation Agreement with Shenzhen HEC Industrial, pursuant to which we have a pre-emptive right to acquire the right to manufacture and sell new pharmaceutical products being developed by HEC Research Group (including Yichang HEC Research Co., Ltd. (宜昌東陽光藥研發有限公司), Linzhi HEC Pharmaceutical Investment Co., Ltd. (林芝東陽光藥業投資有限公司) and their respective subsidiaries, being the subsidiaries of Shenzhen HEC Industrial). During the year of 2019, in consideration of the potential market of certain pharmaceutical products developed by Sunshine Lake Pharma and the Company’s long-term development strategy, the Company exercised the pre-emptive right under the Strategic Cooperation Agreement to acquire 27 pharmaceutical products from Sunshine Lake Pharma (a subsidiary of HEC Research Group). Please refer to page 45, page 50 and pages 101 to 102 of this annual report.

### MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2019, the total amount of procurement from the five largest suppliers of the Company accounted for 36.07% of the total amount of procurement of the year. Among the five largest suppliers for the year of 2019, HEC Pharm and Shaoguan HEC Packaging and Printing Co., Ltd. are subsidiaries of Shenzhen HEC Industrial; the single largest supplier was Shanxi Jiahe Phytochem Co. HEC Pharm, Ltd. and our purchase from that company accounted for 8.91% of the total purchase amount during the year.

For the year ended 31 December 2019, the total amount of sales to the five largest customers of the Company accounted for 27.16% of the total revenue of sales of the year. The sales to the largest customers accounted for 12.74% of the total revenue of sales of the year.

Save as disclosed above, during the year of 2019, to the knowledge of the Directors, none of the Directors, their close associates, or Shareholders of the Company (which, to the knowledge of the Directors, owned more than 5% of the number of issued Shares of the Company) had interests in the five largest suppliers or customers of the Company.

### 戰略合作協議

我們提述本公司日期為二零一五年十二月十五日的招股章程「業務」一節。如招股章程中披露，我們已經與深圳市東陽光實業訂立戰略合作協議，據此我們可有取得東陽光藥研發集團（包括宜昌東陽光藥研發有限公司、林芝東陽光藥業投資有限公司及其各自的附屬公司，為深圳市東陽光實業的附屬公司）開發的新藥品的生產及銷售的優先權利。於二零一九年年度內，基於廣東東陽光藥業開發的若干藥品的潛在市場及本公司的長期發展戰略考慮，本公司行使戰略合作協議項下的優先購買權，以自廣東東陽光藥業（東陽光藥研發集團的附屬公司）收購27種藥品。請參閱本年報第45頁、第50頁及第101至102頁。

### 主要客戶及供貨商

截至二零一九年十二月三十一日止年度，本公司向五大供貨商的採購總額佔年度採購總額的36.07%。二零一九年度五大供貨商中，宜昌東陽光和韶關東陽光包裝印刷有限公司為深圳市東陽光實業的附屬公司；最大供貨商為陝西嘉禾生物科技股份有限公司，而我們向該公司的採購額佔年內採購總額的8.91%。

截至二零一九年十二月三十一日止年度，本公司向五大客戶的銷售總額佔年度銷售總額27.16%。本公司最大客戶的銷售總額佔年度銷售總額12.74%。

除以上所披露外，於二零一九年內，就董事所知，董事、其緊密聯繫人或據董事所知任何擁有本公司已發行的股份數目5%以上的本公司股東概無擁有本公司五大供貨商或客戶的任何權益。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

### MAJOR ACQUISITION

1. On 25 February 2019, the Company entered into the Acquisition Agreement with Sunshine Lake Pharma, pursuant to which the Company acquired the intellectual property rights, industrial property rights and ownership rights in relation to the 27 pharmaceutical products within the PRC, at a total consideration of RMB1,626,434,600, including the prepayment of RMB813,217,300, Milestone payment in 27 portions of RMB325,286,900 in aggregate and balance amount in two instalments of RMB487,930,400 in aggregate. For details, please refer to the announcement of the Company dated 25 February 2019 and 10 May 2019 and the circular of the Company dated 9 April 2019.
2. On 12 September 2019, the Company entered into the Equity Transfer Agreement with Shenzhen HEC Industrial, pursuant to which the Company acquired 100% equity interests of HEC Biological Pharmacy Co., at a consideration of RMB78,161,200. For details, please refer to the announcement of the Company dated 12 September 2019.
3. On 13 November 2019 and 26 December 2019, the Company and Sunshine Lake Pharma entered into the Sale and Purchase Agreement and a supplemental agreement to that agreement, respectively, pursuant to which, the Company acquired two products, namely Rongliflozin L-Pyroglutamic Acid (焦谷氨酸榮格列淨) and Liraglutide (利拉魯肽), and all interests, benefits attached and all rights legally entitled, and all obligations assumed in accordance with laws within the PRC thereon, at a total consideration of RMB1,645,600,000. The aforesaid consideration includes the first instalment of RMB550,000,000, second instalment of RMB246,840,000 and final instalment of up to RMB848,760,000 in a lump sum or Sunshine Lake Pharma shall return relevant payments to the Company in a lump sum. For details, please refer to the announcement of the Company dated 13 November 2019, 27 December 2019 and 22 January 2020 and the circular of the Company dated 6 January 2020.

### 主要收購事項

1. 於二零一九年二月二十五日，本公司與廣東東陽光藥業訂立收購協議，據此，本公司將支付人民幣1,626,434,600元的總代價收購與27種醫藥產品相關的中國境內知識產權、工業產權和所有權，包括預付款人民幣813,217,300元、合計人民幣325,286,900元的27份里程碑付款及合計人民幣487,930,400元的兩期餘額款項。詳細信息請參見本公司日期為二零一九年二月二十五日及二零一九年五月十日的公告以及本公司日期為二零一九年四月九日的通函。
2. 於二零一九年九月十二日，本公司與深圳市東陽光實業訂立股權轉讓協議，據此，本公司將支付人民幣78,161,200元的代價收購東陽光生物製劑公司的100%股權。詳細信息請參見本公司日期為二零一九年九月十二日的公告。
3. 於二零一九年十一月十三日及二零一九年十二月二十六日，本公司與廣東東陽光藥業分別訂立購買協議及該買賣協議之補充協議，據此，本公司將支付人民幣1,645,600,000元的總代價收購焦谷氨酸榮格列淨和利拉魯肽兩種產品及其在中國境內所應附有的全部權益、利益及依法享有的全部權利和應依法承擔的全部義務。上述代價包括第一期款項人民幣550,000,000元、第二期款項人民幣246,840,000元、最高合計人民幣848,760,000元的一次性尾款或者由廣東東陽光藥業向本公司一次性退還相關款項。詳細信息請參見本公司日期為二零一九年十一月十三日、二零一九年十二月二十七日及二零二零年一月二十二日的公告及本公司日期為二零二零年一月六日之通函。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

### CONTRACT OF SIGNIFICANCE

Save as disclosed in this Annual Report, at no time during the year of 2019 had the Company or any of its subsidiaries entered into any contract of significance with the Controlling Shareholder or any of its subsidiaries, nor had any contract of significance been entered into for the services provided by the Controlling Shareholder or any of its subsidiaries to the Company or any of its subsidiaries.

### RETIREMENT AND EMPLOYEE BENEFITS SCHEME

Please refer to the Note 5(b) to the Consolidated Financial Statements for detailed information on the retirement and employee benefits scheme.

### COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

As a company listed on the Stock Exchange, the Company always strives to maintain a high level of corporate governance and had complied with all the code provisions of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules for the year ended 31 December 2019.

### PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the knowledge of the Directors, the Company has maintained a public float of no less than 25% of the issued shares during the current year and up to the Latest Practicable Date prior to the date of issue of this report, which was in line with the requirement under the Listing Rules.

### USE OF PROCEEDS

#### Proceeds from the Global Offering

According to the final results of the Global Offering, the net proceeds raised from the Global Offering are approximately HK\$1,307.5 million (approximately RMB1,095.4 million).

In view of the relatively low interests rate on deposits and in order to enhance the efficiency of use of the net proceeds from the Global Offering and avoid exchange loss, based on the latest construction budget for the new oral formulation production plant and new insulin production plant, the Board resolved on 22 December 2017 to reallocate the unutilised net proceeds originally allocated to (i) new oral formulation production plant and (ii) promotional and marketing activities of approximately RMB701.4 million for (i) the new insulin production plant and (ii) working capital and general corporate purposes, including the payment of the patent royalties in connection with oseltamivir phosphate and cash dividends to the Shareholders.

### 重要合約

除本年報所披露者外，於二零一九年內任何時間，本公司或其任何附屬公司概無與控股股東或其任何附屬公司訂立任何重要合約，亦無就控股股東或其任何附屬公司向本公司或其任何附屬公司提供服務而訂立任何重要合約。

### 退休及僱員福利計劃

退休及僱員福利計劃詳情載於綜合財務報表附註5(b)。

### 遵守企業管治守則

本公司作為聯交所上市公司，始終致力於保持高水平的企業管治，並已於截至二零一九年十二月三十一日止年度遵守載於上市規則附錄十四所載的企業管治守則的所有守則條文。

### 公眾持股量

根據本公司可公開獲得的資料及就董事所知，於本年度至本年報發佈之日之前的最後實際可行日期，公眾人士持有本公司已發行股份不少於25%，符合上市規則的規定。

### 所得款項用途

#### 全球發售所得款項

根據全球發售最終結果，全球發售募集資金淨額約港幣1,307.5百萬元（約人民幣1,095.4百萬元）。

鑒於存款利率相對較低，為提升全球發售所得款項淨額的使用效率及避免匯兌虧損，基於最新的新口服製劑生產工廠及新胰島素生產工廠的工程預算，董事會於二零一七年十二月二十二日決議將初始分配用作(i)興建新口服製劑生產工廠及(ii)產品推廣及營銷活動的未動用所得款項淨額約人民幣701.4百萬元進行重新分配，用於(i)興建新胰島素生產工廠及(ii)營運資金及一般企業用途，包括支付有關磷酸奧司他韋的專利授權許可使用費及股東現金股利等。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

As at 31 December 2019, details of utilization of the net proceeds raised from the Global Offering are as follows:

於二零一九年十二月三十一日，全球發售所得款項淨額的使用詳情如下：

		Revised allocation of use of net proceeds (Approximate RMB million)	Utilized amount as at 31 December 2019 (Approximate RMB million)
		所得款項淨額 用途的經修訂分配 (約人民幣百萬元)	於截至二零一九年 十二月三十一日 的已動用金額 (約人民幣百萬元)
New oral formulation production plant	新口服製劑生產工廠	300.0	300.0
New insulin production plant	新胰島素生產工廠	328.7	328.7
Promotional and marketing activities	推廣及營銷活動	136.1	136.1
Working capital and general corporate purposes	營運資金及一般企業用途	330.6	307.0
Total	總計	1,095.4	1,071.8

The net proceeds raised from the Global Offering are expected to be fully utilized during 2020.

全球發售所得款項淨額預計將於二零二零年內使用完畢。

### Proceeds from H Share Convertible Bonds

On 14 August 2018, the Company entered into a subscription agreement the (“**Subscription Agreement**”) with certain entities ultimately controlled by The Blackstone Group L.P. (the “**Blackstone Fund SPVs**”), pursuant to which, the Blackstone Fund SPVs have conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, the H share convertible bonds with an aggregate principal amount of US\$400,000,000 (the “**H Share Convertible Bonds**”).

### H 股可轉換債券所得款項

於二零一八年八月十四日，本公司與由The Blackstone Group L.P.最終控制的若干實體（「黑石基金特殊目的實體」）訂立認購協議（「認購協議」），據此，黑石基金特殊目的實體已有條件同意認購，而本公司已有條件同意發行，本金金額合共為400,000,000美元的H股可轉換債券（「H股可轉換債券」）。

The H Share Convertible Bonds, which bear interest at the rate of 3.0% per annum and may be converted into 82,631,578 conversion shares at the initial conversion price of HK\$38 per share (assuming full conversion of the H Share Convertible Bonds), representing approximately 18.41% of the existing issued share capital of the Company as at the date of this Annual Report and approximately 15.55% of the total issued share capital as enlarged by the issue of the conversion shares.

H股可轉換債券以年利率3.0%計息，且可按每股38港元的初始轉換價格轉換為82,631,578股轉換股份（假設H股可轉換債券獲悉數轉換），佔於本年報日期本公司現有已發行股本的約18.41%及佔經發行轉換股份擴大的已發行股本總額的約15.55%。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

The proceeds from the issue of the H Share Convertible Bonds are intended to be used for the purposes of the acquisition of drugs and other pharmaceutical products (including active pharmaceutical ingredients), capital expenditure on production facilities, expansion of sales and distribution networks and other purposes subject to the prior written consent of the subscriber.

The proposed issue of H Share Convertible Bonds represents an excellent opportunity for the Company to embrace market opportunities and enhance its market positions in the pharmaceutical industry. At the same time, the Group plans to tap this opportunity to introduce The Blackstone Group L.P. and its affiliated companies as a long-term strategic investor to help the Company carry out drug acquisitions, advance its development strategy, operation and management, strengthen international cooperation, and improve corporate governance and investor relations.

During the Reporting Period, all the conditions precedent for the issue and subscription of the H Share Convertible Bonds under the Subscription Agreement have been fulfilled and that completion took place on 20 February 2019.

On 20 February 2019, the Company issued a tranche of 1,600 H Share Convertible Bonds with an aggregate principal amount of USD400,000,000. Each has a face value of USD250,000. The Company has received the net proceeds from the issue of the H Share Convertible Bonds, after deduction of expenses payable in connection with the issue of the H Share Convertible Bonds, of approximately USD396.44 million, with net proceeds from each of the H Share Convertible Bonds amounting to approximately USD247,778.

發行H股可轉換債券所得資金擬用於收購藥品和其他製藥產品(包括原料藥)、生產設施資本支出、擴大銷售和分銷網絡以及受限於認購人事先書面同意的其他目的。

發行H股可轉換債券是本公司把握市場機遇及提升於醫藥行業的市場地位的良好良機。同時，本集團計劃藉此機會引入The Blackstone Group L.P.及其聯屬公司作為長期戰略投資者，以幫助本公司開展藥品收購，推進發展策略、運營及管理，加強國際合作及提升企業管治及投資者關係。

報告期內，認購協議項下之發行及認購H股可轉換債券的全部先決條件已獲滿足，故於二零一九年二月二十日交割。

於二零一九年二月二十日，本公司發行1批1,600份的H股可轉換債券，本金金額合共為400,000,000美元。每一份的面值為250,000美元。本公司已收到發行H股可轉換債券所得資金淨額(經扣除發行H股可轉換債券相關應付費用後)約為396.44百萬美元，每一份H股可轉換債券所得淨額約為247,778美元。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

As of 31 December 2019, the use of proceeds from the H Share Convertible Bonds is as follows:

截至二零一九年十二月三十一日，H股可轉換債券所得款項的使用情況如下：

Items	Percentage of net proceeds utilized for such item	Accumulated amount being utilized for such item (USD million)
項目	就該項目已動用之所得款項淨額之百分比	就該項目已動用之累計金額(百萬美元)
(i) For the acquisition of drugs and other pharmaceutical products (including active pharmaceutical ingredients) 用於收購藥品和其他製藥產品(包括原料藥)	46.32%	146.15
(ii) For capital expenditure on production facilities 用作生產設施資本支出	3.82%	12.04
(iii) For the expansion of sales and distribution networks and other purposes 用於擴大銷售和經銷網絡以及其他目的	23.84%	75.21
(iv) Distributing final dividend of H Share for 2018 2018年H股末期分紅	5.69%	17.94
(v) Interest paid to Blackstone 支付黑石利息	1.39%	4.40
(vi) Increasing capital in Yidu HEC Pharmaceutical 向宜都東陽光製藥有限公司增資	4.69%	14.80
(vii) Repurchase of H Share 回購H股股份	14.25%	44.98
Total 總計	100.00%	315.52

As of 31 December 2019, the remaining amount of the proceeds from the H Share Convertible Bonds was USD80.92 million.

截至二零一九年十二月三十一日，H股可換債券所得剩餘款項為80.92百萬美元。

In 2020, such remaining amount of the proceeds from the H Share Convertible Bonds (i.e. USD74.92 million) were used in the acquisition of two pharmaceutical products, Rongliflozin L-Pyroglutamic Acid and Liraglutide, and payment of interest to Blackstone (i.e. USD6 million).

二零二零年，該等H股可轉換債券所得剩餘款項用於購買焦谷氨酸榮格列淨、利拉魯肽兩種藥物(即74.92百萬美元)和支付黑石利息(即6百萬美元)。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

As of 22 January 2020, the proceeds from the H Share Convertible Bonds had been used up.

Save as disclosed above, none of the conversion rights under the H Share Convertible Bonds had been exercised as at the date of this annual report.

Details of the H Share Convertible Bonds were disclosed in the announcements of the Company dated 14 August 2018, 15 October 2018 and 20 February 2019 and the circular of the Company dated 11 September 2018.

### SIGNIFICANT LEGAL PROCEEDINGS

For the year ended 31 December 2019, the Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company.

### AUDIT COMMITTEE

The audit committee of the Company includes two independent non-executive directors, namely Mr. Tang Jianxin and Mr. Zhao Dayao and one non-executive director, namely Mr. Tang Xinfa. With professional qualification and experience in finance, Mr. Tang Jianxin was appointed as the chairman of the audit committee. The primary duties of the audit committee are to make independent recommendations on the effectiveness of our financial reporting procedures, internal control and risk management systems and maintaining good relationship with external auditors of the Group, so as to assist the Board, supervise the audit process and perform other responsibilities and related duties assigned by the Board. The audit committee will meet with the external auditors of the Company and in-house auditors, and review their plans, internal audit procedures, their results of audits and review of the risk management and internal supervision system.

The audit committee of the Company has reviewed the Group's 2019 annual results announcement, the Annual Report and the audited financial statements for the year ended 31 December 2019 prepared in accordance with the IFRSs.

截至二零二零年一月二十二日，H股可轉換債券所得款項已經使用完畢。

於本年報日期，除上文披露外，概無H股可轉換債券項下的轉換權獲行使。

有關H股可轉換債券之詳情於本公司日期為二零一八年八月十四日、二零一八年十月十五日及二零一九年二月二十日之公告及本公司日期為二零一八年九月十一日之通函內披露。

### 重大法律訴訟

截至二零一九年十二月三十一日止年度，本公司並無涉及任何重大法律訴訟或仲裁。就董事所知，亦無任何尚未了結或本公司可能面臨的重大法律訴訟或索賠。

### 審核委員會

本公司的審核委員會包括兩名獨立非執行董事唐建新先生及趙大堯先生及一名非執行董事唐新發先生。唐建新先生具備財務專業資格和經驗，獲委任為審核委員會主席。審核委員會的主要職責乃就財務申報過程、內部監控及風險管理系統是否有效及維持與本集團外聘核數師關係提供獨立意見，藉以協助董事會、監督審核過程及履行董事會委派的其他職責及有關責任。審核委員會與本公司之外聘核數師及內部核數師會晤，並審閱其審核計劃、內部審核程序、其審查及評估風險管理及內部監控系統之結果。

本公司的審核委員會已審閱本集團二零一九年之年度業績公告、年報，及按國際財務報告準則編製的截至二零一九年十二月三十一日止年度的經審核財務報表。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

### ENVIRONMENTAL POLICIES AND PERFORMANCE

The Company is committed to the sustainable development of the environment and the society. In recognition of the potential climate impact due to manufacturing of pharmaceutical products, the Company strives to enhance the environmental performance of its pharmaceutical products manufacturing and development through eco-friendly operational measures as well as supporting a number of external charters with regard to energy efficiency and carbon reduction. In addition, during the Reporting Period, the Group had continually increased investment in research and development, upgrading its technology, improved production process, focused on the establishment of drug quality system, extended the life cycle of pharmaceutical products and lowered the cost in order to offer safe, efficient, affordable pharmaceutical products and services. The Group constantly strengthened environment protection, optimized the production process and improved the utilization rate of the production facilities for the purposes of energy saving, emission reduction and environment protection. The Group emphasized harmonious development with nature to protect the sustainable development of the environment. The Group also improved clean production as well as environmental protection construction, and proactively supported environmental protection and charitable matters in the community.

### COMPLIANCE WITH LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements and the risk of non-compliance with such requirements could lead to the termination of operating licences. The Group has been allocating system and staff resources to ensure ongoing compliance with rules and regulations and to maintain cordial working relationships with regulators effectively through effective communications. During the year of 2019, the Group has complied, to the best of our knowledge, with all relevant rules and regulations that have a significant impact on the Company, including but not limited to the Company Law of the PRC, the Securities Law of the PRC, the Code of Corporate Governance for Listed Companies, the Listing Rules, the Law of the PRC on the Administration of Drugs, the Measures for the Administration of Drug Registration and the Good Manufacture Practice of Drugs.

### 環境政策及績效

本公司矢志促進環境和社會的可持續發展。我們深明製造藥品對氣候有一定的影響，因此，本公司通過環保的營運措施，致力提高旗下藥品製造及發展的環境績效，並簽訂多份約章以承諾提高能源效益及減少碳排放。此外，於報告期內，本集團持續加大研發投入，不斷改進技術、改善生產工藝流程，注重藥品質量體系建設，延長藥品生命週期、降低成本，為民眾提供更為安全、有效、平價的藥品和服務；持續增加環保投入，優化生產工藝，提升生產設施的利用效能，以實現節能減排、保護環境；強調與自然和諧發展，保障環境的可持續發展，同時在清潔生產、環保建設等方面持續改善，積極支持社會環保公益事業。

### 遵守法律及法規

本集團深明遵守監管要求的重要性，而未能遵守該等要求則可予終止營運牌照。本集團已分配系統及人力資源，以確保一直遵守規則及法規，以及透過有效溝通有效地與監管機構維持良好關係。於二零一九年間，就我們所知悉，本集團已遵守所有對本公司有重要影響的相關規則及法規，包括但不限於《中國公司法》、《中華人民共和國證券法》、《上市公司治理規則》、上市規則、《中華人民共和國藥品管理法》、《藥品註冊管理辦法》及《藥品生產質量管理規範》。



# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

### RELATIONSHIP WITH STAKEHOLDERS

The Company recognizes that our employees, customers and business associates are keys to our sustainable journey. We strive to achieve corporate sustainability through engaging our employees, providing quality services for our customers, collaborating with business partners and supporting our community.

The Company places significant emphasis on human capital. The Company provides a fair workplace, promoting non-discrimination and diversity to our staff, together with competitive remuneration and benefits, as well as a range of opportunities for career advancement based on employees' merits and performance. The Company administers its employee health and safety management system and ensures the adoption of the principles across the Group. The Company provides regular trainings for staff to keep them abreast of the latest developments in the market and industry, in the form of both internal trainings and trainings provided by experts from external organizations.

To enhance customer satisfaction and promote a customer-oriented culture within the Company, we take 'Customer First' as one of our core values. We value the feedback from customers through daily communication, regular inspections and etc. We have also established the mechanism about customer service, support and complaints. When dealing with a customer complaint, we treat it as an opportunity to improve our relationship with the customer, addressing the concern in a timely manner and in accordance with international standards.

We believe that our suppliers are equally important in driving quality delivery of our products. We proactively collaborate with our business partners (including suppliers and contractors) to deliver quality sustainable products and services. We have included certain requirements in our standard tender documents. These requirements include regulatory compliance, labour practices, anti-corruption and other business ethics. We assure the performance of our suppliers through supplier approval process and by conducting factory audits/site visits and spot checks on the delivered goods at site during the contractual periods.

### 持份者關係

本公司深明在可持續發展的路上，員工、顧客和業務夥伴是我們可持續發展里程的關鍵。我們致力與員工緊密聯繫，為顧客提供優質服務，同時與業務夥伴協力同心，支持社會公益事務，以達至企業可持續發展。

本公司重視人力資源。為員工提供公平的工作環境，提倡共融及多元文化背景。我們提供具競爭力的薪酬待遇，並按照員工的表現，提供不同的晉升機會。本公司管理其僱員健康及安全管理系統，確保本集團採納各項原則落實執行。本公司為員工提供定期培訓，包括內部培訓和由外間專業機構提供的進修課程，從而使員工對市場及行業的最新發展有所了解。

為提高客戶滿意度及提倡以客為本的服務文化，我們以「顧客至上」為核心價值之一。我們非常重視顧客的意見，因此透過日常溝通及定期巡視等調查了解他們的想法。此外，我們亦訂立了處理顧客服務、支援和投訴的機制。當回應顧客投訴時，我們會將其視作改善與客戶關係的良機，遵循國際標準的指引，迅速作出反應。

我們深信若要營造優質的產品，供應商的角色亦同樣重要。我們積極與業務夥伴(包括供應商及承建商)合作，以提供優質可持續的產品及服務。我們於招標文件中訂明若干規定，包括遵守法規、勞工僱傭守則、防止貪污賄賂及其他商業道德守則。我們透過供應商評核程序，以及到工廠實地視察及審核評估其表現，並於合約期內即場為付運之產品作抽樣檢查，確保供應商之表現。

# REPORT OF THE BOARD OF DIRECTORS

## 董事會報告

### AUDITORS

The consolidated financial statements of the Company for the year ended 31 December 2019 have been audited by KPMG who retire and, being eligible, offer themselves for re-appointment at the AGM. A resolution for the re-appointment of KPMG as the Company's auditors will be proposed for shareholders' approval at the forthcoming AGM. The Company did not change the auditor for the past five years.

### FINANCIAL SUMMARY

Summary of results of operation and the assets and liabilities of the Group for the last five financial years is set out on page 4 in the Annual Report.

On behalf of the Board

**YiChang HEC ChangJiang Pharmaceutical Co., Ltd.**

**TANG Xinfa**

*Chairman*

Hubei, the PRC

27 March 2020

### 核數師

本集團截至二零一九年十二月三十一日止年度綜合財務報表由畢馬威會計師事務所審核。畢馬威會計師事務所將於股東週年大會退任，惟其合資格並願意獲續聘連任。有關續聘畢馬威會計師事務所為本公司核數師的決議案，將於應屆股東週年大會上提呈。本公司於過去五年並無更換核數師。

### 財務摘要

本集團過往五個財政年度的經營業績、資產及負債摘要載列於本年報的第4頁。

代表董事會

**宜昌東陽光長江藥業股份有限公司**

**董事長**

**唐新發**

中國，湖北

二零二零年三月二十七日

# REPORT OF THE BOARD OF SUPERVISORS

## 監事會報告

In 2019, all members of the Board of Supervisors complied with the requirement of the Company Law of the PRC, the Articles of Association, as well as relevant regulations to diligently and honestly perform their duties. They independently exercised their power under the law to ensure the standard operation of the Company and protect the interests of the Company and the investors. The Board of Supervisors supervised the Company's operation plans, use of proceeds from financing activities, connected transactions, production and operation activities of the Company, financial position and performance of duty of Directors and senior management of the Company as well as the operation of subsidiaries, and facilitated the compliant operation and healthy development of the Company. The report of main works of the Board of Supervisors for the year is set forth below:

### 1. BASIC ASSESSMENT OF THE COMPANY'S OPERATION AND MANAGEMENT ACTIVITIES AND PERFORMANCE IN 2019

In 2019, the Board of Supervisors strictly complied with the requirement of the Company Law of the PRC, the Articles of Association, the Rules of the Procedures of the Board of Supervisors as well as relevant laws and regulations to honestly perform its supervise duties in pragmatically protecting the interests and rights of the Company and the many minority Shareholders.

二零一九年度監事會全體成員按照《中國公司法》、公司章程以及相關的法規要求，勤勉、認真地履行職能，依法獨立行使職權，以保障本公司規範運作，維護本公司和投資者利益。監事會對本公司經營計劃、募集資金使用情況、關聯交易、本公司生產經營活動、財務狀況和本公司董事、高級管理人員的履職情況、附屬公司的經營情況進行了監督，促進了本公司規範運作和健康發展。現將監事會在本年度的主要工作報告如下：

### 一、對本公司二零一九年度經營管理行為和業績的基本評價

二零一九年監事會嚴格按照《中國公司法》、公司章程、《監事會議事規則》和有關法律、法規的要求，從切實維護本公司利益和廣大中小股東權益出發，認真履行監督職責。

# REPORT OF THE BOARD OF SUPERVISORS

## 監事會報告

After having attended each of the meetings of the Board of Directors and the Shareholders' general meetings in 2019, the Board of Supervisors is of the opinion that the Board of Directors has earnestly implemented resolutions of the Shareholders' general meetings and faithfully performed fiduciary duties, it has not conducted any acts which would damage the interests of the Company and the Shareholders. Each resolution of the Board of Directors has been in compliance with the requirement of the Company Law of the PRC and other laws and regulations as well as the Articles of Association. The Board of Supervisors supervised the production and operation activities of the Company during its session period. It considers that the management members of Company earnestly implemented every resolutions of the Board with due diligence and conducted no acts of violation in the course of business.

監事會列席了二零一九年曆次董事會會議和股東大會，並認為：董事會認真執行了股東大會的決議，忠實履行了誠信義務，未出現損害本公司、股東利益的行為，董事會的各項決議符合《中國公司法》等法律法規和公司章程的要求。監事會對任期內本公司的生產經營活動進行了監督，認為本公司經營班子勤勉盡責，認真執行了董事會的各項決議，經營中不存在違規操作行為。

## 2. DETAILS OF MEETINGS OF BOARD OF SUPERVISORS

## 二、監事會會議情況

During the Reporting Period, the Board of Supervisors held 2 meetings in aggregate:

本報告期內監事會共召開2次會議：

- (1) On 22 March 2019, the first meeting of 2019 of Board of Supervisors was convened and approved the resolutions in relation to Work Report of Board of Supervisors for 2018, 2018 Final Accounts Report of the Company, The Plan Regarding Dividend Distribution for 2018, The Proposal Regarding Continuing Connected Transactions for 2018 and The Proposal of Mr. Tan Jinlong to be appointed as a Supervisor, in replacement of Ms. Huang Fangfang and Mr. Tan Jinlong to be elected as the chairman of the Board of Supervisors were considered and approved.
- (2) On 21 August 2019, the second meeting of 2019 of Board of Supervisors was convened and approved the resolution in relation to the interim results announcement for the six months ended 30 June 2019, interim report for the six months ended 30 June 2019 and declaring the interim dividend.

(一) 二零一九年三月二十二日，召開二零一九年第一次監事會會議，會議審議通過了以下議案：《本公司二零一八年度監事會工作報告》、《本公司二零一八年度財務決算報告》、《關於二零一八年度股息分配的預案》、《關於二零一八年度關聯交易的議案》及《唐金龍先生接替黃芳芳女士擔任監事一職，並提議選舉唐金龍先生為監事會主席的議案》。

(二) 二零一九年八月二十一日，召開二零一九年第二次監事會會議，會議審議通過了以下議案：《截至二零一九年六月三十日止六個月之中期業績公告》、《截至二零一九年六月三十日止六個月之中期報告》及《宣派中期股息》。

# REPORT OF THE BOARD OF SUPERVISORS

## 監事會報告

### 3. THE SUPERVISORY OPINION FROM THE BOARD OF SUPERVISORS ON RELATED MATTERS OF THE COMPANY IN 2019

### 三、監事會對本公司二零一九年度有關事項的監督意見

#### (1) Financial Conditions of the Company

The Board of Supervisors conducted inspection with regard to the financial conditions of the Company's own segment and its subsidiaries after having taken into account the actual situation of the Company in ways of hearing reports from financial department and regular auditing and other methods, thus strengthening the supervision over the Company's financial affairs. The Board of Supervisors of the Company is of the view that the Company and each of its subsidiaries have established their own independent financial departments with separate financial books and have conducted auditing independently, and that they have complied with Accounting Law of the PRC as well as relevant financial regulations and rules. In 2019, the financial management of the Company and each of its subsidiaries was carried out on a standard basis and the accounting statements gave a true and accurate picture of the actual situation of the Company and each of its subsidiaries.

#### (一) 本公司財務狀況

監事會結合本公司實際情況，通過聽取財務部門匯報、進行定期審計等方式，對本公司本部、附屬公司的財務情況進行了檢查，強化了對本公司財務工作的監督。監事會認為，本公司及各附屬公司設有獨立的財務部門，有獨立財務賬冊，獨立核算，遵守《中國會計法》和有關財務規章制度。二零一九年的本公司及各附屬公司財務管理規範，會計報表真實、準確地反映了本公司及各附屬公司的實際情況。

#### (2) Details of Connected Transactions

During the Reporting Period, the ordinary connected transactions between the Company and its connected persons have all been considered and approved on the meetings of the Board of Directors or Shareholders' general meetings (if applicable) of the Company. The connected transactions were carried out in accordance with contracts or agreements in arm's length with no damages to the interests of the Company.

#### (二) 關聯交易情況

報告期內，本公司與關聯人士的日常性關聯交易事項均通過了本公司董事會或股東大會(如適用)的審議，關聯交易中按合同或協議公平交易，沒有損害本公司的利益。

# REPORT OF THE BOARD OF SUPERVISORS

## 監事會報告

### 4. COMPREHENSIVE OPINION FROM BOARD OF SUPERVISORS ON THE COMPANY'S SITUATION IN 2019

### 四、監事會對本公司二零一九年度情況的綜合意見

- (1) During the Reporting Period, members of Board of Supervisors earnestly performed duties and supervised the Board of Director's performance of duties and its implementations of the Company's decision procedures by attending meetings of the Board of Directors. The Board of Supervisors is of the view that each resolution and decision procedure has been arrived by the Board of Directors in due compliance of the requirements of the Company Law of the PRC, the Articles of Association and the Rules of the Procedures of the Meetings of the Board of Directors and are legal and effective.
  - (2) During the Reporting Period, the senior management members of the Company fulfilled their duties in accordance with the Articles of Association and relevant laws and regulations of China. With aims to protect the interests of the Company and its Shareholders, they earnestly implemented the resolutions of the Shareholder's general meetings of the Company, fulfilled obligations of fiduciary and due diligence so as to facilitate the Company to carry out a standard operation, democratic decision, management science, clear targeting and continuing innovation, having achieved favorable economic benefits without acts of violation.
  - (3) The Board of Supervisors has honestly reviewed the financial reports for 2019 and other relevant information. It considers that such reports give an objective view of the Company's financial conditions and operating results. The operating results of the Company for 2019 are true and accurate and the control over cost is effective.
- (一) 報告期內，監事會成員認真履行職責，恪盡職守，通過列席董事會會議，對董事會履行職權、執行本公司決策程序進行了監督。監事會認為，本公司董事會所形成的各項決議和決策程序認真履行了《中國公司法》、公司章程和董事會議事規則的規定，是合法有效的。
  - (二) 報告期內，本公司高級管理人員履行職務時能遵守公司章程和國家法律、法規，以維護本公司股東利益為出發點，認真執行本公司股東大會決議，履行誠信和勤勉盡責的義務，使本公司運作規範，決策民主、管理科學、目標明確、不斷創新，取得了良好的經濟效益，沒有出現違法違規行為。
  - (三) 監事會認真審核了二零一九年度財務報告等有關資料，認為報告客觀的反映了本公司的財務狀況和經營成果，本公司二零一九年度實現的業績是真實的，成本控制效果顯著。

# REPORT OF THE BOARD OF SUPERVISORS

## 監事會報告

(4) Opinion Regarding the Company's Self-Appraisal on its Internal Control The Company has, taking into account of the Company's actual situation, established and developed an internal control system that covers all areas of the Company according to the relevant requirements of the Listing Rules, Company Law of the PRC and Articles of Association. Such system has ensured that the Company's operating activities are in a normal and ordinary course and has safeguarded the security and integrity of the Company's assets. The institutional framework of the internal control of the Company is complete and the internal auditing department and personnel allocation are in place, which has ensured that the implementation of and supervision over key activities under the Company's internal control are sufficient and effective. In 2019, no circumstances under which the Company would violate the Guidelines for Internal Control of Listed Companies and the internal control system of the Company occurred. The Board of Supervisors considers that the Company's self-appraisal on its internal control gives a comprehensive and true picture of the actual situation of the internal control of the Company.

(四) 對本公司內部控制自我評價的意見本公司根據上市規則、《中華人民共和國公司法》、公司章程的有關規定，按照本公司實際情況，建立健全了覆蓋本公司各環節的內部控制制度，保證了本公司業務活動的正常活動，保護本公司資產的安全和完整。本公司內部控制組織機構完整，內部審計部門及人員配備到位，保證了本公司內部控制重點活動的執行及監督充分有效。二零一九年本公司沒有違反《上市公司內部控制指引》及本公司內部控制制度的情形發生。監事會認為，本公司內部控制自我評價全面、真實的反映了本公司內部控制的實際情況。

*Chairman of the Board of Supervisors*

**TANG Jinlong**

Hubei, the PRC

27 March 2020

監事會主席

**唐金龍**

中國·湖北

二零二零年三月二十七日

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The Board is pleased to present this corporate governance report.

董事會欣然提呈本企業管治報告。

The Group strive to maintain high standards of corporate governance to enhance Shareholders' value and safeguard Shareholders' interests. The Company's corporate governance principles emphasize the importance of a quality Board, effective internal controls and accountability to Shareholders.

本集團致力維持高標準企業管治，以提升股東價值及保障股東權益。本公司之企業管治原則強調高質董事會、有效內部監控及向股東負責之重要性。

### CORPORATE GOVERNANCE PRACTICE

The Company had complied with all the code provisions as set out in Appendix 14 of the Listing Rules during the year ended 31 December 2019.

### 企業管治常規

截至二零一九年十二月三十一日止年度內，本公司已遵守上市規則附錄14所載的所有守則條文。

The Company will review its corporate governance practices regularly to ensure its compliance with the corporate governance code.

本公司將定期檢討其企業管治常規，以確保其符合企業管治守則。

### COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its code regarding Directors' and Supervisors' dealings in the Company's securities.

### 遵守有關董事及監事所進行證券交易之標準守則

本公司已採納上市規則附錄10所載的標準守則作為其有關董事及監事買賣本公司證券的守則。

The Company has made specific enquiry to all of the Directors and Supervisors and all of the Directors and Supervisors have confirmed that they have complied with the Model Code for the year ended 31 December 2019.

本公司已向全體董事及監事作出特定查詢，而全體董事及監事均已確認，彼等於截至二零一九年十二月三十一日止年度已遵守標準守則。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### BOARD OF DIRECTORS

#### Board composition

The Board is responsible for overseeing the Group's strategic development, and determining the objectives, business strategies and policies of the Group. The Board also monitors and controls operating and financial performance in pursuit of the Group's strategic objectives.

Mr. ZHU Qiaohong resigned as a non-executive Director and Mr. Eddy HUANG was appointed as a non-executive Director on 20 February 2019. The term of office of Mr. Eddy HUANG commenced on 20 February 2019 and shall end at the expiry of the second session of the Board. Mr. LEE Chi Ming resigned as an independent non-executive Director and Mr. ZHAO Dayao was appointed as an independent non-executive Director on 11 October 2019. The term of office of Mr. ZHAO Dayao commenced on 11 October 2019 and shall end at the expiry of the second session of the Board. The Board currently consists of nine Directors, comprising four executive Directors, two non-executive Directors and three independent non-executive Directors. The Directors who held office during the year ended 31 December 2019 and up to the date of this Annual Report are:

### 董事會

#### 董事會之組成

董事會負責監管本集團的戰略發展，決定本集團的目標、商務策略及政策，並監察及掌握營運及財務表現，以達到本集團的戰略性目標。

於二零一九年二月二十日，朱巧洪先生辭任非執行董事，黃翊先生獲委任為非執行董事。黃翊先生的任期自二零一九年二月二十日起，於第二屆董事會任期屆滿時結束。於二零一九年十月十一日，李志明先生辭任獨立非執行董事。趙大堯先生獲委任為獨立非執行董事。趙大堯先生的任期自二零一九年十月十一日起，於第二屆董事會任期屆滿時結束。目前，董事會包括九名董事，其中包括四名執行董事、兩名非執行董事及三名獨立非執行董事。於截至二零一九年十二月三十一日止年度內及直至本年報日期期間，任職董事如下：

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Executive Directors

Mr. JIANG Juncai  
Mr. WANG Danjin  
Mr. CHEN Yangui  
Mr. ZHU Qiaohong (resigned on 20 February 2019)  
Mr. LI Shuang

### Non-executive Directors

Mr. TANG Xinfu (*Chairman*)  
Mr. Eddy HUANG (appointed on 20 February 2019)

### Independent Non-executive Directors

Mr. TANG Jianxin  
Mr. FU Hailiang  
Mr. LEE Chi Ming (resigned on 11 October 2019)  
Mr. ZHAO Dayao (appointed on 11 October 2019)

The Directors have no financial, business, family or other material/relevant relationships with each other.

The biographies of the Directors are set out in the section headed “Profiles of Directors, Supervisors and Senior Management” of this Annual Report.

Each of the Directors (including non-executive Directors but except Mr. Eddy HUANG and Mr. ZHAO Dayao) has entered into a service contract with the Company. The principal particulars of these service contracts are: (a) each of the contracts is for a term of three years commencing from 8 June 2018 (being the date of their election or appointments approved by the 2017 annual general meeting of the Company) until the expiration of the second session of the Board; and (b) each of the contracts is subject to termination in accordance with their respective terms. The service contracts may be renewed in accordance with the Articles of Association and the applicable rules.

Mr. Eddy HUANG has entered into a service contract with the Company. His term of office as a non-executive Director commenced on 20 February 2019 and shall end at the expiry of term of the second session of the Board.

### 執行董事

蔣均才先生  
王丹津先生  
陳燕桂先生  
朱巧洪先生(於二零一九年二月二十日辭任)  
李爽先生

### 非執行董事

唐新發先生(董事長)  
黃翊先生(於二零一九年二月二十日獲委任)

### 獨立非執行董事

唐建新先生  
付海亮先生  
李志明先生(於二零一九年十月十一日辭任)  
趙大堯先生(於二零一九年十月十一日獲委任)

董事彼此間概無任何財務、業務、家族或其他重大／相關關連。

董事簡歷載於本年報「董事、監事及高級管理人員簡介」一節。

各董事(包括非執行董事但除黃翊先生及趙大堯先生外)已與本公司簽訂服務合約。該等服務合約之主要內容為：(a)各合約的期限為由二零一八年六月八日(即由本公司二零一七年股東週年大會批准委任／重選之日)起計3年至第二屆董事會任期屆滿為止；及(b)各合約根據其各自的條款終止。服務合約可以根據公司章程和適用規則續簽。

黃翊先生已與本公司簽訂服務合同。彼作為非執行董事之任期自二零一九年二月二十日起至第二屆董事會任期結束為止。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

Mr. ZHAO Dayao has entered into a service contract with the Company. His term of office as an independent non-executive Director commenced on 11 October 2019 and shall end at the expiry of term of the second session of the Board.

As at the date of this Annual Report, the Board at all times complied with the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written confirmation from each of the independent non-executive Director of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors to be independent in accordance with the independence guidelines as set out in the Listing Rules.

### RESPONSIBILITIES OF THE BOARD

The Articles of Association states the functions and powers of the Board, including:

- To convene the general meetings, submit relevant matters to the general meetings for passing, and report on its work to the Shareholders;
- To implement the resolution of the general meeting;
- To decide on the business plans and investment schemes of the Company;
- To formulate the Company's proposed annual financial budget and final accounts;
- To formulate the Company's profit distribution plan and plan for making up for losses;
- To formulate proposals for the increase or reduction of the Company's registered capital, and plans for the issue of corporate bonds or other securities and the listing plan;

趙大堯先生已與本公司簽訂服務合同。彼作為非執行董事之任期自二零一九年十月十一日起至第二屆董事會任期結束為止。

於本年報日期，董事會一直遵守上市規則中有關委任至少三名獨立非執行董事以及其中至少一名獨立非執行董事須擁有相關專業資格或會計或相關財務管理專長的規定。

本公司已接獲各獨立非執行董事根據上市規則第3.13條的規定就其獨立性發出的書面確認書。根據上市規則所載的獨立性指引，本公司認為全體獨立非執行董事均具獨立性。

### 董事會之職責

公司章程列載董事會的職權，其中包括：

- 召集股東大會會議，提請股東大會通過有關事項，並向股東報告工作；
- 執行股東大會的決議；
- 決定本公司的經營計劃和投資方案；
- 制訂本公司的年度財務預算方案和決算方案；
- 制訂本公司的利潤分配方案和彌補虧損方案；
- 制訂本公司增加或者減少註冊資本的方案以及發行公司債券或其他證券及上市方案；

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

- To draw up plans for material assets acquisition or disposal, purchase of the Company's Shares, or merger, demerger, dissolution or change of the form of the Company;
- To decide on the establishment of the Company's internal management organization;
- To appoint or remove the Company's general manager and secretary of the Board; to appoint or remove other senior management officers pursuant to the general manager's nominations, and to determine the abovementioned matters relating to the remuneration, incentives and punishments of the senior management officers;
- To formulate the Company's basic management system;
- To formulate proposals for any amendment to the Articles of Association;
- To decide on the matters such as merger, division, reorganization or dissolution of the Company's wholly-owned subsidiaries and subsidiaries;
- To change the use of the placement to the extent beyond the decision of the general meeting as required by laws and regulations;
- To decide on the establishment of special committees under the Board and to appoint or remove its person-in-charge;
- To propose at the general meetings a resolution in respect of candidates for independent Directors and replacement of independent Directors;
- To propose at the general meetings for the appointment, renewal or remove of accountants' firm conducting auditing for the Company;
- To hear the work report and inspect the work of the general manager;
- To manage information disclosure of the Company;
- To formulate the equity incentive plan;
- 擬訂本公司重大資產收購或出售、購買本公司股份或合併、分立、解散及變更本公司形式的方案；
- 決定本公司內部管理機構的設置；
- 聘任或者解聘本公司總經理、董事會秘書；根據總經理的提名，聘任或者解聘其他高級管理人員；並決定前述高級管理人員薪酬事項和獎懲；
- 制定本公司的基本管理制度；
- 制訂公司章程的修改方案；
- 決定本公司的全資附屬公司及附屬公司的合併、分立、重組或解散等事項；
- 修改募集資金的使用用途，但法律法規要求由股東大會決定的除外；
- 決定董事會專門委員會的設置和任免專門委員會負責人；
- 向股東大會提出獨立董事候選人和提議撤換獨立董事的議案；
- 向股東大會提請聘任、續聘或解聘承辦本公司審計業務的會計師事務所；
- 聽取總經理的工作匯報並檢查總經理工作；
- 管理本公司信息披露事項；
- 制訂股權激勵方案；

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

- Save as otherwise required to be decided by the general meetings under laws and regulations and the Articles of Association, the Board exercises its power to make decisions on external investments (including capital increase and equity transfer of the invested enterprises), financing, risk management and trust management, external guarantees, etc.;
- To decide on other major affairs of the Company, save for matters to be resolved at the general meetings as required by the PRC Company Law and the Articles of Association;
- To exercise other functions and powers as granted by the Articles of Association or the general meetings of the Company; and
- To conduct other matters as required by PRC laws and regulations.
- 董事會對除法律法規以及公司章程規定的必須由股東大會決策以外的對外投資(包括對所投資企業的增資和股權轉讓)、融資、風險投資及委託理財、對外擔保等事項行使決策權；
- 除中國公司法和公司章程規定由股東大會決議的事項外，決定本公司的其他重大事務；
- 行使公司章程或本公司股東大會授予的其他職權；及
- 中國法律法規規定的其他事項。

In addition, the Board undertakes corporate governance function, including:

此外，董事會須負責企業管治職能，包括：

- To establish and review the Company's corporate governance policies and codes;
- To review and supervise the training and sustained professional development of the Company's Directors, Supervisors and senior management officers;
- To review and supervise the Company's policies and codes in connection with compliance with laws and regulatory requirements;
- To establish, review and supervise the codes of conduct and compliance handbook (if any) applicable to Directors and employees;
- To review the Company's compliance with the Code on Corporate Governance Practices and the disclosures made in the Corporate Governance Report.
- 制定及檢討本公司的企業管治政策及常規；
- 檢討及監察本公司董事、監事及高級管理人員的培訓及持續專業發展；
- 檢討及監察本公司在遵守法律及監管規定方面的政策及守則；
- 制定、檢討及監察董事及僱員適用的操守準則及合規手冊(如有)；
- 檢討本公司遵守企業管治常規守則的情況及在企業管治報告內的披露。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The Board had reviewed the Company's corporate governance policies and codes; the training and sustained professional development of the Company's Directors, Supervisors and senior management officers and the policies and codes in connection with compliance with laws and regulatory requirements. Also, the Board had reviewed the Company's compliance with the Code on Corporate Governance Practices and the disclosures made in the Corporate Governance Report.

The Group's management team, which possesses extensive operating experience and industry knowledge, has been delegated by the Board with the authority and responsibility for the day-to-day management of the Group. During the year, the Board considered and approved the annual budget and its performance under management supervision together with the business reports from the management. The Board also reviewed and approved the annual results for the year ended 31 December 2019, the interim results for the six months ended 30 June 2019 and other critical business operations. The Board also assessed the internal control and the financial matters of the Group.

In addition, this Corporate Governance Report has been reviewed by the Board in discharge of its corporate governance function.

### OPERATION OF THE BOARD

Meetings of the Board of Directors shall be held at least 4 times each year. Such meetings shall be convened by the Chairman of the Board.

In case of any of the followings, the Chairman of the Board shall convene an interim meeting of the Board of Directors within 10 days:

- When proposed by Shareholders representing one tenth of voting rights or more;
- When proposed by one third of Directors or more;
- When the Chairman of the Board deems it necessary;

董事會已檢討本公司的企業管治政策及守則、本公司董事、監事及高級管理人員的培訓及持續專業發展以及遵守法律法規的政策及守則的情況，同時亦已檢討本公司是否遵守企業管治常規守則以及於企業管治報告中所作的披露。

本集團的管理層團隊具備廣泛的營運經驗及行業知識，並已獲董事會授予權利及責任以負責本集團日常管理。年內，董事會已審議並批准年度預算及在管理層監察下的預算表現，連同管理層的業務報告。董事會亦已審閱並批准截至二零一九年十二月三十一日止年度的年度業績與截至二零一九年六月三十日止六個月的中期業績及其他重要業務活動，董事會亦已評核本集團的內部監控及財務事宜。

此外，董事會已審閱本企業管治報告，以履行其於企業管治職能的責任。

### 董事會之運作

董事會每年應當至少召開四次會議，由董事長召集。

倘發生下列任何事項時，董事長應自接到提議後十日內召開臨時會議：

- 代表十分之一以上表決權的股東提議；
- 三分之一以上的董事聯名提議；
- 董事長認為必要時；

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

- When proposed by two or more independent Directors;
  - When proposed by the Board of Supervisors; or
  - When the general manager proposes the convening of the interim meetings of the Board of Directors.
- 兩名或以上獨立董事提議時；
  - 監事會提議時；或
  - 總經理提議召開臨時董事會會議時。

To convene a regular or interim meeting of the Board of Directors, a written notice shall be sent to all Directors and Supervisors 14 days prior to the date of a regular meeting or 3 days prior to an interim meeting. By written consent of all Directors present at the meeting, the above time limit may not be observed. The office or other department designated by the Board of Directors is responsible for serving the written meeting notice to all Directors and Supervisors by direct service, fax, e-mail or other means. If an interim meeting of the Board of Directors needs to be held quickly due to urgent circumstances, a meeting notice may be given at any time by telephone or other oral methods, provided that the convener makes an explanation thereof at the meeting.

Meetings of the Board of Directors may be held only if more than one half of the Directors are present. Each Director shall have one vote. Unless specified otherwise in the laws, administrative regulations or the Articles of Association, resolutions of the Board must be passed by more than half of all the Directors.

Directors shall not vote the resolution on the approval of contract, arrangement or other suggestions that they or their associates maintain interests inside (which shall not be included in the quorum of the relevant meetings). Even though such Directors claim to vote, the votes will not be counted, unless otherwise specified in laws, administrative regulations, relevant regulatory regulations or rules.

召開董事會定期會議應當於會議召開十四日前或臨時會議應當於會議召開三日前書面通知全體董事、監事。經出席會議的全體董事書面同意的，可不受上述時間限制。董事會辦公室或董事會指定的其他部門負責將書面會議通知通過直接送達、傳真、電子郵件或者其他方式，提交全體董事及監事。情況緊急，需要儘快召開董事會臨時會議的，可以隨時通過電話或者其他口頭方式發出會議通知，但召集人應當在會議上作出說明。

董事會會議應當由過半數的董事出席方可舉行。每名董事有一票表決權。董事會作出決議，除法律、行政法規和公司章程另有規定外，必須經全體董事的過半數通過。

董事不得就批准本身或其任何聯繫人佔有其中利益的合約或安排或其他建議的任何決議案進行表決（也不得計入有關會議的法定人數），即使董事宣稱要表決，亦不計算其所投票數，但法律、行政法規、有關監管條例或規則另有規定的除外。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

In 2019, the Board held 16 meetings and the attendance records of Directors at the Board meetings were as follows:

於二零一九年，董事會已舉行16次會議，董事出席董事會會議次數的記錄如下：

Name of Directors:		Meeting attended/ Number of Board meetings convened
董事姓名：		出席會議／召開 董事會會議次數
Mr. TANG Xinfu	唐新發先生	16/16
Mr. ZHU Qiaohong <sup>(1)</sup>	朱巧洪先生 <sup>(1)</sup>	3/16
Mr. JIANG Juncai	蔣均才先生	16/16
Mr. WANG Danjin	王丹津先生	16/16
Mr. CHEN Yangui	陳燕桂先生	16/16
Mr. LI Shuang	李爽先生	16/16
Mr. Eddy HUANG <sup>(2)</sup>	黃翊先生 <sup>(2)</sup>	13/16
Mr. TANG Jianxin	唐建新先生	16/16
Mr. FU Hailiang	付海亮先生	16/16
Mr. LEE Chi Ming <sup>(3)</sup>	李志明先生 <sup>(3)</sup>	12/16
Mr. ZHAO Dayao <sup>(4)</sup>	趙大堯先生 <sup>(4)</sup>	4/16

Notes <sup>(1)</sup>: Mr. ZHU Qiaohong resigned as an executive director of the Company with effect from 20 February 2019.

註 <sup>(1)</sup>：朱巧洪先生已於二零一九年二月二十日辭任本公司執行董事。

<sup>(2)</sup>: Mr. Eddy HUANG was appointed as a non-executive director of the Company with effect from 20 February 2019.

<sup>(2)</sup>：黃翊先生已於二零一九年二月二十日獲委任為本公司非執行董事。

<sup>(3)</sup>: Mr. LEE Chi Ming resigned as an independent non-executive director of the Company with effect from 11 October 2019.

<sup>(3)</sup>：李志明先生已於二零一九年十月十一日辭任本公司獨立非執行董事。

<sup>(4)</sup>: Mr. ZHAO Dayao was appointed as an independent non-executive director of the Company with effect from 11 October 2019.

<sup>(4)</sup>：趙大堯先生已於二零一九年十月十一日獲委任為本公司獨立非執行董事。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### NOMINATION, APPOINTMENT AND REMOVAL OF DIRECTOR

The Company has formulated a formal and transparent procedure for the appointment of new Directors to the Board. Nomination of new Director is first considered by the Nomination Committee and the Remuneration and Evaluation Committee and then recommended to the Board for consideration. All newly nominated Directors are subject to the approval of the Shareholders at the general meetings of the Company. Removal of members of the Board are also subject to the approval of the Shareholders at the Company's general meetings.

### DIRECTOR'S TRAINING

The Directors are continually updated on the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. Continuing briefing and professional development for Directors will be arranged by the Company where necessary. Individual Directors also participated in the courses relating to the roles, functions and duties of a listed company director or further enhancement of their professional development by way of attending training courses or via online aids or reading relevant materials.

The Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that they could make contribution to the Board based on their possessing of comprehensive professional attainment. In 2019, all Directors have participated in continuous professional development and provided to the Company a record of training they received.

### 董事之提名、委任及任免

本公司已就委任新董事加入董事會制訂正式及具透明度的程序。新董事的提名先由提名委員會和薪酬與考核委員會考慮，再向董事會推薦以待考慮。所有新提名的董事須經股東於本公司股東大會上批准。罷免董事會成員亦須經股東於本公司股東大會上批准。

### 董事培訓

董事持續更新彼等有關法律及監管制度以及營商環境的最新資料，以履行彼等職責，本公司於有需要時將安排董事接受持續簡報及專業發展。個別董事亦出席有關上市公司董事的角色、職能及職責的課程或以參加培訓課程的方式或透過網上輔助或閱讀相關資料進一步鞏固其專業發展。

本公司鼓勵董事參與持續的專業發展，以發展及更新彼等的知識及技能，以確保彼等在具備全面職業涵養的前提下為董事會作出貢獻。於二零一九年，全體董事均已參與持續的專業發展，並已向本公司提供彼等收到的培訓記錄。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The list below summaries the training received by the Directors for the year ended 31 December 2019:

以下概列董事於截至二零一九年十二月三十一日止年度已接受的培訓：

Name of Directors 董事姓名		Attending seminar, conference and workshop related to director's duties/ reading materials like newspaper, journals and updates relevant to corporate governance 出席於董事職責相關的研討會、會議及討論會/ 閱讀資料，例如報紙、雜誌及企業管治相關更新資料
Mr. TANG Xinfu	唐新發先生	✓
Mr. ZHU Qiaohong <sup>(1)</sup>	朱巧洪先生 <sup>(1)</sup>	✓
Mr. JIANG Juncai	蔣均才先生	✓
Mr. WANG Danjin	王丹津先生	✓
Mr. CHEN Yangui	陳燕桂先生	✓
Mr. LI Shuang	李爽先生	✓
M. Eddy HUANG <sup>(2)</sup>	黃翊先生 <sup>(2)</sup>	✓
Mr. TANG Jianxin	唐建新先生	✓
Mr. FU Hailiang	付海亮先生	✓
Mr. LEE Chi Ming <sup>(3)</sup>	李志明先生 <sup>(3)</sup>	✓
Mr. ZHAO Dayao <sup>(4)</sup>	趙大堯先生 <sup>(4)</sup>	✓

Notes:

附註：

<sup>(1)</sup> Mr. ZHU Qiaohong resigned as an executive director of the Company with effect from 20 February 2019.

<sup>(1)</sup> 朱巧洪先生已於二零一九年二月二十日辭任本公司執行董事。

<sup>(2)</sup> Mr. Eddy HUANG was appointed as a non-executive director of the Company with effect from 20 February 2019.

<sup>(2)</sup> 黃翊先生已於二零一九年二月二十日獲委任為本公司非執行董事。

<sup>(3)</sup> Mr. LEE Chi Ming resigned as an independent non-executive director of the Company with effect from 11 October 2019.

<sup>(3)</sup> 李志明先生已於二零一九年十月十一日辭任本公司獨立非執行董事。

<sup>(4)</sup> Mr. ZHAO Dayao was appointed as an independent non-executive director of the Company with effect from 11 October 2019.

<sup>(4)</sup> 趙大堯先生已於二零一九年十月十一日獲委任為本公司獨立非執行董事。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### CHAIRMAN AND GENERAL MANAGER

The roles and duties of the Chairman of the Board and the general manager of the Company are separate and held by different persons and have been clearly defined in the Articles of Association. Mr. TANG Xinfu and Mr. JIANG Juncai act as the Chairman of the Board and the general manager of the Company respectively.

The Chairman of the Board, Mr. TANG Xinfu, a non-executive Director is entitled to exercise the following functions and powers:

- To preside over Shareholder's general meetings, to convene and preside over meetings of the Board of Directors;
- To procure and inspect the implementation of the resolutions of the Board of Directors;
- To sign the share certificates, corporate bonds and other negotiable securities issued by the Company;
- To sign important documents of the Board of Directors and other documents to be signed by the legal representative of the Company, and to exercise the functions and powers of the legal representative;
- To organize and establish various systems and harmonize the operation of the Board of Directors;
- To hear the regular or non-regular work reports of the senior management officers of the Company, and give guidance on the implementation of the resolutions of the Board of Directors;
- To nominate the list of the secretary candidates of the Board of Directors; and
- Other functions and powers conferred by the laws, regulations or the Articles of Association, and the Board of Directors.

### 董事長及總經理

董事長及本公司總經理的角色及職責有所區分，並由不同人士擔任，且於公司章程明確界定。唐新發先生及蔣均才先生分別擔任董事長及本公司總經理。

董事長兼非執行董事唐新發先生有權行使下列職權：

- 主持股東大會和召集、主持董事會會議；
- 督促、檢查董事會決議的實施情況；
- 簽署本公司發行的股票、公司債券及其他有價證券；
- 簽署董事會重要文件和應由本公司法定代表人簽署的其他文件，行使法定代表人的職權；
- 組織制訂董事會運作的各項制度，協調董事會的運作；
- 聽取本公司高級管理人員定期或不定期的工作報告，對董事會決議的執行提出指導性意見；
- 提名董事會秘書人選名單；及
- 法律法規或公司章程規定，以及董事會授予的其他職權。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

Mr. JIANG Juncai, an executive Director and general manager of the Company, is responsible to the Board of Directors and exercise the following functions and powers:

- To be in charge of the production, operation and management of the Company, and report to the Board of Directors;
- To organize and implement the resolutions of the Board of Directors, annual business plans and investment schemes of the Company;
- To prepare the annual financial budget plan, and final account plan of the Company, and make recommendations to the Board of Directors;
- To prepare the basic management system and plan for establishment of the Company's internal management organization;
- To formulate specific rules of the Company;
- To request the Board of Directors to engage or dismiss other senior management officers; and
- To engage or dismiss the responsible managers except those who shall be engaged or dismissed by the Board of Directors.

本公司執行董事兼總經理蔣均才先生向董事會負責及行使下列職權：

- 主持本公司的生產經營管理工作，並向董事會報告工作；
- 組織實施董事會決議、本公司年度經營計劃和投資方案；
- 擬訂本公司年度財務預算方案、決算方案，並向董事會提出建議；
- 擬訂本公司的基本管理制度和內部管理機構設置方案；
- 制定本公司具體規章；
- 提請董事會聘任或者解聘其他高級管理人員；及
- 聘任或者解聘除應由董事會聘任或者解聘以外的負責管理人員。

### BOARD COMMITTEES

The Board had delegated certain responsibilities to various committees. The Company had established three Board committees, being the Nomination Committee, Remuneration and Evaluation Committee and Audit Committee.

#### Nomination Committee

The Company has established a Nomination Committee with written terms of reference in compliance with the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. Currently, the Nomination Committee consists of three members, namely Mr. ZHAO Dayao (an independent non-executive Director), Mr. Eddy HUANG (a non-executive Director) and Mr. FU Hailiang (an independent non-executive Director), among whom Mr. ZHAO Dayao serves as the chairman of Nomination Committee.

### 董事會委員會

董事會已將部分職責轉授予多個委員會。本公司已設立三個董事會委員會，即提名委員會、薪酬與考核委員會及審核委員會。

#### 提名委員會

本公司已根據上市規則附錄14所載企業管治守則成立提名委員會，並制定其書面職權範圍。目前，提名委員會由三名成員組成，即趙大堯先生（獨立非執行董事）、黃翊先生（非執行董事）及付海亮先生（獨立非執行董事），其中趙大堯先生出任提名委員會的主席。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The primary duties of the Nomination Committee are to review the composition of the Board, assess the independence of independent non-executive Directors and make recommendations to the Board on the appointment and removal of Directors.

In evaluating and selecting any candidate for directorship, the following criteria should be considered by the Nomination Committee and/or the Board:

- Character and integrity.
- Qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the board diversity policy of the Company that are relevant to the Company's business and corporate strategy.
- Any measurable objectives adopted for achieving diversity on the Board.
- Whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules for an independent non-executive Director.
- Any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity.
- Willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company.
- Such other perspectives that are appropriate to the Company's business and succession plan and where applicable, may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for nomination of directors and succession planning.

提名委員會的主要職責為審核董事會的成員組成、評估獨立非執行董事的獨立性以及向董事會建議委任和罷免董事。

在評估及挑選候選人擔任董事時，提名委員會及／或董事會將考慮下列準則：

- 品格與誠實。
- 資格，包括專業資格、技巧、知識及與本公司業務及策略相關的經驗，以及本公司董事會成員多元化政策所提及的多元化因素。
- 為達致董事會成員多元化而採納的任何可計量目標。
- 如屬獨立非執行董事，參考上市規則內列明候選人是否被視為獨立的指引。
- 候選人的專業資格、技巧、經驗、獨立性及性別多元化方面可為董事會帶來的任何潛在貢獻。
- 是否願意及是否能夠投放足夠時間履行身為本公司董事會成員及／或擔任董事會轄下委員會的委員的職責。
- 其他適用於本公司業務及其繼任計劃的其他各項因素，董事會及／或提名委員會可在有需要時採納及／或修訂有關因素。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The Company had adopted a board diversity policy to achieve the diversity of members of the Board and maintain an appropriate balance of diversity perspectives of the Board that are relevant to the Company's business growth. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage. The Company believes that greater diversity of Directors is good for corporate governance and is committed: (i) to attract and retain candidate(s) for Board with a combination of competencies from the widest possible pool of available talent; (ii) to maintain a Board with diversity perspectives at all levels, in particular, those are aligning with the Company's strategy and objectives; (iii) to assess regularly the diversity profile of the Board and the progress on achieving diversity objectives, if any; (iv) to ensure that the selection and nomination of Directors positions are appropriately structured so that a diverse range of candidates can be considered by the Company; and (v) to ensure that changes to the Board's composition can be managed without undue disruption.

The Nomination Committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy. In reviewing and assessing the Board composition and the nomination of directors (as applicable), Board diversity has to be considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications and skills, knowledge and industry and regional experience.

The Nomination Committee will discuss and where necessary, agree on the measurable objectives for achieving diversity on the Board and make recommendation to the Board. When determining such measurable objectives, the Nomination Committee will consider a number of aspects, including but not limited to, the diversity of the Board composition in aspects of gender, age, cultural and educational background, professional experience, skills, knowledge and industry and regional experience. The Nomination Committee will review the measurable objectives on a regular basis.

本公司已採納董事會成員多元化政策，務求達到董事會成員多元化及各方面能保持適當及平衡，以切合本公司業務發展。本公司認同及深信董事會成員多元化所帶來的裨益，並且認為董事會趨向多元化是維持本公司競爭優勢的重要元素。本公司認為高度的董事多元化對企業管治有所裨益，並會致力(i)於廣泛的人才庫中招攬及留聘具備各類不同才能的候選人以組成董事會；(ii)維持董事會全方位多元化的觀點，特別是與本公司策略及目標一致的觀點；(iii)定期評估董事會多元化狀況，以及實現多元化目標的進展(如有)；(iv)確保董事職位甄選及提名均按適當的程序進行，以便能招來更多元背景的人選供本公司作出考慮；及(v)確保董事會組成人員的變動不會帶來不適當的干擾。

提名委員會將每年檢討董事會的架構、人數及組成，並就任何為配合本公司的公司策略而對董事會作出的變動提出建議。有關在檢討及評估董事會組成及提名董事時(如適用)，須考慮有關董事會成員多元化的各項因素，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及行業及地區經驗。

提名委員會將會討論及協定(如有需要)為達致董事會成員多元化的可計量目標，並向董事會作出有關建議。於協定有關可計量目標時，提名委員會將會考慮多項因素，包括但不限於董事會組成在性別、年齡、文化及教育背景、專業經驗、技能、知識及行業及地區經驗方面的多元化。提名委員會將定期檢討可計量目標。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The Nomination Committee will adopt the following procedures for appointment/re-election of director:

### (a) Appointment of New Director

- (i) The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.
- (ii) If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).
- (iii) The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable.
- (iv) For any person that is nominated by a Shareholder for election as a Director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

Where appropriate, the Nomination Committee and/or the Board should make recommendation to Shareholders in respect of the proposed election of Director at the general meeting.

提名委員會採納以下董事委任／重選的程序：

### (a) 委任新董事

- (i) 提名委員會及／或董事會應在收到委任新董事的建議及候選人的個人資料(或相關詳情)後，依據上述準則評估該候選人，以決定該候選人是否合資格擔任董事。
- (ii) 如過程涉及一個或多個合意的候選人，提名委員會及／或董事會應根據本公司的需要及每位候選人的證明審查(如適用)排列他們的優先次序。
- (iii) 提名委員會隨後應就委任合適人選擔任董事一事向董事會提出建議(如適用)。
- (iv) 就任何經由股東提名於本公司股東大會上選舉為董事的人士，提名委員會及／或董事會應依據上述準則評估該候選人，以決定該候選人是否合資格擔任董事。

提名委員會及／或董事會應就於股東大會上委任董事的提案向股東提出建議(如適用)。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### (b) Re-election of Director at General Meeting

- (i) The Nomination Committee and/or the Board should review the overall contribution and service to the Company of the retiring Director and the level of participation and performance on the Board.
- (ii) The Nomination Committee and/or the Board should also review and determine whether the retiring Director continues to meet the criteria as set out above.
- (iii) The Nomination Committee and/or the Board should then make recommendation to Shareholders in respect of the proposed re-election of Director at the general meeting.

The Nomination Committee adopted the following conditions on the nomination of Director candidates:

The Director shall be elected or replaced by general meetings of the Company. When a general meeting is held by the Company, the Board, the Board of Supervisors or Shareholders who individually or in aggregate holding more than 3% of the Shares may propose resolutions to the convener of the general meeting in relation to the election of Directors.

A candidate of Director must comply with the relevant qualification set out in the Company Law of the PRC, the Articles of Association and other applicable laws and regulations. The Board shall have a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business.

The Nomination Committee adopted the following procedures on the nomination of Director candidates:

Each Director candidate should be individually proposed. The intention to nominate a candidate as Director and the written notice of such candidate regarding his willingness to accept the nomination shall be given to the Company no later than seven days prior to the date scheduled for such general meeting.

### (b) 於股東大會上重選董事

- (i) 提名委員會及／或董事會應檢討退任董事對本公司的整體貢獻及服務，以及在董事會的參與程度及表現。
- (ii) 提名委員會及／或董事會亦應檢討及確定退任董事是否仍然符合上述準則。
- (iii) 提名委員會及／或董事會應就於股東大會上重選董事的提案向股東提出建議。

提名委員會採納以下提名董事候選人的條件：

董事應由本公司股東大會選舉或更換。於本公司舉行股東大會時，董事會、監事會、單獨或者合併持有公司百分之三以上股份的股東有權向股東大會召集人提出選舉董事的提案。

提名為董事的候選人須符合中國《公司法》、公司章程以及其他適用法律、法規對董事任職資格的相關要求。董事會應根據本公司業務而具備適當所需技巧、經驗及多樣的觀點與角度。

提名委員會採納以下提名董事候選人的程序：

每位董事候選人的提案應當以單項提案提出。有關提名董事候選人的意圖而向本公司發出的通知以及候選人表明願意接受提名而向本公司發出的書面通知應當在本公司就該選舉發送會議通知後發出並在召開股東大會七日前寄予本公司。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The details of the candidate of Director shall be fully disclosed by a proposal of election of Director, which shall at least include the following:

- (1) Personal information including but not limited to education background, work experience and other appointments;
- (2) Whether there is any connected relationship between him/her and the Company or the controlling shareholders and de facto controller of the Company;
- (3) The number of shares of the Company held by him/her; and
- (4) Whether subject to punishment by China Securities Regulatory Commission and other relevant securities regulatory authorities and sanctions by the stock exchange.

Where an appointment of Director comes into effect upon the approval from the general meeting, an announcement must be published in accordance with the relevant Listing Rules.

The Nomination Committee is entitled to propose its nomination of Director candidates to the Board according to the Articles of Association, the terms of reference of the Nomination Committee and other applicable laws and regulations.

股東大會擬討論董事選舉事項的股東大會通知中應充分披露董事候選人的詳細資料至少包括以下內容：

- (一) 教育背景、工作經歷、兼職等個人情況；
- (二) 與本公司或本公司的控股股東及實際控制人是否存在關連關係；
- (三) 披露持有本公司股份數量；
- (四) 是否受過中華人民共和國證券監督管理委員會及其他有關證券監管部門的處罰和證券交易所懲戒。

股東大會審議通過選舉董事的提案後董事當選並按照相關上市規則進行公告。

提名委員會有權根據公司章程、提名委員會工作規則及其他適用法律、法規對董事候選人向董事會提出提名建議。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

In 2019, the Nomination Committee held 2 meetings and had reviewed the structure, combination and balance (including expertise, knowledge and experience (including board diversity)) of the Board, assessed the independence of independent non-executive Directors and reviewed and approved the proposed appointment of Mr. ZHAO Dayao as a new Director. The attendance records of Directors at the Nomination Committee meeting were as follows:

於二零一九年，提名委員會已舉行2次會議並已檢討董事會的結構、組合與組成(包括技能、知識及經驗(包括董事會多元化)、評核獨立非執行董事的獨立性及審議通過建議趙大堯先生為新董事。董事出席提名委員會會議次數的記錄如下：

Name of Directors		Meeting attended/ Number of Nomination Committee convened
董事姓名		出席會議／召開提名委員會會議次數
Mr. LEE Chi Ming <sup>(3)</sup>	李志明先生 <sup>(3)</sup>	2/2
Mr. ZHU Qiaohong <sup>(1)</sup>	朱巧洪先生 <sup>(1)</sup>	0/2
Mr. FU Hailiang	付海亮先生	2/2
Mr. Eddy HUANG <sup>(2)</sup>	黃翊先生 <sup>(2)</sup>	2/2
Mr. ZHAO Dayao <sup>(4)</sup>	趙大堯先生 <sup>(4)</sup>	0/2

Notes:

附註：

- <sup>(1)</sup> Mr. ZHU Qiaohong resigned as an executive director of the Company and a member of Nomination Committee with effect from 20 February 2019.
- <sup>(2)</sup> Mr. Eddy HUANG was appointed as a non-executive director and a member of Nomination Committee of the Company with effect from 20 February 2019.
- <sup>(3)</sup> Mr. LEE Chi Ming resigned as an independent non-executive director and the chairman of Nomination Committee of the Company with effect from 11 October 2019.
- <sup>(4)</sup> Mr. ZHAO Dayao was appointed as an independent non-executive director and the chairman of Nomination Committee of the Company with effect from 11 October 2019.

- <sup>(1)</sup> 朱巧洪先生已於二零一九年二月二十日辭任本公司執行董事及提名委員會成員。
- <sup>(2)</sup> 黃翊先生已於二零一九年二月二十日獲委任為本公司非執行董事及提名委員會成員。
- <sup>(3)</sup> 李志明先生已於二零一九年十月十一日辭任本公司獨立非執行董事及提名委員會主席。
- <sup>(4)</sup> 趙大堯先生已於二零一九年十月十一日獲委任為本公司獨立非執行董事及提名委員會主席。

In 2019, the Nomination Committee reviewed the composition of the Board in accordance with the requirements as stipulated in the Corporate Governance Code and concluded that the Board comprised members with diversified backgrounds and skills which ensured balance and safeguarded the interests of Shareholders as well as the public.

於二零一九年，提名委員會根據企業管治守則規定審閱董事會的組成，並認為董事會由具備多元化背景及技能的成員組成，並確保充分制衡以及保障股東及公眾人士利益。

In 2019, the Nomination Committee had considered the diversification factors and approved the nomination of Mr. ZHAO Dayao as an independent non-executive Director of the Company and has submitted to the Board of Directors for consideration and approval.

於二零一九年，提名委員會已從多方面就多元化因素進行考慮，審議通過了提名趙大堯先生為本公司獨立非執行董事並提呈董事會審議考慮。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Remuneration and Evaluation Committee

The Company had established a Remuneration and Evaluation Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The Remuneration and Evaluation Committee consists of three members, namely Mr. FU Hailiang (an independent non-executive Director), Mr. JIANG Juncai (an executive Director) and Mr. TANG Jianxin (an independent non-executive Director), among whom Mr. FU Hailiang serves as the chairman of Remuneration and Evaluation Committee.

The primary duties of the Remuneration and Evaluation Committee are to advise on and formulate the remuneration and evaluation policy in respect of Directors, senior management and other managing members of the Group and make recommendations to the Board.

In 2019, the Remuneration and Evaluation Committee held 1 meeting, at which the policy and structure for all Directors' and senior management's remuneration and the review of the remuneration packages of executive Directors and senior management were discussed. The attendance record of Directors at the Remuneration and Evaluation Committee meeting was as follows:

#### Name of Directors

#### 董事姓名

Mr. FU Hailiang	付海亮先生
Mr. JIANG Juncai	蔣均才先生
Mr. TANG Jianxin	唐建新先生

In 2019, the Remuneration and Evaluation Committee assessed the performance of executive Directors, reviewed the remuneration policy, considered and approved the proposed 2019 Director's fees for executive Directors and made recommendation to the Board on the Directors' fees for non-executive Directors.

### 薪酬與考核委員會

本公司已根據上市規則第3.25條以及上市規則附錄14所載企業管治守則成立薪酬與考核委員會，並制定其書面職權範圍。薪酬與考核委員會由三名成員組成，即付海亮先生（獨立非執行董事）、蔣均才先生（執行董事）及唐建新先生（獨立非執行董事），其中付海亮先生出任薪酬與考核委員會的主席。

薪酬與考核委員會的主要職責為就本集團董事、高級管理人員及其他管理成員建議及制定薪酬與評估政策，並向董事會提供意見。

於二零一九年，薪酬與考核委員會已舉行1次會議，會上討論《董事及高級管理人員的全體薪酬政策及架構》及《檢討本公司執行董事及高級管理層的薪酬待遇》。董事出席薪酬與考核委員會會議次數的記錄如下：

#### Meeting attended/Number of Remuneration and Evaluation Committee convened

#### 出席會議／召開薪酬與考核委員會會議次數

1/1
1/1
1/1

於二零一九年，薪酬及考核委員會已評估執行董事的表現、檢討薪酬政策、審議及批准二零一九年執行董事的董事袍金建議以及向董事會建議非執行董事的董事袍金。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Remuneration of Directors and senior management

The Company has established a formal and transparent procedure for formulating policies on remuneration of senior management of the Group. Details of the remuneration of each of the Directors for the year ended 31 December 2019 are set out in Note 7 to the Financial Statements.

Remuneration paid to the senior management (excluding the Directors) by bands for the year ended 31 December 2019 is set out below:

#### Remuneration bands (RMB)

##### 薪酬區間(人民幣)

Nil to 1,000,000  
零至1百萬

### Audit Committee

The Company had established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The Audit Committee currently consists of three members, namely Mr. TANG Jianxin (an independent non-executive Director), Mr. ZHAO Dayao (an independent non-executive Director) and Mr. TANG Xinfu (a non-executive Director), among whom Mr. TANG Jianxin serves as the chairman of Audit Committee.

The primary duties of the Audit Committee are to oversee the financial reporting system and internal control procedures of the Company, review the financial information of the Company and consider issues relating to the external auditors and their appointment.

The work performed by the Audit Committee in 2019 included review of the annual results of the Company for the year ended 31 December 2019, interim results of the Company for the six months ended 30 June 2019 and listen to the report of risk management and internal control system of the Company by Internal Audit and Risk Department. The Audit Committee also reviewed the adequacy and effectiveness of the risk management and internal control system and making recommendation to the Board for improvement of internal control, credit control and risk management.

### 董事及高級管理人員的薪酬

本公司已就制訂本集團高級管理人員的薪酬政策建立正式及具透明度的程序。截至二零一九年十二月三十一日止年度各董事薪酬的詳情載於財務報表附註。

下表載列截至二零一九年十二月三十一日止年度按區間劃分支付予高級管理人員(不包括董事)的薪酬：

#### Number of individuals

##### 人數

3

### 審核委員會

本公司已根據上市規則第3.21條以及上市規則附錄14所載企業管治守則成立審核委員會，並制定其書面職權範圍。審核委員會目前由三名成員組成，即唐建新先生(獨立非執行董事)、趙大堯先生(獨立非執行董事)及唐新發先生(非執行董事)，其中唐建新先生出任審核委員會的主席。

審核委員會的主要職責為監督本公司的財務申報系統及內部監控程序、檢討本公司的財務信息以及審議與外部核數師及其委任相關的事宜。

審核委員會於二零一九年的工作包括審閱本公司截至二零一九年十二月三十一日止年度的年度業績、本公司截至二零一九年六月三十日止六個月的中期業績及聽取內部審核及風險部門對本公司的風險管理及內部監控系統的報告。審核委員會亦檢討風險管理及內部控制系統是否充足有效，以及就改善內部監控、信貸控制及風險管理向董事會提出建議。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

In 2019, the Audit Committee held 2 meetings and the attendance records of Directors at the Audit meeting were as follows:

於二零一九年，審核委員會已舉行2次會議，董事出席審核委員會會議次數的記錄如下：

Directors		Meeting attended/ Number of Audit Committee convened
董事姓名		出席會議／召開審核委員會會議次數
Mr. TANG Jianxin	唐建新先生	2/2
Mr. LEE Chi Ming <sup>(1)</sup>	李志明先生 <sup>(1)</sup>	2/2
Mr. TANG Xinfu	唐新發先生	2/2
Mr. ZHAO Dayao <sup>(2)</sup>	趙大堯先生 <sup>(2)</sup>	0/2

Notes:

附註：

<sup>(1)</sup> Mr. LEE Chi Ming resigned as an independent non-executive director and a member of Audit Committee of the Company with effect from 11 October 2019.

<sup>(1)</sup> 李志明先生已於二零一九年十月十一日辭任本公司獨立非執行董事及審核委員會成員。

<sup>(2)</sup> Mr. ZHAO Dayao was appointed as an independent non-executive director and a member of Audit Committee of the Company with effect from 11 October 2019.

<sup>(2)</sup> 趙大堯先生已於二零一九年十月十一日獲委任為本公司獨立非執行董事及審核委員會成員。

The Audit Committee also reviewed and discussed the auditor's remuneration for 2019 and recommended the Board to re-appoint KPMG as the Company's auditor for the year of 2019.

審核委員會亦已審閱及討論二零一九年的核數師酬金及向董事會推薦續聘畢馬威會計師事務所為二零一九年之本公司核數師。

## ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for preparing the Consolidated Financial Statements of the Company for the year ended 31 December 2019. The Directors consider that the Group has adequate resources to continue in business for the foreseeable future and are not aware of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

## 問責及審核

董事承認須負責編製本公司截至二零一九年十二月三十一日止年度的綜合財務報表。董事認為本集團擁有充足資源以在可見將來繼續經營業務，而且並不知悉可能引致本公司能否持續經營業務成為重大疑問的重大不明朗因素。

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other statutory and regulatory requirements.

董事會須負責就年度及中期報告、內幕消息公告及根據上市規則及其他法律及監管規定而須發表之其他披露呈報作出平衡、清晰及可理解之評估。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's Consolidated Financial Statements, which are put to the Board for approval.

### INTERNAL CONTROLS AND RISK MANAGEMENT

It is the responsibility of the Board of Directors to ensure that the Company maintains sound and effective internal controls to safeguard the Shareholders' investment and the Group's assets at all times. In preparation for the Listing, we engaged an internal control consultant to perform certain procedures in May 2015 in respect of assessing our internal control. Upon completion of such procedures, the internal control consultant provided us with a number of assessment results and the relevant recommendations, which we have adopted in full. In particular, we have adopted a series of internal control policies, procedures and programmes designed to achieve effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations. Highlights of our internal control system include the following:

- *Internal Audit.* We put in place the internal audit charter that clearly states the objectives, organisation, functions and responsibilities, working scope and procedures of our internal audit functions. We established an internal audit department that is responsible for internal auditing and execution of antibribery measures in accordance with the internal audit charter. The internal audit department reports to our senior management and the Audit Committee.

管理層已向董事會提供必要的解釋及資料，讓董事會可就提交予董事會批准的本公司綜合財務報表作出知情批准。

### 內部控制及風險管理

董事會負責確保本公司維持良好及有效的內部控制，以始終保障股東的投資及本集團的資產。為籌備上市，我們委聘一名內部控制顧問於二零一五年五月對我們的內部控制進行評估若干程序。完成該等程序後，內部控制顧問已向我們提供評估結果及相關推薦建議，而我們已全面採納。尤其是，我們已採納一系列針對性內部控制政策、程序及方案，以實現有效及高效營運、可靠財務申報及遵守適用法律法規。我們內部控制系統的重點包括以下各項：

- *內部審核。*我們已制訂內部審核章程，明確載列我們內部審核職能的目標、組織、職能及職責、工作範圍及程序。我們已成立內部審計部，負責根據內部審核章程進行內部審核及執行反賄賂措施。內部審計部向我們的高級管理人員及審核委員會匯報。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

- *Risk Management.* The Company has set up procedures in respect of risk management to meet internal control targets. The Company, on the basis of the target setting, identifies the risks in the process of internal control through daily and regular assessment procedures and methods, classifies the risks and prepares the Company's risk list, continually conducts risk analysis, tracks the constantly changing business environment and business activities and carries out dynamic assessments. As the responsible unit of risk monitoring, each department of the Company establishes a risk monitoring index system to conduct daily risk monitoring of the unit, especially the key indicators of major risks. For the identified risks, each department of the Company will formulate plans and measures to response risks. Each department is responsible for the implement of the risk corresponding plans. The department of internal control management monitors the results of the risk corresponding measures, forms risk response evaluation reports. In addition, the department of internal control management regularly summarizes, analyses and evaluates the risk response situation of the Company as a whole, compiles a report on the implementation of the Company's risk response and reports to the general manager's office.
- 風險管理。本公司已制定風險管理程序，以實現本公司內部控制的目標。在目標設定的基礎上，通過日常和定期的評估程序與方法加以識別內部控制實施過程中的風險，將各類風險進行分類整理，並形成公司的風險清單。持續進行風險分析，跟蹤不斷發展變化的經營環境和經營活動，進行動態評估。本公司各科室作為風險監控的責任單位，建立風險監控指標體系，對本單位風險，特別是重大風險關鍵指標進行日常監控。本公司各科室對已識別的風險，制定風險應對方案和措施。本公司各科室負責風險應對方案的實施。本公司內控管理組對風險應對措施執行效果進行監控，形成風險應對評價報告。此外，內控管理組定期匯總、分析、評估本公司整體層面的風險應對情況，形成本公司風險應對執行情況報告，向總經理辦公室報告。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

- *Internal Control Defects and Self-Appraisal.* The Company adopts qualitative and quantitative methods to establish standards for defect identification. The Company's auditing department undertakes the responsibility to track and review the implementation of the defects rectification found in the supervision and evaluation, as well as the implementation of the management recommendations and internal control inspection rectification recommendations made by the external auditors. The Company's auditing department is entitled to supervise and direct the rectification scheme, verify the effectiveness and appropriateness of the control measures, make recommendations for improvement and requests relevant departments to make necessary adjustments to the rectification measures to ensure the realization of risk control targets. The management of the Company authorizes relevant departments to investigate and analyze the internal control defects identified during the supervision process by the external regulatory and internal and external auditors and carry out corresponding rectification measures and reviews the implementation of each such measure. The Company's self-appraisal is a form of realization of internal supervision and a process of comprehensive evaluation on the effectiveness of internal control and issuance of self-appraisal reports on a regular basis.
- *Internal Control Defects and Self-Appraisal.* 本公司採取定性和定量等方式，制定缺陷認定的標準。本公司審計科負責跟蹤檢查在監督評價中發現的缺陷的整改落實情況，以及外部審計師提出的管理建議和內部控制檢查整改建議的落實情況。本公司審計科有權監督、指導整改方案的實施；對控制措施的有效性、適宜性進行驗證，提出改進建議；組織有關部門對整改方案進行必要的調整，以確保風險控制目標的實現。本公司的管理層對在外部監管者監管過程中、內外部審計中發現的內部控制缺陷授權相關部門進行調查、分析，採取相應的糾正措施，並檢查各項措施的執行情況。自我評價是內部監督的一種實現形式，是定期對內部控制有效性進行綜合評價並出具自我評價報告的過程。
- *Listing Rules Compliance.* We have adopted various policies to ensure compliance with the Listing Rules, including but not limited to aspects related to corporate governance, connected transactions, notifiable transactions, inside information and securities transactions by the Directors. We have designated staff to monitor our compliance with Listing Rules and other applicable laws and regulations who have the power to investigate relevant incidents if any and communicate with the related authorities or advisers.
- *上市規則合規。* 我們已採納多項政策確保遵守上市規則，包括但不限於企業管治、關連交易、須予通告交易、內幕消息及董事進行證券交易等方面。我們已指定員工監控我們是否遵守上市規則及其他適用法律法規，其有權調查相關事件（若有）及與相關部門或顧問溝通。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

- *Code of Conduct.* Our code of conduct explicitly communicates to each employee our values, acceptable criteria for decision-making and our ground rules for behaviour. Our code of conduct also includes whistle-blowing policies to encourage all employees to speak up against any sub-standard behaviour. We also established an anti-money laundering management group and a related working group that are responsible for monitoring and supervising the implementation of our code of conduct and our anti-money laundering policies.

The Board has the overall responsibility for maintaining sound and effective risk management and internal control systems for the Group to ensure that major risks that may impact on the Company's performance are appropriately identified and managed to provide reasonable, though not absolute, assurance against material misstatement or loss and to manage rather than eliminate the risk of failure to achieve business objectives. These measures are regularly reviewed and updated.

The Board, on the basis of the target setting, identifies the risks in the process of internal control through daily and regular assessment procedures and methods, classifies the risks and prepares the Company's risk list.

- *行為守則。*我們的行為守則明確地向每名僱員傳達我們的價值、可接受的決策標準及我們的基本行為準則。我們的行為守則亦包括檢舉揭發政策，鼓勵全體僱員匯報任何不規範的行為。我們亦已設立反洗黑錢小組及相關工作小組，負責監控及監督我們的行為守則及反洗黑錢政策的執行。

董事會整體負責為本集團維持良好及有效的風險管理及內部控制系統，以保證可能影響本公司表現的主要風險獲充分識別及管理，以合理地（雖未能絕對）確保不會出現嚴重誤報或損失，並管理（而非消除）業務目標未能實現的風險。此等措施定期予以檢討及更新。

董事會在目標設定的基礎上，通過日常和定期的評估程序與方法加以識別內部控制實施過程中的風險，將各類風險進行分類整理，並形成本公司的風險清單。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The Company understands its obligations under the SFO and the Listing Rules and the overriding principle that inside information should be announced immediately after such information comes to our attention and/or it is the subject of a decision unless it falls within the SFO safe harbours. Meanwhile, the Company has set up an inside information management system, the insider internal reporting obligations, reporting procedures and liability of disclosure of information of the personnel concerned has been clearly stated, and the Company shall arrange self-examination in a timely manner in accordance with the provisions of the relevant regulatory authorities. The real-time monitoring performed by the Company may involve the inside information, and should organize intermediary agencies to determine whether the information belongs to an inside information and practical, if it has fulfilled the disclosure requirements, will soon organize the disclosure and will strictly control the scope of the monitoring before the disclosure, the volatility of share price will be monitored until the disclosure of inside information is completed; if the disclosure requirements are not satisfied, the Company will also maintain strict confidentiality.

The main functions of the risk management and internal control systems are to safeguard assets, to ensure proper maintenance of accounting records and provide reliable financial reporting, and to ensure compliance with relevant legislation and regulations.

The Company will review the internal control and risk management twice a year. The Board has reviewed the internal control and risk management system for the year ended 31 December 2019 and confirmed its effectiveness and appropriateness.

The Company's internal audit function is performed by the Internal Audit and Risk Department. It is responsible for conducting independent reviews of the appropriateness and effectiveness of the Company's internal control and risk management system. It also assesses the risks inherent in particular business or functional areas, including fraud or corruption, and conducts reviews or audits to provide reasonable, though not absolute, assurance that adequate governance and controls are in place to address such risks.

本公司明白其根據證券及期貨條例和上市規則所須履行的責任，首要原則是本公司一旦知悉內幕消息及／或在作出有關決定後須實時公佈，除非該等內幕消息屬證券及期貨條例下的「安全港條文」。同時，本公司已制定內幕信息管理制度，闡明內幕知情人的內部報告義務，報告程序和有關人員的信息披露職責，並根據有關監管部門的規定適時安排自查。本公司實時監控可能涉及的內幕消息，組織中介機構判斷該消息是否屬於內幕消息且切實可行，如滿足披露標準，將儘快組織披露，在披露之前，嚴格控制知悉範圍，監控股價波動直至內幕消息披露完成；如不滿足披露標準，本公司也會組織嚴格保密。

風險管理及內部控制系統的主要功能為保障資產，確保妥善保存會計記錄及提供可靠的財務報告，並確保遵守有關法例及規定。

本公司將會每年兩次檢討內部控制及風險管理。董事會已檢討就截至二零一九年十二月三十一日止年度的內部控制及風險管理系統，並確認其有效且適當。

本公司的內部審核職能由內部審核及風險部門執行，負責就本公司內部控制及風險管理系統是否適當及有效進行獨立檢討，亦會評估某項業務或職能範圍的內在風險（包括欺詐或貪污），以及進行審閱或審核，以合理地（雖未能絕對）確保採取充足管治及控制措施應對有關風險。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### AUDITOR'S REMUNERATION

The statement of the external auditor of the Company about its reporting responsibilities for the Consolidated Financial Statements is set out in the "Independent Auditor's Report" on pages 169 to 179.

During the year ended 31 December 2019, the remuneration paid/payable to the Company's external auditor, KPMG, is set out below:

### 核數師酬金

本公司外部核數師有關其就綜合財務報表須承擔的申報責任的聲明載於第169至179頁的「獨立核數師報告」內。

下表載列截至二零一九年十二月三十一日止年度，支付／應付予本公司外部核數師畢馬威會計師事務所的薪酬：

		Amount RMB 金額 人民幣
Annual audit services	年度審核服務	1,500,000
Non-audit services	非審核服務	1,560,000
Total fees	費用總額	3,060,000

The non-audit services were interim review service and other services.

非審核服務為中期審閱服務及其他服務。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### GENERAL MEETINGS

During the Reporting Period, the Company held an annual general meeting of 2018 on 6 June 2019, extraordinary general meetings on 21 February 2019, 10 May 2019 and 11 October 2019, H Shareholders class meeting and Domestic Shareholders class meeting both on 21 February 2019 and 6 June 2019, and the attendance records of the Directors at the general meetings were as follows:

### 股東大會

於報告期內，本公司於二零一九年六月六日舉行了二零一八年股東週年大會，於二零一九年二月二十一日、二零一九年五月十日、二零一九年十月十一日舉行臨時股東大會以及於二零一九年二月二十一日及二零一九年六月六日舉行H股股東類別會議及內資股股東類別會議，董事出席股東大會的情況記錄如下：

Name of Directors		Meeting attended/ Number of general meetings convened
董事姓名		出席會議／召開股東大會次數
Mr. TANG Xinfa	唐新發先生	4/4
Mr. ZHU Qiaohong <sup>(1)</sup>	朱巧洪先生 <sup>(1)</sup>	1/4
Mr. JIANG Juncai	蔣均才先生	4/4
Mr. WANG Danjin	王丹津先生	4/4
Mr. CHEN Yangui	陳燕桂先生	4/4
Mr. TANG Jianxin	唐建新先生	4/4
Mr. FU Hailiang	付海亮先生	4/4
Mr. LI Shuang	李爽先生	4/4
Mr. Eddy HUANG <sup>(2)</sup>	黃翊先生 <sup>(2)</sup>	3/4
Mr. LEE Chi Ming <sup>(3)</sup>	李志明先生 <sup>(3)</sup>	4/4
Mr. ZHAO Dayao <sup>(4)</sup>	趙大堯先生 <sup>(4)</sup>	0/4

Notes:

附註：

<sup>(1)</sup> Mr. ZHU Qiaohong resigned as an executive director of the Company with effect from 20 February 2019.

<sup>(1)</sup> 朱巧洪先生已於二零一九年二月二十日辭任本公司執行董事。

<sup>(2)</sup> Mr. Eddy HUANG was appointed as a non-executive director of the Company with effect from 20 February 2019.

<sup>(2)</sup> 黃翊先生已於二零一九年二月二十日獲委任為本公司非執行董事。

<sup>(3)</sup> Mr. LEE Chi Ming resigned as an independent non-executive director of the Company with effect from 11 October 2019.

<sup>(3)</sup> 李志明先生已於二零一九年十月十一日辭任本公司獨立非執行董事。

<sup>(4)</sup> Mr. ZHAO Dayao was appointed as an independent non-executive director of the Company with effect from 11 October 2019.

<sup>(4)</sup> 趙大堯先生已於二零一九年十月十一日獲委任為本公司獨立非執行董事。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognizes the importance of transparency and timely disclosure of corporate information, which will enable Shareholders and investors to make the best investment decisions. The general meetings of the Company provide a platform for face-to-face communication between the Board and the Shareholders.

#### Shareholder rights

##### *Right to propose to convene extraordinary general meeting*

Pursuant to the Articles of Association, the Shareholders request for the convening of the extraordinary general meeting or meeting of class Shareholders shall follow the procedure below:

Shareholders individually or jointly holding a total of 10% or more of the shares carrying the right to vote at the meeting sought to be held may sign one or more written requests of identical form and substance requesting the Board to convene an shareholders' extraordinary general meeting or a meeting of shareholders of different classes and state the subject of the meeting. The Board shall convene a Shareholders' extraordinary general meeting or a class meeting as soon as possible after having received the above-mentioned written request. The shareholding referred to above shall be calculated as of the day on which the written request is made.

If the Board fails to issue an announcement on the convening of meeting within 30 days after receiving the above-mentioned written request, the proposing Shareholders are entitled to submit a written request to the Board of Supervisors on the convening of Shareholders' extraordinary general meeting or meeting of the class Shareholders.

### 與股東及投資者的溝通

本公司認為，與股東保持有效溝通，對促進投資者關係及加深投資者對本集團業務表現及戰略的了解至為重要。本公司亦明白保持公司資料透明度及適時披露公司資料的重要性，此舉將使股東及投資者作出最佳投資決定。本公司股東大會為董事會與股東提供直接對話的平台。

#### 股東之權利

##### *提議召開臨時股東大會之權利*

根據公司章程，股東要求召集臨時股東大會或者類別股東會議，應當按照下列程序辦理：

單獨或者合計持有在該擬舉行的會議上有表決權的股份10%以上(含10%)的股東，可以簽署一份或者數份同樣格式內容的書面要求，提請董事會召集臨時股東大會或類別股東會議，並闡明會議的議題。董事會在收到前述書面要求後應當儘快召集臨時股東大會或類別股東會議。前述持股數按股東提出書面要求日計算。

如果董事會在收到前述書面要求後三十日內沒有發出召集會議的通告，提出該要求的股東有權向監事會提議召開臨時股東大會或類別股東會議，並應當以書面向監事會提出請求。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

If the Board of Supervisors fails to issue an announcement on the convening of meeting within 30 days after receiving the above-mentioned written request, the Shareholders individually or collectively representing 10% or more of the Company's voting Shares at the proposed meeting for at least consecutive 90 days may convene the meeting on their own within four months after the Board of Directors receives the request. The convening procedures shall be the same as the procedures for the convening of Shareholders' general meeting by the Board of Directors.

### **Shareholders' right to propose resolutions at the general meeting**

Shareholder(s) individually or jointly holding 3% or more of the total voting shares of the Company shall be entitled to propose an interim resolution and submit the same to the convener. The convener shall issue a supplemental announcement of shareholders' general meeting within 2 days after the receipt of such proposal and submit such interim resolution to the shareholders' general meeting for consideration and approval. The contents of an interim resolution shall fall within the authority of the shareholders' general meeting and maintain topics for discussion and specific matters to be resolved.

The Company sets out the following contact details for the Shareholders to communicate with the Company:

Telephone number : 86-0769-81768866  
Company website : [www.hec-changjiang.com](http://www.hec-changjiang.com)  
E-mail address : [qiumiqi@hec.cn](mailto:qiumiqi@hec.cn)  
[pengqiyun@hec.cn](mailto:pengqiyun@hec.cn)

### **CONSTITUTIONAL DOCUMENTS**

During the Reporting Period, the amendments to the Articles of Association in relation to the addition of business scope were passed and approved in the 2018 annual general meetings held on 6 June 2019. For details, please refer to the announcement dated 20 May 2019, the circular dated 20 May 2019 and the announcement dated 6 June 2019. Further, the Articles of Association was amended on 16 July 2019 to reflect the registered capital after the cancellation of the shares repurchased by the Company. Saved as disclosed above, there was no other significant change in the Articles of Association.

如果監事會在收到前述書面要求後三十日內沒有發出召集會議的通告，連續90日以上單獨或者合計持有在該舉行的會議上有表決權的股份10%以上(含10%)的股東可以在董事會收到該要求後四個月內自行召集會議，召集的程序應當與董事會召集股東大會的程序相同。

### **於股東大會提議決議案之股東權利**

單獨或者合計持有公司3%以上有表決權的股份的股東，可以提出臨時提案並提交召集人。召集人應當在收到提案後兩日內發出股東大會補充通知，並將該臨時提案提交股東大會審議，臨時提案的內容應當屬於股東大會職責範圍，並有明確議題和具體決議事項。

本公司現載列下列通訊資料，以便股東與本公司溝通：

電話號碼 : 86-0769-81768866  
公司網站 : [www.hec-changjiang.com](http://www.hec-changjiang.com)  
電郵地址 : [qiumiqi@hec.cn](mailto:qiumiqi@hec.cn)  
[pengqiyun@hec.cn](mailto:pengqiyun@hec.cn)

### **組織章程文件**

於報告期內，有關增加經營範圍而修訂的公司章程於二零一九年六月六日舉行的二零一八年度股東週年大會獲通過及批准，詳情請見二零一九年五月二十日的公告、二零一九年五月二十日的通函及二零一九年六月六日的公告。此外，公司章程於二零一九年七月十六日被修訂以反映本公司註銷購回股份後的註冊資本。除上述披露外，公司章程沒有其他重大變動。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### COMPANY SECRETARY

Mr. PENG Qiyun and Ms. NG Wing Shan act as joint company secretaries of the Company. For the biography of Mr. Peng and Ms. Ng, please refer to the section headed “Profiles of Directors, Supervisors and Senior Management” of this Annual Report.

Ms. Ng is an assistant vice president of SW Corporate Services Group (Hong Kong) Limited and her primary corporate contact person at the Company is Mr. Peng, another joint company secretary. In compliance with Rule 3.29 of the Listing Rules, each of Mr. Peng and Ms. Ng has undertaken no less than 15 hours of relevant professional training during the year ended 31 December 2019.

### NON-COMPETITION UNDERTAKING

The Company had entered into a non-competition agreement on 6 December 2015 with HEC Pharm, Linzhi HEC Pharmaceutical Investment Co., Ltd. (林芝東陽光藥業投資有限公司), Dongguan HEC Industrial Development Co., Ltd. (東莞市東陽光實業發展有限公司), Shenzhen HEC Industrial, Ruyuan Yao Autonomous County Yuneng Electric Industrial Co., Ltd. (乳源瑤族自治縣寓能電子實業有限公司), Ruyuan Yao Autonomous County Xinjing Technology Development Co., Ltd. (乳源瑤族自治縣新京科技發展有限公司), Mr. ZHANG Zhongneng (張中能) and Ms. GUO Meilan. Please refer to page 68 of this Annual Report for details.

The independent non-executive Directors have reviewed the Non-competition Agreement and had determined that the Then Controlling Shareholders and their subsidiaries have not been in breach of the Non-competition Undertaking during the year ended 31 December 2019.

### DIVIDEND POLICY

The Board adopted the dividend policy on 14 December 2018, setting out the principles and guidelines that the Company intends to apply in relation to the declaration, payment or distribution of its net profits as dividends to the shareholders of the Company.

### 公司秘書

彭琪雲先生及吳詠珊女士擔任本公司的聯席公司秘書。有關彭先生與吳女士之履歷，請參閱本年報「董事、監事及高級管理人員簡介」一節。

吳女士為方圓企業服務集團(香港)有限公司之副總監，其在本公司的主要聯絡人為另一位聯席公司秘書彭先生。於截至二零一九年十二月三十一日止年度內，彭先生及吳女士均已接受至少十五小時的相關專業培訓，符合上市規則第3.29條的規定。

### 避免同業競爭承諾

本公司已於二零一五年十二月六日與宜昌東陽光、林芝東陽光藥業投資有限公司、東莞市東陽光實業發展有限公司、深圳市東陽光實業、乳源瑤族自治縣寓能電子實業有限公司、乳源瑤族自治縣新京科技發展有限公司、張中能先生及郭梅蘭女士訂立避免同業競爭協議。詳情載於本年報第68頁。

獨立非執行董事已審閱避免同業競爭協議，並確定於截至二零一九年十二月三十一日止年度，時任控股股東及彼等的附屬公司並無違反避免同業競爭承諾。

### 股息政策

董事會於二零一八年十二月十四日採納股息政策，載列本公司就宣派、派付或分發其純利予本公司股東作為股息時擬應用的原則及指引。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The Board adopt the policy that, in recommending the declaration of dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its Share value. The Company do not have any pre-determined dividend payout ratio.

董事會採納的政策為，在建議宣派股息時，本公司應維持足夠現金儲備，以應付其資金需求、未來增長以及其股份價值。本公司沒有預設的派息比率。

The Board is responsible for submitting recommendations in respect of dividend payments, if any, to the Shareholders' general meeting for approval, subject to the Articles of the Association and all applicable laws and regulations and the factors set out below.

根據公司章程、所有適用法規及下列因素，董事會負責將股息分派的建議(如有)提交股東大會審批。

The Board shall also take into account the following factors of the Group when considering to recommend the declaration and payment of dividends:

董事會在考慮建議宣派股息時，應同時考慮下列有關本集團的因素：

- Distributable profits;
- Financial condition;
- Cash flow;
- Expected future capital expenditure;
- Return to the Shareholders;
- Capital requirements;
- 可分派利潤；
- 財務狀況；
- 現金流量；
- 預期未來資本開支；
- 股東回報；
- 資本需求；



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

- Finance costs;
- The external financing environment; and
- any other factors that the Directors may deem relevant.

Depending on the conditions and factors as set out above of the Company and the Group, dividends may be recommended by the Board for a financial year or period:

- interim dividend;
- final dividend;
- special dividend; and
- any distribution of net profits that the Board may deem appropriate.

Dividends shall be distributed by the Company to its Shareholders in proportion to their respective shareholdings according to the resolutions adopted at the Shareholders' general meeting. The Company may declare and pay dividends by way of cash or scrip or by other means that the Board considers appropriate. Any dividend unclaimed shall be forfeited and shall be reverted to the Company in accordance with the Articles of Association.

- 財務成本；
- 外部融資環境；及
- 董事可能認為相關的其他因素。

視乎本公司及本集團的上述條件及因素，董事會可在財政年度或期間建議宣派下列股息：

- 中期股息；
- 年度股息；
- 特別股息；及
- 任何董事會認為合適的純利分發。

股息由本公司根據股東大會決議按股東持有的股份比例派發。本公司可以董事會認為合適的形式宣派及派付股息，包括現金或代息股份或其他形式。任何未領取的股息應被沒收及應根據公司章程復歸本公司。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告



Independent auditor's report to the shareholders of  
YiChang HEC ChangJiang Pharmaceutical Co., Ltd.

(Incorporated in the People's Republic of China with limited liability)

### OPINION

We have audited the consolidated financial statements of YiChang HEC ChangJiang Pharmaceutical Co., Ltd. ("the Company") and its subsidiaries ("the Group") set out on pages 180 to 304, which comprise the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement 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 2019 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") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the People's Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

致宜昌東陽光長江藥業股份有限公司股東  
的獨立核數師報告

(於中華人民共和國註冊成立的有限公司)

### 意見

本核數師(以下簡稱「我們」)已審核列載於第180頁至304頁宜昌東陽光長江藥業股份有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一九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及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，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」)真實而公平地反映貴集團於二零一九年十二月三十一日的綜合財務狀況，及貴集團截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露規定妥為編製。

### 意見的基礎

我們已根據香港會計師公會(「香港會計師公會」)頒佈的香港核數準則(「香港核數準則」)進行審核。我們於該等準則項下的責任在本報告「核數師就審核綜合財務報表須承擔的責任」一節中詳述。根據香港會計師公會之國際職業會計師道德守則(「守則」)及中華人民共和國中任何與我們審核綜合財務報表有關的道德要求，我們獨立於貴集團，並已遵循該等要求及守則履行其他道德責任。我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### 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.

### 關鍵審核事項

根據我們的專業判斷，關鍵審核事項為我們審核本期綜合財務報表中最重要的事項。我們在整體審核綜合財務報表和就此形成意見時處理此等事項，而不會就此等事項單獨發表意見。

<b>Timing of revenue recognition</b> 收入確認時點	
Refer to Note 3 to the consolidated financial statements and the accounting policies on pages 221 to 222. 參閱綜合財務報表附註3及第221至222頁的會計政策。	
<b>The Key Audit Matter</b> 關鍵審核事項	<b>How the matter was addressed in our audit</b> 在審核中的處理方法
<p>Revenue of the Group mainly comprises sales of pharmaceutical products to a large number of distributors.                      貴集團的營業收入主要包括向多個分銷商銷售藥品的收入。</p> <p>The Group enters into standard sales contracts with each distributor and manufactures and sells its products in accordance with the terms agreed in the sales contracts.                      貴集團與各分銷商及生產商簽訂標準的銷售銷售合約並根據合約約定的條款生產、銷售藥品。</p> <p>Once the products delivered to the location designated by the distributor, the control of the goods are considered to have been transferred to the distributor and revenue is recognised accordingly.                      當貨物運送至分銷商指定的地點時，商品的控制權被認為已轉移給分銷商，據此確認營業收入。</p>	<p>Our audit procedures to assess the timing of revenue recognition included the following:                      我們評估營業收入確認時點的審計程序包括：</p> <ul style="list-style-type: none"> <li>obtaining an understanding of and assessing the design, implementation and operating effectiveness of management's key internal controls in relation to revenue recognition;</li> <li>了解和評價與營業收入確認環節相關的控制的設計、執行及運行的有效性；</li> <li>inspecting sales contracts with customers, on a sample basis, to understand the terms of the sales transactions including the terms of delivery and acceptance and any sales return arrangements to assess the Group's revenue recognition policies with reference to the requirements of the prevailing accounting standards;</li> <li>通過抽樣檢查與客戶簽訂的銷售合約，了解包括收發貨物及退貨安排等銷售條款，以確定 貴集團營業收入確認時點的政策與適用會計準則的要求是否一致；</li> </ul>

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

The Key Audit Matter 關鍵審核事項	How the matter was addressed in our audit 在審核中的處理方法
<p>The Group's sales contracts are standardised and do not include terms relating rebates and do not permit sales return except for where the products are damaged or defective.</p> <p>貴集團與分銷商簽訂的標準化銷售合約，不包含相關返利條款。根據合約約定，除產品質量問題外，不接受任何形式的退貨。</p> <p>We identified the timing of revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Group and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p> <p>我們識別出營業收入的確認時點是一個關鍵審核事項，因為營業收入是貴集團關鍵的業績指標之一，存在管理層通過操縱營業收入確認時點以達到特定目標或期望的固有風險。</p>	<ul style="list-style-type: none"> <li>• inspecting goods delivery notes and logistics records, on a sample basis, to assess whether revenue transactions recorded just before and after the financial year end date had been recognised in the appropriate financial period on the basis of the terms of sale as set out in the sales contracts;</li> <li>• 通過抽樣檢查商品出庫單及物流記錄，以確定記錄在資產負債表日前後的營業收入是否根據銷售合約規定的條款記錄在正確的財務報表期間；</li> <li>• inspecting underlying documentation for manual journal entries and adjustments relating to revenue raised during the year which were considered to be material or met other specific risk-based criteria; and</li> <li>• 檢查與營業收入相關的被認為重大或符合其他特定風險條件的手工分錄及調整的支持性文件；及</li> <li>• inspecting actual sales returns and credit notes recorded after the financial year end and evaluating whether the related adjustments to revenue had been recorded in the appropriate financial period.</li> <li>• 檢查資產報表日後實際發生銷售退回及銷售沖回記錄，並評估相關的營業收入調整是否計入正確的財務報表期間。</li> </ul>

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### Loss allowance for trade receivables

#### 貿易應收款項虧損撥備

Refer to Note 16 to the consolidated financial statements and the accounting policies on pages 199 to 206.

參閱綜合財務報表附註16及第199至206頁的會計政策。

### The Key Audit Matter

#### 關鍵審核事項

The carrying value of the Group's gross trade receivables as at 31 December 2019 totalled RMB1,213.75 million, against which a loss allowance of RMB12.11 million was recorded.

二零一九年十二月三十一日，貴集團的貿易應收款項賬面總額為人民幣1,213.75百萬元，針對該款項錄得虧損撥備人民幣12.11百萬元。

Management measured the loss allowance at an amount equal to lifetime expected credit loss, based on estimated loss rates. The estimated loss rates take into account the ageing of trade receivable balances, the repayment history of the Group's customers, current market conditions, customer-specific conditions, and forward-looking information. According to the past experience of the Group, the loss patterns for different customers are not significantly different. Therefore, the receivables are not segmented when calculating the loss allowance based on ageing information.

管理層根據估計虧損率按等同於整個有效期的預期信貸虧損的金額計量虧損撥備。估計虧損率計及貿易應收款項結餘的賬齡、貴集團客戶的還款歷史、現行市況、客戶的具體情況及前瞻性資料。根據貴集團的過往經驗，不同客戶的虧損模式並無重大差異。因此，當根據賬齡資料計算虧損撥備時，並無對應收款項進行分組。

### How the matter was addressed in our audit

#### 在審核中的處理方法

Our audit procedures to assess the loss allowance for trade receivables included the following:

我們評估貿易應收款項虧損撥備的審計程序主要包括：

- obtaining an understanding of and assessing the design, implementation and operating effectiveness of key internal controls relating to credit control, debt collection and the estimation of the loss allowance;
- 了解及評價與信用控制、債務回收及虧損撥備估計環節相關的關鍵內部控制的設計、執行及運行的有效性；
- obtaining an understanding of the key data and assumptions of the expected credit loss model adopted by the management, including the historical default data and the assumptions involved in management's estimated loss rates;
- 了解管理層採納的預期信貸虧損模式的主要數據及假設，包括歷史違約數據及管理層的估計虧損率涉及的假設；

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

The Key Audit Matter 關鍵審核事項	How the matter was addressed in our audit 在審核中的處理方法
<p>We identified the loss allowance for trade receivables as a key audit matter because the assessment of the loss allowance requires the exercise of significant management judgement.</p> <p>我們識別出貿易應收款項的可回收性是一個的關鍵審核事項，因為貿易應收款項是否可以全部收回的評定存在固有的不確定性，且在評估壞賬準備時需要運用重要的管理層判斷。</p>	<ul style="list-style-type: none"> <li>• assessing the reasonableness of management's loss allowance estimates by examining the information used by management to form such judgements, including testing the accuracy of the historical default data and evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information;</li> <li>• 通過檢查管理層作出有關判斷所用的資料評估管理層虧損撥備估計的合理性，包括檢查歷史違約數據的準確性及評估歷史虧損率是否根據當前的經濟狀況及前瞻性資料作出適當調整；</li> <li>• assessing the classification of individual balances in the trade receivable ageing report by comparing the details in the trade receivable ageing report with the underlying goods delivery notes and invoices, on a sample basis; and</li> <li>• 通過選取樣本，比對貿易應收款項賬齡報告和相關的出庫單及發票，評估單項應收款項餘額賬齡分類的準確性；</li> <li>• comparing cash receipts from debtors subsequent to the financial year end relating to trade receivable balances at 31 December 2019 with bank statements and relevant underlying documentation, on a sample basis.</li> <li>• 抽樣檢查資產負債表日後貿易應收款項回款的收據、銀行回單及支持性文件，並與二零一九年十二月三十一日相應的貿易應收款項餘額比對。</li> </ul>

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

<b>Capitalisation of intangible assets</b> 無形資產資本化	
<i>Refer to Note 11 to the consolidated financial statements and the accounting policies on page 194.</i> 參閱綜合財務報表附註11及第194頁的會計政策。	
<b>The Key Audit Matter</b> 關鍵審核事項	<b>How the matter was addressed in our audit</b> 在審核中的處理方法
<p>As disclosed in Note 11 to the consolidated financial statements, the Group capitalises costs incurred in the development of its pharmaceutical products if they meet the criteria for capitalisation as set out in the prevailing accounting standards.</p> <p>誠如綜合財務報表附註11所披露，貴集團將符合過往會計準則所載資本化準則的開發醫藥產品所產生開支撥充資本。</p> <p>This involves significant management judgement in both determining when the criteria for capitalisation are met and in identifying the relevant costs to be capitalised. As at 31 December 2019, the carrying value of capitalised development costs of intangible assets totalling RMB294.25 million.</p> <p>這需要管理層的重大判斷，以釐定資本化準則於何時達成及識別將資本化的相關成本。於二零一九年十二月三十一日，已資本化的無形資產開發支出賬面值合共為人民幣294.25百萬元。</p>	<p>Our audit procedures to assess the capitalisation of intangible assets included the following:</p> <p>我們評估無形資產資本化的審核程序包括下列各項：</p> <ul style="list-style-type: none"><li>• obtaining an understanding of and assessing the design, implementation and operating effectiveness of management's key internal controls in relation to the capitalisation of intangible assets;</li><li>• 了解及和評價管理層就與無形資產資本化環節相關的主要內部控制的設計、執行及運行的有效性；</li><li>• obtaining the commercial and technical feasibility report prepared by the Group and assessing the reasonableness of the commercial and technical feasibility by reference to the industry and market information;</li><li>• 取得 貴集團提供的商業及技術可行性報告，評價商業及技術可行性的合理性，當中參考行業及市場資訊；</li><li>• challenging management's assessment of the fulfilment of the criteria for capitalisation of intangible assets as set out in the prevailing accounting standards by discussing with the Group about the development project;</li><li>• 透過與 貴集團討論開發項目，質詢管理層對達成過往會計準則所載無形資產資本化準則的評價；</li></ul>

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

<b>The Key Audit Matter</b> <b>關鍵審核事項</b>	<b>How the matter was addressed in our audit</b> <b>在審核中的處理方法</b>
<p>We identified the capitalisation of intangible assets as a key audit matter because of the significant level of management judgement involved in determining the timing and amount of development costs capitalised.</p> <p>我們識別出無形資產資本化是一個關鍵審核事項，因其涉及重大管理層判斷，以釐定已資本化開發支出的時間及金額。</p>	<ul style="list-style-type: none"> <li>• inspecting a sample of items capitalised during the year with relevant underlying documentation, including clinical trial expenses, staffing cost and etc.; and</li> <li>• 抽樣審查年內已資本化項目及相關文件，包括臨床試驗開支及員工成本等；</li>   <li>• obtaining the profit forecast prepared by the management for each development project and assess the appropriateness of key assumptions by making enquiries of management and researchers and comparing the sales data with comparable companies.</li> <li>• 取得管理層就各個開發項目編製的溢利預測，透過向管理層及研究人員作出查詢及比較可資比較公司的銷售數據，評價主要假設的合適性。</li> </ul>



# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

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

The directors are responsible for the other information. The other information comprises all 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.

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

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with 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 are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

### 綜合財務報表以外的其他資料及我們就此發出的核數師報告

董事須對其他資料承擔責任。其他資料包括年報中所包含的所有資料，但不包括綜合財務報表及我們就此發出的核數師報告。

我們對綜合財務報表作出的意見並未考慮其他資料。我們不對其他資料發表任何形式的核證結論。

就審核綜合財務報表而言，我們的責任是閱讀其他資料，從而考慮其他資料是否與綜合財務報表或我們在審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。

倘若我們基於已完成的工作認為其他資料出現重大錯誤陳述，我們須報告此一事實。我們就此並無須報告事項。

### 董事就綜合財務報表須承擔的責任

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的披露規定編製及真實而公允地列報該等綜合財務報表，並負責董事認為編製綜合財務報表所必需的有關內部控制，以確保綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述。

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

董事獲審核委員會協助履行其監督貴集團財務報告流程的責任。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, 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.

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.

### 核數師就審核綜合財務報表須承擔的責任

我們的目標是合理確定整體而言此等綜合財務報表是否不存在由於欺詐或錯誤而導致的重大錯誤陳述，並發出包含審核意見的核數師報告。本報告僅為閣下（作為整體）而編製，並無其他用途。我們並不就本報告之內容對任何其他人士承擔任何義務或負上任何責任。

合理確定屬高層次的核證，但不能擔保根據香港核數準則進行的審核工作總能發現所有存在的重大錯誤陳述。重大錯誤陳述可源於欺詐或錯誤，倘個別或整體在合理預期情況下可影響使用者根據綜合財務報表作出的經濟決定時，被視為重大錯誤陳述。

我們根據香港核數準則進行審核的工作之一，是運用專業判斷，在整個審核過程中抱持職業懷疑態度。我們亦：

- 識別及評估綜合財務報表由於欺詐或錯誤而導致的重大錯報風險，因應這些風險設計及執行審核程序，獲得充足及適當的審核憑證為我們的意見提供基礎。由於欺詐涉及合謀串通、偽造、故意遺漏、誤導性陳述或凌駕內部控制，因此未能發現由此造成的重大錯報風險比未能發現由於錯誤而導致的重大錯報風險更高。
- 了解與審核有關的內部控制，以設計恰當的審核程序，但並非旨在對貴集團的內部控制的有效性發表意見。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

- 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.
- 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.
- 評估所用會計政策是否恰當，以及董事所作出的會計估算和相關披露是否合理。
- 總結董事採用以持續經營為基礎的會計法是否恰當，並根據已獲取的審核憑證，總結是否有對 貴集團持續經營的能力構成重大疑問的事件或情況等重大不確定因素。倘若我們總結認為有重大不確定因素，我們需要在核數師報告中提請注意綜合財務報表內的相關資料披露，或如果相關披露不足，則修訂我們的意見。我們的結論是基於截至核數師報告日期所獲得的審核憑證。然而，未來事件或情況可能導致 貴集團不再具有持續經營的能力。
- 評估綜合財務報表(包括數據披露)的整體列報、架構和內容，以及綜合財務報表是否已公允地反映及列報相關交易及事項。
- 就 貴集團內各實體或業務活動的財務資料獲得充足的審核憑證，以就綜合財務報表發表意見。我們須負責指導、監督和執行 貴集團的審核工作。我們須為我們的審核意見承擔全部責任。

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.

我們就審核工作的計劃範圍和時間、在審核過程中的主要發現(包括內部控制的重大缺失)及其他事項與審核委員會進行溝通。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and 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 Lam Kai Wa.

我們亦向審核委員會作出聲明，確認我們已遵守有關獨立性的道德要求，並就所有被合理認為可能影響核數師獨立性的關係和其他事宜以及相關保障措施(如適用)，與審核委員會進行溝通。

我們通過與審核委員會溝通，確定哪些是本期綜合財務報表審核工作的最重要事項，即關鍵審核事項。除非法律或法規不容許公開披露此等事項或在極罕有的情況下，我們認為披露此等事項可合理預期的不良後果將超過公眾知悉此等事項的利益而不應在報告中予以披露，否則我們會在核數師報告中描述此等事項。

負責此審核項目與簽發獨立核數師報告的項目合夥人為林啟華。

### **KPMG**

*Certified Public Accountants*

8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

27 March 2020

### **畢馬威會計師事務所**

執業會計師

香港中環  
遮打道十號  
太子大廈八樓

二零二零年三月二十七日

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## 綜合損益及其他全面收益表

for the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度  
(Expressed in Renminbi)  
(以人民幣呈列)

			2019	2018
			二零一九年	二零一八年
		Note	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
<b>Revenue</b>	<b>營業額</b>	3	<b>6,224,024</b>	2,510,476
Cost of sales	銷售成本		<b>(921,822)</b>	(398,809)
<b>Gross profit</b>	<b>毛利</b>		<b>5,302,202</b>	2,111,667
Other income	其他收入	4	<b>45,158</b>	24,601
Distribution costs	分銷成本		<b>(2,361,049)</b>	(653,650)
Administrative expenses	行政管理開支		<b>(508,147)</b>	(384,385)
Other net (expenses)/income	其他收入/(開支)淨額		<b>(4,608)</b>	5,509
<b>Profit from operations</b>	<b>經營溢利</b>		<b>2,473,556</b>	1,103,742
Finance costs	融資成本	5(a)	<b>(204,503)</b>	(1,418)
<b>Profit before taxation</b>	<b>除稅前溢利</b>	5	<b>2,269,053</b>	1,102,324
Income tax	所得稅	6	<b>(361,868)</b>	(201,106)
<b>Profit for the year</b>	<b>年內溢利</b>		<b>1,907,185</b>	901,218
<b>Profit and total comprehensive income for the year attributable to:</b>	<b>歸屬於以下項目的年內溢利及全面收益總額：</b>			
Equity shareholders of the Company	本公司權益股東		<b>1,918,709</b>	942,536
Non-controlling interests	非控股權益	13	<b>(11,524)</b>	(41,318)
<b>Profit and total comprehensive income for the year</b>	<b>年內溢利及全面收益總額</b>		<b>1,907,185</b>	901,218
<b>Earnings per share</b>	<b>每股盈利</b>	9		
Basic	基本		<b>RMB4.27</b> 人民幣 4.27 元	RMB2.09 人民幣 2.09 元
Diluted	攤薄		<b>RMB4.10</b> 人民幣 4.10 元	RMB2.09 人民幣 2.09 元

The notes on pages 186 to 304 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in Note 24(b).

第186頁至304頁之附註構成該等財務報表一部份。有關年內溢利中應付公司權益股東的股息詳情，載於附註24(b)。

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

at 31 December 2019  
於二零一九年十二月三十一日  
(Expressed in Renminbi)  
(以人民幣呈列)

			<b>31 December 2019</b>	31 December 2018
			二零一九年 十二月三十一日	二零一八年 十二月三十一日
	Note 附註	<b>RMB'000</b> 人民幣千元	RMB'000	RMB'000
			人民幣千元	人民幣千元
<b>Non-current assets</b>		<b>非流動資產</b>		
Fixed assets		固定資產		
— Property, plant and equipment	10	— 物業、廠房及設備	<b>1,790,722</b>	1,198,617
— Ownership interests in leasehold land held for own use	10	— 持作自用之租賃土地所有權權益	<b>234,785</b>	152,862
			<b>2,025,507</b>	1,351,479
Intangible assets	11	無形資產	<b>828,295</b>	498,604
Goodwill	12	商譽	<b>75,896</b>	75,896
Prepayments	14	預付款項	<b>1,556,171</b>	817,509
Deferred tax assets	23(b)	遞延稅項資產	<b>95,761</b>	32,088
			<b>4,581,630</b>	2,775,576
<b>Current assets</b>		<b>流動資產</b>		
Inventories	15	存貨	<b>192,321</b>	164,286
Trade and other receivables	16	貿易及其他應收款項	<b>2,359,250</b>	1,027,332
Cash and cash equivalents	17	現金及現金等值項目	<b>2,779,138</b>	593,746
			<b>5,330,709</b>	1,785,364
<b>Current liabilities</b>		<b>流動負債</b>		
Trade and other payables	19	貿易及其他應付款項	<b>1,888,220</b>	676,250
Contract liabilities	18	合同負債	<b>131,328</b>	8,095
Bank loans	20	銀行貸款	<b>132,660</b>	53,399
Deferred income	22	遞延收益	<b>4,379</b>	4,379
Current taxation	23(a)	應付即期稅項	<b>155,062</b>	70,675
			<b>2,311,649</b>	812,798
<b>Net current assets</b>		<b>流動資產淨額</b>	<b>3,019,060</b>	972,566
<b>Total assets less current liabilities</b>		<b>總資產減流動負債</b>	<b>7,600,690</b>	3,748,142

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

at 31 December 2019  
於二零一九年十二月三十一日  
(Expressed in Renminbi)  
(以人民幣呈列)

			<b>31 December 2019</b>	31 December 2018
			二零一九年 十二月三十一日	二零一八年 十二月三十一日
		Note	<b>RMB'000</b>	RMB'000
		附註	人民幣千元	人民幣千元
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Bank loans	銀行貸款	20	<b>50,000</b>	–
Deferred income	遞延收益	21	<b>74,935</b>	69,214
Interest-bearing borrowings	計息借款	22	<b>2,852,600</b>	–
			<b>2,977,535</b>	69,214
<b>Net assets</b>	<b>淨資產</b>		<b>4,623,155</b>	3,678,928
<b>Capital and reserves</b>	<b>資本及儲備</b>	24		
Share capital	股本		<b>448,820</b>	452,023
Reserves	儲備		<b>4,101,944</b>	2,981,933
Treasury shares	庫存股份		<b>(142,209)</b>	–
<b>Total equity attributable to equity shareholders of the Company</b>	<b>本公司權益股東應佔總權益</b>		<b>4,408,555</b>	3,433,956
<b>Non-controlling interests</b>	<b>非控股權益</b>	13	<b>214,600</b>	244,972
<b>Total equity</b>	<b>總權益</b>		<b>4,623,155</b>	3,678,928

Approved and authorised for issue by the board of directors on 27 March 2020.

財務報表已由董事會於二零二零年三月二十七日批准及授權刊發。

**Tang Xinfa**

唐新發

Director

董事

**Chen Yangui**

陳燕桂

Director

董事

The notes on pages 186 to 304 form part of these financial statements.

第186頁至304頁之附註構成該等財務報表一部份。

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

for the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度  
(Expressed in Renminbi)  
(以人民幣呈列)

		Attributable to equity shareholders of the Company 本公司權益股東應佔							
		Share capital	Treasury shares	Capital reserve	Statutory reserve	Retained earnings	Total	Non-controlling interests	Total equity
		股本	庫存股份	資本儲備	法定儲備	保留盈利	總計	非控股權益	總權益
Note		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
		Note 24(e)	Note 24(c)	Note 24(f)(i)	Note 24(f)(ii)			Note 13	
		附註 24(e)	附註 24(c)	附註 24(f)(i)	附註 24(f)(ii)			附註 13	
<b>Balance at 1 January 2018</b>	於二零一八年一月一日的結餘	452,023	-	1,476,578	132,374	746,861	2,807,836	252,750	3,060,586
<b>Changes in equity for 2018:</b>	二零一八年的權益變動：								
Total comprehensive income for the year	全面收益總額	-	-	-	-	942,536	942,536	(41,318)	901,218
Dividends approved in respect of the previous year	批准過往年度股息	24(b)(ii)	-	-	-	(135,607)	(135,607)	-	(135,607)
Dividends approved in respect of the current year	批准本年度股息	24(b)(i)	-	-	-	(180,809)	(180,809)	-	(180,809)
Appropriation to statutory reserve	轉撥至法定儲備		-	-	100,302	(100,302)	-	-	-
Equity settled share-based transactions	以權益結算的股份支付交易	24(d)	-	-	-	-	-	33,540	33,540
<b>Balance at 31 December 2018 and 1 January 2019</b>	於二零一八年十二月三十一日及二零一九年一月一日的結餘	<b>452,023</b>	<b>-</b>	<b>1,476,578</b>	<b>232,676</b>	<b>1,272,679</b>	<b>3,433,956</b>	<b>244,972</b>	<b>3,678,928</b>
<b>Changes in equity for 2019:</b>	二零一九年的權益變動：								
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	1,918,709	1,918,709	(11,524)	1,907,185
Dividends approved in respect of the previous year	批准過往年度股息	24(b)(ii)	-	-	-	(271,214)	(271,214)	-	(271,214)
Dividends approved in respect of the current year	批准本年度股息	24(b)(i)	-	-	-	(448,820)	(448,820)	-	(448,820)
Purchase of own shares	回購股份	24(c)	-	(142,209)	-	-	(142,209)	-	(142,209)
Cancellation of treasury shares	註銷庫存股份	24(c)	(3,203)	(100,706)	-	-	(103,909)	-	(103,909)
Equity settled share-based transactions	以權益結算的股份支付交易	24(d)	-	-	-	22,042	22,042	(18,848)	3,194
<b>Balance at 31 December 2019</b>	於二零一九年十二月三十一日的結餘	<b>448,820</b>	<b>(142,209)</b>	<b>1,375,872</b>	<b>232,676</b>	<b>2,493,396</b>	<b>4,408,555</b>	<b>214,600</b>	<b>4,623,155</b>

The notes on pages 186 to 304 form part of these financial statements.

第186頁至304頁之附註構成該等財務報表一部份。



# CONSOLIDATED CASH FLOW STATEMENT

## 綜合現金流量表

for the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度  
(Expressed in Renminbi)  
(以人民幣呈列)

			2019	2018
			二零一九年	二零一八年
		Note	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
<b>Operating activities</b>	<b>經營活動</b>			
Cash generated from operations	經營所得之現金	17(b)	<b>2,135,561</b>	926,494
The People's Republic of China (the "PRC") Corporate Income Tax ("CIT") paid	已支付的中華人民共和國 (「中國」)企業所得稅	23(a)	<b>(341,154)</b>	(211,102)
<b>Net cash generated from operating activities</b>	<b>經營活動產生的現金淨值</b>		<b>1,794,407</b>	715,392
<b>Investing activities</b>	<b>投資活動</b>			
Interest received	已收利息		<b>36,038</b>	14,601
Payment for the purchase of property, plant and equipment	購買物業、廠房及 設備所付款項		<b>(576,276)</b>	(620,039)
Payment for acquisition of a subsidiary	收購附屬公司所付款項	13(a)	<b>(78,159)</b>	-
Payment for capitalised development cost	資本化開發支出所付款項		<b>(141,306)</b>	-
Payment for intangible assets	無形資產所付款項		<b>(955,317)</b>	(476,081)
Investment in time deposits with maturity over three months	投資到期日超過三個月之 定期存款所付款項		<b>(267,169)</b>	(330,000)
Proceeds from time deposits received	收回定期存款所得款項		<b>267,169</b>	682,989
Proceeds received from disposal of property, plant and equipment	出售物業、廠房及 設備所得款項		<b>4,537</b>	-
<b>Net cash used in investing activities</b>	<b>投資活動中使用的現金淨值</b>		<b>(1,710,483)</b>	(728,530)

# CONSOLIDATED CASH FLOW STATEMENT

## 綜合現金流量表

for the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度  
(Expressed in Renminbi)  
(以人民幣呈列)

			2019	2018
			二零一九年	二零一八年
		Note	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
<b>Financing activities</b>	<b>融資活動</b>			
Proceeds from new bank loans	新銀行貸款所得款項	17(c)	<b>713,201</b>	43,399
Repayments of bank loans	償還銀行貸款	17(c)	<b>(290,000)</b>	(10,000)
Proceeds from issue of convertible bonds	發行可轉換債券所得款項	17(c)	<b>2,702,320</b>	-
Expenses paid for issue of convertible bonds	已付發行可轉換債券開支	17(c)	<b>(21,663)</b>	-
Dividends paid to equity shareholders of the Company	已付本公司權益股東的股息	24(b)	<b>(720,034)</b>	(316,416)
Finance costs paid	已付融資成本	17(c)	<b>(37,846)</b>	(1,434)
Payment for purchase of own shares	回購股份所付款項	24(c)	<b>(245,959)</b>	-
<b>Net cash generated from/(used in) financing activities</b>	<b>融資活動所得/(所用)的現金淨值</b>		<b>2,100,019</b>	(284,451)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>現金及現金等值項目淨增加/(減少)</b>		<b>2,183,943</b>	(297,589)
<b>Cash and cash equivalents at 1 January</b>	<b>於一月一日的現金及現金等值項目</b>	17(a)	<b>593,746</b>	887,183
<b>Effect of foreign exchange rate changes</b>	<b>外匯匯率變動的影響</b>		<b>1,449</b>	4,152
<b>Cash and cash equivalents at 31 December</b>	<b>於十二月三十一日的現金及現金等值項目</b>	17(a)	<b>2,779,138</b>	593,746

The notes on pages 186 to 304 form part of these financial statements.

第186頁至304頁之附註構成該等財務報表一部份。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES

#### (a) Statement of compliance

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“IFRSs”), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations issued by the International Accounting Standards Board (“IASB”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Significant accounting policies adopted by the Group are disclosed below.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Company and its subsidiaries (together referred to as “the Group”). Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

#### (b) Basis of presentation of the financial statements

The consolidated financial statements for the year ended 31 December 2019 comprise the Company and its subsidiaries.

The measurement basis used in the preparation of the financial statements is the historical cost basis except for derivative financial instruments embed in convertible bonds (Note 21) that are measured at fair value and explained in Note 1(o).

### 1 重大會計政策

#### (a) 合規聲明

本財務報表乃根據所有適用國際財務報告準則（「國際財務報告準則」，該統稱詞彙涵蓋國際會計準則理事會（「國際會計準則理事會」）所頒佈之所有適用個別國際財務報告準則、國際會計準則（「國際會計準則」）及其詮釋）、香港公認會計原則以及香港公司條例之披露規定而編製。本財務報表亦符合香港聯合交易所有限公司證券（「聯交所」）上市規則的適用披露條文。本集團所採納的重大會計政策披露如下。

國際會計準則理事會已頒佈若干新訂及經修訂的國際財務報告準則，有關準則於本公司及其附屬公司（統稱「本集團」）的本會計期間首次生效或可供提早採納。附註1(c)提供就首次應用該等變動（與本財務報表內所反映本集團於本會計期間及過往會計期間的事宜相關者為限），所產生的會計政策變動。

#### (b) 財務報表呈列基準

截至二零一九年十二月三十一日止年度之綜合財務報表包括本公司及其附屬公司。

編製本財務報表時以歷史成本作為計量基準，惟嵌入可轉換債券的衍生金融工具（附註21）除外，其按公允價值計量並於附註1(o)說明。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (b) Basis of presentation of the financial statements (continued)

These consolidated financial statements are presented in RMB, which is the functional currency of the Group. The financial statements presented in RMB has been rounded to the nearest thousand, unless otherwise indicated.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 2.

### 1 重大會計政策(續)

#### (b) 財務報表呈列基準(續)

本綜合財務報表乃以人民幣呈列，而人民幣為本集團的功能貨幣。除另有所指外，以人民幣呈列的所有財務報表已化整至最接近千位。

按照國際財務報告準則編製財務報表需要管理層作出判斷、估計及假設，該等判斷、估計及假設會影響政策應用以及所呈報的資產、負債、收益及開支金額。該等估計及假設基於歷史經驗及在當時情形下被認為合理的多種其他因素。其結果構成判斷從其他來源中不明顯的資產及負債面值的判斷依據。實際結果可能與該等估計不同。

該等估計及相關假設會持續審閱。倘會計估計的修訂僅對作出修訂的期間產生影響，則有關修訂只會在該期間內確認；倘會計估計的修訂對現時及未來期間均產生影響，則會在作出該修訂期間及未來期間內確認。

管理層應用國際財務報告準則時所作出對財務報表有重大影響的判斷以及估計不確定性的主要來源於附註2討論。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (c) Changes in accounting policies

The IASB has issued a new IFRS, IFRS 16, *Leases*, and a number of amendments to IFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- IFRS 16, *Leases*
- Amendments to IAS 19, *Plan amendment, curtailment or settlement*
- Annual improvement to IFRSs 2015–2017 Cycle
- IFRIC23, *Uncertainty over income tax treatments*

Upon the adoption of IFRS 16 on 1 January 2019, the item name of “interests in leasehold land held for own use under operating lease” was renamed as “ownership interests in leasehold land held for own use” on the consolidated statement of financial position and related disclosure notes, which consists of prepaid land costs with ownership, net of accumulated amortisation, for clearer presentation.

None of the developments have had a material effect on how the Group's results and financial position for the current or prior years have been prepared or presented in these financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### 1 重大會計政策(續)

#### (c) 會計政策變動

國際會計準則理事會已頒佈一項新訂國際財務報告準則、國際財務報告準則第16號，*租賃*及若干國際財務報告準則的修訂，並於本集團現行會計期間首次生效。其中以下變更與本集團財務報表相關：

- 國際財務報告準則第16號，*租賃*
- 國際會計準則第19號(修訂本)，*計劃修訂、縮減或結算*
- 國際財務報告準則二零一五年至二零一七年週期之年度改進
- 國際財務報告詮釋委員會第23號，*所得稅不確定性之處理*

於二零一九年一月一日採納國際財務報告準則第16號，綜合財務狀況表及相關披露附註中的項目名稱「根據經營租賃持作自用之租賃土地權益」獲重新命名為「持作自用之租賃土地所有權權益」，其金額為獲得擁有權之預付土地成本減累計攤銷，以作更清晰的呈列。

該等發展並無對本集團於本年度或過往年度業績及財務狀況在本財務報表中編製或呈列的方式構成重大影響。本集團並無應用任何尚未於本會計期間生效的新訂準則或詮釋。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

### 1 重大會計政策(續)

#### (d) 附屬公司及非控股權益

附屬公司為由本集團控制的實體。倘本集團就參與實體所得可變動回報承擔風險或享有權利，並能透過其於該實體之權力影響該等回報，則本集團對該實體有控制權。於評估本集團是否擁有權力時，僅會考慮實質權力(由本集團及其他人士持有)。

自控制開始日期直至控制結束日期，於附屬公司之投資會被併入綜合財務報表內。集團內成員公司間之結餘、交易及現金流，及任何因集團內成員公司間交易而產生之未變現溢利均在編製綜合財務報表時全數對銷。集團內成員公司間進行交易所錄得之未實現虧損均會以處理未變現收益之同樣方式予以對銷，惟只會抵銷沒有減值跡象的部份。

非控股權益指非直接或間接歸屬於本公司附屬公司權益，且本集團就此並無與該等權益持有人協定任何額外條款，致使本集團整體須就該等符合金融負債定義的權益承擔合約責任。就各業務合併而言，本集團可選擇按公允價值或按非控股權益佔附屬公司可識別淨資產的比例而計量任何非控股權益。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (d) Subsidiaries and non-controlling interests (continued)

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (See Note 1(i)) unless the investment is classified as held to sale (or included in a disposal group that is classified as held for sale).

### 1 重大會計政策(續)

#### (d) 附屬公司及非控股權益(續)

非控股權益於綜合財務狀況表的權益內呈列，獨立於本公司權益股東應佔之權益。本集團業績的非控股權益乃於綜合損益及其他全面收益表列作本公司非控股權益及權益股東之間本年度溢利或虧損總額及全面收益總額的分配結果。

並無導致本集團失去對一間附屬公司控制權的權益變動作為權益交易入賬，據此，會對綜合權益內的控股及非控股權益金額作出調整，以反映相關權益的變動，但不會對商譽作出調整及確認損益。

當本集團失去一間附屬公司的控制權時，其將作為出售該附屬公司全部權益入賬，所產生的損益於損益內確認。於失去控制權當日在前附屬公司保留的任何權益按公允價值確認，有關金額視為於首次確認一項金融資產的公允價值或(如適用)首次確認於聯營公司或合營公司投資之成本時之公允價值。

於本公司之財務狀況表內，於附屬公司之投資乃按成本減除任何減值虧損(見附註1(i))列賬，除非該投資乃分類為持作出售(或計入分類為持作出售的出售組別)。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (e) Goodwill

Goodwill represents the excess of

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- (ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (See Note 1(i)).

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

### 1 重大會計政策(續)

#### (e) 商譽

商譽指當：

- (i) 所轉讓代價公允價值、於被收購者的非控制性權益金額及本集團先前持有被收購者權益的公平價值的總和；大於
- (ii) 被收購者的可識別資產及負債於收購當日的公允淨值。

當(ii)較(i)為大，則該差額即時在損益確認為優惠承購的收益。

商譽是按成本值減累計減值虧損列賬。來自業務合併的商譽將分配予預期可受惠於合併協同效益的現金生產單位或現金生產單位組合，並會每年進行減值評估(見附註1(i))。

若於年內出售現金生產單位，任何歸屬予出售項目的收購商譽將被計入出售項目的收益或虧損之內。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The following items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (See Note 1(i)):

- Plant and buildings held for own use which are situated on leasehold land (See Note 1(h)); and
- Other items of property, plant and equipment.

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour and the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (See Note 1(v)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

### 1 重大會計政策(續)

#### (f) 物業、廠房及設備

下列物業、廠房及設備項目按成本減累計折舊及減值虧損列賬(見附註1(i))：

- 位於租賃土地上持作自用的廠房及建築物(見附註1(h))；及
- 其他物業、廠房及設備項目。

自建物業、廠房及設備項目的成本包括材料成本、直接勞工成本、拆卸及搬遷項目以及恢復項目所在地原貌的初步估計成本(如適用)以及生產開支及借貸成本的適當部份(見附註1(v))。

報廢或出售物業、廠房及設備項目所產生的收益或虧損按出售所得款項淨額與該項目賬面值之間的差額釐定，並於報廢或出售日期在損益內確認。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

- Plant and buildings situated on leasehold land are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years after the date of completion
- Machinery 15 years
- Motor vehicles 10 years
- Office equipment and others 5–8 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

### 1 重大會計政策(續)

#### (f) 物業、廠房及設備(續)

折舊按下列物業、廠房及設備項目的預計可使用年期，以直線法撇銷該等項目的成本(減去估計剩餘價值(如有))計算：

- 位於租賃土地上的廠房及建築物按未屆滿的租賃期及其估計可使用年期(以較短者為準，且不超過竣工日期後50年)折舊
- 機器 15年
- 汽車 10年
- 辦公室設備及其他 5–8年

倘物業、廠房及設備項目各部份的可使用年期不同，則該項目的成本按合理基準於各部份之間分配，每部份分開折舊。資產的可使用年期及其剩餘價值(如有)將每年檢討。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (g) Intangible assets (other than goodwill)

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. The expenditure capitalised includes the costs of materials, direct labour, and an appropriate proportion of overheads. Capitalised development costs are stated at cost less accumulated amortisation and impairment losses (See Note 1(i)). Other development expenditure is recognised as an expense in the period in which it is incurred.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (See Note 1(i)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

— capitalised development costs	10 years
— patents	12 years

Both the period and method of amortisation are reviewed annually.

### 1 重大會計政策(續)

#### (g) 無形資產(商譽除外)

研究活動開支乃於產生期間確認為開支。倘產品或程序在技術及商業上均具可行性，而本集團亦有充裕資源及意向完成發展，有關發展活動的費用則資本化處理。資本化開支包括材料成本、直接工資及按適當比例計算的間接費用。資本化開發支出按成本減去累計攤銷與減值虧損列賬(見附註1(i))。其他開發開支乃於產生期間確認為開支。

本集團收購的其他無形資產乃按成本減除累計攤銷(當估計可用年期為有限時)及減值虧損列賬(見附註1(i))。內部產生商譽及品牌的開支確認為產生期間的開支。

可用年期有限的無形資產攤銷，資產估計可用年期以直線法於損益表內扣除。以下可用年期有限的無形資產由可供使用當日起攤銷，估計可用年期如下：

— 資本化開發支出	10年
— 專利	12年

攤銷年期及方法均每年審閱。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### (h) Lease assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

#### **(A) Policy applicable from 1 January 2019**

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

### 1 重大會計政策(續)

#### (h) 租賃資產

訂立合約時，本集團評估合約是否為租賃或包含租賃。如果合約轉達了一段時間以控制對已識別資產的使用的權利以換取對價，則合約為租賃或包含租賃。當客戶有權主導該項已識別資產的使用，且從使用中獲取幾乎所有的經濟利益時，則控制權被轉移。

#### **(A) 自二零一九年一月一日起適用的政策**

倘合約包含租賃部分及非租賃部分，本集團已選擇不分拆非租賃部分，並對所有租賃中各租賃部分和任何相關非租賃部分入賬列作單一租賃部分。

於租賃開始日期，本集團確認使用權資產及租賃負債，惟租期為12個月或下的短期租賃及低價值資產租賃除外。當本集團就低價值資產訂立租賃時，本集團按個別租賃基準決定是否將租賃資本化。與未資本化租賃相關的租賃付款於租期內有系統地確認為支出。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (h) Lease assets (continued)

##### (A) Policy applicable from 1 January 2019 (continued)

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (See notes 1(f) and 1(i)(ii)).

### 1 重大會計政策(續)

#### (h) 租賃資產(續)

##### (A) 自二零一九年一月一日起適用的政策(續)

當租賃已資本化，租賃負債初步按租期內應付的租賃付款的現值確認，並按租賃中所隱含的利率折現，或倘該利率不能輕易釐定，則以相關遞增借款利率折現。於初步確認後，租賃負債按攤銷成本計量，而利息支出則採用實際利率法計量。租賃負債的計量並不包括不依賴指數或比率的可變租賃付款，因此該等可變租賃付款於其產生的會計期間在損益中扣除。

於租賃資本化時確認的使用權資產初步按成本計量，其中包括租賃負債的初始金額，再加上於開始日期或之前作出的任何租賃付款以及任何所產生的初始直接成本。倘適用，使用權資產的成本亦包括拆卸及移除相關資產或還原相關資產或該資產所在場所而產生的估計成本，並按其現值折現，以及扣減任何所收的租賃優惠。使用權資產隨後按成本減累計折舊及減值虧損後列賬(見附註1(f)及1(i)(ii))。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (h) Lease assets (continued)

##### (A) Policy applicable from 1 January 2019 (continued)

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'other property, plant and equipment' and presents lease liabilities separately in the statement of financial position.

### 1 重大會計政策(續)

#### (h) 租賃資產(續)

##### (A) 自二零一九年一月一日起適用的政策(續)

倘指數或比率變化引致未來租賃付款出現變動，或本集團預期根據剩餘價值擔保應付的估計金額產生變化，或就本集團是否合理地確定去行使購買、續租或終止選擇權的重新評估有變，則租賃負債將重新計量。倘以這種方式重新計量租賃負債，則會對使用權資產的賬面值進行相應調整，而當使用權資產的賬面值已減至零，則會於損益列賬。

本集團將不符合「其他物業、廠房及設備」中投資物業定義的使用權資產，及租賃負債單獨列示於財務狀況表內。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (h) Lease assets (continued)

##### (B) Policy applicable prior to 1 January 2019

In the comparative period, as a lessee the Group classified leases as finance leases if the leases transferred substantially all the risks and rewards of ownership to the Group. Leases which did not transfer substantially all the risks and rewards of ownership to the Group were classified as operating leases.

Where the Group acquired the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets were recognised as property, plant and equipment and the corresponding liabilities, net of finance charges, were recorded as obligations under finance leases. Depreciation was provided at rates which wrote off the cost or valuation of the assets over the term of the relevant lease or, where it was likely the Group would obtain ownership of the asset, the life of the asset, as set out in Note 1(f). Impairment losses were accounted for in accordance with the accounting policy as set out in Note 1(i). Finance charges implicit in the lease payments were charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals were charged to profit or loss in the accounting period in which they were incurred.

### 1 重大會計政策(續)

#### (h) 租賃資產(續)

##### (B) 於二零一九年一月一日前適用的政策

於比較期間，倘租賃將所有權的絕大部分風險及回報轉移至本集團時，則本集團(作為承租人)分類租賃為融資租賃。而並無將所有權的絕大部分風險及回報轉移至本集團的租賃則為經營租賃。

倘本集團根據融資租賃取得資產的使用，便會將相當於租賃資產公允價值或該資產的最低租賃付款現值(以較低者為準)的金額確認為物業、廠房及設備，而扣除融資費用後的相應負債則記錄為融資租賃承擔。如附註1(f)所述，折舊乃在相關租賃期(或倘本集團有可能取得資產的所有權，則按資產的可使用年期)內，按撇銷資產成本或估值的比率作出撥備。減值虧損根據附註1(i)所載會計政策列賬。租賃付款內含的融資費用於租賃期內在損益扣除，使每個會計期間的融資費用佔承擔餘額的比率大致相同。或然租金會於其產生的會計期間於損益中扣除。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (h) Lease assets (continued)

##### (B) Policy applicable prior to 1 January 2019 (continued)

Where the Group had the use of assets held under operating leases, payments made under the leases were charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis was more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received were recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals were charged to profit or loss in the accounting period in which they were incurred.

#### (i) Credit losses and impairment of assets

##### (i) Credit losses from financial instruments

The Group recognises a loss allowance for expected credit losses (ECLs) on the financial assets measured at amortised cost (including cash and cash equivalents, trade and other receivables).

Financial assets measured at fair value, including units in bond funds, equity securities measured at FVPL, equity securities designated at FVOCI (non-recycling) and derivative financial assets, are not subject to the ECL assessment.

### 1 重大會計政策(續)

#### (h) 租賃資產(續)

##### (B) 於二零一九年一月一日前適用的政策(續)

倘本集團擁有根據經營租賃持有的資產使用權，則根據租賃作出的付款會在租期所涵蓋的會計期間內，以等額分期在損益中扣除，惟倘有其他基準更能清楚反映租賃資產所產生的收益模式則除外。所取得的租賃優惠在損益中確認為租賃淨付款總額的不可或缺部分。或然租金會於其產生的會計期間於損益中扣除。

#### (i) 信貸虧損及資產減值

##### (i) 來自金融工具的信貸虧損

本集團就按攤銷成本計量之金融資產(包括現金及現金等值項目、貿易及其他應收款項)的預期信貸虧損確認虧損撥備。

按公允價值計量的金融資產(包括債券基金單位、按公允價值計入損益的股本證券、指定為透按公允價值計入其他全面收益(不可劃轉)的股本證券及衍生金融資產)毋須進行預期信貸虧損評估。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (i) Credit losses and impairment of assets (continued)

##### (i) Credit losses from financial instruments (continued)

###### Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

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

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

### 1 重大會計政策(續)

#### (i) 信貸虧損及資產減值(續)

##### (i) 來自金融工具的信貸虧損(續)

###### 預期信貸虧損之計量

預期信貸虧損為按概率加權估計之信貸虧損。信貸虧損以所有預期現金差額(即本集團按合約應收現金流與本集團預期可收取之現金流之間的差額)的現值計量。

估計預期信貸虧損時所考慮的最長期間乃以本集團面對信貸風險的最長合約期間為準。

估計預期信貸虧損時所考慮的最長期間乃以本集團面對信貸風險的最長合約期間為準。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (i) Credit losses and impairment of assets (continued)

##### (i) Credit losses from financial instruments (continued)

###### Measurement of ECLs (continued)

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade and other receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

### 1 重大會計政策(續)

#### (i) 信貸虧損及資產減值(續)

##### (i) 來自金融工具的信貸虧損(續)

###### 預期信貸虧損之計量(續)

預期信貸虧損將採用以下基準計量：

- 12個月預期信貸虧損：指報告日期後12個月內可能發生的違約事件而導致的預期虧損；及
- 整個存續期預期信貸虧損：指預期信貸虧損模型在整個有效期內所有可能違約事件而導致的預期虧損。

貿易及其他應收款項之虧損撥備一般按等同於整個有效期的預期信貸虧損的金額計量。該等金融資產的預期信貸虧損乃利用基於本集團的歷史信貸虧損經驗的撥備矩陣進行估算，並按於報告日期債務人的特定因素及對當前及預測整體經濟狀況的評估進行調整。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (i) Credit losses and impairment of assets (continued)

##### (i) Credit losses from financial instruments (continued)

###### Measurement of ECLs (continued)

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

###### Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

### 1 重大會計政策(續)

#### (i) 信貸虧損及資產減值(續)

##### (i) 來自金融工具的信貸虧損(續)

###### 預期信貸虧損之計量(續)

就所有其他金融工具而言，本集團確認相等於12個月預期信貸虧損的虧損撥備，除非自初步確認以來金融工具的信貸風險顯著上升，於此情況下，虧損撥備乃按相等於整個有效期的預期信貸虧損的金額計量。

###### 信貸風險大幅上升

評估金融工具的信貸風險自初步確認以來有否大幅上升時，本集團會比較於報告日期及於初步確認日期評估的金融工具發生違約的風險。作出重新評估時，本集團認為，倘(i)借款人不大可能在本集團無追索權採取變現抵押(如持有)等行動的情況下向本集團悉數支付其信貸債務；或(ii)金融資產已逾期90日，則構成違約事件。本集團會考慮合理可靠的定量及定性資料，包括過往經驗及在無需付出過多成本或努力下即可獲得的前瞻性資料。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (i) Credit losses and impairment of assets (continued)

##### (i) Credit losses from financial instruments (continued)

##### Significant increases in credit risk (continued)

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

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

### 1 重大會計政策(續)

#### (i) 信貸虧損及資產減值(續)

##### (i) 來自金融工具的信貸虧損(續)

##### 信貸風險大幅上升(續)

具體而言，評估信貸風險自初始確認以來有否大幅上升時會考慮以下資料：

- 未能按合約到期日期支付本金或利息；
- 金融工具外部或內部信用評級(如可用)的實際或預期顯著惡化；
- 債務人經營業績的實際或預期顯著惡化；及
- 科技、市場、經濟或法律環境的目前或預期變動對債務人履行其對本集團責任的能力有重大不利影響。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (i) Credit losses and impairment of assets (continued)

##### (i) Credit losses from financial instruments (continued)

##### Significant increases in credit risk (continued)

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

### 1 重大會計政策(續)

#### (i) 信貸虧損及資產減值(續)

##### (i) 來自金融工具的信貸虧損(續)

##### 信貸風險大幅上升(續)

取決於金融工具的性质，信貸風險大幅上升的評估乃按個別基準或共同基準進行。倘評估為按共同基準進行，金融工具則按共同的信貸風險特徵(如逾期狀況及信貸風險評級)進行分組。

預期信貸虧損於各報告日期進行重新計量以反映金融工具自初步確認以來的信貸風險變動。預期信貸虧損的任何變動均於損益確認為減值收益或虧損。本集團就所有金融工具確認減值收益或虧損，並透過虧損撥備賬對彼等之賬面值作出相應調整，惟於按公允價值計入其他全面收益(可劃轉)計量的債券證券之投資除外，就此，虧損撥備乃於其他全面收益確認並於公允價值儲備(可劃轉)累計。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (i) Credit losses and impairment of assets (continued)

##### (i) Credit losses from financial instruments (continued)

###### *Basis of calculation of interest income*

Interest income recognised in accordance with Note 1(u)(ii) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation; or
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

### 1 重大會計政策(續)

#### (i) 信貸虧損及資產減值(續)

##### (i) 來自金融工具的信貸虧損(續)

###### *計算利息收入的基準*

按照附註1(u)(ii)確認之利息收入乃按金融資產的總賬面值計算，除非該金融資產出現信貸減值，在此情況下，利息收入按金融資產的攤銷成本(即總賬面值減虧損撥備)計算。

於各報告日期，本集團評估金融資產是否出現信貸減值。當發生一項或多項對金融資產預計未來現金流量有不利影響的事件時，金融資產出現信貸減值。

金融資產信貸減值的證據包括以下可觀察事件：

- 債務人出現嚴重財務困難；
- 違反合約，如欠繳或拖欠利息或本金付款；
- 借款人很有可能將告破產或進行其他財務重組；或
- 科技、市場、經濟或法律環境出現重大變動，對債務人有不利影響。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (i) Credit losses and impairment of assets (continued)

##### (i) Credit losses from financial instruments (continued)

###### Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

##### (ii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- Property, plant and equipment;
- Ownership interests in leasehold land held for own use;
- Intangible assets;
- Goodwill;
- Prepayments; and
- Investments in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill and intangible assets that are not yet available for use, the recoverable amount is estimated annually whether or not there is any indication of impairment.

### 1 重大會計政策(續)

#### (i) 信貸虧損及資產減值(續)

##### (i) 來自金融工具的信貸虧損(續)

###### 撇銷政策

若日後實際上不可收回款項，本集團則會撇銷(部分或全部)金融資產的總賬面值。該情況通常出現在本集團確定債務人沒有資產或可產生足夠現金流量的收入來源以償還應撇銷的金額。

隨後收回先前撇銷之資產於收回期間在損益內確認為減值撥回。

##### (ii) 其他非流動資產減值

內部及外間資料來源乃於各報告期末評估，以識別有否跡象顯示下列資產可能出現減值或(商譽除外)先前已確認的減值虧損已不存在或可能已減少：

- 物業、廠房及設備；
- 於持作自用之租賃土地之所有權權益；
- 無形資產；
- 商譽；
- 預付款項；及
- 於本公司財務狀況表內於附屬公司之投資。

倘出現任何該等跡象，則會估計資產的可收回金額。此外，就商譽及尚未供使用的無形資產而言，每年估計可收回金額，評估是否存在減值跡象。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (i) Credit losses and impairment of assets (continued)

#### (ii) Impairment of other non-current assets (continued)

##### — Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

### 1 重大會計政策(續)

#### (i) 信貸虧損及資產減值(續)

#### (ii) 其他非流動資產減值(續)

##### — 計算可收回金額

資產的可收回金額為公允價值減銷售成本以及使用價值兩者間的較高者。在評估使用價值時，會按反映當時市場對貨幣時間價值及資產特定風險評估的稅前折現率，將估計未來現金流量折現至其現值。倘資產並無產生大致獨立於其他資產的現金流入，則以能獨立產生現金流入的最小資產組別(即現金產生單位)釐定可收回金額。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (i) Credit losses and impairment of assets (continued)

#### (ii) Impairment of other non-current assets (continued)

##### — Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if measurable).

### 1 重大會計政策(續)

#### (i) 信貸虧損及資產減值(續)

#### (ii) 其他非流動資產減值(續)

##### — 確認減值虧損

倘資產或其所屬現金產生單位的賬面值超過其可收回金額時，則於損益表中確認減值虧損。就現金產生單位確認的減值虧損予以首次分配以減少分配至現金產生單位(或單位組別)內任何商譽的賬面值，其後按比例減少該單位(或單位組別)內資產的賬面值，惟某資產的賬面值不會減至低於其個別公允價值減去銷售成本或使用價值(如能計量)的金額。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (i) Credit losses and impairment of assets (continued)

#### (ii) Impairment of other non-current assets (continued)

##### — Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favorable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

### 1 重大會計政策(續)

#### (i) 信貸虧損及資產減值(續)

#### (ii) 其他非流動資產減值(續)

##### — 撥回減值虧損

就商譽以外的資產而言，倘用於釐定可收回金額的估計出現有利變動，則撥回減值虧損。與商譽有關的減值虧損不會撥回。

減值虧損撥回僅限於若在過往年度並未確認減值虧損時原應釐定的資產賬面值。減值虧損撥回在確認撥回的年度計入損益表。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (i) Credit losses and impairment of assets (continued)

#### (iii) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with IAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (See Notes 1(i)(i) and (ii)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

### 1 重大會計政策(續)

#### (i) 信貸虧損及資產減值(續)

#### (iii) 中期財務報告及減值

根據香港聯合交易所有限公司證券上市規則，本集團須根據國際會計準則第34號中期財務報告就財政年度首6個月編製中期財務報告。於中期完結時，本集團採用於財務年度完結時應採用的同一減值測試、確認及撥回條件(見附註1(i)(i)及(ii))。

於中期內就商譽確認的減值虧損不會在往後期間撥回。假設在中期相關的財政年度完結時才評估減值，而發現應不用確認虧損或應確認較少虧損時，亦不會撥回減值虧損。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (j) Inventories

Inventories are assets which are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

### 1 重大會計政策(續)

#### (j) 存貨

存貨乃於一般業務過程中、為有關出售而進行的生產過程中或以生產過程中將消耗的材料或供應品形式或於提供服務時持作出售的資產。

存貨乃按成本及可變現淨值的較低者列賬。

成本乃按加權平均成本法計算，並包括所有採購成本、轉換成本及將存貨保存於現時所在地點及保持現有狀況所產生的其他成本。

可變現淨值是在日常業務過程中的估計售價減估計完成成本及作出銷售的估計所需成本。

在售出存貨時，該等存貨的賬面值在確認相關收入的期內確認為開支。

將存貨撇減至可變現淨值的數額和所有存貨虧損均在出現撇減或虧損的期內確認為開支。任何存貨撇減撥回金額乃確認為存貨金額減少，並於撥回發生期間確認為開支。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (k) Contract liabilities

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (See Note 1(u)). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (See Note 1(l)).

#### (l) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses (See Note 1(i)(i)).

#### (m) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs (See Note 1(v)).

### 1 重大會計政策(續)

#### (k) 合約負債

合約負債與客戶在本集團確認相關收益(見附註1(u))前支付代價時確認。倘本集團擁有無條件權利於本集團確認相關收益前收取代價，合約負債亦將確認。於該等情況下，相應應收款項亦將獲確認(見附註1(l))。

#### (l) 貿易及其他應收款項

應收款項於本集團擁有無條件權利收取代價時確認。倘於支付該逾期代價前僅需經過一段時間，則收取代價的權利屬無條件。

應收款項後使用實際利率法按攤銷成本減信貸虧損撥備列賬(見附註1(i)(i))。

#### (m) 計息借款

計息借款乃按公允價值減建議成本初步計量。待初步確認後，計息借款乃使用實際利率法按攤銷成本列賬。利息開支乃根據本集團有關借款成本的會計政策而確認(見附註1(v))。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (n) Convertible bonds

Convertible bonds that can be converted into ordinary shares at the option of the holder, where the number of shares to be issued is not fixed, are accounted for as compound derivative financial instruments.

At initial recognition the derivative component of the convertible bonds is measured at fair value and presented as part of derivative financial instruments. Any excess of proceeds over the amount initially recognised as the derivative component is recognised as the host liability component. Transaction costs that relate to the issue of the convertible note are allocated to the host liability and derivative components in proportion to the allocation of proceeds. The portion of the transaction costs relating to the host liability component is recognised initially as part of the liability. The portion relating to the derivative component is recognised immediately in profit or loss.

The derivative component is subsequently remeasured at fair value. The host liability component is subsequently carried at amortised cost. Interest expense recognised in profit or loss on the host liability component is calculated using the effective interest method.

If the bonds are converted, the shares issued are measured at fair value and any difference between the fair value of shares issued and the carrying amounts of the derivative and liability components are recognised in profit or loss. If the bonds are redeemed, any difference between the amount paid and the carrying amounts of both components is recognised in profit or loss.

### 1 重大會計政策(續)

#### (n) 可轉換債券

可按持有人選擇兌換為普通股的可轉換債券，倘將予發行的股份數目不固定，則作為複合衍生金融工具入賬。

可轉換債券之衍生工具部份於初步確認時按公允價值計量，並列作衍生金融工具之一部份。所得款項超過初步確認為衍生工具部份之金額會被確認為主負債部份。與發行可轉換票據相關之交易成本按所得款項之分配比例分配到主負債及衍生工具部份。與主負債部份相關之交易成本會初步確認為負債之一部份。與衍生工具部份相關之交易成本即時於損益中確認。

衍生工具部份隨後按公允價值重新計量。主負債部份隨後將按攤銷成本入賬。於損益內確認之主負債部份利息支出按實際利率法計算。

倘債券獲轉換，則已發行股份按公允價值計量，而已發行股份的公允價值與衍生工具及負債部份的賬面值之間的任何差額於損益中確認。倘債券獲贖回，則已付金額與兩個部分的賬面值之間的任何差額於損益中確認。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (o) Derivative financial instruments

Derivative financial instruments are recognised at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

#### (p) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

#### (q) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for expected credit losses (ECL) in accordance with the policy set out in the Note 1(i)(i).

### 1 重大會計政策(續)

#### (o) 衍生金融工具

衍生金融工具按公允價值確認。公允價值於各報告期末重新計量。重新計量公允價值之收益或虧損即時於損益內確認。

#### (p) 貿易及其他應付款項

貿易及其他應付款項初步按公允價值確認，而其後則按攤銷成本列賬，除非折現的影響並不重大，在該情況下則按成本列賬。

#### (q) 現金及現金等值項目

現金及現金等值項目包括銀行存款及手頭現金、於銀行及其他金融機構的活期存款，以及可隨時兌換為已知金額現金且承受的價值變動風險並不重大的短期、高流動性投資(在購入時距離到期日不超過三個月)現金及現金等值項目乃根據載於附註1(i)(i)的政策就預期信貸虧損(「預期信貸虧損」)而評估。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (r) Employee benefits

##### (i) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Annual contributions to retirement benefit schemes operated by the government in the PRC are recognised in the profit or loss as and when incurred.

##### (ii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the binomial lattice model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

### 1 重大會計政策(續)

#### (r) 僱員福利

##### (i) 短期僱員福利及定額供款退休計劃的供款

薪金、年度花紅、有薪年假、向定額供款退休計劃供款及非金錢利益的成本乃於僱員提供相關服務的年度內應計。倘延期付款或結算而影響屬重大，則該等金額乃按其現值列賬。

向中國政府所營運的退休福利計劃作出的年度供款乃於產生時於損益中確認。

##### (ii) 股份支付

授予僱員的購股權的公允價值確認為僱員成本且於權益中對資本儲備的作相應增加。公允價值乃於授出日期經考慮授出股權的條款及條件後使用二項式點陣模式而計量。倘僱員須符合歸屬條件方能無條件地有權享有購股權，經考慮購股權歸屬的可能性後，購股權的的估計公允價值總額將於歸屬期內攤分。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (r) Employee benefits (continued)

##### (ii) Share-based payments (continued)

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to retained profits).

##### (iii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

### 1 重大會計政策(續)

#### (r) 僱員福利(續)

##### (ii) 股份支付(續)

於歸屬期內，預期將歸屬的購股權的份數經審閱。對過往年度已確認累計公允價值而作出之調整，乃於回顧年度之以股份支付的酬金開支作扣減／計提（惟原始僱員開支合資格作為資產確認除外），並於資本儲備作相應調整。於歸屬當日，確認為開支的款項獲調整以反映歸屬購股權的實際數量（並於資本儲備作相應調整），除非因未達成與本公司股份市場價格的歸屬條件而沒收。權益金額於資本儲備中確認直至購股權獲行使（當其被計入已發行股份的股本中已確認的金額時）或購股權到期時（當其被直接於保留溢利解除時）。

##### (iii) 解僱福利

解僱福利於本集團再無能力提供該等福利時或本集團確認重組成本（涉及支付解僱福利）時（以較早者為準）確認。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (s) Income tax

Income tax for the period comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

### 1 重大會計政策(續)

#### (s) 所得稅

期內所得稅包括即期稅項及遞延稅項資產與負債的變動。即期稅項及遞延稅項資產與負債的變動均於損益表內確認，惟與於其他全面收益或直接於權益內確認的項目有關者則除外，在此情況下有關稅項金額分別於其他全面收益或直接於權益內確認。

即期稅項為就期內應課稅收入採用於報告期末已生效或實質已生效的稅率計算的預期應付稅項，並就過往年間的應付稅項作出調整。

遞延稅項資產及負債分別自可扣稅及應課稅的暫時差額產生，即就財務報告而言資產和負債的賬面值與其稅基之間的差額。遞延稅項資產亦自未動用稅項虧損及未動用稅項抵免產生。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (s) Income tax (continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from good will not deductible for tax purposes, initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

### 1 重大會計政策(續)

#### (s) 所得稅(續)

除若干有限的例外情況外，所有遞延稅項負債及所有遞延稅項資產(以未來可能有應課稅溢利致使可動用該等資產作抵扣為限)均會予以確認。可支持確認自可扣稅暫時差額所產生的遞延稅項資產的未來應課稅溢利包括因撥回現有應課稅暫時差額而產生的金額；惟此等差額必須與同一稅務機關及同一應課稅實體有關，並預期在可扣稅暫時差額預計撥回的同一年間或遞延稅項資產所產生稅項虧損可承後或承前結轉的期間內撥回。在釐定現有應課稅暫時差額是否支持確認自未動用稅項虧損和抵免產生的遞延稅項資產時，亦會採用同一準則，即該等差額若與同一稅務機關及同一應課稅實體有關，並預期在稅項虧損或抵免可動用的期間內撥回，則予以考慮。

確認遞延稅項資產和負債的有限例外情況，為就稅務而言不影響會計或應課稅溢利的將不予扣除的商譽，資產或負債的初步確認(前提是其並不屬業務合併的一部份)，以及有關於附屬公司的投資的暫時差額(如屬應課稅差額，則只限於本集團可控制撥回的時間，而且在可見將來不大可能撥回的差額；或如屬可扣稅差額，則只限於很可能在將來撥回的差額)。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (s) Income tax (continued)

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

### 1 重大會計政策(續)

#### (s) 所得稅(續)

已確認的遞延稅項金額按照資產與負債賬面值的預期變現或清償方式，使用報告期末已生效或實質已生效的稅率計算。遞延稅項資產與負債均不作折現。

遞延稅項資產的賬面值乃於各報告期末檢討，並在不可能再獲得足夠的應課稅溢利可抵扣相關稅項利益時予以扣減。倘有可能獲得足夠的應課稅溢利，則扣減金額予以撥回。

因派發股息而產生的額外所得稅在確認支付有關股息的責任時確認。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (s) Income tax (continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

### 1 重大會計政策(續)

#### (s) 所得稅(續)

即期稅項結餘及遞延稅項結餘及其變動額均各自分開呈報且不予抵銷。倘本公司或本集團有法定強制執行權利以即期稅項資產抵銷即期稅項負債，並且符合以下附加條件下，則即期稅項資產可抵銷即期稅項負債，以及遞延稅項資產可抵銷遞延稅項負債：

- 倘為即期稅項資產與負債，本集團擬按淨額基準結算，或同時變現該資產及清償該負債；或
- 倘為遞延稅項資產及負債，而此等資產及負債與同一稅務機關就以下其中一項徵收的所得稅有關：
  - 同一應課稅實體；或
  - 不同的應課稅實體，此等實體計劃在日後每個預期有大額遞延稅項負債需要清償或大額遞延稅項資產可以收回的期間內，按淨額基準變現即期稅項資產及清償即期稅項負債，或同時變現該資產及清償該負債。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (t) Provisions and contingent liabilities

Provisions are recognised when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

#### (u) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

### 1 重大會計政策(續)

#### (t) 撥備及或然負債

撥備乃於本集團因過往事件而產生法律或推定責任，而可能需要經濟利益流出以清償責任及能作出可靠估計時確認。倘金錢的時間值屬重大時，撥備乃按預期清償責任的開支的現值列賬。

當需要經濟利益流出的可能性較低或當金額不能可靠估計時，責任會作為或然負債披露，除非經濟利益流出的可能性極低。可能的責任(其存在將僅由一項或以上未來事件的出現或不出現確認)亦作為或然負債披露，除非經濟利益流出的可能性極低者，則另當別論。

#### (u) 營業額及其他收入

於本集團業務的一般過程中，倘收入乃產生於銷售貨物、提供服務或他人動用本集團租賃項下的資產，本集團將其分類為營業額。

營業額於產品或服務的控制權轉移至客戶時按本集團預期有權承諾代價的金額確認(不包括代表第三方收取的該等金額)。營業額不包括增值稅或其他銷售稅，並已扣除任何貿易折扣。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (u) Revenue and other income (continued)

Further details of the Group's revenue and other income recognition policies are as follows:

##### (i) Sale of goods

Revenue is recognised once the products delivered to the location designated by the distributor as the control of the goods are considered to have been transferred to the distributor. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

##### (ii) Interest income

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost or FVOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (See Note 1(i)(i)).

### 1 重大會計政策(續)

#### (u) 營業額及其他收入(續)

有關確認本集團營業額及其他收入的政策進一步詳情如下：

##### (i) 銷售貨品

營業額於貨物運送至分銷商指定的地點時確認，乃由於商品的控制權被認為已轉移給分銷商。營業額不包括增值稅或其他銷售稅，並已扣除任何貿易折扣。

##### (ii) 利息收入

利息收入是在產生時按實際利率法確認。就按攤餘成本或按公允價值計入其他全面收益(可劃轉)計量的未有信貸減值金融資產而言，實際利率適用於資產的額總賬面值。就信貸減值金融資產而言，實際利率適用於資產的攤餘成本(即總賬面值減虧損撥備)(見附註1(i)(i))。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (u) Revenue and other income (continued)

##### (iii) Government grants

Government grants are recognised in the statements of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised initially as deferred income and amortised to profit or loss on a straight-line basis over the useful life of the asset by way of recognised in other income.

#### (v) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

### 1 重大會計政策(續)

#### (u) 營業額及其他收入(續)

##### (iii) 政府補助

當可以合理確定本集團將會收到政府補助並會遵守其附帶條件時，政府補助會初步於財務狀況表內予以確認。用作補償本集團所產生的開支的補助於產生開支的同一期間有系統地於損益中確認為收入。補償本集團資產成本的補助初步確認為遞延收入，並於該項資產的可使用年期以確認為其他收入的方式按直線法於損益中攤銷。

#### (v) 借貸成本

凡直接與購置、興建或生產某項資產(該資產必須經過頗長時間籌備以作預定用途或出售)有關的借貸成本，均資本化為資產的部份成本。其他借貸成本均於發生期間內支銷。

符合資本化條件的借貸成本，在資產已產生開支、借貸成本已發生及使資產達到預定可使用或可銷售狀態所必要的工作已進行時，開始資本化。符合資本化條件的資產投入擬定用途或銷售所必須的絕大部份工作中止或完成時，借貸成本便會暫停或停止資本化。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (w) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Group initially recognises such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

#### (x) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group's parent.

### 1 重大會計政策(續)

#### (w) 外幣換算

年內的外幣交易按交易日期公佈的外匯匯率換算。以外幣計值的貨幣資產及負債，按報告期末公佈的外匯匯率換算。匯兌盈虧於損益中確認。

按歷史成本以外幣計值的非貨幣資產及負債，按交易日期公佈的外匯匯率換算。交易日期為本集團初步確認有關非貨幣資產或負債的日期。按公允價值列賬以外幣計值的非貨幣資產及負債，按計量公允價值日期公佈的外匯匯率換算。

#### (x) 關聯方

(a) 在以下情況下，某人士或其緊密家庭成員與本集團有關聯：

- (i) 可控制或共同控制本集團；
- (ii) 對本集團有重大影響力；或
- (iii) 是本集團或本集團母公司的主要管理人員的成員。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (x) Related parties (continued)

- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).

### 1 重大會計政策(續)

#### (x) 關聯方(續)

- (b) 在任何以下情況下，某實體與本集團有關聯：
- (i) 該實體及本集團均是同一集團的成員公司(即母公司、附屬公司及同系附屬公司各自與其他方有關聯)。
  - (ii) 某實體是另一實體的聯營公司或合營公司(或另一實體為成員公司的某集團的成員公司的聯營公司或合營公司)。
  - (iii) 兩家實體均是同一第三方的合營公司。
  - (iv) 某實體是第三方實體的合營公司而另一實體則是該第三方實體的聯營公司。
  - (v) 該實體是旨在提供福利予本集團或與本集團有關聯的實體的僱員的離職福利計劃。
  - (vi) 該實體受(a)項中所辨別的人士控制或共同控制。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (x) Related parties (continued)

(b) (continued)

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

#### (y) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

### 1 重大會計政策(續)

#### (x) 關聯方(續)

(b) (續)

(vii) 在(a)(i)項中所辨別的人士對該實體有重大影響力，或該人士是該實體(或是該實體的母公司)的主要管理人員的成員。

(viii) 該實體或其所屬集團的任何成員公司向本集團或本集團母公司提供主要管理人員服務。

某人士的緊密家庭成員為在與實體交易時預期會影響該名人士或受到該名人士影響的家庭成員。

#### (y) 分部報告

經營分部及財務報表所呈報的各分部項目金額取自向本集團最高行政管理人員定期呈報以使其向本集團各業務及區域分配資源以及評估該等業務及區域表現的財務資料。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (y) Segment reporting (continued)

The chief operating decision maker of the Group assesses the performance and allocates the resources of the Group as a whole, as all of the Group's activities are considered to be primarily dependent on the performance on sales of pharmaceutical products. Therefore, management considers there to be only one operating segment under the requirements of IFRS 8, *Operating Segments*. In this regard, no segment information is presented for the year end 31 December 2019.

No geographic information is shown as the Group's operating profit is derived from activities of manufacture and sale of pharmaceutical products in the PRC.

### 2 ACCOUNTING ESTIMATES AND JUDGEMENTS

The key sources of estimation uncertainty and critical accounting judgments in applying the Group's accounting policies are described below.

#### (a) Depreciation

Property, plant and equipment and ownership interests in leasehold land held for own use are depreciated on a straight-line basis over the estimated useful lives or lease term, after taking into account the estimated residual value.

The Group reviews annually the useful life of an asset and its residual value, if any. The depreciation expense for future years is adjusted if there are significant changes from previous estimation.

### 1 重大會計政策(續)

#### (y) 分部報告(續)

由於本集團全部業務活動被視為主要依賴藥品銷售的表現，故本集團最高經營決策者以本集團作為一個整體以評估表現並分配資源。因此，根據國際財務報告準則第8號，經營分部的規定，管理層認為僅存在一個經營分部。就此而言，並無呈列截至二零一九年十二月三十一日止年度的分部資料。

本集團的經營溢利全部來自中國的生產及銷售藥品業務，故並無列示地理資料。

### 2 會計估計及判斷

估計不確定性的主要來源及於應用本集團會計政策時所作出的重大會計判斷載述於下文。

#### (a) 折舊

於考慮估計剩餘價值後，物業、廠房及設備及持作自用之租賃土地的所有權權益於估計可使用年期或租期內按直線法折舊。

本集團每年審閱資產的可使用年期及其剩餘價值(如有)。倘過往作出的估算出現重大變動，則會對未來年度的折舊開支作出調整。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 2 ACCOUNTING ESTIMATES AND JUDGEMENTS

(continued)

#### (b) Impairments

- (i) In considering the impairment losses that may be required for certain property, plant and equipment, intangible assets, goodwill and interests in lease hold land held for own use and prepayment, recoverable amount of these assets needs to be determined. The recoverable amount is the greater of the net selling price and the value in use. It is difficult to precisely estimate selling price because quoted market prices for these assets may not be readily available. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgment relating to items such as level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of items such as revenue and operating costs.

- (ii) The Group estimates the loss allowances for trade receivables by assessing the ECLs. This requires the use of estimates and judgements. ECLs are based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, and an assessment of both the current and forecast general economic conditions at the end of reporting period. Where the estimation is different from the original estimate, such difference will affect the carrying amounts of trade receivables and thus the impairment loss in the period in which such estimate is changed. The Group keeps assessing the expected credit loss of trade receivables during their expected lives.

### 2 會計估計及判斷(續)

#### (b) 減值

- (i) 於考慮可能須就若干物業、廠房、無形資產、商譽及持作自用之租賃土地權益及預付款項作出的減值虧損時，需要釐定該等資產的可收回金額。可收回金額為淨售價與使用價值兩者之較高者。由於未必能即時取得該等資產的市場報價，故難以精確估計售價。於釐定使用價值時，資產所產生的預期現金流會折現至其現值，當中需要就收益水平及經成本金額等項目作出重大判斷。於釐定可收回金額的合理約數時，本集團使用所有可即時取得的資料，包括根據就收益及營運成本等作出的合理及有理據支持的假設及預測作出的估算。

- (ii) 本集團透過評估預期信貸虧損估計貿易應收款項的虧損撥備。此舉需要使用估計及判斷。預期信貸虧損乃基於本集團過往的信貸虧損經驗(並對債務人特定因素進行調整)及於報告期末對目前及未來整體經濟情況的評估。倘若估計數額與原先的估計有所不同，有關差額將影響貿易應收款項的賬面值以及因此有關估計變動發生之期間的減值虧損。本集團於貿易應收款項預計的存續期內持續對其預期信貸虧損進行評估。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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## 2 ACCOUNTING ESTIMATES AND JUDGEMENTS (continued) 2 會計估計及判斷(續)

### (c) Capitalised development costs

Development costs are capitalised in accordance with the accounting policy for research and development (“R&D”) costs in Note 1(g) to the financial statements. Critical judgement by the Group’s management is applied when deciding whether the recognition requirements for development costs have been met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems at the time of recognition. Judgements are based on the best information available at the end of the reporting period. In addition, all internal activities related to the R&D of new products is continuously monitored by the Group management.

### (c) 資本化開發支出

開發支出乃按財務報表附註1(g)中的研究與開發(「研發」)支出的會計政策資本化。本集團管理層於決定開發成本是否符合確認條件時會作出關鍵判斷。由於在作出確認時，任何產品開發能否成功獲得經濟效益屬未知之數，且於未來可能遇到技術問題，故必須作出審慎判斷。判斷乃根據報告期末可取得之最佳資料作出。此外，本集團管理層不斷監察所有關於研發新產品之內部活動。

## 3 REVENUE

The principal activities of the Group are manufacturing and sales of pharmaceuticals.

### Disaggregation of revenue

Revenue represents the sales value of goods supplied to customers. Revenue is after deduction of any trade discounts. The amount of each significant category of revenue is as follows:

## 3 營業額

本集團的主要業務為藥品生產及銷售。

### 營業額分拆

營業額指供應給客戶的貨品的銷售價值。營業額已扣除任何貿易折扣。各主要營業額類別的金額如下：

Revenue from contracts with customers within the scope of IFRS 15		2019	2018
應用國際財務報告準則第15號範圍內的來自客戶合約之收入		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Sales of anti-viral drugs	銷售抗病毒藥物	5,939,463	2,254,227
Sales of endocrine and metabolic drugs	銷售內分泌及代謝藥物	103,447	100,740
Sales of cardiovascular drugs	銷售心血管藥物	84,844	100,677
Sales of other medical products	銷售其他醫療產品	96,270	54,832
		<b>6,224,024</b>	2,510,476

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 3 REVENUE (continued)

The Group's customer base is diversified and includes three customers (2018: two) with whom transactions have exceeded 10% of the Group's revenue for the year ended 31 December 2019, including sales to entities which are known to the Group to be under common control with single customer. Revenue from these customers amounted to approximately RMB3,500,508,000 (2018: RMB1,290,954,000). Details of concentrations of credit risk arising from these customers are set out in Note 25(a).

### 4 OTHER INCOME

### 3 營業額(續)

本集團的客戶群多元化，截至二零一九年十二月三十一日止年度，包括三名(二零一八年：兩名)交易額超過本集團營業額10%的客戶(包括本集團知悉與單名客戶受共同控制之實體銷售。來自該等客戶的營業額約為人民幣3,500,508,000元(二零一八年：人民幣1,290,954,000元)。有關該等客戶產生的集中信貸風險詳情載於附註25(a)。

### 4 其他收入

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Government grants	政府補助		
— Unconditional subsidies	— 無條件補助	4,279	5,565
— Conditional subsidies (Note 22)	— 有條件補助(附註22)	4,644	4,379
Interest income	利息收入	36,038	14,601
Others	其他	197	56
		<b>45,158</b>	24,601

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

#### (a) Finance costs

			2019	2018
			二零一九年	二零一八年
		Note	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
Interest on convertible bond	可轉換債券利息	21	196,908	-
Interest on bank loans	銀行貸款利息		7,088	1,418
Interest on bills discounted	折現票據利息		507	-
			<b>204,503</b>	1,418

#### (b) Staff costs

			2019	2018
			二零一九年	二零一八年
			RMB'000	RMB'000
			人民幣千元	人民幣千元
Salaries, wages, bonuses and benefits	薪金、工資、花紅及福利		985,201	270,962
Contributions to defined contribution retirement benefit schemes	定額供款退休福利計劃		57,494	33,806
			<b>1,042,695</b>	304,768

Pursuant to the relevant labour rules and regulations in the PRC, the Group participates in defined contribution retirement benefit schemes (the "Schemes") organised by the local government authorities whereby the Group is required to make contributions to the Schemes based on certain percentages of the eligible employee's salaries. The local government authorities are responsible for the entire pension obligations payable to the retired employees. The Group has no other obligations for payments of retirement and other post-retirement benefits of employees other than the contributions described above.

### 5 除稅前溢利

除稅前溢利乃扣除／(計入)以下各項後得出：

#### (a) 融資成本

			2019	2018
			二零一九年	二零一八年
		Note	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
Interest on convertible bond	可轉換債券利息	21	196,908	-
Interest on bank loans	銀行貸款利息		7,088	1,418
Interest on bills discounted	折現票據利息		507	-
			<b>204,503</b>	1,418

#### (b) 員工成本

			2019	2018
			二零一九年	二零一八年
			RMB'000	RMB'000
			人民幣千元	人民幣千元
Salaries, wages, bonuses and benefits	薪金、工資、花紅及福利		985,201	270,962
Contributions to defined contribution retirement benefit schemes	定額供款退休福利計劃		57,494	33,806
			<b>1,042,695</b>	304,768

根據中國的相關勞動規則及規例，本集團參與由地方政府機關組織的界定供款退休福利計劃(「計劃」)，據此，本集團須按照合資格僱員薪金的某百分比向計劃作出供款。地方政府機關承擔向退休僱員支付全部退休金的責任。除上述供款外，本集團並無其他責任支付僱員的退休及其他退休後福利。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 5 PROFIT BEFORE TAXATION (continued)

#### (c) Other items

			2019	2018
			二零一九年	二零一八年
		Note	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
Depreciation	折舊	10	52,560	37,186
Less: amount capitalised as development costs	減：資本化開發支出金額		(2,327)	(3,078)
			50,233	34,108
Amortisation	攤銷	11	56,186	26,980
Less: amount capitalised as development costs	減：資本化開發支出金額		(20,234)	-
			35,952	26,980
Auditor's remuneration	核數師酬金			
— audit services	— 審計服務		1,500	1,300
— non-audit services	— 非審計服務		1,560	1,450
(Reversal)/provision of impairment losses on	下列項目之減值虧損 (撥回)/撥備			
— trade receivables	— 貿易應收款項	25(a)	(1,306)	2,391
— other receivables	— 其他應收款項		6,040	(1,178)
Loss on disposal of fixed assets	出售固定資產的虧損		4,825	2,214
Lease charges	租賃費用		2,554	1,164
Net foreign exchange loss/(gain)	匯兌虧損/(收益)淨額		87,172	(7,920)
R&D cost (i)	研發成本(i)		162,619	224,103
Cost of inventories (ii)	存貨成本(ii)	15	357,202	188,424

Notes:

- (i) R&D cost include RMB63,291,000 (2018: RMB57,577,000) relating to staff costs, depreciation expenses and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above or in the Note 5(b) for each of these types of expenses.
- (ii) Cost of inventories include RMB95,879,000 (2018: RMB60,011,000) relating to staff costs and depreciation expenses, which amount is also included in the respective total amounts disclosed separately above or in the Note 5(b) for each of these types of expenses.

附註：

- (i) 研發成本包括與員工成本、折舊開支及攤銷開支相關的支出人民幣63,291,000元(二零一八年：人民幣57,577,000元)，以上款項亦計入上文或附註5(b)就各開支類別獨立披露的相應總金額內。
- (ii) 存貨成本包括與員工成本、折舊開支相關的支出人民幣95,879,000元(二零一八年：人民幣60,011,000元)，以上金額亦計入上文或附註5(b)就各開支類別獨立披露的相應總金額內。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

### 6 綜合損益及其他全面收益表內的所得稅

(a) Taxation in the consolidated statements of profit or loss and other comprehensive income represents:

(a) 綜合損益及其他全面收益表內的所得稅指：

		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
<b>Current tax</b>	<b>即期稅項</b>		
Provision for PRC CIT for the year (Note 23(a))	本年度中國企業所得稅撥備 (附註 23(a))	<b>424,623</b>	203,912
Under-provision for PRC CIT in respect of prior years (Note 23(a))	過往年度中國企業所得稅撥備不足 (附註 23(a))	<b>918</b>	1,039
		<b>425,541</b>	204,951
<b>Deferred tax</b>	<b>遞延稅項</b>		
Origination of temporary differences	暫時差額的產生	<b>(63,673)</b>	(3,845)
<b>Total income tax</b>	<b>所得稅總額</b>	<b>361,868</b>	201,106

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

### 6 綜合損益及其他全面收益表內的所得稅(續)

(b) Reconciliation between income tax expenses and accounting profit at applicable tax rates:

(b) 所得稅開支與按適用稅率計算的會計溢利的對賬：

		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit before taxation	除稅前溢利	<b>2,269,053</b>	1,102,324
Applicable tax rate (i)	適用稅率(i)	<b>25%</b>	25%
Notional tax on profit before taxation	除稅前溢利的推算稅項	<b>567,263</b>	275,581
Under-provision for PRC CIT in respect of prior years	過往年度中國企業所得稅撥備不足	<b>918</b>	1,039
Tax effect of non-deductible expenses	不可扣稅開支的影響	<b>23,924</b>	34,154
Tax effect of preferential tax rate (ii)	優惠稅率的影響(ii)	<b>(234,581)</b>	(120,290)
Tax effect of bonus deduction of R&D expenses (iii)	研發優惠扣稅的影響(iii)	<b>(11,459)</b>	(7,292)
Tax effect of unused tax losses not recognised	未確認的未利用稅項虧損的稅務影響	<b>15,803</b>	17,914
<b>Actual Tax expenses</b>	<b>實際稅項開支</b>	<b>361,868</b>	201,106

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(continued)*

- (i) The PRC CIT rate is 25%.
- (ii) The PRC CIT Law allows enterprises to apply for the certificate of “High and New Technology Enterprise” (“HNTE”) which entitles the qualified companies to a preferential income tax rate of 15%. The Company was recognised as “HNTE” and enjoyed a preferential CIT rate of 15% for the years ended 31 December 2019 and 2018.
- (iii) According to relevant tax rules in the PRC, qualified R&D expenditure incurred by an enterprise in the course of carrying out R&D activities that has not formed intangible assets, the enterprise is allowed an additional 75% deduction in calculating its annual CIT; if the relevant expenditure finally forming intangible assets, an additional 75% deduction is allowed for its annual amortisation when calculating its annual CIT.

### 6 綜合損益及其他全面收益表內的所得稅(續)

- (i) 中國企業所得稅率為25%。
- (ii) 中國企業所得稅法允許企業申請認定為「高新技術企業」(「高新技術企業」)，合資格公司可享有15%的優惠所得稅率。本公司獲認定為高新技術企業，於截至二零一九年及二零一八年十二月三十一日止年度享受15%的企業所得稅優惠稅率。
- (iii) 根據中國相關稅務規則，倘一間企業在進行尚未構成無形資產的研發活動過程中而產生合資格研發支出，該企業可於計算其年度企業所得稅時額外扣除75%；倘相關支出最終構成無形資產，則於計算年度企業所得稅時，可將其年度攤銷額額外扣除75%。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 7 DIRECTORS' AND SUPERVISORS' REMUNERATION 7 董事及監事酬金

The details of directors' and supervisors' remuneration are disclosed as follows:

董事及監事酬金披露如下：

		Directors' fees	Salaries, allowances and benefits in kind	Contributions to defined contribution retirement benefit schemes	Discretionary bonuses	2019 Total
		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
			薪金、津貼及實物福利	定額供款退休福利計劃供款	酌情花紅	二零一九年總計
<b>Executive directors</b>		<b>執行董事</b>				
Mr. Jiang Juncai	蔣均才先生	-	222	21	150	393
Mr. Wang Danjin	王丹津先生	-	186	16	105	307
Mr. Chen Yangui	陳燕桂先生	-	239	28	180	447
Mr. Zhu Qiaohong (i)	朱巧洪先生(i)	-	32	3	-	35
Mr. Li Shuang (v)	李爽先生(v)	-	187	16	105	308
<b>Non-executive directors</b>		<b>非執行董事</b>				
Mr. Tang Xinfu	唐新發先生	-	-	-	-	-
Mr. Eddy Huang (ii)	黃翊先生(ii)	-	-	-	-	-
<b>Independent non-executive directors</b>		<b>獨立非執行董事</b>				
Mr. Tang Jianxin	唐建新先生	100	-	-	-	100
Mr. Fu Hailiang	付海亮先生	100	-	-	-	100
Mr. Zhao Dayao (iii)	趙大堯先生(iii)	170	-	-	-	170
Mr. Lee Chi Ming (iii)	李志明先生(iii)	160	-	-	-	160
<b>Supervisors</b>		<b>監事</b>				
Mr. Tang Jinlong (iv)	唐金龍先生(iv)	-	-	-	-	-
Mr. Wang Shengchao	王勝超先生	-	129	14	105	248
Mr. Luo Zhonghua	羅忠華先生	-	-	-	-	-
Ms. Huang Fangfang (iv)	黃芳芳女士(iv)	-	-	-	-	-
<b>Total</b>	<b>總計</b>	<b>530</b>	<b>995</b>	<b>98</b>	<b>645</b>	<b>2,268</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 7 DIRECTORS' AND SUPERVISORS' REMUNERATION 7 董事及監事酬金(續)

(continued)

		Directors' fees	Salaries, allowances and benefits in kind	Contributions to defined contribution retirement benefit schemes	Discretionary bonuses	2018 Total
		董事袍金	薪金、津貼及實物福利	定額供款退休福利計劃供款	酌情花紅	二零一九年總計
		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
<b>Executive directors</b>	<b>執行董事</b>					
Mr. Jiang Juncai	蔣均才先生	—	209	21	135	365
Mr. Wang Danjin	王丹津先生	—	186	16	105	307
Mr. Chen Yangui	陳燕桂先生	—	238	24	180	442
Mr. Zhu Qiaohong (i)	朱巧洪先生(i)	—	188	16	105	309
Mr. Li Shuang (v)	李爽先生(v)	—	173	16	105	294
<b>Non-executive directors</b>	<b>非執行董事</b>					
Mr. Tang Xinfu	唐新發先生	—	—	—	—	—
Mr. Mo Kit (vi)	毛杰先生(vi)	—	—	—	—	—
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>					
Mr. Tang Jianxin	唐建新先生	100	—	—	—	100
Mr. Fu Hailiang	付海亮先生	100	—	—	—	100
Mr. Lee Chi Ming (iii)	李志明先生(iii)	160	—	—	—	160
<b>Supervisors</b>	<b>監事</b>					
Ms. Huang Fangfang (iv)	黃芳芳女士(iv)	—	—	—	—	—
Mr. Wang Shengchao	王勝超先生	—	112	12	108	232
Mr. Luo Zhonghua	羅忠華先生	—	—	—	—	—
<b>Total</b>	<b>總計</b>	<b>360</b>	<b>1,106</b>	<b>105</b>	<b>738</b>	<b>2,309</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 7 DIRECTORS' AND SUPERVISORS' REMUNERATION

(continued)

- (i) Mr. Zhu Qiaohong resigned as executive director on 20 February 2019.
- (ii) Mr. Eddy Huang was appointed as non-executive director on 20 February 2019.
- (iii) Mr. Lee Chi Ming resigned as non-executive director on 11 October 2019 and Mr. Zhao Dayao was appointed as non-executive director on the same day.
- (iv) Ms. Huang Fangfang resigned as supervisor on 6 June 2019 and Mr. Tang Jinlong was appointed as supervisor on the same day.
- (v) Mr. Li Shuang was appointed as executive director on 8 June 2018.
- (vi) Mr. Mo Kit retired as non-executive director on June 2018.

### 7 董事及監事酬金(續)

- (i) 朱巧洪先生於二零一九年二月二十日辭任執行董事。
- (ii) 黃翊先生於二零一九年二月二十日獲委任為非執行董事。
- (iii) 李志明先生於二零一九年十月十一日辭任非執行董事，而趙大堯先生於同日獲委任為非執行董事。
- (iv) 黃芳芳女士於二零一九年六月六日辭任監事，而唐金龍先生於同日獲委任為監事。
- (v) 李爽先生於二零一八年六月八日獲委任為執行董事。
- (vi) 毛杰先生於二零一八年六月退任非執行董事一職。

### 8 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, none (2018: two) is the director whose emoluments are disclosed in Note 7. The aggregate of the emoluments in respect of the five (2018: three) individuals are as follows:

### 8 最高薪酬人士

五名最高薪酬人士中並無董事(二零一八年：兩名)，彼等薪酬披露於附註7。餘下五名人士(二零一八年：三名)的薪酬總額如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Salaries and other emoluments	薪金及其他薪酬	2,588	1,068
Discretionary bonuses	酌情花紅	465	288
Contribution to retirement schemes	退休計劃供款	60	23
		<b>3,113</b>	1,379

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 8 INDIVIDUALS WITH HIGHEST EMOLUMENTS

(continued)

The emoluments of the five (2018: three) individuals with the highest emoluments are within the following bands:

		2019 二零一九年	2018 二零一八年
		Number of Individuals 人數	Number of Individuals 人數
Nil to HK\$1,000,000	零至 1,000,000 港元	5	3

### 8 最高薪酬人士(續)

五名(二零一八年：三名)最高薪人士的薪酬介乎以下範圍：

### 9 EARNINGS PER SHARE

#### (a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB1,918,709,000 (2018: RMB942,536,000) and the weighted average of 449,173,924 (2018: 452,022,850) ordinary shares in issue during the year, calculated as follows:

Weighted average number of ordinary shares:

		2019 二零一九年	2018 二零一八年
		shares 股數	shares 股數
Issued ordinary shares at 1 January (Note 24(e))	於一月一日的已發行普通股(附註24(e))	452,022,850	452,022,850
Purchase of own shares (Note 24(c))	回購股份(附註24(c))	(2,848,926)	-
Weighted average number of ordinary shares at 31 December	於十二月三十一日普通股加權平均數	449,173,924	452,022,850

### 9 每股盈利

#### (a) 每股基本盈利

計算每股基本盈利時乃以本公司普通權益股東應佔溢利人民幣1,918,709,000元(二零一八年：人民幣942,536,000元)和年內已發行普通股加權平均數449,173,924股(二零一八年：452,022,850股)為基準：

普通股的加權平均數如下：



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 9 EARNINGS PER SHARE (continued)

#### (b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB2,087,461,000 (2018: RMB942,536,000) and the weighted average number of ordinary shares of 509,456,279 shares (2018: 452,022,850 shares), calculated as follows:

#### **Profit attributable to ordinary equity shareholder of the Company (diluted)**

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Profit attributable to ordinary equity shareholders	普通權益股東應佔溢利	<b>1,918,709</b>	942,536
After tax effect of effective interest on the liability component of convertible bonds	可轉換債券負債部分實際利息之除稅後影響	<b>167,373</b>	-
After tax effect of gain recognised on the derivative component of convertible bonds	於可轉換債券衍生部分確認之收益之除稅後影響	<b>(75,011)</b>	-
After tax effect of exchange loss on the convertible bonds	可轉換債券匯兌虧損之除稅後影響	<b>76,390</b>	-
Profit attributable to ordinary equity shareholders (diluted)	普通權益股東應佔溢利(攤薄)	<b>2,087,461</b>	942,536

### 9 每股盈利(續)

#### (b) 每股攤薄盈利

計算每股攤薄盈利時乃以本公司普通權益股東應佔溢利人民幣2,087,461,000元(二零一八年：人民幣942,536,000元)及普通股的加權平均數509,456,279股(二零一八年：452,022,850股)為基準：

#### 本公司普通權益股東應佔溢利(攤薄)

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 9 EARNINGS PER SHARE (continued)

#### (b) Diluted earnings per share (continued)

##### Weighted average number of ordinary shares (diluted)

		2019	2018
		二零一九年	二零一八年
		shares	shares
		股數	股數
Weighted average number of ordinary shares at 31 December	於十二月三十一日之普通股加權平均數	<b>449,173,924</b>	452,022,850
Effect of conversion of convertible bonds	轉換可轉換債券之影響	<b>60,282,355</b>	-
Weighted average number of ordinary shares (diluted) at 31 December	於十二月三十一日之普通股加權平均數(攤薄)	<b>509,456,279</b>	452,022,850

### 9 每股盈利(續)

#### (b) 每股攤薄盈利(續)

##### 普通股的加權平均數(攤薄)

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 10 FIXED ASSETS

### 10 固定資產

#### (a) Reconciliation of carrying amount

#### (a) 賬面值的對賬

		Plant and Buildings	Machinery	Office equipment and others	Motor vehicles	Construction in progress	Sub-total	Ownership interests in leasehold land held for own use	Total
		廠房及樓宇	機器	辦公室設備及其他	汽車	在建工程	小計	持作自用之租賃土地所有權益	總計
		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
<b>Cost:</b>	<b>成本：</b>								
At 1 January 2018	於二零一八年一月一日	343,910	216,579	87,180	779	112,188	760,636	96,709	857,345
Additions	添置	181,825	34,003	11,516	-	417,957	645,301	75,353	720,654
Transfer from construction in progress	自在建工程轉移	133,743	19,549	11,272	-	(164,564)	-	-	-
Disposals	處置	-	(5,733)	(1,027)	-	-	(6,760)	-	(6,760)
At 31 December 2018	於二零一八年十二月三十一日	659,478	264,398	108,941	779	365,581	1,399,177	172,062	1,571,239
Additions	添置	3,288	4,944	10,400	1,109	569,896	589,637	15,334	604,971
Additions from acquisition of a subsidiary (Note 13)	自收購一間附屬公司的添置(附註13)	-	-	71	-	59,967	60,038	70,941	130,979
Transfer from construction in progress	自在建工程轉移	286,349	12,070	18,695	-	(317,114)	-	-	-
Disposals	處置	(3,860)	(4,231)	(5,540)	-	-	(13,631)	-	(13,631)
At 31 December 2019	於二零一九年十二月三十一日	945,255	277,181	132,567	1,888	678,330	2,035,221	258,337	2,293,558
<b>Accumulated depreciation:</b>	<b>累計折舊：</b>								
At 1 January 2018	於二零一八年一月一日	(57,922)	(72,397)	(39,862)	(65)	-	(170,246)	(16,874)	(187,120)
Charge for the year	年內扣除	(10,624)	(14,341)	(9,822)	(73)	-	(34,860)	(2,326)	(37,186)
Written-back on disposals	於處置時撤銷	-	3,647	899	-	-	4,546	-	4,546
At 31 December 2018	於二零一八年十二月三十一日	(68,546)	(83,091)	(48,785)	(138)	-	(200,560)	(19,200)	(219,760)
Charge for the year	年內扣除	(20,909)	(16,387)	(10,799)	(113)	-	(48,208)	(4,352)	(52,560)
Written-back on disposals	於處置時撤銷	908	2,592	769	-	-	4,269	-	4,269
At 31 December 2019	於二零一九年十二月三十一日	(88,547)	(96,886)	(58,815)	(251)	-	(244,499)	(23,552)	(268,051)
<b>Carrying amount:</b>	<b>賬面值：</b>								
At 31 December 2019	於二零一九年十二月三十一日	856,708	180,295	73,752	1,637	678,330	1,790,722	234,785	2,025,507
At 31 December 2018	於二零一八年十二月三十一日	590,932	181,307	60,156	641	365,581	1,198,617	152,862	1,351,479

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 10 FIXED ASSETS (continued)

#### (a) Reconciliation of carrying amount (continued)

- (i) All property, plant and equipment owned by the Group are located in the PRC.
- (ii) As at 31 December 2019, the Group was applying for certificates of ownership for certain properties, with carrying value of RMB298,788,000 (2018: RMB298,755,000). The directors of the Company are of the opinion that the use of and the conduct of operating activities at the properties referred to above are not affected by the fact that the Group has not yet obtained the relevant properties title certificates.
- (iii) As at 31 December 2019, amount of RMB69,802,000 of the ownership interests in leasehold land held for own use and amount of RMB30,839,000 of construction in progress were held in pledge for bank loans (2018: Nil) (Note 20).

### 10 固定資產(續)

#### (a) 賬面值的對賬(續)

- (i) 本集團擁有的所有物業、廠房及設備均位於中國。
- (ii) 於二零一九年十二月三十一日，本集團正就賬面值為人民幣298,788,000元(二零一八年：人民幣298,755,000元)的若干物業申請所有權證書。本公司董事認為本集團尚未取得相關物業業權所有證書並不影響使用上述物業及從事業務活動。
- (iii) 於二零一九年十二月三十一日，人民幣69,802,000元的持作自用之租賃土地所有權權益及人民幣30,839,000元在建工程持作為銀行貸款抵押。(二零一八年：無)(附註20)。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 10 FIXED ASSETS (continued)

#### (b) Right-of use asset

- (i) The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

### 10 固定資產(續)

#### (b) 使用權資產

- (i) 按相關資產類別劃分的使用權資產賬面淨值分析如下：

		<b>31 December 2019</b>	1 January 2019
		二零一九年 十二月三十一日	二零一九年 一月一日
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Included in fixed assets:	包括於固定資產：		
— Ownership interests in leasehold land held for own use	— 持作自用之租賃土地所有權益	<b>234,785</b>	152,862

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 10 FIXED ASSETS (continued)

### 10 固定資產(續)

#### (b) Right-of use asset (continued)

#### (b) 使用權資產(續)

(ii) The analysis of expense items in relation to leases recognised in profit or loss is as follows:

(ii) 於損益確認有關租賃的開支項目分析如下：

		2019	2018
		二零一九年	二零一八年
			(Note)
			(附註)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Depreciation charge of right-of-use assets by class of underlying asset:	按相關資產類別劃分之使用權資產折舊費用：		
— Ownership interests in leasehold land held for own use	— 持作自用之租賃土地所有權權益	4,352	2,326
Expense relating to short-term leases and other leases with remaining lease term ending on or before 31 December 2019	有關短期租賃及剩餘租期於二零一九年十二月三十一日或之前屆滿之其他租賃之開支	2,554	—
Total minimum lease payments for leases previously classified as operating leases under IAS 17	先前根據國際會計準則第17號分類為經營租賃的最低租賃付款總額	—	1,164

Note: The Group has initially applied IFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019. There is no a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in these financial statements due to this change.

附註：本集團已使用經修訂的追溯法初步應用國際財務報告準則第16號並調整於二零一九年一月一日的期初結餘。該變動並無對本集團於本期間或過往期間業績及財務狀況在本財務報表編製或呈列的方式構成重大影響。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 11 INTANGIBLE ASSETS

### 11 無形資產

		Capitalised development costs 資本化 開發支出 RMB'000 人民幣千元	Patents 專利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Cost:</b>	<b>成本：</b>			
At 1 January 2018	於二零一八年一月一日	57,157	335,000	392,157
Purchase (Note 14(ii))	購買(附註14(ii))	–	79,100	79,100
Capitalised development costs (i)	資本化開發支出(i)	72,314	–	72,314
At 31 December 2018	於二零一八年 十二月三十一日	129,471	414,100	543,571
Purchase (Note 14(ii))	購買(附註14(ii))	–	221,100	221,100
Capitalised development costs (i)	資本化開發支出(i)	164,777	–	164,777
At 31 December 2019	於二零一九年 十二月三十一日	294,248	635,200	929,448
<b>Accumulated amortisation:</b>	<b>累計攤銷：</b>			
At 1 January 2018	於二零一八年一月一日	–	(17,987)	(17,987)
Charge for the year	年內扣除	–	(26,980)	(26,980)
At 31 December 2018	於二零一八年 十二月三十一日	–	(44,967)	(44,967)
Charge for the year	年內扣除	–	(56,186)	(56,186)
At 31 December 2019	於二零一九年 十二月三十一日	–	(101,153)	(101,153)
<b>Net book value:</b>	<b>賬面淨值：</b>			
At 31 December 2019	於二零一九年 十二月三十一日	294,248	534,047	828,295
At 31 December 2018	於二零一八年 十二月三十一日	129,471	369,133	498,604

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 11 INTANGIBLE ASSETS (continued)

- (i) The Group has obtained the necessary approvals and permits for clinical trials for a series of insulin R&D projects in the previous periods and obtained the phase III clinical trials for new anti-hepatitis C drug in 2019. The directors of the Company are of the opinion that the development expenditure of the insulin projects and new anti-hepatitis C drugs meet the criteria of capitalisation after obtained the approval of clinical trial and phase III clinical trials approval respectively, and capitalised the expenditure as development costs under intangible assets. As at 31 December 2019, the intangible assets under development were not yet ready for use.

### 11 無形資產(續)

- (i) 本集團於二零一九年已就一系列胰島素研發項目的臨床試驗及於抗丙肝新藥三期臨床試驗取得所需批文及許可。本公司董事確認，胰島素研發項目和丙肝新藥項目分別在取得臨床試驗批文和三期臨床試驗批文後，有關項目的開發費用符合資本化標準，並資本化相關的開發支出在無形資產中。於二零一九年十二月三十一日，開發中無形資產尚未達到可使用狀態。

### 12 GOODWILL

### 12 商譽

	<b>2019</b>
	二零一九年
	<b>RMB'000</b>
	人民幣千元
Cost and carrying amount	成本及賬面值
At 1 January 2018, 31 December 2018 and 31 December 2019	於二零一八年一月一日、 二零一八年十二月三十一日及 二零一九年十二月三十一日
	<b>75,896</b>



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 12 GOODWILL (continued)

#### Acquisition of HEC TaiGen

Pursuant to the agreement signed on 30 October 2016 among the Company, TaiGen Biopharmaceuticals Co. (Beijing), Ltd. (“TaiGen”) and TaiGen Biopharmaceuticals Holdings Ltd., which is the controlling shareholder of TaiGen, the Company and TaiGen set up Dongguan HEC TaiGen Biopharmaceuticals Co., Ltd. (東莞東陽光太景醫藥研發有限責任公司, “HEC TaiGen”) in the PRC on 10 January 2017. HEC TaiGen engages in the research, development, production and sales of new anti-Hepatitis C drugs. The registered capital of HEC TaiGen was RMB683,400,000, of which the Company contributes RMB348,400,000 by way of cash and TaiGen contributes RMB335,000,000 by way of injection of the patents related to Furaprevir (See Note 11), a protease inhibitor for Hepatitis C. Upon set up of HEC TaiGen, the Company and TaiGen held 51% and 49% of the equity interests of HEC TaiGen, respectively.

On 27 March 2017, the Company entered into an equity transfer agreement (“Equity Transfer Agreement”) with TaiGen and acquired additional 9% equity interests in the HEC TaiGen held by TaiGen. The consideration of the equity transfer was USD20,000,000 (equivalent to approximately RMB137,402,000). Upon completion of the equity transfer, the Company and TaiGen held 60% and 40% of the equity interests of HEC TaiGen, respectively. Management considers the above transactions, as a whole, consist an acquisition of 60% equity interests of HEC TaiGen. The differences between the total consideration of 60% equity interests of HEC TaiGen and net asset value of HEC TaiGen attributed to the Company were recognised as goodwill, which was amounting to RMB75,896,000.

### 12 商譽(續)

#### 收購東陽光太景

根據本公司、太景醫藥研發(北京)有限公司(「太景」)及太景的控股股東太景醫藥研發控股股份有限公司於二零一六年十月三十日簽署的協議，本公司與太景於二零一七年一月十日在中國成立東莞東陽光太景醫藥研發有限責任公司(「東陽光太景」)。東陽光太景從事抗丙肝新藥的研發、生產及銷售。東陽光太景的註冊資本為人民幣683,400,000元，其中本公司以現金出資人民幣348,400,000元，太景以注入丙肝蛋白酶抑制劑伏拉瑞韋專利方式出資人民幣335,000,000元(見附註11)。東陽光太景成立後，本公司與太景分別持有東陽光太景51%及49%股權。

於二零一七年三月二十七日，本公司與太景訂立股權轉讓協議(「股權轉讓協議」)，並額外收購太景所持東陽光太景9%股權。股權轉讓的代價為20,000,000美元(約相當於人民幣137,402,000元)。股權轉讓完成後，本公司及太景分別持有東陽光太景60%及40%股權。管理層將上述交易作為一個整體，視同收購東陽光太景60%股權。本公司將東陽光太景60%權益份額的總代價與本公司應佔東陽光太景的資產淨值之間的差額確認為商譽，金額為人民幣75,896,000元。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 12 GOODWILL (continued)

#### Acquisition of HEC TaiGen (continued)

Pursuant to the Equity Transfer Agreement, subject to the positive result of Phase II clinical trial of new anti-Hepatitis C drugs and certain conditions, the Company will additionally pay USD20,000,000 in aggregate to TaiGen by four instalments and offer a right to TaiGen to purchase up to 9% equity interests in HEC TaiGen from the Company at the price equal to that set out in Equity Transfer Agreement. During 2019, the agreed conditions have been met and the Company had paid USD5,000,000 (equivalent to RMB34,389,000) to TaiGen as at 31 December 2019 and the remaining amount of USD15,000,000 will be paid by three instalments upon stage of development or obtaining the necessary government approvals. Meanwhile, TaiGen gave up the right to purchase up to 9% equity interests in HEC TaiGen from the Company, further details are set out in Note 24(d).

#### Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's cash-generating units (CGU) identified according to country of operation and operating segment as follows:

		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
HEC TaiGen	東陽光太景	<b>75,896</b>	75,896

The recoverable amount of the HEC TaiGen is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a sixteen-year period. The cash flows are discounted using a discount rate of 11.96%. The discount rates used are post-tax and reflect specific risks relating to the HEC TaiGen.

### 12 商譽(續)

#### 收購東陽光太景(續)

根據股權轉讓協議，取決於抗丙肝新藥二期臨床試驗的正面結果及若干限定條件，本公司將分四期向太景額外支付共計20,000,000美元，並向太景授予以相等於股權轉讓協議所載價格向本公司購買東陽光太景不超過9%股權的權利。於二零一九年，協定條件已達成，本公司於二零一九年十二月三十一日向太景支付5,000,000美元(相當於人民幣34,389,000元)，而餘額15,000,000美元將在發展階段或在取得必要的政府批文後分三期支付。同時，太景放棄向本公司購買東陽光太景最多9%股權的權利，更多細節詳見附註24(d)。

#### 包含商譽的現金產生單位的減值測試

商譽根據經營所在國家及下列經營分部分配至所識別到的本集團現金產生單位(現金產生單位)：

		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元

東陽光太景的可收回金額乃按使用價值計算法釐定，其使用根據管理層所批准涵蓋16年期間的財務預算的現金流量預測計算。現金流量使用11.96%的折現率折現。所用折現率為稅後折現率，並反映與東陽光太景有關的特定風險。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 13 INVESTMENTS IN SUBSIDIARIES

As at 31 December 2019, the Company has direct interests in the following subsidiaries, which are private companies. The particulars of the subsidiaries are set out below:

### 13 於附屬公司之投資

於二零一九年十二月三十一日，本集團於以下附屬公司（為非上市公司）擁有直接權益。有關附屬公司詳情載列如下：

Name of company	Note	Place of incorporation and business	Registered capital	Paid up capital	Proportion of direct ownership interest	Principal activities	Kind of legal entity
公司名稱	附註	註冊成立及經營地點	註冊股本	已繳股本	擁有直接權益比例	主要業務	法律實體類別
Yichang HEC Pharmaceutical Co., Ltd.* ("宜昌東陽光醫藥有限公司")		PRC	RMB2,000,000	RMB2,000,000	100%	Sales of pharmaceutical products	Limited liability company (wholly-owned by a legal person that is invested in or controlled by a non-natural person)
宜昌東陽光醫藥有限公司		中國	人民幣 2,000,000元	人民幣 2,000,000元		銷售醫藥產品	有限責任公司 (非自然人投資或控股的法人獨資)
Yichang HEC Pharmaceutical Manufacturing Co., Ltd.* ("宜昌東陽光製藥有限公司")		PRC	RMB250,000,000	RMB250,000,000	100%	Manufacturing and sales of active pharmaceutical ingredient	Limited liability company (wholly-owned by a legal person that is invested in or controlled by a natural person)
宜昌東陽光製藥有限公司		中國	人民幣 250,000,000元	人民幣 250,000,000元		生產及銷售原料藥	有限責任公司 (自然人投資或控股的法人獨資)
Dongguan Yangzhikang Pharmaceutical Co., Ltd.* ("東莞市陽之康醫藥有限責任公司")		PRC	RMB50,000,000	RMB11,500,000	100%	Sales of Pharmaceutical products	Limited liability company (wholly-owned foreign-invested enterprise)
東莞市陽之康醫藥有限責任公司		中國	人民幣 50,000,000元	人民幣 11,500,000元		銷售醫藥產品	有限責任公司(外商投資企業法人獨資)
Guangdong HEC Biological Pharmacy Co., Ltd.* (HEC Biological Pharmacy, "廣東東陽光生物製劑有限公司")	(a)	PRC	RMB44,000,000	RMB44,000,000	100%	R&D of pharmaceutical products, medical devices and biotechnology	Limited liability company (wholly-owned foreign-invested enterprise)
廣東東陽光生物製劑有限公司 (「東陽光生物製劑」)		中國	人民幣 44,000,000元	人民幣 44,000,000元	100%	醫藥產品、醫療器械及生物技術的研發	有限責任公司(外商投資企業法人獨資)

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 13 INVESTMENTS IN SUBSIDIARIES (continued)

### 13 於附屬公司之投資(續)

Name of company	Note	Place of incorporation and business 註冊成立及 經營地點	Registered capital 註冊股本	Paid up capital 已繳股本	Proportion of direct ownership interest 擁有直接 權益比例	Principal activities 主要業務	Kind of legal entity 法律實體類別
Yichang HEC Pharmaceutical technology Marketing Services Co., Ltd.* ("宜昌東陽光醫藥科技推廣服務有限公司")		PRC	RMB50,000,000	-	93%	Medical consulting services	Other limited liability company
宜昌東陽光醫藥科技推廣服務有限公司		中國	人民幣 50,000,000元	-	93%	醫療諮詢服務	其他有限責任公司
YiChang HEC Bio-technology Co., Ltd.* ("宜昌東陽光生物科技 有限公司")		PRC	RMB30,000,000	-	90%	Production and sales of APIs	Other limited liability company
宜昌東陽光生物科技有限公司		中國	人民幣 30,000,000元	-	90%	生產和銷售原料藥	其他有限責任公司
HEC TaiGen.* ("東莞東陽光太景醫藥研發 有限責任公司")	(b)	PRC	RMB683,400,000	RMB683,400,000	60%	Research, development, production and sales of drugs	Other limited liability company
東莞東陽光太景		中國	人民幣 683,400,000元	人民幣 683,400,000元	60%	研發、生產及銷售藥品	其他有限責任公司

\* The English Translation of the above companies' names is for reference only. The official names of these companies are in Chinese.

\* 上述公司名稱的英文翻譯僅供參考。該等公司的官方名稱為中文名稱。

#### (a) Acquisition of HEC Pharmaceutical Manufacturing

On 12 September 2019, the Group entered into an acquisition agreement with its related party Shenzhen HEC Industrial Development Co., Ltd. (深圳市東陽光實業發展有限公司, "Shenzhen HEC Industrial") to acquire 100% equity interests in HEC Biological Pharmacy. The acquisition was regarded as acquisition of assets because the entity acquired does not contain a process applied to those inputs that have the ability to create output.

#### (a) 收購東陽光製藥

於二零一九年九月十二日，本集團與其關聯方深圳市東陽光實業發展有限公司（「深圳市東陽光實業」）訂立收購協議，以收購東陽光生物製劑100%股權。該收購被視為資產收購，因所收購的實體並不包含能應用於輸入參數而具能力作出貢獻的過程。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 13 INVESTMENTS IN SUBSIDIARIES (continued)

### 13 於附屬公司之投資(續)

#### (a) Acquisition of HEC Pharmaceutical Manufacturing (continued)

#### 收購東陽光製藥(續)

The following table summarises the consideration paid for HEC Biological Pharmacy, the fair values of identifiable assets acquired and identifiable liabilities assumed at the date of acquisition.

下表概括於收購日期已付東陽光生物製劑的代價、已收購可識別資產的公允價值及所承擔的可識別負債。

		Recognised values on acquisition 就收購事項 確認的價值 RMB'000 人民幣千元
Cash and cash equivalents	現金及現金等值項目	2
Trade and other receivables	貿易及其他應收款項	7,296
Fixed assets	固定資產	130,979
Trade and other payables	貿易及其他應付款項	(60,116)
Total identifiable net assets acquired	已收購可識別淨資產總額	78,161
Consideration satisfied in cash	已償付現金代價	78,161
Net cash flow arising from acquisition:	收購產生的現金流量淨額	
Consideration satisfied in cash	已償付現金代價	78,161
Less: Cash and cash equivalents acquired	減：所收購的現金及現金等值項目	(2)
Net cash outflow on acquisition of assets	收購資產的現金流出淨額	78,159

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 13 INVESTMENTS IN SUBSIDIARIES (continued)

### 13 於附屬公司之投資(續)

#### (b) Non-controlling interest

The following table lists out the information relating to HEC TaiGen, the only subsidiary of the Group which has a material non-controlling interests (NCI). The summarised financial information presented below represents the amounts before any inter-company elimination.

#### (b) 非控股權益

下表載列本集團唯一擁有重大非控股權益的附屬公司東陽光太景的資料。下文呈列的財務資料概要為公司間對銷前的金額。

		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
NCI percentage	非控股權益百分比	<b>40%</b>	40%
Current assets	流動資產	<b>99,608</b>	160,941
Non-current assets	非流動資產	<b>445,485</b>	405,934
Current liabilities	流動負債	<b>(8,925)</b>	(5,090)
Net assets	淨資產	<b>536,168</b>	561,785
Carrying amount of NCI	非控股權益賬面值	<b>214,600</b>	244,972
Revenue	營業額	-	-
Loss and total comprehensive income for the year	年內虧損及全面收入總額	<b>(28,811)</b>	(103,296)
Loss allocated to NCI	分配至非控股權益的虧損	<b>(11,524)</b>	(41,318)
Dividend paid to NCI	向非控股權益支付股息	-	-
Cash flows used in operating activities	經營活動所用現金流量	<b>(62,629)</b>	(47,227)
Cash flows from investing activities	投資活動現金流量	<b>340</b>	118
Cash flows from financing activities	融資活動現金流量	-	167,500

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 14 PREPAYMENTS

### 14 預付款項

		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Prepayments for intangible assets	無形資產預付款項		
— Yimitasvir phosphate and follow-up compounds (i)	— 磷酸依米他韋及後續化合物(i)	<b>560,000</b>	460,000
— Generic drug approvals (ii)	— 仿製藥批件(ii)	<b>891,917</b>	257,700
Prepayments for fixed assets	固定資產預付款項	<b>104,254</b>	99,809
		<b>1,556,171</b>	817,509

(i) On 22 July 2015, the Group entered into an agreement with Sunshine Lake Pharma Co., Ltd. (廣東東陽光藥業有限公司, "Sunshine Lake Pharma") which is a related party of the Group. Pursuant to the agreement, the Group acquired the right to use all the relevant knowhow and patents relating to yimitasvir phosphate and follow-up direct anti-viral agent compounds (the "Compounds") and, upon obtaining the necessary government approvals, the right to manufacture and sell worldwide. A consideration was RMB700,000,000, which comprised a down payment of RMB250,000,000 and eight milestone payments totalling RMB450,000,000 payable upon each stage of development or approval of yimitasvir phosphate or the Compounds. The agreement will expire on 31 December 2030 or the date when the first patent mentioned above expires, whichever is earlier.

(i) 於二零一五年七月二十二日，本集團已與廣東東陽光藥業有限公司（「廣東東陽光藥業」，為本集團之關連方）訂立協議。根據該協議，本集團已取得全球有關磷酸依米他韋及後續直接抗病毒化合物（「磷酸依米他韋化合物」）的所有相關技術訣竅和專利的使用權，並在取得相關政府部門的批文後，擁有在全球生產和銷售的權利。有關代價為人民幣700,000,000元，包括首筆付款人民幣250,000,000元和八筆總額為人民幣450,000,000元的分期於磷酸依米他韋及磷酸依米他韋化合物各開發或審批階段的里程碑付款。該協議將於二零三零年十二月三十一日或上述第一項專利到期日兩者中更前者到期。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 14 PREPAYMENTS (continued)

(i) (continued)

Up to 31 December 2019, the Group had made accumulated payments of RMB560,000,000 (31 December 2018: RMB460,000,000) to Sunshine Lake Pharma. As at 31 December 2019, Sunshine Lake Pharma have completed the phase III clinical trial of yimitasvir phosphate and is targeting to obtain the new drug approvals and permits for yimitasvir phosphate in 2020. The necessary approvals and permits for the Compounds are expected to be obtained in 2021 and onwards.

(ii) On 10 July 2018, the Company entered into an acquisition agreement with Sunshine Lake Pharma, pursuant to which the Company agreed to acquire, and Sunshine Lake Pharma agreed to dispose of the know-how, approvals for manufacturing and marketing obtained from the National Medical Products Administration (“NMPA”) and the right to sale of six pharmaceutical products (“Target Products”) in the PRC at a consideration of RMB505,200,000, which comprised a prepayment of RMB252,600,000 and six milestone payments totalling RMB252,600,000. Up to 31 December 2019, the Group had made accumulated payments of RMB378,900,000 (31 December 2018: RMB336,800,000) to Sunshine Lake Pharma, in which RMB300,200,000 (31 December 2018: RMB79,100,000) was transferred to intangible assets (Note 11) after the NMPA approvals for five (31 December 2018: two) out of the Target Products were obtained.

### 14 預付款項(續)

(i) (續)

截至二零一九年十二月三十一日止，本集團已向廣東東陽光藥業累計支付人民幣560,000,000元(二零一八年十二月三十一日：人民幣460,000,000元)。於二零一九年十二月三十一日，廣東東陽光藥業已完成磷酸依米他韋III期臨床試驗，並擬於二零二零年取得磷酸依米他韋的新藥批文及許可證。後續化合物的必要批文及許可證預期將於二零二一年或以後獲得。

(ii) 於二零一八年七月十日，本公司與廣東東陽光藥業訂立收購協議，據此，本公司同意收購，而廣東東陽光藥業同意出售六種藥品(「目標產品」)的技術訣竅、自國家藥品監督管理局(「藥監局」)取得有關生產及上市的批文以及目標產品在中國的銷售權，代價為人民幣505,200,000元，包括預付款人民幣252,600,000元及六筆總額為人民幣252,600,000元的里程碑付款。截至二零一九年十二月三十一日止，取得目標產品中五個(二零一八年十二月三十一日：兩個)藥監局批文後，本集團已向廣東東陽光藥業累計支付人民幣378,900,000元(二零一八年十二月三十一日：人民幣336,800,000元)，其中人民幣300,200,000元(二零一八年十二月三十一日：人民幣79,100,000元)已轉入無形資產(附註11)。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 14 PREPAYMENTS (continued)

(ii) (continued)

On 25 February 2019, the Company acquired another 27 pharmaceutical products' intellectual property rights, industrial property rights and ownership rights from Sunshine Lake Pharma with a total consideration of RMB1,626,434,600, which comprised a prepayment of RMB813,217,300 and several milestone payments of RMB813,217,300 in the agreed manners. Up to 31 December 2019, the Group had made accumulated payments of RMB813,217,300 to Sunshine Lake Pharma and all 27 pharmaceutical products are still in progress of applying the NMPA approval, which expected to obtain all the drug approvals before February 2021.

### 14 預付款項(續)

(ii) (續)

於二零一九年二月二十五日，本公司自廣東東陽光藥業另外收購27項藥品的知識產權、工業產權及所有權，總代價為人民幣1,626,434,600元，包括按協定方式支付的預付款人民幣813,217,300元及各項里程碑付款人民幣813,217,300元。截至二零一九年十二月三十一日，本集團已向廣東東陽光藥業累計支付人民幣813,217,300元，而該27項藥物仍在申請國家藥監局批文，預計將於二零二一年二月前取得所有藥品批准文號。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 15 INVENTORIES

### 15 存貨

		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Raw materials	原材料	115,208	78,719
Work in progress	在製品	52,970	13,342
Finished goods	製成品	24,105	64,003
Goods in transit	在運品	38	8,222
		<b>192,321</b>	164,286

The analysis of the amount of inventories recognised as an expense and included in profit and loss is as follows:

已確認為開支並計入損益的存貨金額分析如下：

		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Carrying amount of inventories sold	已售存貨賬面值	<b>357,202</b>	188,424

Note  
附註

5(c)

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 16 TRADE AND OTHER RECEIVABLES

### 16 貿易及其他應收款項

		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
<b>Current</b>	<b>流動</b>		
Trade receivables	貿易應收款項	<b>1,213,747</b>	747,750
Bills receivable	應收票據	<b>994,748</b>	235,433
Less: allowance for doubtful debts (Note 25(a))	減：呆賬準備 (附註 25(a))	<b>(12,114)</b>	(13,420)
		<b>2,196,381</b>	969,763
Prepayments for inventories	預付購貨款項	<b>14,299</b>	31,713
Other receivables	其他應收款項	<b>156,236</b>	27,482
Less: allowance for doubtful debts	減：呆賬準備	<b>(7,666)</b>	(1,626)
		<b>148,570</b>	25,856
<b>Total</b>	<b>總計</b>	<b>2,359,250</b>	1,027,332

Bills receivable with carrying value of RMB132,660,000 (2018: RMB43,399,000) were pledged as securities of bank loans of the Group as at 31 December 2019 (see Note 20).

賬面值為人民幣132,660,000元(二零一八年：人民幣43,399,000元)的應收票據已於二零一九年十二月三十一日抵押作為本集團獲銀行貸款之抵押品(見附註20)。

Bills receivable with carrying value of RMB83,703,000 (2018: Nil) were pledged as securities of bills issuing by the Group as at 31 December 2019 (see Note 19).

賬面值為人民幣83,703,000元的應收票據(二零一八年：無)已於二零一九年十二月三十一日抵押作為本集團發行票據之抵押品(見附註19)。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 16 TRADE AND OTHER RECEIVABLES (continued)

#### Ageing analysis

As of the end of the reporting period, the ageing analysis of trade debtors and bills receivable (which are included in trade and other receivables), based on the invoice date and net of allowance for doubtful debts, is as follows:

		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 3 months	3個月內	2,187,071	920,493
More than 3 months but within 1 year	超過3個月但1年內	9,310	49,270
		2,196,381	969,763

Trade debtors are generally due within 30-90 days from the date of billing. Bills receivable is due in 3 months or 6 months from the date of billing. The Group's credit policy is set out in Note 25(a). All of the trade and other receivables of the Group are expected to be recovered within one year.

### 16 貿易及其他應收款項(續)

#### 賬齡分析

於報告期末，應收賬款及應收票據(已計入貿易及其他應收款項)按發票日期經扣除呆賬準備的賬齡分析如下：

應收賬款一般自發出賬單日期起計30至90日內到期。應收票據自發出賬單日期起計3個月或6個月內到期。本集團之信貸政策載於附註25(a)。本集團所有貿易及其他應收款項預計將可於一年內收回。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 17 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

### 17 現金及現金等值項目及其他資金流量資料

(a) Cash and cash equivalents comprise:

(a) 現金及現金等值項目包括：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cash on hand	手頭現金	-	15
Cash at bank	銀行現金	2,721,347	593,731
Other cash and cash equivalents	其他現金及現金等值項目	57,791	-
		<b>2,779,138</b>	593,746

Note: As at 31 December 2019, other cash and cash equivalents represented the cash in GF Securities (Hong Kong) Brokerage Limited for purchasing of own shares.

附註：於二零一九年十二月三十一日，其他現金及現金等值項目指存放於廣發證券(香港)經紀有限公司就購買自身股份的現金。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 17 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (continued)

### 17 現金及現金等值項目及其他資金流量資料(續)

(b) Reconciliation of profit before taxation to cash generated from operations:

(b) 除稅前溢利與經營所得現金的對賬：

			2019	2018
			二零一九年	二零一八年
		Note	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
Profit before taxation	除稅前溢利		<b>2,269,053</b>	1,102,324
Adjustments for:	經調整：			
Depreciation	折舊	5(c)	<b>50,233</b>	34,108
Amortisation	攤銷	5(c)	<b>35,952</b>	26,980
Interest income	利息收入	4	<b>(36,038)</b>	(14,601)
Finance costs	融資成本	5(a)	<b>204,503</b>	1,418
Expenses paid for issue of convertible bonds	已付發行可轉換債券 開支		<b>3,647</b>	-
Loss on disposal of fixed assets	出售固定資產的虧損	5(c)	<b>4,825</b>	2,214
Equity settled share-based transactions	以權益結算的股份 支付交易	24(d)	<b>3,194</b>	33,540
Fair value change in connection with derivative financial instruments embedded in convertible bonds	有關嵌入可轉換債券 之衍生金融工具 之公允價值變動	21	<b>(88,248)</b>	-
Net foreign exchange loss/(gain)	匯兌虧損/(收益)淨額	(i)	<b>88,264</b>	(10,623)
Changes in working capital:	營運資金變動：			
Increase in inventories	存貨增加		<b>(28,035)</b>	(76,319)
Increase in trade and other receivables	貿易及其他應收款項 增加		<b>(1,626,768)</b>	(285,059)
Increase in trade and other payables	貿易及其他應付款項 增加		<b>1,254,979</b>	112,512
<b>Cash generated from operations</b>	<b>經營所得現金</b>		<b>2,135,561</b>	926,494

(i) The amount mainly represents foreign exchange loss/(gain) arising from the translation of non-current interest-bearing borrowings (see Note 21) and cash and cash equivalents which denominated in United States dollars and Hong Kong dollars for the year ended 31 December 2019.

(i) 該金額主要指換算截至二零一九年十二月三十一日止年度以美元及港元計值的非即期計息借貸(見附註21)及現金及現金等值項目產生的匯兌虧損/(收益)。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 17 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (continued) 17 現金及現金等值項目及其他資金流量資料(續)

#### (c) Reconciliation of liabilities arising from financing activities

#### (c) 融資活動所產生負債的對賬

		Bank loans	Interest payable	Non-current interest-bearing borrowings	Total
		銀行貸款	應付利息	非即期計息借貸	總計
		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
		(Note 20)		(Note 21)	
		(附註 20)		(附註 21)	
At 1 January 2019	於二零一九年一月一日	53,399	16	-	53,415
<b>Changes from financing cash flows:</b>	<b>融資現金流量變動：</b>				
Proceeds from new bank loans	來自新銀行貸款收益	713,201	-	-	713,201
Proceeds from bonds	債券所得款項	-	-	2,702,320	2,702,320
Repayments of bank loans	償還銀行貸款	(290,000)	-	-	(290,000)
Expenses paid for issue of convertible bonds	已付發行可轉換債券開支	-	-	(21,663)	(21,663)
Finance costs paid	已付融資成本	-	(7,611)	(30,235)	(37,846)
Total changes from financing cash flows	融資現金流量變動總額	423,201	(7,611)	2,650,422	3,066,012
<b>Other change:</b>	<b>其他變動：</b>				
Interest on bank loans/bonds (Note 5(a))	銀行貸款利息/債券(附註 5(a))	-	7,595	196,908	204,503
Exchange adjustment	匯兌調整	-	-	89,871	89,871
Expenses paid for issue of convertible bonds	已付發行可轉換債券開支	-	-	3,647	3,647
Fair value adjustment debited to profit or loss	公允價值調整計入損益	-	-	(88,248)	(88,248)
Derecognition of bank loans (i)	終止確認銀行貸款(i)	(293,940)	-	-	(293,940)
At 31 December 2019	於二零一九年十二月三十一日	182,660	-	2,852,600	3,035,260

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 17 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (continued)

### 17 現金及現金等值項目及其他資金流量資料(續)

#### (c) Reconciliation of liabilities arising from financing activities (continued)

#### (c) 融資活動所產生負債的對賬(續)

		Bank loans 銀行貸款 RMB'000 人民幣千元 (Note 20) (附註20)	Interest payable 應付利息 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	20,000	32	20,032
<b>Changes from financing cash flows:</b>	<b>融資現金流量變動：</b>			
Proceeds from new bank loans	來自新銀行貸款收益	43,399	-	43,399
Repayments of bank loans	償還銀行貸款	(10,000)	-	(10,000)
Finance costs paid	已付融資成本	-	(1,434)	(1,434)
Total changes from financing cash flows	融資現金流量變動總額	33,399	(1,434)	31,965
<b>Other change:</b>	<b>其他變動：</b>			
Interest on bank loans (Note 5(a))	銀行貸款利息(附註5(a))	-	1,418	1,418
At 31 December 2018	於二零一八年十二月三十一日	53,399	16	53,415

(i) The amount represents the derecognition of bank loans of discounted bills with recourse upon the maturity of respective bills receivable for the year ended 31 December 2019.

(i) 該金額主要指截止二零一九年十二月三十一日止年度有關應收票據到期後，終止確認已貼現附追索權票據之銀行貸款。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 18 CONTRACT LIABILITIES

### 18 合約負債

<b>Contract liabilities</b>		<b>31 December 2019</b>	31 December 2018
合約負債		二零一九年 十二月三十一日	二零一八年 十二月三十一日
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
<b>Sales of goods</b>	<b>銷售貨品</b>		
— Billing in advance of performance	— 預收賬款	<b>131,328</b>	8,095

#### Movements in contract liabilities

#### 合約負債的變動

		<b>2019</b>	2018
		二零一九年	二零一八年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Balance at 1 January	於一月一日的結餘	<b>8,095</b>	13,826
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	因確認年內收益(計入年初合約負債)而產生的合約負債減少	<b>(6,993)</b>	(12,118)
Increase in contract liabilities as a result of billing in advance of sales	因預收銷售款項而產生的合約負債增加	<b>130,226</b>	6,387
Balance at 31 December	於十二月三十一日的結餘	<b>131,328</b>	8,095

All the billings in advance of performance and forward sales instalments received expected to be recognised as income within one year.

預期已收取的所有預收款項及遠期銷售分期付款將於一年內確認為收入。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 19 TRADE AND OTHER PAYABLES

### 19 貿易及其他應付款項

		<b>31 December</b>	31 December
		<b>2019</b>	2018
		二零一九年	二零一八年
		十二月三十一日	十二月三十一日
	Note	<b>RMB'000</b>	RMB'000
	附註	人民幣千元	人民幣千元
Trade payable	貿易應付款項	<b>123,151</b>	77,625
Bills payable	票據應付款項	<b>61,543</b>	-
Amounts due to related parties	應付關聯方款項	<b>11,980</b>	12,104
VAT and other taxes payable	應付增值稅及其他稅項	<b>117,152</b>	27,002
Accrued payroll and benefits	應計工資及福利	<b>200,854</b>	81,630
Other payables and accruals	其他應付款項及應計費用	<b>1,373,540</b>	477,889
		<b>1,888,220</b>	676,250

At 31 December 2019, bills payable amounting to RMB61,543,000 (2018: nil) have been secured by bills receivable placed in banks with an aggregate carrying value of RMB83,703,000 (2018: nil).

於二零一九年十二月三十一日，人民幣61,543,000元的應付票據（二零一八年：無）已由存放於銀行賬面值合共為人民幣83,703,000元的應收票據（二零一八年：無）作擔保。

An ageing analysis of the trade and bills payable based on the invoice date is as follows:

以發票日期為基準的貿易及票據應付款項賬齡分析如下：

		<b>2019</b>	2018
		二零一九年	二零一八年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Within 1 month	1個月內	<b>104,297</b>	65,832
Over 1 month but within 3 months	超過1個月但3個月內	<b>11,744</b>	5,395
Over 3 months but within 1 year	超過3個月但1年內	<b>65,632</b>	3,888
Over 1 year	超過1年	<b>3,021</b>	2,510
		<b>184,694</b>	77,625

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 20 BANK LOANS

As at 31 December 2019, the bank loans were repayable as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within 1 year or on demand	1年內或按需求	132,660	53,399
After 1 year but within 2 years	1年後但2年內	500	-
After 2 years but within 5 years	2年後但5年內	3,000	-
After 5 years	5年後	46,500	-
Total	總計	182,660	53,399

### 20 銀行貸款

於二零一九年十二月三十一日，須償還銀行貸款如下：

At 31 December 2019, the bank loans were secured as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Secured	已抵押		
— Fixed assets (i)	— 固定資產 (i)	50,000	-
— Buildings owned by related parties	— 關連方持有的樓宇	-	10,000
— Bills receivables (Note 16)	— 應收票據(附註16)	132,660	43,399
Total	總計	182,660	53,399

於二零一九年十二月三十一日，銀行貸款抵押如下：

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 20 BANK LOANS (continued)

- (i) As at 31 December 2019, the bank loans of RMB50,000,000 were secured by interests in leasehold land held for own use and construction in progress, including in “Fixed assets”, with net book value of RMB100,641,000 (31 December 2018: nil) (see note 10) and guaranteed by the Company.
- (ii) As at 31 December 2019, the bank loans of RMB132,660,000 (2018: RMB43,399,000) represented the bills discounted with recourse, which were repayable within one year.

### 20 銀行貸款(續)

- (i) 於二零一九年十二月三十一日，人民幣50,000,000元的銀行貸款已由持作自用之租賃土地權益及在建工程(包括賬面淨值為人民幣100,641,000元之「固定資產」)抵押(二零一八年十二月三十一日：無)(見附註10)，並由本公司作擔保。
- (ii) 於二零一九年十二月三十一日，人民幣132,660,000元的銀行貸款(二零一八年：人民幣43,399,000元)指已貼現附追索權票據，其須於一年內償還。

### 21 NON-CURRENT INTEREST-BEARING BORROWINGS

### 21 非流動計息借款

	At 31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	At 31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Convertible bonds	2,852,600	-

On 20 February 2019, the Company issued a tranche of 1,600 H share convertible bonds with an aggregate principal amount of USD400,000,000 (equivalent to approximately RMB2,702,320,000). Each number of bond has a face value of USD250,000 and a maturity date of 20 February 2026. The bonds bear interest at 3.0% per annum payable semi-annually in arrears on 30 June and 31 December of each year. The bonds are unsecured.

於二零一九年二月二十日，本公司發行1批1,600份的H股可轉換債券，本金金額合共為400,000,000美元(相當於約人民幣2,702,320,000元)。每份債券的面值為250,000美元，到期日為二零二六年二月二十日。債券按年利率3.0%計息，並按半年期於每年的六月三十日及十二月三十一日分期支付。債券為無抵押。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 21 NON-CURRENT INTEREST-BEARING BORROWINGS

(continued)

The rights of the bondholders to convert the bonds into ordinary shares are as follows:

- Each bondholder has the right to convert all or any of its convertible bonds for ordinary shares from the first anniversary of the issue date 20 February 2019 to five business days prior to the maturity date or the date fixed for redemption provided that (i) during the first 12 months of the conversion period, the total principal amount of convertible bonds converted shall not exceed 15% of the aggregate principal amount of the convertible bonds at the issuance date and (ii) at any time before the earlier of the date on which the adjusted net profit for the year ending 31 December 2021 is determined and the twenty-fifth business days after the earlier of 31 March 2022 and the date of publication of the Company's annual result announcement for the year ending 31 December 2021 on the website of the Stock Exchange, the total converted shares shall not exceed 30% of the aggregate principal amount of the convertible bonds at the issuance date.
- The Company is required to deliver ordinary shares at a price of HK\$38 per conversion share, which subject to adjustment in certain events and the adjusted net profit of the Company for the year ending 31 December 2021.
- The bondholders need to convert or transfer out 30% of the aggregate principal amount of convertible bonds to unrestricted transferees if the arithmetic average of the volume weighted average price of H Shares during the last 30 consecutive trading days first reaches two times of HK\$38 during the period between the issuance date and 31 December 2021.

### 21 非流動計息借款(續)

債券持有人將債券轉換為普通股的權利如下：

- 自二零一九年二月二十日發行日第一週年起至到期日或贖回日前五個工作日止，每一債券持有人均有權將其全部或任何可轉換債券轉換為普通股，前提是(i)在轉換期間的前12個月中，已轉換的可轉換債券本金總額不得超過發行日可轉換債券本金總額的15%；及(ii)釐定截至二零二一年十二月三十一日止年度經調整淨利潤日期，以及於二零二二年三月三十一日及於聯交所網站上刊發本公司截至二零二一年十二月三十一日止年度業績公告日期後第二十五個營業日之前的任何時間(以較早者為準)，已轉換股份合共不得超過於發行日可轉換債券本金總額的30%。
- 本公司須按每股轉換股份38港元的價格交付普通股，惟須於若干情況下及根據本公司截至二零二一年十二月三十一日止年度的經調整純利作出調整。
- 於發行日至二零二一年十二月三十一日期間，倘在前30個連續交易日H股成交量加權平均價的算術平均值首次達到38港元的兩倍，債券持有人須將可轉換債券本金總額的30%轉換或轉出給無限制受讓人。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 21 NON-CURRENT INTEREST-BEARING BORROWINGS

(continued)

- Subject to the provisions in connection with an event of default or an early redemption event, neither the Company nor any bondholder may redeem nor require the redemption of the convertible bonds at its option prior to the maturity date.

As the convertible bonds do not contain an equity component, the derivative component of the convertible bonds above is measured at fair value and the liability component is carried at amortised cost. No conversion or redemption of the convertible bonds has occurred up to 31 December 2019.

The convertible bonds recognised in the consolidated statement of financial position of the Group are analysed as follows:

### 21 非流動計息借款(續)

- 受限於違約事件或提前贖回事件相關規定，本公司和債券持有人均不可在到期日前自行選擇贖回或要求贖回可轉換債券。

由於可轉換債券不包含權益部份，上述可轉換債券的衍生工具部份按公允價值計量，而負債部份則按攤銷成本計量。截至二零一九年十二月三十一日，並無轉換或贖回可轉換債券。

本集團綜合財務狀況表確認的可轉換債券分析如下：

		<b>Liability component</b>	<b>Derivative component</b>	<b>Total</b>
		負債部份	衍生工具部份	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
<b>At 1 January 2019</b>	<b>於二零一九年一月一日</b>	-	-	-
Issuance	發行	2,014,786	669,518	2,684,304
Fair value adjustment debited to profit or loss	公允價值調整計入損益	-	(88,248)	(88,248)
Accrued interest	應計利息	196,908	-	196,908
Interest paid	已付利息	(30,235)	-	(30,235)
Exchange loss	匯兌虧損	67,181	22,690	89,871
<b>At 31 December 2019</b>	<b>於二零一九年 十二月三十一日</b>	<b>2,248,640</b>	<b>603,960</b>	<b>2,852,600</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 22 DEFERRED INCOME

### 22 遞延收入

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
At 1 January	於一月一日	<b>73,593</b>	69,021
Additions	添置	<b>10,365</b>	8,951
Credited to profit or loss (Note 4)	計入損益(附註4)	<b>(4,644)</b>	(4,379)
At 31 December	於十二月三十一日	<b>79,314</b>	73,593
Net carrying amounts representing:	賬面淨值指：		
Current portion	即期部分	<b>4,379</b>	4,379
Non-current portion	非即期部分	<b>74,935</b>	69,214
		<b>79,314</b>	73,593

As at 31 December 2019 and 2018, deferred income of the Group mainly included various conditional government grants for R&D projects of new or existing pharmaceutical products and subsidies relating to purchase of fixed assets.

Deferred income relating to purchase of fixed assets are recognised as income on a straight-line basis over the expected useful life of the relevant assets.

於二零一九年及二零一八年十二月三十一日，本集團的遞延收入主要包括有關新藥品或現有藥品的研發項目的多項有條件政府補助，以及與購置固定資產有關的補貼。

有關購置固定資產的遞延收入在相關資產的預計可使用年期內以直線法確認為收益。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 23 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION 23 綜合財務狀況表內的所得稅

**(a) Current taxation in the consolidated statement of financial position represents:**

**(a) 綜合財務狀況表內的即期稅項指：**

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Provision of PRC CIT for the year (Note 6(a))	年內的中國企業所得稅撥備 (附註6(a))	424,623	203,912
Under-provision for PRC CIT in respect of prior years	過往年度中國企業所得稅撥備不足	918	1,039
PRC CIT paid for the current year	本年度內的已付中國企業所得稅	(341,154)	(211,102)
		<b>84,387</b>	<b>(6,151)</b>
Balance of PRC CIT at 1 January	於一月一日的中國企業所得稅結餘	70,675	76,826
Balance of PRC CIT at 31 December	於十二月三十一日的中國企業所得稅結餘	155,062	70,675

**(b) Deferred tax assets recognised**

**(b) 已確認遞延稅項資產**

The components of deferred tax assets recognised in the consolidated statements of financial position and the movements during the year are as follows:

於綜合財務狀況表內確認的遞延稅項資產的組成部份及本年度內變動如下：

Deferred tax arising from:		Deferred revenue	Provisions for inventory and receivables	Accrued expenses	Others	Total
來自下列各項的遞延稅項：		遞延收益	存貨及應收款項撥備	應計費用	其他	總計
		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
At 1 January 2018	於二零一八年一月一日	323	2,181	25,739	-	28,243
(Charged)/credited to profit or loss	(扣除)/計入損益	(50)	215	3,680	-	3,845
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	273	2,396	29,419	-	32,088
(Charged)/credited to profit or loss	(扣除)/計入損益	(50)	588	57,198	5,937	63,673
At 31 December 2019	於二零一九年十二月三十一日	223	2,984	86,617	5,937	95,761



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 23 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

#### (c) Deferred tax assets not recognised

In accordance with the accounting policy set out in Note 1(s), the Group has not recognised deferred tax assets in respect of cumulative tax losses of RMB186,725,000 (2018: RMB123,513,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity.

The unrecognised tax losses will expire in the following years:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
2022	二零二二年	51,859	51,859
2023	二零二三年	71,654	71,654
2024	二零二四年	63,212	—

### 23 綜合財務狀況表內的所得稅 (續)

#### (c) 不予確認的遞延稅項資產

根據附註1(s)所載會計政策，由於在有關之稅務司法權區及就有關公司而言，不大可能有未來應課稅溢利以抵銷可供動用之稅項虧損，故本集團並無就累計稅項虧損人民幣186,725,000元(二零一八年：人民幣123,513,000元)確認遞延稅項資產。

將於未來幾年到期之稅項虧損：

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 24 CAPITAL, RESERVES AND DIVIDENDS

### 24 資本、儲備及股息

#### (a) Movements in components of equity of the Company

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

#### (a) 本公司之權益部份變動

本集團綜合權益各部份之年初及年終結餘之間的對賬載於綜合權益變動表內。有關本公司年初至年終期間本公司個別權益部份之變動詳情載列如下：

		Share capital	Treasury shares	Capital reserve	Statutory reserve	Retained earnings	Total equity
		股本	庫存股份	資本儲備	法定儲備	保留盈利	總權益
		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
		Note 24(e)	Note 24(c)	Note 24(f)(i)	Note 24(f)(ii)		
		附註 24(e)	附註 24(c)	附註 24(f)(i)	附註 24(f)(ii)		
<b>Balance at 1 January 2018</b>	於二零一八年一月一日結餘	452,023	-	1,476,610	132,370	776,958	2,837,961
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	1,003,023	1,003,023
Equity settled share-based transactions	以權益結算的股份支付交易	-	-	33,540	-	-	33,540
Dividends approved in respect of the previous year	批准過往年度股息	-	-	-	-	(135,607)	(135,607)
Dividends approved in respect of the current year	批准本年度股息	-	-	-	-	(180,809)	(180,809)
Appropriation to statutory reserve	轉撥至法定儲備	-	-	-	100,302	(100,302)	-
<b>Balance at 31 December 2018 and 1 January 2019</b>	於二零一八年十二月三十一日及二零一九年一月一日結餘	452,023	-	1,510,150	232,672	1,363,263	3,558,108
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	1,984,312	1,984,312
Equity settled share-based transactions	以權益結算的股份支付交易	-	-	3,194	-	-	3,194
Dividends approved in respect of the previous year	批准過往年度股息	-	-	-	-	(271,214)	(271,214)
Dividends approved in respect of the current year	批准本年度股息	-	-	-	-	(448,820)	(448,820)
Cancellation of treasury shares	註銷庫存股份	(3,203)	-	(100,706)	-	-	(103,909)
Purchase of own shares	回購股份	-	(142,209)	-	-	-	(142,209)
<b>Balance at 31 December 2019</b>	於二零一九年十二月三十一日結餘	448,820	(142,209)	1,412,638	232,672	2,627,541	4,579,462

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 24 CAPITAL, RESERVES AND DIVIDENDS (continued)

### 24 資本、儲備及股息(續)

#### (b) Dividends

#### (b) 股息

##### (i) Dividends payable to equity shareholders of the Company attributable to the year

##### (i) 年度應付本公司權益股東股息

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Interim dividend declared and paid of RMB1.00 per ordinary share (2018: RMB0.40)	宣派及派付的中期股息每股普通股人民幣1.00元(二零一八年：人民幣0.40元)	448,820	180,809
Final dividend proposed after the end of the reporting period of RMB0.30 (2018: RMB0.60) per ordinary share	於報告期末後建議派付之末期股息每股普通股人民幣0.30元(二零一八年：人民幣0.60元)	133,468	271,214
		<b>582,288</b>	452,023

Pursuant to the resolution passed at the extraordinary general meeting of the Company on 11 October 2019, a cash dividend of RMB1.00 per ordinary share (2018: RMB0.40) for the six months ended 30 June 2019 were declared and paid to the shareholders of the Company.

Pursuant to the resolution passed at the directors' meeting on 27 March 2020, a cash dividend of RMB0.30 (2018: RMB0.60) per share and one bonus share (2018: Nil) per every one existing share held by the shareholder of the Company for the year ended 31 December 2019 were proposed for the Company's shareholders for approval at the annual general meeting for the year 2019. The final dividend proposed after the end of the year has not been recognised as liabilities as at 31 December 2019.

根據本公司於二零一九年十月十一日舉行的臨時股東大會通過的決議案，就截至二零一九年六月三十日止六個月向本公司股東宣派及派付每股普通股人民幣1.00元(二零一八年：人民幣0.40元)的現金股息。

根據於二零二零年三月二十七日舉行的董事會會議通過的決議案，建議就截至二零一九年十二月三十一日止年度派付現金股息每股人民幣0.30元(二零一八年：人民幣0.60元)及向本公司股東發行每一股現有股份送紅股一股(二零一八年：無)，以供本公司股東在二零一九年股東週年大會上批准。於年結後擬派的末期股息並未確認為於二零一九年十二月三十一日的負債。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 24 CAPITAL, RESERVES AND DIVIDENDS (continued)

### 24 資本、儲備及股息(續)

#### (b) Dividends (continued)

#### (b) 股息(續)

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

(ii) 於年內批准及支付上個財政年度應付本公司權益股東的股息

		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Final dividends in respect of the previous financial year, approved and paid during the year, of RMB0.60 (2018: RMB0.30) per ordinary share	於年內獲批准及派付的上個財政年度末期股息每股普通股人民幣0.60元(二零一八年：人民幣0.30元)	271,214	135,607

#### (c) Purchase of own shares

#### (c) 回購股份

During the year, the Company repurchased its own shares on the Stock Exchange as follows:

年內，本公司於聯合交易所回購自身股份的情況如下：

Month/year	年/月	Number of shares repurchased	Highest price paid per share	Lowest price paid per share	Aggregate price paid
		購買股份數目	已支付每股最高價格	已支付每股最低價格	支付總價
			HKD	HKD	HKD'000
			港元	港元	千港元
May 2019	二零一九年五月	3,024,400	39.05	35.95	112,696
June 2019	二零一九年六月	178,400	35.70	35.25	6,327
September 2019	二零一九年九月	2,433,400	38.45	35.86	89,674
November 2019	二零一九年十一月	1,494,000	46.37	43.10	66,368
					275,065

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 24 CAPITAL, RESERVES AND DIVIDENDS (continued)

#### (c) Purchase of own shares (continued)

In 2019, the Company repurchased 7,130,200 H Shares in total, representing 1.577% of the total shares of the Company, on the Stock Exchange for an aggregate price of HK\$275,065,000 (equivalent approximately to RMB244,038,000) and with transaction expenses of RMB1,921,000.

On 16 July 2019, the Company cancelled 3,202,800 treasury shares. The transaction costs net off the received dividends for the year ended 31 December 2018 of RMB103,909,000, which were directly attributable to the cancelled shares, were recognised as deduction from equity in the Group's consolidated statement of financial position.

As at 31 December 2019, the aggregate consideration paid in connection with the repurchase including attributable transaction costs of RMB142,209,000 was accounted as treasury shares. Treasury shares are not entitled for dividends and are recognised as deduction from equity in the Group's consolidated statement of financial position.

#### (d) Equity settled share-based transactions

Pursuant to the equity transfer agreement with TaiGen Biopharmaceuticals Co. (Beijing), Ltd. ("TaiGen") on 27 March 2017, the Group granted an option to TaiGen to purchase up to 9% equity interests in its subsidiary Dongguan HEC TaiGen Biopharmaceuticals Co., Ltd. ("HEC TaiGen") for obtaining the R&D service provided by TaiGen in the clinical trial of new anti-hepatitis C drug.

The Group recognised share option expenses of RMB3,194,000 (2018: RMB33,540,000) during the year ended 31 December 2019.

### 24 資本、儲備及股息(續)

#### (c) 回購股份(續)

於二零一九年，本公司於聯交所總金額275,065,000港元(相當於約人民幣244,038,000元)及交易費用人民幣1,921,000元購回合共7,130,200股H股，相當於本公司股份總數的1.577%。

於二零一九年七月十六日，本公司註銷3,202,800股庫存股份。因註銷股份直接引起之交易成本抵銷了截至二零一八年十二月三十一日止之已收股息(人民幣103,909,000元)，其於本集團綜合財務狀況表中確認為自權益扣減。

於二零一九年十二月三十一日，有關回購的已付代價總額包括應佔交易成本人民幣142,209,000入賬列作庫存股份。庫存股份無權獲得股息，並於本集團綜合財務狀況表確認為自權益扣減。

#### (d) 以權益結算的股份支付交易

根據與太景醫藥研發(北京)有限公司(「太景」)於二零一七年三月二十七日的股權轉讓協議，本集團向太景授予購買不超過9%的於其附屬公司東莞東陽光太景醫藥研發有限責任公司(「東陽光太景」)股權的權利，以獲得太景在抗丙肝新藥臨床試驗中提供的研發服務。

於截至二零一九年十二月三十一日止年度，本集團確認購股權開支為人民幣3,194,000元(二零一八年：人民幣33,540,000元)。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 24 CAPITAL, RESERVES AND DIVIDENDS (continued)

### 24 資本、儲備及股息(續)

#### (d) Equity settled share-based transactions (continued)

In May 2019, the agreed vesting conditions have been met as the positive result of Phase II clinical trial of new anti-hepatitis C drug were confirmed by the Group and TaiGen. On 10 June 2019, TaiGen confirmed in written that TaiGen will not exercise the share option. As at 31 December 2019, the Group reversed the amount of RMB18,848,000 which recognised in non-controlling interests for the share option and charged RMB22,042,000 directly to retained profits as the option expired.

#### (d) 以權益結算的股份支付交易(續)

於二零一九年五月，由於本集團及太景確認抗丙肝新藥II期臨床試驗的正面結果，協定歸屬條件已告達成。於二零一九年六月十日，太景確認太景將不會以書面形式行使購股權。於二零一九年十二月三十一日，本集團撥回於購股權非控股權益中確認的人民幣18,848,000元，並由於購股權已到期，故直接於保留溢利扣除人民幣22,042,000元。

#### (e) Share capital

#### (e) 股本

##### Ordinary shares, issued and fully paid

##### 已發行及繳足普通股

		2019		2018	
		二零一九年		二零一八年	
		Number of shares	RMB'000	Number of shares	RMB'000
		股份數目	人民幣千元	股份數目	人民幣千元
At 1 January	於一月一日	452,022,850	452,023	452,022,850	452,023
Purchase of own shares	回購股份	(3,202,800)	(3,203)	-	-
As at 31 December	於十二月三十一日	448,820,050	448,820	452,022,850	452,023

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 24 CAPITAL, RESERVES AND DIVIDENDS (continued)

#### (f) Reserves

##### (i) Capital reserve

Capital reserve of the Group mainly represented premium arising from capital injection from equity owners after the deduction of treasury shares cancellation (see Note 24(c)). The Company's capital reserve mainly represented premium arising from capital injection from equity owners and the grant date fair value of unexercised share options granted to NCI of a subsidiary of the Group that has been recognised in accordance with the accounting policy adopted for share-based payments in Note 1(r)(ii).

##### (ii) Statutory reserve

According to the Company's Articles of Association, the Company is required to appropriate at least 10% of its net profit as determined in accordance with the Company Law of the PRC to its statutory surplus reserve until the reserve balance reaches 50% of the registered capital. The appropriation to this reserve must be made before distribution of a dividend to equity owners. The statutory reserve can be utilised, upon approval by the relevant authorities, to offset accumulated losses or to increase capital of the subsidiaries, provided that the balance after such issue is not less than 25% of its registered capital.

#### (g) Distributability of reserves

At 31 December 2019, the aggregate amount of reserves available for distribution to equity shareholders of the Company, as calculated under the provisions of Company Law of the PRC, was RMB2,627,541,000 (2018: RMB1,363,263,000).

### 24 資本、儲備及股息(續)

#### (f) 儲備

##### (i) 資本儲備

本集團之資本儲備主要是指扣減庫存股份註銷後產生自權益持有人注資的溢價(見附註24(c))。本公司資本儲備主要是指產生自權益持有人注資的溢價及授予本集團附屬公司非控股權益的未行使購股權於授出日期的公允價值(已根據附註1(r)(ii)就股份支付所採納的會計政策予以確認)。

##### (ii) 法定儲備

根據本公司的公司章程，本公司須根據中國的公司法把至少10%的淨利潤轉入法定盈餘儲備，直至儲備結餘達到註冊股本的50%。轉入該儲備必須在給權益持有人分配股息之前進行。經相關當局批准後，本次倘發行後結餘低於其註冊股本之25%，法定儲備可用於抵銷累計虧損或增加附屬公司之資本。

#### (g) 可分派儲備

於二零一九年十二月三十一日，可分派儲備可用於向本公司權益股東分派的儲備總額(按《中國公司法》規定計算)為人民幣2,627,541,000元(二零一八年：人民幣1,363,263,000元)。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 24 CAPITAL, RESERVES AND DIVIDENDS (continued)

### 24 資本、儲備及股息(續)

#### (h) Capital management

The Group's primary objective when managing capital is to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for its shareholders and benefits for other stakeholders, by pricing products commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher levels of bank loans and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose, adjusted net debt is defined as total debt (which includes interest-bearing borrowings and bank loans) plus unaccrued proposed dividends, less cash and cash equivalents. Adjusted capital comprises all components of equity, less unaccrued proposed dividends.

During 2019, the Group's strategy was to maintain the capital in order to cover any debt position, which was unchanged from 2018.

#### (h) 資本管理

本集團管理資本的主要目的是維護其持續經營的能力，從而使其能夠透過按風險水平為產品定價，以及憑藉以合理成本取得融資，繼續為股東提供回報，並為其他利益相關者提供利益。

本集團積極及定期評審及管理其資本結構，以在盡量提高股東回報及借貸水平上升之間，以及在穩健的資本狀況的優勢與安全性之間維持平衡，此外亦會就經濟情況改變而調整其資本結構。

本集團以經調整淨債務與資本比率監管其資本架構。就此而言，經調整淨債務乃界定為總債務(包括計息借貸及銀行貸款)另加未累算建議股息減現金及現金等值項目。經調整資本包括權益的所有組成部份。

於二零一九年度，本集團之策略為維持足以應付任何負債的資本水平與二零一八年一致。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 24 CAPITAL, RESERVES AND DIVIDENDS (continued)

### 24 資本、儲備及股息(續)

#### (h) Capital management (continued)

The Group's adjusted net debt-to-equity ratios at 31 December 2019 and 2018 are as follows:

#### (h) 資本管理(續)

本集團於二零一九年及二零一八年十二月三十一日之經調整淨負債對權益比率如下：

			2019	2018
			二零一九年	二零一八年
		Note	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
Bank loans-current	銀行貸款 — 即期	20	<b>132,660</b>	53,399
Bank loans-non-current	銀行貸款 — 非即期	20	<b>50,000</b>	—
Non-current interesting bearing borrowings	非即期計息借貸	21	<b>2,852,600</b>	—
<b>Total debt</b>	<b>總債務</b>		<b>3,035,260</b>	53,399
Add: Proposed dividends	加：建議股息	24(b)	<b>133,468</b>	271,214
Less: Cash and cash equivalents	減：現金及現金等值項目	17	<b>(2,779,138)</b>	(593,746)
<b>Adjusted net debt</b>	<b>經調整負債淨額</b>		<b>389,590</b>	(269,133)
Total equity	總權益		<b>4,623,155</b>	3,678,928
Less: Proposed dividends	減：建議股息	24(b)	<b>(133,468)</b>	(271,214)
<b>Adjusted Capital</b>	<b>經調整資本</b>		<b>4,489,687</b>	3,407,714
<b>Adjusted net debt-to-equity ratio</b>	<b>經調整淨負債對權益比率</b>		<b>9%</b>	N/A 不適用

Neither the Company nor its subsidiary are subject to externally imposed capital requirements.

本公司及其任何附屬公司概無受限於外部施加的資本要求。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

### 25 財務風險管理及公允價值

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

本集團於日常業務過程中會產生信貸、流動資金、利率及貨幣風險。本集團所面對的該等風險及本集團用以管理該等風險的財務風險管理政策及慣例載述如下。

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

本集團所面對的該等風險及本集團用以管理該等風險的財務風險管理政策及慣例載述如下。

#### (a) Credit risk

#### (a) 信貸風險

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables. The Group maintains a defined credit policy and the exposures to these credit risks are monitored on an ongoing basis. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions, for which the Group considers to have low credit risk. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

信用風險是指對手方不履行合約義務而導致本集團產生經濟損失的風險。本集團的信貸風險主要來自於貿易及其他應收款項。本集團設有明確的信貸政策，並持續監察該等信貸風險。因對手方為本集團認為信貸風險較低的銀行及金融機構，故本集團現金及現金等價物產生的信貸風險有限。管理層已制定信貸政策，並會持續監察該等信貸風險。

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers.

本集團面對的信貸風險主要受到每名客戶的個別特性所影響多於客戶營運所在行業或國家，因此重大信貸集中風險主要於本集團面臨個別客戶重大風險時產生。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

(continued)

#### (a) Credit risk (continued)

The Group has a concentration of credit risk of the total trade receivables due from the Group's largest debtor and the five largest debtors as follows:

		2019 二零一九年	2018 二零一八年
Due from	應收		
— largest trade debtor	— 最大債務人	17%	4%
— five largest trade debtors	— 五大債務人	36%	16%

In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Credit limit is established for each distributor which represents the maximum open amount or credit term without requiring approval from the Board of Directors. The Group chases the customers to settle the due balances and monitors the settlement progress on an ongoing basis. The Group usually granted credit term to distributors which was generally due within 30–90 days from the date of billing. Normally, the Group does not obtain collateral from customers.

### 25 財務風險管理及公允價值

(續)

#### (a) 信貸風險(續)

本集團的信貸風險集中，應收本集團最大債務人及五大債務人的貿易應收款項總額如下：

就貿易及其他應收款項而言，本集團會對所有要求授予一定金額信貸的客戶進行個別信貸評估。該等評估著重客戶過去到期還款紀錄以及目前的還款能力，並會考慮關於客戶以及客戶經營所在經濟環境的特定情況。各分銷商所獲設定信貸限額為毋須經董事會批准的最高未償還金額或信貸條款。本集團會追討客戶結清到期餘額，並持續監察結算進度。本集團通常向分銷商授出之信貸條款一般為自發出賬單日期起計30至90日內到期。一般而言，本集團不會要求客戶提供抵押品。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

(continued)

#### (a) Credit risk (continued)

The Group measures loss allowances for trade debtors and bills receivable and other debtors at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2019:

		Expected loss rate 預期虧損率 %	Gross carrying amount 賬面總值 RMB'000 人民幣千元	Loss allowance 虧損撥備 RMB'000 人民幣千元
Within 6 months	6個月內	0.5%	1,205,122	5,977
More than 6 months but within 1 year	超過6個月但1年內	11%	2,424	267
More than 1 year but within 2 years	超過1年但2年內	45%	602	271
More than 2 years but within 3 years	超過2年但3年內	100%	120	120
More than 3 years	超過3年	100%	5,479	5,479
			1,213,747	12,114

### 25 財務風險管理及公允價值

(續)

#### (a) 信貸風險(續)

本集團按相等於整個有效期的預期信貸虧損的金額計量貿易應收賬款及應收票據及其他應收賬款的虧損撥備，有關金額乃使用撥備矩陣計算得出。由於本集團過往的信貸虧損並未就不同客戶分部指出重大不同虧損模式，基於過往逾期狀態的虧損撥備不會進一步於本集團不同客戶基礎之間進一步區分。

於二零一九年十二月三十一日，本集團貿易應收款項的信貸風險敞口及預期信貸虧損的相關資料如下表所示：

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

(continued)

#### (a) Credit risk (continued)

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
<b>Balance at 1 January</b>	於一月一日的結餘	<b>13,420</b>	11,060
Amount written off during the year	年內撇銷金額	-	(31)
Impairment losses (reversal)/ recognised during the year	年內(撥回)/確認減值虧損	<b>(1,306)</b>	2,391
<b>Balance at 31 December</b>	於十二月三十一日的結餘	<b>12,114</b>	13,420

#### (b) Liquidity risk

The Company and its individual subsidiaries are responsible for their own cash management, including short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the Company's board when the bank loans exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash, readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

### 25 財務風險管理及公允價值

(續)

#### (a) 信貸風險(續)

年內貿易應收款項虧損撥備賬的變動如下：

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
<b>Balance at 1 January</b>	<b>13,420</b>	11,060
Amount written off during the year	-	(31)
Impairment losses (reversal)/ recognised during the year	<b>(1,306)</b>	2,391
<b>Balance at 31 December</b>	<b>12,114</b>	13,420

#### (b) 流動資金風險

本公司及各附屬公司負責自身的現金管理工作，包括現金盈餘的短期投資和籌借貸款以應付預計現金需求(如果銀行貸款額超過某些預設授權上限，便需獲得本公司董事會的批准)。本集團的政策是定期監控短期和長期的流動資金需求，以及是否符合借款協議的規定，以確保維持充裕的現金儲備和可供隨時變現的有價證券，同時獲得主要金融機構承諾提供足夠的備用資金，以滿足短期和較長期的流動資金需求。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

(continued)

#### (b) Liquidity risk (continued)

The following tables show the remaining contractual maturities at the end of each report periods of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed at contracted rates, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to:

### 25 財務風險管理及公允價值

(續)

#### (b) 流動資金風險(續)

下表呈列本集團之金融負債於各報告期末餘下之合約到期日，乃基於合約未折現現金流（包括按合約利率計算之利息付款，或倘為浮動利率，則按於報告期末當時的利率計算）以及本集團被要求之最早日期：

		2019					
		二零一九年					
		Contractual undiscounted cash outflow					
		合約未折現現金流出					
		Within	More than	More than	More than	Total	Carrying
		1 year or	1 year but	2 years but	5 years		amount
		on demand	less than	less than	5 years		
		1年內或	超過1年	超過2年	超過5年	總計	賬面值
		按要求	但2年內	但5年內	超過5年		
		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
Bank loans	銀行貸款	135,168	2,541	12,285	51,447	201,441	182,660
Trade and other payables	貿易及其他應付款項	1,888,220	-	-	-	1,888,220	1,888,220
Non-current interest-bearing borrowings	非即期計息借貸	85,575	85,342	256,259	3,603,114	4,030,290	2,852,600
Total	總計	2,108,963	87,883	268,544	3,654,561	6,119,951	4,923,480

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

(continued)

#### (b) Liquidity risk (continued)

		2018 二零一八年			
		Contractual undiscounted cash outflow 合約未折現現金流出			
		Within 1 year or on demand 1年內或 按要求	More than 1 year but less than 5 years 超過1年 但5年內	Total 總計	Carrying amount 賬面值
		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
Bank loans	銀行貸款	53,818	-	53,818	53,399
Trade and other payables	貿易及其他應付款項	676,250	-	676,250	676,250
Total	總計	730,068	-	730,068	729,649

#### (c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from bank loans. Bank loans that are at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group's interest rate profiles as monitored by management is set out in (i) below.

### 25 財務風險管理及公允價值

(續)

#### (b) 流動資金風險 (續)

		2018 二零一八年			
		Contractual undiscounted cash outflow 合約未折現現金流出			
		Within 1 year or on demand 1年內或 按要求	More than 1 year but less than 5 years 超過1年 但5年內	Total 總計	Carrying amount 賬面值
		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
Bank loans	銀行貸款	53,818	-	53,818	53,399
Trade and other payables	貿易及其他應付款項	676,250	-	676,250	676,250
Total	總計	730,068	-	730,068	729,649

#### (c) 利率風險

利率風險為一項金融工具的公允價值或未來現金流量將因市場利率改變而波動所帶來的風險。本集團之利率風險主要源自銀行貸款。浮息及固定利率銀行貸款使本集團分別面對現金流量利率風險及公允價值利率風險。下文(i)中載列經由管理層監察之本集團利率狀況。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued) 25 財務風險管理及公允價值 (續)

#### (c) Interest rate risk (continued)

##### (i) Interest rate profile

The following table details the interest rate profile of the Group's bank loans at the end of the reporting period:

#### (c) 利率風險 (續)

##### (i) 利率狀況

下表詳述於報告期末本集團銀行貸款之利率狀況：

		2019 二零一九年		2018 二零一八年	
		Effective interest rate 實際利率	Amount 金額 RMB'000 人民幣千元	Effective interest rate 實際利率	Amount 金額 RMB'000 人民幣千元
<b>Fixed rate instrument:</b>	<b>固定利率工具：</b>				
Non-current interest-bearing borrowings	非即期計息借貸	3.00%	2,852,600	-	-
<b>Floating rate instrument:</b>	<b>浮息工具：</b>				
Bank loans	銀行貸款	LPR+10 bp 貸款基礎利率 加 10 個基點	50,000	5.23%	10,000
Total loans	貸款總額		2,902,600		10,000
Net fixed rate instruments as a percentage of total instruments	固定利率工具淨額 佔工具總額的 百分比		98.28%		100.00%



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

(continued)

#### (c) Interest rate risk (continued)

##### (ii) Sensitivity analysis

At 31 December 2019, it is estimated that a general increase/decrease of 25 basis points in bank loans interest rates, with all other variables held constant, would have decrease/increase the Group's profit after tax and retained profits by approximately RMB94,000 (2018: RMB21,000). Other components of equity would not be affected by the changes in interest rates.

The sensitivity analysis above indicates the impact on the Group's profit for the year and retained profits that would arise assuming that there is an annualised impact on interest expense by a change in interest rates. The analysis has been performed on the same basis as 2018.

#### (d) Currency risk

The Group is exposed to currency risk primarily through shares issued upon initial public offering which give rise to cash balances and time deposits, and sales and purchase which give rise to receivables and payables that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily Hong Kong dollars and United States dollars.

### 25 財務風險管理及公允價值

(續)

#### (c) 利率風險(續)

##### (ii) 敏感度分析

於二零一九年十二月三十一日，在所有其他變量保持不變的情況下，估計銀行貸款利率整體上升／下降25個基點，將導致本集團的除稅後溢利及保留溢利分別減少／增加約人民幣94,000元(二零一八年：人民幣21,000元)。其他權益部份將不會受利率變動所影響。

上述敏感度分析中本集團年度溢利及保留盈利的影響是假設利率變動會對利息開支構成年度化影響而產生。以上分析按與二零一八年同樣基準進行。

#### (d) 貨幣風險

本集團主要因首次公開發行時發行股份產生的現金結餘及以外幣(即與交易有關的業務所涉及的非功能貨幣)計值的定期存款及買賣產生的應收及應付款項而承受貨幣風險。引致此項風險的貨幣主要為港元及美元。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued) 25 財務風險管理及公允價值 (續)

#### (d) Currency risk (continued)

##### (i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the year end date.

#### (d) 貨幣風險 (續)

##### (i) 面臨貨幣風險

下表詳述本集團於報告期末所面臨產生自確認以有關實體功能貨幣以外的貨幣計值的資產或負債的貨幣風險。就呈列而言，風險金額以人民幣列示，按年結日現貨匯率換算。

#### Exposure to foreign currencies (expressed in RMB)

面臨外幣風險 (以人民幣列示)

	2019		2018	
	二零一九年		二零一八年	
	United States Dollars 美元 RMB'000 人民幣千元	Hong Kong Dollars 港元 RMB'000 人民幣千元	United States Dollars 美元 RMB'000 人民幣千元	Hong Kong Dollars 港元 RMB'000 人民幣千元
Trade and other receivables 貿易及其他應收款項	2,102	121	-	-
Cash and cash equivalents 現金及現金等值項目	78,032	25,681	462	47,998
Trade and other payables 貿易及其他應付款項	(857)	-	(23)	-
Non-current interest-bearing borrowings 非即期計息借貸	(2,852,600)	-	-	-
Net exposure arising from recognised assets and liabilities 確認資產及負債的風險淨額	(2,773,323)	25,802	439	47,998

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

(continued)

#### (d) Currency risk (continued)

##### (ii) Sensitivity analysis

At 31 December 2019, it is estimated that a general appreciation/depreciation of 5% in RMB, with all other variables held constant, would have increased/decreased the Group's net profit for the year and retained profits as below.

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
United States Dollars	美元	117,866	(19)
Hong Kong Dollars	港元	(1,097)	(2,040)

The sensitivity analysis assumes that the change in foreign exchange rate had been applied to re-measure the financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis excludes differences that would result from the translation of the financial statement of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for 2018.

### 25 財務風險管理及公允價值

(續)

#### (d) 貨幣風險(續)

##### (ii) 敏感度分析

於二零一九年十二月三十一日，在所有其他變量保持不變的情況下，估計人民幣整體升值/貶值5%，將導致本集團的年內淨利潤及保留溢利分別增加/減少如下。

上述敏感度分析假設匯率變動已用於重新計量於報告期末令本集團面臨外幣風險的本集團持有的金融工具。該分析不包括將海外業務財務報表換算為本集團呈列貨幣產生的差額。以上分析按與二零一八年同樣基準進行。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

(continued)

#### (e) Fair value measurement

##### (i) *Financial instruments and liabilities measured at fair value*

###### *Fair value hierarchy*

The following table presents the fair value of the group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

### 25 財務風險管理及公允價值

(續)

#### (e) 公允價值計量

##### (i) *按公允價值計量的金融工具及負債*

###### *公允價值層級*

下表列示於報告期末按經常性基準計量的本集團金融工具的公允價值，分類為國際財務報告準則第13號公允價值計量所界定的三級公允價值層級。公允價值計量的分類水平乃參考估值技術所用輸入數據的可觀察性及重要性釐定如下：

- 第1級估值：僅使用第1級輸入數據計量的公允價值，即在計量日期相同資產或負債的活躍市場中未經調整的報價。
- 第2級估值：使用第2級輸入數據計量的公允價值，即未能達到第1級的可觀察輸入數據，且未使用重大不可觀察輸入數據。不可觀察的輸入數據是無法獲得市場數據的輸入數據。
- 第3級估值：使用重大不可觀察輸入數據計量的公允價值。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

(continued)

#### (e) Fair value measurement (continued)

##### (i) Financial instruments and liabilities measured at fair value (continued)

Fair value hierarchy (continued)

### 25 財務風險管理及公允價值

(續)

#### (e) 公允價值計量(續)

##### (i) 按公允價值計量的金融工具及負債(續)

公允價值層級(續)

Fair value at 31 December 2019 於二零一九年 十二月三十一日 之公允價值 RMB'000 人民幣千元	Fair value measurements as at 31 December 2019 categorised into 於二零一九年十二月三十一日的 公允價值計量分類為		
	Level 1 第1級 RMB'000 人民幣千元	Level 2 第2級 RMB'000 人民幣千元	Level 3 第3級 RMB'000 人民幣千元
<b>Recurring fair value measurements</b>	<b>經常性公允價值計量</b>		
Derivative financial instruments:	衍生金融 工具：		
— Conversion option embedded in convertible bonds (Note 21) (i)	— 可轉換債券所 嵌入之換股權 (附註21)(i)	603,960	—

Note 1: The fair value of the convertible bonds is determined using the Binomial Model and Monte Carlo Simulation Model.

During the years ended 31 December 2019, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. As at 31 December 2018, the Group has no financial instruments accounted for using fair value model.

附註1：可轉換債券之公允價值乃使用二項式模式及蒙特卡羅模擬模式釐定。

截至二零一九年十二月三十一日止年度，第1級與第2級之間並無轉移，或轉入或轉出第3級。於二零一八年十二月三十一日，本集團並無金融工具採用公允價值模式入賬。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

(continued)

### 25 財務風險管理及公允價值

(續)

#### (e) Fair value measurement (continued)

##### (i) Financial instruments and liabilities measured at fair value (continued)

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of conversion option embedded in convertible bonds in Level 2 is the estimated amount that the Group would pay to terminate the option at the end of the reporting period, taking into account the underlying share price and the potential shares outstanding to be converted.

##### (ii) Fair value of other financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 31 December 2019 except for the following financial instruments, for which their carrying amounts and fair value are disclosed below:

#### (e) 公允價值計量(續)

##### (i) 按公允價值計量的金融工具及負債(續)

第2級公允價值計量中使用的估值技術和輸入數據

經計及相關股價及潛在尚未發行股份後，第2級可轉換債券所嵌入之換股權的公允價值為本集團在報告期末需支付以終止期權的估計金額。

##### (ii) 以公允價值以外方式列賬的金融資產及負債公允價值

本集團按成本或攤銷成本列賬的金融工具賬面值與其於二零一九年十二月三十一日的公允價值並無重大差異，惟以下金融工具除外，該等金融工具的賬面值及公允價值披露如下：

		At 31 December 2019		At 31 December 2018	
		於二零一九年 十二月三十一日		於二零一八年 十二月三十一日	
		Carrying amount	Fair value	Carrying amount	Fair value
		賬面值	公允價值	賬面值	公允價值
		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
Convertible bonds	可轉換債券				
— Liability component	— 負債部分	2,248,640	2,348,370	—	—

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 26 CAPITAL COMMITMENTS

Capital commitments outstanding at 31 December 2019 not provided for in the consolidated financial statements were as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Contracted for	已訂約		
Acquisition of fixed assets	購買固定資產	353,374	283,413
Acquisition of intangible assets (Note 14)	購買無形資產(附註14)	1,079,517	408,400
		<b>1,432,891</b>	691,813

### 26 資本承擔

於二零一九年十二月三十一日，在綜合財務報表中未撥備的未履行資本承擔如下：

### 27 MATERIAL RELATED PARTY TRANSACTIONS

During 2019 and 2018, the directors are of the view that related parties of the Group include the following:

### 27 重大關聯方交易

於二零一九年及二零一八年，董事認為本集團的關聯方包括以下各方：

Name of related parties 關聯方名稱	Relationship with the Group 與本集團的關係
HEC Pharm Co., Ltd. (宜昌東陽光藥業股份有限公司) (“HEC Pharm”) 宜昌東陽光藥業股份有限公司(「東陽光藥業」)	effective owned by the ultimate controlling shareholder 由控股股東實益擁有
Sunshine Lake Pharma 廣東東陽光藥業	effectively owned by the ultimate controlling shareholder 由最終控股股東實益擁有
Shaoguan HEC Packaging and Printing Co., Ltd. (韶關東陽光包裝印刷有限公司) (“Shaoguan HEC Printing”) 韶關東陽光包裝印刷有限公司(「韶關東陽光印刷」)	effectively owned by the ultimate controlling shareholder 由最終控股股東實益擁有
Yichang HEC Power Plant Co., Ltd. (宜昌東陽光火力發電有限公司) (“HEC Power Plant”) 宜昌東陽光火力發電有限公司(「東陽光火力發電」)	effectively owned by the ultimate controlling shareholder 由最終控股股東實益擁有

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 27 MATERIAL RELATED PARTY TRANSACTIONS 27 重大關聯方交易 (續)

(continued)

Name of related parties 關聯方名稱	Relationship with the Group 與本集團的關係
Yidu Shanchengshuidu Project Construction Co., Ltd. (宜都山城水都建築工程有限公司) (“Yidu Construction”) 宜都山城水都建築工程有限公司(「宜都建築」)	effectively owned by the ultimate controlling shareholder 由最終控股股東實益擁有
Ruyuan HEC Pharmaceutical Co., Ltd. (乳源東陽光藥業有限公司) (“Ruyuan HEC Pharmaceutical”) 乳源東陽光藥業有限公司(「乳源東陽光藥業」)	effectively owned by the ultimate controlling shareholder 由最終控股股東實益擁有
Yidu Changjiang Machinery Equipment Co., Ltd. (宜都長江機械設備有限公司) (“Yidu Machinery”) 宜都長江機械設備有限公司(「宜都機械」)	effectively owned by the ultimate controlling shareholder 由最終控股股東實益擁有
Guangdong HEC E-Business Co., Ltd. (廣東東陽光電子商務有限公司) (“HEC E-Business”) 廣東東陽光電子商務有限公司(「東陽光電子商務」)	effectively owned by the ultimate controlling shareholder 由最終控股股東實益擁有
Shenzhen HEC Industrial 深圳市東陽光實業	effectively owned by the ultimate controlling shareholder 由最終控股股東實益擁有
Dongguan HEC Research and Development Co., Ltd. (東莞市長安東陽光藥物研發有限公司) (“HEC Pharmaceutical R&D”) 東莞市長安東陽光藥物研發有限公司(「東陽光藥物研發」)	effectively owned by the ultimate controlling shareholder 由最終控股股東實益擁有

\* The English translation of the above companies' names is for reference only. The official names of these companies are in Chinese.

\* 上述公司名稱的英文翻譯僅供參考。該等公司的官方名稱為中文名稱。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 27 MATERIAL RELATED PARTY TRANSACTIONS 27 重大關聯方交易 (續)

(continued)

#### (a) Transactions with related parties

During the year ended 31 December 2019, the Group entered into the following material related party transactions:

#### *Recurring transactions*

#### (a) 與關連方之交易

截至二零一九年十二月三十一日止年度，本集團訂立以下重大關連方交易：

#### 經常性交易

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
(i) Purchase of goods from:	(i) 自以下各方購買貨品：		
— HEC Pharm	— 宜昌東陽光	23,055	15,885
— Shaoguan HEC Printing	— 韶關東陽光印刷	32,466	18,227
— HEC Power Plant	— 東陽光火力發電	10,477	9,180
— Ruyuan HEC Pharmaceutical	— 乳源東陽光藥業	1,729	—
		<b>67,727</b>	43,292
(ii) Accept service from:	(ii) 接受以下各方服務：		
— HEC Pharm	— 宜昌東陽光	3,693	2,579
— Sunshine Lake Pharma	— 廣東東陽光藥業	3,189	—
— Yidu Construction	— 宜都建築	67,614	—
		<b>74,496</b>	2,579
(iii) Payments past through:	(iii) 通過以下各方付款：		
— Shenzhen HEC Industrial	— 深圳市東陽光實業	160,062	87,060
(iv) Sales of goods to:	(iv) 向以下各方銷售貨品：		
— Shenzhen HEC Industrial and its subsidiaries	— 深圳市東陽光實業及其附屬公司	2,607	2,318
(v) Purchase of fixed assets from:	(v) 向以下各方採購固定資產：		
— Yidu Machinery	— 宜都機械	4,518	6,239
— HEC E-Business	— 東陽光電子商務	943	—
		<b>5,461</b>	6,239

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 27 MATERIAL RELATED PARTY TRANSACTIONS 27 重大關聯方交易 (續)

(continued)

#### (a) Transactions with related parties (continued)

#### (a) 與關連方之交易 (續)

##### Non-recurring transactions

##### 非經常性交易

		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
(i) Purchase of fixed assets from:	(i) 向以下各方採購固定資產：		
— HEC Pharm	— 宜昌東陽光	-	71,767
(ii) Purchase of intangible assets from:	(ii) 向以下各方採購無形資產：		
— Sunshine Lake Pharma	— 廣東東陽光藥業	221,100	79,100
(iii) Other services received from:	(iii) 接受以下各方提供的其他服務：		
— Yidu Construction	— 宜都建築	32,067	140,164
(iv) Acquisition a subsidiary from	(iv) 向以下各方收購附屬公司：		
— Shenzhen HEC Industrial	— 深圳市東陽光實業	78,161	-

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 27 MATERIAL RELATED PARTY TRANSACTIONS 27 重大關聯方交易 (續)

(continued)

#### (b) Balances with related parties

#### (b) 與關聯方的結餘

##### (i) Amounts due from related parties

##### (i) 應收關聯方款項

		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Prepayment and trade receivable from:	來自以下各方的預付款及貿易應收款項：		
— Sunshine Lake Pharma	— 廣東東陽光藥業	1,451,917	717,700
— HEC Retail	— 東陽光藥零售	2	57
— HEC Pharmaceutical R&D	— 東陽光藥業研發	-	2,208
		<b>1,451,919</b>	719,965

##### (ii) Amounts due to related parties

##### (ii) 應付關聯方款項

		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade payables and other payables to:	應付以下各方的貿易及其他款項：		
— Shaoguan HEC Printing	— 韶關東陽光印刷	3	2,929
— Yidu Construction	— 宜都建築	11,977	9,164
— Ruyuan Furniture	— 宜都家具	-	11
		<b>11,980</b>	12,104

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 27 MATERIAL RELATED PARTY TRANSACTIONS 27 重大關聯方交易 (續)

(continued)

#### (b) Balances with related parties (continued)

##### (iii) Guarantee from related parties

		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
— Shenzhen HEC Industrial	深圳市東陽光實業	—	10,000

##### (iv) Outsourced inventories

		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
— Sunshine Lake Pharma	廣東東陽光藥業	9,930	—

#### (b) 與關聯方的結餘 (續)

##### (iii) 關聯方擔保

##### (iv) 外判存貨

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 27 MATERIAL RELATED PARTY TRANSACTIONS 27 重大關聯方交易 (續) (continued)

#### (c) Key management personnel compensation

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors' as disclosed in Note 7 and certain of the highest paid employees as disclosed in Note 8, is as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Salaries and other benefits	薪金及其他福利	2,674	3,014
Contribution to defined retirement benefit schemes	定額退休福利計劃供款	128	125
		2,802	3,139

Total remuneration is included in "staff costs" (See Note 5(b)).

#### (c) 主要管理人員的報酬

本集團主要管理人員的薪酬(包括付予附註7披露的本公司董事及附註8披露的若干最高薪酬人士的款項)如下:

薪酬總額計入「員工成本」(見附註5(b))。

#### (d) Applicability of the Listing Rules relating to connected transactions

The recurring transactions with related parties in respect of Note 27(a) above constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in section headed "Continuing Connected Transactions" of the Directors' Report.

#### (d) 與關連交易有關的上市規則的適用性

上述附註27(a)中的關聯方經營性交易構成上市規則第十四A章定義下之持續關連交易。根據上市規則第十四A章所規定之披露載於董事報告之「持續關連交易」一節。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 28 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION 28 公司層面之財務狀況表

			2019	2018
			二零一九年	二零一八年
		Note	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
<b>Non-current assets</b>	<b>非流動資產</b>			
Fixed assets	固定資產			
Property, plant and equipment	物業、廠房及設備		<b>1,553,454</b>	1,177,644
Ownership interests in leasehold land held for own use	持作自用之租賃土地所有權權益		<b>94,430</b>	81,462
			<b>1,647,884</b>	1,259,106
Intangible assets	無形資產		<b>224,646</b>	129,470
Investments in subsidiaries	於附屬公司的投資	13	<b>864,354</b>	562,999
Prepayments	預付款項		<b>1,527,877</b>	817,509
Deferred tax assets	遞延稅項資產		<b>95,738</b>	32,023
			<b>4,360,499</b>	2,801,107
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨		<b>189,787</b>	164,286
Trade and other receivables	貿易及其他應收款項		<b>2,786,220</b>	1,172,941
Cash and cash equivalents	現金及現金等值項目		<b>2,491,036</b>	446,633
			<b>5,467,043</b>	1,783,860
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	貿易及其他應付款項		<b>1,792,310</b>	695,848
Contract liabilities	合約負債		<b>246,495</b>	134,361
Bank loans	銀行貸款		<b>132,660</b>	53,399
Deferred income	遞延收益		<b>4,379</b>	4,379
Current taxation	應付即期稅項		<b>154,700</b>	69,658
			<b>2,330,544</b>	957,645
<b>Net current assets</b>	<b>流動資產淨額</b>		<b>3,136,499</b>	826,215
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>7,496,998</b>	3,627,322

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 28 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION (continued) 28 公司層面之財務狀況表(續)

			2019	2018
			二零一九年	二零一八年
		Note	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Interest-bearing borrowings	計息借貸		<b>2,852,600</b>	–
Deferred income	遞延收益		<b>64,936</b>	69,214
			<b>2,917,536</b>	69,214
<b>Net assets</b>	<b>淨資產</b>		<b>4,579,462</b>	3,558,108
<b>Capital and reserves</b>	<b>資本及儲備</b>			
Share capital	股本	24(e)	<b>448,820</b>	452,023
Treasury shares	庫存股份	24(c)	<b>(142,209)</b>	–
Reserves	儲備	24(f)	<b>4,272,851</b>	3,106,085
<b>Total equity</b>	<b>總權益</b>		<b>4,579,462</b>	3,558,108

### 29 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD 29 報告期間後非調整事項

- (i) After the end of the reporting period, the board of directors of the Company approved a distribution of dividends. Further details are disclosed in Note 24(b).
- (ii) On 13 January 2020, the Company repurchased 500,000 shares of its own ordinary shares through the Stock Exchange at a total consideration of approximately HK\$20,202,000 (approximately RMB18,018,000).
- (i) 於報告期末之後，本公司董事會已批准股息分派。更多詳情披露於附註24(b)。
- (ii) 於二零二零年一月十三日，本公司透過聯交所回購500,000股自有普通股股份，總代價約為20,202,000港元(約為人民幣18,018,000元)。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 29 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD (continued)

- (iii) On 13 November 2019, the Company made an acquisition agreement with Sunshine Lake Pharma, pursuant to which the Company agreed to acquire, and Sunshine Lake Pharma agreed to dispose, the intellectual property rights, industrial property rights and ownership rights in relation to 2 pharmaceutical products Liraglutide and Pyroglutamic within the PRC at a total consideration of RMB1,645,600,000 (the “Proposed Acquisition”), which comprised a prepayment of RMB550,000,000, 3 milestone payments totaling RMB246,840,000 and a contingent payment of RMB848,760,000 subject to the operating income of the target products. The Proposed Acquisition was approved by the independent shareholders of the Company at the extraordinary general meeting held on 22 January 2020.

- (iv) The wide spread of the COVID-19 in China since the beginning of 2020 is a challenging situation facing all the industries of the society and brought about additional uncertainties in the Group’s operating environment. The Group has already assessed the overall impact of the situation on the operation of the Group and taken all possible effective measures to limit and keep the impact in control.

Since the Group focuses on pharmaceutical manufacturing and the main product, Kewei is an anti-viral drug, the Group maintains normal production during the period. As far as the Group’s businesses are concerned, the repayment abilities of some debtors may be impacted slightly. Based on the information currently available, the management estimated that the outbreak has no significant negative impacts over the Group’s operation and financial performance. The actual impacts may differ from these estimates as situation continues to evolve, and further information may become available.

### 29 報告期間後非調整事項(續)

- (iii) 於二零一九年十一月十三日，本公司與廣東東陽光藥業訂立收購協議，據此，本公司同意收購，而廣東東陽光藥業同意出售與利拉魯肽及焦谷氨酸榮格列淨2種藥物相關的中國境內知識產權、工業產權及所有權，總代價為人民幣1,645,600,000元(「建議收購事項」)，代價由人民幣550,000,000元的預付款、3筆合共人民幣246,840,000元的里程碑付款及尾款人民幣848,760,000元組成，其受限於目標產品的經營收入。建議收購事項於二零二零年一月二十二日舉行的特別股東大會上獲本公司獨立股東批准。

- (iv) COVID-19自二零二零年年初在中國的廣泛傳播，令社會上各行各業均面對着嚴峻的考驗，亦為本集團的營商環境帶來額外的不確定性。本集團已評估該情況對本集團營運的整體影響，並採取了所有可行而有效的措施以限制及控制該影響。

由於本集團注於藥物生產而且其主要產品一可威是一種抗病毒藥物，故本集團於期內維持正常生產。就本集團的業務而言，若干債務人的還款能力可能略受影響。根據當前可用的資料，管理層估計疫情不會對本集團的營運及財務表現造成重大負面影響。然而，隨著形勢不斷發展及更多消息出現，實際影響可能與該等估計有所不同。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，均以人民幣列示)

### 30 IMMEDIATE AND ULTIMATE CONTROLLING PARTIES

At 31 December 2019, the directors consider the immediate parent of the Group to be Guangdong HEC Technology Holding Co., Ltd. (廣東東陽光科技控股股份有限公司), which is incorporated in the PRC. The ultimate controlling party of the Group to be Mr. Zhang Zhongneng and his spouse Mrs. Guo Meilan.

### 31 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2019

Up to the date of issue of these financial statements, the IASB has issued a number of amendments and a new standard, IFRS 17, *Insurance contracts*, which are not yet effective for the year ended 31 December 2019 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

Amendments to IFRS 3, *Definition of a business*  
國際財務報告準則第3號(修訂本)·業務的定義

Amendments to IAS 1 and IAS 8, *Definition of material*  
國際會計準則第1號及國際會計準則第8號(修訂本)·重大的定義

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

### 30 直接及最終控股股東

於二零一九年十二月三十一日，董事認為本集團的直接母公司為於中國註冊成立的廣東東陽光科技控股股份有限公司。而本集團的最終控股方為張中能先生及其配偶郭梅蘭女士。

### 31 於截至二零一九年十二月三十一日止年度已頒佈但尚未生效的修訂、新準則及詮釋的潛在影響

直至此等財務報表刊發當日，國際會計準則委員會已頒佈多項於截至二零一九年十二月三十一日止年度尚未生效且並未於此等財務報表內採納的修訂及一項新準則—國際財務報告準則第17號，*保險合約*。此等發展包括下列各項可能與本集團有關的準則。

**Effective for  
accounting periods  
beginning on or after**  
自以下日期或之後  
開始的會計期間生效

1 January 2020  
二零二零年一月一日

1 January 2020  
二零二零年一月一日

本集團正就此等發展於首次應用期間的預期影響進行評估。直至目前為止，結論是採納此等修訂不大可能會對綜合財務報表造成重大影響。

# DEFINITIONS

## 釋義

“AGM”		the forthcoming annual general meeting for the year 2019 of the Company
「股東週年大會」	指	本公司二零一九年應屆股東週年大會
“Annual Report”		the annual report of the Company for the year 2019
「年報」	指	本公司二零一九年年報
“Articles of Association”		the articles of association of the Company (as amended from time to time)
「公司章程」	指	本公司的章程(經不時修訂)
“Blackstone”		The Blackstone Group L.P. and its related parties
「黑石」	指	The Blackstone Group L.P. 及其關聯方
“Board of Directors” or “Board”		board of directors of the Company
「董事會」	指	本公司董事會
“Board of Supervisors”		board of supervisors of the Company
「監事會」	指	本公司監事會
“Chairman”		chairman of board of directors of the Company
「董事長」	指	本公司董事會董事長
“China” or “PRC”		the People’s Republic of China, but for the purposes of this Annual Report and for geographical reference only (unless otherwise indicated), excluding Taiwan, Macau and Hong Kong
「中國」	指	中華人民共和國，僅就本年報及地域上而言，除另有指明外，不包括台灣、澳門及香港
“Company”, “the Company”, “Pharm HEC”, “we” or “us”		YiChang HEC ChangJiang Pharmaceutical Co., Ltd. (宜昌東陽光長江藥業股份有限公司), a company established in the PRC on 11 May 2015 as a joint stock company
「本公司」或「東陽光藥」或「我們」	指	宜昌東陽光長江藥業股份有限公司，一家於二零一五年五月十一日在中國成立的股份有限公司
“Controlling Shareholder(s)”		has the meaning given to it under the Listing Rules
「控股股東」	指	具有上市規則所賦予的涵義
“Director(s)”		director(s) of the Company
「董事」	指	本公司董事
“Domestic Share(s)”		issued ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is (are) subscribed for or credited as fully paid in RMB
「內資股」	指	本公司股本中每股面值人民幣1.00元的已發行普通股，其以人民幣認購及繳足

## DEFINITIONS

### 釋義

“Dongguan Yangzhikang Pharmaceutical”		Dongguan Yangzhikang Pharmaceutical Co., Ltd. (東莞市陽之康醫藥有限責任公司), a company incorporated in the PRC and a directly wholly-owned subsidiary of the Company
「東莞市陽之康醫藥」	指	東莞市陽之康醫藥有限責任公司，在中國註冊成立的公司，並為本公司的直接全資附屬公司
“Global Offering”		the offer of the Company’s H Shares for subscription as described in the prospectus of the Company
「全球發售」	指	誠如本公司招股章程所載本公司H股發售以供認購
“Group”		the Company and its subsidiaries
「本集團」	指	本公司及其附屬公司
“H Shares”		ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is (are) listed on the Stock Exchange and is (are) subscribed for and traded in HKD
「H股」	指	本公司股本中每股面值人民幣1.00元的普通股，其在聯交所上市並以港元認購及買賣
“HEC Pharm”		HEC Pharm Co., Ltd.* (宜昌東陽光藥業股份有限公司), a company incorporated in the PRC on 12 January 2004
「宜昌東陽光」	指	宜昌東陽光藥業股份有限公司，一家於二零零四年一月十二日在中國註冊成立的公司
“HKSCC”		Hong Kong Securities Clearing Company Limited
「香港結算」	指	香港中央結算有限公司
“HK\$” or “HKD”		Hong Kong dollars, the lawful currency for the time being of Hong Kong
「港元」	指	港元，香港現時法定貨幣
“Hong Kong”		the Hong Kong Special Administrative Region of the PRC
「香港」	指	中國香港特別行政區
“Hong Kong Stock Exchange” or “Stock Exchange”		The Stock Exchange of Hong Kong Limited
「香港聯交所」或「聯交所」	指	香港聯合交易所有限公司
“IFRSs”		the International Financial Reporting Standards, which include standards and interpretations promulgated by the International Accounting Standards Board (IASB), and the International Accounting Standards (IAS) and interpretation issued by the International Accounting Standards Committee (IASC)
「國際財務報告準則」	指	國際財務報告準則，包括國際會計準則理事會頒佈的準則及詮釋以及國際會計準則委員會頒佈的國際會計準則及詮釋

# DEFINITIONS

## 釋義

“Latest Practicable Date”		21 April 2020, being the latest practicable date for the purpose of ascertaining certain information contained in this Annual Report prior to its publication
「最後實際可行日期」	指	二零二零年四月二十一日，於本年報刊發前為確定其中所載若干資料的最後實際可行日期
“Listing Date”		29 December 2015, on which the H Shares were listed on the Stock Exchange and from which dealings in the H Shares were permitted to commence on the Stock Exchange
「上市日期」	指	二零一五年十二月二十九日，H股於聯交所上市的日期，並自此日期起，H股獲准於聯交所開始買賣
“Listing Rules”		the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
「上市規則」	指	香港聯合交易所有限公司證券上市規則，經不時修訂
“Model Code”		Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules
「標準守則」	指	上市規則附錄十所載的上市發行人董事進行證券交易的標準守則
“Parent Company” or “HEC”		Guangdong HEC Technology Holding Co., Ltd. (廣東東陽光科技控股股份有限公司), a company incorporated in the PRC on 24 October 1996 and whose shares are listed on the Shanghai Stock Exchange (stock code: 600673)
「母公司」或「東陽光」	指	廣東東陽光科技控股股份有限公司，一家於一九九六年十月二十四日在中國註冊成立及其股份於上海證券交易所上市之公司(股份代號：600673)
“PBOC”		People’s Bank of China (中國人民銀行)
「中國人民銀行」	指	中國人民銀行
“Renminbi” or “RMB”		the lawful currency of the PRC
「人民幣」	指	中國法定貨幣
“Reporting Period”		the year ended 31 December 2019
「報告期」	指	截至二零一九年十二月三十一日止年度
“SFC”		the Securities and Futures Commission of Hong Kong
「證監會」	指	香港證券及期貨事務監察委員會
“SFO”		the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
「證券及期貨條例」	指	香港法例第571章證券及期貨條例，經不時修訂、補充或以其他方式修改

# DEFINITIONS

## 釋義

“Shareholder(s)”		holder(s) of our Shares, including holders of H shares and holders of domestic shares of the Company
「股東」	指	股份持有人，包括本公司H股持有人及內資股持有人
“Shares”		shares in the share capital of the Company, with a nominal value of RMB1.00 each
「股份」	指	本公司股本中每股面值人民幣1.00元的股份
“the Previous Acquisition”		The previous transaction under the agreement entered by the Company and Sunshine Lake Pharma on 10 July 2018 in relation to, among other things, the Company acquisition of certain assets from Sunshine Lake Pharma
「先前收購事項」	指	本公司與廣東東陽光藥業於2018年7月10日訂立的協議項下進行的先前交易，內容有關(其中包括)本公司自廣東東陽光藥業收購若干資產
“Shenzhen HEC Industrial”		Shenzhen HEC Industrial Development Co., Ltd. (深圳市東陽光實業發展有限公司), a company incorporated in the PRC on 27 January 1997 and a Controlling Shareholder
「深圳市東陽光實業」	指	深圳市東陽光實業發展有限公司，一家於一九九七年一月二十七日在中國註冊成立的公司，為一名控股股東
“Sunshine Lake Pharma”		Sunshine Lake Pharma Co., Ltd. (廣東東陽光藥業有限公司), a company incorporated in the PRC on 29 December 2003
「廣東東陽光藥業」	指	廣東東陽光藥業有限公司，一家於二零零三年十二月二十九日在中國註冊成立的公司
“Supervisor(s)”		the supervisor(s) of the Company
「監事」	指	本公司監事
“YiChang HEC Bio-technology”		YiChang HEC Bio-technology Co., Ltd., a company established in the PRC and owned as to 90% by the Company and 10% by Yidu HEC Industrial
「宜昌東陽光生物科技」	指	宜昌東陽光生物科技有限公司，一家在中國註冊成立的公司，並由本公司及宜都東陽光實業分別擁有90%及10%的權益
“Yichang HEC Pharmaceutical Manufacturing”		Yichang HEC Pharmaceutical Manufacturing Co., Ltd. (宜昌東陽光製藥有限公司), a company incorporated in the PRC
「宜昌東陽光製藥」	指	宜昌東陽光製藥有限公司，一家在中國註冊成立的公司

## DEFINITIONS

## 釋義

“YiChang Marketing”		YiChang HEC Pharmaceutical Technology Marketing Services Co., Ltd. , a company established in the PRC and owned as to 93% by the Company and 7% by Yidu Guijun
「宜昌推廣」	指	宜昌東陽光醫藥科技推廣服務有限公司，一家在中國註冊成立的公司，並由本公司及宜都桂鈞分別擁有93%及7%的權益
“Yidu Construction”		Yidu Shanchengshuidu Project Construction Co., Ltd., a company established in the PRC, a subsidiary of Shenzhen HEC Industrial
「宜都建築」	指	宜都山城水都建築工程有限公司，一家在中國註冊成立的公司，深圳市東陽光實業的附屬公司
“Yidu Guijun”		Yidu Guijun Pharmaceutical Technology Co., Ltd., a company established in the PRC and owned as to 50% by Mr. CHEN and 50% by three independent third parties
「宜都桂鈞」	指	宜都桂鈞醫藥科技有限公司，一家在中國成立的公司，且由陳燕桂先生及三名獨立第三方分別擁有50%及50%的權益
“Yidu HEC Industrial”		Yidu HEC Industrial Co., Ltd.* a company established in the PRC, a direct non-wholly owned subsidiary of Shenzhen HEC Industrial
「宜都東陽光實業」	指	宜都市東陽光實業發展有限公司，一家在中國成立的公司，深圳市東陽光實業的直接非全資附屬公司
“%”		per cent.
「%」	指	百分比

# CORPORATE INFORMATION

## 公司資料

### REGISTERED NAME

YiChang HEC ChangJiang Pharmaceutical Co., Ltd.

### 註冊名稱

宜昌東陽光長江藥業股份有限公司

### DIRECTORS

#### Executive Directors

Mr. JIANG Juncai  
Mr. WANG Danjin  
Mr. CHEN Yangui  
Mr. LI Shuang

### 董事

#### 執行董事

蔣均才先生  
王丹津先生  
陳燕桂先生  
李爽先生

#### Non-executive Directors

Mr. TANG Xinfa (*Chairman*)  
Mr. Eddy HUANG

#### 非執行董事

唐新發先生 (*董事長*)  
黃翊先生

#### Independent Non-executive Directors

Mr. TANG Jianxin  
Mr. FU Hailiang  
Mr. ZHAO Dayao

#### 獨立非執行董事

唐建新先生  
付海亮先生  
趙大堯先生

### REMUNERATION AND EVALUATION COMMITTEE

Mr. FU Hailiang (*Chairman*)  
Mr. JIANG Juncai  
Mr. TANG Jianxin

### 薪酬與考核委員會

付海亮先生 (*主席*)  
蔣均才先生  
唐建新先生

### AUDIT COMMITTEE

Mr. TANG Jianxin (*Chairman*)  
Mr. ZHAO Dayao  
Mr. TANG Xinfa

### 審核委員會

唐建新先生 (*主席*)  
趙大堯先生  
唐新發先生

### NOMINATION COMMITTEE

Mr. ZHAO Dayao (*Chairman*)  
Mr. Eddy HUANG  
Mr. FU Hailiang

### 提名委員會

趙大堯先生 (*主席*)  
黃翊先生  
付海亮先生

### **SUPERVISORS**

Mr. TANG Jinlong  
Mr. LUO Zhonghua  
Mr. WANG Shengchao

### **COMPANY SECRETARIES**

Mr. PENG Qiyun  
Ms. NG Wing Shan (FCS, FCIS)

### **AUTHORIZED REPRESENTATIVES**

Mr. TANG Xinfu  
West Fourth Floor, Building 106  
Huafa North Road, Futian District, Shenzhen  
Guangdong Province, the PRC

Ms. NG Wing Shan  
40th Floor, Sunlight Tower  
No. 248 Queen's Road East  
Wanchai, Hong Kong

### **REGISTERED OFFICE**

No. 38 Binjiang Road  
Yidu, Yichang, Hubei Province, the PRC

### **PRINCIPAL PLACE OF BUSINESS IN THE PRC**

No. 38 Binjiang Road  
Yidu, Yichang, Hubei Province, the PRC

### **PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

40th Floor, Sunlight Tower, No. 248 Queen's Road East  
Wanchai, Hong Kong

### **PRINCIPAL BANKER**

China Construction Bank Co., Ltd.  
Qingjiang Branch  
56 Changjiang Avenue  
Yidu, Hubei Province, PRC

### **監事**

唐金龍先生  
羅忠華先生  
王勝超先生

### **公司秘書**

彭琪雲先生  
吳詠珊女士 (FCS、FCIS)

### **授權代表**

唐新發先生  
中國廣東省  
深圳市福田區華發北路  
106棟四樓西

吳詠珊女士  
香港灣仔  
皇后大道東248號  
陽光中心40樓

### **註冊辦事處**

中國湖北省宜昌宜都市  
濱江路38號

### **中國主要營業地點**

中國湖北省宜昌宜都市  
濱江路38號

### **香港主要營業地點**

香港灣仔皇后大道東248號  
陽光中心40樓

### **主要往來銀行**

中國建設銀行股份有限公司  
清江支行  
中國湖北省宜都市  
長江大道56號



# CORPORATE INFORMATION

## 公司資料

### INTERNATIONAL AUDITORS

KPMG  
Certified Public Accountants  
Public Interest Entity Auditor registered in accordance  
with the Financial Reporting Council Ordinance  
8/F, Prince's Building, 10 Chater Road  
Central, Hong Kong

### DOMESTIC AUDITORS

KPMG Huazhen LLP

### PRC LEGAL ADVISORS

Jia Yuan Law Offices  
F408 Ocean Plaza  
158 Fuxingmennei Avenue  
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### H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
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Wanchai, Hong Kong

### STOCK CODE

01558

### COMPANY'S WEBSITE

[www.hec-changjiang.com](http://www.hec-changjiang.com)

### LISTING PLACE

The Stock Exchange of Hong Kong Limited

### 國際核數師

畢馬威會計師事務所  
執業會計師  
於《財務匯報局條例》下的註冊公眾利益  
實體核數師  
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### 國內核數師

畢馬威華振會計師事務所(特殊普通合伙)

### 中國法律顧問

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### H股股份過戶登記處

香港中央證券登記有限公司  
香港灣仔  
皇后大道東183號  
合和中心17樓1712–1716號舖

### 股份代號

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### 本公司網站

[www.hec-changjiang.com](http://www.hec-changjiang.com)

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香港聯合交易所有限公司



东阳光药