



# 康臣药業集團有限公司

CONSUN PHARMACEUTICAL GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 1681

## 2019 年度報告 Annual Report

### 肝膽系列 Hepatobiliary Series



### 影像系列 Imaging Series



### 婦兒系列 Women & Children Series



### 腎科系列 Nephrology Series



### 皮膚系列 Dermatology Series



### 骨傷系列 Orthopedics Series



### 消化系統系列 Gastroenterology Series





# 康臣药业集团有限公司

CONSUN PHARMACEUTICAL GROUP LIMITED

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# Corporate Information

## 公司資料

### DIRECTORS

#### Executive Directors

Mr. AN Yubao (*Chairman*)  
Ms. LI Qian (*Vice Chairlady, Chief Executive Officer*)  
Professor ZHU Quan  
Mr. TANG Ning

#### Independent Non-Executive Directors

Mr. SU Yuanfu  
Mr. FENG Zhongshi  
Ms. CHEN Yujun (appointed on 31 May 2019)  
Ms. CHENG Xinxin (resigned, effective from 31 May 2019)

### COMPANY SECRETARY

Mr. YAU Chi Ming

### AUDIT COMMITTEE

Ms. CHEN Yujun (*Chairlady*) (appointed on 31 May 2019)  
Ms. CHENG Xinxin (*Chairlady*) (resigned, effective from 31 May 2019)  
Mr. SU Yuanfu  
Mr. FENG Zhongshi

### NOMINATION COMMITTEE

Mr. SU Yuanfu (*Chairman*)  
Mr. AN Yubao  
Ms. CHEN Yujun (appointed on 31 May 2019)  
Ms. CHENG Xinxin (resigned, effective from 31 May 2019)

### REMUNERATION COMMITTEE

Mr. FENG Zhongshi (*Chairman*)  
Ms. LI Qian  
Mr. SU Yuanfu

### 董事

#### 執行董事

安郁寶先生 (*主席*)  
黎倩女士 (*副主席、總裁*)  
朱荃教授  
唐寧先生

#### 獨立非執行董事

蘇元福先生  
馮仲實先生  
陳玉君女士 (於2019年5月31日獲委任)  
成欣欣女士 (已辭任，自2019年5月31日起生效)

### 公司秘書

丘志明先生

### 審核委員會

陳玉君女士 (*主席*) (於2019年5月31日獲委任)  
成欣欣女士 (*主席*) (已辭任，自2019年5月31日起生效)  
蘇元福先生  
馮仲實先生

### 提名委員會

蘇元福先生 (*主席*)  
安郁寶先生  
陳玉君女士 (於2019年5月31日獲委任)  
成欣欣女士 (已辭任，自2019年5月31日起生效)

### 薪酬委員會

馮仲實先生 (*主席*)  
黎倩女士  
蘇元福先生

**AUTHORISED REPRESENTATIVES FOR  
THE PURPOSE OF THE LISTING RULES**

Mr. AN Yubao  
Mr. YAU Chi Ming

**AUDITOR**

KPMG  
Public Interest Entity Auditor registered in accordance  
with the Financial Reporting Council Ordinance  
8th Floor, Prince's Building  
10 Chater Road, Central, Hong Kong

**LEGAL ADVISER (AS TO HONG KONG LAW)**

Li & Partners  
22nd Floor  
World-Wide House  
19 Des Voeux Road Central  
Hong Kong

**REGISTERED ADDRESS**

Clifton House  
75 Fort Street  
PO Box 1350  
Grand Cayman KY 1-1108  
Cayman Islands

**HEADQUARTERS IN THE PRC**

71, Dongpeng Avenue  
Eastern section, Guangzhou Economic and  
Technological Development District  
Guangzhou, PRC

**就上市規則而言的授權代表**

安郁寶先生  
丘志明先生

**核數師**

畢馬威會計師事務所  
於《財務匯報局條例》下的  
註冊公眾利益實體核數師  
香港中環遮打道10號  
太子大廈8樓

**法律顧問(香港法律)**

李偉斌律師行  
香港  
德輔道中19號  
環球大廈  
22樓

**註冊地址**

Clifton House  
75 Fort Street  
PO Box 1350  
Grand Cayman KY 1-1108  
Cayman Islands

**中國總部**

中國廣州  
廣州經濟技術開發區東區  
東鵬大道71號

# Corporate Information

## 公司資料

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

22nd Floor  
World-Wide House  
19 Des Voeux Road Central  
Hong Kong

### PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited  
BNP Paribas  
China Construction Bank  
China Merchants Bank  
DBS Bank  
Industrial and Commercial Bank of China  
Standard Chartered Bank (Hong Kong) Limited  
The Hongkong and Shanghai Banking Corporation Limited

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Estera Trust (Cayman) Ltd.  
Clifton House  
75 Fort Street  
PO Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17th Floor Hopewell Centre  
183 Queen's Road East  
Wanchai, Hong Kong

### COMPANY WEBSITE

[www.chinaconsun.com](http://www.chinaconsun.com)

### STOCK CODE

1681

### 香港主要營業地點

香港  
德輔道中19號  
環球大廈  
22樓

### 主要往來銀行

中國銀行(香港)有限公司  
法國巴黎銀行  
中國建設銀行  
招商銀行  
星展銀行  
中國工商銀行  
渣打銀行(香港)有限公司  
滙豐銀行

### 主要股份過戶登記處

Estera Trust (Cayman) Ltd.  
Clifton House  
75 Fort Street  
PO Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

### 香港證券登記分處

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

### 公司網站

[www.chinaconsun.com](http://www.chinaconsun.com)

### 股份代號

1681

Dear Shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of Consun Pharmaceutical Group Limited (the “**Company**”), I am pleased to present the audited consolidated results of the Company and its subsidiaries (collectively referred as the “**Group**” or “**Consun Pharmaceutical**”) for the year ended 31 December 2019.

## I. INDUSTRIAL AND BUSINESS

In 2019, amidst the ever-changing global situations, notably tensions between China and the United States and complicated and changing external environment, coupled with increasingly stringent medical insurance cost control in China, the pharmaceutical industry has undergone substantial changes in development trend and competition landscape. For pharmaceutical industry, 2019 is a year of both challenges and opportunities. Challenges were emerged from, among others, the government's continuous efforts in standardization and consolidation of pharmaceutical industry such as further deepening and expansion of centralized drug procurement program, the implementation of “No Chinese medicine prescription by Western medicine practitioners (西醫不可開中藥)” policy and the promulgation and implementation of the Pharmaceutical Administration Law (《藥品管理法》) (new version). Opportunities were originated from the publication of the National Medical Insurance Drug Catalogue (《國家醫保目錄》) (new version). A total of 70 products of Consun Pharmaceutical have been admitted to the Catalogue, including a number of major products such as Uremic Clearance Granule (尿毒清顆粒), Kidney Repair and Edema Alleviation Granules (益腎化濕顆粒), Gadopentetic Acid Dimeglumine Salt Injection (鈹噴酸葡胺注射液), Iron-dextrin Oral Solution (右旋糖酐鐵口服液) and Cetirizine Hydrochloride Oral Solution (鹽酸西替利嗪口服溶液), which has laid a solid foundation for further business development.

各位股東：

本人謹此代表康臣葯業集團有限公司(「本公司」)董事(「董事」)會(「董事會」)，提呈本公司連同其附屬公司(統稱「本集團」或「康臣葯業」)截至2019年12月31日止年度經審核之綜合業績。

### 一、 行業及業務

2019年全球局勢波詭雲譎，中美局勢緊張，外部環境複雜多變，更兼逢國家醫保控費日趨嚴格，也使得醫藥行業發展趨勢與競爭態勢發生巨大變化。2019年對醫藥行業來說，是挑戰與機遇並存的一年。挑戰體現在國家持續對醫藥行業進行規範和整合，如集中帶量採購規模的進一步深入和拓展；「西醫不可開中藥」政策的推行；和新版《藥品管理法》的發佈和實施等等。機遇體現在新版《國家醫保目錄》的發佈，康臣葯業共有醫保目錄品種70個，包括多個主品種，如尿毒清顆粒、益腎化濕顆粒、鈹噴酸葡胺注射液、右旋糖酐鐵口服液、鹽酸西替利嗪口服溶液等均列其內，為業務的進一步發展打下了堅實的基礎。

## Chairman's Statement 主席報告

In 2019, the Group recorded a revenue of approximately RMB1.73 billion, representing a decrease of approximately 6.3% over the same period last year. The Company recorded a profit attributable to its equity shareholders of approximately RMB79.82 million, representing a decrease of approximately 82.8% over the same period last year. If excluding the impairment of non-cash goodwill and intangible assets of approximately RMB326 million (the portion attributable to equity shareholders of the Company: RMB324 million), the adjusted profit attributable to equity shareholders of the Company would decrease by approximately 13.2% as compared with the year ended 31 December 2018.

In terms of business segments, sales revenue of Consun Pharmaceutical Segment amounted to approximately RMB1.4 billion, representing a year-on-year increase of approximately 15.1%, maintaining a steady growth momentum with Hebei becoming the third province with revenue reaching RMB100 million.

In particular, the sales revenue of the kidney product series in 2019 amounted to approximately RMB1.06 billion, representing a year-on-year increase of approximately 14.4%. Uremic Clearance Granule, the Group's flagship product admitted to Class A of the National Medical Insurance Drug Catalogue 《國家醫保目錄》 (new version), has been improving steadily with market coverage and market share on a growing trend in general, indicating that the Group's strategies and tactics for the kidney product series align with the needs under the current competition landscape.

於2019年，本集團實現了營業收入約人民幣17.3億元，較上年同期減少約6.3%；本公司權益股東應佔溢利約人民幣7,982萬元，較上年同期減少約82.8%，若扣除非現金項目的商譽及無形資產減值約人民幣3.26億元（歸屬本公司權益股東部份：人民幣3.24億元），本公司經調整權益股東應佔溢利同比減少約13.2%。

從業務分部來看，康臣藥業分部銷售收入約人民幣14億元，同比增長約15.1%，繼續保持穩健增長態勢，誕生了第三個億元省區－河北。其中：

腎科線產品的銷售收入於2019年約為人民幣10.6億元，較去年同比增長約14.4%。本集團位列國家新版醫保目錄甲類的龍頭產品尿毒清顆粒一直處於穩定的增長態勢，市場覆蓋率、佔有率整體呈上升趨勢，這表明本集團制定的腎科線的戰略戰術是符合競爭形勢要求的。

## Chairman's Statement 主席報告

In order to further promote Uremic Clearance Granule, our “major traditional Chinese medicine product”, the Group has been pushing forward the works in aspects such as product planning, academic studies, promotion and marketing capacity enhancement in an orderly manner.

The sales revenue of the imaging product series in 2019 amounted to approximately RMB140 million, representing a year-on-year increase of approximately 9.2%, maintaining Consun Pharmaceutical's market position in the field of contrast medium for magnetic resonance imaging. Even more encouragingly, the Group has sped up the planning for the imaging product series in 2019, among which, Iopamidol Injection was granted the drug registration approval and is expected to promptly become a new driver for the Group's profit growth. Currently, the Group is making an all-out effort to expedite the launch of Iopamidol Injection in the market.

The maternal and children product series, despite the fact that currently only accounted for a relatively small proportion of the total sales volumes, continued to contribute to the rapid development of the Group and is expected to promptly become our key products, thereby making more contributions to the Group as a whole.

In 2019, the coordinated production line for washing, drying, filling and pressing at the oral solution workshop in Inner Mongolia Base was officially put into operation and increased our production capacity by 57%, which will be able to meet the increasing market demand for Iron-dextrin Oral Solution, Erythromycin Estolate Suspension and Cetirizine Hydrochloride Oral Solution in the next two years. An automatic production line was introduced in the Guangzhou Base and our production capacity has expanded from the original 200 tonnes per year to 600 tonnes per year.

為了進一步做大尿毒清顆粒這一「中藥大品種」，本集團從產品規劃、學術研究、市場推廣、營銷能力升級等多個方面有序推進。

影像線產品的銷售收入於2019年約為人民幣1.4億元，較去年同比增長約9.2%，維持了康臣藥業在磁共振成像對比劑領域的市場地位。更可喜的是影像線2019年加速佈局，碘帕醇注射液獲頒發藥品註冊批件，有望快速成為本集團新的利潤增長點，現正全力加快推進碘帕醇投放市場的工作。

婦兒線產品持續為集團增速貢獻，雖然目前總量佔比相對小，但有望快速升級為主力軍，為本集團整體作出更大貢獻。

於2019年，內蒙基地口服液車間洗烘罐軋聯動生產線正式投產，產能擴大57%，將滿足右旋糖酐鐵口服溶液、依託紅霉素混懸液及鹽酸西替利嗪口服溶液未來兩年的市場需求增長。廣州基地引進一條自動生產線，產能由原來的每年200噸，擴大到每年600噸。



## Chairman's Statement 主席報告

The operation of Yulin Pharmaceutical Segment, however, showed a mixed performance with certain business difficulties, while the industrial relocation from city to industrial park advanced in an orderly manner.

Yulin Pharmaceutical recorded a sales revenue of approximately RMB324 million in 2019, representing a year-on-year decrease of approximately 48.1%. Nevertheless, the segment realised further concentration of effective sales and Guangdong has become the first province with revenue reaching RMB100 million under the Yulin Pharmaceutical Segment. After three consecutive years of rapid growth in 2016, 2017 and 2018, Yulin Pharmaceutical Segment encountered changes and intensified competition in the over-the-counter drug market and in order to adapt to these changes, the Group carried out comprehensive reform and rectification for the marketing sector by standardizing the price systems, and organizing and optimizing the marketing channels. Such measures ranged from the rebuilding of overall top-level design to reshaping of structures, from personnel adjustment to market adjustment, and from product classification adjustment to system and procedure optimization. Through these rectifications and adjustments, market order in terms of channel, terminal and price level has been gradually restored, and the initial effect of the market adjustment has been seen in 2020.

In May 2019, the Company announced that Yulin Pharmaceutical and Guangxi Yulin Yunxiang Real Estate Co., Limited (“Yunxiang Real Estate”) entered into a series of the cooperative development agreements with Guangxi Huafa Real Estate Development Co., Ltd. (“Guangxi Huafa”) and Yulin City Shunlang Real Estate Investment Co., Ltd. (“Yulin Shunlang”) which enabled the cooperative development of the old plant site to enter the stage of actual operation. As at the date of this report, various works such as planning proposal and land transfer are well underway. For further information, please refer to note 11 to the financial statements herein, the Company’s announcement dated 31 May 2019, supplemental announcement dated 12 July 2019 and circular dated 23 October 2019.

而玉林製藥分部的經營整體來說有好有差，業務方面遇到些困難，退城入園項目則穩步推進。

玉林製藥於2019年銷售收入約為人民幣3.2億元，較去年同比下降約48.1%，儘管如此，有效銷售進一步集中，玉林製藥業務誕生了第1個億元省區－廣東。在經過2016年、2017年、2018年連續三年的高速增長後，玉林製藥分部在2019年遇到非處方藥市場環境發生變化及競爭加劇，為適應該等變化對營銷市場進行了全面改革整頓，理順價格體系，梳理優化營銷渠道，從整體頂層設計的再造到架構重塑，從人員調整到市場調整，從產品歸類調整到制度流程優化。經過整頓和調整，渠道、終端和價格秩序逐步恢復，2020年市場調整初顯成效。

2019年5月，本公司公告了玉林製藥及廣西玉林雲香置業有限公司（「雲香置業」）與廣西華發房地產開發集團有限公司（「廣西華發」）及玉林市順浪置業投資有限公司（「玉林順浪」）共同訂立了一系列《合作開發協議》，使老廠區合作開發進入實際操作階段。截至本報告日期，方案規劃和土地轉讓等各項工作正積極推進。進一步詳情請參閱文中財務報表附註11，本公司日期為2019年5月31日之公告、日期為2019年7月12日之補充公告及日期為2019年10月23日之通函。

On the other hand, the construction of new plant for the purpose of Yulin Pharmaceutical's relocation to the industrial park has been making satisfactory progress in general. The installation of drainage, electric and fire resistance appliances for the exterior and interior of buildings designated for production, storage and quality inspection have been completed. All civil and fire resistance engineering are expected to be completed in the first half of 2020 with an aim to be officially put into operation as soon as possible. Meanwhile, the optimization of production, marketing and terminals has been carried out simultaneously.

**II. R&D AND INNOVATION – ADJUSTING THE DEVELOPMENT PLAN FOR THE NEXT TEN YEARS BY ADHERING TO THE “1+6” PRODUCT STRUCTURE WITH AN AIM TO RECRUIT TALENTS, STRENGTHEN ITS TEAM AND SHARPEN ITS BUSINESS FOCUS.**

Following the conference of launching the new lopamidol Injection product, namely “KangleXian (康樂顯)” held in Beijing on 15 November 2019, Consun Pharmaceutical officially entered into the field of CT contrast medium, which marked a major breakthrough of the Group's R&D strengths. Subsequently, the Group will still devote greater efforts in recruiting talents and strengthening its team by engaging outstanding academic leaders, at the same time further adjusting and clarifying its innovative strategic ideas, thereby enhancing its innovation and management capability in terms of research and development.

另一方面，玉林製藥整體搬遷入園項目的新廠建設進展順利，生產、倉儲、質檢等建築完成室外及室內給排水、電氣和消防安裝，預計將於2020年上半年完成全部土建和消防工程，力爭早日正式投產，生產、營銷和終端始終保持同步優化。

**二、研發創新 – 圍繞「1+6」產品格局，調整未來十年發展規劃，攬人才，強隊伍，聚焦點。**

於2019年11月15日，碘帕醇注射液新品「康樂顯」上市發佈會在北京舉行，康臣葯業正式進入CT對比劑領域，標誌著本集團研發實力的重大突破。接下來，本集團仍將加大攬人才、強隊伍的力度，引進優秀學科帶頭人，進一步調整明晰創新戰略思路，增強研發創新與研發管理能力。

## Chairman's Statement 主席報告

The Group will continue to adjust and optimize its R&D strategies actively and fully utilize 38 patents and various R&D platforms, such as two “Academician Expert Workstations (院士專家工作站)”, one “Postdoctoral Scientific Research Workstation (博士後科研工作站)”, two provincial “Engineering Technical Research Centers (工程技術研究中心)”, three provincial “Enterprise Technical R&D Centers (企業技術研發中心)” and “Consun Chinese Medicine Research Center for Renal Diseases (康臣腎病中藥研究中心)” jointly established with Hong Kong Baptist University. Furthermore, the Group has adhered to the development pathway of “To excel oneself by following at the beginning with equal emphasis on imitation and innovation (先跟隨後趕超，仿製與創新並舉)”, aiming to achieve breakthroughs in three sectors of Chinese medicine, chemical medicine and biological medicine. The ultrasound micro-bubble contrast medium, namely “Huashengxian (華聲顯)” will commence clinical trial upon the completion of trial production. Regarding the Chinese medicine sector, the Group will carry out the secondary development on the basis of quality products under famous brands while developing new medicine. For the chemical medicine sector, instead of sole imitation, the Group will pursue the integration of imitation and innovation, with a goal to achieve proprietary innovation ultimately. In respect of biological medicine sector, the Group will insist on proprietary innovation. As at the date of this report, the Group has 11 established projects under research.

本集團會繼續積極調整及優化研發戰略，充分利用已取得的38項專利，以及2個「院士專家工作站」、1個「博士後科研工作站」、2個省級「工程技術研究中心」、3個省級「企業技術研發中心」，和與香港浸會大學聯合設立的「康臣腎病中藥研究中心」等研發平台，按照「先跟隨後趕超，仿製與創新並舉」的路徑，在中藥、化藥和生物藥三個領域實現突破。超聲微泡「華聲顯」對比劑將完成試產並進入臨床試驗。中藥領域將立足名優產品二次開發，同時開發新藥；化藥領域將從仿製走向仿創結合，最終走向自主創新；生物藥領域將堅決走自主創新之路。於本報告日期，集團在研及立項的項目已達11個。

**III. LEVERAGING THE CONTINUOUS EFFORTS OF ITS OPERATION TEAM, THE GROUP IS CAPABLE TO CREATE HIGH RETURN FOR ITS INVESTORS AND BUILD UP MOMENTUM FOR FUTURE GROWTH.**

Affected by the international political situation and economic environment, the net profit of the Group in 2019 is lower than that of the previous years with a disappointing performance of the Company's share price in the Hong Kong capital market. Nevertheless, the Group has still maintained a sound financial condition with healthy cash flows, which enabled the management to insist on offering high dividend return to investors. In order to recognize the full support of all shareholders, the Board of the Company proposed to distribute a final dividend of HKD0.1 per share for the year end 31 December 2019, amounting to a dividend of HKD0.2 per share for the year.

In addition, according to the announcement published by the Company in September 2019, the Company planned to repurchase up to 45,000,000 shares before the next annual general meeting. As of 31 December 2019, the Company has repurchased 404,000 shares. From 1 January 2020 and up to now, the Company has repurchased 17,782,000 shares. Hence, the Company has repurchased an aggregate of 18,187,000 shares in total, accounting for approximately 2.10% of the issued shares of the Company as at the date of this report. Looking forward, the Company will continue to enhance the net asset value per share of the Shareholders by way of repurchase of shares on a continuous basis.

**三、經營團隊默默耕耘，高回報投資者，卯足未來增長動能。**

儘管本集團於2019年的淨利潤低於往年，受國際政治形勢和經濟環境的影響，公司股價在香港資本市場的表現未盡人意，但集團仍然保持健康的現金流與穩健的財務狀況，令管理層可以堅持以高額分紅回報投資者。為回報各位股東的鼎力支持，本公司董事會建議派發截至2019年12月31日止末期股息每股0.1港元，每股分紅全年達0.2港元。

此外，2019年9月公司發佈公告，計劃於下屆股東大會前，回購股票最多4,500萬股，截止2019年12月31日，公司回購40.4萬股；自2020年1月1日至今回購1,778.2萬股，共累計回購1,818.7萬股，佔本公司於本報告日期已發行股份約2.10%。未來，本公司將持續採取回購手段，不斷致力於提升股東的每股含金量。

#### IV. THE GROUP RECEIVED NUMEROUS AWARDS AND MS. LI QIAN, ITS VICE CHAIRLADY AND CHIEF EXECUTIVE OFFICER, WAS HONOURED AS ONE OF THE “2019 CHINA ECONOMIC TOP 10 COMMERCIAL MULAN (中國經濟十大商業木蘭)”.

Ms. LI Qian, the vice chairlady and chief executive officer of the Group, was honoured as one of the “China Economic Top 10 Commercial Mulan (中國經濟十大商業木蘭)” in the “2019 China Economic Person of the Year (中國經濟年度人物)”, who is one of the few entrepreneurs honoured with this award in the pharmaceutical and healthcare industry. Prior to that, Ms. LI Qian was accredited as “Top 10 New Talent in China Pharmaceutical Industry (中國醫藥行業10大新銳人物)”, “Outstanding Person in Cultural Establishment of Chinese Private Enterprises (中國民營企業文化建設突出貢獻人物)” and “Socially Responsible Pioneer Entrepreneur (社會責任先鋒企業家)” successively.

In 2019, riding on its growth momentum, Consun Pharmaceutical continued to develop steadily and received numerous awards. In particular, the Group was awarded “2018 Top 100 Pharmaceutical Industrial Enterprises of China (2018年度中國醫藥工業百強企業)” in June, ranked 30th on the “TOP 100 China's Chinese Medicine Enterprises List (中國中藥企業TOP100排行榜)” in July and recognised as the “Excellent Enterprise for Cultural Establishment of Chinese Private Enterprises (中國民營企業文化建設優秀單位)” in August. Consun Pharmaceutical and Yulin Pharmaceutical were listed on “2018 China's Top 100 Pharmaceutical Enterprises (2018年度中華民族醫藥百強品牌企業)” in September. In addition, the Group was awarded the title of “The 70th Anniversary of the Founding of the PRC -Benchmarking Enterprise in Pharmaceutical Industry (新中國成立70周年醫藥產業標杆企業)” in October and “2019 Social Responsibility and Charity Practice Award (2019年度社會責任公益實踐獎)” in November.

#### 四、多項殊榮紛至沓來，副主席兼總裁黎倩女士榮膺2019年「中國經濟十大商業木蘭」。

在2019年「中國經濟年度人物」評選中，本集團副主席兼總裁黎倩女士榮膺「中國經濟十大商業木蘭」，是醫藥健康行業少數獲此殊榮的企業家。此前，黎倩女士相繼獲評「中國醫藥行業10大新銳人物」、「中國民營企業文化建設突出貢獻人物」和「社會責任先鋒企業家」。

2019年，康臣藥業乘勢而上，持續穩健發展，多項殊榮紛至沓來。6月榮獲「2018年度中國醫藥工業百強企業」；7月榮登「中國中藥企業TOP100排行榜」，位列第30位；8月獲評「中國民營企業文化建設優秀單位」；9月康臣藥業及玉林製藥榮登「2018年度中華民族醫藥百強品牌企業」榜單；10月榮獲「新中國成立70周年醫藥產業標杆企業」稱號；11月獲得「2019年度社會責任公益實踐獎」。

In 2019, Uremic Clearance Granule (尿毒清顆粒) was included in the “List of Healthy China’s Brands (健康中國·品牌榜)” for the fourth consecutive year, while the Shiduqing Capsule (濕毒清膠囊) was included in the retail terminal list of “List of China’s Pharmaceutical Brands (中國醫藥·品牌榜)” for the first time.

In 2019, Consun Pharmaceutical was successively awarded “Most Valuable Pharmaceutical and Medical Stock Company (最具價值醫藥及醫療股公司)” in Golden Hong Kong Stocks Awards and “Most Valuable Investment Award (最具投資價值獎)” and “The Best Corporate Governance Award (最佳企業管治獎)” at the China Financial Market Awards.

## **V. MATERIAL FINANCIAL TREATMENT**

In light of the fact that the sales revenue of the Yulin Pharmaceutical Segment in FY2019 decreased by approximately 48% as compared with FY2018 and taking into account the projection of future cash flows of the Yulin Pharmaceutical Segment, the Group has recognised full impairment in respect of the goodwill (with book value of approximately RMB320 million) related to the Yulin Pharmaceutical Segment in its consolidated financial statements for FY2019. It should be noted that the impairment of goodwill is a non-cash item and will not cause any impact on the Group’s cash flows from operating activities.

2019年尿毒清顆粒連續四年登上「健康中國·品牌榜」，濕毒清膠囊首次榮登「中國醫藥·品牌榜」零售終端榜。

2019年，康臣藥業先後獲評金港股「最具價值醫藥及醫療股公司」、中國融資大獎「最具投資價值獎」和「最佳企業管治獎」。

## **五、重要財務處理**

鑑於玉林製藥分部於2019財政年度的銷售收入較2018財政年度下跌約48%，以及考慮到對玉林製藥分部未來現金流的預測，本集團在2019財政年度的綜合財務報表內，對有關玉林製藥分部賬面價值人民幣約3.2億元的商譽確認全額減值。值得指出的是，商譽減值為非現金項目，並不會對集團的經營活動現金流造成影響。

### VI. FUTURE DEVELOPMENT

Despite the increasing uncertainties in the general economic environment due to the COVID-19 pandemic at the beginning of 2020, the Group will continue to adhere to its approach of “based on specialties and complemented by generics” and adjust its operational strategies flexibly, striving to develop its “1+6” product structure. The Group will continue to push forward the vertical development of nephrology and imaging businesses, at the same time accelerating the expansion of gynaecology and paediatrics, orthopedics, dermatology, hepatobiliary and gastroenterology businesses, so as to develop a top class Chinese medicine enterprise with multiple leading specialties and full range of treatment capability.

In 2020, the Group will gather scientific research projects from medical researchers specialising in kidney disease-related field worldwide. After preliminary review and secondary review, the Group is currently planning to provide subsidies for 24 appropriate projects in order to encourage medical researchers to carry out clinical trial and fundamental research in relation to Kidney Repair and Edema Alleviation Granules in an innovative manner and analyse the therapeutic effect and mechanism of action on kidney repair and edema alleviation, hence promoting the development of scientific research of kidney disease and the progress of chronic kidney disease prevention.

The Group will also commence the clinical research project of treating anaphylactic purpura nephritis in children and diabetic kidney disease with kidney repair and edema alleviation treatment.

### 六、未來發展

於2020年初出現的新型冠狀病毒疫情，使整體經濟環境更加撲朔迷離。本集團仍將繼續堅持「以專為主、以普為輔」的方針，靈活調整經營策略，全力打造「1+6」產品格局，繼續推動腎科、影像業務向縱深發展，加快拓展婦兒、骨傷、皮膚、肝膽和消化業務，以全面的治療領域打造多專科領先的一流中醫藥企業。

於2020年，集團將面向全球腎病相關領域的醫學工作者招募科研課題，目前經過初審和複審，計劃向其中24個合適的課題提供資助，鼓勵醫學工作者採用創新方法開展益腎化濕顆粒相關臨床試驗和基礎研究，對益腎化濕的療效和作用機制進行解析，推動腎病領域科學研究開展和慢性腎臟疾病防治進展。

本集團亦將啟動益腎化濕治療兒童紫癜性腎炎和治療糖尿病腎病臨床研究項目。

## Chairman's Statement 主席報告

On the other hand, the Group is estimated that the trial production of “Huashengxian (華聲顯)”, an ultrasound micro-bubble contrast medium, will be completed in 2020 and will apply for the commencement of clinical study. With the confirmation of the project of “Joint Laboratory of Ultrasound Micro-Bubble Diagnosis and Treatment Integration” jointly established with Shenzhen Institutes of Advanced Technology, Chinese Academy of Sciences, the Group will be committed to develop the world's leading new medicine with the drug-eluting micro-bubble technology.

Moreover, as a result of the outbreak of COVID-19 pandemic at the beginning of 2020, there has been rising awareness of self-protection of citizens nationwide and strong emphasis has been placed on the protection through pharmaceutical products on the national level, which is beneficial to the development of pharmaceutical companies and thus conducive to the improvement of the operation environment of pharmaceutical companies as a whole. Furthermore, the government particularly highlighted the great emphasis placed on Chinese medicine and proposed to battle against the epidemic through the development of Chinese medicine. Although the Company does not have any products for direct treatment of COVID-19, we offered products such as Zhenhuang Capsule (珍黃膠囊), Yinqiao Detoxification Tablets (銀蒲解毒片) and Yunxiang Jing (雲香精) for treatment of respiratory diseases, hence we maintained an optimistic outlook for both the Chinese medicine market and Chinese medicine companies in the future.

We are fully confident about the future!

**AN Yubao**

*Chairman*

Hong Kong, 23 March 2020

另一方面，本集團預計於2020年內，「華聲顯」超聲微泡對比劑將完成試生產，並將申請開展臨床研究。而與中國科學院深圳先進技術研究院聯合設立的「超聲微泡診療一體化聯合實驗室」項目已確認落實，將著力於開發世界領先的載藥微泡創新藥。

至於2020年初發生的新型冠狀病毒肺炎疫情，則引起全國全民防護意識的提高，國家層面對醫藥防護的重視，是醫藥企業之福，總體會提升醫藥企業的生存環境；另外，國家此次特意提出對中醫藥的重視和發展中醫藥來抗疫情，雖然我司沒有直接治療冠狀病毒的產品，但有呼吸道疾病的產品，如珍黃膠囊、銀蒲解毒片、雲香精等產品，對未來中醫藥市場、中醫藥企業來說是看好的。

面對未來，我們充滿信心！

**安郁寶**

*主席*

香港，2020年3月23日



## Financial Highlights 財務摘要

		Year ended 31 December 截至12月31日止年度		
		2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元	Change 變化 (%) (%)
Results	業績			
Revenue	收入	1,728,256	1,843,973	(6.3%)
Profit before taxation	稅前溢利	133,663	616,699	(78.3%)
Profit for the year attributable to equity shareholders of the Company	本公司權益股東應佔年內溢利	79,820	465,353	(82.8%)
Earnings per share (expressed in RMB Yuan)	每股盈利 (以人民幣元列示)			
– Basic	– 基本	0.0940	0.5444	(82.7%)
– Diluted	– 攤薄	0.0934	0.5300	(82.4%)

  

		As at 31 December 於12月31日		
		2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元	Change 變化 (%) (%)
Financial Position	財務狀況			
Total assets	總資產	3,708,086	3,897,038	(4.8%)
Total equity attributable to equity shareholders of the Company	本公司權益股東應佔權益總額	1,994,084	2,157,219	(7.6%)
Net assets per share (expressed in RMB Yuan per share) (Note)	每股淨資產 (以每股人民幣元列示) (附註)	2.30	2.46	(6.5%)
Net debt (interest bearing liabilities less cash and cash equivalents) to equity ratio	淨債項 (計息負債減現金及現金等值物) 權益比率	Net cash 淨現金	Net cash 淨現金	NA 不適用

Note: Net assets per share is calculated based on the total equity attributable to equity shareholders of the Company divided by the number of ordinary shares.

附註：每股淨資產以本公司權益股東應佔權益總額除以普通股數目計算。

### FINANCIAL REVIEW

#### Revenue

For the year of 2019, the Group's revenue was RMB1,728,256,000, representing a decrease of approximately 6.3% as compared with RMB1,843,973,000 for 2018. Categorized by product lines, sales of kidney medicines recorded an increase of approximately 14.4% as compared with last year, among which, Uremic Clearance Granules ("UCG") remained the Group's key product, maintained its leading position in oral modern Chinese medicines for kidney diseases; sales of medical contrast medium recorded an increase of approximately 9.2% as compared with last year, maintained a leading position in the domestic medical contrast medium market for magnetic resonance imaging; sales of orthopaedics medicines recorded a decrease of approximately 53.6%; sales of dermatologic medicines recorded a decrease of approximately 55.7%; sales of hepatobiliary medicines recorded a decrease of approximately 71.3%; sales of the Group's gynaecology and paediatrics drugs recorded an increase of approximately 30.4%; and sales of other pharmaceutical products recorded an increase of approximately 48.6%. The decrease in overall sales revenue was mainly due to the decrease in sales revenue of Yulin Pharmaceutical Segment.

#### Gross Profit and Gross Profit Margin

For the year of 2019, the Group's gross profit was RMB1,261,405,000, representing a decrease of approximately 8.9% as compared with RMB1,384,426,000 for 2018. The decrease in gross profit was mainly attributable to the decrease in sales. For the year of 2019, the Group's average gross profit margin was approximately 73.0%, representing a decrease of 2.1% as compared with the 75.1% for last year, which was mainly attributable to increases in raw material prices, decrease in sales of Yulin Pharmaceutical Segment and changes in product composition.

#### 財務回顧

##### 收入

本集團於2019年的收入為人民幣1,728,256,000元，與2018年的人民幣1,843,973,000元相比，減少約6.3%。按產品系列分類，腎科系列產品銷售較去年錄得增長約14.4%，其中尿毒清顆粒（「尿毒清」）仍然是本集團的皇牌產品，維持在腎病口服現代中成藥的領先地位；醫用成像對比劑銷售較去年增長約9.2%，穩佔國內磁共振成像對比劑市場的前列；骨傷系列產品銷售減少約53.6%；皮膚系列產品銷售減少約55.7%；肝膽系列產品銷售減少約71.3%；婦兒系列產品銷售增長約30.4%；及其他藥物產品銷售增長約48.6%。整體銷售收入的下降主要是由於玉林製藥分部的銷售收入下跌所致。

##### 毛利與毛利率

於2019年，本集團的毛利為人民幣1,261,405,000元，與2018年的人民幣1,384,426,000元相比，減少約8.9%。毛利減少主要是由於銷售減少。於2019年，本集團的平均毛利率約為73.0%，與去年的75.1%相比，減少2.1%，主要是由於期內原材料價格上漲、玉林製藥分部銷售規模下降及產品結構調整所致。

# Management Discussion and Analysis

## 管理層討論及分析

### Other Losses

For the year of 2019, the Group's other losses were RMB1,526,000, which mainly included government grants, interest income and net exchange loss. Compared with the other losses of RMB2,194,000 for 2018, the decrease was mainly attributable to the increase in government grants and interest income.

### Distribution Costs

For the year of 2019, the Group's distribution costs was RMB539,204,000, representing a decrease of approximately 4.0% as compared with RMB561,537,000 for 2018. The decrease in distribution costs was mainly attributable to decrease in sales revenue.

### Administrative Expenses

For the year of 2019, the Group's administrative expenses were RMB231,833,000, representing an increase of approximately 31.3% as compared with RMB176,527,000 for 2018. The increase in administrative expenses was mainly attributable to the impairment losses of trade receivables and the share-based payment cost recognised for the fair value of share options granted to management staff during the year.

### Impairment loss on goodwill and intangible assets

In 2019, the Group has recognised full impairment loss in respect of the goodwill (with book value of approximately RMB321 million) and partial impairment loss of approximately RMB5 million in respect of trademark under intangible assets related to the Yulin Pharmaceutical Segment as a result of the decrease in sales revenue of the Yulin Pharmaceutical Segment in 2019. For further details, please refer to the section headed "Impairment loss on goodwill and intangible assets" in the Report of Directors herein.

### Finance Costs

For the year of 2019, finance costs were RMB29,043,000, representing an increase of approximately 5.7% as compared with RMB27,469,000 for 2018, which was mainly attributable to increases in borrowing interest rates during the year.

### 其他虧損

於2019年，本集團的其他虧損為人民幣1,526,000元，主要包括政府補助、利息收入及匯兌虧損淨額。與2018年的其他虧損人民幣2,194,000元相比，減少的主要原因是由於政府補貼及利息收入增加所致。

### 分銷成本

於2019年，本集團的分銷成本為人民幣539,204,000元，與2018年的人民幣561,537,000元相比，減少約4.0%。分銷成本下降的主要原因是由於銷售收入減少所致。

### 行政開支

於2019年，本集團的行政開支為人民幣231,833,000元，與2018年的人民幣176,527,000元相比，增加約31.3%。行政開支的增加是由於年內貿易應收款項減值虧損以及對管理員工授出購股權而需要按公允值確認了股份支付費用所致。

### 商譽及無形資產減值虧損

因為玉林製藥分部的銷售收入下跌，以致本集團於2019年對與玉林製藥分部有關之商譽（賬面值約人民幣3.21億元）確認了全額減值虧損及對無形資產內之商標確認了約人民幣5百萬元之部分減值虧損。進一步詳情請參閱文中董事會報告中「商譽及無形資產減值虧損」一節。

### 融資成本

於2019年，融資成本為人民幣29,043,000元，與2018年的人民幣27,469,000元相比，增加約5.7%，主要是由於年內借款利率增加所致。

### Income Tax

For the year of 2019, the Group's income tax expense was RMB70,541,000, representing a decrease of approximately 40.8% as compared with RMB119,208,000 for 2018. The effective tax rate (income tax expense divided by profit before taxation) increased by approximately 33.5% from 19.3% for 2018 to 52.8% for 2019. After adjusting the effect from goodwill impairment, the effective tax rate is 15.5%. The decrease was mainly due to the decrease in provision for withholding tax as a result of the Group's entitlement to 5% dividend withholding tax preferential policy during the year.

### Annual Profit Attributable to Equity Shareholders of the Company and Earnings Per Share

For the year of 2019, the Group's annual profit was RMB79,820,000, representing a decrease of approximately 82.8% as compared with RMB465,353,000 for 2018. The basic earnings per share decreased by approximately 82.7% from RMB0.5444 for 2018 to RMB0.0940 for 2019, and the diluted earnings per share decreased by approximately 82.4% from RMB0.5300 for 2018 to RMB0.0934 for 2019.

## LIQUIDITY AND FINANCIAL RESOURCES

### Trade Debtors and Bills Receivable

As at 31 December 2019, the balance of trade debtors and bills receivable was RMB763,806,000, representing a decrease of approximately 11.6% as compared with the balance of RMB863,992,000 as at 31 December 2018. Trade receivables turnover days for 2019 were 171.9 days, decreased by 9.6 days from 181.5 days for 2018.

### Inventories

As at 31 December 2019, the balance of inventories was RMB210,684,000, representing an increase of approximately 0.2% as compared with the balance of RMB210,310,000 as at 31 December 2018. Inventory turnover days for 2019 were 165.0 days, increased by 2.0 days from 163.0 days for 2018.

### 所得稅

於2019年，本集團的所得稅費用為人民幣70,541,000元，與2018年的人民幣119,208,000元相比，減少約40.8%。實質稅率（所得稅費用除以稅前溢利）從2018年的19.3%，上升約33.5%至2019年的52.8%。扣除商譽確認減值影響，實際稅率為15.5%。下降的主要原因為本集團於年內享受5%股息預扣稅的優惠政策，而減少了預提預扣稅所致。

### 本公司權益股東應佔年度溢利與每股盈利

於2019年，本集團的年度溢利為人民幣79,820,000元，相比於2018年的人民幣465,353,000元減少約82.8%。2019年的每股基本盈利為人民幣0.0940元，比2018年的人民幣0.5444元減少約82.7%，及2019年的每股攤薄盈利為人民幣0.0934元，比2018年的人民幣0.5300元減少約82.4%。

### 流動資金及財務資源

#### 貿易應收賬款及應收票據

於2019年12月31日，貿易應收賬款及應收票據餘額為人民幣763,806,000元，相比於2018年12月31日的餘額人民幣863,992,000元減少約11.6%。於2019年的貿易應收款項周轉天數為171.9天，與2018年的181.5天相比，減少9.6天。

#### 存貨

於2019年12月31日，存貨餘額為人民幣210,684,000元，相比於2018年12月31日的餘額人民幣210,310,000元增加約0.2%。於2019年的存貨周轉天數為165.0天，相比2018年的163.0天增加2.0天。

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### Trade Payables

As at 31 December 2019, the balance of trade payables was RMB55,520,000, representing a decrease of approximately 40.1% as compared with the balance of RMB92,755,000 as of 31 December 2018. Trade payables turnover days for 2019 were 58.0 days, decreased by 6.1 days from 64.1 days for 2018, which was mainly due to the acceleration in processing trade payable.

### Cash Flows

For the year of 2019, the Group's net cash generated from operating activities was RMB383,315,000, representing a decrease of approximately 49.2% as compared with RMB754,210,000 for 2018, which was mainly attributable to the Group's grant of longer credit period to certain strategic customers with good credit standing based on the market situation, the acceleration in processing trade payable and the payment of dividend withholding tax during the year. For the year of 2019, the Group's net cash used in investing activities was RMB110,132,000, representing a decrease of approximately 39.1% as compared with RMB180,804,000 for 2018, which was mainly due to the slight decrease in expenditure for acquisition of plant and equipment and the slight increase in interest income. For the year of 2019, the Group's net cash used in financing activities was RMB156,662,000, representing a decrease of approximately 46.4% as compared with the net cash used in financing activities of RMB292,425,000 for 2018, which was mainly due to the increase in bank loans during the year.

### Cash and Bank Balances and Borrowings

As at 31 December 2019, the Group's cash and bank balances were RMB1,383,232,000, representing an increase of approximately 8.9% as compared with RMB1,269,746,000 as at 31 December 2018. As at 31 December 2019, the Group's total loans and borrowings amounted to RMB553,567,000, representing an increase of approximately 41.0% as compared with RMB392,538,000 as at 31 December 2018, which mainly due to the increase in bank loans during the year.

### 貿易應付款項

於2019年12月31日，貿易應付款項餘額為人民幣55,520,000元，相比於2018年12月31日的餘額人民幣92,755,000元減少約40.1%。於2019年的貿易應付款項周轉天數為58.0天，相比2018年的64.1天減少6.1天，主要是由於加快處理貿易應付款項所致。

### 現金流

於2019年，本集團的經營活動所得淨現金淨額為人民幣383,315,000元，相比2018年的人民幣754,210,000元減少約49.2%，主要是由於本集團年內因應市場情況給予部份信用良好的戰略合作客戶較長的授信期、加快處理貿易應付款項及支付股息預扣稅所致。於2019年，本集團的投資活動所用現金淨額為人民幣110,132,000元，相比2018年的投資活動所用現金淨額人民幣180,804,000元減少約39.1%，主要是由於購買廠房設備支出略為減少及利息收入略為增加所致。於2019年，本集團的融資活動所用現金淨額為人民幣156,662,000元，相比2018年融資活動的所用現金淨額人民幣292,425,000元減少約46.4%，主要是由於年內新增銀行貸款所致。

### 現金及銀行結餘及借款

於2019年12月31日，本集團的現金及銀行結餘為人民幣1,383,232,000元，相比2018年12月31日的人民幣1,269,746,000元增加約8.9%。於2019年12月31日，本集團的貸款及借款總額為人民幣553,567,000元，相比2018年12月31日的人民幣392,538,000元增加約41.0%，主要是由於年內新增銀行貸款所致。

### TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the year of 2019. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time. Cash and cash equivalents of the Group are mainly denominated in RMB and HKD.

### GEARING RATIO

The gearing ratio of the Group, representing the total interest bearing borrowings divided by total equity attributable to equity shareholders of the Company as at 31 December 2019 was 27.8% (31 December 2018: 18.2%). The increase in gearing ratio was mainly due to the increase in bank loans during the year.

### EXCHANGE RATE RISKS

The Group's transactions are mainly denominated in RMB and HKD. The majority of assets and liabilities are also denominated in RMB and HKD, and there are no significant assets and liabilities denominated in other currencies. The Group faces exchange rate risk due to fluctuation of exchange rates. During the year, the Group did not commit to any financial instruments to hedge its exposure to foreign currency risk.

### CAPITAL STRUCTURE

In 2019, the Company issued a total of 693,200 ordinary shares pursuant to employees' exercise of share options granted under the Share Option Scheme (adopted on 2 December 2013).

In 2019, the Company repurchased 10,352,000 shares of its own ordinary shares through the Stock Exchange at a total consideration of approximately HKD52,908,000 (approximately RMB46,212,000) and all of these repurchased shares were cancelled before the year end.

### 庫務政策

本集團在執行庫務政策上採取審慎的財務管理策略，因此於2019年內維持健全的流動資金狀況。本集團不斷審核及評估客戶的信貸狀況及財務狀況，務求降低信貸風險。為管理流動資金風險，董事會密切監察本集團的流動資金狀況，以確保本集團的資產、負債及其他承擔的流動結構符合不時的資金需要。本集團的現金及現金等值項目主要以人民幣及港元計值。

### 資本負債比率

本集團於2019年12月31日的資本負債比率（總計息借款除以本公司權益股東應佔權益總額）為27.8%（2018年12月31日：18.2%）。資本負債比率增加主要是由於年內新增銀行貸款所致。

### 匯率風險

本集團的交易主要以人民幣及港元計值。大多數資產及負債亦以人民幣及港元計值，概無以其他貨幣計值的重大資產及負債。本集團因匯率波動而面對匯率風險。年內，本集團並無利用任何金融工具對沖外幣風險。

### 資本結構

於2019年，本公司因應員工行使根據購股權計劃（於2013年12月2日採納）而授予的購股權而發行了合共693,200股普通股（2018年：1,580,600股普通股）。

於2019年，本公司透過聯交所總代價約52,908,000港元（約人民幣46,212,000元）購回其自身普通股中的10,352,000股（2018年：無）而所有該等購回之股份已經於年底前被註銷。

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

### CAPITAL COMMITMENTS

As at 31 December 2019, the Group had capital commitments of approximately RMB463,879,000 (31 December 2018: RMB494,328,000).

### INFORMATION ON EMPLOYEES

As at 31 December 2019, the Group hired a total of 2,662 employees (31 December 2018: 2,667 employees). The total staff costs (including the directors' remuneration) for the year ended 31 December 2019 was RMB304,749,000 (2018: RMB287,461,000). The salaries of the employees were determined with reference to individual performance, work experience, qualification and current industry practices.

On top of basic salaries, bonuses may be paid by reference to the Group's performance as well as individual's performance. Other staff benefits include contributions to Mandatory Provident Fund and various retirement benefits schemes in Hong Kong, including the provision of pension funds, medical insurance, unemployment insurance and other relevant insurance for employees who are employed by our Group pursuant to the PRC rules and regulations and the prevailing regulatory requirements of the PRC. The salaries and benefits of the Group's employees are kept at a competitive level and employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus system, which is reviewed annually. The Group also operates a share option scheme adopted by the Company on 2 December 2013 (the "**Share Option Scheme**") and a share award scheme adopted on 21 July 2014 (the "**Share Award Scheme**"), where options to subscribe for shares and share awards may be granted to the Directors and employees of the Group.

The Group made considerable efforts in continuing education and training programs for its staff, to continuously enhance their knowledge, skills and team spirit. The Group regularly provided internal and external training courses for relevant staff according to their needs.

除上文披露外，本公司的資本結構並無重大變動。本公司的資本包括普通股及其他儲備。

### 資本承擔

於2019年12月31日，本集團的資本承擔約為人民幣463,879,000元（2018年12月31日：人民幣494,328,000元）。

### 僱員資料

於2019年12月31日，本集團合共僱用2,662名僱員（2018年12月31日：2,667名僱員）。截至2019年12月31日止年度的總員工成本（包括董事酬金）為人民幣304,749,000元（2018年：人民幣287,461,000元）。僱員薪金乃參考個人表現、工作經驗、資歷及當前行業慣例而釐定。

除基本薪金外，亦可視乎本集團的業績及個人表現獲發花紅。其他員工福利包括香港的強制性公積金計劃供款及各項退休福利計劃，包括提供退休金、醫療保險、失業保險及為根據中國規則及規例以及中國現行監管規定獲本集團聘用的僱員而設的其他相關保險。本集團僱員的薪金及福利均處於具競爭力的水準，僱員的待遇均在本集團就薪酬及花紅制度設定的整體框架內按表現釐定，而該框架則每年進行檢討。本集團亦設有一項由本公司於2013年12月2日採納的購股權計劃（「**購股權計劃**」），及一項於2014年7月21日採納的股份獎勵計劃（「**股份獎勵計劃**」），據此，本集團董事及僱員可獲授予購股權以認購股份及股份獎勵。

本集團對員工的持續教育和培訓計劃有相當的投入，以不斷提升員工的知識、技能和協作精神。本集團經常根據彼等需要為相關員工提供內部及外部的培訓課程。

### SIGNIFICANT INVESTMENTS HELD

Except for investments in its subsidiaries, during the year ended 31 December 2019, the Group did not hold any significant investment in equity interest in any other company.

### FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed above and elsewhere in this report, as at the date of this report, the Group did not have other future plans for material investments and capital assets.

### MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

The Group did not have any material acquisitions and disposals of subsidiaries and associated companies during 2019.

### PLEDGE OF ASSETS

As at 31 December 2019, the Group did not have any pledged assets (31 December 2018: Nil).

### CONTINGENT LIABILITIES

As at 31 December 2019, the Group did not have any material contingent liabilities (31 December 2018: Nil).

### PRINCIPAL RISKS AND UNCERTAINTIES

Management continues to manage the Group's key risk exposures, including operational risks (e.g. ensuring high quality of medicines products, safety in the production process and efficiency in the distribution processes), financial risks (e.g. through budget control and cash flow management) and compliance risks (ensuring the relevant rules and regulations are complied with) on a daily basis. Management also pays close attention to the recent developments of national policies in respect of the pharmaceutical industry, which is a key uncertainty facing the Group, and formulates and adjusts the Group relevant policies accordingly on a timely basis.

### 所持重大投資

除於其附屬公司的投資外，於截至2019年12月31日止年度，本集團並無於任何其他公司的股權中持有任何重大投資。

### 有關重大投資及資本資產的未來計劃

除於上文及本報告其他部分所披露者外，截至本報告日期，本集團並無其他有關重大投資及資本資產的未來計劃。

### 有關附屬公司及聯營公司的重大收購及出售

於2019年度，本集團並無任何有關附屬公司及聯營公司的重大收購及出售。

### 資產抵押

於2019年12月31日，本集團並無任何資產抵押（2018年12月31日：無）。

### 或然負債

於2019年12月31日，本集團並無任何重大或然負債（2018年12月31日：無）。

### 主要風險及不明朗因素

管理層在日常的工作中一直管理本集團的主要風險，包括經營風險（例如確保高質量的藥物產品、安全的生產過程以及有效率的分銷過程），財務風險（例如透過預算控制及現金流管理）以及合規風險（確保符合相關規則及法規）。管理層亦一直密切留意醫藥行業國家政策的近期發展（為本集團面對的主要不明朗因素），並及時制定及調整本集團的相關政策。



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### ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to achieving environmental sustainability and incorporating it in the Group's daily operations. Other than complying with all relevant environmental rules and regulations, management always encourage water, energy and materials saving and recycling practice which are considered in the performance appraisal process.

### COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

During the year of 2019, there was no incidence of significant non-compliance of laws and regulations that is relevant to the Group's operations.

### CHANGES IN INDUSTRIAL POLICIES AND THEIR EFFECT

#### I. Effect on the restriction policy on key drug catalogue under supervision and control and prescriptions for Traditional Chinese Medicine

On 1 July 2019, National Health Commission published the Circular on Publishing the Catalogue of the First Batch of Key Drugs for Rational Use under National Supervision and Control (Chemical Drugs and Biological Products) (關於印發第一批國家重點監控合理用藥藥品目錄(化藥及生物製品)的通知) (Guo Wei Ban Yi Ban No. 2019558) comprising a total of 20 products. The Circular also specifies the prescription restriction policy of Traditional Chinese Medicine, i.e. doctors that do not fall into the category of Traditional Chinese Medicine should obtain specific qualifications and meet relevant standards before issuing prescriptions for Chinese medicine and Chinese medicinal decoction pieces. On 20 January 2020, the Health Commission of Guangdong Province and the Administrative Bureau of Traditional Chinese Medicine of Guangdong Province jointly published Supplemental Circular on "Forwarding Circular on Publishing the Catalogue of the First Batch of Key Drugs for Rational Use under National Supervision and Control (Chemical Drugs and Biological Products)" (關於對“轉發關於印發第一批國家重

### 環境政策及表現

本集團致力實現環境的可持續發展並將其納入本集團的日常運作。除了遵守所有相關環境規則及法規外，管理層一直鼓勵節省及循環再用水、能源與材料的行為，並在表現考核的過程中加以考慮。

### 遵守相關法律法規

於2019年度，並無發生與本集團運作有關的法律法規的重大違規情況。

### 行業政策變化及影響

#### 一、重點監控目錄及中藥處方受限政策的影響

2019年7月1日，國家衛健委公佈《關於印發第一批國家重點監控合理用藥藥品目錄(化藥及生物製品)的通知》(國衛辦醫函2019558號)，共計20個品種。通知中還明確了中藥的限方政策，即非中醫類別的醫師須取得指定的資質及達到相關標準，才可以開具中成藥處方或開具中藥飲片處方。2020年1月20日，廣東省衛健委、廣東省中醫藥管理局共同發佈了《關於對「轉發關於印發第一批國家重點監控合理用藥藥品目錄(化藥及生物製品)的通知」的

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點監控合理用藥藥品目錄(化藥及生物製品)的通知”(“**Yue Wei Yao Zheng Han No. 20201**”), which has confirmed the relaxation of the restriction on certain local primary medical institutions for Western medicine to issue prescriptions for Traditional Chinese Medicine. For example, general practitioners and village doctors from local primary medical institutions can issue common prescriptions for Chinese medicine regarding common diseases and frequently-occurring diseases and can also continue to use long-term prescription for Chinese medicine and Chinese medicinal decoction pieces issued by Traditional Chinese Medicine doctors.

Although the relevant policies have limited the sales of Chinese medicine, as major products currently sold by the Group such as Uremic Clearance Granules have not been included in the catalogue for key drugs under supervision and control of all levels of provincial medical institutions and the major product of Uremic Clearance Granules is a type of Chinese medicine that has completed evidence-based medicine based on Western medicine system, this kind of Chinese medicine is not included in the restriction list in several provinces. And after the Yue Wei Yao Zheng Han No. 20201 is published internally in medical institutions of Guangdong Province, Grade II and Grade III hospitals in Guangdong Province such as Guangdong General Hospital successively started to grant permission to issue prescriptions for Chinese medicine. Therefore, it is expected that the effect of relevant policies on the overall sales of the Group will reduce gradually.

補充通知(「**粵衛藥政函20201號文**」), 確認放寬了部分基層醫療機構西醫開具中藥處方的限制, 例如基層醫療機構的全科醫生和鄉村醫生可以開具常見病、多發病的常用中成藥處方, 也可以延續使用中醫師開具的中成藥長期處方及中藥飲片處方。

雖然相關政策對中成藥的銷售帶來限制, 但是由於本集團目前銷售的主要產品(例如尿毒清顆粒)沒有進入各省各級醫療機構的重點監控藥品目錄; 加上主打產品尿毒清顆粒是按照西醫體系完成了循證醫學的中成藥品種, 多省將此類中成藥品種不納入受限範圍之列; 而且粵衛藥政函20201號文在廣東省醫療機構內部發文後, 已經有廣東省人民醫院等二三級醫院陸續放開了中成藥的處方權; 因此預期相關政策對本集團的整體銷售影響逐步降低。

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### II. Adjustments to the National Medical Insurance Drug Catalogue

On 20 August 2019, the National Healthcare Security Administration and the Ministry of Human Resources and Social Security of China published the new version of the “National Catalogue for Medical Insurance Drugs, Work-related Injury Insurance Drugs and Maternity Insurance Drugs 《國家基本醫療保險、工傷保險和生育保險藥品目錄》” (the “**National Medical Insurance Drug Catalogue**”), which was officially implemented since 1 January 2020 as the standard for payment of drug fees for medical insurance, insurance for work-related injuries and maternity insurance fund. The Group has a total of 70 products enlisted in the National Medical Insurance Drug Catalogue, and a number of products, including Uremic Clearance Granules and Gadopentetic Acid Dimeglumine Salt Injection, continued to remain enlisted in the National Medical Insurance Drug Catalogue. Iopamidol Injection is a new product of the Group, which remained Class A of the National Medical Insurance Drug Catalogue. Moreover, the Group’s Yin-nourishing and Lung-cooling Cream (養陰清肺膏) was upgraded from Class B to Class A (i.e. entitled for full reimbursement) of the National Medical Insurance Drug Catalogue, while three products, namely Kidney Repair and Edema Alleviation Granules, the Iron-Dextran Oral Solution and the Cetirizine Hydrochloride Oral Solution, have been enlisted in the National Medical Insurance Drug Catalogue for the first time, which can be partly reimbursed in various provincial medical institutions subject to a specific reimbursement proportion determined by the provincial healthcare security administration based on the local medical insurance fund. The Group believes that the changes of the drugs in the National Medical Insurance Drug Catalogue mentioned above will be beneficial for the sales of such products in the long term.

### 二、 國家醫保藥品目錄調整

中國國家醫療保障局、人力資源社會保障部於2019年8月20日發佈新版《國家基本醫療保險、工傷保險和生育保險藥品目錄》(「**國家醫保藥品目錄**」)，其為基本醫療保險、工傷保險和生育保險基金支付藥品費用的標準，自2020年1月1日起正式實施。本集團共有70個產品進入國家醫保藥品目錄。尿毒清顆粒、釷噴酸葡胺注射液等多個產品繼續獲保留在國家醫保藥品目錄。碘帕醇注射液為本集團新投入生產的產品，其於國家醫保藥品目錄維持為甲類。另外，本集團的養陰清肺膏於國家醫保藥品目錄由乙類升為甲類(即可全數報銷)；及有三個產品(包括益腎化濕顆粒、右旋糖酐鐵口服溶液、鹽酸西替利嗪口服溶液)首次進入國家醫保藥品目錄在各省醫療機構可以部分報銷，具體報銷比例由各省醫保局按照當地醫保基金的情況來確定。本集團相信上述藥品於國家醫保藥品目錄的變化情況長遠會有利於該等產品的銷售。

### III. New Drug Administration Law

The New Drug Administration Law has been effective since 1 December 2019. The principal changes of the New Drug Administration Law as compared with the previous version are: firstly, the research, innovation and production of new medicines are encouraged. For instance, the law encourages the approval of drugs with conditions, and sets up prioritized evaluation and approval channels for drugs in respect of children and rare diseases, so as to accelerate the launch of new drugs. Secondly, more efforts have been made to enhance the quality and safety systems for pharmaceutical products. Thirdly, the limitation for sales of prescription drugs online has been loosened. Fourthly, severe punishments will be imposed for illegal activities with a significant increase in the effort of enforcement of penalty for illegal acts. The system for civil compensation liabilities has also been improved, including requiring the agents of the holders of overseas drug marketing authorizations within China to assume joint liabilities with the holders. The New Drug Administration Law also specifically proposed the cancellation of the Good Manufacturing Practice (GMP) for Drugs certification and the Good Supply Practice (GSP) for Pharmaceutical Products certification, demanding the management requirements in respect of the certifications to be incorporated into the daily production and operation management of the enterprises, and to be available for inspection by the drug administrative departments at any time. The Group will continue to put great efforts in improving and enhancing the daily supervision over its production bases to ensure the quality and safety of its pharmaceutical products.

In general, the implementation of the New Drug Administration Law will encourage the Group to increase the efforts in research and development of innovative medicines (including chemical drugs, Chinese medicines and biological drugs). There will also be requirement for more professional research and development teams with more stringent, transparent, scientific management requirements on research and development. Higher standards of quality control over the research and development process will also be implemented. Accordingly, the standards for venues and equipment of research and development will be upgraded to satisfy the requirements for truthful, regulated, scientific and traceable work in relation thereto. As such, it is expected that the research and development cost for new medicines and generic drugs will increase.

### 三、新藥品管理法

新藥品管理法從2019年12月1日開始實施。新藥品管理法較之前的藥品管理法主要變化為：第一，鼓勵研究和創製新藥，例如鼓勵附條件藥品批准，或對兒童藥、罕見病藥開放優先審評審批通道等，以加快新藥上市；第二，加強完善藥品品安制度；第三，放寬網絡銷售處方藥的限制；第四，嚴懲重處違法，違法行為的懲處力度大幅提升，對民事賠償責任亦進一步完善，包括規定境外藥品上市許可持有人在中國境內的代理人與持有人承擔連帶責任。新藥品管理法還明確提出了取消藥品生產品質管制規範(GMP)認證和藥品經營品質管制規範(GSP)認證，要求將認證管理的要求納入企業日常的生產經營管理中，藥品監督管理部門隨時進行檢查。本集團將繼續致力完善提高生產基地的日常監管，確保藥品品安。

總體上，新藥品管理法實施會促進本集團更加多的選擇創新藥(包括化學藥、中藥和生物藥的)研發；要求更加專業的研發團隊，研發管理要更加嚴格、透明、科學，將以更加高的標準對研發過程實施質量監管。相應的研發場地、設備也需提升標準，滿足真實、規範、科學及可溯源的要求。預期新藥研發和仿製藥的研發成本上升。

## Management Discussion and Analysis 管理層討論及分析

### IV. Quantity Procurement Policy of the Government

On 14 November 2018, the Pilot Program for Nationally Organized Centralized Pharmaceutical Procurements (國家組織藥品集中採購試點方案) was passed and it was determined that the centralized pharmaceutical quantity procurement policy (the “**Centralized Pharmaceutical Procurement**”) will be implemented in the public medical institutions of eleven “4+7” pilot cities, namely Beijing, Tianjin, Shanghai, Chongqing, Shenyang, Dalian, Xiamen, Guangzhou, Shenzhen, Chengdu and Xi’an, by way of cross-region alliances, under which the principle of “quantity-price linked, volume-for-price” will be adopted. The office of pilot working group has been established in the National Healthcare Security Administration, and a joint procurement office has been formed to carry out the quantity procurement. In September 2019, Centralized Pharmaceutical Procurement was promoted nationwide and the joint procurement office published the Documents on Centralized Pharmaceutical Procurement in the Regions Covered by the Alliance (聯盟地區藥品集中採購文件). The alliance covers 25 provinces and regions (excluding the 4+7 cities). After the Centralized Pharmaceutical Procurement has been promoted nationwide, the Shanghai Joint Pharmaceutical Procurement Office released the Proposed Selection Results Arising from Pilot Nationwide Promotion for Nationally Organized Centralized Pharmaceuticals Procurements and Utilization (國家組織藥品集中採購和使用試點全國擴圍產生擬中選結果). Compared with the lowest procurement price in the regions covered by the alliance in 2018, the price decreased by 59% on average. In December 2019, the second batch of nationally organized Centralized Pharmaceutical Procurement was launched on a nationwide basis with 33 types of products involved. In January 2020, the proposed selection results of the second batch of national centralized procurements were released. Compared with the lowest procurement price in the alliance in 2018, the price of the proposed products selected decreased by 53% on average with a highest decrease of 93%. All of the drugs selected for nationally organized centralized procurement were generic drugs/non-exclusive products, and were mainly Western medicines.

### 四、國家帶量採購政策

2018年11月14日，《國家組織藥品集中採購試點方案》通過，確定於北京、天津、上海、重慶、瀋陽、大連、廈門、廣州、深圳、成都、西安11個「4+7」試點城市推行為該等城市之公立醫療機構進行通過跨區域聯盟的藥品集中帶量採購政策（「**藥品集採**」），實行「量價掛鉤、以量換價」。試點工作小組辦公室設在國家醫保局，成立聯採辦開展帶量採購。2019年9月，藥品集採向全國擴面，聯採辦發佈《聯盟地區藥品集中採購文件》，聯盟地區包含25個省區（4+7城市除外）。藥品集採向全國擴面後，上海市藥品聯合採購辦公室公佈了《國家組織藥品集中採購和使用試點全國擴圍產生擬中選結果》：與聯盟地區2018年最低採購價相比，平均降幅59%。2019年12月，第二批國家組織藥品集中採購啟動，範圍為全國，採購品種33個。2020年1月，第二批國家集中採購擬中標結果公佈，擬中標價格與聯盟地區2018年最低採購價相比平均降幅53%，最高降幅達到93%。國家集中採購中標藥品均為仿製藥／非獨家，並多為西藥。

The main products currently sold by the Group do not fall within the scope of the Centralized Pharmaceutical Procurement. Moreover, the targeted products of the government's quantity procurement in the next three years will mainly be generic drugs with at least over three suppliers passing the consistency evaluation. Furthermore, taking into account the rich product portfolio, the fact that "Uremic Clearance Granules", the product accounting for the largest proportion of the portfolio, is an irreplaceable exclusive Chinese medicine and the unique status of our various products in the market, it is expected that the effect of the Centralized Pharmaceutical Procurement on the Group's operation, profitability or market competition faced will be minimal.

### EVENTS AFTER THE REPORTING PERIOD

During the period from 10 January 2020 to 21 February 2020, the Company repurchased 17,782,000 shares of its own ordinary shares through the Stock Exchange at a total consideration of approximately HKD71,419,000 (approximately RMB63,828,000). The shares repurchased by the Company will be cancelled in due course.

The COVID-19 outbreak since early 2020 has brought about additional uncertainties in the Group's operating environment and has temporarily delayed resumption of factory production after the Chinese New Year holiday according to the regulations of the local government for around two weeks.

The Group has been closely monitoring the impact on the Group's business development and has put in place contingency measures. These contingency measures include: increasing our options for logistics transportations; assessing our suppliers' readiness and liaising with higher-risk suppliers; negotiating with customers on delivery timetable. The Group will keep our contingency measures under review as the situation evolves.

As far as the Group's businesses are concerned, the pandemic brought negative impact to the Group's operations in a short-term within a controllable range. These estimated impacts have not been reflected in the financial information as of 31 December 2019. The actual impacts may differ from these estimates as situation continues to evolve and further information may become available.

Save as disclosed above and in other parts of this report, as at the date of this report, the Group has no significant events after the reporting period required to be disclosed.

本集團目前銷售的主要產品，不在藥品集採範疇之列。再者，未來3年國家針對的帶量採購目標主要為通過一致性評價並至少有三家以上供應商的仿製藥。加上，考慮到豐富的產品組合、佔比最大的尿毒清顆粒屬於中成藥獨家品種的不可替代性及各產品佔據市場的獨特性，預期藥品集採對本集團的營運、盈利或面對的市場競爭影響輕微。

### 報告期後事項

於2020年1月10日至2020年2月21日期間，本公司透過聯交所總代價約71,419,000港元（約人民幣63,828,000元）購回其自身普通股中的17,782,000股股份。該等本公司購回的股份將於適時被註銷。

自2020年初起爆發的冠狀病毒為本集團經營環境帶來額外不明朗因素，並根據當地政府的規定而短暫延遲了工廠在春節假期後恢復生產大約兩周。

本集團一直密切監察其對本集團業務發展的影響，並已施行應急措施。該等應急措施包括：在物流運輸方面提供更多選擇；評估供應商是否準備就緒並與帶有較高風險的供應商聯絡；與客戶磋商交付時間表。本集團將會因應情況變動持續檢討我們的應急措施。

就本集團業務而言，疫情已對本集團的營運帶來短期及於可控範圍內的負面影響。此估計並無在截至2019年12月31日的財務資料中反映。由於情況持續發展及可能獲得進一步資料，故實際影響可能有別於此估計。

除上文及本報告其他部分所披露者外，於本報告日期，本集團並無任何需要披露的重大報告期後事項。

## Directors and Senior Management Profile 董事及高級管理人員履歷

### DIRECTORS

The Board is fully responsible for management and operations. The following table sets forth information regarding our Directors as at the reporting date.

### 董事

董事會全權負責管理及經營業務。下表列載董事於報告日期的資料：

Name 姓名	Appointment Date 委任日期	Age 年齡
<b>Executive Director</b>		
<b>執行董事</b>		
Mr. AN Yubao ( <i>Chairman</i> ) 安郁寶先生 (主席)	24 January 2011 2011年1月24日	77
Ms. LI Qian ( <i>Vice Chairlady, Chief Executive Officer</i> ) 黎倩女士 (副主席、總裁)	24 December 2012 2012年12月24日	55
Professor ZHU Quan 朱荃教授	24 December 2012 2012年12月24日	80
Mr. TANG Ning 唐寧先生	1 June 2018 2018年6月1日	54
<b>Independent Non-executive Director</b>		
<b>獨立非執行董事</b>		
Mr. SU Yuanfu 蘇元福先生	2 December 2013 2013年12月2日	74
Mr. FENG Zhongshi 馮仲實先生	2 December 2013 2013年12月2日	61
Ms. CHEN Yujun 陳玉君女士	31 May 2019 2019年5月31日	40

## Directors and Senior Management Profile 董事及高級管理人員履歷

### CHAIRMAN AND EXECUTIVE DIRECTOR

**Mr. AN Yubao** (安郁寶), aged 77, is our chairman and an executive Director and a Controlling Shareholder. He was appointed as our Director with effect from 24 January 2011. He is also a director of Guangzhou Consun Pharmaceutical Company Limited (“**GZ Consun**”), Consun Pharmaceutical (Inner Mongolia) Co., Ltd. (“**Inner Mongolia Consun**”) and Yulin Pharmaceutical, and a director and the legal representative of Guangzhou Consun Pharmaceutical Research Company Limited (“**Consun Research**”). Mr. AN is primarily responsible for the management and operation of the Board and monitoring the execution of the Board’s resolutions, and reviewing and deciding the significant directions and strategies for the Group’s development.

Mr. AN has nearly 20 years of experience in medical education and over 20 years of experience in the business of the pharmaceutical industry. He has served various key positions, including executive director of GZ Consun since its establishment. Mr. AN served as the vice chairman of 廣東南方李錦記商貿信息中心(Guangdong Southern Lee KumKee Commercial Information Centre) from November 1995 to February 1999. From July 1996 to December 1998, Mr. AN started his career in the pharmaceutical industry by serving as the chairman and legal representative of 廣東南方李錦記營養保健品有限公司(Guangdong Southern Lee KumKee Nutrition Health Products Co., Ltd.) and representing 中國人民解放軍第一軍醫大學(the First Military Medical University of the People’s Liberation Army of the PRC) as one of its shareholders. Mr. AN served as the minister and vice president respectively of 南方醫科大學(原中國人民解放軍第一軍醫大學) (Southern Medical University) (formerly known as the First Military Medical University of the People’s Liberation Army of the PRC)) from November 1991 to August 2001 and served as the vice president of 中國人民解放軍濟南軍區總醫院(Jinan Military General Hospital of the People’s Liberation Army of the PRC) from 1987 to 1988. Between 1981 and 1987, Mr. AN worked at various units of the PRC People’s Liberation Army and was mainly responsible for hygiene and hospital management.

### 主席及執行董事

安郁寶先生，77歲，是我們的主席兼執行董事及控股股東。彼自2011年1月24日起獲委任為本公司的董事。彼亦為廣州康臣藥業有限公司（「廣州康臣」）、康臣藥業（內蒙古）有限責任公司（「內蒙古康臣」）及玉林製藥的董事，以及廣州康臣藥物研究有限公司（「康臣研究」）的董事兼法人代表。安先生主要負責董事會管理運作及董事會決議的執行督辦，以及本集團發展重大方針和策略的審議決策。

安先生在醫學教育方面累積近20年的經驗，於醫藥行業擁有逾20年經驗。彼曾出任多個重要職位，包括自廣州康臣創立以來出任其執行董事。安先生自1995年11月至1999年2月期間出任廣東南方李錦記商貿資訊中心的副主席。自1996年7月起至1998年12月期間，安先生開始從事醫藥行業，分別出任廣東南方李錦記營養保健品有限公司的主席兼法人代表及代表中國人民解放軍第一軍醫大學擔任其中一名股東。安先生自1991年11月至2001年8月期間任職南方醫科大學（原中國人民解放軍第一軍醫大學）的部長和副校長，以及自1987年至1988年擔任中國人民解放軍濟南軍區總醫院的副院長。1981年至1987年期間，安先生曾任職於中國人民解放軍的多個單位，主要負責衛生及醫院管理。



## Directors and Senior Management Profile 董事及高級管理人員履歷

Mr. AN graduated from 中國人民解放軍後勤學院(the Logistics Engineering College of the People's Liberation Army of the PRC) in 1981 and majored in rear commanding. Mr. AN also obtained a master's degree in business administration from Asia International Open University (Macau) (now known as City University of Macau) in November 2007.

### VICE CHAIRLADY AND EXECUTIVE DIRECTOR

**Ms. LI Qian** (黎倩), aged 55, is our vice chairlady, an executive Director and chief executive officer. She was appointed as our Director with effect from 24 December 2012. She is also the chairman of GZ Consun, and a director of Inner Mongolia Consun and Yulin Pharmaceutical. Ms. LI is primarily responsible for formulating the Group's strategies and their executions, managing the Group's overall operations, and directing the daily operations in all aspects.

Ms. LI has over 30 years of experience in the business of pharmaceutical industry. Prior to joining our Group, Ms. LI worked at Southern Medical University from October 1989 to April 1998. Ms. LI joined our Group in 1997 when Consun Pharmaceutical was newly set-up, as the associate director of general manager's office, human resources manager, deputy executive general manager and deputy sales general manager of GZ Consun. Ms. LI has also served as a director and the general manager (which was redesignated as president in May 2008) of GZ Consun since November 1999.

安先生於1981年在中國人民解放軍後勤學院畢業，主修後方指揮學。安先生亦於2007年11月取得亞洲（澳門）國際公開大學（現稱澳門城市大學）的工商管理碩士學位。

### 副主席兼執行董事

**黎倩女士**，55歲，是我們的副主席、執行董事及總裁。彼自2012年12月24日起獲委任為董事。彼亦為廣州康臣的董事長，內蒙古康臣和玉林製藥董事。黎女士主要負責本集團戰略的制定實施和本集團整體運作管理，全面主持各項日常營運工作。

黎女士從事醫藥行業逾30年，於加入本集團前，曾於1989年10月至1998年4月期間在南方醫科大學工作；於1997年康臣藥業成立之初加入本集團，歷任廣州康臣總經理辦公室副主任兼人力資源部經理、行政副總經理及營銷副總經理等職位，於1999年11月起任廣州康臣的董事、總經理（於2008年5月調任為總裁）。

## Directors and Senior Management Profile 董事及高級管理人員履歷

Ms. LI obtained a master's degree in business administration at Asia International Open University (Macau) in November 2007. She has obtained 3 invention patents and published research papers on the "Chinese journal of Clinical Medicine" (《中國臨床醫學雜誌》). Ms. LI was awarded as Excellent Private Entrepreneur (優秀民營企業家) by Tongliao City People's Government of the Inner Mongolia Autonomous Region in July 2008, and a Model Worker (勞動模範) by Inner Mongolia People's Government in April 2010. In December 2010, she obtained the Third Prize for Technological Progress in the Inner Mongolia Autonomous Region (內蒙古自治區科技進步三等獎). In December 2011, she was recognised as Famous Entrepreneur in Pharmaceutical Industry of Guangdong Province (廣東省醫藥行業著名企業家) by Guangdong Province Pharmaceutical Industry Association (廣東省醫藥行業協會). In April 2014, she was elected as Chinese Pharmaceutical Brand Woman (中國(醫藥行業)品牌女性). In February 2017, she was accredited as Excellent Entrepreneur in Pharmaceutical Industry of Guangdong Province (廣東省醫藥行業優秀企業家), in December 2017 was awarded the "Best Business Leader Award" by "China Finance" and in 2019 was honoured as one of the "China Economic Top 10 Commercial Mulan (中國經濟十大商業木蘭)" in the "2019 China Economic Person of the Year (中國經濟年度人物)".

Ms. LI is a local registered pharmacist of Guangdong province (廣東省駐店藥師) recognised by Guangdong Food and Drug Administration (廣東省食品藥品監督管理局). Since March 2012, she has been appointed as a member of the First Expert Committee for Kidney Disease and Blood Purify of China Medical Women's Association (第一屆中國女醫師協會腎臟病及血液淨化專家委員會). In October 2014, she was elected as the deputy councillor of Expert Committee for Professional Committee of Chinese Medicine Product Development and Incubation of China Association of Traditional Chinese Medicine (中國中藥協會中藥產品開發與培育專業委員會). In August 2016, she was elected as the deputy councillor of the First Expert Committee for Chinese Medicine Development and Research for Kidney Disease of China Association of Traditional Chinese Medicine (中國中藥協會第一屆腎病中藥發展研究專業委員會), and a member of the Pharmacoeconomics Expert Committee (藥物經濟學專業委員會), and in July 2017 was elected as a member of the Standing Committee of the Encephalopathy Medicine Research Professional Committee of China Association of Traditional Chinese Medicine.

黎女士於2007年11月獲授亞洲(澳門)國際公開大學工商管理碩士學位,先後獲得3項發明專利,並曾在《中國臨床醫學雜誌》發表學術論文。黎女士於2008年7月被內蒙古自治區通遼市人民政府授予「優秀民營企業家」稱號,2010年4月被內蒙古自治區人民政府授予「勞動模範」稱號,2010年12月獲得內蒙古自治區科技進步三等獎,2011年12月被廣東省醫藥行業協會評為「廣東省醫藥行業著名企業家」,2014年4月榮膺「中國(醫藥行業)品牌女性」,2017年2月獲評「廣東省醫藥行業優秀企業家」,2017年12月榮獲《中國金融》「最佳企業領袖獎」,及於2019年「中國經濟年度人物」評選中,榮膺「中國經濟十大商業木蘭」。

黎女士是廣東省食品藥品監督管理局認可的廣東省駐店藥師,自2012年3月獲委任為第一屆中國女醫師協會腎臟病及血液淨化專家委員,於2014年10月當選為中國中藥協會中藥產品開發與培育專業委員會副主任委員,於2016年8月當選為中國中藥協會第一屆腎病中藥發展研究專業委員會副主任委員、藥物經濟學專業委員會委員及於2017年7月當選為中國中藥協會腦病藥物研究專業委員會常委。

## Directors and Senior Management Profile 董事及高級管理人員履歷

### EXECUTIVE DIRECTORS

**Professor ZHU Quan** (朱荃), aged 80, is our executive Director. He was appointed as our Director with effect from 24 December 2012. Professor ZHU is also a director and the chief scientist of GZ Consun. Professor ZHU joined our Group in August 2006 as the chief scientist of GZ Consun. Professor ZHU is primarily responsible for the product research and development of our Group.

Professor ZHU has over 50 years of experience in teaching and research at medical school and in the business of pharmaceutical industry. He served various positions, such as a deputy director of medicine department, a director of 國家規範化中藥藥理實驗室(National Standardization Laboratory for Chinese Herbal Pharmacology), a Ph.D. candidate supervisor at 南京中醫藥大學(Nanjing University of Chinese Medicine) between October 1981 and November 2005 and served as professor and Ph.D. candidate supervisor at 澳門科技大學(Macau University of Science and Technology) during the period from 2003 to 2019. Professor ZHU also served as an expert for 國家教育部科學技術委員會(Science & Technology Commission of Ministry of Education), an assessment expert for 國家自然科學基金生命科學部(Department of Life Science of National Natural Science Foundation), a drug evaluation expert in Jiangsu Province and in the PRC and a State Council Special Allowance Expert.

Professor ZHU graduated from 中醫科學院(China Academy of Traditional Chinese Medicine) (now known as 中國中醫科學院(China Academy of Chinese Medical Sciences)) in November 1981 with a master's degree in pharmacology of traditional Chinese medicine.

### 執行董事

朱荃教授，80歲，是我們的執行董事。彼自2012年12月24日起獲委任為本公司的董事。朱教授亦為廣州康臣的董事兼首席科學家。朱教授於2006年8月加入本集團，出任廣州康臣的首席科學家。朱教授主要負責本集團的產品研發。

朱教授在醫學院教學及研究及於醫藥行業合共擁有逾50年經驗。彼曾擔任不同職位，包括於1981年10月至2005年11月期間在南京中醫藥大學擔任醫學部副主任以及國家規範化中藥藥理實驗室主任及博士生的導師，以及於2003年至2019年期間擔任澳門科技大學的教授和博士生導師。朱教授亦曾經出任國家教育部科學技術委員會的專家、國家自然科學基金生命科學部的評審專家，江蘇省及中國的藥物評審專家，以及國務院特殊津貼專家。

朱教授於1981年11月畢業於中醫科學院（現稱中國中醫科學院），獲授傳統中藥藥理學碩士學位。

## Directors and Senior Management Profile 董事及高級管理人員履歷

**Mr. TANG Ning** (唐寧), aged 54, is our executive Director. He was appointed as our Director with effect from 1 June 2018. He is also a director GZ Consun. Mr. TANG joined our Group in July 1998 as a business manager. Between July 1998 and June 2011, Mr. TANG served various positions at GZ Consun, such as business manager, regional marketing manager, marketing director, and president assistant. Prior to joining our Group, Mr. TANG worked at 慈利縣百紡總公司(Cili County Baifang General Company) between October 1987 and June 1998. Mr. TANG graduated from 湖南商學院(Hunan University of Commerce) in June 1986 majoring in marketing.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. SU Yuanfu** (蘇元福), aged 74, is our independent non-executive Director. He joined our Group on 2 December 2013 when he was appointed as an independent non-executive Director.

Mr. SU graduated from 中國人民解放軍第四軍醫大學(the Fourth Military Medical University of the People's Liberation Army of the PRC) in December 1969 and obtained a master's degree in radiopathology at the same university in December 1982. Mr. SU served various positions at the People's Liberation Army of the PRC. From January 1970 to August 1979, he served as a doctor at 西藏軍區總醫院(General Hospital of Tibet Military Region). Between January 1984 and November 1995, Mr. SU served as the director of science and research office, the dean of academic affairs, the deputy superintendent and superintendent of the first affiliated hospital respectively at the Fourth Military Medical University of the People's Liberation Army of the PRC. From November 1995 to June 1998, he served as the director general of 總後勤部衛生部科訓局(Technology Training Bureau of the Department of Health of the General Logistics Department). Between June 1998 and June 2004, Mr. SU served as the director of the department of medical administration and the deputy superintendent respectively at 解放軍總醫院(the General Hospital of the People's Liberation Army). Mr. SU has been a standing director of 中國醫院協會(Chinese Hospital Association) during the period from 2004 to 2019.

唐寧先生，54歲，是我們的執行董事。彼自2018年6月1日起獲委任為本公司的董事。彼亦是廣州康臣的董事。唐先生於1998年7月加入本集團出任業務經理。1998年7月至2011年6月，唐先生於廣州康臣擔任多個職位，包括業務經理、區域市場推廣經理、市場推廣總監及總裁助理。加入本集團前，唐先生曾於1987年10月至1998年6月期間在慈利縣百紡總公司工作。唐先生於1986年6月畢業於湖南商學院，主修市場推廣。

### 獨立非執行董事

蘇元福先生，74歲，是我們的獨立非執行董事。彼於2013年12月2日加入本集團，當時獲委任為獨立非執行董事。

蘇先生於1969年12月畢業於中國人民解放軍第四軍醫大學，並於1982年12月在同一所大學取得放射病理學碩士學位。蘇先生曾擔任中國人民解放軍的多個職位。1970年1月至1979年8月，彼於西藏軍區總醫院擔任醫生。於1984年1月至1995年11月期間，蘇先生於中國人民解放軍第四軍醫大學分別擔任科研辦事處處長、教務長及第一附屬醫院的副院長和院長。1995年11月至1998年6月，彼出任總後勤部衛生部科訓局的局長。於1998年6月至2004年6月期間，蘇先生於解放軍總醫院分別擔任醫務部主任及副院長。蘇先生自2004年至2019年期間擔任中國醫院協會的常務理事。

## Directors and Senior Management Profile 董事及高級管理人員履歷

**Mr. FENG Zhongshi** (馮仲實), aged 61, is our independent non-executive Director. He joined our Group on 2 December 2013 when he was appointed as an independent non-executive Director.

Mr. FENG is a lawyer qualified in the PRC. He is currently a partner of 北京市高界律師事務所(Beijing GaoJie Law Firm). He graduated from 中國政法大學(China University of Political Science and Law) in July 1986 with a bachelor's degree in law. From July 1986 to January 1993, Mr. FENG worked at 內蒙古自治區司法廳(the Department of Justice of Inner Mongolia Autonomous Region). He served as a lawyer at 內蒙古經濟律師事務所(Inner Mongolia Jingji Law Office) (now known as 經世律師事務所(Jingshi Law Office)) from 1993 to 1995. Between 1996 and 2002, Mr. FENG served as a partner at 內蒙古慧聰律師事務所(Inner Mongolia Huicong Law Office). From 1996 to 2003, he also served as the head of legal department of 北京慧聰國際資訊有限公司(Beijing Hui Cong International Information Co., Ltd.). Between 2002 and 2009, Mr. FENG served as a lawyer of 北京市中瑞律師事務所(Beijing ZhongRui Law Firm). Between June 2011 and January 2013, he served as a partner of 北京市金勵律師事務所(Beijing Jin Li Law Firm).

**Ms. CHEN Yujun** (陳玉君), aged 40, is our independent non-executive Director. She was appointed as our independent non-executive Director with effect from 31 May 2019.

Ms. Chen has over 14 years of experience in auditing, accounting and corporate finance. She has been a member of the Chinese Institute of Certified Public Accountants since 2010 and obtained a bachelor's degree in arts and a bachelor's degree in management from Guangdong University of Foreign Studies (廣東外語外貿大學) in 2005. Ms. Chen has been the vice general manager of financial management center of Guangzhou Fineland Real Estate Development Co., Ltd. (廣州市方圓房地產發展有限公司) since February 2018. Prior to that, she worked with Shanghai Eyugame Network Technology Co., Ltd. (上海易娛網絡科技有限公司) as the chief financial officer from March 2016 to February 2018; worked with the Group as the chief financial officer from April 2014 to March 2016 and as deputy chief financial officer from May 2013 to March 2014; worked with KPMG in the audit department from July 2005 to May 2012 at various posts.

馮仲實先生，61歲，是我們的獨立非執行董事。彼於2013年12月2日加入本集團，當時獲委任為獨立非執行董事。

馮先生為中國合資格律師。彼現時為北京市高界律師事務所的合夥人。彼於1986年7月畢業於中國政法大學，獲授法學學士學位。1986年7月至1993年1月，馮先生於內蒙古自治區司法廳工作。彼於1993年至1995年擔任內蒙古經濟律師事務所(現稱經世律師事務所)的律師。1996年至2002年，馮先生為內蒙古慧聰律師事務所的合夥人。1996年至2003年，彼亦任北京慧聰國際資訊有限公司的法律部主管。於2002年至2009年，馮先生擔任北京市中瑞律師事務所的律師。於2011年6月至2013年1月期間，彼為北京市金勵律師事務所的合夥人。

陳玉君女士，40歲，是我們的獨立非執行董事。彼自2019年5月31日起獲委任為本公司的獨立非執行董事。

陳女士於審計、會計及企業融資方面累積逾14年經驗。彼自2010年起為中國註冊會計師協會會員，於2005年畢業於廣東外語外貿大學，獲得文學學士學位及管理學學士學位。陳女士自2018年2月起擔任廣州市方圓房地產發展有限公司財務管理中心副總經理。在此之前，彼於2016年3月至2018年2月擔任上海易娛網絡科技有限公司首席財務官；於2014年4月至2016年3月擔任本集團首席財務官及於2013年5月至2014年3月擔任副首席財務官；以及於2005年7月至2012年5月於畢馬威會計師事務所審計部擔任多個職位。

## Directors and Senior Management Profile 董事及高級管理人員履歷

Save as disclosed above, each of our Directors has not been a director of any other publicly listed company during the past three years.

### SENIOR MANAGEMENT

**Mr. ZHOU Shangwen** (周尚文), aged 50, is a vice president of GZ Consun. Mr. ZHOU joined our Group in April 2004 as a marketing manager for Guangdong province. Between April 2004 and June 2013, Mr. ZHOU served various positions at GZ Consun, such as regional marketing manager, marketing director for our kidney drugs and president assistant. He has been the vice president of GZ Consun since July 2013. Prior to joining our Group, Mr. ZHOU worked at 廣州市腦科醫院(Guangzhou Brain Hospital) between July 1995 and March 1997. Between August 1997 and April 2004, Mr. ZHOU successively worked at 施維雅(天津)製藥有限公司(Servier (Tianjin) Pharmaceutical Co., Ltd.). Mr. ZHOU graduated from 北京醫科大學(Beijing Medical University) (now known as 北京大學醫學部(Peking University Health Science Centre)) in July 1995 with a bachelor's degree in mental health.

**Ms. FANG Lanfen** (方蘭芬), aged 57, is a vice president of GZ Consun. Ms. FANG joined our Group in July 1999 as a business manager. Between July 1999 to July 2013, Ms. FANG served various positions at GZ Consun, such as business manager, regional marketing manager and marketing director. She has been the vice president of GZ Consun since July 2013. Prior to joining our Group, Ms. FANG worked at 固鎮縣醫院(Guzhen County Hospital) between July 1985 and September 1989, and at 安徽省水利廳醫院(Water Resource Department of Anhui Province Hospital) between September 1989 and July 1999. Ms. FANG graduated from 蚌埠醫學院(Bengbu Medical College) with a bachelor's degree in medical in July 1985.

**Mr. FANG Peicheng** (方培城), aged 41, is the Group's chief executive officer assistant and chief financial officer, who also oversees the work of the investment management center. Mr. FANG joined our Group in August 2010 as an audit manager. He has been the audit and legal director since January 2013 and the chief executive officer assistant since January 2015, and was appointed as the Group's chief financial officer in March 2020. Prior to joining our Group, Mr. FANG worked as audit supervisor at 西隴化工股份有限公司(Xilong Chemical Company Limited) between May 2008 and July 2010.

除以上披露外，董事在過去三年並無在任何其他公眾上市公司擔任董事職務。

### 高級管理層人員

**周尚文先生**，50歲，是廣州康臣的副總裁。周先生於2004年4月加入本集團出任廣東省市場推廣經理。2004年4月至2013年6月，周先生於廣州康臣擔任多個職位，包括腎藥的區域市場推廣經理及市場推廣總監和總裁助理。彼自2013年7月起為廣州康臣的副總裁。加入本集團前，周先生曾於1995年7月至1997年3月期間在廣州市腦科醫院工作。1997年8月至2004年4月，周先生於施維雅(天津)製藥有限公司工作。周先生於1995年7月畢業於北京醫科大學(現稱北京大學醫學部)，獲授心理健康學士學位。

**方蘭芬女士**，57歲，是廣州康臣的副總裁。方女士於1999年7月加入本集團出任業務經理。1999年7月至2013年7月，方女士於廣州康臣擔任多個職位，例如業務經理、區域市場推廣經理及市場推廣總監。彼自2013年7月起為廣州康臣的副總裁。方女士於加入本集團前，曾於1985年7月至1989年9月期間在固鎮縣醫院工作，1989年9月至1999年7月在安徽省水利廳醫院工作。方女士於1985年7月畢業於蚌埠醫學院，獲授醫療系學士學位。

**方培城先生**，41歲，是本集團的總裁助理兼財務總監，同時分管投資管理中心工作。方先生於2010年8月加入本集團，出任審計經理。彼自2013年1月起出任審計法務總監及自2015年1月起為總裁助理，並於2020年3月獲委任為集團財務總監。方先生於加入本集團前，於2008年5月至2010年7月期間擔任西隴化工股份有限公司審計主管。

## Directors and Senior Management Profile 董事及高級管理人員履歷

Mr. FANG graduated from 南華工商學院(Nan Hua College of Industry and Commerce) major in computer accounting in July 2002, and graduated from 中國石油大學(華東)會計學專業(China University of Petroleum (Eastern China) Accounting Profession) with a bachelor's degree in management in July 2008. Mr. FANG has the Audit Professional Qualification (Intermediate) granted by 中華人民共和國人力資源和社會保障部(Ministry of Human Resources and Social Securities of the People's Republic of China). He is also a member of The Institute of Internal Auditors.

**Mr. GAO Haien** (高海恩), aged 51, is our Board secretary and the board secretary of GZ Consun. Mr. GAO joined our Group in August 2007 as the board secretary of GZ Consun. Mr. GAO has been the manager and legal representative of Guangzhou Consun Pharmaceutical and Inner Mongolia Consun since March 2013, the manager and legal representative of Guangxi Yulin Pharmaceutical Group and Guangzhou Consun Pharmaceutical since August 2015, and a director of Yulin Pharmaceutical and Inner Mongolia Consun since August 2018. Mr. GAO also acted as a joint company secretary of the Company from 15 April 2014 to 31 May 2017. Prior to joining our Group, Mr. GAO successively served as a general manager of the accessories store and the assistant to headquarters general manager of 深圳市新亞工具連鎖店有限公司(Shenzhen Sunyes Tools Co. Ltd.) from January 2006 to August 2007. Between July 1995 and January 2006, Mr. GAO successively served as a senior engineer of 萬威電子文儀廠(IDT Data System Factory) and a technology manager of 深圳市奧美迪數碼科技有限公司(Shenzhen Aomeidi Digital Technology Co. Ltd.).

Mr. GAO graduated from 中國礦業大學(China University of Mining and Technology) in July 1992 with a bachelor's degree in engineering and subsequently obtained a bachelor's degree in economics at the same university in January 1994. He obtained a master's degree in business administration at 中南財經政法大學(Zhongnan University of Economics and Law) in June 2012. Mr. GAO holds 證券業專業水平級別證書(二級) (Professional Certificate in Securities (Band II)) granted by 中國證券業協會(Securities Association of China) and 董事會秘書資格證書(Board Secretary Certificate) granted by the Shenzhen Stock Exchange.

方先生於2002年7月畢業於南華工商學院，主修會計電算化專業，於2008年7月畢業於中國石油大學(華東)會計學專業，獲授管理學學士學位。方先生持有由中華人民共和國人力資源和社會保障部頒授的審計專業資格證書(中級)。彼亦為國際內部審計師協會會員。

**高海恩先生**，51歲，是本公司的董事會秘書及廣州康臣的董事會秘書。高先生於2007年8月加入本集團出任廣州康臣的董事會秘書。自2013年3月起，高先生擔任廣州康臣藥業、內蒙古康臣的經理、法人代表，自2015年8月擔任廣西玉林製藥集團、廣州康臣醫藥的經理、法人代表，及自2018年8月起為玉林製藥和內蒙古康臣的董事。於2014年4月15日至2017年5月31日期間，高先生亦曾擔任本公司的聯席公司秘書。加入本集團前，高先生於2006年1月至2007年8月先後擔任深圳市新亞工具連鎖店有限公司的配件店總經理及總部總經理助理。於1995年7月至2006年1月期間，高先生先後擔任萬威電子文儀廠的高級工程師及深圳市奧美迪數碼科技有限公司的技術經理。

高先生於1992年7月畢業於中國礦業大學，獲授工程學學士學位，後來彼於1994年1月在同一所大學取得經濟學學士學位。彼於2012年6月取得中南財經政法大學的工商管理碩士學位。高先生持有由中國證券業協會頒授的證券業專業水平級別證書(二級)及由深圳證券交易所頒授的董事會秘書資格證書。

## Directors and Senior Management Profile 董事及高級管理人員履歷

### COMPANY SECRETARY

**Mr. YAU Chi Ming** (丘志明), aged 53, has been our company secretary since he joined our Group in March 2013. Mr. YAU is responsible for our company secretarial matters and he has over 20 years of experience in finance and accounting. Mr. YAU is a certified public accountant and is a fellow of the Hong Kong Institute of Certified Public Accountants. He is also acting as an independent non-executive director of Cosmo Lady (China) Holdings Company Limited (stock code: 2298). In the past, he also acted as an independent non-executive director of other listed companies, including Common Splendor International Health Industry Group Limited (stock code: 286) (from February 2013 to June 2017), Chinese Energy Holdings Limited (stock code: 8009) (from August 2016 to January 2018) and Hosa International Limited (stock code: 2200) (from April 2018 to July 2018). Prior to joining our Group, he worked at an international audit firm from August 1992 to November 1994 and from May 1995 to October 2012, during which he was promoted to partner in July 2007. Mr. YAU graduated from The University of Hong Kong in December 1992 with a bachelor's degree in social sciences.

### 公司秘書

丘志明先生，53歲，自2013年3月加入本集團以來為我們的公司秘書。丘先生負責本公司秘書事宜，彼於財務及會計方面擁有逾20年經驗。丘先生是執業會計師，為香港會計師公會資深會員。彼亦正在擔任都市麗人(中國)控股有限公司(股份代號：2298)之獨立非執行董事。於過去，彼亦曾擔其他上市公司的獨立非執行董事，包括同佳國際健康產業集團有限公司(股份代號：286)(2013年2月至2017年6月)、華夏能源控股有限公司(股份代號：8009)(2016年8月至2018年1月)以及浩沙國際有限公司(股份代號：2200)(2018年4月至2018年7月)。加入本集團前，彼自1992年8月至1994年11月以及自1995年5月至2012年10月於一家國際審計事務所任職，其中彼於2007年7月晉升為合夥人。丘先生於1992年12月畢業於香港大學，獲授社會科學學士學位。



# Corporate Governance Report

## 企業管治報告

### CORPORATE GOVERNANCE

Adapting and adhering to recognised standards of corporate governance principles and practices has always been one of the top priorities of the Company. The Board believes that good corporate governance is one of the areas that lead to the success of the Company and in balancing the interests of shareholders, customers and employees, and the Board is devoted to ongoing enhancements of the efficiency and effectiveness of such principles and practices.

The Company has adopted and complied with the code provisions (the “**Code Provisions**”) set out in Appendix 14 “Corporate Governance Code and Corporate Governance Report” to the Listing Rules during the year ended 31 December 2019.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules. The Company confirms that, having made specific enquiry of all Directors, all the Directors have complied with the required standards of dealing as set out in the Model Code during the year ended 31 December 2019.

### THE BOARD OF DIRECTORS

#### Composition

As at the date of this report, the Board currently comprises 7 Directors, of which four are executive Directors and three are independent non-executive Directors. The composition of the Board during 2019 and up to the date of this report is as follows:

#### Executive Directors

Mr. AN Yubao (*Chairman*)  
Ms. LI Qian (*Vice Chairlady, Chief Executive Officer*)  
Professor ZHU Quan  
Mr. TANG Ning

### 企業管治

配合及遵守企業管治原則及常規之公認標準一直為本公司最優先原則之一。董事會相信良好的企業管治是引領本公司走向成功及平衡股東、客戶以及僱員間之利益之因素之一，而董事會致力於持續改善該等原則及常規之效率及有效性。

於截至2019年12月31日止年度，本公司已採納並遵守載列於上市規則附錄14《企業管治守則》及《企業管治報告》中的守則條文（「守則條文」）。

### 董事進行證券交易之標準守則

本公司已採納上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「標準守則」）。經向所有董事作出具體查詢後，本公司確認於截至2019年12月31日止年度所有董事均已遵守標準守則所載有關買賣之規定標準。

### 董事會成員

#### 組成

於本報告日期，董事會現時由7名董事組成，其中四人為執行董事及三人為獨立非執行董事。於2019年度直至本報告日期的董事會成員組成如下：

#### 執行董事

安郁寶先生 (*主席*)  
黎倩女士 (*副主席、總裁*)  
朱荃教授  
唐寧先生

### Independent non-executive Directors

Mr. SU Yuanfu  
Mr. FENG Zhongshi  
Ms. CHEN Yujun (appointed on 31 May 2019)

Biographical details of current Directors are set out in the section headed “Directors and Senior Management Profile” on pages 30 to 39.

Mr. AN Yubao, Ms. LI Qian and Mr. YOUNG Wai Po, Peter (each of them a substantial shareholder of the Company and collectively are controlling shareholders of the Company) entered into an acting in concert agreement which was terminated by a deed of termination on 16 December 2016. As at the date of this report, Mr. An, Ms. Li and Mr. Young were still being considered as acting in concert under the Takeovers Code as they had not made a submission to obtain confirmation from the SFC that they were no longer acting in concert pursuant to note 3 to the definition of “acting in concert” of the Takeovers Code.

Save as disclosed above, each of the Directors is not connected with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company and there are no other relationship, including financial, business, family or other material/relevant relationship between the Directors.

In order to have a clear division between the management of the Board and the day-to-day management of the business operation of the Company, the role of the Chairman is separate from that of the Chief Executive Officer. The Chairman focuses on overall corporate development and strategic direction of the Group and provides leadership for the Board and oversees the efficient functioning of the Board. The Chief Executive Officer is responsible for all day-to-day corporate management matters as well as planning and developing the Group's strategy. Such division of responsibilities helps to reinforce their independence and to ensure a balance of power and authority.

### 獨立非執行董事

蘇元福先生  
馮仲實先生  
陳玉君女士(於2019年5月31日獲委任)

現任董事的履歷詳細信息載於第30至39頁的「董事及高級管理人員履歷」一節。

安郁寶先生、黎倩女士及楊惠波先生(各人均為本公司主要股東以及統稱為本公司控股股東)曾經訂立一份一致行動協議，而該協議於2016年12月16日經終止契據予以終止。於本報告日期，安先生、黎女士及楊先生於收購守則下仍然被視為一致行動人士，因為彼等並無根據收購守則中「一致行動人士」定義之註釋3提呈向證監會獲取彼等不再一致行動之確認。

除上文披露者外，每一董事與任何其他董事、本公司高級管理人員、主要股東或控股股東概無任何關連，以及董事之間並無存有任何其他關係，包括財務、業務、家屬或其他重大／相關的關係。

為把管理董事會及管理本公司日常業務運作兩者作清晰劃分，主席及行政總裁之角色已予區分。主席專注本集團之整體企業發展及發展策略，並領導董事會及監察董事會之運作效能。行政總裁則專責一切日常企業管理事務，以及計劃及發展本集團之策略。有關劃分職責有助於增強兩者之獨立性及確保在權力及授權上取得平衡。

### CONFIRMATION OF INDEPENDENCE

During the year of 2019, there were three independent non-executive Directors representing one third or more of the Board, and one of them, Ms. CHENG Xinxin and Ms. CHEN Yujun have accounting professional qualifications. Each of the independent non-executive Directors has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and thus are independent in accordance with the terms of the guidelines.

### RESPONSIBILITIES OF THE BOARD AND MANAGEMENT

The Board is primarily responsible for overseeing and managing the Company's affairs, including the responsibilities for the adoption of long-term strategies and appointing and supervising senior management to ensure that the operation of the Group is conducted in accordance with the objective of the Group. The Board is also responsible for determining the Company's corporate governance policies which include: (i) development and review of the Company's policies and practices on corporate governance; (ii) review and monitoring of the training and continuous professional development of Directors and senior management; (iii) review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (iv) review and monitoring of the code of conduct and compliance manual applicable to employees and Directors; and (v) review of the Company's disclosure in the Corporate Governance Report.

### 獨立性確認

於2019年度內，本公司有三名獨立非執行董事，為董事會人數的三分之一或以上，其中成欣欣女士及陳玉君女士具備會計專業資格。每名獨立非執行董事已依據上市規則第3.13條規定就獨立性作出年度確認。本公司認為全體獨立非執行董事均符合上市規則第3.13條所載的獨立指引，因此根據該等指引條款，彼等均為獨立人士。

### 董事會及管理層之職責

董事會主要負責監察及管理本公司事務，包括負責採納長遠策略以及委任與監督高級管理層，以確保本集團按照本身宗旨經營業務。董事會亦負責釐定本公司之企業管治政策，包括：(i)制訂及審閱本公司之企業管治政策及常規；(ii)審閱及監察董事及高級管理層之培訓及持續專業發展情況；(iii)審閱及監察本公司在遵守法律及監管規定方面的政策及常規；(iv)審閱及監察適用於僱員及董事之行為守則及合規指引；及(v)審閱本公司於企業管治報告內披露之資料。

While at all times the Board retains full responsibility for guiding and monitoring the Company in discharging its duties, certain responsibilities are delegated to various Board committees which have been established by the Board to deal with different aspects of the Company's affairs. Unless otherwise specified in their respective written terms of reference as approved by the Board, these Board committees are governed by the Company's articles of association ("**Articles of Association**") as well as the Board's policies and practices (in so far as the same are not in conflict with the provisions contained in the Articles of Association). With the new composition of members of the nomination committee, remuneration committee and audit committee, the independent non-executive Directors will be able to effectively devote their time to perform the duties required by the respective Board committees.

The Board has also delegated the responsibility of implementing its strategies and the day-to-day operation to the management of the Company under the leadership of the executive Directors. Clear guidance has been made as to the matters that should be reserved to the Board for its decision which include matters on, inter alia, capital, finance and financial reporting, internal controls, communication with shareholders, Board membership, delegation of authority and corporate governance.

The Board acknowledges its responsibility for the preparation of the financial statements which give a true and fair view of the state of affairs of the Group. The financial statements set out on pages 100 to 227 were prepared on the basis set out in note 1(b) to the financial statements. Financial results of the Group are announced in a timely manner in accordance with statutory and/or regulatory requirements. The declaration of reporting responsibility issued by the external auditor of the Company on the Company's financial statements is set out in the Independent Auditor's Report on pages 86 to 99.

儘管引領及監督本公司履行職責之責任在任何時候均由董事會全權承擔，然而若干責任已轉授至多個董事會委員會。該等委員會乃由董事會設立以處理本公司各方面之事務。除經董事會批准之各自書面職權範圍另有訂明外，該等董事會委員會乃受本公司之組織章程細則（「**組織章程細則**」）以及董事會之政策及常規（只要並無與組織章程細則所載條文有所抵觸）規管。提名委員會、薪酬委員會及審核委員會之新成員組成架構將能夠容許獨立非執行董事有效地投放時間履行各董事會委員會所規定的職務。

董事會亦已向執行董事領導下之本公司管理層轉授施行其策略及日常營運之責任。本公司已就應交由董事會決策之事宜訂立清晰指引，其中包括與資本、融資及財務報告、內部監控、股東溝通、董事會成員、轉授權力及企業管治有關之事宜。

董事會知悉其須負責編製真實而公允地反映本集團事務狀況之財務報表。載於第100至227頁之財務報表乃按財務報表附註1(b)所載基準編製。本集團之財務業績根據法定及／或監管規定適時公佈。本公司外聘核數師就本公司財務報表發出之申報責任聲明載於第86至99頁之獨立核數師報告。

# Corporate Governance Report

## 企業管治報告

### BOARD MEETINGS

The Board is scheduled to meet regularly at least four times a year (does not include obtaining Board consent through circulating written resolutions) at approximately quarterly intervals, to discuss the overall strategy as well as the operational and financial performance of the Company. Other Board meetings will be held when necessary. Such Board meetings involve the active participation, either in person or through other electronic means of communication, of a majority of Directors. During the year of 2019, the Board held 4 meetings.

### GENERAL MEETINGS

An annual general meeting was held by the Company on 31 May 2019 and an extraordinary general meeting was held by the Company on 31 May 2019. Details of Directors' attendance are as follows:

### 董事會會議

董事會每年至少召開四次定期會議（不包括透過傳閱書面決議方式取得的董事會批准），約每季度一次，藉以討論本公司的整體策略以及經營和財務表現。其他董事會會議將於需要時召開。該等董事會會議由大多數董事親身或通過其他電子通訊方式積極參與。於2019年，本公司共召開4次會議。

### 股東大會

於2019年5月31日本公司舉行了股東周年大會及於2019年5月31日本公司舉行了股東特別大會。各董事出席會議的詳情如下：

Director	董事	No. of attendance/ No. of board meetings 出席次數/ 董事會會議次數	No. of attendance/ No. of general meetings 出席次數/ 股東大會次數
<b>Executive Directors</b>		<b>執行董事</b>	
Mr. AN Yubao ( <i>Chairman</i> )	安郁寶先生(主席)	4/4	2/2
Ms. LI Qian ( <i>Vice Chairlady, Chief Executive Officer</i> )	黎倩女士(副主席、總裁)	4/4	2/2
Professor ZHU Quan	朱荃教授	4/4	2/2
Mr. TANG Ning	唐寧先生	4/4	2/2
<b>Independent Non-Executive Directors</b>		<b>獨立非執行董事</b>	
Mr. SU Yuanfu	蘇元福先生	4/4	2/2
Mr. FENG Zhongshi	馮仲實先生	4/4	2/2
Ms. CHEN Yujun (appointed on 31 May 2019)	陳玉君女士(於2019年 5月31日獲委任)	2/2	1/1
Ms. CHENG Xinxin (resigned, effective from 31 May 2019)	成欣欣女士(已辭任，於 2019年5月31日生效)	2/2	1/1

At least 14 days' notices are given to all Directors in advance for attending regular and other Board meetings. Meeting agendas and other relevant information are provided to the Directors at least 3 days before the date of the Board meetings. All Directors are consulted to include additional matters in the agenda for Board meetings and have access to the advice and services of the company secretary with a view to ensuring that Board procedures, and all applicable rules and regulations, are followed.

Both draft and final versions of the minutes are sent to all Directors for their comment and records. Minutes of Board meetings are kept by the company secretary and such minutes are open for inspection at any reasonable time on reasonable prior notice by any Director.

### CONTINUOUS PROFESSIONAL DEVELOPMENT

By providing all Directors with relevant guideline, updated materials and training regarding the relevant laws and applicable regulations, the duties and responsibilities of being a Director, and relevant disclosure requirements, the Group ensure that each Director understands and is familiar with the relevant rules and the latest development. The Group has also provided funding to each Director, to encourage Directors to participate in various continuous professional development courses, to ensure that each Director continue to possess the necessary knowledge and skills to take part in and contribute to the Board's affairs.

在董事出席定期會議和其他董事會會議之前，本公司會提前向各董事發送不少於14天的通知。會議議程和其他相關資料會在董事會會議日期最少3日之前向董事提供。所有董事均被諮詢意見，以將附加事項列入董事會會議議程內，及董事可獲得公司秘書的意見和服務，確保董事會程序及所有適用規則及規例均獲得遵守。

會議記錄的草擬本及最終版本均會寄發予所有董事，以供彼等發表意見及留作記錄。董事會會議記錄由公司秘書備存，若有任何董事發出合理事先通知，有關會議記錄可供其在任何合理的時段查閱。

### 持續專業發展

本集團透過向所有董事提供有關相關法律、適用法規、作為董事的職責和責任及相關披露要求的相關指引、更新資料及培訓，以確保每名董事均瞭解和熟悉相關規則的最新發展。本集團亦已向各董事提供經費，鼓勵董事參與持各種持續專業發展課程，以確保各董事持續具備所需之知識及技能參與董事會事務及作出貢獻。

# Corporate Governance Report

## 企業管治報告

For the year of 2019, the Directors' participation in continuous professional development training is as follows:

於2019年度，董事參與的持續專業發展培訓如下：

**Training related to corporate governance, regulatory development and other relevant professional topics**  
有關企業管治、監管發展及其他相關專業主題的培訓

Director	董事	
<b>Executive Directors</b>		
Mr. AN Yubao ( <i>Chairman</i> )	安郁寶先生 (主席)	√
Ms. LI Qian ( <i>Vice Chairlady, Chief Executive Officer</i> )	黎倩女士 (副主席、總裁)	√
Professor ZHU Quan	朱荃教授	√
Mr. TANG Ning	唐寧先生	√
<b>Independent Non-Executive Directors</b>		
Mr. SU Yuanfu	蘇元福先生	√
Mr. FENG Zhongshi	馮仲實先生	√
Ms. CHEN Yujun (appointed on 31 May 2019)	陳玉君女士 (於2019年5月31日獲委任)	√
Ms. CHENG Xinxin (Resigned, with effect from 31 May 2019)	成欣欣女士 (已辭任，於2019年5月31日生效)	√

All Directors have provided record of training attendance and the Company will continue to arrange and/or fund the training in accordance with paragraph A.6.5 of the Code Provisions.

所有董事已提供出席培訓的記錄，而本公司也將繼續依據守則條文第A.6.5段規定安排培訓及／或為培訓提供資金。

## APPOINTMENT AND RE-ELECTION

All Directors have entered into letters of appointment with the Company for a specific term of three years from the date of appointment, subject to re-election.

In accordance with the Articles of Association of the Company, at each annual general meeting one third of the Directors for the time being shall retire from office by rotation. However, if the number of Directors is not a multiple of three, then the number nearest to but not less than one third shall be the name of retiring Directors. The Directors who shall retire in each year will be those who have been longest in the office since their last re-election or appointment but as for persons who became or were last re-elected as Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot. Such retiring Directors may, being eligible, offer themselves for re-election at the annual general meeting. All Directors appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of shareholders after their appointment and be subject to re-election at such meeting and all Directors appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting and shall then be eligible for re-election.

## 委任及重選

各董事均已與本公司訂立委聘書，自委聘日期起之指定年期為三年，可重選連任。

根據本公司之組織章程細則，於每屆股東周年大會上，三分一的當時在任董事須輪值退任。然而，倘董事人數並非三之倍數，則最接近但不少於三分之一之董事須退任。各年度須退任之董事將為自最近一次獲重選連任或獲委任以來在任時間最長者，惟倘多名董事於同一日就職或於最近一次獲重選為董事，則以抽籤決定須退任之董事（除非彼等之間另有協定）。有關退任董事合資格於股東周年大會上膺選連任。所有獲董事會委任以填補臨時空缺之董事，其任期將直至獲委任後首次股東大會為止，屆時須於會上接受重選；而所有獲董事會就現有董事會新增議席委任之董事，其任期則僅至下屆股東周年大會為止，屆時將符合資格重選連任。



### BOARD COMMITTEES

#### Nomination Committee

The Company established a nomination committee (the “**Nomination Committee**”) on 2 December 2013 with written terms of reference in compliance with paragraph A.5.2 of the Code Provisions. Its terms of reference were amended on 20 March 2019 and are available on the websites of the Company and the Stock Exchange.

The primary duties of the Nomination Committee are to review the structure, size and composition and diversity of the Board on regular basis; identify individuals suitably qualified to become Board members; assess the independence of independent non-executive Directors; and make recommendations to the Board on relevant matters relating to the appointment or re-election of Directors. When identifying suitable candidates for directorship, the Nomination Committee will carry out the selection process by making reference to a series of criteria as bases, including but not limited to skills, experience, education background, professional knowledge, personal integrity and time commitments of the proposed candidates, and taking into consideration of the Company’s Board Diversity Policy. All candidates must be able to meet the standards as set forth in Rules 3.08 and 3.09 of the Listing Rules. A candidate who is to be appointed as an independent non-executive Director should also meet the independence criteria set out in Rule 3.13 of the Listing Rules. Qualified candidates will then be recommended to the Board for approval.

#### 董事會委員會

##### 提名委員會

本公司已於2013年12月2日成立提名委員會（「**提名委員會**」），並遵照守則條文第A.5.2段以書面釐定其職權範圍。其職權範圍於2019年3月20日獲修訂及可於本公司及聯交所網站查閱。

提名委員會的主要職責為定期檢討董事會的架構、大小和組成及成員多元化；物色具備合適資格成為董事會成員的人選；評核獨立非執行董事的獨立性；以及就有關董事委任或重選連任的相關事宜向董事會提供建議。在物色合適的董事候選人時，提名委員會將透過參考一系列準則作為基準，包括但不限於建議候選人的技能、經驗、教育背景、專業知識、個人誠信和承諾時間，以及考慮本公司的董事會多元化政策而進行甄選程序。所有候選人必須能夠滿足上市規則第3.08和3.09條所規定之標準。將被委任為獨立非執行董事的候選人亦須滿足上市規則第3.13條規定的獨立性標準。合資格的候選人隨後將推薦予董事會以供批准。

As at the date of this report, the Nomination Committee comprises three members and two of them are independent non-executive Directors, namely Mr. SU Yuanfu (*Chairman*), Ms. CHEN Yujun and one Executive Director, namely Mr. AN Yubao. In 2019, the Nomination Committee held two meetings and details of the committee members' attendance are as follows:

於本報告日期，提名委員會由三名成員組成，其中兩名為獨立非執行董事（分別為蘇元福先生（主席）與陳玉君女士）以及一名為執行董事（為安郁寶先生）。於2019年，提名委員會舉行了兩次會議，各委員會成員出席會議的詳情如下：

Committee member	委員會成員	No. of attendance/ No. of committee meeting 出席次數／ 委員會會議次數
<b>Independent non-Executive Directors</b>		
Mr. SU Yuanfu ( <i>Committee Chairman</i> )	蘇元福先生 ( <i>委員會主席</i> )	2/2
Ms. CHEN Yujun (appointed on 31 May 2019)	陳玉君女士 (於2019年5月31日獲委任)	-/
Ms. CHENG Xinxin (Resigned, with effect from 31 May 2019)	成欣欣女士 (已辭任， 於2019年5月31日生效)	2/2
<b>Executive Director</b>		
Mr. AN Yubao	安郁寶先生	2/2

The Nomination Committee reviewed the structure, size and composition of the Board, and assessed the independence of the independent non-executive Directors and concluded that the Company's Board Diversity Policy has been properly implemented.

提名委員會檢討了董事會的架構、規模和組成，評核了獨立非執行董事的獨立性，以及認同本公司的董事會多元化政策已獲妥善執行。

### BOARD DIVERSITY POLICY

The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development, and has adopted the Board Diversity Policy.

All Board appointments will be based on meritocracy, and candidates will be considered against appropriate criteria, having due regard for the benefits of diversity on the Board. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural background and ethnicity, in addition to educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

For the purpose of implementation of the Board Diversity Policy, the following measurable objectives were adopted:

- (A) at least 40% of the members of the Board shall be non-executive directors or independent non-executive directors;
- (B) at least 1/3 of the members of the Board shall be independent non-executive directors;
- (C) at least 1 of the members of the Board shall have obtained accounting or relevant financial management professional qualifications;
- (D) at least 50% of the members of the Board shall have 7 years or more of experience in the industry he/she is specialised in; and
- (E) at least 2 of the members of the Board shall have China-related work experience.

### 董事會多元化政策

本公司明白並深信董事會成員多元化對提升其表現素質裨益良多。為達致可持續及均衡的發展，本公司視董事會層面日益多元化為支持其達到戰略目標及維持可持續發展的關鍵元素，並已採納董事會多元化政策。

董事會所有委任均將以用人唯才為原則，並在考慮人選時以適當的準則充分顧及董事會成員多元化的裨益。甄選人選將按一系列多元化範疇為基準，除教育背景、專業經驗、技能、知識及服務任期外，亦包括但不限於性別、年齡、文化背景及種族。最終將按人選的長處及可為董事會提供的貢獻而作出決定。

就實施董事會多元化政策而言，以下可計量目標已被採納：

- (A) 至少40%董事會成員須為非執行董事或獨立非執行董事；
- (B) 至少1/3董事會成員須為獨立非執行董事；
- (C) 至少1名董事會成員須獲得會計或相關的財務管理專業資格；
- (D) 至少50%董事會成員須於其專長的行業擁有7年或以上經驗；及
- (E) 至少2名董事會成員須擁有中國相關工作經驗。

## REMUNERATION COMMITTEE

The Company established a remuneration committee (the “**Remuneration Committee**”) on 2 December 2013 with written terms of reference in compliance with paragraph B.1.2 of the Code Provisions. Its terms of reference are available on the websites of the Company and the Stock Exchange.

The Remuneration Committee will review the proposals made by the management on the remuneration of Directors and senior management and make recommendation to the Board. The Board will have final authority to approve the recommendations made by the Remuneration Committee. The primary duties of the Remuneration Committee also include making recommendation to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group and to ensure none of the Directors determine their own remuneration. The emoluments of executive Directors are determined based on the skills, knowledge, individual performance as well as contributions, the scope of responsibility and accountability of such Directors, taking into consideration of the Company's performance and prevailing market conditions. The remuneration policy of non-executive Directors (including independent non-executive Directors) is to ensure that the non-executive Directors are adequately compensated for their efforts and time dedicated to the Company's affairs including their participation in respective Board committees. The emoluments of Directors are also determined with reference to their skills, experience, knowledge, duties and market trends.

## 薪酬委員會

本公司已於2013年12月2日成立薪酬委員會（「**薪酬委員會**」），並已遵照守則條文第B.1.2段以書面釐定其職權範圍，其職權範圍可於本公司及聯交所網站查閱。

薪酬委員會將檢討管理層所提出有關董事及高層管理人員的薪酬方案後向董事會提出建議。董事會將擁有最終權力以批准經薪酬委員會提出的建議。薪酬委員會的主要職責亦包括就本集團所有董事及高級管理層的整體薪酬政策及架構向董事會作出推薦意見，以及確保董事並無自行釐定其本身的薪酬。執行董事的薪酬乃基於該董事的技能、知識、個人表現及貢獻、責任及職責的範圍，並考慮到本公司的表現及現行市況後釐定。非執行董事（包括獨立非執行董事）的薪酬政策是要確保非執行董事對參與本公司事務（包括其於各董事委員會的參與程度）所作出的努力以及付出的時間得到充分的補償。董事的薪酬亦參考其技能、經驗、知識、職責和市場趨勢釐定。

# Corporate Governance Report

## 企業管治報告

As at the date of this report, the Remuneration Committee consists of three members and two of them are independent non-executive Directors, namely Mr. FENG Zhongshi (*Chairman*), Mr. SU Yuanfu and one executive Director, namely Ms. LI Qian. In 2019, the Remuneration Committee held two meetings and details of the committee members' attendance are as follows:

於本報告日期，薪酬委員會由三名成員組成，其中兩名為獨立非執行董事（分別為馮仲實先生（主席）與蘇元福先生）以及一名為執行董事（為黎倩女士）。於2019年，薪酬委員會舉行了兩次會議，各委員會成員出席會議的詳情如下：

Committee member	委員會成員	No. of attendance/ No. of committee meeting 出席次數／ 委員會會議次數
<b>Independent non-Executive Directors</b>		
Mr. FENG Zhongshi ( <i>Committee Chairman</i> )	馮仲實先生 ( <i>委員會主席</i> )	2/2
Mr. SU Yuanfu	蘇元福先生	2/2
<b>Executive Director</b>		
Ms. LI Qian	黎倩女士	2/2

The Remuneration Committee assessed the performance, reviewed the proposal made by management on the remuneration of executive Directors and senior management and made recommendation to the Board on the remuneration packages of individual executive directors and senior management. Details of remuneration of Directors are set out in note 6 to the Financial Statements.

薪酬委員會評核了其表現，檢討了管理層所提出有關執行董事及高級管理人員的薪酬方案，並向董事會就有關個別執行董事及高級管理人員的薪酬提出建議。董事薪酬的詳情載於財務報表附註6。

### AUDIT COMMITTEE

The Company established an audit committee (the “**Audit Committee**”) on 2 December 2013 with written terms of reference in compliance with paragraph C3.3 and C3.7 of the Code Provisions. Its terms of reference were amended on 16 December 2015 and came into effective from 1 January 2016, which are available on the websites of the Company and the Stock Exchange.

### 審核委員會

本公司已於2013年12月2日成立審核委員會（「**審核委員會**」），並已遵照守則條文第C3.3和C3.7段以書面釐定其職權範圍。職權範圍於2015年12月16日獲修訂及於2016年1月1日生效，於本公司及聯交所網站可供查閱。

The Audit Committee reports to the Board and has held regular meetings to review and make recommendations to improve the Group's financial reporting process, risk management and internal controls. The primary duties of the Audit Committee, among other things, are to make recommendation to the Board on the appointment, re-appointment and removal of external auditor, review the financial statements and oversee financial reporting, risk management and internal control procedures of the Group.

As at the date of this report, the Audit Committee consists of three members and all of them are independent non-executive Directors, namely Ms. CHEN Yujun (Chairlady), Mr. FENG Zhongshi and Mr. SU Yuanfu. The Audit Committee has reviewed with management of the Company the accounting principles and practices adopted by the Group, and discussed internal controls and financial reporting matters. The Audit Committee also met with the external auditors and reviewed the Annual Results.

In 2019, the Audit Committee held two meetings and details of the committee members' attendance are as follows:

審核委員會向董事會報告，並定期召開會議以檢討並提出推薦建議以改進本集團的財務報告程序、風險管理及內部監控。審核委員會的主要職責為（其中包括）就對外聘核數師的委任、重新委任和解聘向董事會提供推薦建議、審閱財務報表及監察本集團的財務報告、風險管理和內部監控程序。

於本報告日期，審核委員會由三名成員組成，均為獨立非執行董事（分別為陳玉君女士（主席）、馮仲實先生及蘇元福先生）。審核委員會已與本公司管理層檢討本集團所採納的會計原則及常規，並商討內部監控及財務報告事宜。審核委員會亦與外聘核數師會面，並已審閱全年業績。

於2019年，審核委員會舉行了兩次會議，各委員會成員出席會議的詳情如下：

Committee member	委員會成員	No. of attendance/ No. of committee meeting 出席次數／ 委員會會議次數
<b>Independent non-Executive Directors</b>		
Ms. CHEN Yujun ( <i>Committee Chairlady</i> ) (appointed on 31 May 2019)	陳玉君女士 ( <i>委員會主席</i> ) (於2019年5月31日獲委任)	1/1
Ms. CHENG Xinxin ( <i>Committee Chairlady</i> ) (Resigned, with effect from 31 May 2019)	成欣欣女士 ( <i>委員會主席</i> ) (已辭任，於2019年5月31日生效)	1/1
Mr. FENG Zhongshi	馮仲實先生	2/2
Mr. SU Yuanfu	蘇元福先生	2/2

## Corporate Governance Report 企業管治報告

The Audit Committee has reviewed with management of the Company the accounting principles and practices adopted by the Group, and discussed risk management, internal controls and financial reporting matters. The Audit Committee also met with the external auditors and reviewed this annual report of the Company. The Board has not taken a different view from the Audit Committee on the selection, appointment, designation or dismissal of external auditors.

### AUDITOR'S REMUNERATION

During the year of 2019, the Company engaged KPMG as the external auditors. Apart from providing audit services, KPMG also provided interim financial statements review. The fees in respect of audit and non-audit services provided by KPMG for the year ended 31 December 2019 amounted to approximately RMB2,100,000 and RMB830,000, respectively.

The reporting responsibilities of KPMG are set out in the Independent Auditor's Report on pages 86 to 99.

### RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for ensuring the Group to maintain a sound and effective risk management and internal control system, and making review on its effectiveness at least once a year. The Audit Committee assists the Board in fulfilling its governance role over finance, operations, compliance, risk management and internal control of the Group. The Group's Audit and Legal Centre assists the Board and the Audit Committee in reviewing the effectiveness of the Company's risk management and internal control system on an ongoing basis. The Board is regularly updated on significant risks which may affect the performance of the Group.

審核委員會已與本公司管理層審閱本集團所採納的會計原則及慣例，並討論了風險管理、內部監控與財務報告事宜。審核委員會亦與本公司外聘核數師會面，並已審閱本公司的本年度報告。董事會概無就外聘核數師的選擇、委任、指定或解聘事宜與審核委員會持不同意見。

### 核數師薪酬

於2019年度，本公司委任畢馬威會計師事務所作為本公司外聘核數師。除提供審計服務外，畢馬威會計師事務所亦提供中期財務報表審閱。由畢馬威會計師事務所提供的截至2019年12月31日止年度的審計及非審計服務收費分別約為人民幣2,100,000元及人民幣830,000元。

畢馬威會計師事務所的報告職責載於獨立核數師報告第86至99頁。

### 風險管理及內部監控

董事會確認其確保本集團維持健全有效風險管理及內部監控系統的責任，以及至少每年檢討一次其成效。審核委員會協助董事會履行其對於本集團財務、運營、合規、風險管理及內部監控等管治職能。集團審計法務中心協助董事會及審核委員會持續檢討本公司風險管理及內部監控系統的成效。董事會可定期獲悉可能影響本集團表現的重大風險。

The Group's internal control system is designed to safeguard assets against misappropriation and unauthorized disposition, to ensure compliance of relevant ordinances and rules, to ensure proper maintenance of accounting records for provision of reliable financial information used within the business or for publication and to manage operational risks. The controls built into the risk management system are intended to manage, not eliminate, significant risks in the Group's business environment. Such systems are designed to manage rather than eliminate the risk of failure to business objective, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group has established on-going procedures for identifying, assessing and managing the significant risks involved with the Group. Meanwhile, it reviews the effectiveness of the relevant internal control system. These procedures include but not limited to: (1) the Group has established and continued to improve the risk management structure and internal control mechanism, and has regularly conducted project audit and annual risk assessment according to the risk management system code and annual plan; (2) to identify the significant risks involved in the business and assess the impact of such risks on the business of the Group; (3) information gathering channels, to ensure material or potential inside information being captured and kept confidential until timely disclosure is made in accordance with the Listing Rules; (4) to conduct gap analysis on the internal control measures in response to the significant risks, and make recommendations on the improvement of its internal audit functions; and (5) to continuously follow up and supervise the implementation of relevant measures against the recommended improvements.

本集團的內部監控系統乃為確保資產不會被不當挪用及未經授權處置、確保遵守有關法例及規則、確保有關為業務用途或刊發而提供可靠財務資料之會計記錄得到妥善保管以及管理經營風險設計。風險管理系統中設立的監控乃為管理而非消除本集團業務環境的重大風險。該等系統旨在管理而非消除未能達成業務目標的風險，並僅可就不會有重大的失實陳述或損失作出合理而非絕對的保證。

本集團已建立持續程序，藉以辨別、評估及管理本集團所面臨的重大風險，同時檢討相關內部監控系統的成效。該等程序包括但不限於：(1)本集團已建立並持續完善風險管理組織體系及內部控制機制，按照風險管理制度守則和年度計劃開展定期的項目審計和年度風險評估工作；(2)識別本集團業務所涉及的重大風險及評估該等風險對本集團業務的影響；(3)信息收集渠道，確保能掌握重大或潛在內幕消息並加以保密，直至按上市規則作出適時的披露；(4)針對重大風險進行內部控制措施差距分析及提出內審職能改善建議；及(5)針對改進建議持續跟進督促相關措施的落實。



# Corporate Governance Report

## 企業管治報告

The Group's Audit and Legal Centre assists in implementing the risk management practices and prepares regular work reports on whether the relevant internal control is adequate and effective in the previous year. The Audit Committee will report to the Board on the implementation of the risk management and internal control policy, including the identification of risk factors and assessment on which grades of risks are acceptable by the Group and the effectiveness of risk management and internal control policy.

Based on the report prepared by the Group's Audit and Legal Centre and Audit Committee, the Board believes that the risk management and internal control system of the Group is proper, adequate and effective, and the Group has complied with the provisions of risk management and internal control as contained in the corporate governance code. The Group will continue to review the effectiveness of the risk management and internal control system in coming years.

### COMPANY SECRETARY

Mr. YAU Chi Ming, being our company secretary, is primarily responsible for the company secretarial work of the Group. Mr. YAU attended no less than 15 hours of relevant professional training during 2019.

### SHAREHOLDERS' RIGHTS

The shareholders of the Company may make requisition for the convening of an extraordinary general meeting ("EGM") of the Company in accordance with the procedures set out in the Articles of Association as follows:

- (1) Any one or more shareholders, who at the date of deposit of the requisition hold not less than one tenth of the paid up capital of the Company having the right of voting at general meetings, shall have the right, by written notice, to require an EGM to be called by the Directors of the Company for the transaction of any business specified in such requisition.

本集團審計法務中心協助實行風險管理常規，就上一年度有關內部監控是否足夠及有效編製定期工作報告。審核委員會將向董事會呈報風險管理及內部監控政策的執行情況，其中包括識別風險因素、評估本集團能承受的風險級別及風險管理和內部控制政策有效性。

根據本集團審計法務中心及審核委員會編製的報告，董事會認為，本集團的風險管理及內部監控系統屬適當，足夠及有效，且本集團已遵守企業管治守則所載之風險管理及內部監控條文。本集團將在以後年度持續檢討風險管理及內部監控系統的有效性。

### 公司秘書

丘志明先生為本公司的公司秘書，其主要職責為負責本集團的公司秘書工作。丘先生於2019年度已參與不少於15小時的相關專業培訓。

### 股東權利

本公司股東可根據以下組織章程細則所載的程序要求召開本公司股東特別大會（「股東特別大會」）：

- (1) 在遞交請求當日持有本公司繳足股本不少於十分之一，而有權於股東大會上投票的任何一名或以上的股東，應有權以書面通知要求本公司董事就該請求所指定任何業務交易召開股東特別大會。

- (2) Such requisition shall be made in writing to the Board or the company secretary of the Company at the following:

*Principal place of business of the Company in the PRC*

Address: 71, Dongpeng Avenue, Eastern section, Guangzhou Economic and Technological Development District, Guangzhou, PRC

Email: ir@chinaconsun.com  
Attention: Company Secretary

*Registered Address of the Company*

Address: Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY 1-1108, Cayman Islands  
Attention: Company Secretary

- (3) The Board will convene an EGM within 21 days from the date of deposit of the requisition.
- (4) If within 21 days of such deposit, the Board does not proceed duly to convene such EGM, the requisitionists themselves may do so in the same manner, as nearly as possible, as that in which meetings may be convened by the Board, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

For matters in relation to the Board, shareholders can contact the Company at the following:

Address: 71, Dongpeng Avenue, Eastern section, Guangzhou Economic and Technological Development District, Guangzhou, PRC  
Email: ir@chinaconsun.com  
Tel: (86) 20-82264529  
Fax: (86) 20-82261886  
Attention: Company Secretary

- (2) 該請求須以書面形式遞交至以下地址致董事會或本公司公司秘書：

*本公司的中國主要營業地點*

地址：中國廣州廣州經濟技術開發區東區東鵬大道71號

電郵：ir@chinaconsun.com  
聯絡人：公司秘書

*本公司的註冊地址*

地址：Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY 1-1108, Cayman Islands  
聯絡人：公司秘書

- (3) 董事會將自遞交請求日期起21日內召開股東特別大會。
- (4) 倘董事會未能在有關請求遞交後21日內正式召開有關股東特別大會，則請求者本身可盡可能按與董事會可能召開會議的相同方式召開會議，而本公司須向彼等償付因董事會未能召開會議而致使請求者產生之一切合理開支。

有關董事會的事宜，股東可以通過以下途徑聯絡本公司：

地址：中國廣州廣州經濟技術開發區東區東鵬大道71號  
電郵：ir@chinaconsun.com  
電話：(86) 20-82264529  
傳真：(86) 20-82261886  
聯絡人：公司秘書

## Corporate Governance Report 企業管治報告

To put forward proposals at a general meeting of the Company, a shareholder should lodge a written notice of his or her proposal (“**Proposal**”) with his or her detailed contact information at the Company’s principal place of business in Hong Kong, the address is: 22nd Floor, World-Wide House, 19, Des Voeux Road Central, Hong Kong.

The request will be verified with the Company’s branch share registrars in Hong Kong and upon their confirmation that the request is proper and in order, the Board will be asked to include the Proposal in the agenda for the general meeting.

The notice period to be given to all the shareholders for consideration of the Proposal raised by the shareholder concerned at the general meeting varies according to the nature of the Proposal as follows:

- (1) At least 14 days’ notice in writing if the Proposal requires approval by way of ordinary resolution of the Company.
- (2) At least 21 days’ notice in writing if the Proposal requires approval by way of a special resolution of the Company in an EGM of the Company or an ordinary resolution of the Company in an annual general meeting of the Company.

### INVESTOR RELATIONS AND COMMUNICATION

The Board recognises the importance of good communications with all shareholders. The Company believes that maintaining a high level of transparency is a key to enhance investor relations. The Company is committed to a policy of open and timely disclosure of corporate information to its shareholders and public investors.

如欲向本公司股東大會提呈議案，股東應將其議案（「**議案**」）連同詳細聯絡資料的書面通知送呈本公司之香港主要營業地點，地址為：香港德輔道中19號環球大廈22樓。

該要求將由本公司之香港股份過戶登記分處核實，待確認該要求屬適當及符合程序後，即要求董事會將議案納入股東大會議程內。

供全體股東考慮相關股東向股東大會所提呈議案之通知期，視乎議案性質而定，詳情如下：

- (1) 須以本公司普通決議案形式批准之議案，最少給予14天書面通知期。
- (2) 須於本公司股東特別大會以本公司特別決議案或於本公司股東周年大會以本公司普通決議案形式批准之議案，最少給予21天書面通知期。

### 投資者關係及溝通

董事會深知與全體股東保持良好溝通的重要性。本公司相信維持高透明度乃為提升投資者關係的關鍵所在。本公司承諾向其股東及公眾投資者公開且及時地披露公司資料。

The Company updates its shareholders on its latest business developments and financial performance through its corporate publications including interim and annual reports and public announcements. Extensive information about the Company's activities for the year ended 31 December 2019 has been provided in this annual report. While the annual general meeting provides a valuable forum for direct communication between the Board and its shareholders, the Company also maintains its website (<http://www.chinaconsun.com>) to provide an alternative communication channel for the public and its shareholders. All corporate communication and Company's latest updates are available on the Company's website for public's information.

During the year ended 31 December 2019, there has been no significant change in the Company's constitutional documents.

Hong Kong, 23 March 2020

本公司透過公司刊物（包括中期報告、年報及公告）為股東提供最新的業務發展及財務表現。本年報已提供大量本公司截至2019年12月31日止年度的業務資料。股東周年大會為董事會及其股東提供寶貴的直接溝通機會，而本公司亦透過其網站（<http://www.chinaconsun.com>）向公眾及其股東提供另一種溝通管道。所有公司通訊及本公司的最新資訊均可於本公司的網站供公眾查閱。

於截至2019年12月31日止年度，本公司的法律組織章程文件並無重大變更。

香港，2020年3月23日

## Report of Directors 董事會報告

The Board of the Company are pleased to present the annual report together with the audited consolidated financial statements (the “**Financial Statements**”) of the Group for the year ended 31 December 2019.

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding and those of the principal subsidiaries of the Company are set out in note 14 to the Financial Statements.

Further discussion and analysis of these activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including a discussion of the principal risks and uncertainties facing the Group and an indication of likely future developments in the Group’s business, can be found in the Chairman’s statement and the Management Discussion and Analysis set out on pages 5 to 15 and pages 17 to 29 of this annual report, which form part of this director’s report.

### IMPAIRMENT LOSS ON GOODWILL AND INTANGIBLE ASSETS

In 2019, the Group has recognised full impairment loss in respect of the goodwill (with book value of approximately RMB321 million) and partial impairment loss of approximately RMB5 million in respect of trademark under intangible assets related to the Yulin Pharmaceutical Segment.

本公司董事會欣然提呈本集團截至2019年12月31日止年度之年報及經審核綜合財務報表（「財務報表」）。

### 主要業務及業務回顧

本公司的主要業務為投資控股，而本公司主要附屬公司之主要業務載於財務報表附註14。

按香港《公司條例》附表5所規定有關該等業務的進一步討論及分析，包括有關本集團面臨的主要風險及不明朗因素的討論以及本集團業務的未來可能發展動向，載於本年報第5至15頁的主席報告及第17至29頁的管理層討論及分析中。該等討論及分析構成本董事會報告的一部份。

### 商譽及無形資產減值虧損

本集團於2019年對與玉林製藥分部有關之商譽（賬面值約人民幣3.21億元）確認了全額減值虧損及對無形資產內之商標確認了約人民幣500萬元之部分減值虧損。

The main underlying reasons for the acquisitions of Yulin Pharmaceutical Group by the Group from 2015 to 2016 were that Yulin Pharmaceutical Group possesses core brand values and its key products are conducive to the enhancement and optimization of the market layout of the Consun Pharmaceutical Segment, which would in turn complement the Group's existing products to meet customers' needs, enrich the product portfolio and further enhance the Group's overall market strengths and competitive advantages. Furthermore, the acquisitions could consolidate the resources of the Consun Pharmaceutical Segment and the Yulin Pharmaceutical Segment in various aspects such as marketing, innovative research and development, production and manufacturing and supply chain, thereby realizing complementary effect and synergy of their advantages.

Prior to the acquisitions, the Company had performed sufficient and reasonable due diligence under the direction of the then Directors at the material time, including, among other things, reviewing the information collected from Yulin Pharmaceutical Group regarding its financial position and discussions with the management of Yulin Pharmaceutical Group. The considerations paid by the Group for the acquisitions of Yulin Pharmaceutical Group (the "**Considerations**") were arrived after arm's length negotiation between the Company and the respective vendors with reference to, inter alia, the brand of Yulin Pharmaceutical Group, the business development, market conditions and prospects of the industry in which Yulin Pharmaceutical Group operates. In light of the above, the then Directors considered that the acquisitions of Yulin Pharmaceutical Group were fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole. According to the HKAS, the Group identified certain intangible assets upon in the business combination with Yulin Pharmaceutical Group, including the patent and the trademark with indefinite useful life. At the same time, the Group recognized goodwill which represented the excess of the Considerations over the portion attributable to the Group of the net fair value of Yulin Pharmaceutical Group's identifiable assets and liabilities measured as at the acquisition date.

本集團2015年至2016年期間收購玉林製藥集團主要是由於其具備的核心品牌價值及其主要產品有利於加強完善康臣藥業分部的市場佈局、補足本集團現有品種以滿足客戶需要、豐富產品組合及進一步提升本集團的整體市場實力和競爭優勢。此外，該等收購事項能整合康臣藥業分部和玉林製藥分部在市場營銷、創新研發、生產製造以及供應鏈等方面的資源，實現優勢互補，發揮協同效益。

在收購前，本公司已在關鍵時刻於當時董事之指導下執行充份合理盡職審查，包括（其中包括）審閱收集自玉林製藥集團有關其財務狀況之資料以及與玉林製藥集團管理層進行討論。本集團就收購玉林製藥集團支付之代價（「代價」）乃本公司與相關賣方經公平磋商並參考（其中包括）玉林製藥集團之品牌、業務發展以及玉林製藥集團經營所在行業之市況及前景後達成。鑒於上述各項，當時董事認為收購玉林製藥集團屬公平合理且符合本公司及本公司股東之整體利益。按照香港會計準則，本集團與玉林製藥集團進行業務合併後已識別若干無形資產，包括專利及使用壽命不確定之商標。同時，本集團確認商譽，金額相等於代價超過本集團應佔玉林製藥集團可識別資產及負債於收購當日計量之公允值淨額部分之差額。

## Report of Directors 董事會報告

The Group performs impairment test for goodwill and intangible assets (including trademark rights) annually in strict compliance with the relevant HKAS. In 2016, the Group referred to the valuation report on the fair value of the shareholders' equity interests of Yulin Pharmaceutical Group as at the acquisition date (i.e. 19 July 2016) issued by, Jones Lang LaSalle Corporate Appraisal and Advisory Limited (the "Independent Valuer") as the basis of its impairment test. Since 2017, the Group has engaged the Independent Valuer to conduct valuation on the recoverable amount of the Yulin Pharmaceutical Segment and issue the relevant valuation report every year. The revenue and profit of Yulin Pharmaceutical Group grew rapidly during 2016 and 2017. Revenue growth of Yulin Pharmaceutical Group slowed down in 2018, which was determined as only a short-term fluctuation at that time. According to the impairment test of 2018, the recoverable amount of Yulin Pharmaceutical Segment was higher than its net book value and no impairment loss was recognized.

In 2019, traditional Chinese medicine OTC market experienced intensifying competition, combined with weakening demand and the impact of the integration of domestic retail and chain drugstore channels of Yulin Pharmaceutical Group in the PRC leading to a drop in the sales of Yulin Pharmaceutical Group. In the first half of 2019, revenue growth stagnated. It was found that Yulin Pharmaceutical Group's domestic retail and chain drugstore channels decreased in the more intensifying competitive market due to insufficient marketing. However, considering that (i) the overall deviation was still acceptable taking into account the seasonality at that time and (ii) Yulin Pharmaceutical Group has also implemented various improvement measures to achieve the original performance expectations, the management considered that the measures were appropriate and the performance recovery could be expected. On the said basis, the Group made a reasonable calculation of the expected return from Yulin Pharmaceutical Segment, which indicated that there was no significant impairment risk on goodwill at that time.

本集團一直嚴格遵守相關香港會計準則，每年對商譽及無形資產（包括商標權）進行減值測試。於2016年，本集團引用仲量聯行企業評估及諮詢有限公司（「獨立估值師」）於收購日期（即2016年7月19日）刊發之玉林製藥集團股東權益公允價值估值報告作為減值測試的依據。自2017年起，本集團每年均委聘獨立估值師對玉林製藥分部之可收回金額進行估值並刊發相關估值報告。於2016年至2017年期間，玉林製藥集團的收入及溢利迅速增長。於2018年，玉林製藥集團的收入增長減慢，惟當時只釐定為短期波動。根據2018年的減值測試，玉林製藥分部之可收回金額高於其賬面淨值，因此並無確認減值虧損。

於2019年，非處方傳統中成藥市場競爭加劇，加上需求減弱以及玉林製藥集團整合中國國內零售及連鎖藥房渠道之影響，玉林製藥集團銷售錄得下跌。於2019年上半年，收入增長停滯不前。我們發現，玉林製藥集團因市場推廣不足，其在競爭越趨激烈之市場中之國內零售及連鎖藥房渠道有所減少。然而，經考慮(i)計及當時之季節性特徵，總體偏離範圍仍屬可予接受及(ii)玉林製藥集團亦為實現原定業績預期推行多項改善措施，管理層認為舉措妥當，預期業績將會有所恢復。在此基礎上，本集團對玉林製藥分部之預期回報進行了合理測算，當時測算結果顯示不存在商譽出現重大減值之風險。

In light of the above, the Group has made structural adjustments to pricing strategies of certain products of Yulin Pharmaceutical Group and also reformed Yulin Pharmaceutical Group in terms of marketing strategies, distribution network and management team. Measures have been taken to restructure and integrate Yulin Pharmaceutical Group's distribution network (including but not limited to reallocation and concentration of marketing resources to retail outlets with better sales performance, establishing strategic cooperation with chain drugstores and identifying new customers), which however caused temporary interruptions to sales with existing customers and needed further time to be effective in developing the reformed distribution network. The sales of the Yulin Pharmaceutical Segment in 2019 decreased by approximately 48% as compared with 2018. In addition, it is expected that there will be greater uncertainties on the overall operating environment and market trend due to the complicated and changing macroeconomic environment and the continuous standardization and integration of the pharmaceutical industry in the PRC. The management of the Group thus lowered the cash flow forecast of Yulin Pharmaceutical Group for the next five years and also engaged Jones Lang LaSalle Corporate Appraisal and Advisory Limited as the independent valuer to value the recoverable amount of the cash-generating units of Yulin Pharmaceutical ("Yulin CGU").

The Independent Valuer determined the value in use of the selected assets employed in Yulin CGU as at 31 December 2019 ("2019 Annual Valuation") by applying discounted cash flow method under income approach, based on the budget prepared and approved by the management. In accordance with Hong Kong Accounting Standard 36 (HKAS 36), value in use is defined as "the present value of the future cash flows expected to be derived from an asset or cash-generating unit". As Yulin CGU consists of revenue-producing assets, the economic benefits that can be derived from the employment of those assets have been considered. The discounted cash flow method is the appropriate approach to capture the future economic benefits of the assets as it eliminates the discrepancy in the time value of money by using a discount rate to reflect all business risks including intrinsic and extrinsic uncertainties in relation to the operation of Yulin CGU.

鑒於上述情況，本集團對玉林製藥集團若干產品之定價政策進行結構性調整，亦於營銷策略、分銷網絡及管理團隊等方面對玉林製藥集團進行改革。我們已採取措施以重組及整合玉林製藥集團之分銷網絡（包括但不限於重新分配並集中營銷資源在有較佳銷售表現之零售商店、與連鎖藥房建立戰略合作關係及識別新客戶），惟該等措施導致向現有客戶作出之銷售受到暫時性干擾，而發展改良分銷網絡亦需要更多時間方能見效。玉林製藥分部2019年之銷售較2018年下降約48%。此外，預期整體經營環境及市場趨勢將會面臨更多的不明朗因素，此乃由於宏觀經濟環境複雜多變及中國持續對醫藥行業進行規範整合所致。因此，本集團管理層下調玉林製藥集團未來五年之現金流量預測，並已委聘仲量聯行企業評估及諮詢有限公司為獨立估值師，以評估玉林製藥現金產生單位（「玉林現金產生單位」）之可收回金額。

獨立估值師根據管理層編製及批准之預算，透過應用收入法下之折現現金流量法釐定於2019年12月31日玉林現金產生單位使用之選定資產之使用價值（「2019年年度估值」）。根據香港會計準則第36號（香港會計準則第36號），使用價值乃界定為「預期自一項資產或現金產生單位產生之未來現金流量之現值」。由於玉林現金產生單位包括可產生收入的資產，故已考慮使用該等資產可得之經濟利益。折現現金流量法為用於計算該等資產未來經濟利益之適當估值方法，此乃由於其以某一折現率抵銷款項之時間價值差異，以反映所有業務風險，當中包括有關經營玉林現金產生單位之內在及外在不明朗因素。



## Report of Directors 董事會報告

The 2019 Annual Valuation is based on the following key assumptions and value of inputs:

- 1) the projected cash flow from 31 December 2019 to 31 December 2024 (the “**Forecast Period**”) on management expectation of future business performance and prospects of Yulin CGU;
- 2) the revenue growth rate of 10.0% to 25.0% (2018: 10.0% to 18.0%)<sup>1</sup> for the Forecast Period, which was determined based on the assumption of the effective implementation of the business and operation plans, marketing strategies and improvement measures taken by the management of Yulin Pharmaceutical Group and taking into consideration the potential growth in the unit price of each major product by referring to relevant market size and volume. Given the actual sales revenue of Yulin Pharmaceutical Group decreased by approximately 48% as compared with that of 2018, resulting in a lower valuation benchmark, the management of Yulin Pharmaceutical Group is of the view that higher revenue growth rates should be adopted in the 2019 Annual Valuation so as to more truly reflect the prospects of Yulin Pharmaceutical Group. Despite the increase in growth rate of revenue, year-on-year downward adjustment of approximately 50% has been made for the annual sale revenue during the Forecast Period;

2019年年度估值乃基於以下關鍵假設及輸入數據值：

- 1) 根據管理層對玉林現金產生單位未來業務表現及前景之預期而得出於2019年12月31日至2024年12月31日（「**預測期間**」）之估計現金流量；
- 2) 預測期間之收入增長率10.0%至25.0%（2018年：10.0%至18.0%）。收入增長率乃基於對玉林製藥集團實際執行之業務及營運計劃、營銷策略及改善措施之假設經參考各主要產品之相關市場規模及數量以計入其單價之潛在增長後釐定。鑒於玉林製藥集團之估值標準價較低令其實際銷售收入減少約48%，玉林製藥集團之管理層認為，2019年年度估值應採用較高收入增長率以更真實地反映玉林製藥集團之前景。儘管收入增長率增加，我們已對於預測期間之年度銷售收入作出同比下調約50%；

- 3) the net profit margin of 13.7% to 18.7% (2018: 19.1% to 20.3%) for the Forecast Period, which was determined based on the management's estimation on the production costs, sales expenses, administrative expenses and tax expenses with reference to historical management accounts and operational and market information in relation to the business of Yulin CGU. The production costs were determined after taking into consideration the characteristics of production process, the expected fluctuation of raw material prices, the potential effect from change of production scale and the expected depreciation and amortisation. The sales expenses were determined after taking into consideration the marketing attributes, historical operation, operation efficiency and expense breakdown. The administrative expenses were determined after taking into consideration the historical operation, operation efficiency and expense breakdown. The tax expenses were determined after taking into account the applicable taxes and surcharges;
- 3) 於預測期間之純利率 13.7% 至 18.7% (2018 年：19.1% 至 20.3%)。純利率乃基於管理層對生產成本、銷售開支、行政開支及稅項開支之估計經參考有關玉林現金產生單位之業務之過往管理賬目以及經營及市場資料後釐定。生產成本乃經計及生產流程之特徵、原材料價格之預期波動、生產規模變動所引致之潛在影響以及預期折舊及攤銷後釐定。銷售開支乃經計及營銷性質、過往營運、營運效率及開支明細後釐定。行政開支乃經計及過往營運、營運效率及開支明細後釐定。稅項開支乃經計及適用稅率及附加稅費後釐定；
- 4) the post-tax discount rate of 13.50% (2018: 11.03%) was calculated based on the weighted average cost of capital representing the weighted average return attributable to all of the operating assets of Yulin CGU, which was derived from the cost of equity and cost of debt. The cost of equity is calculated using the Capital Assets Pricing Model based on the risk-free rate (with reference to the yield of China government bond), the equity risk premium of 4.88% (2018: 2.10%, being the difference between the rate of return of the stock market and the risk-free rate), the small company risk premium (with reference to research results of international financial consulting firms), the relevered beta (with reference to the average unlevered beta and average debt to equity ratio of market comparable companies engaging in similar industries) and the company income
- 4) 稅後折現率 13.50% (2018 年：11.03%) 乃按代表玉林製藥現金產生單位所有經營資產應佔之加權平均回報之資本之加權平均成本計算，而該成本乃自權益成本及負債成本產生。權益成本乃按無風險利率 (參考中國政府債券之收益率)、權益風險溢價 4.88% (2018 年：2.10%) (即股票市場回報率與無風險利率之差異)、小型公司風險溢價 (參考國際財務顧問公司之調查結果)、槓桿化貝塔值 (參考從事類似行業之市場可資比較公司之平均無槓桿化貝

## Report of Directors 董事會報告

tax rate in China. The cost of debt is calculated using the standard long-term (for loans with a term of over five years) lending rate quoted by the People's Bank of China per annum, after tax; the pre-tax discount rate of 16.29% (2018: 13.70%) was determined by an iterative computation so that the value in use determined using pre-tax cash flows and a pre-tax discount rate equals the value in use determined using post-tax cash flows and a post-tax discount rate; and

- 5) the long-term growth rate beyond the Forecast Period was 3.0% (2018: 3.0%), which was with reference to the average of historical year-on-year growth rates of China consumer prices index.

The Board is of the view that the value of inputs are appropriate, fair and reasonable after considering that (a) given the industry experience, market strengths, competitive advantages and historical track record of growth of Yulin Pharmaceutical Group, the probability of the effective implementation of the business and operation plans, marketing strategies and improvement measures taken by the management of Yulin Pharmaceutical Group is sound; (b) the management's estimation on the production costs, sales expenses, administrative expenses and tax expenses accords with the actual operation conditions and historical management accounts; and (c) after the discussion with the Independent Valuer and the review on valuation report, no major factors have been identified which caused us to doubt the fairness and reasonableness of the methodology, assumptions and parameters adopted in the valuation.

As the recoverable amount of Yulin CGU in the 2019 Annual Valuation is less than the carrying amount of Yulin CGU, the Group recognised impairment loss on goodwill of RMB320,647,000 and intangible assets of RMB5,489,000.

塔值及平均負債權益比率)及中國公司企業所得稅率使用資本資產定價模式計算。負債成本使用中國人民銀行所報之標準長期(就為期超過五年之貸款而言)除稅後借貸年利率計算。稅前折現率16.29%乃以迭代計算法釐定,因此,以除稅前現金流量及除稅前折現率釐定之使用價值相等於以除稅後現金流量及除稅後折現率釐定之使用價值;及

- 5) 於預測期間後之長期增長率為3.0%,乃經參考中國消費物價指數之過往同比增長率之平均值後得出。

經考慮(a)基於玉林製藥集團之行業經驗、市場優勢、競爭優勢及增長之歷史往績紀錄,玉林製藥集團管理層實際執行業務及營運計劃、營銷策略及改善措施之可能性極高;(b)管理層對生產成本、銷售開支、行政開支及稅項開支之估計與實際營運情況及過往管理賬目相符;及(c)於與獨立估值師進行討論並審閱估值報告後,概無發現任何會令我們懷疑該估值所採用之方法、假設及參數之公平性及合理性之重大因素,董事會認為輸入數據值屬適當及公平合理。

由於2019年年度估值中玉林現金產生單位之可收回金額低於玉林現金產生單位之賬面值,故本集團確認商譽減值虧損人民幣320,647,000元及無形資產減值虧損人民幣5,489,000元。

## RESULTS AND APPROPRIATIONS

The Group's annual results for the year ended 31 December 2019 and its state of affairs as at 31 December 2019 are set out in the Financial Statements on pages 100 to 227.

The Company paid an interim dividend of HKD0.1 per share in 2019, totally approximately RMB75,640,000 (2018 interim dividend: Nil). The Board proposed to declare a final dividend of HKD0.1 per share, totally approximately RMB74,689,000 for the year ended 31 December 2019 (2018 final dividend: HKD0.20 per share, totally approximately RMB146,288,000). The proposed final dividend is subject to approval by the shareholders of the Company at the annual general meeting to be held on Friday, 29 May 2020 and, if approved, is expected to be paid on or about Friday, 19 June 2020 to shareholders whose names appear on the register of members of the Company on Friday, 12 June 2020. The final dividend is declared and will be paid in HKD.

## DONATIONS

During the year ended 31 December 2019, charitable and other donations made by the Group amounted to approximately RMB123,000 (2018: approximately RMB30,000).

## 業績和分派

本集團截至2019年12月31日止年度的全年業績及其於2019年12月31日的財務狀況載於第100至227頁的財務報表。

本公司於2019年派付中期股息每股0.1港元，合共約人民幣75,640,000元（2018年中期股息：無）。董事會建議宣派截至2019年12月31日止年度之末期股息每股0.1港元，合共約人民幣74,689,000元（2018年末期股息：每股0.20港元，合共約人民幣146,288,000元）。擬派末期股息須經本公司股東於2020年5月29日（星期五）舉行的股東周年大會批准，方告作實，及若獲批准，預期將於2020年6月19日（星期五）或前後派付予於2020年6月12日（星期五）名列本公司股東名冊之股東。末期股息以港元宣派並將以港元支付。

## 捐款

截至2019年12月31日止年度，本集團之慈善及其他捐款合共約人民幣123,000元（2018年：約人民幣30,000元）。

### DIVIDEND POLICY

According to the Company's Articles of Association, the Company may declare and pay dividends out of our distributable reserves as permitted under the relevant law. The payment and the amount of any dividends will depend on the results of the Group's operations, cash flow, financial condition, statutory and regulatory restrictions on the payment of dividends, future prospects and other factors that the Board may consider relevant. A decision to distribute any interim dividend or recommend any final dividend will be at the discretion of the Board. In addition, any payment of final dividend will be subject to approval by the Company's shareholders. The Board reviews the Company's dividend policy from time to time in light of the following factors in determining whether dividends are to be declared and paid:

- financial results of the Group;
- shareholders' interests;
- general business conditions, strategies and future expansion needs;
- the Company's capital requirements;
- the payment by the subsidiaries of cash dividends to the Company;
- possible effects on liquidity and financial position of the Group; and
- other factors the Board may consider relevant.

### 股息政策

根據本公司組織章程細則，在有關法例許可下，本公司可動用可供分派儲備宣派及支付股息。任何股息的派付及金額均將取決於本集團的經營業績、現金流、財務狀況、有關派付股息的法定及監管限制、未來前景及董事會認為相關的其他因素。分派任何中期股息或建議任何末期股息將由董事會酌情決定。此外，任何派付末期股息將須取得本公司股東批准。董事會不時因應下列因素檢討本公司的股息政策，以決定是否宣派及派付股息：

- 本集團的財務業績；
- 股東權益；
- 一般業務狀況、策略及未來擴展需要；
- 本公司的資本要求；
- 附屬公司向本公司派付現金股息；
- 對本集團流動性及財務狀況可能造成的影響；及
- 董事會可能認為相關的其他因素。

## FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for the last five financial years ended 31 December 2015 to 2019 is set out on page 228. This summary does not form part of the Financial Statements.

## SHARE CAPITAL

Details of changes in share capital of the Company during the year of 2019 are set out in note 24(d) to the Financial Statements.

## DISTRIBUTABLE RESERVES

As at 31 December 2019, the Company's distributable reserves, calculated in accordance with the Companies Law Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to RMB615,178,000 (2018: RMB274,029,000).

## MAJOR CUSTOMERS AND SUPPLIERS

The Group maintains good business relationships with its suppliers and customers, which are beneficial for the Group's healthy long-term development.

For the year of 2019, the aggregate sales attributable to the Company's five largest customers, including sales to entities which are known to the Group to be under common control with these customers, accounted for approximately 56% of the total revenue for the year; sales to the largest customer accounted for approximately 26% thereof. The aggregate purchases attributable to the Company's five largest suppliers accounted for approximately 47% of the total purchase for the year; purchases from the largest supplier accounted for approximately 19% thereof.

To the best knowledge of the Directors, none of the Directors, their associates or any shareholders who owned more than 5% of the Company's issued share capital had any beneficial interest in any of the Group's five largest customers or suppliers during the year.

## 五年財務摘要

本集團自2015年12月31日止年度至2019年12月31日止年度最近五個財政年度的業績、資產及負債的摘要載於第228頁。本摘要並不構成財務報表的一部份。

## 股本

本公司股本於2019年度變動的詳情載於財務報表附註24(d)。

## 可供分派儲備

於2019年12月31日，按照開曼群島公司法第22章（1961年法例三（經綜合及修訂））計算之本公司可供分派儲備為人民幣615,178,000元（2018年：人民幣274,029,000元）。

## 主要客戶及供應商

本集團與其供應商及客戶維持良好商業關係，其有利於本集團的長期健康發展。

於2019年度，本公司五大客戶的銷售（包括向本集團得悉與該等戶受共同控制之實體作出的銷售）總額佔本年度收入總額的約56%，其中對最大客戶銷售額佔本年度收入總額的約26%。本公司五大供應商的採購總額佔本年度採購總額的約47%，其中最大供應商採購額佔本年度採購總額的約19%。

據董事所知，董事或彼等的聯繫人或任何擁有本公司已發行股本5%以上權益的股東在年內概無於本集團任何五大客戶或供應商中擁有任何實益權益。

### **SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINTLY CONTROLLED COMPANIES**

Details of the major subsidiaries of the Group are set out in note 14 to the Financial Statements.

### **附屬公司、聯營公司和共同控制公司**

本集團主要附屬公司的詳情載於財務報表附註14。

### **PROPERTIES, PLANT AND EQUIPMENT AND LEASE PREPAYMENTS**

Details of changes in the Group's investment property, other property, plant and equipment and land use rights during the year of 2019 are set out in notes 9 to 11 to the Financial Statements.

### **物業、廠房及設備及租賃預付款項**

本集團投資物業、其他物業、廠房及設備及土地使用權於2019年度變動的詳情載於財務報表附註9至11。

### **CAPITAL EXPENDITURE**

During the year of 2019, the Group's total capital expenditure amounted to RMB141,208,000 (2018: RMB200,789,000) which was used for acquisition of other property, plant and equipment and land use rights. Details of movements the Group's other property, plant and equipment and land use rights are set out in notes 10 and 11 to the Financial Statements.

### **資本支出**

於2019年度內，本集團總資本支出為人民幣141,208,000元（2018年：人民幣200,789,000元），用於購買其他物業、廠房及設備及土地使用權。有關本集團其他物業、廠房及設備及土地使用權的變動詳情載於財務報表附註10及11。

### **LOANS AND BORROWINGS**

Details of the Group's loans and borrowings as at 31 December 2019 are set out in note 20 to the Financial Statements.

### **貸款及借款**

本集團於2019年12月31日的貸款及借款詳情載於財務報表附註20。

## DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

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

### Executive Directors

Mr. AN Yubao (*Chairman*)  
Ms. LI Qian (*Vice Chairlady, Chief Executive Officer*)  
Professor ZHU Quan  
Mr. TANG Ning

### Independent Non-executive Directors

Mr. SU Yuanfu  
Mr. FENG Zhongshi  
Ms. CHEN Yujun (appointed on 31 May 2019)  
Ms. CHENG Xinxin (Resigned, effective from 31 May 2019)

Each of the Directors has entered into a letter of appointment with the Company for an initial term of three years from the date of appointment, automatically renewable for a further one year subject to director's rotation pursuant to the Articles of Association of the Company and can be terminated by not less than three months' notice in writing served by either party on the other. None of the Directors has a service contract which is not determinable by the Company or any of its subsidiaries within 1 year without payment of compensation, other than statutory compensation.

The Company has received annual confirmation on independence from each of the independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules and all of them are considered to be independent.

## 董事與董事服務合同

於本年度及截至本報告日期在任的本公司董事如下：

### 執行董事

安郁寶先生(主席)  
黎倩女士(副主席、總裁)  
朱荃教授  
唐寧先生

### 獨立非執行董事

蘇元福先生  
馮仲實先生  
陳玉君女士(於2019年5月31日獲委任)  
成欣欣女士(已辭任，自2019年5月31日起生效)

每名董事均已與本公司訂立聘任書，自聘任日期起初步年期為3年，可予自動重續額外一年(每名董事須根據本公司組織章程細則輪值退任)，惟任何一方可向另一方發出不少於3個月的書面通知而終止。概無董事訂立不可於一年內由本公司或其任何附屬公司終止而毋須支付賠償(法定賠償除外)的服務合約。

根據上市規則第3.13條，本公司已接獲每位獨立非執行董事關於彼等於本年度獨立性的確認書，而所有獨立非執行董事均被視為獨立。



## Report of Directors 董事會報告

In accordance with the Company's Articles of Association, one third of the existing Directors shall retire from office at each annual general meeting. Accordingly, Mr. TANG Ning, Mr. SU Yuanfu and Mr. FENG Zhongshi shall retire from office at the forthcoming annual general meeting. Except for Mr. Tang who wants to devote more time to his family and has resigned from the position of an executive Director of the Company with effect upon the conclusion of the forthcoming annual general meeting, Mr. Su and Mr. Feng, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

### **DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE**

There was no transaction, arrangement or contract of significance to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director had a material interest subsisted at the end of the year or at any time during the year.

### **BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT**

Biographical details of the Directors and senior management of the Group are disclosed in the section headed "Directors and Senior Management Profile" on pages 30 to 39 of this annual report.

### **MANAGEMENT CONTRACTS**

No contract concerning the management and administration of the whole or any substantial part of the business of the Company has been entered into or existed during the year.

根據本公司之組織章程細則，於每屆股東周年大會上，三分之一當時在任董事須退任。因此，唐寧先生，蘇元福先生及馮仲實先生將於應屆股東周年大會上退任。除唐先生因希望投放更多時間予家庭而已經辭任本公司執行董事職務（將自應屆股東周年大會結束後生效）外，蘇先生及馮先生均符合資格並願意於應屆股東周年大會上膺選連任。

### **董事於重大交易、安排及合約的權益**

董事或董事的關連實體概無任何於與本公司或其任何附屬公司所訂立且於年末或年內任何時間存續的重大交易、安排或合約中擁有重大權益。

### **董事及高級管理層履歷**

董事及本集團高級管理層履歷詳情於本年報第30至39頁「董事及高級管理人員履歷」一節披露。

### **管理合約**

於本年度內，概無訂立或存在任何有關本公司全部業務或任何重大部分業務之管理及行政之合約。

## NON-COMPETITION UNDERTAKING BY CONTROLLING SHAREHOLDERS

Each of Mr. AN Yubao, the chairman of the Board, Ms. LI Qian, the vice chairlady of the Board, and Mr. YOUNG Wai Po, Peter (collectively, the “**Controlling Shareholders**” or “**Non-Competing Covenantors**”) entered into a deed of non-competition (“**Deed of Non-Competition**”) on 2 December 2013, pursuant to which the Non-Competing Covenantors have irrevocably and severally (but not jointly and severally) undertaken to the Company (for itself and for the benefit of each of the members of the Group) that with effect from the date of Listing and for as long as the shares of the Company remain so listed on the Stock Exchange and the Controlling Shareholders are individually or collectively with any of his/its associates interested directly or indirectly in not less than 30.0% of the issued ordinary share capital of the Company (the “**Restricted Period**”), the Non-Competing Covenantors or their respective associates shall not, (i) directly or indirectly engage, participate or hold any right or interest in or render any services to or otherwise be involved in any business (whether as owner, director, operator, licensor, licensee, partner, shareholder, joint venturer, employee, consultant or otherwise) in competition with or likely to be in competition with the existing business carried on by the Group (the “**Restricted Business**”); and (ii) directly or indirectly take any action which constitutes an interference with or a disruption of the Restricted Business including, but not limited to, (a) solicitation of any existing or then existing employees of the Group for employment by them or their associates (excluding the Group); (b) solicitation of any current or then current customers and/or suppliers and/or former customers and/or suppliers of the Group for the preceding 6 months at the relevant time away from the Group; and (c) without the consent from the Company, making use of any information pertaining to the business of the Group which may have come to their knowledge in their capacity as Substantial Shareholders for the purpose of engaging, investing or participating in any Restricted Business. Each of the Non-Competing Covenantors severally (but not jointly and severally) undertakes to the Company (for itself and for the benefit of each of the members of the Group) that, in respect of any order or any part of it undertaken or proposed to be undertaken by him/her or his/her associates for the Restricted Business, it shall and shall procure that his/her associates shall, unconditionally use reasonable endeavours to procure that such customer(s) to appoint or contract directly with any member of the Group for the Restricted Business under the relevant order.

## 控股股東之不競爭承諾

董事會主席安郁寶先生、董事會副主席黎倩女士及楊惠波先生（統稱「**控股股東**」或「**不競爭契諾人**」）於2013年12月2日簽訂不競爭契據（「**不競爭契據**」）。據此，不競爭契諾人已向本公司（為其本身及為本集團各成員公司的利益）作出不可撤回及個別的（但非共同及個別的）承諾，自上市日期起及只要本公司股份仍於聯交所上市，以及控股股東個別或共同地與其任何聯繫人直接或間接擁有不少於本公司已發行普通股股本30.0%的權益（「**限制期間**」），不競爭契諾人或彼等各自的聯繫人不會：(i)直接或間接從事、參與或持有任何權利或權益或提供任何服務或以其他方式涉及與本集團進行的現有業務競爭或可能競爭的任何業務（「**受限制業務**」）（不論作為擁有人、董事、經營者、發牌人、持牌人、合夥人、股東、合資經營人、僱員、諮詢人或其他身份）；及(ii)直接或間接採取對受限制業務構成干預或中斷的任何行動，包括但不限於(a)招攬本集團任何現時或當時在職僱員受其或其聯繫人（本集團除外）僱用；(b)遊說本集團的任何現有或當時現有之客戶及／或供應商及／或於有關時間前六個月內為本集團的前客戶及／或供應商離開本集團；及(c)未經本公司同意，利用本身作為主要股東的身份而可能獲悉有關本集團業務的任何資料，用於從事、投資或參與任何受限制業務。各不競爭契諾人個別地（但非共同及個別地）向本公司（為其本身及為本集團各成員公司的利益）承諾，對於其或其聯繫人就受限制業務而承接或擬承接的任何訂單或訂單中任何部份，其會或會促使其聯繫人無條件合理地盡力安排該等客戶根據相關訂單就受限制業務委任本集團任何成員公司或直接與本集團任何成員公司訂約。

## Report of Directors 董事會報告

Each of the Non-Competing Covenantors jointly and severally undertakes to indemnify and keep indemnified the Group against any damage, loss or liability suffered by the Company or any other member of the Group arising out of or in connection with any breach of its undertakings and/or obligations under the Deed of Non-Competition, including any costs and expenses incurred as a result of such breach provided that such indemnity shall be without prejudice to any other rights and remedies the Company is entitled to in relation to any such breach, including specific performance, and all such other things and remedies are hereby expressly reserved by the Company.

Each of the Controlling Shareholders has confirmed to the Company of his/its compliance with the Deed of Non-Competition provided to the Company until (i) the date on which the Company's shares cease to be listed on the Stock Exchange; or (ii) the date on which the relevant Covenantor and his/its associates cease to own 30% or more of the then issued share capital of the Company directly or indirectly; whichever occurs first.

The independent non-executive Directors of the Company had reviewed the status of compliance as well as confirmation by the Controlling Shareholders of the Company and, on the basis of such confirmation, are of the view that such Controlling Shareholders have complied with their non-competition undertakings under the Deed of Non-Competition and these non-competition undertakings have been enforced by the Company in accordance with its terms.

### CONNECTED TRANSACTIONS

The Company did not enter into any transactions which constitute non-exempt connected transactions within the meaning of the Listing Rules during the year of 2019.

各不競爭契諾人共同及個別地承諾，就源於或有關不競爭契據下其承諾及／或責任的任何違反所導致本公司或本集團任何其他成員公司承受的任何損害、損失或責任（包括因該違反而產生的任何成本及開支），其會對本集團作出彌償及一直作出彌償，惟該彌償不會影響本公司就任何有關違反而可享有的任何其他權利及可採取的補救措施，包括特定履行救濟，以及本公司謹此就一切有關其他事項及補救行動明確表示保留的權利。

各控股股東已向本公司確認其遵從不競爭契據，直至(i)本公司股份不再於聯交所上市日期；或(ii)相關契諾人及其聯繫人不再直接或間接擁有本公司當時已發行股本30%或以上的日期（以較早日期為準）。

本公司獨立非執行董事已審閱有關合規情況，並已得到本公司控股股東的確認，及基於此確認，彼等認為該等控股股東已遵守其於不競爭契據項下的不競爭承諾，且此等不競爭承諾已由本公司根據其條款執行。

### 關連交易

於2019年度本公司並無進行任何將會構成上市規則所指的非豁免關連交易的交易。

## SHARE OPTION SCHEME

The Company's existing Share Option Scheme was approved for adoption on 2 December 2013 for the purpose to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to eligible participants and for such other purposes as the Board approve from time to time. Subject to the terms of the Share Option Scheme, the Board may, at their absolute discretion, grant or invite any person belonging to any of the following classes to take up options to subscribe for shares: (a) any employee, supplier/service provider, customer, partner or joint-venture partner of the Group (including any director, whether executive and whether independent or not, of the Group) who is in full-time or part-time employment with the Company or any subsidiaries, (b) any person who have contributed or may contribute to the Group. The total number of share which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not exceed 10% of the total number of shares in issue on the date of Listing unless the Company seeks the approval of the shareholders in general meeting for refreshing the 10% limit under the Share Option Scheme provided that options lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company will not be counted for the purpose of calculating 10% limit.

The principal terms of the Share Option Scheme are summarised as follows:

The exercise price per share of the Company for each option granted shall be determined by the Board in its absolute discretion but in any event shall be at least the higher of:

- (1) the closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of offer for the grant of option ("**Date of Grant**") which must be a trading day;
- (2) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five trading days immediately preceding the Date of Grant; and
- (3) the nominal value of the shares on the Date of Grant.

## 購股權計劃

本公司現有購股權計劃於2013年12月2日獲准採納，旨在令本公司可以更靈活的方式給予合資格參與人士獎勵、回報、酬金、補償及／或提供福利，及就董事會不時批准之有關其他目的。在購股權計劃的條款規限下，董事會可全權酌情授出或邀請任何屬以下任何組別的人士接納購股權以認購股份：(a)本公司或任何附屬公司旗下僱用的任何全職或兼職的本集團僱員、供應商／服務供應商、客戶、合作夥伴或合資企業合作夥伴，包括本集團不論是否屬執行及獨立與否的任何董事；(b)任何對本集團已經或可能作出貢獻之人士。根據購股權計劃及本公司任何其他購股權計劃將予授出的所有購股權獲行使時可能發行的股份總數，不得超過上市日期已發行股份總數10%。除非本公司在股東大會上尋求股東批准更新購股權計劃的10%限額，惟在計算10%限額時，根據購股權計劃或本公司任何其他購股權計劃條款已失效的購股權將不會計算在內。

購股權計劃的主要條款概述如下：

所授出每份購股權的本公司每股股份行使價將由董事會全權酌情釐定，但無論如何須至少為下列各項之較高者：

- (1) 股份於必須為交易日的提呈授出購股權當日（「授出日期」）在聯交所刊發日報表所載收市價；
- (2) 股份於緊接授出日期前5個交易日在聯交所刊發的日報表所載平均收市價；及
- (3) 股份於授出日期的面值。

## Report of Directors 董事會報告

Upon acceptance of the options, the grantee shall pay HKD1.00 to the Company as consideration for the grant. The acceptance of an offer of the grant of the option must be made within the date as specified in the offer letter issued by the Company. The exercise period of any option granted under the Share Option Scheme shall not be longer than 10 years commencing on the date of grant and expiring on the last day of such 10-year period subject to the provisions for early termination as contained in the Share Option Scheme. The maximum number of shares issued and to be issued upon exercise of the options granted and to be granted to each grantee under the Share Option Scheme (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue. Any further grant of options in excess of this 1% limit shall be subject to issuance of a circular by the Company and approved by its shareholders in accordance with the Listing Rules.

接納購股權後，承授人須向本公司支付1.00港元作為獲授出購股權的代價。提呈授出的購股權必須於本公司發出的提呈函件中所指定日期前獲接納。根據購股權計劃授出的任何購股權的行使期自授出日期起計不得超過10年，並於該10年期最後一天屆滿，且須受購股權計劃載列的提早終止條文所限。於任何12個月期間根據購股權計劃向每名承授人已經及將授出的購股權（包括已行使、註銷及尚未行使的購股權）獲行使而已經及將發行的股份最高數目，不得超過已發行股份總數1%。倘進一步授出的購股權超過該1%限額，則須待本公司刊發通函及根據上市規則取得其股東批准後方可作實。

Details of share options outstanding during the year are as follows:

年內尚未行使的購股權詳情如下：

		Outstanding as at 1 January 2019 於2019年 1月1日 尚未行使 '000 千股	Granted during the year 年內授出 '000 千股	Exercised during the year 年內行使 '000 千股	Cancelled during the year 年內註銷 '000 千股	Expired during the year 年內失效 '000 千股	Outstanding as at 31 December 2019 於2019年 12月31日 尚未行使 '000 千股
<b>Share options with exercise price of HKD6.64</b>		行使價為6.64港元的購股權					
<b>Directors</b>		<b>董事</b>					
Mr. AN Yubao	安郁寶先生	6,000	-	-	-	-	6,000
Ms. LI Qian	黎倩女士	6,000	-	-	-	-	6,000
Professor ZHU Quan	朱荃教授	1,200	-	-	-	-	1,200
Mr. TANG Ning	唐寧先生	349	-	-	-	-	349
<b>Employees</b>		<b>僱員</b>					
In aggregate	總計	6,532	-	-	-	-	6,532
		20,081	-	-	-	-	20,081
<b>Share options with exercise price of HKD4.01</b>		行使價為4.01港元的購股權					
<b>Directors</b>		<b>董事</b>					
Mr. AN Yubao	安郁寶先生	4,000	-	-	-	-	4,000
Ms. LI Qian	黎倩女士	4,000	-	-	-	-	4,000
Professor ZHU Quan	朱荃教授	1,758	-	-	-	(470)	1,288
Mr. TANG Ning	唐寧先生	1,157	-	-	-	(216)	941
<b>Employees</b>		<b>僱員</b>					
In aggregate	總計	23,967	-	(693)	-	(3,380)	19,894
		34,882	-	(693)	-	(4,066)	30,123
<b>Share options with exercise price of HKD4.476</b>		行使價為4.476港元的購股權					
<b>Directors</b>		<b>董事</b>					
Mr. AN Yubao	安郁寶先生	-	8,750	-	-	-	8,750
Ms. LI Qian	黎倩女士	-	8,750	-	-	-	8,750
Professor ZHU Quan	朱荃教授	-	800	-	-	-	800
Mr. TANG Ning	唐寧先生	-	1,300	-	-	-	1,300
<b>Employees</b>		<b>僱員</b>					
In aggregate	總計	-	43,400	-	-	(3,720)	39,680
		-	63,000	-	-	(3,720)	59,280
		54,963	63,000	(693)	-	(7,786)	109,484

The share options outstanding at 31 December 2019 had a weighted average exercise price of HKD4.79 and a weighted-average remaining contractual life of 7.1 years.

於2019年12月31日，尚未行使購股權加權平均行使價為4.79港元，加權平均剩餘合約年期為7.1年。

## Report of Directors 董事會報告

As at the date of this report, totally 103,020,466 ordinary shares were available for issue under the Share Option Scheme, which represented approximately 11.9% of the total issued shares of the Company as at the date of this report.

Apart from the aforesaid share option schemes, at no time during the year ended 31 December 2019 was any of the Company or its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors, or their spouses or children under the age of 18, had any right to subscribe for the shares in, or debentures of, the Company, or had exercised any such right.

### SHARE AWARD SCHEME

The Board of the Company had adopted a Share Award Scheme (“**Share Award Scheme**”) on 21 July 2014 as a means to recognise the contributions by the selected employees and provide them with incentives in order to retain them for the continual operation and development of the Group and attract suitable personnel for the further development of the Group.

Pursuant to the Share Award Scheme, the selected employees may be granted during the duration of the Share Award Scheme an award in the form of awarded shares (“**Awarded Shares**”). Awarded Shares will be purchased by the trustee of the Company (“**Trustee**”) on the market out of cash contributed by the Company and be held on trust for the selected employees until such shares are vested on them in accordance with the provisions of the Share Award Scheme. The Board shall not make any further award of Awarded Shares which will result in the nominal value of the shares awarded by the Board under the Share Award Scheme exceeding 10% of the issued share capital of the Company from time to time. The maximum number of shares which may be awarded to a selected employee under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company from time to time.

於本報告日期，合共103,020,466股普通股將可於購股權計劃項下發行，代表本公司於本報告日期已發行股份總數之約11.9%。

除上述購股權計劃外，於截至2019年12月31日止年度任何時間，本公司或其附屬公司任何一方概無成為任何安排的訂約方，致使董事可透過收購本公司或任何其他法人團體的股份或債權證而獲利，亦無任何董事、其配偶或未滿18周歲之子女擁有認購本公司股份或債權證的任何權利或已行使任何有關權利。

### 股份獎勵計劃

本公司董事會於2014年7月21日採納了一項股份獎勵計劃（「**股份獎勵計劃**」），以嘉許獲選僱員作出的貢獻並以資獎勵，從而挽留彼等為本集團持續經營及發展效力，並為本集團進一步發展吸引合適人才。

根據該股份獎勵計劃，獲選僱員可於股份獎勵計劃期間獲授獎勵股份（「**獎勵股份**」）形式的獎勵。本公司受託人（「**受託人**」）將於市場以本公司的現金供款購買獎勵股份，並代表獲選僱員以信託形式持有獎勵股份，直至該等股份根據股份獎勵計劃條文歸屬予彼等為止。倘授出獎勵股份將導致董事會根據股份獎勵計劃授出的股份面值超出本公司不時之已發行股本的10%，則董事會不得增授獎勵股份。每一獲選僱員根據股份獎勵計劃可獲授的最高股份數目不得超出本公司不時之已發行股本的1%。

As at 31 December 2019, 19,798,000 ordinary shares were held by the Trustee under the Share Award Scheme, among which 19,698,000 shares were held on behalf of the Company while the remaining 100,000 shares were held on behalf of certain employees.

於2019年12月31日，受託人根據股份獎勵計劃持有19,798,000股普通股，其中19,698,000股股份為代表本公司持有，而其餘的100,000股股份則代表若干僱員持有。

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

### 董事及主要行政人員於股份、相關股份及債權證之權益或淡倉

As at 31 December 2019, the Directors and chief executives of the Company had the following interests or short positions in the shares, underlying shares and debentures of the Company, its group members and/or associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code:

於2019年12月31日，董事及本公司主要行政人員於本公司、其集團成員公司及／或相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債權證中，擁有已記入根據證券及期貨條例第352條規定存置的登記冊之權益或淡倉，或根據標準守則已另行知會本公司及聯交所的權益或淡倉如下：

Name of Director 董事姓名	Nature of Interest and Capacity 權益性質及身份	Number and Class of Securities <sup>(1)</sup> 證券數目及類別 <sup>(1)</sup>	Approximate Percentage of Shareholding 概約股權百分比
AN Yubao <sup>(2)</sup> 安郁寶 <sup>(2)</sup>	Beneficial owner 實益擁有人	28,555,817 Shares (L) 28,555,817股(L)	3.30%(L)
AN Yubao <sup>(3)</sup> 安郁寶 <sup>(3)</sup>	Founder of a discretionary trust 酌情信託之成立人	197,324,000 Shares (L) 197,324,000股(L)	22.80%(L)
	Sub-total 小計	225,879,817 Shares (L) 225,879,817股(L)	26.10%(L)
LI Qian <sup>(2)</sup> 黎倩 <sup>(2)</sup>	Beneficial owner 實益擁有人	25,145,261 Shares (L) 25,145,261股(L)	2.90%(L)
LI Qian <sup>(4)</sup> 黎倩 <sup>(4)</sup>	Interest of controlled corporation 受控制法團權益	127,048,000 Shares (L) 127,048,000股(L)	14.68%(L)
	Sub-total 小計	152,193,261 Shares (L) 152,193,261股(L)	17.58%(L)
ZHU Quan <sup>(2)</sup> 朱荃 <sup>(2)</sup>	Beneficial owner 實益擁有人	3,287,700 Shares (L) 3,287,700股(L)	0.38%(L)
TANG Ning <sup>(2)</sup> 唐寧 <sup>(2)</sup>	Beneficial owner 實益擁有人	2,589,600 Shares (L) 2,589,600股(L)	0.30%(L)



## Report of Directors 董事會報告

### Notes:

- (1) The letter "L" denotes the Directors' long position in the shares of the Company or the relevant associated corporation.
- (2) Including shares in relation to 18,750,000 share options, 18,750,000 share options, 3,287,700 share options and 2,589,600 share options granted to Mr. AN Yubao, Ms. LI Qian, Professor ZHU Quan and Mr. TANG Ning respectively under the Share Option Scheme adopted on 2 December 2013.
- (3) The entire issued share capital of Central Success Developments Limited ("Central Success") is owned by Aali Resources Limited. Aali Resources Limited is held in the name of BOS Trustee Limited as a trustee of a discretionary trust, of which Mr. AN Yubao is the founder. Therefore, Mr. AN Yubao is deemed to be interested in all the Shares held by Central Success under the provisions of SFO.
- (4) The entire issued share capital of Double Grace International Limited ("Double Grace") is owned by Ms. LI Qian, therefore, Ms. LI Qian is deemed to be interested in all the Shares held by Double Grace under the provisions of SFO.

Save as disclosed above, as at 31 December 2019, none of the Directors and chief executives of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company, any of its group members or its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code.

### 附註：

- (1) 英文字母「L」代表董事於本公司或相關相聯法團的股份中的好倉。
- (2) 包括根據於2013年12月2日採納之購股權計劃分別授予安郁寶先生的18,750,000份購股權、授予黎倩女士的18,750,000份購股權、授予朱荃教授的3,287,700份購股權及授予唐寧先生的2,589,600份購股權之相關股份。
- (3) 中成發展有限公司(「中成」)的全部已發行股本由Aali Resources Limited擁有。Aali Resources Limited由BOS Trustee Limited以一項酌情信託之受託人身份持有，而安郁寶先生為該酌情信託之成立人。因此，根據證券及期貨條例的條文，安郁寶先生被視為於中成所持全部股份中擁有權益。
- (4) Double Grace International Limited(「Double Grace」)的全部已發行股本由黎倩女士擁有，因此，根據證券及期貨條例的條文，黎倩女士被視為於Double Grace所持全部股份中擁有權益。

除上文披露者外，於2019年12月31日，董事及本公司主要行政人員概無於本公司、其任何集團成員公司或其相聯法團(定義見證券及期貨條例第XV部)任何股份、相關股份或債權證中，擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的任何其他權益或淡倉(包括彼等根據證券及期貨條例有關條文被當作或視為擁有的權益或淡倉)，或根據證券及期貨條例第352條須記錄在該條文所述登記冊內或根據標準守則規定的任何其他權益或淡倉。

**SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/  
OR SHORT POSITION IN SHARES AND UNDERLYING  
SHARES OF THE COMPANY**

As at 31 December 2019, so far as was known to the Directors, the following persons/entities (other than the Directors or chief executives of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company, its group members and/or associated corporations which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

主要股東於本公司股份及相關股份中之權益及／或淡倉

於2019年12月31日，就董事所知，以下人士／實體（董事或本公司主要行政人員除外）於本公司、其集團成員公司及／或相聯法團之股份或相關股份中，擁有或被視為擁有根據證券及期貨條例第XV部第2及第3分部條文須向本公司披露的權益或淡倉，或已記入根據證券及期貨條例第336條本公司須存置的登記冊內的權益或淡倉：

Name of Shareholder 股東名稱／姓名	Nature of Interest and Capacity 權益性質及身份	Number and Class of Securities <sup>(1)</sup> 證券數目及類別 <sup>(1)</sup>	Approximate Percentage of Shareholding 概約股權百分比
Guidoz Limited <sup>(2)</sup> Guidoz Limited <sup>(2)</sup>	Beneficial owner 實益擁有人	110,050,000 shares (L) 110,050,000股(L)	12.71%(L)
YOUNG Wai Po, Peter <sup>(2)</sup> 楊惠波 <sup>(2)</sup>	Interest of controlled corporation 受控制法團權益	110,050,000 shares (L) 110,050,000股(L)	12.71%(L)
BOS Trustee Limited <sup>(3)</sup> BOS Trustee Limited <sup>(3)</sup>	Trustee 受託人	197,324,000 Shares (L) 197,324,000股(L)	22.80%(L)
Aali Resources Limited <sup>(3)</sup> Aali Resources Limited <sup>(3)</sup>	Interest of controlled corporation 受控制法團權益	197,324,000 Shares (L) 197,324,000股(L)	22.80%(L)
Central Success <sup>(3)</sup> 中成 <sup>(3)</sup>	Beneficial owner 實益擁有人	197,324,000 shares (L) 197,324,000股(L)	22.80%(L)
Double Grace <sup>(4)</sup> Double Grace <sup>(4)</sup>	Beneficial owner 實益擁有人	127,048,000 shares (L) 127,048,000股(L)	14.68%(L)

## Report of Directors 董事會報告

### Notes:

- (1) The letter "L" denotes the person's long position in the shares of the Company or the relevant group member. The letter "S" denotes the person's short position in the shares of the Company or the relevant group member.
- (2) The entire issued share capital of Guidoz Limited is legally and beneficially owned by Mr. YOUNG. By virtue of the SFO, Mr. YOUNG is deemed to be interested in all the Shares held by Guidoz Limited.
- (3) The entire issued share capital of Central Success is owned by Aali Resources Limited. Aali Resources Limited is held in the name of BOS Trustee Limited as a trustee of a discretionary trust, of which Mr. AN Yubao is the founder. Therefore, Mr. AN Yubao is deemed to be interested in all the Shares held by Central Success under the provisions of SFO.
- (4) The entire issued share capital of Double Grace is legally and beneficially owned by Ms. LI. By virtue of the SFO, Ms. LI is deemed to be interested in all the Shares held by Double Grace.

Save as disclosed above, as at 31 December 2019, the Directors were not aware of any other persons/entities (other than the Directors and chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company, its group members or associated corporations which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

### COMPETITION AND CONFLICT OF INTERESTS

During the year ended 31 December 2019, none of the Directors or Controlling Shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group.

### 附註：

- (1) 英文字母「L」代表有關人士於本公司或相關集團成員公司的股份中的好倉。英文字母「S」代表有關人士於本公司或相關集團成員公司的股份中的淡倉。
- (2) Guidoz Limited的全部已發行股本由楊先生合法及實益擁有。根據證券及期貨條例，楊先生被視為於Guidoz Limited所持全部股份中擁有權益。
- (3) 中成的全部已發行股本由Aali Resources Limited擁有。Aali Resources Limited由BOS Trustee Limited以一項酌情信託之受託人身份持有，而安郁寶先生為該酌情信託之成立人。因此，根據證券及期貨條例條文，安郁寶先生被視為於中成所持全部股份中擁有權益。
- (4) Double Grace的全部已發行股本由黎女士合法及實益擁有。根據證券及期貨條例，黎女士被視為於Double Grace所持全部股份中擁有權益。

除上文披露者外，於2019年12月31日，董事並不知悉任何其他人士／實體（董事及本公司主要行政人員除外）於本公司、其集團成員公司或相聯法團之股份或相關股份中，擁有根據證券及期貨條例第XV部第2及3分部之條文須向本公司披露之權益或淡倉，或已記入根據證券及期貨條例第336條本公司須存置的登記冊內的權益或淡倉。

### 競爭及利益衝突

於截至2019年12月31日止年度，概無董事或本公司控股股東或任何彼等各自的聯繫人從事與本集團業務構成或可能構成競爭的任何業務或與本集團有任何其他利益衝突。

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

In November 2017, the Company placed 43,585,680 shares (with aggregate nominal value of HKD4,358,568) at the placing price of HKD6.60 per share (the "Placing"). The net proceeds from the Placing of approximately HKD284,439,000 was expected to be utilized for general working capital and future investment of the Group as and when opportunities arise as disclosed in the announcement of the Company dated 24 October 2017. Approximately HKD182,000,000 were used for repayment of bank loans during the year ended 31 December 2018 and the remaining approximately HKD102,439,000 were used for repayment of bank loans during the year ended 31 December 2019.

In 2019, the Company issued a total of 693,200 ordinary shares at the consideration of HKD4.01 per share pursuant to employees' exercise of share options granted under Share Option Scheme (adopted on 2 December 2013).

In 2019, the Company repurchased 10,352,000 shares of its own ordinary shares through the Stock Exchange at a total consideration of approximately HKD52,908,000 (approximately RMB46,212,000) and all of these repurchased shares were cancelled before the year end. For monthly breakdown of repurchased shares, please refer to note 24(b) to the financial statements.

Save for the above, neither the Company nor any of its subsidiaries purchased, sold or redeem any of the Company's listed securities during the year ended 31 December 2019.

## PRE-EMPTIVE RIGHTS

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

## 購買、出售或贖回本公司上市證券

於2017年11月，本公司配售了43,585,680股股份（總面值為4,358,568港元），配售價為每股6.60港元（「配售」）。如本公司日期為2017年10月24日的公告所披露，配售所得款項淨額約284,439,000港元預期用作本集團一般營運資金及於機會出現時用作未來投資。其中約182,000,000港元已於截至2018年12月31日止年度用於償還銀行貸款，而餘下約102,439,000港元已於截至2019年12月31日止年度用於償還銀行貸款。

於2019年，本公司因應員工行使根據購股權計劃（於2013年12月2日採納）而授予的購股權而以每股4.01港元的代價發行了合共693,200股普通股。

於2019年，本公司透過聯交所以總代價約52,908,000港元（約人民幣46,212,000元）購回其自身普通股中的10,352,000股而所有該等購回之股份已經於年底前被註銷。購回股份的每月明細請見財務報表附註24(b)。

除上文披露外，於截至2019年12月31日止年度，本公司及其任何附屬公司均無購買、出售或贖回本公司任何上市證券。

## 優先購股權

本公司組織章程細則或開曼群島法例並無有關優先購股權的條文，致使本公司有責任按比例向現有股東發售新股份。

# Report of Directors

## 董事會報告

### PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporative activities. The permitted indemnity provision is in force for the benefit of the Directors as required by section 470 of the Hong Kong Companies Ordinance when the Report of the Directors prepared by the Directors is approved in accordance with section 391(1)(a) of the Hong Kong Companies Ordinance.

### SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules during the year ended 31 December 2019.

### CORPORATE GOVERNANCE REPORT

Details of the Group's corporate governance practices can be found in the Corporate Governance Report contained on pages 40 to 59 in this annual report.

### ANNUAL GENERAL MEETING

The annual general meeting will be held on Friday, 29 May 2020. Shareholders should refer to details regarding the annual general meeting in the circular of the Company to be issued in due course and the notice of the annual general meeting and form of proxy accompanying thereto.

### 獲准許的彌償條文

本公司已就其董事及高級管理人員因企業活動產生之法律訴訟，為董事及行政人員之責任安排投保適當之保險。當董事編製之董事會報告根據香港公司條例第391(1)(a)條獲批准時，該獲准許的彌償條文已按香港公司條例第470條的規定基於董事利益生效。

### 充足公眾持股量

根據本公司可公開取得的資料以及據董事所知，本公司於截至2019年12月31日止年度一直維持上市規則所訂明的公眾持股量。

### 企業管治報告

本集團企業管治常規的詳情，載於本年報第40至59頁的企業管治報告內。

### 股東周年大會

股東周年大會將在2020年5月29日（星期五）舉行。股東應參閱本公司將於適時刊發之通函中關於股東周年大會之詳情，以及隨附的股東周年大會通告及代表委任表格。

## CLOSURE OF THE REGISTER OF MEMBERS

To determine the eligibility of the shareholders of the Company to attend the annual general meeting to be held on Friday, 29 May 2020, the Company's register of members will be closed from Tuesday, 26 May 2020 to Friday, 29 May 2020 (both days inclusive), during which period no transfer of shares will be effected. In order to be entitled to attend and vote at the annual general meeting, all completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch 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 not later than 4:30 p.m. on Monday, 25 May 2020.

In addition, to determine shareholders' entitlement to the final dividend, the Company's register of members will be closed from Tuesday, 9 June 2020 to Friday, 12 June 2020 (both days inclusive). In order to qualify for the entitlements to the final dividend, all completed transfers documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 pm on Monday, 8 June 2020.

## AUDITORS

A resolution to re-appoint the retiring auditors, KPMG, is to be proposed at the forthcoming annual general meeting of the Company.

By order of the Board

**Consun Pharmaceutical Group Limited**

**AN Yubao**

*Chairman and Executive Director*

Hong Kong, 23 March 2020

## 暫停辦理股份過戶登記

為釐定本公司股東出席將於2020年5月29日(星期五)舉行之股東周年大會之資格,本公司將於2020年5月26日(星期二)至2020年5月29日(星期五)期間(包括首尾兩天)暫停辦理股份過戶登記手續,期間將不會辦理任何股份過戶登記。為符合資格出席股東周年大會並於會上表決,所有填妥之股份過戶文件連同相關股票最遲須於2020年5月25日(星期一)下午4時30分送交本公司之香港證券登記分處香港中央證券登記有限公司,地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖以辦理登記。

再者,為釐定股東獲得末期股息的權利,本公司將於2020年6月9日(星期二)至2020年6月12日(星期五)期間(包括首尾兩天)暫停辦理股份過戶登記手續。為符合獲得末期股息的資格,所有填妥之股份過戶文件連同相關股票最遲須於2020年6月8日(星期一)下午4時30分送交本公司之香港證券登記分處香港中央證券登記有限公司,地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖。

## 核數師

於本公司即將舉行之股東周年大會上,將提呈再度委任退任核數師畢馬威會計師事務所的決議案。

承董事會命

**康臣藥業集團有限公司**

**安郁寶**

*主席兼執行董事*

香港, 2020年3月23日

# Independent Auditor's Report

## 獨立核數師報告



### Independent auditor's report to the shareholders of Consun Pharmaceutical Group Limited

(Incorporated in the Cayman Islands with limited liability)

#### OPINION

We have audited the consolidated financial statements of Consun Pharmaceutical Group Limited (“the **Company**”) and its subsidiaries (“the **Group**”) set out on pages 100 to 227, which comprise the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss, 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 Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

#### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the 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 Cayman Islands, 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.

致康臣藥業集團有限公司  
股東的獨立核數師報告  
(於開曼群島註冊成立的有限公司)

#### 意見

本核數師(以下簡稱「我們」)已審計列載於第100至227頁的康臣藥業集團有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表。此財務報表包括於2019年12月31日的綜合財務狀況表與截至該日止年度的綜合損益表、綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而中肯地反映了貴集團於2019年12月31日的綜合財務狀況及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》的披露要求妥為擬備。

#### 意見的基礎

我們已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部份中作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則(「守則」)以及任何與我們對開曼群島綜合財務報表的審計相關的道德要求，我們獨立於貴集團，並已履行這些道德要求以及守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## 關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

<b>Revenue recognition: distributor arrangements</b> 收入確認：經銷商安排	
<i>Refer to note 2 to the consolidated financial statements and the accounting policies in note 1(u).</i> 請參閱綜合財務報表附註2及附註1(u)的會計政策。	
<b>The Key Audit Matter</b> 關鍵審計事項	<b>How the matter was addressed in our audit</b> 我們的審計如何處理該事項
<p>Revenue mainly comprises sales of pharmaceutical products to a large number of distributors throughout Mainland China. 收入主要包括向中國大陸各地眾多經銷商銷售藥品。</p> <p>Each year, the Group enters into standardised agreements with its distributors setting out the key terms of the distribution arrangements ("<b>Distributor Agreements</b>"), including the terms of delivery and policies for sales rebates and sales returns. Purchase orders are then placed with the Group and products are delivered to the location designated by the distributor, at which point the control of the goods are considered to have been transferred to the distributor and revenue is recognised at the point. 貴集團每年與其經銷商訂立標準化協議，當中載列經銷安排（「<b>經銷商協議</b>」）的主要條款，包括交付條款以及銷售返利及銷售退貨的政策。經銷商其後會向貴集團下達採購訂單，而產品則交付至其指定地點，屆時，貨品控制權會被視為已轉讓予有關經銷商及收入於屆時確認。</p>	<p>Our audit procedures to assess the recognition of revenue from distributor arrangements included the following: 我們就評估確認來自經銷商安排的收入的審計程序包括以下程序：</p> <ul style="list-style-type: none"> <li>assessing the design, implementation and operating effectiveness of management's key internal controls which govern revenue recognition;</li> <li>評估管理層規管收入確認的關鍵內部監控的設計、執行及運作有效性；</li> <li>inspecting Distributor Agreements, on a sample basis, to understand the terms of the sales transactions, including the terms of delivery, applicable rebates and sales return arrangements and to assess the Group's revenue recognition criteria with reference to the requirements of the prevailing accounting standards;</li> <li>抽樣檢查經銷商協議，以理解銷售交易的條款（包括交付、適用返利及銷售退貨安排的條款），以及參考現行會計準則的規定評估貴集團的收入確認標準；</li> </ul>



# Independent Auditor's Report

## 獨立核數師報告

### KEY AUDIT MATTERS (Continued)

### 關鍵審計事項 (續)

<b>Revenue recognition: distributor arrangements (Continued)</b> 收入確認：經銷商安排 (續)	
Refer to note 2 to the consolidated financial statements and the accounting policies in note 1(u). 請參閱綜合財務報表附註2及附註1(u)的會計政策。	
<b>The Key Audit Matter</b> 關鍵審計事項	<b>How the matter was addressed in our audit</b> 我們的審計如何處理該事項
<p>We identified recognition of revenue from distributor arrangements 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>我們認為確認來自經銷商安排的收入屬關鍵審計事項，原因是收入乃貴集團其中一大關鍵表現指標，故存在管理層操控確認收入的時機以達致指定目標或期望的固有風險。</p>	<ul style="list-style-type: none"> <li>• for a sample of revenue transactions recorded just before and after the year end, inspecting the related goods delivery notes, which had been signed by the distributors as evidence of their receipt of the goods, to assess if the related revenue had been recognised in the appropriate financial period on the basis of the terms of sale as set out in the Distributor Agreements and the terms of the purchase orders;</li> <li>• 就剛好於年結日前後入賬的收入交易樣本而言，檢查相關的貨品交付票據（已由經銷商簽署，作為其收到貨品的證據），以評估相關收入是否已根據經銷商協議所載銷售條款及採購訂單的條款於適當的財政期間內確認；</li> </ul>

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

<b>Revenue recognition: distributor arrangements (Continued)</b> 收入確認：經銷商安排 (續)	
Refer to note 2 to the consolidated financial statements and the accounting policies in note 1(u). 請參閱綜合財務報表附註2及附註1(u)的會計政策。	
<b>The Key Audit Matter</b> 關鍵審計事項	<b>How the matter was addressed in our audit</b> 我們的審計如何處理該事項
	<ul style="list-style-type: none"> <li>• for a sample of sales rebates recorded during the year, comparing the details of the bases of the rebate calculations and the rebate ratios with the terms of the underlying Distributor Agreements and comparing the rebate bases (e.g. the sales amounts settled during the year) to sub-ledgers and underlying bank remittances, cheques, bills and other payment slips (where applicable);</li> <li>• 就年內入賬的銷售返利樣本而言，比較返利的計算基礎及返利比率的詳情與相關經銷商協議的條款，以及比較回扣金額基數（如年內結算的銷售金額）與分類賬及相關的銀行匯款、支票、票據及其他付款收據（如適用）；</li> <li>• scrutinising the sales ledger after the year end to identify significant credit notes issued and sales returns and inspecting relevant underlying documentation to assess if the related adjustments to revenue had been accounted for in the appropriate financial period in accordance with the requirements of the prevailing accounting standards; and</li> <li>• 檢查年結日後的銷售分類賬以識別已發出的大額扣減單據及銷售退貨，以及檢查相關文件以評估對收入進行的相關調整是否已根據現行會計準則的規定於適當的財務期間內入賬；及</li> <li>• inspecting significant manual adjustments to revenue raised during the reporting period, enquiring of management the reasons for such adjustments and comparing the details of the adjustments with relevant underlying documentation.</li> <li>• 檢查於報告期內對收入作出的重大人工調整、向管理層詢問作出有關調整的原因及比較調整的詳情與相關文件。</li> </ul>

# Independent Auditor's Report

## 獨立核數師報告

### KEY AUDIT MATTERS (Continued)

### 關鍵審計事項 (續)

<b>Loss allowance for trade receivables</b> <b>貿易應收款項的虧損撥備</b>	
<p>Refer to note 17 to the consolidated financial statements and the accounting policies in note 1(k). 請參閱綜合財務報表附註17及附註1(k)的會計政策。</p>	
<b>The Key Audit Matter</b> <b>關鍵審計事項</b>	<b>How the matter was addressed in our audit</b> <b>我們的審計如何處理該事項</b>
<p>As at 31 December 2019 the carrying value of the Group's net trade receivables totalled RMB732,058,000, net of loss allowance of RMB80,533,000.</p> <p>於2019年12月31日，貴集團貿易應收款項的賬面值的淨額合共為人民幣732,058,000元，扣除虧損撥備人民幣80,533,000元。</p> <p>Management measured loss allowance at an amount equal to lifetime expected credit loss, based on ageing of the receivables and loss rate for the receivables which existed during the reporting periods. According to the experience of the Group, the loss patterns for different customers are not significantly different and therefore, the receivables are not segmented for measurement of loss allowance.</p> <p>就於報告期內存續的應收款項而言，管理層根據應收款項的賬齡及虧損率，按相等於整個存續期的預期信貸虧損金額計量虧損撥備。根據貴集團的經驗，不同客戶的虧損模式無明顯不同。因此，應收款項無進行獨立分類以計量虧損撥備。</p>	<p>Our audit procedures to assess the loss allowance for trade receivables included the following: 我們就評估貿易應收款項虧損撥備的審計程序包括以下程序：</p> <ul style="list-style-type: none"> <li>obtaining an understanding of and assessing the design, implementation and operating effectiveness of key internal controls relating to credit control, debt collection and estimate of expected credit losses and making related allowances;</li> <li>了解及評估與信貸控制、收債及估計預期信貸虧損並作出相關撥備有關的關鍵內部監控的設計、執行及運作有效性；</li> <li>obtaining an understanding on 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 rate;</li> <li>了解管理層所採納預期信貸虧損模型的重要數據及假設，包括過往違約紀錄以及管理層有關虧損率的估計中所涉及的假設；</li> </ul>

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

<b>Loss allowance for trade receivables (Continued)</b> <b>貿易應收款項的虧損撥備 (續)</b>	
<p>Refer to note 17 to the consolidated financial statements and the accounting policies in note 1(k). 請參閱綜合財務報表附註17及附註1(k)的會計政策。</p>	
<b>The Key Audit Matter</b> <b>關鍵審計事項</b>	<b>How the matter was addressed in our audit</b> <b>我們的審計如何處理該事項</b>
<p>We identified loss allowance for trade receivables as a key audit matter because trade receivables and loss allowance are material to the Group and because the recognition of expected credit losses is inherently subjective and requires the exercise of significant management judgement.</p> <p>我們認為貿易應收款項的虧損撥備屬關鍵審計事項，原因是貿易應收款項及虧損撥備對貴集團而言屬重大，並因確認預期信貸虧損存在主觀性，及需要管理層行使重大判斷。</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>透過審閱管理層形成有關判斷所使用的信息，包括測試過往違約紀錄的準確度及評估過往虧損率是否根據現時經濟狀況及前瞻性資料作出適當調整，以評估管理層有關虧損撥備的估計的合理性；</li> <li>assessing, on a sample basis, whether items in the trade receivables ageing report were classified within the appropriate ageing category by comparing individual items with underlying sales invoices; and</li> <li>透過抽樣比較個別項目與相關銷售發票，評估貿易應收款項賬齡報告內的項目是否已分類至適當的賬齡類別；及</li> <li>comparing, on a sample basis, 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.</li> <li>將該財政年度年結日後從債務人收回的現金（與於2019年12月31日的貿易應收款項結餘有關）與銀行對賬單及相關文件進行抽樣比較。</li> </ul>

# Independent Auditor's Report

## 獨立核數師報告

### KEY AUDIT MATTERS (Continued)

### 關鍵審計事項 (續)

<b>Assessing potential impairment of goodwill and other intangible assets – trademark</b> 評估商譽及其他無形資產 – 商標的潛在減值	
Refer to note 12 and note 13 to the consolidated financial statements and the accounting policies in note 1(k). 請參閱綜合財務報表附註12及附註13以及附註1(k)的會計政策。	
<b>The Key Audit Matter</b> 關鍵審計事項	<b>How the matter was addressed in our audit</b> 我們的審計如何處理該事項
<p>The Group acquired Guangxi Yulin Pharmaceutical Group Co., Ltd and its subsidiaries (collectively referred to as “<b>Yulin Pharmaceutical Group</b>”) in 2016 and recognised goodwill and other intangible assets – trademark with indefinite useful lives arising from the acquisition. As at 31 December 2019, the costs of the assets, before any impairment, are RMB320,647,000 and RMB256,233,000 respectively.</p> <p>本集團於2016年收購廣西玉林製藥集團有限責任公司及其附屬公司(統稱為「<b>玉林製藥集團</b>」)，並確認收購事項所產生之商譽及使用壽命不確定的其他無形資產 – 商標。於2019年12月31日，該等資產的成本(扣除任何減值前)分別為人民幣320,647,000元及人民幣256,233,000元。</p> <p>Management allocated goodwill and other intangible assets – trademark to the cash generating unit of Yulin Pharmaceutical Group (“<b>Relevant CGU</b>”) and performed impairment testing on goodwill and other intangible assets – trademark annually whether or not there were any indications of impairment.</p> <p>管理層已將商譽及其他無形資產 – 商標分配至玉林製藥集團的現金產生單位(「<b>相關現金產生單位</b>」)，並按年對商譽及其他無形資產 – 商標進行減值測試，無論是否存在減值跡象。</p>	<p>Our audit procedures to assess the potential impairment of goodwill and other intangible assets – trademark included the following:</p> <p>我們就評估商譽及其他無形資產 – 商標的潛在減值的審計程序包括以下程序：</p> <ul style="list-style-type: none"> <li>evaluating management’s impairment assessment model, including the identification of and the allocation of goodwill and other intangible assets – trademark to the Relevant CGU with reference to the requirements of the prevailing accounting standards;</li> <li>評估管理層的減值評估模型，包括參考現行會計準則的規定識別商譽及其他無形資產 – 商標及將其分配至相關現金產生單位；</li> <li>evaluating the competence, experience, capability and objectivity of the external valuer engaged by management to perform the calculation of the recoverable amounts of the goodwill and other intangible assets – trademark;</li> <li>評價管理層所委聘為對商譽及其他無形資產 – 商標的可收回金額進行計算的外聘估值師的資歷、經驗、能力和客觀性；</li> </ul>

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

**Assessing potential impairment of goodwill and other intangible assets – trademark (Continued)**  
評估商譽及其他無形資產 – 商標的潛在減值 (續)

Refer to note 12 and note 13 to the consolidated financial statements and the accounting policies in note 1(k).  
請參閱綜合財務報表附註12及附註13以及附註1(k)的會計政策。

<p><b>The Key Audit Matter</b> 關鍵審計事項</p>	<p><b>How the matter was addressed in our audit</b> 我們的審計如何處理該事項</p>
<p>In view of the intensified competition from the over-the-counter drug market in the People's Republic of China, the management had made adjustments to the marketing model, channels and network as well as promotion teams of the Relevant CGU. However, the Relevant CGU has underperformed management's expectations on revenue and profitability when it was acquired, which has increased the risk that goodwill and other intangible assets – trademark related to this acquisition may be impaired.</p> <p>鑒於中華人民共和國非處方藥市場的競爭激烈，管理層已對相關現金產生單位的營銷模式、渠道及網絡以及推廣團隊進行調整。然而，相關現金產生單位在收入及盈利能力方面的表現均低於管理層於收購時的預期，與該收購事項有關的商譽及其他無形資產—商標可能出現減值的風險增加。</p> <p>Management engaged an external valuer to assess the recoverable amount of the Relevant CGU using the value in use method by preparing a discounted cash flow forecast derived from the most recent financial forecast approved by the management covering a five-year period.</p> <p>管理層已委聘一名外聘估值師，以運用使用價值法對相關現金產生單位的可收回金額進行評估，方法為編製管理層批准的最近期財務預測（涵蓋五年期間）得出的折現現金流量預測。</p>	<ul style="list-style-type: none"> <li>• challenging the key estimates and assumptions adopted in the discounted cash flow forecast, including future revenue, future cost of sales, and other operating expenses, by comparing relevant data with the financial budget which was approved by the management, and by comparison with historical performance of the Relevant CGU and our knowledge of the business of Group;</li> <li>• 對折現現金流量預測中採納的關鍵估計及假設（當中包括未來收入、未來銷售成本及其他經營開支）提出質疑，方法為比較相關數據與管理層批准的財務預算，以及比較相關現金產生單位的歷史表現與我們對貴集團業務的認識；</li> <li>• comparing the data in discounted cash flow forecast prepared in the prior year with the current year's performance to assess how accurate the prior year's discounted cash flow forecast was and making enquiries of management as to the reasons for any significant variations identified;</li> <li>• 比較往年制定折現現金流量預測的數據與本年表現，以評估往年折現現金流量預測是否準確，並就所識別出的任何重大偏差向管理層查詢理由；</li> </ul>

# Independent Auditor's Report

## 獨立核數師報告

### KEY AUDIT MATTERS (Continued)

### 關鍵審計事項 (續)

<b>Assessing potential impairment of goodwill and other intangible assets – trademark (Continued)</b> 評估商譽及其他無形資產 – 商標的潛在減值 (續)	
Refer to note 12 and note 13 to the consolidated financial statements and the accounting policies in note 1(k). 請參閱綜合財務報表附註12及附註13以及附註1(k)的會計政策。	
<b>The Key Audit Matter</b> 關鍵審計事項	<b>How the matter was addressed in our audit</b> 我們的審計如何處理該事項
<p>Accordingly, the Group recognised impairment losses in respect of its goodwill and other intangible assets – trademark of RMB320,647,000 and RMB5,489,000 respectively for the year ended 31 December 2019.</p> <p>因此，截至2019年12月31日止年度，本集團就其商譽及其他無形資產—商標分別確認減值虧損人民幣320,647,000元及人民幣5,489,000元。</p> <p>The assessment of the recoverable amounts of the Relevant CGU involves significant management estimation and judgement, in particular in determining the key assumptions adopted in the cash flow forecast, which include future revenue, future cost of sales, other operating expenses, and the discount rate applied.</p> <p>對相關現金產生單位的可收回金額的評估涉及重大的管理層估計和判斷，特別是確定現金流量預測時採納的關鍵假設，其中包括未來收入、未來銷售成本、其他經營開支和應用的折現率。</p>	

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

<b>Assessing potential impairment of goodwill and other intangible assets – trademark (Continued)</b> 評估商譽及其他無形資產 – 商標的潛在減值 (續)	
Refer to note 12 and note 13 to the consolidated financial statements and the accounting policies in note 1(k). 請參閱綜合財務報表附註12及附註13以及附註1(k)的會計政策。	
<b>The Key Audit Matter</b> 關鍵審計事項	<b>How the matter was addressed in our audit</b> 我們的審計如何處理該事項
<p>We identified the assessment of impairment of goodwill and other intangible assets – trademark as a key audit matter because of the significance of impairment loss amount of the year, and determining the level of impairment involves a significant degree of management judgement, which can be inherently uncertain and could be subject to management bias.</p> <p>我們將評估商譽及其他無形資產 – 商標的減值列為關鍵審計事項，原因是年內錄得重大減值虧損金額及釐定減值水平涉及重大程度的管理層判斷，當中存在固有不确定性，並可能受到管理層偏向意見的影響。</p>	<ul style="list-style-type: none"> <li>• engaging our internal valuation specialists to assist us in evaluating the valuation methodologies adopted by the external valuer in the preparation of the discounted cash flow forecast with reference to the requirements of the prevailing accounting standards, and assessing whether discount rate applied in the discounted cash flow forecast was within the range adopted by other companies in the same industry;</li> <li>• 參考現行會計準則的規定，委聘內部估值專家協助我們評估外部估值師於編製折現現金流量預測中採納的估值方法，以及評估折現現金流量預測中應用的折現率是否處於其他同業公司採納的範圍內；</li> <li>• performing a sensitivity analysis of key assumptions, including future revenue growth rates, future gross margins and the discount rate applied in the discounted cash flow forecast and considering the resulting impact on the impairment testing and whether there were any indicators of management bias in the selection of these key assumptions; and</li> <li>• 對關鍵假設（包括未來收入增長率、未來毛利率及折現現金流量預測中應用的折現率）進行敏感度分析，並考慮由此對減值測試產生的影響及挑選該等關鍵假設時是否存在任何管理層偏見的跡象；及</li> <li>• considering the disclosures in the financial statements in respect of management's impairment assessments of goodwill and other intangible assets – trademark allocated to the Relevant CGU with reference to the requirements of the prevailing accounting standards.</li> <li>• 參考現行會計準則的規定，考慮財務報表中有關管理層對分配至相關現金產生單位的商譽及其他無形資產 – 商標進行減值評估的披露資料。</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 HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

### 綜合財務報表及其核數師報告以外的信息

董事需對其他信息負責。其他信息包括刊載於年報內的全部信息，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或是否存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

### 董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》的披露要求擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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.

審核委員會協助董事履行監督貴集團的財務報告過程的責任。

### 核數師就審計綜合財務報表須承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們是僅向整體股東報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

合理保證是高水平的保證，但不能保證按照香港審計準則進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述被視作重大。

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。

## Independent Auditor's Report 獨立核數師報告

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
  - Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - 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.
- 了解與審計相關的內部控制乃旨在設計適當的審計程序，惟並非對貴集團內部控制的有效性發表意見。
  - 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
  - 對董事採用持續經營會計基礎的恰當性作出結論，並根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，可能導致貴集團的持續經營能力存在重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們須修改意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
  - 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映相關交易和事項。
  - 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

## Independent Auditor's Report 獨立核數師報告

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and 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 Li Shiu Chung.

### **KPMG**

*Certified Public Accountants*

8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

23 March 2020

我們與審核委員會溝通了(其中包括)擬定的審計範圍、時間安排、重大審計發現等,包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審核委員會提交聲明,說明我們已遵守有關獨立性的相關道德要求,並與彼等溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項以及相關的防範措施(如適用)。

從與審核委員會溝通的事項中,我們確定哪些事項對本期綜合財務報表的審計最為重要,因而構成關鍵審計事項。我們在核數師報告中描述這些事項,除非法律或法規不允許公開披露這些事項,或在極端罕見的情況下,合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益,導致我們認為不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是李兆聰。

### **畢馬威會計師事務所**

*執業會計師*

香港中環  
遮打道10號  
太子大廈八樓

2020年3月23日

# Consolidated Statement of Profit or Loss

## 綜合損益表

for the year ended 31 December 2019 (Expressed in Renminbi)  
截至2019年12月31日止年度 (以人民幣列示)

		Note 附註	2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
<b>Revenue</b>	收入	2	<b>1,728,256</b>	1,843,973
Cost of sales	銷售成本		<b>(466,851)</b>	(459,547)
<b>Gross profit</b>	毛利		<b>1,261,405</b>	1,384,426
Other losses	其他虧損	3	<b>(1,526)</b>	(2,194)
Distribution costs	分銷成本		<b>(539,204)</b>	(561,537)
Administrative expenses	行政開支		<b>(231,833)</b>	(176,527)
Impairment loss on goodwill and intangible assets	商譽及無形資產減值虧損	13	<b>(326,136)</b>	–
<b>Profit from operations</b>	經營性溢利		<b>162,706</b>	644,168
Finance costs	融資成本	4(a)	<b>(29,043)</b>	(27,469)
<b>Profit before taxation</b>	稅前溢利	4	<b>133,663</b>	616,699
Income tax	所得稅	5(a)	<b>(70,541)</b>	(119,208)
<b>Profit for the year</b>	年內溢利		<b>63,122</b>	497,491
<b>Attributable to:</b>	以下人士應佔：			
– Equity shareholders of the Company	– 本公司權益股東		<b>79,820</b>	465,353
– Non-controlling interests	– 非控股權益		<b>(16,698)</b>	32,138
<b>Profit for the year</b>	年內溢利		<b>63,122</b>	497,491
<b>Earnings per share (RMB yuan)</b>	每股盈利 (人民幣元)	8		
– Basic	– 基本		<b>0.0940</b>	0.5444
– Diluted	– 攤薄		<b>0.0934</b>	0.5300

The notes on pages 108 to 227 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(c).

第108頁至第227頁之附註為該等財務報表的組成部份。就年內溢利應付本公司權益股東的股息詳情載於附註24 (c)。

# 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 (Expressed in Renminbi)  
截至2019年12月31日止年度 (以人民幣列示)

		2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
<b>Profit for the year</b>	年內溢利	<b>63,122</b>	497,491
<b>Other comprehensive income for the year that may be reclassified subsequently to profit or loss:</b>	其後可能重新分類至損益的年內其他全面收益：		
Exchange differences on translation of financial statements of operations outside the People's Republic of China (the "PRC"), net of tax	轉換中華人民共和國(「中國」)境外業務的財務報表的匯兌差異，扣除稅項	<b>2,465</b>	7
<b>Total comprehensive income for the year</b>	年內全面收益總額	<b>65,587</b>	497,498
<b>Attributable to:</b>	以下人士應佔：		
– Equity shareholders of the Company	– 本公司權益股東	<b>82,285</b>	465,360
– Non-controlling interests	– 非控股權益	<b>(16,698)</b>	32,138
<b>Total comprehensive income for the year</b>	年內全面收益總額	<b>65,587</b>	497,498

The notes on pages 108 to 227 form part of these financial statements.

第108頁至第227頁之附註為該等財務報表的組成部份。

# Consolidated Statement of Financial Position

## 綜合財務狀況表

as at 31 December 2019 (Expressed in Renminbi)  
於2019年12月31日 (以人民幣列示)

		Note 附註	2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
<b>Non-current assets</b>	<b>非流動資產</b>			
Investment property	投資物業	9	16,651	17,200
Other property, plant and equipment	其他物業、廠房及設備	10	661,309	561,785
Land use rights	土地使用權	11	126,808	129,643
Intangible assets	無形資產	12	396,071	430,800
Goodwill	商譽	13	–	320,647
Other prepayments	其他預付款	15	51,657	5,706
Deferred tax assets	遞延稅項資產	23(c)	45,942	35,102
<b>Total non-current assets</b>	<b>非流動資產總值</b>		<b>1,298,438</b>	1,500,883
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	16	210,684	210,310
Trade and other receivables	貿易及其他應收款項	17	815,732	916,099
Cash and cash equivalents	現金及現金等值項目	18	1,383,232	1,269,746
<b>Total current assets</b>	<b>流動資產總值</b>		<b>2,409,648</b>	2,396,155
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	貿易及其他應付款項	19	671,611	750,804
Loans and borrowings	貸款及借款	20	553,567	147,202
Deferred income	遞延收益	21	1,655	1,655
Current taxation	即期稅款	23(a)	69,461	99,492
<b>Total current liabilities</b>	<b>流動負債總額</b>		<b>1,296,294</b>	999,153
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>1,113,354</b>	1,397,002
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>2,411,792</b>	2,897,885

The notes on pages 108 to 227 form part of these financial statements.

第108頁至第227頁之附註為該等財務報表的組成部份。

# Consolidated Statement of Financial Position

## 綜合財務狀況表

as at 31 December 2019 (Expressed in Renminbi)  
於2019年12月31日 (以人民幣列示)

			2019	2018
			2019年	2018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>			
Loans and borrowings	貸款及借款	20	–	245,336
Deferred income	遞延收益	21	<b>16,739</b>	18,320
Deferred tax liabilities	遞延稅項負債	23(c)	<b>88,292</b>	137,217
<b>Total non-current liabilities</b>	<b>非流動負債總額</b>		<b>105,031</b>	400,873
<b>Net assets</b>	<b>資產淨值</b>		<b>2,306,761</b>	2,497,012
<b>Capital and reserves</b>	<b>資本及儲備</b>			
Share capital	股本	24(d)	<b>68,033</b>	68,782
Reserves	儲備	24(e)	<b>1,926,051</b>	2,088,437
<b>Total equity attributable to equity shareholders of the Company</b>	<b>本公司權益股東應佔權益總額</b>		<b>1,994,084</b>	2,157,219
<b>Non-controlling interests</b>	<b>非控股權益</b>		<b>312,677</b>	339,793
<b>Total equity</b>	<b>總權益</b>		<b>2,306,761</b>	2,497,012

Approved and authorised for issue by the board of directors on 23 March 2020. 2020年3月23日經董事會批准及授權刊發。

**AN Yubao**  
安郁寶  
Chairman  
主席

**LI Qian**  
黎倩  
Executive Director  
執行董事

The notes on pages 108 to 227 form part of these financial statements.

第108頁至第227頁之附註為該等財務報表的組成部份。



# Consolidated Statement of Changes in Equity

## 綜合權益變動表

for the year ended 31 December 2019 (Expressed in Renminbi)  
截至2019年12月31日止年度 (以人民幣列示)

		Attributable to equity shareholders of the Company 本公司權益股東應佔										Total equity 權益總額
		Share capital 股本	Share premium 股份溢價	Exchange reserve 匯兌儲備	Capital reserve 資本儲備	Other reserves 其他儲備	Treasury shares held under Share Award Scheme 根據股份獎勵計劃持有的庫存股	PRC statutory reserve 中國法定儲備	Retained earnings 保留盈利	Total 總計	Non-controlling interests 非控股權益	
	Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	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
<b>As at 1 January 2018</b>	<b>於2018年1月1日</b>	68,652	247,272	344	121,398	80,769	(88,642)	83,234	1,233,661	1,746,688	317,460	2,064,148
<b>Changes in equity for 2018:</b>	<b>2018年權益變動:</b>											
Profit for the year	年內溢利	-	-	-	-	-	-	-	465,353	465,353	32,138	497,491
Other comprehensive income	其他全面收益	-	-	7	-	-	-	-	-	7	-	7
<b>Total comprehensive income</b>	<b>全面收益總額</b>	-	-	7	-	-	-	-	465,353	465,360	32,138	497,498
Appropriations to statutory reserve	轉撥至法定儲備	-	-	-	-	-	-	17,794	(17,794)	-	-	-
Dividends approved and paid to equity shareholders of the Company	批准及已付本公司權益股東的股息	-	(68,943)	-	-	-	-	-	-	(68,943)	-	(68,943)
Dividends approved and paid to non-controlling interest holders of a subsidiary	批准及已付附屬公司非控股權益持有人的股息	-	-	-	-	-	-	-	-	-	(9,805)	(9,805)
Recognition of Employees' Share Option Scheme	確認僱員購股權計劃	-	-	-	8,490	-	-	-	-	8,490	-	8,490
Shares issued due to exercise of Share Option Scheme	因購股權計劃行權而發行的股份	130	9,577	-	(4,083)	-	-	-	-	5,624	-	5,624
<b>As at 31 December 2018</b>	<b>於2018年12月31日</b>	68,782	187,906	351	125,805	80,769	(88,642)	101,028	1,681,220	2,157,219	339,793	2,497,012

The notes on pages 108 to 227 form part of these financial statements. 第108頁至第227頁之附註為該等財務報表的組成部份。

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

for the year ended 31 December 2019 (Expressed in Renminbi)  
截至2019年12月31日止年度 (以人民幣列示)

		Attributable to equity shareholders of the Company 本公司權益股東應佔											
		Share capital	Share premium	Exchange reserve	Capital reserve	Other reserves	Treasury shares held under Share Award Scheme	Other treasury shares	PRC statutory reserve	Retained earnings	Total	Non-controlling interests	Total Equity
RMB '000	人民幣千元	RMB '000	人民幣千元	RMB '000	人民幣千元	RMB '000	人民幣千元	RMB '000	人民幣千元	RMB '000	人民幣千元	RMB '000	人民幣千元
<b>As at 1 January 2019</b>	於2019年1月1日	68,782	187,906	351	125,805	80,769	(88,642)	101,028	1,681,220	2,157,219	339,793	2,497,012	
<b>Changes in equity for 2019:</b>													
Profit for the year	2019年權益變動： 年內溢利	-	-	-	-	-	-	-	79,820	79,820	(16,698)	63,122	
Other comprehensive income	其他全面收益	-	2,465	-	-	-	-	-	-	2,465	-	2,465	
<b>Total comprehensive income</b>													
-	全面收益總額	-	2,465	-	-	-	-	-	79,820	82,285	(16,698)	65,587	
Appropriations to statutory reserve	轉撥至法定儲備	-	-	-	-	-	-	-	-	-	-	-	
Purchase of own shares during the year	年內購買自身股份	-	-	-	-	-	-	1,624	(1,624)	-	-	-	
Cancellation of shares during the year	年內註銷股份	-	-	-	-	-	-	-	-	(46,212)	-	(46,212)	
Dividends approved and paid to equity shareholders of the Company	批准及已付本公司權益股東的股息	(813)	(45,399)	-	-	-	-	-	-	-	-	-	
Dividends approved to non-controlling interest holders of a subsidiary	已批准附屬公司非控股權益持有人的股息	-	-	-	-	-	-	-	(221,619)	(221,619)	-	(221,619)	
Recognition of Employees' Share Option Scheme	確認僱員購股權計劃	-	-	-	-	-	-	-	-	-	(10,418)	(10,418)	
Shares issued due to exercise of Share Option Scheme	因購股權計劃行權而發行的股份	-	-	-	19,920	-	-	-	-	19,920	-	19,920	
<b>As at 31 December 2019</b>	於2019年12月31日	68,033	145,402	2,816	145,257	80,769	(88,642)	102,652	1,537,797	1,994,084	312,877	2,306,761	

The notes on pages 108 to 227 form part of these financial statements. 第108頁至第227頁之附註為該等財務報表的組成部份。

## Consolidated Cash Flow Statement 綜合現金流量表

for the year ended 31 December 2019 (Expressed in Renminbi)  
截至2019年12月31日止年度 (以人民幣列示)

		Note 附註	2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
<b>Operating activities</b>	<b>經營活動</b>			
Cash generated from operations	經營活動所得現金	18(b)	543,652	874,845
PRC income tax paid	已付中國所得稅	23(a)	(125,401)	(120,635)
PRC dividend withholding tax paid	已付中國股息預扣稅	23(a)	(34,936)	–
<b>Net cash generated from operating activities</b>	<b>經營活動所得現金淨額</b>		<b>383,315</b>	754,210
<b>Investing activities</b>	<b>投資活動</b>			
Interest received	已收利息		16,751	11,266
Payment for purchase of property, plant and equipment	購買物業、廠房及設備的款項		(179,746)	(193,348)
Payment for intangible assets	購買無形資產的款項		(180)	–
Deposits received for land development and reconstruction project	已收土地開發改造項目按金	19	52,000	–
Proceeds received from disposal of property, plant and equipment	已收出售物業、廠房及設備所得款項		1,043	1,278
<b>Net cash used in investing activities</b>	<b>投資活動所用現金淨額</b>		<b>(110,132)</b>	(180,804)

The notes on pages 108 to 227 form part of these financial statements.

第108頁至第227頁之附註為該等財務報表的組成部份。

## Consolidated Cash Flow Statement 綜合現金流量表

for the year ended 31 December 2019 (Expressed in Renminbi)  
截至2019年12月31日止年度 (以人民幣列示)

			2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
<b>Financing activities</b>	<b>融資活動</b>			
Proceeds from new bank loans	新增銀行貸款所得款項		<b>607,458</b>	–
Repayments of bank loans	銀行貸款還款額	18(c)	<b>(459,969)</b>	(197,008)
Proceeds from shares issued under share option scheme	根據購股權計劃發行股份所得款項		<b>2,491</b>	5,624
Dividends paid to equity shareholders of the Company	已付本公司權益股東的股息		<b>(225,546)</b>	(68,943)
Dividends paid to non-controlling interests holders	已付非控股權益持有人的股息		<b>(10,164)</b>	(9,572)
Finance costs paid	已付融資成本	18(c)	<b>(24,720)</b>	(22,526)
Payment for repurchase of shares which were subsequently cancelled by the Company	購回其後已被本公司註銷的股份的款項		<b>(46,212)</b>	–
<b>Net cash used in financing activities</b>	<b>融資活動所用現金淨額</b>		<b>(156,662)</b>	(292,425)
<b>Net increase in cash and cash equivalents</b>	<b>現金及現金等值項目增加淨額</b>		<b>116,521</b>	280,981
<b>Cash and cash equivalents at 1 January</b>	<b>於1月1日的現金及現金等值項目</b>		<b>1,269,746</b>	989,565
<b>Effect of foreign exchange rate changes</b>	<b>匯率變動的影響</b>		<b>(3,035)</b>	(800)
<b>Cash and cash equivalents at 31 December</b>	<b>於12月31日的現金及現金等值項目</b>		<b>1,383,232</b>	1,269,746

The notes on pages 108 to 227 form part of these financial statements.

第108頁至第227頁之附註為該等財務報表的組成部份。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，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 Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), 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 “**Listing Rules**”). Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of 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 preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2019 comprise the Company and its subsidiaries (together referred to as the “**Group**”).

The consolidated financial statements are presented in Renminbi (“**RMB**”), rounded to the nearest thousand, which is the functional currency of the subsidiaries carrying out the principal activities of the Group.

### 1 重大會計政策

#### (a) 合規聲明

該等財務報表乃根據所有適用的香港財務報告準則（「**香港財務報告準則**」）編製，其集合條款包括香港會計師公會（「**香港會計師公會**」）頒佈的所有適用的個別香港財務報告準則、香港會計準則（「**香港會計準則**」）及詮釋，以及香港公認會計原則及香港《公司條例》的披露規定。該等財務報表亦符合香港聯合交易所有限公司證券上市規則（「**上市規則**」）的適用披露條文。本集團所採納的重大會計政策於下文披露。

香港會計師公會已頒佈若干於本集團現行會計期間首次生效或可供提早採納的新訂及經修訂香港財務報告準則。附註1(c)就於本會計期間及過往會計期間與本集團有關並已於該等財務報表內反映首次應用後的發展所導致的任何會計政策變動提供資料。

#### (b) 財務報表的編製基準

截至2019年12月31日止年度的綜合財務報表包括本公司及其附屬公司（統稱為「**本集團**」）。

綜合財務報表以人民幣（「**人民幣**」）呈列，並約整至最接近千元。人民幣是從事本集團主要業務的附屬公司的功能貨幣。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (b) Basis of preparation of the financial statements (Continued)

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of financial statements in conformity with HKFRSs 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 HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 28.

The HKICPA has issued a new HKFRS, HKFRS 16, Leases, and a number of amendments to HKFRSs 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:

### 1 重大會計政策 (續)

#### (b) 財務報表的編製基準 (續)

編製財務報表所使用的計量基準為歷史成本基準。

按照香港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。該等估計及相關假設乃基於過往經驗及在有關情況下相信屬合理的各項其他因素，而所得結果構成用作判斷顯然無法透過其他來源獲得的有關資產與負債賬面值的依據，實際結果或有別於該等估計。

該等估計及相關假設獲持續審閱。倘會計估計的修訂僅對作出修訂的期間產生影響，則有關修訂會在該期間內確認；或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。

有關管理層在應用香港財務報告準則時所作的對財務報表有重大影響的判斷及估計不確定性的主要來源於附註28內論述。

香港會計師公會已頒佈一項新訂香港財務報告準則（即香港財務報告準則第16號，租賃）及多項經修訂香港財務報告準則，而該等香港財務報告準則於本集團的本會計期間首次生效。其中，以下發展與本集團的財務報表有關：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (c) Changes in accounting policies

- HKFRS 16, Leases
- Amendments to HKAS 19, Plan amendment, curtailment or settlement
- Annual improvement to HKFRSs 2015-2017 Cycle
- HK(IFRIC) 23, Uncertainty over income tax treatments

Upon the adoption of HKFRS 16 on 1 January 2019, the item name of “lease prepayments” was renamed as “land use rights” on the consolidated statement of financial position and related disclosure notes, which consists of prepaid land costs with ownership, net of accumulated depreciation, for clearer presentation.

None of these 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. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

#### (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.

### 1 重大會計政策 (續)

#### (c) 會計政策變動

- 香港財務報告準則第16號，租賃
- 香港會計準則第19號（修訂本），計劃修訂、縮減或清償
- 香港財務報告準則2015年至2017年週期年度改進
- 香港（國際財務報告詮釋委員會）第23號，所得稅會計處理的不確定性

於2019年1月1日採納香港財務報告準則第16號後，於綜合財務狀況表及相關披露附註內之項目名稱「租賃預付款項」已改名為「土地使用權」，其包括附帶擁有權的預付土地成本（扣除累計折舊），以作更清晰的呈列。

該等發展概無對本集團有關現時或過往年度業績及財務狀況的編製或呈列方式造成重大影響。本集團並無應用任何於本會計期間尚未生效的新訂準則或詮釋。

#### (d) 附屬公司及非控股權益

附屬公司指本集團控制的實體。本集團可以或有權從參與實體的業務分享非固定回報，且有能力行使對實體的權力而影響該等回報時，本集團即被視為對實體擁有控制權。評估本集團是否擁有控制權時，僅考慮（本集團及其他各方持有的）實質權利。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (d) Subsidiaries and non-controlling interests (Continued)

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.

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 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.

### 1 重大會計政策 (續)

#### (d) 附屬公司及非控股權益 (續)

於附屬公司的投資於控制權開始當日至終止當日期間合併入綜合財務報表內。集團內公司間的結餘、交易及現金流以及集團內公司間的交易所產生的任何未變現溢利於編製綜合財務報表時悉數抵銷。倘並無出現減值跡象，集團內公司間的交易所產生的未變現虧損則按照未變現收益的相同方式抵銷。

非控股權益指於附屬公司中並非直接或間接歸屬本公司的權益，而本集團並無就此與該等權益的持有人協定任何額外條款，致使本集團整體就符合金融負債定義的該等權益承擔合約責任。就各業務合併而言，本集團可選擇按公允值或按非控股權益佔附屬公司的可識別資產淨值的比例計量任何非控股權益。

非控股權益於綜合財務狀況表的權益內呈列，與本公司權益股東應佔權益分開列賬。本集團業績內的非控股權益，乃於綜合損益表及綜合損益及其他全面收益表內列報，並作為非控股權益與本公司權益股東應佔年內損益總額及全面收益總額的一個分配項目。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (d) Subsidiaries and non-controlling interests (Continued)

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.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 1(k)).

#### (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.

### 1 重大會計政策 (續)

#### (d) 附屬公司及非控股權益 (續)

本集團於附屬公司的權益變動，倘不會引致喪失控制權，則以權益交易入賬，並據此對綜合權益中控股及非控股權益的金額作調整，以反映相關的權益變動，惟不會調整商譽及確認收益或虧損。

倘本集團喪失對附屬公司的控制權，則列作出售其於該附屬公司的全部權益，而所產生的收益或虧損於損益中確認。於喪失控制權當日於前附屬公司仍保留的任何權益乃按公允值確認，而該金額將視為一項金融資產初步確認的公允值。

於本公司的財務狀況表中，於附屬公司的投資按成本減減值虧損列賬（見附註1(k)）。

#### (e) 商譽

商譽指下列兩者的差額

- (i) 所轉讓代價的公允值、於被收購者的任何非控股權益金額及本集團先前於被收購者持有的權益公允值的總和；與
- (ii) 被收購者的可識別資產及負債於收購當日計量的公允值淨額。

當(ii)大於(i)時，則此超出數額即時於損益確認為議價購買收益。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (e) Goodwill (Continued)

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(k)).

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.

#### (f) Investment properties

Investment properties are land and buildings which are owned or held under a leasehold interest (see note 1(j)) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties are measured initially at cost. The cost of a purchased investment property comprises its purchase price and any direct attributable expenditures. Investment properties are accounted for using the cost model and stated in the statement of financial position at cost less accumulated depreciation and impairment losses (see note 1(k)). The cost of investment property, less its estimated residual value and accumulated impairment losses, is depreciated using the straight-line method over its estimated useful lives as follows.

• Land use right	57 years
• Buildings	6 years

### 1 重大會計政策 (續)

#### (e) 商譽 (續)

商譽按成本減累計減值虧損列賬。因業務合併產生的商譽會分配至各個預期可受惠於合併協同效益的現金產生單位或現金產生單位組別，並會每年進行減值測試（見附註1(k)）。

年內處置現金產生單位時，在計算出售項目的損益中將計及購入商譽的任何應佔數額。

#### (f) 投資物業

投資物業指擁有或持有租賃權益（見附註1(j)）的土地及樓宇，以賺取租金收入及／或資本增值，當中包括尚未確定未來用途的土地，以及正在建造或發展以供日後作投資物業用途的物業。

投資物業初步按成本計量。所購入投資物業的成本包括其購買價以及任何可直接歸屬的支出。投資物業乃採用成本模式入賬，並於財務狀況表內按成本減累計折舊及減值虧損（見附註1(k)）列賬。投資物業的成本（扣除其估計殘值及累計減值虧損）以直線法於其估計可使用年期進行折舊，詳情如下。

• 土地使用權	57年
• 樓宇	6年

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (g) Other property, plant and equipment

The property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 1(k)).

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, 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.

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)

#### (g) 其他物業、廠房及設備

物業、廠房及設備按成本減累計折舊及減值虧損列賬(參閱附註1(k))。

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)，以及適當比例的生產間接費用。

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表內確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (g) Other 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:

- 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 and equipment                      5-20 years
- Motor vehicles                                      5 years
- Office equipment                                    5 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.

#### (h) Research and development costs

Research and development costs comprise all costs that are directly attributable to research and development activities or that can be allocated on a reasonable basis to such activities. Because of the nature of the Group's research and development activities, the criteria for the recognition of such costs as an asset are generally not met until late in the development stage of the project when the remaining development costs are immaterial. Hence both research costs and development costs are generally recognised as expenses in the period in which they are incurred.

### 1 重大會計政策 (續)

#### (g) 其他物業、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(減去其估計殘值(如有))計算：

- 位於租賃土地上的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
- 機器及設備                                      5-20年
- 汽車                                                      5年
- 辦公室設備                                        5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殘值(如有)將每年檢討。

#### (h) 研發成本

研發成本包括所有與研發活動直接相關或可按合理基準分配至該等活動的成本。基於本集團研發活動的性質，該等成本一般要直至項目較後的發展階段，當餘下開發成本並不重大時，才會符合標準確認為資產。因此，研究成本及開發成本一般均於其產生的期間確認為開支。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (i) Intangible assets (other than goodwill)

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(k)). 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 or date of acquisition, whichever is shorter and their estimated useful lives are as follows:

– Patents	8-13 years
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Both the period and method of amortisation are reviewed annually.

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

### 1 重大會計政策 (續)

#### (i) 無形資產(商譽除外)

本集團所收購的無形資產按成本減累計攤銷(倘估計可使用年期為有限)及減值虧損列賬(參閱附註1(k))。有關內部產生商譽及品牌的開支在其產生的期間確認為開支。

具有有限可使用年期的無形資產的攤銷是於資產估計可使用年期內以直線法在損益中扣除。以下具有有限可使用年期的無形資產由可供使用當日或購置日(孰短)起攤銷，其估計可使用年期如下：

– 專利	8-13年
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攤銷期間及方法均每年予以審閱。

倘無形資產的使用壽命被評估為不確定，則不會進行攤銷。無形資產被評為使用壽命不確定的任何結論會每年審閱，以釐定是否有事件或情況繼續支持該資產被評為使用壽命不確定。倘並無事件及情況繼續支持該資產被評為使用壽命不確定，則使用壽命由不確定轉為有限期的評估變動會自變動日期起，根據上文所載有限使用壽命無形資產的攤銷政策入賬。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (j) 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.

#### (i) As a lessee

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)

#### (j) 租賃資產

於合約成立時，本集團會評估合約是否屬於或包含租賃。倘合約給予權利在一段時間內控制已識別資產的用途以換取代價，則合約屬於或包含租賃。當客戶有權指定已識別資產的用途以及從該用途中獲得絕大部分經濟利益時，即表示擁有控制權。

#### (i) 作為承租人

倘合約包含租賃部分及非租賃部分，本集團已選擇不區分非租賃部分，並將各租賃部分及任何相關非租賃部分入賬列為所有租賃的單一租賃部分。

於租賃開始日期，本集團確認使用權資產及租賃負債，惟租賃期為12個月或以內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開支。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (j) Lease assets (Continued)

##### (i) As a lessee (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 note 1(j)).

### 1 重大會計政策 (續)

#### (j) 租賃資產 (續)

##### (i) 作為承租人 (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，而利息開支則採用實際利率法計量。租賃負債的計量並不包括毋須視乎指數或利率的可變租賃付款，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，以及扣減任何所收取的租賃優惠。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(j)）。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (j) Lease assets (Continued)

##### (i) As a lessee (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)

#### (j) 租賃資產 (續)

##### (i) 作為承租人 (續)

倘指數或利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。倘以此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。

本集團於財務狀況表中將不符合投資物業定義的使用權資產呈列於「其他物業、廠房及設備」中及單獨呈列租賃負債。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (j) Lease assets (Continued)

##### (ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with note 1(u)(ii).

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in note 1(j)(i), then the Group classifies the sub-lease as an operating lease.

#### (k) 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 and trade receivables and other receivables).

Other financial assets measured at fair value, including equity and debt securities measured at FVPL, are not subject to the ECL assessment.

### 1 重大會計政策 (續)

#### (j) 租賃資產 (續)

##### (ii) 作為出租人

倘本集團為出租人，其於租賃初始階段釐定每一項租賃為融資租賃或經營租賃。倘租賃轉移相關資產的所有權附帶的絕大部分風險及回報，該租賃將分類為融資租賃。倘不屬於此情況，該租賃將分類為經營租賃。

倘合約包含租賃及非租賃部分，本集團根據相對獨立的售價基準將合約代價分配予各部分。經營租賃產生的租金收入根據附註1(u)(ii)確認。

倘本集團為中間出租人，經參考總租約產生的使用權資產，分租約將分類為融資租賃或經營租賃。倘總租約為本集團應用附註1(j)(i)所述豁免的短期租賃，則本集團將分租約分類為經營租賃。

#### (k) 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的金融資產（包括現金及現金等值項目、貿易應收款項及其他應收款項）的預期信貸虧損（「預期信貸虧損」）確認虧損撥備：

其他按公允值計量的金融資產（包括按公允值計入損益計量的股本及債務證券）毋須進行預期信貸虧損評估。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (k) 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 expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate;
- lease receivables: discount rate used in the measurement of the lease receivable;

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)

#### (k) 信貸虧損及資產減值 (續)

##### (i) 來自金融工具的信貸虧損 (續)

###### 預期信貸虧損的計量

預期信貸虧損是以概率加權估計的信貸虧損。信貸虧損按所有預期現金差額(即根據合約本集團應收現金流與本集團預期收取現金流之間的差額)的現值計量。

倘折現的影響屬重大，則預期現金差額將按以下折現率折現：

- 固定利率金融資產、貿易及其他應收款項以及合約資產：初始確認時釐定的實際利率或其近似值；
- 浮動利率金融資產：當前的實際利率；
- 應收租金：計量應收租金時所使用的折現率；

於估計預期信貸虧損時考慮的最長期間為本集團承受信貸風險的最長合約期間。

在計量預期信貸虧損時，本集團考慮合理及有理據而無需付出過多的成本或努力獲得的資料，包括過往事件、當前狀況及未來經濟狀況預測等資料。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (k) 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 receivables and lease 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.

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.

### 1 重大會計政策 (續)

#### (k) 信貸虧損及資產減值 (續)

##### (i) 來自金融工具的信貸虧損 (續)

###### 預期信貸虧損的計量 (續)

預期信貸虧損基於下列其中一個基準計量：

- 12個月的預期信貸虧損：預計在報告日期後12個月內可能發生的違約事件而導致的虧損；及
- 整個存續期的預期信貸虧損：預計該等採用預期信貸虧損模式的項目在整個預期存續期內所有可能發生的違約事件而導致的虧損。

貿易應收賬款及應收租金的虧損撥備一直按相等於整個存續期的預期信貸虧損金額計量。該等金融資產的預期信貸虧損是利用基於本集團過往信貸虧損經驗的撥備矩陣進行估算，並按在報告日期債務人的特定因素及對當前和預測整體經濟狀況的評估予以調整。

就所有其他金融工具而言，本集團會以相等於12個月的預期信貸虧損金額確認虧損撥備，除非自初始確認後該金融工具的信貸風險顯著增加，在此情況下，虧損撥備會以相等於整個存續期的預期信貸虧損金額計量。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (k) Credit losses and impairment of assets (Continued)

##### (i) Credit losses from financial instruments (Continued)

###### *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.

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);

### 1 重大會計政策 (續)

#### (k) 信貸虧損及資產減值 (續)

##### (i) 來自金融工具的信貸虧損 (續)

###### *信貸風險顯著增加*

在評估金融工具的信貸風險自初始確認後是否顯著增加時，本集團將於報告日期評估金融工具的違約風險與於初始確認日期評估的違約風險作比較。在進行此項重新評估時，倘(i)借貸人向本集團悉數償還信貸負債的可能偏低，且本集團並無追索權以採取變現證券(如有持有)等行動；或(ii)金融資產已逾期90日，則本集團認為已出現違約事件。本集團會考慮合理及有理據的定量及定性資料，包括過往經驗及無需付出過多的成本或努力獲得的前瞻性資料。

尤其在評估自初始確認後信貸風險是否顯著增加時，會考慮以下資料：

- 未能在合約到期日支付本金或利息；
- 金融工具外部或內部的信貸評級(如有)實際或預期顯著惡化；

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (k) Credit losses and impairment of assets (Continued)

##### (i) Credit losses from financial instruments (Continued)

Significant increases in credit risk (Continued)

- 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.

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.

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.

### 1 重大會計政策 (續)

#### (k) 信貸虧損及資產減值 (續)

##### (i) 來自金融工具的信貸虧損 (續)

信貸風險顯著增加 (續)

- 債務人經營業績實際或預期顯著惡化；及
- 環境 (包括技術、市場、經濟或法律) 的現有或預測變動對債務人履行其對本集團責任的能力構成重大不利影響。

根據金融工具的性質，判斷信貸風險是否顯著增加的評估按個別基準或集體基準進行。當評估以集體基準進行時，會按照金融工具的共同信貸風險特徵 (例如逾期狀態及信貸風險評級) 分類。

預期信貸虧損於各報告日期重新計量，以反映自初始確認後金融工具信貸風險的變化。預期信貸虧損金額的任何變化均在損益中確認為減值收益或虧損。本集團確認所有金融工具的減值收益或虧損時，會透過虧損撥備賬戶對其賬面值進行相應調整。

於各報告日期，本集團評估金融資產是否出現信貸減值。當一項或多項對金融資產的估計未來現金流造成負面影響的事件發生時，金融資產將被視為出現信貸減值。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (k) Credit losses and impairment of assets (Continued)

##### (i) Credit losses from financial instruments (Continued)

###### Significant increases in credit risk (Continued)

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 past due event;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

###### Write-off policy

The gross carrying amount of a financial asset or lease receivable 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.

### 1 重大會計政策 (續)

#### (k) 信貸虧損及資產減值 (續)

##### (i) 來自金融工具的信貸虧損 (續)

###### 信貸風險顯著增加 (續)

金融資產出現信貸減值的證據包括以下可觀察事件：

- 債務人面對重大財務困難；
- 違反合約，如拖欠或逾期事件；
- 借貨人有可能申請破產或進行其他財務重組；
- 環境（包括技術、市場、經濟或法律）的重大變動對債務人構成不利影響；或
- 發行人面臨財務困難導致證券失去活躍市場。

###### 撇銷政策

倘並無實際可收回的前景，本集團認為債務人並無資產或收入來源可產生足夠的現金流以償還將予撇銷的款項，金融資產或應收租金的賬面總額一般會被部份或全部撇銷。

倘過往已撇銷的資產於其後收回，則於收回期間於損益確認為減值撥回。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (k) Credit losses and impairment of assets (Continued)

##### (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:

- investment properties;
- other property, plant and equipment, including right-of-use assets;
- land use rights;
- intangible assets;
- goodwill; and
- investment 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 have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

### 1 重大會計政策 (續)

#### (k) 信貸虧損及資產減值 (續)

##### (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檢討，以識別有否跡象顯示下列資產可能出現減值，或先前已確認的減值虧損已不存在或可能已減少（商譽除外）：

- 投資物業；
- 其他物業、廠房及設備（包括使用權資產）；
- 土地使用權；
- 無形資產；
- 商譽；及
- 本公司財務狀況表中於附屬公司的投資。

倘出現任何該等跡象，則會估計資產的可收回金額。此外，就商譽及使用壽命不確定的無形資產而言，不論有否出現減值跡象，均須每年估計可收回金額。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (k) 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 the 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)

#### (k) 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值減出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 Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (k) 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 determinable).

### 1 重大會計政策 (續)

#### (k) 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會首先分配用以減少分配至該現金產生單位（或單位組別）的任何商譽賬面值，其後按比例減少該單位（或單位組別）內其他資產的賬面值，惟某資產的賬面值不會減至低於其個別公允價值減去出售成本（如能計量）或使用價值（如能釐定）的金額。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (k) 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 favourable 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.

##### (iii) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 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(k)(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)

#### (k) 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。有關商譽的減值虧損不予撥回。

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。

##### (iii) 中期財務報告及減值

根據上市規則，本集團須就財政年度首六個月編製符合香港會計準則第34號中期財務報告規定的中期財務報告。於中期期末，本集團應用與財政年度末所應用者相同的減值測試、確認及撥回準則（見附註1(k)(i)及(ii)）。

於中期期間內就商譽確認的減值虧損不會於其後期間撥回。倘有關中期期間的減值評估僅於財政年度末進行，即使並無確認虧損或所確認的虧損屬較輕微，亦不會撥回減值虧損。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (I) 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)

#### (I) 存貨

存貨為於日常業務過程中持作出售、就有關銷售的生產過程中或以材料或供應品形式在生產過程或於提供服務時耗用的資產。

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，該等存貨的賬面值是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 Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (m) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see note 1(u)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses (ECL) in accordance with the policy set out in note 1(k)(i) and are reclassified to receivables when the right to the consideration has become unconditional (see note 1(n)).

The current business model of the Group does not lead to any recognition of contract assets.

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(n)).

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 1(u)).

The amount of contract liabilities are not individually sufficiently material and therefore is not separately presented in the statement of financial position. Relevant information is collectively presented in trade and other payables (see note 19).

### 1 重大會計政策 (續)

#### (m) 合約資產及合約負債

倘本集團於根據合約所載的付款條款無條件符合資格收取代價前確認收入(見附註1(u))，則確認合約資產。合約資產根據附註1(k)(i)所載的政策進行預期信貸虧損評估，並於取得代價的權利成為無條件時重新分類至應收款項(見附註1(n))。

本集團現時的業務模式並無導致任何合約資產確認。

倘客戶於本集團確認相關收入(見附註1(u))前支付代價，則確認合約負債。倘本集團擁有無條件權利可於本集團確認相關收入前收取代價，亦將確認合約負債。在該等情況下，亦將確認相應的應收款項(見附註1(n))。

就與客戶訂立的單一合約而言，僅呈列合約資產淨值或合約負債淨額。就多份合約而言，無關係合約的合約資產及合約負債不會以淨額為基準呈列。

倘合約包含重大融資部份，合約結餘包括按實際利率法計算的應計利息(見附註1(u))。

合約負債的金額個別而言的重要性不足，因此並無於財務狀況表內獨立呈列。相關資料於貿易及其他應付款項內共同呈列(見附註19)。

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## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (n) 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. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset (see note 1(m)).

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses (see note 1(k)(i)).

#### (o) 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 note 1(k)(i).

#### (p) Trade and other payables

Trade and other payables are initially recognised at fair value and are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

### 1 重大會計政策 (續)

#### (n) 貿易及其他應收款項

在本集團擁有無條件權利收取代價時確認應收款項。在該代價到期支付前，收取代價的權利僅需經過一段時間方為無條件。倘本集團早於擁有無條件權利收取代價前確認收入，則有關金額作為合約資產呈列（見附註1(m)）。

應收款項採用實際利率法按攤銷成本減信貸虧損撥備列賬（見附註1(k)(i)）。

#### (o) 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3個月）。現金及現金等值項目乃按照附註1(k)(i)所載政策就預期信貸虧損（預期信貸虧損）進行評估。

#### (p) 貿易及其他應付款項

貿易及其他應付款項初步按公允值確認，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。

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## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (q) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable 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(w)).

#### (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.

Contribution to appropriate local defined contribution retirement schemes pursuant to the relevant labour rules and regulations in the PRC are recognised as an expense in profit or loss as incurred, except to the extent that they are included in the cost of inventories not yet recognised as an expense.

### 1 重大會計政策 (續)

#### (q) 計息借款

計息借款初步按公允價值減應佔交易成本確認。於初步確認後，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的借貸成本會計政策確認(見附註1(w))。

#### (r) 僱員福利

##### (i) *短期僱員福利及界定供款退休計劃的供款*

薪金、年度花紅、有薪年假、向界定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累計。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。

除已計入但尚未確認為開支的存貨成本外，根據中國有關勞工規則及法規向當地適當界定供款退休計劃作出的供款於產生期間在損益確認為開支。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (r) Employee benefits (Continued)

##### (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 tree 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.

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).

### 1 重大會計政策 (續)

#### (r) 僱員福利 (續)

##### (ii) 以股份為基礎的付款

授予僱員的購股權公允值於股本中的資本儲備相應增加而確認為僱員成本。公允值於授出當日按照二叉樹模型計量，並考慮購股權的授出條款及條件。倘僱員必須達成歸屬條件才可無條件地有權獲授購股權，則購股權的估計總公允值在歸屬期內攤分，並需考慮購股權歸屬的可能性。

於歸屬期內，將檢討預期歸屬之購股權數目。任何對過往年度已確認累計公允值所作之相應調整於回顧年度的損益表內扣除／計入，除非原有僱員開支合資格確認為資產，並對資本儲備作出相應調整。於歸屬日，已確認為開支的金額會作調整，以反映所歸屬的實際購股權數量（同時亦相應調整資本儲備），惟僅於未能達到有關本公司股份市價之歸屬條件而被沒收的購股權除外。股本金額於資本儲備確認，直至購股權獲行使（計入就已發行股份於股本確認的金額時）或購股權到期（直接撥至保留溢利時）為止。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (r) Employee benefits (Continued)

##### (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.

#### (s) Income tax

Income tax for the year 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 year, 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)

#### (r) 僱員福利 (續)

##### (iii) 終止福利

終止福利會在本集團不再能夠撤回所提供的終止福利或確認涉及終止福利付款的重組成本(以較早者為準)時確認。

#### (s) 所得稅

年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。

即期稅項為就年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，並就過往年度的應付稅項作出任何調整。

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 Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 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 goodwill not deductible for tax purposes, the 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期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，為不可扣稅的商譽所產生的暫時差額、不影響會計或應課稅溢利的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）所產生的暫時差額，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 Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 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，則任何該等扣減金額予以撥回。

派發股息產生的額外所得稅於確認支付相關股息的負債時確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 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 Company or 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，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，本公司或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，而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 Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (t) Provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Company 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, or the lessee has the right to use the asset, 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

撥備乃於本集團或本公司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，就不確定時間或金額的其他負債進行確認。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) 收入及其他收入

於本集團日常業務過程中，本集團將因銷售貨品、提供服務或由其他人士根據租賃使用本集團資產所產生的收益分類為收入。

收入在產品或服務的控制權按本集團預期有權收取的承諾代價金額（不包括代表第三方收取的該等金額）轉讓予客戶時或承租人有權使用資產時確認。收入不包括增值稅或其他銷售稅，並已扣除任何貿易折扣。

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## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (u) Revenue and other income (Continued)

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method.

Further details of the Group's revenue and other income recognition policies are as follows:

#### (i) Sale of goods

Revenue is recognised when the customer takes possession of and accepts the goods.

In the comparative period, revenue was recognised when the goods were delivered to the customers' premises, which was taken to be the point in time when the customer had accepted the goods and the related risks and rewards of ownership.

### 1 重大會計政策 (續)

#### (u) 收入及其他收入 (續)

倘合約載有向客戶提供逾12個月的重大融資利益的融資組成部份，則收入按應收金額的現值計量，並使用於與客戶的個別融資交易中反映的折現率折現，而利息收入則根據實際利率法單獨計提。倘合約載有向本集團提供重大融資利益的融資組成部份，則根據該合約確認的收入包括根據實際利率法合約負債所附的利息開支。

有關本集團收入及其他收入確認政策的進一步詳情如下：

#### (i) 銷售貨品

收入乃於客戶擁有及接收貨品時確認。

於比較期間，收入是在貨品送達客戶的場所時（亦即於客戶接收貨品及與擁有權相關的風險及回報之時）確認。

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## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (u) Revenue and other income (Continued)

##### (ii) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

##### (iii) 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(k)(i)).

### 1 重大會計政策 (續)

#### (u) 收入及其他收入 (續)

##### (ii) 經營租賃的租金收入

經營租賃項下的應收租金收入乃於租賃期所涵蓋的期間內，以等額分期方式於損益表確認，惟倘有其他基準更能代表使用租賃資產所得利益的模式則除外。已授出的租賃獎勵乃於損益表內確認為應收淨租賃付款總額的不可或缺部份。或然租金乃於其產生的會計期間確認為收入。

##### (iii) 利息收益

利息收益在產生時按實際利率法確認。就按攤銷成本或按公允值計入其他全面收益計量(可重新分類)且並無出現信貸減值的金融資產而言，實際利率用於資產的賬面總值。就出現信貸減值的金融資產而言，實際利率用於資產的攤銷成本(即賬面總值減虧損撥備)(見附註1(k)(i))。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (u) Revenue and other income (Continued)

##### (iv) Government grants

Government grants are recognised in the statement 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 initially recognised as deferred income and subsequently recognised as other income in profit or loss over the useful life of the assets.

##### (v) 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 Company 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 determined.

### 1 重大會計政策 (續)

#### (u) 收入及其他收入 (續)

##### (iv) 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表內確認為收入。補償本集團資產成本的補助初步確認為遞延收入，其後於該項資產的可使用年期於損益表內確認為其他收入。

##### (v) 外幣換算

年內的外幣交易乃按於交易日期的外幣匯率換算。以外幣計值的貨幣資產及負債乃按於報告期末的外幣匯率換算。匯兌收益及虧損乃於損益表內確認。

以外幣的歷史成本計量的非貨幣資產及負債乃使用於交易日期的外幣匯率換算。交易日期為本公司首次確認該等非貨幣資產或負債的日期。按公允值列賬的以外幣計值非貨幣資產及負債乃使用於釐定公允值當日的的外幣匯率換算。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (u) Revenue and other income (Continued)

#### (v) Translation of foreign currencies (Continued)

The results of foreign operations are translated into Renminbi at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into Renminbi at the closing foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised directly in other comprehensive income and accumulated separately in equity in the exchange reserve.

#### (w) Borrowing costs

Borrowing costs are expensed in the period in which they are incurred.

All borrowing costs of the Group are expensed in the period in which they are incurred.

### 1 重大會計政策 (續)

#### (u) 收入及其他收入 (續)

#### (v) 外幣換算 (續)

海外業務的業績按於交易日期適用的外幣匯率相若的匯率換算為人民幣。財務狀況表項目則按報告期末適用的收市外幣匯率換算為人民幣。所產生的匯兌差額直接於其他全面收益中確認，並於權益內的匯兌儲備中獨立累計。

#### (w) 借款成本

借款成本於其產生期間支銷。

本集團的所有借款成本於其產生期間支銷。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (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.

(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.

### 1 重大會計政策 (續)

#### (x) 關連人士

(a) 在以下情況下，某人士或其近親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) 為本集團或本集團母公司的主要管理層成員。

(b) 在以下任何情況下，某實體與本集團有關聯：

- (i) 該實體及本集團均為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) 某實體為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) 兩家實體均為同一第三方的合營公司。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (x) Related parties (Continued)

##### (b) (Continued)

- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (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.

### 1 重大會計政策 (續)

#### (x) 關連人士 (續)

##### (b) (續)

- (iv) 某實體為第三方實體的合營公司而另一實體則為該第三方實體的聯營公司。
- (v) 該實體為本集團或與本集團有關聯的實體為其僱員利益而設立的離職後福利計劃。
- (vi) 該實體受(a)所識別人士控制或受共同控制。
- (vii) 於(a)(i)所識別人士對該實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員。
- (viii) 向本集團或向本集團之母公司提供主要管理人員服務之實體或其所屬集團之任何成員公司。

某人士的近親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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (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.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

### 1 重大會計政策 (續)

#### (y) 分部報告

經營分部及財務報表所呈報各分部項目的金額，乃從就本集團各項業務及地理位置分配資源及評估表現而定期向本集團最高行政管理人員提供的財務資料當中加以識別。

就財務報告而言，將不會併入個別重大經營分部，除非該等分部具有類似經濟特性，且在產品及服務性質、生產工序性質、客戶類型或階層、分銷產品或提供服務所使用的方法及監管環境的性質等方面相似。倘個別不重大的經營分部符合大部份該等標準，則可進行合併。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 2 REVENUE AND SEGMENT REPORTING

#### (a) Revenue

The principal activities of the Group are the manufacturing and sales of pharmaceutical products. Further details regarding the Group's principal activities are disclosed in note 2(b).

Disaggregation of revenue from contracts with customers by major products is as follows:

		<b>2019</b>	2018
		<b>2019年</b>	2018年
		<b>RMB' 000</b>	RMB' 000
		人民幣千元	人民幣千元
Kidney medicines	腎科藥物	<b>1,062,452</b>	928,360
Contrast medium	對比劑	<b>139,802</b>	128,056
Orthopedics medicines	骨科藥物	<b>116,141</b>	250,171
Dermatologic medicines	皮膚科藥物	<b>98,338</b>	222,025
Hepatobiliary medicines	肝膽藥物	<b>31,871</b>	111,233
Gynaecology and paediatrics drugs	婦兒藥物	<b>170,131</b>	130,444
Others	其他	<b>109,521</b>	73,684
		<b>1,728,256</b>	1,843,973

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographic markets is disclosed in notes 2(b)(i) and 2(b)(iii) respectively.

### 2 收入及分部報告

#### (a) 收入

本集團的主要業務為藥品生產及銷售。有關本集團主要業務的進一步詳情披露於附註2(b)。

來自與客戶訂立之合約的收入按主要產品之分拆如下：

	<b>2019</b>	2018
	<b>2019年</b>	2018年
	<b>RMB' 000</b>	RMB' 000
	人民幣千元	人民幣千元
Kidney medicines	<b>1,062,452</b>	928,360
Contrast medium	<b>139,802</b>	128,056
Orthopedics medicines	<b>116,141</b>	250,171
Dermatologic medicines	<b>98,338</b>	222,025
Hepatobiliary medicines	<b>31,871</b>	111,233
Gynaecology and paediatrics drugs	<b>170,131</b>	130,444
Others	<b>109,521</b>	73,684
	<b>1,728,256</b>	1,843,973

來自與客戶訂立合約之收入按收入確認之時間及按地區市場之分拆分別披露於附註2(b)(i)及2(b)(iii)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 2 REVENUE AND SEGMENT REPORTING (Continued)

#### (a) Revenue (Continued)

Revenue from major customers contributing over 10% of the revenue of the Group, is as follows, including sales to entities which are known to the Group to be under common control with these customers:

		2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
Customer A	客戶甲	444,776	419,528
Customer B	客戶乙	179,506	33,676

As at 31 December 2019, full amount of the transaction price under the Group's existing contracts was recognised as revenue.

#### (b) Segment reporting

The Group manages its businesses by product lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments.

- Consun Pharmaceutical Segment: this segment manufactures and sells modern Chinese medicines and medical contrast medium.
- Yulin Pharmaceutical Segment: this segment manufactures and sells traditional Chinese medicines.

### 2 收入及分部報告 (續)

#### (a) 收入 (續)

來自貢獻本集團收入超過10%的主要客戶的收入(包括向本集團得悉與該等客戶受共同控制之實體作出的銷售)如下:

		2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
Customer A	客戶甲	444,776	419,528
Customer B	客戶乙	179,506	33,676

於2019年12月31日，本集團現有合約項下交易價格的全數款項確認為收入。

#### (b) 分部報告

本集團按產品線管理其業務。本集團已呈列下列兩個可呈報分部，其列報方式與為分配資源及評估表現目的而向本集團最高行政管理人員內部報告資料的方式貫徹一致。

- 康臣藥業分部：此分部生產及銷售現代中成藥及醫用成像對比劑。
- 玉林製藥分部：此分部生產及銷售傳統中成藥。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 2 REVENUE AND SEGMENT REPORTING (Continued)

#### (b) Segment reporting (Continued)

##### (i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of interests in associates, investments in financial assets, deferred tax assets and other corporate assets. Segment liabilities include trade creditors, accruals and bills payable attributable to the manufacturing and sales activities of the individual segments managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. However, other than reporting inter-segment sales of pharmaceutical products, assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

The measure used for reporting segment profit is gross profit. The Group's senior executive management is provided with segment information concerning segment revenue and gross profit. Segment assets and liabilities are not reported to the Group's senior executive management regularly.

### 2 收入及分部報告 (續)

#### (b) 分部報告 (續)

##### (i) 分部業績、資產及負債

為評估分部表現及在分部間分配資源，本集團最高行政管理人員根據以下基準監察各可呈報分部應佔的業績、資產及負債：

分部資產包括所有有形、無形資產及流動資產，而於聯營公司的權益、金融資產的投資、遞延稅項資產及其他公司資產則除外。分部負債包括由各分部直接管理的個別分部生產及銷售活動應佔的貿易應付賬款、應計費用及應付票據。

收入及開支乃經參照該等分部產生的銷售額及開支或該等分部應佔資產折舊或攤銷產生的開支，分配至可呈報分部。然而，除呈報分部間的藥品銷售外，一個分部向另一個分部提供的支援（包括分享資產及技術專門知識）則不予以計量。

用於呈報分部溢利的指標為毛利。本集團資深管理層獲提供有關分部收入及毛利資料。分部資產及負債資料並無向本集團資深管理層定期匯報。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 2 REVENUE AND SEGMENT REPORTING (Continued)

#### (b) Segment reporting (Continued)

##### (i) Segment results, assets and liabilities (Continued)

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2019 and 2018 is set out below:

### 2 收入及分部報告 (續)

#### (b) 分部報告 (續)

##### (i) 分部業績、資產及負債 (續)

下文載列來自與客戶訂立之合約之收入按收入確認之時間之分拆，以及截至2019年及2018年12月31日止年度為分配資源及評估分部表現而向本集團最高行政管理人員提供的本集團可呈報分部之資料：

		Consun Pharmaceutical Segment		Yulin Pharmaceutical Segment		Total	
		康臣藥業分部	玉林製藥分部	康臣藥業分部	玉林製藥分部	總計	
		2019	2018	2019	2018	2019	2018
		2019年	2018年	2019年	2018年	2019年	2018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
<b>For the year ended 31 December</b>	<b>截至12月31日止年度</b>						
<b>Disaggregated by timing of revenue recognition</b>	<b>按收入確認之時間之分拆</b>						
Point in time	時間點	<b>1,403,919</b>	1,219,586	<b>324,337</b>	624,387	<b>1,728,256</b>	1,843,973
<b>Reportable segment revenue</b>	<b>可呈報分部收入</b>						
Revenue from external customers	來自外部客戶的收入	<b>1,403,919</b>	1,219,586	<b>324,337</b>	624,387	<b>1,728,256</b>	1,843,973
<b>Reportable segment profit</b>	<b>可呈報分部溢利</b>						
Gross profit	毛利	<b>1,118,311</b>	976,447	<b>143,094</b>	407,979	<b>1,261,405</b>	1,384,426
Interest income from bank deposits	銀行存款利息收益	<b>13,381</b>	5,997	<b>3,370</b>	5,319	<b>16,751</b>	11,316
Interest expense	利息開支	<b>21,070</b>	16,887	<b>2,321</b>	5,575	<b>23,391</b>	22,462
Depreciation and amortisation for the year	年內折舊及攤銷	<b>22,961</b>	20,515	<b>50,154</b>	51,002	<b>73,115</b>	71,517
Recognition/(Reversals) of impairment losses	確認/(撥回)減值虧損						
- trade receivables and other receivables	- 貿易應收款項及其他應收款項	<b>460</b>	(2,149)	<b>69,887</b>	7,043	<b>70,347</b>	4,894
- goodwill	- 商譽	-	-	<b>320,647</b>	-	<b>320,647</b>	-
- intangible assets	- 無形資產	-	-	<b>5,489</b>	-	<b>5,489</b>	-
<b>Reportable segment assets</b>	<b>可呈報分部資產</b>	<b>2,053,714</b>	1,824,593	<b>1,728,758</b>	2,040,139	<b>3,782,472</b>	3,864,732
<b>Reportable segment liabilities</b>	<b>可呈報分部負債</b>	<b>720,520</b>	791,408	<b>643,380</b>	369,114	<b>1,363,900</b>	1,160,522

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 2 REVENUE AND SEGMENT REPORTING (Continued)

#### (b) Segment reporting (Continued)

##### (ii) Reconciliations of reportable segment profit

### 2 收入及分部報告 (續)

#### (b) 分部報告 (續)

##### (ii) 可呈報分部溢利的對賬

		2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
Reportable segment gross profit derived from the Group's external customers	來自本集團外部客戶之可呈報分部毛利	1,261,405	1,384,426
Other losses (note 3)	其他虧損(附註3)	(1,526)	(2,194)
Distribution costs	分銷成本	(539,204)	(561,537)
Administrative expenses	行政開支	(231,833)	(176,527)
Impairment loss on goodwill and intangible assets	商譽及無形資產減值虧損	(326,136)	-
Finance costs (note 4(a))	融資成本(附註4(a))	(29,043)	(27,469)
<b>Consolidated profit before taxation</b>	<b>綜合稅前溢利</b>	<b>133,663</b>	<b>616,699</b>
<b>Assets</b>	<b>資產</b>		
Reportable segment assets	可呈報分部資產	3,782,472	3,864,732
Elimination of inter-segment receivables	分部間應收款項之對銷	(120,328)	(2,796)
		<b>3,662,144</b>	<b>3,861,936</b>
Deferred tax assets (note 23(c))	遞延稅項資產(附註23(c))	45,942	35,102
<b>Consolidated total assets</b>	<b>綜合總資產</b>	<b>3,708,086</b>	<b>3,897,038</b>
<b>Liabilities</b>	<b>負債</b>		
Reportable segment liabilities	可呈報分部負債	1,363,900	1,160,522
Elimination of inter-segment payables	分部間應付款項之對銷	(120,328)	(2,796)
		<b>1,243,572</b>	<b>1,157,726</b>
Current taxation (note 23(a))	即期稅款(附註23(a))	69,461	99,492
Deferred tax liabilities (note 23(c))	遞延稅項負債(附註23(c))	88,292	137,217
Unallocated head office and corporate liabilities	未分配總部及企業負債	-	5,591
<b>Consolidated total liabilities</b>	<b>綜合總負債</b>	<b>1,401,325</b>	<b>1,400,026</b>



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 2 REVENUE AND SEGMENT REPORTING (Continued)

#### (b) Segment reporting (Continued)

##### (iii) Geographic information

Analysis of the Group's revenue and results as well as analysis of the Group's carrying amount of segment assets and additions to property, plant and equipment by geographical market has not been presented as 99% of the Group's operating profit is derived from activities of manufacturing and sales of pharmaceutical products in the PRC.

### 2 收入及分部報告 (續)

#### (b) 分部報告 (續)

##### (iii) 地理資料

由於本集團99%的經營利潤來自中國的藥品生產與銷售活動，故並無按地區市場呈列本集團收入及業績之分析，以及本集團分部資產賬面值及物業、廠房及設備添置之分析。

### 3 OTHER LOSSES

### 3 其他虧損

		2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
Government grants (i)	政府補助(i)		
– Unconditional subsidies	– 無條件補貼	5,185	1,981
– Conditional subsidies (note 21)	– 有條件補貼(附註21)	1,660	2,466
Net rental income from investment properties	投資物業淨租金收入	483	1,049
Interest income	利息收益	16,751	11,316
Loss on disposal of property, plant and equipment	處置物業、廠房及設備的虧損	(330)	(231)
Net exchange losses	淨匯兌虧損	(23,958)	(22,242)
Others	其他	(1,317)	3,467
		<b>(1,526)</b>	<b>(2,194)</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 3 OTHER LOSSES (Continued)

- (i) Government grants represent various forms of incentives and subsidies granted to the Group by the local government authorities in the PRC.

– **Unconditional subsidies**

The entitlements to certain government grants amounting to RMB5,185,000 (2018: RMB1,981,000) were unconditional. They were funds to subsidise the operating expenses of the PRC subsidiaries of the Group during the current or prior years.

– **Conditional subsidies**

The remaining government grants were conditional government grants and initially recorded as deferred income. The amount of conditional government grants charged to the consolidated statement of profit or loss for the year ended 31 December 2019 was RMB1,660,000 (2018: RMB2,466,000) (see note 21).

### 4 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) **Finance costs**

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Interest on bank loans (note 18(c))	銀行貸款利息(附註18(c))	23,391	22,526
Finance charges on bank loans (note 18(c))	銀行貸款財務費用(附註18(c))	5,652	4,943
		<b>29,043</b>	27,469

### 3 其他虧損(續)

- (i) 政府補貼指中國地方政府機關授予本集團的不同形式獎勵及補貼。

– **無條件補貼**

可獲無條件政府補貼部份金額為人民幣5,185,000元(2018年:人民幣1,981,000元)。其為資助本集團在中國境內附屬公司本年度或過往年度的營運費用。

– **有條件補貼**

其餘政府補貼為有條件政府補貼及其首先被記錄為遞延收入。有條件政府補貼被計入截至2019年12月31日止年度的綜合損益表的金額為人民幣1,660,000元(2018年:人民幣2,466,000元)(見附註21)。

### 4 稅前溢利

稅前溢利乃扣除以下各項後得出：

(a) **融資成本**

	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Interest on bank loans (note 18(c))	23,391	22,526
Finance charges on bank loans (note 18(c))	5,652	4,943
	<b>29,043</b>	27,469

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 4 PROFIT BEFORE TAXATION (Continued)

#### (b) Staff costs

		2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
Salaries, wages, bonuses and benefits	薪金、工資、花紅及福利	<b>273,697</b>	269,636
Contributions to defined contribution retirement schemes	界定供款退休計劃供款	<b>11,132</b>	9,335
Equity settled share-based transactions:	以股權結算並以股份為基礎的交易：		
Share Option Scheme (note 22(a))	購股權計劃(附註22(a))	<b>19,920</b>	8,490
		<b>304,749</b>	287,461

Pursuant to the relevant labour rules and regulations in the PRC, the PRC subsidiaries participate in defined contribution retirement schemes (the “Schemes”) organised by the local government authorities whereby the PRC subsidiaries are required to make contributions to the Schemes based on certain percentages of the eligible employees’ 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.

根據中國的相關勞動規則及規例，中國附屬公司參與由地方政府機關組織的界定供款退休計劃（「計劃」），據此，中國附屬公司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 Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 4 PROFIT BEFORE TAXATION (Continued)

#### (c) Other items

### 4 稅前溢利 (續)

#### (c) 其他項目

			2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元 (Note(i)) (附註(i))
Depreciation and amortisation charge	折舊及攤銷費用			
– investment property	– 投資物業	9	549	676
– other property, plant and equipment	– 其他物業、 廠房及設備	10	40,007	38,292
– land use rights (i)	– 土地使用權(i)	11	3,139	3,134
– intangible assets	– 無形資產	12	29,420	29,415
Auditor's remuneration	核數師酬金			
– audit services	– 審計服務		2,100	2,100
– non-audit services	– 非審計服務		830	450
Impairment losses	減值虧損			
– trade receivables and other receivables(ii)	– 貿易應收款項及其 他應收款項(ii)		70,347	4,894
– goodwill	– 商譽	13	320,647	–
– intangible assets	– 無形資產	12	5,489	–
Net unrealised losses on investment not held for trading	並非持作買賣用途的 未變現投資虧損淨額		–	2,600
Leases charges	租賃費用		3,971	2,920
Research and development costs(iii)	研發成本(iii)		75,377	67,937
Cost of inventories(iv)	存貨成本(iv)	16	466,851	459,547

(i) The Group has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise right-of-use assets relating to leases which were previously classified as operating leases under HKAS 17. The depreciated carrying amount of the Group's land use rights located in the PRC which were previously included in lease prepayments is also identified as a right-of-use asset and renamed as "land use rights".

(i) 本集團於2019年1月1日已首次應用香港財務報告準則第16號，使用經修訂追溯法並調整期初結餘，以確認有關先前根據香港會計準則第17號分類為經營租賃的租賃的使用權資產。本集團位於中國的土地使用權的已折舊賬面值（先前計入租賃預付款項）亦已識別為使用權資產並改名為「土地使用權」。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 4 PROFIT BEFORE TAXATION (Continued)

#### (c) Other items (Continued)

- (ii) During the year ended 31 December 2019, provision for doubtful debts of RMB70,347,000 (2018: RMB4,894,000) was recognised, among which RMB171,000 were debts subsequently collected that had been written off in previous year (2018: RMB5,000,000).
- (iii) During the year ended 31 December 2019, research and development costs included RMB23,084,000 (2018: RMB25,237,000) relating to staff costs, depreciation and amortisation expenses and operating lease charges, which amount is also included in the respective total amounts disclosed separately above or in the note 4(b) for each of these types of expenses.
- (iv) During the year ended 31 December 2019, cost of inventories include RMB105,597,000 (2018: RMB81,576,000) relating to staff costs, depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above or in the note 4(b) for each of these types of expenses.

### 4 稅前溢利 (續)

#### (c) 其他項目 (續)

- (ii) 截至2019年12月31日止年度，確認呆賬撥備人民幣70,347,000元（2018年：人民幣4,894,000元），其中人民幣171,000元是收回過往年度已經撇銷的債務（2018年：人民幣5,000,000元）。
- (iii) 截至2019年12月31日止年度，研發成本包括與員工成本、折舊及攤銷開支和經營租賃費用相關的人民幣23,084,000元（2018年：人民幣25,237,000元），以上金額亦計入上文或附註4(b)就各開支類別獨立披露的相應總金額內。
- (iv) 截至2019年12月31日止年度，存貨成本包括與員工成本、折舊及攤銷開支相關的人民幣105,597,000元（2018年：人民幣81,576,000元），以上金額亦計入上文或附註4(b)就各開支類別獨立披露的相關總金額內。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 5 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Taxation in the consolidated statement of profit or loss represents:

### 5 綜合損益表內的所得稅

(a) 綜合損益表內的稅項指：

		2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
<b>Current tax</b>	<b>即期稅項</b>		
Provision for PRC income tax for the year	年內中國所得稅撥備	<b>103,843</b>	130,068
PRC dividend withholding tax (iv) (note 23 (a))	中國股息預扣稅 (iv) (附註23(a))	<b>34,936</b>	–
Over-provision for PRC income tax in respect of prior years	過往年度中國所得稅超額撥備	<b>(8,473)</b>	(5,277)
		<b>130,306</b>	124,791
<b>Deferred tax</b>	<b>遞延稅項</b>		
Origination and reversal of temporary differences	產生及撥回暫時性差額	<b>4,172</b>	(5,583)
Effect on distribution of dividends (iv) (note 23 (b))	股息分派的影響 (iv) (附註23(b))	<b>(34,936)</b>	–
Effect on deferred tax balances at 1 January resulting from a change in tax rate (iv) (note 23(b))	因稅率變動而導致於1月1日的遞延稅項結餘的影響 (iv) (附註23(b))	<b>(29,001)</b>	–
		<b>(59,765)</b>	(5,583)
		<b>70,541</b>	119,208

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 5 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

#### (a) Taxation in the consolidated statement of profit or loss represents: (Continued)

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the “BVI”), the Group is not subject to any income tax in the Cayman Islands and the BVI.
- (ii) No provision was made for Hong Kong Profits Tax as the Group did not earn income subject to Hong Kong Profits Tax for the year ended 31 December 2019 (2018: Nil).
- (iii) Taxable income for the subsidiaries of the Company in the PRC is subject to PRC income tax rate of 25%, unless otherwise specified below.

Consun Pharmaceutical (Inner Mongolia) Co., Ltd. (“**Inner Mongolia Consun**”) and Guangzhou Consun Pharmaceutical Company Limited (“**Guangzhou Consun**”) were qualified as an “Advanced and New Technology Enterprise”, Inner Mongolia Consun and Guangzhou Consun were entitled to the preferential income tax rate of 15% from 2018 to 2020 and 2017 to 2019, respectively.

Guangxi Yulin Pharmaceutical Group Co., Ltd (“**Yulin Pharmaceutical**”) and Guangxi Yulin Pharmaceutical Capsule Co., Limited (“**Yulin Capsule**”) were qualified as encouraged industry that operates in western China. Yulin Pharmaceutical and Yulin Capsule were entitled to the preferential income tax rate of 15% from 2011 to 2020.

### 5 綜合損益表內的所得稅 (續)

#### (a) 綜合損益表內的稅項指：(續)

- (i) 根據開曼群島及英屬處女群島（「英屬處女群島」）的規則及規例，本集團毋須於開曼群島及英屬處女群島繳納任何所得稅。
- (ii) 由於本集團於截至2019年12月31日止年度並無賺取須繳納香港利得稅的收入（2018年：無），故並無就香港利得稅作出撥備。
- (iii) 除非下文另有規定，否則本公司的中國附屬公司的應課稅收入須按25%的稅率繳納中國所得稅。

康臣藥業（內蒙古）有限責任公司（「**內蒙古康臣**」）及廣州康臣藥業有限公司（「**廣州康臣**」）獲認證為「高新技術企業」，內蒙古康臣及廣州康臣可分別從2018年至2020年及2017年至2019年享受優惠所得稅稅率15%。

廣西玉林製藥集團有限責任公司（「**玉林製藥**」）及廣西玉林玉藥膠囊有限公司（「**玉林膠囊**」）獲認證為於中國西部營運的鼓勵性產業公司，玉林製藥及玉林膠囊均可從2011年至2020年享受優惠所得稅稅率15%。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 5 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

#### (a) Taxation in the consolidated statement of profit or loss represents: (Continued)

(iii) (Continued)

Guangxi Yulin Pharmaceutical Group Yuming Chinese Traditional Medicine Co., Limited (“**Yuming Chinese Traditional Medicine**”) and Guangxi Yulin Pharmaceutical Group Hongsheng Trading Co., Limited (“**Hongsheng Trading**”) met the criteria for preferential income tax rate granted to small and low profit-making enterprises in the PRC, and were entitled to the preferential income tax rate of 10% in 2019 (2018: 10%).

Guangxi Yulin Pharmaceutical Group Yonglv Chinese Traditional Medicine Industry Co., Limited (“**Yonglv Chinese Traditional Medicine**”) met the exemption criteria on income generated through planting of agricultural products and was exempted from PRC income tax in 2018 and 2019.

### 5 綜合損益表內的所得稅 (續)

#### (a) 綜合損益表內的稅項指：(續)

(iii) (續)

廣西玉藥集團玉銘中藥有限責任公司(「**玉銘中藥**」)及廣西玉林製藥集團宏升貿易有限責任公司(「**宏升貿易**」)符合標準申請授予中國小型微利企業的優惠所得稅稅率，並於2019年享受優惠所得稅稅率10%(2018年：10%)。

廣西玉藥集團永綠中藥產業有限公司(「**永綠中藥**」)符合農產品種植收入的豁免標準，並於2018年及2019年獲豁免繳納中國所得稅。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 5 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

#### (a) Taxation in the consolidated statement of profit or loss represents: (Continued)

- (iv) According to the relevant tax law and its implementation rules, dividends receivable by non-PRC-resident corporate investors from PRC-resident enterprises are subject to withholding tax at 10%, unless reduced by tax treaties or arrangements, for profits earned since 1 January 2008. In 2019, the Company and its Hong Kong subsidiaries obtained the Certificate of Resident Status of the Hong Kong Special Administrative Region and have satisfied the “Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on income” and therefore have adopted the withholding tax rate at 5% for PRC withholding tax purposes for the calendar year 2017 and the two succeeding calendar years.

The directors have determined that in determining the amounts of dividends to be distributed from PRC subsidiaries to the Hong Kong incorporated subsidiary in future, the amounts of dividends declared or to be declared by the Company and the repayment schedule of loans and borrowings of the Company would be considered. As at 31 December 2019, deferred tax liabilities of RMB15,208,000 (31 December 2018: RMB58,003,000) have been provided based on the expected dividends to be distributed from Guangzhou Consun to the Company in the foreseeable future.

### 5 綜合損益表內的所得稅 (續)

#### (a) 綜合損益表內的稅項指：(續)

- (iv) 根據有關稅法及其實施細則，除非自2008年1月1日起賺取的溢利獲稅務條例或安排寬減，否則非中國居民企業投資者應收中國居民企業的股息須按10%繳納預扣稅。於2019年，本公司及香港子公司獲得香港特別行政區居民身分證證明書，並符合「內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排」的條件。因此，就中國預扣稅而言，本公司及香港子公司於2017曆年及其後兩個曆年已採用5%的預扣稅率。

董事已確定，在釐定中國附屬公司日後向於香港註冊成立的附屬公司分派的股息金額時，將考慮本公司已宣派或將宣派的股息金額及本公司貸款及借款的還款時間表。於2019年12月31日，根據於可預見的未來廣州康臣預期會向本公司派發股息，計提遞延稅項負債人民幣15,208,000元（2018年12月31日：人民幣58,003,000元）。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 5 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

#### (b) Reconciliation between tax expenses and accounting profit at applicable tax rates:

### 5 綜合損益表內的所得稅 (續)

#### (b) 稅項開支與按適用稅率計算的會計溢利的對賬：

		2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
Profit before taxation for the year	年內稅前溢利	<b>133,663</b>	616,699
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	按相關司法權區溢利適用稅率計算的稅前溢利的名義稅項	<b>56,889</b>	175,188
Effect of non-deductible expenses	不可扣稅開支的影響	<b>8,467</b>	21,565
Effect of non-deductible goodwill impairment	不可扣稅商譽減值的影響	<b>80,162</b>	-
Effect of tax concessions	稅務寬減的影響	<b>(55,775)</b>	(72,268)
Effect of use of previous unrecognized deferred tax assets	動用過往未確認遞延稅項資產的影響	<b>(2,870)</b>	-
Effect on deferred tax balances at 1 January resulting from a change in tax rate (note 23(b))	因稅率變動而導致於1月1日的遞延稅項結餘的影響(附註23(b))	<b>(29,001)</b>	-
Provision of withholding tax on undistributed profits retained by PRC subsidiaries	有關中國附屬公司保留未分派溢利的預扣稅撥備	<b>21,142</b>	-
Over-provision in respect of prior years	過往年度超額撥備	<b>(8,473)</b>	(5,277)
Actual tax expenses	實際稅項開支	<b>70,541</b>	119,208

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 6 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

### 6 董事酬金

根據香港《公司條例》第383(1)條及公司(披露董事利益資料)條例第2部分而需要披露的董事酬金詳情如下：

		Year ended 31 December 2019 截至2019年12月31日止年度					
		Salaries, allowances and benefits in kind 薪金、津貼 及實物福利	Discretionary bonus 酌情花紅	Retirement scheme contribution 退休計劃供款	Share-based payment (i) 以股份為基礎 的付款(i)	Total 總計	
Directors' fees 董事袍金		RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	
<b>Executive directors</b>	<b>執行董事</b>						
Mr. AN Yubao	安郁寶先生	2,086	1,080	8,250	–	3,326	14,742
Ms. LI Qian	黎倩女士	2,206	1,009	8,250	57	3,326	14,848
Mr. ZHU Quan	朱荃先生	218	445	–	–	683	1,346
Mr. TANG Ning	唐寧先生	–	571	25	16	624	1,236
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>						
Mr. SU Yuanfu	蘇元福先生	120	–	–	–	–	120
Mr. FENG Zhongshi	馮仲實先生	120	–	–	–	–	120
Ms. CHENG Xinxin (resigned on 31 May 2019)	成欣欣女士 (於2019年5月31日辭任)	50	–	–	–	–	50
Ms. CHEN Yujun (appointed on 31 May 2019)	陳玉君女士 (於2019年5月31日獲委任)	81	–	–	–	–	81
		<b>4,881</b>	<b>3,105</b>	<b>16,525</b>	<b>73</b>	<b>7,959</b>	<b>32,543</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 6 DIRECTORS' EMOLUMENTS (Continued)

### 6 董事酬金 (續)

Year ended 31 December 2018  
截至2018年12月31日止年度

	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonus	Retirement scheme contribution	Share-based payment (i)	Total
	董事袍金	薪金、津貼及實物福利	酌情花紅	退休計劃供款	以股份為基礎的付款(i)	總計
	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Executive directors</b>	<b>執行董事</b>					
Mr. AN Yubao	安郁寶先生	2,047	1,080	10,290	–	13,756
Ms. LI Qian	黎倩女士	2,109	975	10,290	39	13,752
Mr. ZHU Quan	朱荃先生	435	465	–	–	1,345
Mr. TANG Ning (appointed on 1 June 2018)	唐寧先生(於2018年6月1日獲委任)	–	549	373	16	1,098
<b>Non-executive directors</b>	<b>非執行董事</b>					
Mr. LIN Sheng (resigned on 13 April 2018)	林盛先生(於2018年4月13日辭任)	–	–	–	–	–
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>					
Mr. SU Yuanfu	蘇元福先生	120	–	–	–	120
Mr. FENG Zhongshi	馮仲實先生	120	–	–	–	120
Ms. CHENG Xinxin	成欣欣女士	120	–	–	–	120
		4,951	3,069	20,953	55	30,311

(i) These represent the estimated value of share options granted to the directors under the Company's Share Option Scheme. The value of these share options is measured according to the Group's accounting policies for share-based payment transactions as set out in note 1(r)(ii).

The details of these benefits in kind, including the principal terms and number of options granted, are disclosed under the paragraph "Share Option Scheme" in the directors' report and note 22(a).

(i) 這代表根據本公司購股權計劃授予董事之購股權的估計價值。該等購股權的價值按照本集團對以股份為基礎的付款交易的會計政策(載於附註1(r)(ii))計量。

該等實物福利的詳情(包括授出購股權的主要條款及數目)在董事會報告「購股權計劃」一段及附註22(a)披露。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 7 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with highest emoluments, three (2018: four) are directors of the Company whose emoluments are disclosed in note 6. The aggregate of the emoluments in respect of the other two (2018: one) individuals are as follows:

		<b>2019</b>	2018
		<b>2019年</b>	2018年
		<b>RMB' 000</b>	RMB' 000
		人民幣千元	人民幣千元
Salaries and other emoluments	薪金及其他薪酬	<b>1,850</b>	859
Contributions to retirement scheme	退休計劃供款	<b>16</b>	–
Share-based payment	以股份為基礎的付款	<b>1,355</b>	134
		<b>3,221</b>	993

### 7 最高薪酬人士

五名最高薪酬人士中有三名(2018年：四名)為本公司董事，其薪酬於附註6披露。另外兩名(2018年：一名)人士的薪酬總額如下：

The emoluments of the two (2018: one) individuals with the highest emoluments are within the following bands:

該兩名(2018年：一名)最高薪酬人士的薪酬介乎以下範圍：

		<b>2019</b>	2018
		<b>2019年</b>	2018年
		<b>Number of</b>	Number of
		<b>individuals</b>	individuals
		人士數目	人士數目
HKD1,000,001 – HKD1,500,000	1,000,001港元至1,500,000港元	–	1
HKD1,500,001 – HKD2,000,000	1,500,001港元至2,000,000港元	<b>2</b>	–

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 8 EARNINGS PER SHARE

#### (a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of RMB79,820,000 (2018: RMB465,353,000) and the weighted average number of ordinary shares of 848,771,000 shares (2018: 854,841,000 shares) in issue during the year, calculated as follows:

#### *Weighted average number of ordinary shares*

		<b>2019</b>	2018
		<b>2019年</b>	2018年
		<b>'000 shares</b>	'000 shares
		千股	千股
Issued ordinary shares at 1 January	於1月1日已發行普通股	<b>875,191</b>	873,610
Effect of shares repurchased and cancelled (note 24(b))	購回及註銷股份的影響 (附註24(b))	<b>(6,957)</b>	-
Effect of share options exercised (note 22(a))	已行使購股權的影響 (附註22(a))	<b>235</b>	929
Effect of treasury shares held under the Share Award Scheme (note 22(b))	根據股份獎勵計劃持有的 庫存股的影響 (附註22(b))	<b>(19,698)</b>	(19,698)
Weighted average number of ordinary shares at 31 December	於12月31日普通股的 加權平均數	<b>848,771</b>	854,841

### 8 每股盈利

#### (a) 每股基本盈利

每股基本盈利乃根據年內本公司權益股東應佔溢利人民幣79,820,000元(2018年: 人民幣465,353,000元)及已發行普通股的加權平均數848,771,000股股份(2018年: 854,841,000股股份)計算, 計算如下:

#### *普通股加權平均數*

	<b>2019</b>	2018
	<b>2019年</b>	2018年
	<b>'000 shares</b>	'000 shares
	千股	千股
Issued ordinary shares at 1 January	<b>875,191</b>	873,610
Effect of shares repurchased and cancelled (note 24(b))	<b>(6,957)</b>	-
Effect of share options exercised (note 22(a))	<b>235</b>	929
Effect of treasury shares held under the Share Award Scheme (note 22(b))	<b>(19,698)</b>	(19,698)
Weighted average number of ordinary shares at 31 December	<b>848,771</b>	854,841

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 8 EARNINGS PER SHARE (Continued)

#### (b) Diluted earnings per share

The calculation of diluted earnings per share for the year ended 31 December 2019 is based on the profit attributable to equity shareholders of the Company of RMB79,820,000 (2018: RMB465,353,000) and the weighted average number of ordinary shares of 854,473,000 shares (2018: 877,986,000 shares), calculated as follows:

#### **Weighted average number of ordinary shares (diluted)**

		<b>2019</b> <b>2019年</b> <b>'000 shares</b> 千股	2018 2018年 '000 shares 千股
Weighted average number of ordinary shares at 31 December	於12月31日普通股的加權平均數	<b>848,771</b>	854,841
Dilutive effect of deemed issue of shares under the Share Option Scheme	購股權計劃項下視同發行股份的攤薄影響	<b>5,702</b>	23,145
Weighted average number of ordinary shares (diluted) at 31 December	於12月31日普通股的加權平均數(攤薄)	<b>854,473</b>	877,986

### 8 每股盈利(續)

#### (b) 每股攤薄盈利

截至2019年12月31日止年度的每股攤薄盈利乃根據本公司權益股東應佔溢利人民幣79,820,000元(2018年: 人民幣465,353,000元)及普通股的加權平均數854,473,000股股份(2018年: 877,986,000股股份)計算, 計算如下:

#### **普通股加權平均數(攤薄)**

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 9 INVESTMENT PROPERTIES

### 9 投資物業

**RMB' 000**  
人民幣千元

<b>Cost</b>	<b>成本</b>	
At 1 January 2018, 31 December 2018, 1 January 2019 and 31 December 2019	於2018年1月1日、2018年12月31日、2019年1月1日及2019年12月31日	18,890
<b>Accumulated depreciation:</b>	<b>累計折舊：</b>	
At 1 January 2018	於2018年1月1日	(1,014)
Charge for the year	年內扣除	(676)
At 31 December 2018 and 1 January 2019	於2018年12月31日及2019年1月1日	(1,690)
Charge for the year	年內扣除	(549)
At 31 December 2019	於2019年12月31日	<b>(2,239)</b>
<b>Net book value:</b>	<b>賬面淨值：</b>	
At 31 December 2019	於2019年12月31日	<b>16,651</b>
At 31 December 2018	於2018年12月31日	17,200



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 9 INVESTMENT PROPERTIES (Continued)

Investment properties of the Group are situated in the PRC.

The Group leases out investment properties under operating leases. The leases typically run for an initial period of 5 years, with an option to renew the lease after that date at which time all terms are renegotiated. Lease payments are usually increased every year to reflect market rentals. None of the leases includes contingent rentals.

As at 31 December 2019, included in investment properties, properties of RMB13,886,000 (31 December 2018: RMB13,886,000) were leased out under operating leases that would otherwise meet the definition of investment property, and properties of RMB5,004,000 (31 December 2018: RMB5,004,000) are held for a currently undetermined future use.

Investment properties of the Group were stated in the consolidated statement of financial position at cost less accumulated depreciation and impairment losses. The carrying amounts of the investment properties were not materially different from their fair value as at 31 December 2018 and 2019.

### 9 投資物業 (續)

本集團的投資物業位於中國。

本集團根據經營租賃出租投資物業。初始租期常為5年，於該日後可選擇續約，屆時會重新商定所有條款。租賃付款通常會每年增加，以反映市場租金。租賃概無包括或有租金。

於2019年12月31日，投資物業包括以經營租賃出租及符合投資物業定義的物業人民幣13,886,000元（2018年12月31日：人民幣13,886,000元）及目前尚未確定未來用途的物業人民幣5,004,000元（2018年12月31日：人民幣5,004,000元）。

本集團的投資物業於綜合財務狀況表按成本減累計折舊及減值虧損列賬。於2018年及2019年12月31日投資物業的賬面值與其公允值並無重大差異。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 10 OTHER PROPERTY, PLANT AND EQUIPMENT

#### Reconciliation of carrying amount

### 10 其他物業、廠房及設備

#### 賬面值的對賬

		Buildings	Machinery and equipment	Motor vehicles	Office equipment	Construction in progress	Total
		樓宇	機器及設備	汽車	辦公設備	在建工程	總計
		RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Cost:</b>	<b>成本：</b>						
At 1 January 2018	於2018年1月1日	315,198	176,373	13,992	16,372	13,771	535,706
Transfer from construction in progress	自在建工程轉移						
		11,482	19,615	9	252	(31,358)	-
Other additions	其他添置	2,991	1,506	10,472	1,459	184,361	200,789
Disposals	處置	-	(762)	(3,604)	(375)	-	(4,741)
At 31 December 2018 and 1 January 2019	於2018年12月31日及 2019年1月1日	329,671	196,732	20,869	17,708	166,774	731,754
Transfer from construction in progress	自在建工程轉移						
		687	1,940	24	242	(2,893)	-
Other additions	其他添置	2,881	11,564	917	3,502	122,040	140,904
Disposals	處置	(562)	(4,907)	-	(1,362)	-	(6,831)
At 31 December 2019	於2019年12月31日	<b>332,677</b>	<b>205,329</b>	<b>21,810</b>	<b>20,090</b>	<b>285,921</b>	<b>865,827</b>
<b>Accumulated depreciation:</b>	<b>累計折舊：</b>						
At 1 January 2018	於2018年1月1日	(66,637)	(49,870)	(8,756)	(9,646)	-	(134,909)
Charge for the year	年內扣除	(16,417)	(18,421)	(1,560)	(1,894)	-	(38,292)
Written back on disposal	於處置時撥回	-	724	2,156	352	-	3,232
At 31 December 2018 and 1 January 2019	於2018年12月31日及 2019年1月1日	(83,054)	(67,567)	(8,160)	(11,188)	-	(169,969)
Charge for the year	年內扣除	(17,462)	(18,477)	(1,907)	(2,161)	-	(40,007)
Written back on disposal	於處置時撥回	107	4,521	-	830	-	5,458
At 31 December 2019	於2019年12月31日	<b>(100,409)</b>	<b>(81,523)</b>	<b>(10,067)</b>	<b>(12,519)</b>	<b>-</b>	<b>(204,518)</b>
<b>Net book value:</b>	<b>賬面淨值：</b>						
At 31 December 2019	於2019年12月31日	<b>232,268</b>	<b>123,806</b>	<b>11,743</b>	<b>7,571</b>	<b>285,921</b>	<b>661,309</b>
At 31 December 2018	於2018年12月31日	246,617	129,165	12,709	6,520	166,774	561,785

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## 綜合財務報表附註

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### 11 LAND USE RIGHTS

### 11 土地使用權

		RMB' 000 人民幣千元 (Note) (附註)
<b>Cost:</b>	<b>成本：</b>	
At 1 January 2018, 31 December 2018 and 1 January 2019	於2018年1月1日、 2018年12月31日及 2019年1月1日	143,495
Additions	添置	304
At 31 December 2019	於2019年12月31日	<b>143,799</b>
<b>Accumulated depreciation:</b>	<b>累計折舊：</b>	
At 1 January 2018	於2018年1月1日	(10,718)
Charge for the year	年內扣除	(3,134)
At 31 December 2018 and 1 January 2019	於2018年12月31日及 2019年1月1日	(13,852)
Charge for the year	年內扣除	(3,139)
At 31 December 2019	於2019年12月31日	<b>(16,991)</b>
<b>Net book value:</b>	<b>賬面淨值：</b>	
At 31 December 2019	於2019年12月31日	<b>126,808</b>
At 31 December 2018	於2018年12月31日	129,643

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 11 LAND USE RIGHTS (Continued)

Note: The Group has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise right-of-use assets relating to leases which were previously classified as operating leases under HKAS 17. The depreciated carrying amount of the Group's land use rights located in the PRC which were previously included in lease prepayments is also identified as a right-of-use asset and renamed as "land use rights".

Land use rights represent prepayments paid to the PRC authorities for right-of-use assets of the land use rights held by the Group for its own use, on which the Group's manufacturing plants were built. The Group was granted land use rights for a period of 50 years initially and the remaining periods range from 29 to 47 years.

(a) **The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:**

### 11 土地使用權 (續)

附註：本集團於2019年1月1日已使用經修訂追溯法首次應用香港財務報告準則第16號並調整期初結餘，以確認有關先前根據香港會計準則第17號分類為經營租賃的租賃使用權資產。本集團位於中國的土地使用權的已折舊賬面值（先前計入租賃預付款項）亦已識別為使用權資產並改名為「土地使用權」。

土地使用權為就本集團持作自用的土地使用權的使用權資產（本集團的生產廠房建於其上）而已付予中國機關的預付款項。本集團最初獲授為期50年的土地使用權，餘下年期介乎29至47年。

(a) 按相關資產類別劃分使用權資產賬面淨值的分析如下：

		<b>31 December 2019 2019年 12月31日</b>	1 January 2019 2019年 1月1日 (Note) (附註)
		<b>RMB'000 人民幣千元</b>	RMB'000 人民幣千元
Included in "Right-of-use assets":	計入「使用權資產」：		
Land use rights, carried at	土地使用權		
depreciated cost	(按折舊成本列賬)	<b>126,808</b>	129,643

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## 綜合財務報表附註

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### 11 LAND USE RIGHTS (Continued)

(b) The analysis of expense items in relation to leases recognised in profit or loss is as follows:

### 11 土地使用權 (續)

(b) 有關於損益確認的租賃的開支項目分析如下：

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Expense relating to short-term leases and other leases with remaining lease term ending on or before 31 December 2019	與短期租賃及剩餘租期於2019年12月31日或之前屆滿的其他租賃有關的開支	3,943	-
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	與低價值資產租賃有關的開支(不包括低價值資產的短期租賃)	28	-
Total minimum lease payments for leases previously classified as operating leases under HKAS 17	根據香港會計準則第17號先前分類為經營租賃的租賃的最低租賃付款總額	-	2,920

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## 綜合財務報表附註

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(除另有指明外，以人民幣列示)

### 11 LAND USE RIGHTS (Continued)

- (c) On 31 May 2019, the Group entered into a series of cooperative development agreements with Guangxi Huafa Real Estate Development Co., Ltd. (“**Guangxi Huafa**”) and Yulin City Shunlang Real Estate Investment Co., Ltd. (“**Yulin Shunlang**”) in relation to a development project of a plant site of Yulin Pharmaceutical. Pursuant to the cooperative development agreements, a parcel of land wholly owned by Yulin Pharmaceutical with the total site area of approximately 83,670 sq.m. (“**Parcel-1**”), shall be developed integrally together with other parcels of land planned to be acquired after Yulin Pharmaceutical has removed all plant and machinery located on the site. Parcel-1 is located at No.3, Jiangnan Road, Yulin City, Guangxi Province, the PRC.

As at 31 December 2019, the development project was still in the initial planning stage and Parcel-1 was still being occupied and wholly owned by Yulin Pharmaceutical for its own use for production, office and storage purposes.

### 11 土地使用權 (續)

- (c) 本集團於2019年5月31日與廣西華發房地產開發集團有限公司(「**廣西華發**」)及玉林市順浪置業投資有限公司(「**玉林順浪**」)訂立了一系列合作開發協議，內容有關玉林製藥之一個廠區開發項目。根據該等合作開發協議，一幅由玉林製藥全資擁有，總面積約83,670平方米之地塊(「**地塊1**」)應於玉林製藥搬遷位處該地點的所有廠房及機器後與計劃購入之其他地塊一併作整體發展。地塊1位於中國廣西玉林市江南路3號。

於2019年12月31日，該開發項目仍然處於初步計劃階段及地塊1仍然為玉林製藥自用並全資擁有，作生產、辦公室及倉儲用途。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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(除另有指明外，以人民幣列示)

### 12 INTANGIBLE ASSETS

### 12 無形資產

		Patents 專利 RMB' 000 人民幣千元	Trademark 商標 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, 31 December 2018 and 1 January 2019	於 2018 年 1 月 1 日、 2018 年 12 月 31 日及 2019 年 1 月 1 日	248,103	256,233	504,336
Additions	添置	180	-	180
At 31 December 2019	於 2019 年 12 月 31 日	248,283	256,233	504,516
<b>Accumulated amortisation:</b>	<b>累計攤銷：</b>			
At 1 January 2018	於 2018 年 1 月 1 日	(44,121)	-	(44,121)
Charge for the year	年內扣除	(29,415)	-	(29,415)
At 31 December 2018 and 1 January 2019	於 2018 年 12 月 31 日及 2019 年 1 月 1 日	(73,536)	-	(73,536)
Charge for the year	年內扣除	(29,420)	-	(29,420)
At 31 December 2019	於 2019 年 12 月 31 日	<b>(102,956)</b>	<b>-</b>	<b>(102,956)</b>
<b>Accumulated impairment losses:</b>	<b>累計減值虧損：</b>			
At 1 January 2018, 31 December 2018 and 1 January 2019	於 2018 年 1 月 1 日、 2018 年 12 月 31 日及 2019 年 1 月 1 日	-	-	-
Charge for the year	年內扣除	-	(5,489)	(5,489)
At 31 December 2019	於 2019 年 12 月 31 日	<b>-</b>	<b>(5,489)</b>	<b>(5,489)</b>
<b>Net book value:</b>	<b>賬面淨值：</b>			
At 31 December 2019	於 2019 年 12 月 31 日	<b>145,327</b>	<b>250,744</b>	<b>396,071</b>
At 31 December 2018	於 2018 年 12 月 31 日	174,567	256,233	430,800

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 12 INTANGIBLE ASSETS (Continued)

The amortisation charge for the year is included in “cost of sales” in the consolidated statement of profit or loss.

Trademark with the carrying amount of RMB250,744,000 (2018: RMB256,233,000) is assessed to have indefinite useful lives when, based on an analysis of all of the relevant factors including beneficial pattern, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Group. The recoverable amount of the trademark that has indefinite useful life is estimated annually whether or not there is any indication of impairment. The amount is allocated to the Group’s cash-generating units of Yulin Pharmaceutical and its subsidiaries (collectively referred to as “**Yulin Pharmaceutical Group**”) (“**Yulin CGU**”).

The recoverable amount of the trademark that has indefinite useful life is determined based on value-in-use calculations by preparing cash flow projections of Yulin CGU derived from the most recent financial forecast approved by the management covering a five-year period. During 2019, impairment loss of trademark of RMB5,489,000 (2018: nil) had been recognised based on the recoverable amount calculations of Yulin CGU as disclosed in note 13.

### 12 無形資產 (續)

於年內扣除的攤銷被包含在綜合損益表內的「銷售成本」中。

賬面值為人民幣250,744,000元(2018年：人民幣256,233,000元)的商標，基於對所有相關因素(包括獲益模式)的分析，在資產預期為本集團產生淨現金流入期間並無可見限制時，被評估為使用壽命不確定。對於使用壽命不確定的商標通過每年評估可回收金額測試是否出現任何減值跡象。該金額被分配到本集團的玉林製藥及其附屬公司(統稱「**玉林製藥集團**」)的現金產生單位(「**玉林現金產生單位**」)。

使用壽命不確定商標的可收回金額根據使用價值計算而釐定，方法為：編製管理層批准的最近期財務預測(涵蓋五年期間)得出的玉林現金產生單位現金流量預測。誠如附註13所披露，於2019年，商標減值虧損人民幣5,489,000元(2018年：無)已基於玉林現金產生單位可收回金額的計算確認。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 13 GOODWILL

### 13 商譽

RMB' 000  
人民幣千元

<b>Cost:</b>	<b>成本：</b>	
At 1 January 2018, 31 December 2018 and 31 December 2019	於2018年1月1日、2018年12月31日及 2019年12月31日	320,647
<b>Accumulated impairment losses:</b>	<b>累計減值虧損：</b>	
At 1 January 2018, 31 December 2018 and 1 January 2019	於2018年1月1日、2018年12月31日及 2019年1月1日	-
Impairment loss	減值虧損	(320,647)
At 31 December 2019	於2019年12月31日	<b>(320,647)</b>
<b>Carrying amount:</b>	<b>賬面值：</b>	
At 31 December 2019	於2019年12月31日	-
At 31 December 2018	於2018年12月31日	320,647

Goodwill acquired through business combination is allocated to the Yulin CGU.

透過業務合併而獲得的商譽被分配到玉林現金產生單位。

The recoverable amount of Yulin CGU was determined based on value-in-use calculations by the directors of the Company, with reference to professional valuation reports issued by Jones Lang LaSalle Incorporated, independent firm of professionally qualified valuers. These calculations apply the cash flow projections based on financial budgets approved by management covering a five-year period. The average budgeted sales growth rate of the five-year period is 19.0% (2018: 13.0%). Cash flows beyond the aforementioned financial forecasts period are extrapolated using estimated sales growth rate of 3% (2018: 3%), which was estimated on the basis of the long-term inflation rate in the PRC. It is a commonly used valuation assumption that the long-term growth rate of a company will converge with the long-term growth rate of the PRC. The cash flows are discounted using a discount rate of 16.3% (2018: 13.7%). The discount rates used are pre-tax and reflect specific risks relating to the Yulin CGU.

玉林現金產生單位的可收回金額乃由本公司董事根據使用價值計算，並經參考獨立專業合資格估值公司仲量聯行所出具的專業估值報告而釐定。該等計算採用以經管理層批准的財務預測（涵蓋五年期間）為基準的現金流量預測。五年期的平均預測銷售增長率為19.0%（2018年：13.0%）。超過上述財務預測期的現金流量使用估計銷售增長率3%（2018年：3%）推斷，而估計銷售增長率乃基於中國長期通脹率估計得出。此乃一種常用的估值假設，即公司的長期增長率將與中國的長期增長率接軌。現金流量採用折現率16.3%（2018年：13.7%）折現。所使用的折現率乃於稅前並反映與玉林現金產生單位有關的特定風險。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 13 GOODWILL (Continued)

The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

In 2019, traditional Chinese medicine OTC market experienced intensifying competition, combined with weakening demand and the impact of the integration of domestic retail and chain drugstore channels of Yulin Pharmaceutical Group in the PRC leading to a drop in the sales of Yulin Pharmaceutical Group. As a result, the Group recognised impairment loss on goodwill of RMB320,647,000 (2018: nil) and intangible assets of RMB5,489,000 (2018: nil) based on the recoverable amount calculations of Yulin CGU. As at 31 December 2019, the recoverable amount of Yulin CGU calculated based on value in use amounted to RMB1,177,692,000, which exceeded its carrying amount by approximately RMB6,000,000.

Had the estimated key assumptions during the forecast period been changed as below, all changes taken in isolation, the recoverable amount of Yulin CGU would be approximately equal to its carrying amount:

Pre-tax discount rate increase to	稅前折現率增加至	16.7%
Average revenue growth rate decrease to	平均收益增長率減少至	18.8%

### 13 商譽 (續)

關鍵假設所採用的價值代表管理層對相關行業的未來趨勢的評估，並以來自外部及內部資料來源的歷史數據為依據。

於2019年，非處方傳統中成藥市場競爭加劇，加上需求減弱以及玉林製藥集團整合中國國內零售及連鎖藥房渠道之影響，玉林製藥集團銷售錄得下跌。因此，本集團根據玉林現金產生單位可收回金額的計算，確認商譽減值虧損人民幣320,647,000元(2018年：無)及無形資產減值虧損人民幣5,489,000元(2018年：無)。於2019年12月31日，玉林現金產生單位按使用價值計算的可收回金額為人民幣1,177,692,000元，超出其賬面值約人民幣6,000,000元。

倘於預測期的估計關鍵假設出現下列變動，而所有變動予以獨立考慮，則玉林現金產生單位的可收回金額將與其賬面值相若：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 14 INVESTMENTS IN SUBSIDIARIES

#### (a) List of subsidiaries

As at 31 December 2019, the Company had direct or indirect interests in the following subsidiaries, all of which are private companies, particulars of which are set out below:

Name of company 公司名稱	Place of incorporation and business 註冊成立及營業地點	Authorised/registered and fully paid up capital 法定/已登記及繳足股本	Attributable equity interest held by the Company 由本公司持有的應佔股本權益		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Brilliant Reach Group Limited 智達集團有限公司	BVI 英屬處女群島	United States Dollars ("USD") 50,000/ USD1 50,000美元 (「美元」)/1美元	100%	-	Investment holding 投資控股
Immense Value Holdings Limited Immense Value Holdings Limited	BVI 英屬處女群島	USD50,000/USD1 50,000美元/1美元	100%	-	Investment holding 投資控股
Century International Develop Limited 世紀國際拓展有限公司	Hong Kong 香港	HKD10,000/ HKD1 10,000港元/1港元	-	100%	Investment holding 投資控股
Grand Reach Company Limited 宏致有限公司	Hong Kong 香港	HKD10,000/ HKD1,000 10,000港元/1,000港元	-	100%	Investment holding 投資控股
Guangzhou Consun (廣州康臣藥業有限公司)* 廣州康臣藥業有限公司*	PRC 中國	RMB300,000,000/ RMB300,000,000 人民幣300,000,000元/ 人民幣300,000,000元	-	100%	Production and sales of pharmaceutical products 產銷藥品
Guangzhou Consun Medicine Company Limited (廣州康臣醫藥有限公司)* 廣州康臣醫藥有限公司*	PRC 中國	RMB3,000,000/ RMB3,000,000 人民幣3,000,000元/ 人民幣3,000,000元	-	100%	Trading of pharmaceutical products 藥品貿易
Guangzhou Consun Pharmaceutical Research Company Limited (廣州康臣藥物研究有限公司)* 廣州康臣藥物研究有限公司*	PRC 中國	RMB10,000,000/ RMB10,000,000 人民幣10,000,000元/ 人民幣10,000,000元	-	100%	Research and development of pharmaceutical products 研發藥品

### 14 於附屬公司的投資

#### (a) 附屬公司名單

於2019年12月31日，本公司於下列附屬公司（全部為私人公司）擁有直接或間接權益，詳情載列如下：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 14 INVESTMENTS IN SUBSIDIARIES (Continued)

#### (a) List of subsidiaries (Continued)

Name of company 公司名稱	Place of incorporation and business 註冊成立及營業地點	Authorised/ registered and fully paid up capital 法定／已登記及繳足股本	Attributable equity interest held by the Company 由本公司持有的應佔股本權益		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Shenzhen Qianhai Consun Investment and Funding Management Co., Ltd (深圳市前海康臣股權投資基金管理有限公司)* 深圳市前海康臣股權投資基金管理有限公司*	PRC 中國	USD2,000,000/ USD500,000 2,000,000美元/ 500,000美元	-	100%	Investment holding 投資控股
Guangzhou Consun Health Technology Company Limited (廣州康臣健康科技有限公司)* 廣州康臣健康科技有限公司*	PRC 中國	RMB5,000,000/ RMB Nil 人民幣5,000,000元/ 人民幣零元	-	100%	Research and development of pharmaceutical products 研發藥品
Inner Mongolia Consun (康臣藥業(內蒙古)有限責任公司)* 康臣藥業(內蒙古)有限責任公司*	PRC 中國	RMB25,000,000/ RMB25,000,000 人民幣25,000,000元/ 人民幣25,000,000元	-	100%	Production and sales of pharmaceutical products 產銷藥品
Yulin Pharmaceutical (廣西玉林製藥集團有限責任公司)* 廣西玉林製藥集團有限責任公司*	PRC 中國	RMB448,834,102/ RMB448,834,102 人民幣448,834,102元/ 人民幣448,834,102元	-	72.69%	Production and sales of pharmaceutical products 產銷藥品
Yulin Capsule (廣西玉林玉藥膠囊有限公司)* 廣西玉林玉藥膠囊有限公司*	PRC 中國	RMB1,340,000/ RMB1,340,000 人民幣1,340,000元/ 人民幣1,340,000元	-	72.69%	Production and sales of capsule 產銷膠囊

### 14 於附屬公司的投資 (續)

#### (a) 附屬公司名單 (續)

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 14 INVESTMENTS IN SUBSIDIARIES (Continued)

#### (a) List of subsidiaries (Continued)

Name of company 公司名稱	Place of incorporation and business 註冊成立及營業地點	Authorised/registered and fully paid up capital 法定／已登記及繳足股本	Attributable equity interest held by the Company 由本公司持有的應佔股本權益		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Yuming Chinese Traditional Medicine (廣西玉藥集團玉銘中藥有限責任公司)* 廣西玉藥集團玉銘中藥有限責任公司*	PRC 中國	RMB2,000,000/ RMB2,000,000 人民幣2,000,000元/ 人民幣2,000,000元	-	72.69%	Trading of pharmaceutical products 藥品貿易
Yonglv Chinese Traditional Medicine (廣西玉藥集團永綠中藥產業有限公司)* 廣西玉藥集團永綠中藥產業有限公司*	PRC 中國	RMB1,000,000/ RMB1,000,000 人民幣1,000,000元/ 人民幣1,000,000元	-	72.69%	Production and sales of pharmaceutical products 產銷藥品
Hongsheng Trading (廣西玉林製藥集團宏升貿易有限公司)* 廣西玉林製藥集團宏升貿易有限公司*	PRC 中國	RMB500,000/ RMB500,000 人民幣500,000元/ 人民幣500,000元	-	72.69%	Trading of pharmaceutical products 藥品貿易
Guangxi Yulin Yunxiang Real Estate Co., Limited ("Yunxiang Real Estate") (廣西玉林雲香置業有限公司)* 廣西玉林雲香置業有限公司(「雲香置業」)*	PRC 中國	RMB3,000,000/ RMB3,000,000 人民幣3,000,000元/ 人民幣3,000,000元	-	72.69%	Property development 物業發展

\* The official name of the entity is in Chinese. The English translation of the entity's name is for reference only.

\* 實體的官方名稱為中文。實體名稱的英文譯名僅供參考。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 14 INVESTMENTS IN SUBSIDIARIES (Continued)

(b) The following table lists out the information relating to Yulin Pharmaceutical Group, the only sub-group of the Group which has a material NCI. The summarised financial information presented below represents the amounts before any inter-company elimination.

### 14 於附屬公司的投資 (續)

(b) 下表列出有關玉林製藥集團(本集團擁有重大非控股權益的唯一子集團)的資料。下文呈列的財務資料概要為未計任何集團內公司間抵銷前的金額。

		<b>2019</b>	2018
		<b>2019年</b>	2018年
		<b>RMB' 000</b>	RMB' 000
		人民幣千元	人民幣千元
NCI percentage at 31 December	於12月31日非控股權益百分比	<b>27.31%</b>	27.31%
Current assets	流動資產	<b>723,233</b>	829,172
Non-current assets	非流動資產	<b>1,017,695</b>	900,034
Current liabilities	流動負債	<b>(518,392)</b>	(400,336)
Non-current liabilities	非流動負債	<b>(77,495)</b>	(84,530)
Net assets	資產淨值	<b>1,145,041</b>	1,244,340
Carrying amount of NCI	非控股權益賬面值	<b>312,677</b>	339,793
Revenue of the year	年度收入	<b>324,337</b>	624,387
(Loss)/Profit and total comprehensive income of the year	年度(虧損)/溢利及全面收益總額	<b>(61,148)</b>	117,692
(Loss)/Profit allocated to NCI	分配予非控股權益的(虧損)/溢利	<b>(16,698)</b>	32,138
Cash flows from operating activities	經營活動現金流	<b>(131,490)</b>	137,231
Cash flows from investing activities	投資活動現金流	<b>(100,969)</b>	(151,139)
Cash flows from financing activities	融資活動現金流	<b>79,782</b>	(141,243)

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

#### 15 OTHER PREPAYMENTS

#### 15 其他預付款

		<b>2019</b>	2018
		<b>2019年</b>	2018年
		<b>RMB' 000</b>	RMB' 000
		人民幣千元	人民幣千元
Prepayment for purchase of other property, plant and equipment	購買其他物業、廠房及設備的預付款	<b>51,657</b>	5,022
Prepayment for loan facility fees – non-current portion	貸款安排費用的預付款 – 非即期部份	–	684
		<b>51,657</b>	5,706

#### 16 INVENTORIES

#### 16 存貨

		<b>2019</b>	2018
		<b>2019年</b>	2018年
		<b>RMB' 000</b>	RMB' 000
		人民幣千元	人民幣千元
Raw materials	原材料	<b>111,713</b>	109,960
Work in progress	在製品	<b>52,992</b>	50,624
Finished goods	製成品	<b>45,979</b>	49,726
		<b>210,684</b>	210,310

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

已確認為開支並計入損益的存貨金額分析如下：

		<b>2019</b>	2018
		<b>2019年</b>	2018年
		<b>RMB' 000</b>	RMB' 000
		人民幣千元	人民幣千元
Cost of inventories sold	已售存貨成本	<b>463,197</b>	456,822
Write down of inventories	存貨撇減	<b>3,654</b>	2,725
		<b>466,851</b>	459,547

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 17 TRADE AND OTHER RECEIVABLES

### 17 貿易及其他應收款項

		<b>2019</b>	2018
		<b>2019年</b>	2018年
		<b>RMB' 000</b>	RMB' 000
		人民幣千元	人民幣千元
Trade debtors and bills receivables, net of loss allowance (a)	貿易應收賬款及應收票據， 扣除虧損撥備(a)	<b>763,806</b>	863,992
Other debtors, net of loss allowance (b)	其他應收賬款，扣除虧損撥備(b)	<b>28,439</b>	20,279
Financial assets measured at amortised cost	按攤銷成本計量的金融資產	<b>792,245</b>	884,271
Prepayments	預付款項	<b>23,487</b>	31,828
		<b>815,732</b>	916,099



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 17 TRADE AND OTHER RECEIVABLES (Continued)

#### (a) 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 loss allowance, is as follows:

		2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
Within 3 months	3個月內	338,030	691,927
3 to 12 months	3至12個月	213,791	158,447
Over 12 months	12個月以上	211,985	13,618
		<b>763,806</b>	<b>863,992</b>

Trade debtors and bills receivable are due within 30-90 days from the date of billing. Further details on the Group's credit policy and credit risk arising from trade debtors and bills receivable are set out in note 25(a).

#### (b) Other debtors

As at 31 December 2019, the Group's other receivables of RMB656,000 (31 December 2018: RMB259,000) were determined to be impaired in full.

### 18 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

#### (a) Cash and cash equivalents comprise:

		2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
Cash at bank and on hand	銀行及手頭現金	1,383,232	1,269,746

### 17 貿易及其他應收款項 (續)

#### (a) 賬齡分析

於報告期末，貿易應收賬款及應收票據（已計入貿易及其他應收款項）以發票日期為基準並扣除虧損撥備的賬齡分析如下：

	2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
Within 3 months	338,030	691,927
3 to 12 months	213,791	158,447
Over 12 months	211,985	13,618
	<b>763,806</b>	<b>863,992</b>

貿易應收賬款及應收票據自發出賬單日期起計30-90日內到期。本集團信貸政策以及來自貿易應收賬款及應收票據的信貸風險的進一步詳情載於附註25(a)。

#### (b) 其他應收賬款

於2019年12月31日，本集團其他應收款項人民幣656,000元（2018年12月31日：人民幣259,000元）已確定完全減值。

### 18 現金及現金等值項目以及其他現金流量資料

#### (a) 現金及現金等值項目包括：

	2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
Cash at bank and on hand	1,383,232	1,269,746

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 18 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (Continued)

### 18 現金及現金等值項目以及其他現金流 量資料 (續)

#### (b) Reconciliation of profit before taxation to cash generated from operations:

#### (b) 稅前溢利與經營所得現金的對賬：

		2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
Profit before taxation	稅前溢利	<b>133,663</b>	616,699
Adjustments for	經調整		
Depreciation and amortisation	折舊及攤銷	<b>73,115</b>	71,517
Provision recognised for doubtful debts	確認呆賬撥備	<b>70,347</b>	9,894
Impairment of goodwill	商譽減值	<b>320,647</b>	-
Impairment of intangible assets	無形資產減值	<b>5,489</b>	-
Interest income	利息收益	<b>(16,751)</b>	(11,316)
Finance costs	融資成本	<b>29,043</b>	27,469
Loss on disposal of property, plant and equipment	出售物業、廠房及設備 產生的虧損	<b>330</b>	231
Share-based payment transactions	以股份為基礎的付款交易	<b>19,920</b>	8,490
Write down of inventories	存貨報銷	<b>3,654</b>	2,725
Foreign exchange losses	外匯虧損	<b>23,958</b>	22,242
Net unrealised losses on investment not held for trading	並非持作買賣用途的 未變現投資虧損淨額	-	2,600
Changes in working capital	營運資金變化		
Increase in inventories	存貨增加	<b>(4,028)</b>	(13,034)
Decrease in trade and other receivables	貿易及其他應收款項減少	<b>25,599</b>	67,845
(Decrease)/increase in trade and other payables	貿易及其他應付款項 (減少)/增加	<b>(139,674)</b>	71,803
Decrease in deferred income	遞延收益減少	<b>(1,660)</b>	(2,320)
<b>Cash generated from operations</b>	<b>經營所得現金</b>	<b>543,652</b>	874,845

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## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 18 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (Continued)

#### (c) Reconciliation of liabilities arising from financing activities:

### 18 現金及現金等值項目以及其他現金流 量資料 (續)

#### (c) 融資活動產生的負債對賬：

		Loans and borrowings 貸款及借款 RMB' 000 人民幣千元 (Note 20) (附註20)	Prepayment for loan facility fees 貸款安排費用 的預付款 RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元
At 1 January 2018	於2018年1月1日	568,104	(9,266)	558,838
<b>Changes from financing cash flows:</b>	<b>融資現金流量變動：</b>			
Repayments of bank loans	銀行貸款還款額	(197,008)	-	(197,008)
Finance costs paid	已付融資成本	(22,526)	-	(22,526)
Total changes from financing cash flows	融資現金流量變動總額	(219,534)	-	(219,534)
<b>Exchange adjustments</b>	<b>匯兌調整</b>	21,442	-	21,442
<b>Other changes:</b>	<b>其他費用：</b>			
Interest on bank loans (note 4(a))	銀行貸款利息(附註4(a))	22,526	-	22,526
Finance charges on bank loans (note 4(a))	銀行貸款財務費用(附註4(a))	-	4,943	4,943
Total other changes	其他費用總額	22,526	4,943	27,469
At 31 December 2018 and 1 January 2019	於2018年12月31日及 2019年1月1日	392,538	(4,323)	388,215
<b>Changes from financing cash flows:</b>	<b>融資現金流量變動：</b>			
Proceeds from new bank loans	新增銀行貸款所得款項	607,458	-	607,458
Repayments of bank loans	銀行貸款還款額	(459,969)	-	(459,969)
Finance costs paid	已付融資成本	(23,391)	(1,329)	(24,720)
Total changes from financing cash flows	融資現金流量變動總額	124,098	(1,329)	122,769
<b>Exchange adjustments</b>	<b>匯兌調整</b>	13,540	-	13,540
<b>Other changes:</b>	<b>其他費用：</b>			
Interest on bank loans (note 4(a))	銀行貸款利息(附註4(a))	23,391	-	23,391
Finance charges on bank loans (note 4(a))	銀行貸款財務費用(附註4(a))	-	5,652	5,652
Total other changes	其他費用總額	23,391	5,652	29,043
At 31 December 2019	於2019年12月31日	<b>553,567</b>	-	<b>553,567</b>

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 18 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (Continued)

#### (d) Total cash outflow for leases

Amounts included in the consolidated cash flow statement for leases comprise the following:

	2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
Within operating cash flows      於經營現金流量內	<b>3,971</b>	2,920

These amounts relate to the following:

該等金額與下列各項有關：

	2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
Lease rentals paid      已付租金	<b>3,971</b>	2,920

### 18 現金及現金等值項目以及其他現金流 量資料 (續)

#### (d) 租賃現金流出總額

就租賃計入綜合現金流量表的金額  
包括下列各項：

	2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
Within operating cash flows      於經營現金流量內	<b>3,971</b>	2,920

These amounts relate to the following:

該等金額與下列各項有關：

	2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
Lease rentals paid      已付租金	<b>3,971</b>	2,920

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 19 TRADE AND OTHER PAYABLES

### 19 貿易及其他應付款項

		2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
Trade payables (ii)	貿易應付款項(ii)	55,520	92,755
Contract liabilities	合約負債	17,596	6,097
Refund liabilities	退還負債	71,358	66,677
Accrued expenses	應計開支	209,760	257,926
Employee benefits payable	應付僱員福利	154,837	188,242
Other payables	其他應付款項	110,540	139,107
Project development deposits (i)	項目開發按金(i)	52,000	-
		<b>671,611</b>	750,804

(i) As of 31 December 2019, project development deposits represented deposits and prepayment received by the Group from Guangxi Huafa and Yulin Shunlang pursuant to a series of cooperative development agreements (see note 11(c)).

(i) 截至2019年12月31日，項目開發按金為本集團根據一系列合作開發協議自廣西華發及玉林順浪收取的按金及預付款（見附註11(c)）。

(ii) As of the end of the reporting period, the ageing analysis of trade payables (which are included in the trade and other payables), based on the invoice date, is as follows:

(ii) 於報告期末，貿易應付款項（已計入貿易及其他應付款項）以發票日期為基準的賬齡分析如下：

		2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
Within 1 month	1個月內	26,328	45,355
1 to 12 months	1至12個月	28,845	44,318
Over 12 months	12個月以上	347	3,082
		<b>55,520</b>	92,755

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 20 LOANS AND BORROWINGS

At 31 December 2019, loans and borrowings were unsecured and repayable as follows:

		<b>2019</b>	2018
		<b>2019年</b>	2018年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Within 1 year	一年內	<b>553,567</b>	147,202
After 1 year but within 2 years	一年後但於兩年內	-	245,336
		<b>553,567</b>	392,538

At 31 December 2019, total banking facilities of the Group amounted to RMB742,488,000 (2018: RMB392,538,000), which were utilised to the extent of RMB553,567,000 (2018: RMB392,538,000).

### 20 貸款及借款

於2019年12月31日，貸款及借款為無抵押，且須於下列期限償還：

於2019年12月31日，本集團銀行融資總額為人民幣742,488,000元（2018年：人民幣392,538,000元），當中已動用人民幣553,567,000元（2018年：人民幣392,538,000元）。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 20 LOANS AND BORROWINGS (Continued)

As at 31 December 2019, certain banking facilities of the Group amounted to RMB279,160,000 (31 December 2018: RMB392,538,000) are subject to the fulfilment of covenants relating to certain of the Group's or the subsidiaries' financial ratios, as are commonly found in lending arrangements with financial institutions. If the Group had breached the covenants the drawn down loans would have become payable on demand. The Group regularly monitors its compliance with these covenants. As at 31 December 2019, none of the covenants relating to drawn down loans had been breached (31 December 2018: nil).

### 21 DEFERRED INCOME

At 1 January	於1月1日		
Additions	增加		
Credited to profit or loss (note 3)	計入損益(附註3)		
At 31 December	於12月31日		
<b>Representing:</b>	<b>表示：</b>		
Current portion	即期部份		
Non-current portion	非即期部份		

As at 31 December 2018 and 2019, deferred income of the Group mainly includes various conditional government grants for research and development projects of new or existing pharmaceutical products and subsidies relating to purchase of land use rights.

### 20 貸款及借款(續)

於2019年12月31日，本集團部份銀行貸款人民幣279,160,000元(2018年12月31日：人民幣392,538,000元)受制於對本集團或附屬公司若干財務比率的契諾(該等契諾常見於金融機構的貸款安排中)。假若本集團違反了該等契諾，已提取的貸款便會變成須按要償還。本集團定期監察遵守該等契諾的情況。於2019年12月31日，本集團並無違反任何與已提取貸款相關的契諾(2018年12月31日：無)。

### 21 遞延收益

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
At 1 January	於1月1日	19,975	22,295
Additions	增加	79	146
Credited to profit or loss (note 3)	計入損益(附註3)	(1,660)	(2,466)
At 31 December	於12月31日	18,394	19,975
<b>Representing:</b>	<b>表示：</b>		
Current portion	即期部份	1,655	1,655
Non-current portion	非即期部份	16,739	18,320
		18,394	19,975

於2018年及2019年12月31日，本集團的遞延收益主要包括新藥品或現有藥品研發項目的多項有條件政府補助，以及與購買土地使用權有關的補貼。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 21 DEFERRED INCOME (Continued)

Deferred government grants relating to research and development projects will be recognised as income in the same periods in which the expenses for the development project are incurred. Deferred government grants relating to purchase of land use rights will be recognised as income on a straight-line basis over the expected useful life of the relevant land use rights.

### 22 EQUITY SETTLED SHARE-BASED TRANSACTIONS

#### (a) Employees' Share Option Scheme

- (i) The terms and conditions of the grants are as follows:

In 2014, the Company adopted a share option scheme whereby the directors of the Company are authorised, at their discretion, to invite employees of the Group, including directors of any Company in the Group, to take up options at a consideration of HKD1 to subscribe for shares of the Company. Each option entitles the option holders to subscribe one ordinary share of the Company. The Company granted share options to certain directors and employees in 2014, 2016 and 2019 respectively.

### 21 遞延收益 (續)

有關研發項目的遞延政府補助將會在產生開發項目開支的相同期間確認為收益。有關購買土地使用權的遞延政府補助將會在相關土地使用權的預計可使用年期內以直線法確認為收益。

### 22 以股權結算並以股份為基礎的交易

#### (a) 僱員購股權計劃

- (i) 授出的條款及條件如下：

於2014年，本公司採納一項購股權計劃，據此，本公司董事獲授權可酌情邀請本集團僱員（包括本集團旗下任何成員公司的董事）接納購股權，以代價1港元認購本公司股份。每份購股權均賦予購股權持有人權利可認購一股本公司普通股。本公司分別於2014年、2016年及2019年向若干董事及僱員授出購股權。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 22 EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

#### (a) Employees' Share Option Scheme (Continued)

(i) The terms and conditions of the grants are as follows: (Continued)

Date of grant	Tranche number	Number of options granted	Vesting period	Contractual life of options
授出日期	批號	已授出購股權數目	歸屬期	購股權的合約年期
Options granted to employees: 授予僱員的購股權：				
on 28 March 2014	2014 T1	10,000,000	1 year after the date of grant	10 years
於2014年3月28日	2014年第1批		授出日期後1年	10年
on 28 March 2014	2014 T2	10,000,000	2 years after the date of grant	10 years
於2014年3月28日	2014年第2批		授出日期後2年	10年
on 1 April 2016	2016 T1	12,600,000	1 year after the date of grant	10 years
於2016年4月1日	2016年第1批		授出日期後1年	10年
on 1 April 2016	2016 T2	12,600,000	2 years after the date of grant	10 years
於2016年4月1日	2016年第2批		授出日期後2年	10年
on 1 April 2016	2016 T3	16,800,000	3 years after the date of grant	10 years
於2016年4月1日	2016年第3批		授出日期後3年	10年
on 2 January 2019	2019 T1	13,650,000	15 months after the date of grant	10 years
於2019年1月2日	2019年第1批		授出日期後15個月	10年
on 2 January 2019	2019 T2	13,650,000	27 months after the date of grant	10 years
於2019年1月2日	2019年第2批		授出日期後27個月	10年
on 2 January 2019	2019 T3	18,200,000	39 months after the date of grant	10 years
於2019年1月2日	2019年第3批		授出日期後39個月	10年

### 22 以股權結算並以股份為基礎的交易 (續)

#### (a) 僱員購股權計劃 (續)

(i) 授出的條款及條件如下：  
(續)

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### 22 EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

#### (a) Employees' Share Option Scheme (Continued)

(i) The terms and conditions of the grants are as follows: (Continued)

Date of grant	Tranche number	Number of options granted	Vesting period	Contractual life of options
授出日期	批號	已授出購股權數目	歸屬期	購股權的合約年期
Options granted to directors:				
授予董事的購股權：				
on 28 May 2014	2014 T3	6,000,000	1 year after the date of grant	9.8 years
於2014年5月28日	2014年第3批		授出日期後1年	9.8年
on 28 May 2014	2014 T4	6,000,000	2 years after the date of grant	9.8 years
於2014年5月28日	2014年第4批		授出日期後2年	9.8年
on 1 April 2016	2016 T4	600,000	1 year after the date of grant	10 years
於2016年4月1日	2016年第4批		授出日期後1年	10年
on 1 April 2016	2016 T5	600,000	2 years after the date of grant	10 years
於2016年4月1日	2016年第5批		授出日期後2年	10年
on 1 April 2016	2016 T6	800,000	3 years after the date of grant	10 years
於2016年4月1日	2016年第6批		授出日期後3年	10年
on 27 May 2016	2016 T7	2,400,000	1 year after the date of grant	9.8 years
於2016年5月27日	2016年第7批		授出日期後1年	9.8年
on 27 May 2016	2016 T8	2,400,000	2 years after the date of grant	9.8 years
於2016年5月27日	2016年第8批		授出日期後2年	9.8年
on 27 May 2016	2016 T9	3,200,000	3 years after the date of grant	9.8 years
於2016年5月27日	2016年第9批		授出日期後3年	9.8年
on 31 May 2019	2019 T4	5,250,000	11 months after the date of grant	9.6 years
於2019年5月31日	2019年第4批		授出日期後11個月	9.6年
on 31 May 2019	2019 T5	5,250,000	23 months after the date of grant	9.6 years
於2019年5月31日	2019年第5批		授出日期後23個月	9.6年
on 31 May 2019	2019 T6	7,000,000	35 months after the date of grant	9.6 years
於2019年5月31日	2019年第6批		授出日期後35個月	9.6年
<b>Total share options granted</b>				
<b>授出購股權總數</b>		<b>147,000,000</b>		

### 22 以股權結算並以股份為基礎的交易 (續)

#### (a) 僱員購股權計劃 (續)

(i) 授出的條款及條件如下：(續)

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## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 22 EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

#### (a) Employees' Share Option Scheme (Continued)

(ii) The number and weighted average exercise prices of share options are as follows:

		2019 2019年		2018 2018年	
		Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
		加權平均 行使價	購股權 數目	加權平均 行使價	購股權 數目
		HKD 港元	'000 千股	HKD 港元	'000 千股
Outstanding at 1 January	於1月1日尚未行使	4.97	54,963	4.85	64,562
Granted during the year	年內授出	4.48	63,000	-	-
Exercised during the year	年內行使	4.01	(693)	4.32	(1,581)
Forfeited during the year	年內沒收	4.45	(7,786)	4.16	(8,018)
Outstanding at 31 December	於12月31日尚未行使	4.73	109,484	4.97	54,963
Exercisable at 31 December	於12月31日可行使	5.04	49,059	5.39	37,271

The weighted average share price at the date of exercise for share options exercised during the year was HKD4.79 (2018: HKD8.39).

The share options outstanding at 31 December 2019 had an exercise price of HKD6.64, HKD4.01 or HKD4.476 (31 December 2018: HKD6.64 or HKD4.01) and a weighted-average remaining contractual life of 7.1 years (31 December 2018: 6.5 years).

The Group recognised share option expenses of RMB19,920,000 during the year ended 31 December 2019 (2018: RMB8,490,000).

### 22 以股權結算並以股份為基礎的交易 (續)

#### (a) 僱員購股權計劃 (續)

(ii) 購股權數目及加權平均行使價如下：

於年內行使購股權當日的加權平均股價為4.79港元(2018年：8.39港元)。

於2019年12月31日，尚未行使購股權行使價為6.64港元、4.01港元或4.476港元(2018年12月31日：6.64港元或4.01港元)，加權平均剩餘合約年期為7.1年(2018年12月31日：6.5年)。

截至2019年12月31日止年度，本集團確認購股權費用人民幣19,920,000元(2018年：人民幣8,490,000元)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 22 EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

#### (a) Employees' Share Option Scheme (Continued)

(iii) Fair value of share options which were granted in 2019 and assumptions:

The fair value of services received in return for the share options granted is measured by reference to the fair value of share options granted. The estimated fair value of the share options granted is measured based on a binomial tree model. The contractual life of the share options is used as an input into this model. Expectations of early exercise are incorporated into the binomial tree model. Set out below are the fair value of share options and assumptions.

### 22 以股權結算並以股份為基礎的交易 (續)

#### (a) 僱員購股權計劃 (續)

(iii) 於2019年授出的購股權的公允值及假設：

用以換取授出購股權所獲服務的公允值乃參考所授出購股權之公允值計量。授出購股權的估計公允值乃基於二叉樹模型計量。購股權合約年期在此模型中用作為一項輸入數據。提前行使的預期已納入此二叉樹模型。下文載列購股權的公允值及假設。

		Tranche number 批號	
		2019 T1~T3 2019年 第1批至第3批	2019 T4~T6 2019年 第4批至第6批
Fair value at measurement date (HK\$)	計量日公允值(港元)	<b>1.4434 to 1.5317 1.4434至 1.5317</b>	1.9825 to 2.1216 1.9825至 2.1216
Share price (HK\$)	股價(港元)	<b>4.19</b>	5.23
Exercise price (HK\$)	行使價(港元)	<b>4.476</b>	4.476
Expected volatility	預期波幅	<b>40.06%</b>	39.74%
Expected option life	預期購股權年期	<b>10 years 10年</b>	9.6 years 9.6年
Dividend yield	股息率	<b>2.18%</b>	2.18%
Risk-free rate	無風險利率	<b>2.42%</b>	1.99%

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 22 EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

#### (a) Employees' Share Option Scheme (Continued)

(iii) Fair value of share options which were granted in 2019 and assumptions:  
(Continued)

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants.

#### (b) Employees' Share Award Scheme

In 2014, the board of directors of the Company approved the adoption of a share award scheme (the "Share Award Scheme") under which shares of the Company (the "Awarded Shares") may be awarded to selected employees (the "Selected Employees") in accordance with the provisions of the Share Award Scheme and the nominal value of the shares awarded under the Share Award Scheme shall not exceed 10% of the issued share capital of the Company from time to time.

Unless terminated earlier by the board of directors in accordance with the rules of the Share Award Scheme, the Share Award Scheme will be valid and effective for a term of 10 years starting on 21 July 2014. A trust has been set up and fully funded by the Company for the purpose of purchasing, administrating and holding the Company's shares for the Share Award Scheme.

### 22 以股權結算並以股份為基礎的交易 (續)

#### (a) 僱員購股權計劃 (續)

(iii) 於2019年授出的購股權的公允值及假設：(續)

預期波幅以歷史波幅（根據購股權的加權平均剩餘年期計算）為基準，並根據可公開獲得的資料導致未來波幅之任何預期變化予以調整。預期股息以歷史股息為基準。主觀輸入數據假設的變動可對公允值之估計產生重大影響。

購股權在附帶服務條件下授出。此條件並未計入所獲服務於授出日期的公允值計量。購股權之授出並無附帶市場條件。

#### (b) 僱員股份獎勵計劃

於2014年，本公司董事會批准採納一項股份獎勵計劃（「股份獎勵計劃」），據此可根據股份獎勵計劃的規定授予特定僱員（「特定僱員」）本公司的股份（「獎勵股份」），股份獎勵計劃項下獎勵的股份面值不得超過本公司不時已發行股本的10%。

除非被董事會根據股份獎勵計劃的規則提早終止，股份獎勵計劃的有效期將自2014年7月21日起計為期10年。本公司已成立一項信託並提供全部資金，信託用作購買、管理和持有本公司股份獎勵計劃下的股份。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 22 EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

#### (b) Employees' Share Award Scheme (Continued)

No Awarded Shares were granted or vesting during the year ended 31 December 2019 (2018: nil). Therefore, nil share award expenses were recognised accordingly.

Details of the treasury shares held under the Share Award Scheme are set out below:

### 22 以股權結算並以股份為基礎的交易 (續)

#### (b) 僱員股份獎勵計劃 (續)

截至2019年12月31日止年度，概無獎勵股份授出或歸屬(2018年：無)，故概無確認股份獎勵費用。

根據股份獎勵計劃持有的庫存股詳情載於下文：

	Average purchase price	No. of shares held	Value of shares	
			HKD'000	RMB'000
	平均購買價	持有股份數目	股份價值	
	HKD 港元	'000 千股	HKD'000 千港元	RMB'000 人民幣千元
At 31 December 2019 and 2018				
於2019年及2018年12月31日	5.68	19,698	111,854	88,642

At 31 December 2018 and 2019, 19,798,000 ordinary shares were held by the trustee under the Share Award Scheme, among which 100,000 shares in respect of the Awarded Shares vested were held on behalf of certain employees, while the remaining 19,698,000 shares were held on behalf of the Company.

於2018年及2019年12月31日，受託人根據股份獎勵計劃持有19,798,000股普通股，其中已歸屬的獎勵股份的100,000股股份為代表若干僱員持有，而其餘19,698,000股股份則代表本公司持有。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 23 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

#### (a) Current taxation in the consolidated statement of financial position represents:

### 23 綜合財務狀況表內的所得稅

#### (a) 綜合財務狀況表內的即期稅項指：

		2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
At 1 January	於1月1日	99,492	95,336
Provision of PRC income tax for the year	年內中國所得稅撥備	103,843	130,068
PRC dividend withholding tax for the year	年內中國股息預扣稅	34,936	-
Over-provision for PRC income tax in respect of prior years	過往年度的中國所得稅超額撥備	(8,473)	(5,277)
		<b>130,306</b>	124,791
PRC income tax paid	已付中國所得稅	(125,401)	(120,635)
PRC dividend withholding tax paid	已付中國股息預扣稅	(34,936)	-
		<b>(160,337)</b>	(120,635)
At 31 December	於12月31日	<b>69,461</b>	99,492

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 23 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

#### (b) Deferred tax assets and liabilities recognised:

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax assets/ (liabilities) arising from:	來自下列各項的遞延 稅項資產/(負債):	Withholding tax on future dividend income from PRC subsidiaries 來自中國附屬 公司未來股息 收益的預扣稅	Unused tax losses <sup>#</sup> 未動用稅務 虧損 <sup>#</sup>	Provisions and accruals 撥備及 應計費用	Fair value adjustment from business acquisition 業務收購的 公允值調整	Intra group unrealised profits 集團間未 變現溢利	Total 總計
		RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元
At 1 January 2018	於2018年1月1日	(58,003)	429	34,285	(85,047)	638	(107,698)
Charged/(credited) to profit or loss	扣除/(計入)損益	-	1,207	(819)	5,195	-	5,583
At 31 December 2018 and 1 January 2019	於2018年12月31日及 2019年1月1日	(58,003)	1,636	33,466	(79,852)	638	(102,115)
Effect on deferred tax balances resulting from a change in tax rate (note 5(a))	因稅率變動而導致的 遞延稅項結餘的影響 (附註5(a))	29,001	-	-	-	-	29,001
Released upon distribution of dividends (note 5(a))	於分派股息後返還 (附註5(a))	34,936	-	-	-	-	34,936
(Credited)/charged to profit or loss	(計入)/扣除損益	(21,142)	1,167	9,673	6,130	-	(4,172)
At 31 December 2019	於2019年12月31日	<b>(15,208)</b>	<b>2,803</b>	<b>43,139</b>	<b>(73,722)</b>	<b>638</b>	<b>(42,350)</b>

<sup>#</sup> Deferred tax assets are recognised on unused tax losses of certain PRC subsidiaries of the Group. They are now progressing to their normal operation stage and are deriving profits. Accordingly, it is considered probable that sufficient taxable profits will be available in the future to utilize their unused tax losses before they expire. As at 31 December 2019, tax losses of RMB16,793,000 will expire from 2020 to 2024.

#### (b) 已確認遞延稅項資產及負債：

於綜合財務狀況表內確認的遞延稅項資產/(負債)的組成部份及年內變動如下：

<sup>#</sup> 遞延稅項資產乃就本集團若干中國附屬公司的未動用稅務虧損而確認。該等公司目前正逐漸發展至正常營運階段並產生溢利，因此，被視為於未來可能會有足夠的應課稅溢利以在到期前使用彼等之未動用稅務虧損。於2019年12月31日，稅項虧損人民幣16,793,000元將於2020年至2024年到期。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 23 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

#### (c) Reconciliation to the consolidated statement of financial position

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Net deferred tax assets recognised in the consolidated statement of financial position	於綜合財務狀況表確認的遞延稅項資產淨值	45,942	35,102
Net deferred tax liabilities recognised in the consolidated statement of financial position	於綜合財務狀況表確認的遞延稅項負債淨額	(88,292)	(137,217)
		<b>(42,350)</b>	<b>(102,115)</b>

#### (d) Deferred tax liabilities not recognised:

As at 31 December 2019, deferred tax liabilities of RMB47,963,000 (31 December 2018: RMB125,419,000) in respect of temporary differences relating to the undistributed profits of subsidiaries amounted to RMB959,256,000 (2018: RMB1,254,186,000) were not recognised as the Company controls the dividend policy of these subsidiaries and it has been determined that those profits will not be distributed in the foreseeable future.

### 24 CAPITAL, RESERVE AND DIVIDENDS

#### (a) Movement in components of equity

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:

### 23 綜合財務狀況表內的所得稅 (續)

#### (c) 綜合財務狀況表的對賬

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Net deferred tax assets recognised in the consolidated statement of financial position	於綜合財務狀況表確認的遞延稅項資產淨值	45,942	35,102
Net deferred tax liabilities recognised in the consolidated statement of financial position	於綜合財務狀況表確認的遞延稅項負債淨額	(88,292)	(137,217)
		<b>(42,350)</b>	<b>(102,115)</b>

#### (d) 未確認的遞延稅項負債：

於2019年12月31日，並未確認與附屬公司未分配溢利人民幣959,256,000元（2018年：人民幣1,254,186,000元）有關的暫時性差異的遞延稅項負債人民幣47,963,000元（2018年12月31日：人民幣125,419,000元），乃由於本公司控制該等附屬公司的股息政策，並已決定於可預見的未來不會派發該等溢利。

### 24 資本、儲備及股息

#### (a) 權益組成部份的變動

本集團綜合權益的各個組成部份於期初及期末結餘之間的對賬載於綜合權益變動表。本公司權益的個別組成部份於年初及年末之間的變動詳情載於下文：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 24 CAPITAL, RESERVE AND DIVIDENDS (Continued)

### 24 資本、儲備及股息 (續)

#### (a) Movement in components of equity (Continued)

#### (a) 權益組成部份的變動 (續)

		Share capital	Share premium	Other reserves	Capital reserve	Treasury shares held under Share Award Scheme 根據股份獎勵 計劃持有 的庫存	Other treasury shares	(Accumulated losses)/ Retained profits (累計虧損) / 保留盈利	Total
		RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元
		note 24(c) 附註24(c)	note 24(d)(i) 附註24(d)(i)	note 24(d)(iv) 附註24(d)(iv)	note 24(d)(iii) 附註24(d)(iii)	note 22(b) 附註22(b)			
At 1 January 2018	於2018年1月1日	68,652	247,272	143,091	121,398	(88,642)	-	(25,582)	466,189
Dividends approved and paid	批准及已付的股息	-	(68,943)	-	-	-	-	-	(68,943)
Recognition of Employees' Share Option Scheme	確認僱員購股權計劃	-	-	-	8,490	-	-	-	8,490
Shares issued due to exercise of Share Option Scheme	因購股權計劃行權而發行的股份	130	9,577	-	(4,083)	-	-	-	5,624
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	-	(68,549)	(68,549)
At 31 December 2018	於2018年12月31日	68,782	187,906	143,091	125,805	(88,642)	-	(94,131)	342,811
At 1 January 2019	於2019年1月1日	68,782	187,906	143,091	125,805	(88,642)	-	(94,131)	342,811
Dividends approved and paid	批准及已付的股息	-	-	-	-	-	-	(221,619)	(221,619)
Purchase of own shares during the year	年內購買自身股份	-	-	-	-	-	(46,212)	-	(46,212)
Cancellation of shares during the year	年內註銷股份	(813)	(45,399)	-	-	-	46,212	-	-
Recognition of Employees' Share Option Scheme	確認僱員購股權計劃	-	-	-	19,920	-	-	-	19,920
Shares issued due to exercise of Share Option Scheme	因購股權計劃行權而發行的股份	64	2,895	-	(468)	-	-	-	2,491
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	-	585,820	585,820
At 31 December 2019	於2019年12月31日	68,033	145,402	143,091	145,257	(88,642)	-	270,070	663,211

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## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 24 CAPITAL, RESERVE AND DIVIDENDS

(Continued)

#### (b) Purchase of own shares

During the year ended 31 December 2019, the Company repurchased 10,352,000 shares (the “**Buy-back Shares**”) of the Company on The Stock Exchange of Hong Kong Limited as follows:

Month/year	年／月	Number of shares repurchased 已回購 股份數目	Highest price paid per share 每股已付 最高價格 HKD 港元	Lowest price paid per share 每股已付 最低價格 HKD 港元	Aggregate price paid 已付 價格總額 HKD' 000 千港元
January 2019	2019年1月	3,212,000	5.45	4.32	15,581
April 2019	2019年4月	1,451,000	5.50	5.13	7,801
May 2019	2019年5月	442,000	5.21	5.08	2,284
June 2019	2019年6月	4,843,000	5.39	4.94	25,461
September 2019	2019年9月	404,000	4.49	4.32	1,781
					52,908

The repurchase was governed by section 257 of the Hong Kong Companies Ordinance. The total amount paid on the repurchased shares of HKD52,908,000 (equivalent to approximately RMB46,212,000) was paid with funded from internal resources of the Company.

Up to 31 December 2019, all of the Buy-back Shares were cancelled.

### 24 資本、儲備及股息 (續)

#### (b) 購買自身股份

截至2019年12月31日止年度，本公司於香港聯合交易所有限公司回購其自身10,352,000股股份（「購回股份」）如下：

回購乃受香港公司條例第257條規管。回購股份的已付總額52,908,000港元（相當於約人民幣46,212,000元）乃以本公司的內部資源撥付。

直至2019年12月31日，所有購回股份已被註銷。

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## 綜合財務報表附註

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### 24 CAPITAL, RESERVE AND DIVIDENDS

(Continued)

#### (c) Dividends

##### (i) Dividends payable to equity shareholders of the Company attributable to the year

	2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
Interim dividend declared and paid of HKD0.10 per ordinary share (2018: nil)	75,640	–
Final dividend proposed after the end of the year of HKD0.10 per ordinary share (2018: HKD0.20)	74,689	146,288
	<b>150,329</b>	146,288

Final dividend proposed after the end of the year have not been recognised as liabilities as at the end of the year.

年末後建議的末期股息並無於年末時確認為負債。

##### (ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
Final dividend in respect of the previous financial year, approved and paid during the year of HKD0.20 per ordinary share (2018: HKD0.10)	146,288	68,943
Less: Dividends for Buy-back Shares	(309)	–
	<b>145,979</b>	68,943

##### (ii) 上一財政年度應付本公司權益股東的股息，於年內批准及支付

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 24 CAPITAL, RESERVE AND DIVIDENDS

(Continued)

#### (d) Share capital

##### (i) Issued share capital

		2019 2019年		
		Number of shares 股份數目 '000 千股	Nominal value of fully paid shares 繳足股份面值 HKD'000 千港元	Nominal value of fully paid shares 繳足股份面值 RMB'000 人民幣千元
<b>Ordinary shares, issued and fully paid:</b>	<b>已發行及繳足 普通股：</b>			
As at 1 January 2019	於2019年1月1日	<b>875,191</b>	<b>87,519</b>	<b>68,782</b>
Shares issued due to exercise of Share Option Scheme (ii)	因購股權計劃行權而 發行的股份(ii)	<b>693</b>	<b>69</b>	<b>64</b>
Cancellation of shares during the year (note 24(b))	年內註銷股份 (附註24(b))	<b>(10,352)</b>	<b>(1,035)</b>	<b>(813)</b>
As at 31 December 2019	於2019年12月31日	<b>865,532</b>	<b>86,553</b>	<b>68,033</b>

The ordinary shares of the Company have a par value of HKD0.10 per share.

本公司普通股面值為每股0.10港元。

##### (ii) Shares issued due to exercise of Share Option Scheme

During the year 2019, share options were exercised to subscribe for a total of 693,000 (2018: 1,581,000) ordinary shares in the Company at a consideration of HKD2,780,000 (equivalent to approximately RMB2,491,000), of which RMB64,000 and RMB2,895,000 were credited to share capital and the share premium account respectively. RMB468,000 was transferred from the capital reserve to the share premium account in accordance with the Company's accounting policy set out in note 1(r)(ii).

##### (ii) 因購股權計劃行權而發行的股份

於2019年內，購股權獲行使，以代價2,780,000港元（相當於約人民幣2,491,000元）認購本公司普通股合共693,000股（2018年：1,581,000股），其中人民幣64,000元及人民幣2,895,000元已分別計入股本及股份溢價賬。根據附註1(r)(ii)所載的本公司會計政策，人民幣468,000元已自資本儲備轉撥至股份溢價賬。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 24 CAPITAL, RESERVE AND DIVIDENDS

(Continued)

#### (e) Nature and purpose of reserves

##### (i) Share premium

The share premium represents the difference between the par value of the shares of the Company and proceeds received from the issuance of the shares of the Company.

Under the Companies Law (Revised) of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

##### (ii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial information of operations with functional currency other than RMB.

##### (iii) Capital reserve

The capital reserve represents the portion of the grant date fair value of unexercised share options granted to employees of the Company that has been recognised in accordance with the accounting policy adopted for share-based payments in note 1(r)(ii).

### 24 資本、儲備及股息 (續)

#### (e) 儲備的性質及用途

##### (i) 股份溢價

股份溢價指本公司股份面值與自發行本公司股份收取的所得款項之間的差額。

根據開曼群島公司法(經修訂)，本公司股份溢價賬中的資金可供分派予本公司股東，惟緊隨建議分派股息當日後，本公司將須有能力償還其於日常業務過程中到期的債務。

##### (ii) 匯兌儲備

匯兌儲備包括換算以人民幣以外的功能貨幣列值的業務的財務資料所產生的所有外匯差額。

##### (iii) 資本儲備

資本儲備指按照附註1(r)(ii)就以股份為基礎的付款所採納之會計政策，就授予本公司僱員的未行使購股權已確認的授出日期公允值之部份。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 24 CAPITAL, RESERVE AND DIVIDENDS

(Continued)

#### (e) Nature and purpose of reserves (Continued)

##### (iv) Other reserves

The other reserves of the Group represent the difference between (a) the nominal value of share capital of Guangzhou Consun; and (b) the nominal value of the shares issued by the Company in exchange under the reorganisation of the Group completed on 24 December 2012.

The other reserves of the Company represent the difference between (a) the consolidated net assets of the subsidiaries acquired; and (b) the nominal value of the shares issued by the Company in exchange under the reorganisation of the Group on 24 December 2012.

The other reserves of the Company are distributable. The dividend appropriation made through other reserves in the Company's financial statements is recorded as through retained earnings in the consolidated financial statements of the Group.

### 24 資本、儲備及股息 (續)

#### (e) 儲備的性質及用途 (續)

##### (iv) 其他儲備

本集團的其他儲備是指下列兩者之間的差額：(a)廣州康臣的股本面值；及(b)本公司根據於2012年12月24日完成的本集團重組所發行用作交換的股份面值。

本公司的其他儲備是指下列兩者之間的差額：(a)所收購附屬公司的綜合資產淨值；及(b)本公司根據於2012年12月24日的本集團重組所發行用作交換的股份面值。

本公司的其他儲備為可供分派。以本公司財務報表中的其他儲備作出的股息分派計入本集團綜合財務報表以保留盈利呈列。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 24 CAPITAL, RESERVE AND DIVIDENDS

(Continued)

#### (e) Nature and purpose of reserves (Continued)

##### (v) PRC statutory reserves

Pursuant to the articles of association of the Group's PRC subsidiaries now comprising the Group, appropriations to the PRC statutory reserves were made at a certain percentage of profit after taxation determined in accordance with the accounting rules and regulations of the PRC, until the PRC statutory reserves was equal to 50% of the entity's registered capital. The percentage for this appropriation was decided by the directors of the respective subsidiaries. This reserve fund can be utilised in setting off accumulated losses or increasing capital of the subsidiaries and is non-distributable other than in liquidation.

During 2019, Guangzhou Consun appropriated 10% of its net profit to the PRC statutory reserves. The PRC statutory reserves balances of Inner Mongolia Consun had reached 50% of their registered capital, and no further appropriation was made for the year ended 31 December 2019. Other PRC subsidiaries of the Group had made losses during 2019 or had accumulated losses, no appropriation was made accordingly.

#### (f) Distributability of reserves

As at 31 December 2019, the aggregate amount of distributable reserves of the Company, calculated in accordance with the Companies Law of the Cayman Islands, amounted to RMB615,178,000 (2018: RMB274,029,000).

### 24 資本、儲備及股息 (續)

#### (e) 儲備的性質及用途 (續)

##### (v) 中國法定儲備

根據本集團現時旗下各中國附屬公司的組織章程細則，本集團已按照中國會計規則及法規釐定的稅後溢利的某個百分比向中國法定儲備作出撥款，直至中國法定儲備相等於實體註冊資本的50%。該撥款的百分比由相關附屬公司的董事釐定。該儲備金可用於抵銷附屬公司的累計虧損或增資，惟不可用於分派（清盤除外）。

於2019年，廣州康臣將其純利的10%分配到中國法定儲備。內蒙古康臣的中國法定儲備結餘已達致其註冊資本的50%，因而於截至2019年12月31日止年度並無作出進一步撥款。本集團的其他中國附屬公司於2019年錄得虧損或累計虧損，故並無作出撥款。

#### (f) 可供分派儲備

於2019年12月31日，本公司根據開曼群島公司法計算的可供分派儲備總額為人民幣615,178,000元（2018年：人民幣274,029,000元）。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 24 CAPITAL, RESERVE AND DIVIDENDS (Continued)

#### (g) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

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 loans and borrowings) plus unaccrued proposed dividends, less cash and cash equivalents. Adjusted capital comprises all components of equity.

During the year, the Group's strategy was to maintain the debt-to-equity ratio at a level considered reasonable by the Group's management from time to time with reference to the prevailing market conditions. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to equity shareholders, issue new shares or raise new debt financing.

### 24 資本、儲備及股息 (續)

#### (g) 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相應的風險水平為產品及服務定價，以及憑藉以合理成本取得融資而繼續為股東提供回報，並為其他利益相關者提供利益。

本集團按照經調整淨債務與資本比率監察其資本架構。就此而言，經調整淨債務乃界定為總債務（包括計息貸款及借款）加未計擬派股息再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。

年內，本集團的策略旨在將債務與股權比率維持於本集團管理層不時參考當前市況而認為合理的水平。為了維持或調整比率，本集團可能會調整派付予權益股東的股息金額、發行新股或籌募新債務融資。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 24 CAPITAL, RESERVE AND DIVIDENDS (Continued)

#### (g) Capital management (Continued)

As at 31 December 2019, the Group presented adjusted net asset, thus net debt-to-capital ratio was not calculated. The Group's adjusted net asset at 31 December 2019 was as follows:

### 24 資本、儲備及股息 (續)

#### (g) 資本管理 (續)

於2019年12月31日，本集團呈列了經調整資產淨值，因此並無計算淨債務與資本比率。本集團於2019年12月31日的經調整資產淨值如下：

			2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
Current liabilities:	流動負債：			
– Loans and borrowings	– 貸款及借款	20	553,567	147,202
Non-current liabilities:	非流動負債：			
– Loans and borrowings	– 貸款及借款	20	–	245,336
<b>Total debt</b>	<b>總債務</b>		<b>553,567</b>	<b>392,538</b>
Add: Proposed dividends	加：擬派股息	24(c)	74,689	146,288
Less: Cash and cash equivalents	減：現金及現金等值項目	18	<b>(1,383,232)</b>	(1,269,746)
<b>Adjusted net asset</b>	<b>經調整資產淨值</b>		<b>754,976</b>	<b>730,920</b>

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements, except that banking facilities granted to certain subsidiaries are subject to the fulfilment of covenants relating to the subsidiaries' balance sheet ratios (note 14). The Group will actively and regularly monitor its compliance to such covenants.

本公司及其任何附屬公司概不受限於外部施加的資本要求，惟授予若干附屬公司的銀行融資須履行與該等附屬公司資本負債表比率有關的契諾(附註14)。本集團將積極及定期監控其遵守該等契諾的情況。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit and liquidity 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.

#### (a) Credit risk

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 receivables. The Group's exposure to credit risk arising from cash and cash equivalents and bills receivable 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.

#### *Trade receivables*

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. At the end of the reporting period, 19% (2018: 24%) and 76% (2018: 58%) of the total trade receivables were due from the Group's largest customer and the five largest customers respectively.

### 25 財務風險管理及金融工具的公允值

本集團須面對於日常業務過程中產生的信貸及流動資金風險。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。

#### (a) 信貸風險

信貸風險指交易對手未履行其合約責任而導致本集團產生財務損失的風險。本集團的信貸風險主要來自貿易應收款項。本集團自現金及現金等值項目及應收票據所產生的信貸風險有限，因為交易對手為銀行及金融機構，本集團認為其信貸風險偏低。管理層制定了信貸政策及該等信貸風險受持續監控。

#### *貿易應收款項*

本集團面對的信貸風險主要受到每名客戶的個別特性（而非客戶營運所在行業或國家）所影響，因此，重大信貸集中風險主要於本集團面臨個別客戶的重大風險時產生。於報告期末後，貿易應收款項總額中分別有19%（2018年：24%）及76%（2018年：58%）來自本集團最大客戶及五大客戶。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

#### (a) Credit risk (Continued)

##### *Trade receivables (Continued)*

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. Trade receivables are due within 30-90 days from the date of billing. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables 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 ageing status is not further distinguished between the Group's different customer bases.

### 25 財務風險管理及金融工具的公允價值 (續)

#### (a) 信貸風險 (續)

##### *貿易應收款項 (續)*

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往到期還款記錄以及當前的支付能力，並會考慮關於客戶以及客戶經營所在經濟環境的特定資料。貿易應收款項自發出賬單日期起計30-90日內到期。一般而言，本集團不會收取客戶提供的抵押品。

本集團以與整個存續期的預期信貸虧損(利用撥備矩陣計算得出)相等的金額計量貿易應收款項的虧損撥備。由於本集團的過往信貸虧損經驗並無顯示不同客戶群的損失模式存在顯著差異，因此基於賬齡狀況作出的虧損撥備並無就本集團的不同客戶群作進一步區分。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

#### (a) Credit risk (Continued)

##### Trade receivables (Continued)

The following tables provide information about the Group's exposure to credit risk and ECLs for trade receivables:

### 25 財務風險管理及金融工具的公允值 (續)

#### (a) 信貸風險 (續)

##### 貿易應收款項 (續)

下表提供有關本集團信貸風險以及貿易應收款項的預期信貸虧損的資料：

		2019 2019年		
		Expected loss rate 預期損失率 %	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
Current	即期	1.00%	309,804	(3,554)
1 – 90 days past due	逾期1至90日	2.00%	4,462	(92)
91 – 180 days past due	逾期91至180日	4.50%	227,155	(10,584)
181 – 365 days past due	逾期181至365日	10.00%	174,066	(17,407)
1 – 2 years past due	逾期1至2年	50.00%	96,035	(48,018)
2 – 3 years past due	逾期2至3年	75.00%	764	(573)
More than 3 years past due	逾期3年以上	100.00%	305	(305)
			812,591	(80,533)

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### 25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

#### (a) Credit risk (Continued)

##### Trade receivables (Continued)

### 25 財務風險管理及金融工具的公允值 (續)

#### (a) 信貸風險 (續)

##### 貿易應收款項 (續)

		2018		
		2018年		
		Expected	Gross	Loss
		loss rate	carrying	allowance
		預期損失率	賬面總值	虧損撥備
		%	RMB' 000	RMB' 000
		%	人民幣千元	人民幣千元
Current	即期	1.00%	452,738	(4,252)
1 – 90 days past due	逾期1至90日	2.00%	4,790	(92)
91 – 180 days past due	逾期91至180日	3.00%	139,505	(4,321)
181 – 365 days past due	逾期181至365日	5.00%	15,985	(1,281)
1 – 2 years past due	逾期1至2年	20.00%	1,314	(263)
2 – 3 years past due	逾期2至3年	50.00%	80	(40)
More than 3 years past due	逾期3年以上	100.00%	334	(334)
			614,746	(10,583)

Expected loss rates are based on actual loss experience over the past 5 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

預期損失率乃根據過去5年的實際虧損經驗計算得出。該等比率乃經調整以反映所收集歷史數據期間的經濟狀況、現時狀況以及本集團對應收款項的預期存續期內的經濟狀況的看法之間的差別。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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(除另有指明外，以人民幣列示)

### 25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

#### (a) Credit risk (Continued)

##### Trade receivables (Continued)

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

		2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
Balance at 1 January	於1月1日的結餘	10,583	1,476
Amounts written off during the year	年內撇銷的金額	-	(650)
Impairment losses recognised during the year	年內已確認的減值虧損	69,950	9,757
Balance at 31 December	於12月31日的結餘	80,533	10,583

The significant increase in the gross carrying amounts of trade receivables past due over 91 days contributed to the increase of loss allowance of RMB70,648,000 (2018: RMB4,763,000).

已逾期91日的貿易應收款項賬面總值大幅增加導致虧損撥備增加人民幣70,648,000元(2018年: 人民幣4,763,000元)。

### 25 財務風險管理及金融工具的公允值 (續)

#### (a) 信貸風險 (續)

##### 貿易應收款項 (續)

年內貿易應收款項的虧損撥備賬目變動如下：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

#### (b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the 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 borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements, to ensure that it maintains sufficient reserves of cash and 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.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities (exclude receipts in advance), which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

### 25 財務風險管理及金融工具的公允價值 (續)

#### (b) 流動資金風險

本集團內個別經營實體負責各自之現金管理，包括將現金盈餘作短期投資及籌措貸款以應付預期現金需要，惟如借款超出若干預定授權水平，則須獲本公司董事會之批准方可作實。本集團之政策為定期監管流動資金需要，確保維持足夠現金儲備與可隨時變現的有價證券，並有來自大型金融機構之充足承諾融資額度，以應付長短期流動資金需求。

下表列明本集團的金融負債（預收款項除外）於報告期末的剩餘合約期，乃根據合約未折現現金流（包括按合約利率或（如為浮息）按報告期末的現行利率計算的利息付款）及本集團須支付的最早日期呈列：

		2019			
		2019年			
		Contractual undiscounted cash outflow			
		合約未折現現金流出			
		More than			
		1 year but			
		less than			
		2 years	Total		Carrying
		超過1年但	總計		賬面值
		少於2年			
		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
Loans and borrowings	貸款及借款	562,472	–	562,472	553,567
Trade and other payables	貿易及其他應付款項	654,015	–	654,015	654,015
		1,216,487	–	1,216,487	1,207,582



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

#### (b) Liquidity risk (Continued)

		2018 2018年			
		Contractual undiscounted cash outflow 合約未折現現金流出			
		More than 1 year but less than 2 years 1年內或 超過1年但 少於2年	1 year or less than 2 years 1年內或 少於2年	Total 總計	Carrying amount 賬面值
		Within 1 year or on demand 1年內或 按要求	1 year but less than 2 years 1年內或 少於2年	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
Loans and borrowings	貸款及借款	160,981	248,738	409,719	392,538
Trade and other payables	貿易及其他應付款項	744,707	-	744,707	744,707
		905,688	248,738	1,154,426	1,137,245

As shown in the above analysis, bank loans and related interest expense of the Group amounting to RMB562,472,000 were due to be repaid during 2020. The short-term liquidity risk inherent in this contractual maturity date was not significantly changed after the reporting period.

#### (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 borrowings from banks. Borrowings issued 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 profile as monitored by management is set out in (i) below.

### 25 財務風險管理及金融工具的公允值 (續)

#### (b) 流動資金風險 (續)

		2018 2018年			
		Contractual undiscounted cash outflow 合約未折現現金流出			
		More than 1 year but less than 2 years 1年內或 超過1年但 少於2年	1 year or less than 2 years 1年內或 少於2年	Total 總計	Carrying amount 賬面值
		Within 1 year or on demand 1年內或 按要求	1 year but less than 2 years 1年內或 少於2年	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
Loans and borrowings	貸款及借款	160,981	248,738	409,719	392,538
Trade and other payables	貿易及其他應付款項	744,707	-	744,707	744,707
		905,688	248,738	1,154,426	1,137,245

誠如上文分析所示，本集團為數人民幣562,472,000元的銀行貸款及相關利息開支已於2020年內到期償還。本合約到期日固有的短期流動資金風險於報告期後並無重大變動。

#### (c) 利率風險

利率風險為一項金融工具的公允值或未來現金流因市場利率變動而波動所帶來的風險。本集團的利率風險主要來自銀行借款。按浮動利率及固定利率發出的借款分別令本集團須承受現金流利率風險及公允值利率風險。本集團由管理層監察的利率概況載於下文(i)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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(除另有指明外，以人民幣列示)

### 25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

#### (c) Interest rate risk (Continued)

##### (i) Interest rate profile

The following table details the interest rate profile of the Group's interest-bearing borrowings at the end of the reporting period.

### 25 財務風險管理及金融工具的公允價值 (續)

#### (c) 利率風險 (續)

##### (i) 利率概況

下表詳列本集團於報告期末計息借款的利率概況。

		2019 2019年		2018 2018年	
		Effective interest rates 實際利率 %	Amount 金額 RMB' 000 人民幣千元	Effective interest rates 實際利率 %	Amount 金額 RMB' 000 人民幣千元
<b>Fixed rate borrowings:</b>	<b>定息借款：</b>				
Bank loans	銀行貸款	2.40%-4.80%	329,617	-	-
<b>Variable rate borrowings:</b>	<b>浮息借款：</b>				
Bank loans	銀行貸款	3.87%-4.27%	223,950	3.22%	392,538
Total borrowings	借款總額		553,567		392,538
Fixed rate borrowings as a percentage of total borrowings	定息借款佔 借款總額 百分比		60%		0%

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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(除另有指明外，以人民幣列示)

### 25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

#### (c) Interest rate risk (Continued)

##### (ii) Sensitivity analysis

At 31 December 2019, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variable held constant, would have decreased/increased the Group's profit after taxation and retained profits by approximately RMB2,240,000 (2018: RMB3,925,000).

The sensitivity analysis above indicates the instantaneous change in the Group's profit after tax and retained profits that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's profit after tax and retained profits is estimated as an annualised impact on interest expense or income of such a change in interest rates.

### 25 財務風險管理及金融工具的公允價值 (續)

#### (c) 利率風險 (續)

##### (ii) 敏感度分析

於2019年12月31日，估計利率整體上調／下調100個基點，而所有其他變數維持不變，本集團的除稅後溢利及保留溢利將減少／增加約人民幣2,240,000元（2018年：人民幣3,925,000元）。

上述敏感度分析顯示本集團的除稅後溢利及保留溢利可能產生的即時變動，當中假設利率變動已於報告期末發生，並已用於重新計量本集團所持有並於報告期末使本集團面臨公允價值利率風險的金融工具。就本集團於報告期末所持有浮動利率非衍生工具產生的現金流利率風險而言，本集團除稅後溢利及保留溢利所受影響乃按有關利率變動對年度化利息支出或收入的影響作估計。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

#### (d) Currency risk

As the Group's principal activities are carried out in the PRC, the Group's transactions are mainly denominated in Renminbi, which is not freely convertible into foreign currencies. All foreign exchange transactions involving Renminbi must take place through the People's Bank of China or other institutions authorised to buy and sell foreign exchange. The exchange rates adopted for the foreign exchange transactions are the rates of exchange quoted by the People's Bank of China that are determined largely by supply and demand.

The Group is exposed to currency risk primarily give rise to cash balances 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.

#### (i) Exposure to currency risk

The following table details the Group's and the Company's exposure at the end of 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 period end date. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded.

### 25 財務風險管理及金融工具的公允值 (續)

#### (d) 貨幣風險

由於本集團的主要業務在中國進行，本集團的交易主要以人民幣計值，而人民幣不可自由兌換為外幣。所有涉及人民幣的外匯交易必須透過中國人民銀行或其他獲批准買賣外匯的機構進行。外匯交易採用的匯率乃中國人民銀行所報的匯率，該匯率主要按供求釐定。

本集團面臨的貨幣風險主要來自以外幣計值的現金結餘，即與交易相關但並非經營業務的功能貨幣的貨幣。引起此種風險的貨幣主要為港元及美元。

#### (i) 面對的貨幣風險

下表詳列本集團及本公司於報告期末所承受的貨幣風險，該等貨幣風險乃因為以實體功能貨幣以外的相關貨幣列值的已確認資產或負債而產生。就呈報而言，風險承擔額以人民幣列示，並以年結日的即期匯率換算。由於將海外業務之財務報表換算成本集團呈報貨幣而產生的差額已經剔除。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

#### 25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

(d) Currency risk (Continued)

(i) Exposure to currency risk (Continued)

#### 25 財務風險管理及金融工具的公允價值 (續)

(d) 貨幣風險 (續)

(i) 面對的貨幣風險 (續)

Exposure to foreign currencies  
(expressed in Renminbi)

外幣風險  
(以人民幣列示)

		2019		2018	
		2019年		2018年	
		Hong Kong	United States	Hong Kong	United States
		Dollars	Dollars	Dollars	Dollars
		港元	美元	港元	美元
		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
Cash and cash equivalents	現金及現金等值項目	118,447	281	15,384	2,858
Loans and borrowings	貸款及借款	(433,567)	-	(392,538)	-
Gross and net exposure arising from recognised assets and liabilities	已確認資產及負債產生的風險總額及淨額	(315,120)	281	(377,154)	2,858

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## 綜合財務報表附註

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### 25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

#### (d) Currency risk (Continued)

##### (ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after tax and retained profits that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

		2019 2019年		2018 2018年	
		Increase in foreign exchange rate	Effect on profit after tax and retained profit 對除稅後 溢利及保留 溢利的影響	Increase in foreign exchange rate	Effect on profit after tax and retained profit 對除稅後 溢利及保留 溢利的影響
Hong Kong Dollars	港元	1%	(3,151)	1%	(3,772)
United States Dollars	美元	1%	3	1%	29

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit after tax measured in the respective functional currencies, translated into Renminbi at the exchange rate ruling at the end of the reporting period for presentation purposes.

上表呈列的分析結果指對本集團實體以各自的功能貨幣計量的除稅後溢利的合計即時影響，並就呈列目的按報告期末的匯率換算為人民幣。

### 25 財務風險管理及金融工具的公允值 (續)

#### (d) 貨幣風險 (續)

##### (ii) 敏感度分析

下表顯示倘本集團於報告期末有重大風險承擔的匯率於該日有所變動，並假設所有其他風險變數維持不變，本集團的除稅後溢利及保留溢利可能出現之即時變動。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

#### (d) Currency risk (Continued)

##### (ii) Sensitivity analysis (Continued)

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency.

#### (e) Fair value measurement

##### (i) Financial assets and liabilities measured at fair value

At 31 December 2018 and 2019, the Company has no significant financial instruments accounted for using fair value model.

##### (ii) Fair value of other financial assets and liabilities carried at other than fair value

The carrying amount of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair value as at 31 December 2018 and 2019.

### 25 財務風險管理及金融工具的公允價值 (續)

#### (d) 貨幣風險 (續)

##### (ii) 敏感度分析 (續)

敏感度分析假設匯率變動經已應用以重新計量本集團所持有並於報告期末使本集團面臨外幣風險的金融工具，包括以貸款人或借款人功能貨幣以外貨幣計值的集團內公司間應付款項及應收款項。分析並不包括換算海外業務財務報表至本集團呈列貨幣所產生之差額。

#### (e) 公允價值計量

##### (i) 按公允價值計量的金融資產及負債

於2018年及2019年12月31日，本公司並無重大金融工具採用公允價值模式入賬。

##### (ii) 以公允價值以外方式列賬的其他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2018年及2019年12月31日的公允價值並無重大差異。

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## 綜合財務報表附註

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### 26 CAPITAL COMMITMENTS

Capital commitments outstanding as at 31 December 2019 not provided for in the consolidated financial statements were as follows:

		<b>2019</b>	2018
		<b>2019年</b>	2018年
		<b>RMB' 000</b>	RMB' 000
		人民幣千元	人民幣千元
Contracted for	已訂約	<b>159,269</b>	195,861
Authorised but not contracted for	已批准但未訂約	<b>304,610</b>	298,467
<b>Total</b>	<b>總值</b>	<b>463,879</b>	494,328

### 27 MATERIAL RELATED PARTY TRANSACTIONS

#### Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 6 and certain of the highest paid employees as disclosed in note 7, is as follows:

		<b>2019</b>	2018
		<b>2019年</b>	2018年
		<b>RMB' 000</b>	RMB' 000
		人民幣千元	人民幣千元
Salaries and other benefits	薪金及其他福利	<b>28,503</b>	32,307
Retirement scheme of defined contribution	界定供款退休計劃	<b>145</b>	116
Equity settled share-based transactions	以股權結算並以股份為基礎的交易	<b>9,776</b>	1,795
		<b>38,424</b>	34,218

Total remuneration is included in "staff costs" (see note 4(b)).

None of the above related party transactions falls under the definition of connected transaction or continuing connected transaction as defined in Chapter 14A of the Listing Rules.

### 26 資本承擔

於2019年12月31日並未在綜合財務報表撥備的未履行資本承擔如下：

### 27 重大關聯方交易

#### 主要管理人員酬金

本集團主要管理人員的酬金，包括向本公司董事支付的款項（如附註6所披露）以及向若干最高薪僱員支付的款項（如附註7所披露）載列如下：

總酬金計入「員工成本」內（見附註4(b)）。

概無上述關聯方交易屬上市規則第14A章所界定的關連交易或持續關連交易。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 28 ACCOUNTING JUDGEMENT AND ESTIMATES

The key sources of estimation uncertainty and critical accounting judgments in applying the Group's accounting policies are described below.

#### (a) Impairments for goodwill and other intangible assets – trademark

In considering the impairment losses that may be required for goodwill and intangible assets – trademark, recoverable amount of these assets needs to be determined. The Group assesses the recoverable amount of the Yulin CGU using the value in use method by preparing a discounted cash flow forecast derived from the most recent financial forecast approved by the management covering a five-year period. The assessment of the recoverable amounts of the Yulin CGU involves significant management estimation and judgement, in particular in determining the key assumptions adopted in the cash flow forecast, which include future revenue, future cost of sales, other operating expenses, and the discount rate applied.

#### (b) Loss allowances for trade receivables

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.

### 28 會計判斷及估計

應用本集團會計政策時涉及的估計不確定因素及重要會計判斷的主要來源描述如下。

#### (a) 商譽及其他無形資產 – 商標之減值

考慮商譽及其他無形資產 – 商標可能須作出的減值虧損時，須釐定該等資產的可收回金額。本集團運用使用價值法對玉林現金產生單位的可收回金額進行評估，方法為制定管理層批准的最近期財務預測（涵蓋五年期間）得出的折現現金流量預測。對玉林現金產生單位的可收回金額的評估涉及重大的管理層估計和判斷，特別是確定現金流量預測時採納的關鍵假設，其中包括未來收入、未來銷售成本、其他經營開支和應用的折現率。

#### (b) 貿易應收款項之虧損撥備

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。這需要使用估計及判斷。預期信貸虧損乃基於本集團過往信貸虧損經驗，並按在報告期末債務人的特定因素及對當前和預測整體經濟狀況的評估予以調整。當估計有別於原始估計，則有關差額將影響貿易應收款項的賬面值，從而影響有關估計變動期間的減值虧損。本集團於各貿易應收款項年內持續評估其預期信貸虧損。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 29 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION 29 公司層面財務狀況表

		Note 附註	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
<b>Non-current assets</b>	<b>非流動資產</b>			
Investment in subsidiaries	於附屬公司的投資	14	342,444	342,444
<b>Total non-current assets</b>	<b>非流動資產總值</b>		<b>342,444</b>	342,444
<b>Current assets</b>	<b>流動資產</b>			
Trade and other receivables	貿易及其他應收款項		408,304	407,319
Cash and cash equivalents	現金及現金等值項目		403,010	19,663
<b>Total current assets</b>	<b>流動資產總值</b>		<b>811,314</b>	426,982
<b>Current liabilities</b>	<b>流動負債</b>			
Loans and borrowings	貸款及借款	20	433,567	147,202
Other payables	其他應付款項		36,980	34,077
<b>Total current liabilities</b>	<b>流動負債總額</b>		<b>470,547</b>	181,279
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>340,767</b>	245,703
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>683,211</b>	588,147
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Loans and borrowings	貸款及借款	20	–	245,336
<b>Net Assets</b>	<b>資產淨值</b>		<b>683,211</b>	342,811
<b>Capital and reserves</b>	<b>資本及儲備</b>	24(a)		
Share capital	股本		68,033	68,782
Reserves	儲備		615,178	274,029
<b>Total equity</b>	<b>權益總額</b>		<b>683,211</b>	342,811

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 30 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

- (a) After the end of the reporting period, the Company repurchased 17,782,000 shares of its own ordinary shares through the Stock Exchange at a total consideration of approximately HKD71,419,000 (approximately RMB63,828,000). The shares repurchased by the Company will be cancelled in due course.
- (b) After the end of the reporting period, the directors proposed a final dividend. Further details are disclosed in note 24(b).
- (c) The coronavirus outbreak since early 2020 has brought about additional uncertainties in the Group's operating environment and had temporarily delayed resumption of factory production after the Chinese New Year holiday according to the regulations of the local government for one or two weeks.

The Group has been closely monitoring the impact of the developments on the Group's businesses and has put in place contingency measures. These contingency measures include: increasing our options for logistics movements; assessing our suppliers' readiness and liaising with higher-risk suppliers; negotiating with customers on delivery timetable. The Group will keep our contingency measures under review as the situation evolves.

As far as the Group's businesses are concerned, the outbreak brought negative impact to the Group's operation in a short-term within a controllable range. These estimated impacts have not been reflected in the financial information as of 31 December 2019. The actual impacts may differ from these estimates as situation continues to evolve and further information may become available.

### 30 報告期後未調整事項

- (a) 於報告期結束後，本公司透過聯交所所以總代價約71,419,000港元（約人民幣63,828,000元）購回其自身普通股中的17,782,000股股份。該等本公司購回的股份將適時被註銷。
- (b) 於報告期結束後，董事建議宣派末期股息。進一步詳情已披露於附註24(b)。
- (c) 自2020年初起爆發的冠狀病毒為本集團經營環境帶來額外不明朗因素，並根據當地政府的規定而短暫延遲了工廠在農曆新年假期後恢復生產一或兩周。

本集團一直密切監察其對本集團業務發展的影響，並已施行應急措施。該等應急措施包括：在物流運輸方面提供更多選擇；評估供應商是否準備就緒並與帶有較高風險的供應商聯絡；與客戶磋商交付時間表。本集團將會因應情況變動持續檢討我們的應急措施。

就本集團業務而言，疫情已對本集團的營運帶來短期及於可控範圍內的負面影響。該等估計影響並無在截至2019年12月31日的財務資料中反映。由於情況持續發展及可能獲得進一步資料，故實際影響可能有別於該等估計。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，以人民幣列示)

### 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 HKICPA has issued a number of amendments and a new standard, HKFRS 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.

### 31 截至2019年12月31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

截至刊發該等財務報表日期，香港會計師公會已頒佈於截至2019年12月31日止年度尚未生效且未於該等財務報表採納的多項修訂及一項新準則（香港財務報告準則第17號，保險合約）。該等修訂及新準則包括可能與本集團有關的下列各項。

**Effective for  
accounting  
periods  
beginning  
on or after  
於下列日期  
或以後開始的  
會計期間生效**

Amendments to HKFRS 3, *Definition of a business*  
香港財務報告準則第3號（修訂本），業務的定義

1 January 2020  
2020年1月1日

Amendments to HKAS 1 and HKAS 8, *Definition of material*  
香港會計準則第1號及香港會計準則第8號（修訂本），重大的定義

1 January 2020  
2020年1月1日

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.

本集團正在評估該等修訂及新準則於初次應用期間預期產生的影響。現階段本集團的結論為採納該等修訂及新準則不太可能對綜合財務報表構成重大影響。

## Five-Year Financial Summary 五年財務摘要

		2019	2018	2017	2016	2015
		2019年	2018年	2017年	2016年	2015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
Revenue	收入	<b>1,728,256</b>	1,843,973	1,660,230	1,223,488	831,108
Gross Profit	毛利	<b>1,261,405</b>	1,384,426	1,228,395	911,023	670,566
Profit before taxation	稅前溢利	<b>133,663</b>	616,699	544,982	403,452	314,782
Income tax	所得稅	<b>70,541</b>	119,208	123,162	83,795	65,093
Profit for the year	年內溢利	<b>63,122</b>	497,491	421,820	319,657	249,689
Profit for the year attributable to equity shareholders of the Company	本公司權益股東應佔年內溢利	<b>79,820</b>	465,353	396,242	307,526	249,689
Earnings per share (expressed in RMB Yuan per share)	每股盈利(以每股人民幣元列示)					
– basic	– 基本	<b>0.09</b>	0.54	0.46	0.32	0.25
– diluted	– 攤薄	<b>0.09</b>	0.53	0.46	0.32	0.25
Assets and liabilities	資產及負債					
Non-current assets	非流動資產	<b>1,298,438</b>	1,500,883	1,387,366	1,369,050	957,703
Current assets	流動資產	<b>2,409,648</b>	2,396,155	2,184,651	1,390,005	960,188
Current liabilities	流動負債	<b>1,296,294</b>	999,153	970,233	546,731	229,350
Non-current liabilities	非流動負債	<b>105,031</b>	400,873	537,636	151,273	51,786
Net assets	資產淨值	<b>2,306,761</b>	2,497,012	2,064,148	2,061,051	1,636,755
Capital and reserves	資本及儲備					
Share Capital	股本	<b>68,033</b>	68,782	68,652	76,237	78,074
Reserves	儲備	<b>1,926,051</b>	2,088,437	1,678,036	1,684,257	1,558,681
Total equity attributable to equity shareholders of the Company	本公司權益股東應佔權益總額	<b>1,994,084</b>	2,157,219	1,746,688	1,760,494	1,636,755
Non-controlling interests	非控股權益	<b>312,677</b>	239,793	317,460	300,557	–
Total equity	總權益	<b>2,306,761</b>	2,497,012	2,064,148	2,061,051	1,636,755

The summary above does not form part of the audited consolidated financial statements.

以上摘要並不構成經審核綜合財務報表的組成部份。



# 康臣药业集团有限公司

CONSUN PHARMACEUTICAL GROUP LIMITED

Headquarters in the PRC 中國總部：

71, Dongpeng Avenue, Eastern section, Guangzhou Economic and Technological Development District, Guangzhou, PRC  
中國廣州廣州經濟技術開發區東區東鵬大道 71 號

Principal place of business in Hong Kong 香港主要營業地點：

22nd Floor, World-Wide House, 19 Des Voeux Road Central, Hong Kong  
香港德輔道中 19 號環球大廈 22 樓

Liaison office in Hong Kong 香港聯絡辦公室：

Room 1102, Wing On Plaza, 62 Mody Road, Tsimshatsui, Kowloon  
九龍尖沙咀麼地道 62 號永安廣場 1102 室

Tel 電話：(86) 20-82264529

Fax 傳真：(86) 20-82261886

Website 網站：[www.chinaconsun.com](http://www.chinaconsun.com)

E-mail 電子郵件：[ir@chinaconsun.com](mailto:ir@chinaconsun.com)