

Shandong Weigao Group Medical Polymer Company Limited*
山東威高集團醫用高分子製品股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(在中華人民共和國註冊成立的股份有限公司)
(Stock Code 股票號碼 : 1066)

* For identification purposes only
僅供識別

Annual Report 2019 年報

WEGO 威高

CORPORATE INFORMATION	公司資料	2
CORPORATE PROFILE	公司簡介	4
CHAIRMAN'S STATEMENT	主席報告書	5
MANAGEMENT DISCUSSION AND ANALYSIS	管理層討論與分析	9
REPORT OF THE SUPERVISORY COMMITTEE	監事會報告書	22
REPORT OF THE DIRECTORS	董事會報告	24
CORPORATE GOVERNANCE REPORT	企業管治報告	40
DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT	董事、監事及高級管理人員	62
INDEPENDENT AUDITOR'S REPORT	獨立核數師報告書	69
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	綜合損益及其他全面收入報表	75
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	綜合財務狀況表	77
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	綜合權益變動報表	79
CONSOLIDATED STATEMENT OF CASH FLOWS	綜合現金流量報表	81
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	綜合財務報表附註	84
FINANCIAL SUMMARY	財務概要	256

DIRECTORS AND SUPERVISORS

Executive Directors

Mr. Zhang Hua Wei (*Chairman*)
Mr. Long Jing (*Chief Executive Officer*)
Mr. Wang Yi
Mr. Gong Jian Bo

Non-executive Director

Mrs. Zhou Shu Hua

Independent non-executive Directors

Mr. Lo Wai Hung
Mrs. Fu Ming Zhong
Mrs. Wang Jin Xia

Supervisors

Mrs. Bi Dong Mei
Mrs. Chen Xiao Yun
Mr. Yue Chun Liang

CORPORATE INFORMATION

Registered office and principal place of business in the People's Republic of China (the "PRC")

18 Xingshan Road
Torch Hi-tech Science Park
Weihai
Shandong Province
PRC

Principal place of business in Hong Kong

801, Chinachem Century Tower
178 Gloucester Road
Wanchai
Hong Kong

Company secretary

Mrs. Wong Miu Ling, Phillis, *FCIS and FCS*

Compliance officer

Mr. Zhang Hua Wei

董事及監事

執行董事

張華威先生 (主席)
龍經先生 (行政總裁)
王毅先生
弓劍波先生

非執行董事

周淑華女士

獨立非執行董事

盧偉雄先生
付明仲女士
王錦霞女士

監事

畢冬梅女士
陳曉雲女士
岳春良先生

公司資料

中華人民共和國 (「中國」) 註冊辦事處及主要營業地點

中國
山東省
威海市
火炬高新技術產業開發區
興山路18號

香港主要營業地點

香港
灣仔
告士打道178號
華懋世紀廣場801室

公司秘書

黃妙玲女士 *FCIS* 及 *FCS*

監察主任

張華威先生

Audit Committee

Mr. Lo Wai Hung (*Chairman*)
Mrs. Fu Ming Zhong
Mrs. Wang Jin Xia
Mrs. Zhou Shu Hua

Remuneration Committee

Mr. Lo Wai Hung (*Chairman*)
Mrs. Fu Ming Zhong
Mrs. Wang Jin Xia
Mrs. Zhou Shu Hua

Corporate Governance Committee

Mr. Zhang Hua Wei (*Chairman*)
Mr. Lo Wai Hung
Mrs. Fu Ming Zhong
Mrs. Wang Jin Xia

Nomination Committee

Mr. Lo Wai Hung (*Chairman*)
Mrs. Fu Ming Zhong
Mrs. Wang Jin Xia
Mrs. Zhou Shu Hua

Authorised representatives

Mr. Zhang Hua Wei
Ms. Wong Miu Ling, Phillis

Auditors

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong share registrars and transfer office

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

Principal bankers

1. Agriculture Bank of China, Weihai Branch
2. Bank of China, Weihai Branch

Website of the Company

www.weigaogroup.com

Stock Code

1066

審核委員會

盧偉雄先生 (*主席*)
付明仲女士
王錦霞女士
周淑華女士

薪酬委員會

盧偉雄先生 (*主席*)
付明仲女士
王錦霞女士
周淑華女士

企業管治委員會

張華威先生 (*主席*)
盧偉雄先生
付明仲女士
王錦霞女士

提名委員會

盧偉雄先生 (*主席*)
付明仲女士
王錦霞女士
周淑華女士

授權代表

張華威先生
黃妙玲女士

核數師

德勤 • 關黃陳方會計師行
執業會計師

香港股份過戶登記處

卓佳標準有限公司
香港
灣仔
皇后大道東183號
合和中心54樓

主要往來銀行

1. 中國農業銀行－威海市分行
2. 中國銀行－威海市分行

本公司網址

www.weigaogroup.com

股份代號

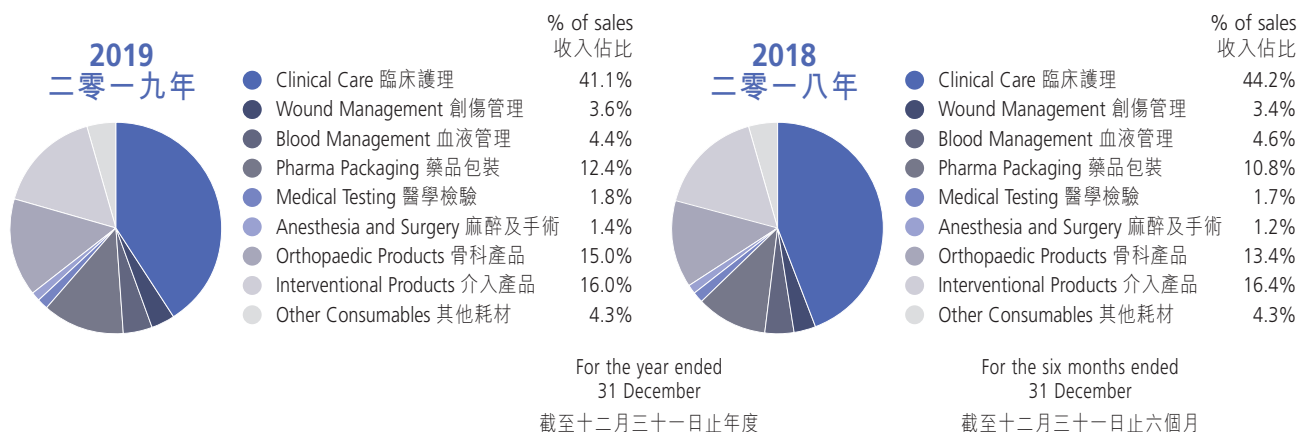
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SHANDONG WEIGAO GROUP MEDICAL
POLYMER COMPANY LIMITED

關於山東威高集團醫用高分子製品股份有限公司

Shandong Weigao Group Medical Polymer Company Limited (the "Company") and its subsidiaries (together the "Group") is principally engaged in the research and development, production and sale of single-use medical devices and operates finance lease and factoring business in the PRC. The Group has a wide range of products, which cover eight principle business lines of clinical care, wound management, blood management, pharma packaging, medical testing, anesthesia and surgery, orthopaedic products and interventional products. The Group's products are sold under its own brand names, including "Jierui", "Wego Ortho", "Yahua", "Bangde" and "Hai Xing". The products are sold throughout the PRC and exported to overseas. As at the date of this report, the Group newly added 44 hospitals, 66 other medical institutions and 150 distributors to its PRC customer base, and the Group has a PRC customer base of 5,638 in aggregate (including 2,610 hospitals, 414 blood stations, 710 other medical units and 1,904 distributors) and an overseas customer base of 4,873 in aggregate (including 3,209 hospitals, 1,401 other medical units and 263 distributors).

山東威高集團醫用高分子製品股份有限公司(「本公司」)及其附屬公司(統稱「本集團」)主要從事研發、生產及銷售一次性醫療器械及於中國經營融資租賃及保理業務。本集團的產品種類繁多，包括臨床護理、創傷管理、血液管理、藥品包裝、醫學檢驗、麻醉及手術相關產品、骨科及介入產品八個主要業務領域。本集團以自有品牌包括「潔瑞」、「威高骨科」、「亞華」、「邦德」及「海星」出售產品。產品銷售中國各地和出口至海外。於本報告日期，本集團國內客戶新增44家醫院，66家其他醫療機構以及150家經銷商，本集團的國內客戶總數為5,638家(包括醫院2,610家、血站414家、其他醫療單位710家和經銷商1,904家)，海外客戶總數為4,873家(包括醫院3,209家、其他醫療單位1,401家和經銷商263家)。



Product category 產品類別	For the year ended 31 December 截至十二月三十一日止年度			For the six months ended 31 December 截至十二月三十一日止六個月		
	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	Over corresponding period 較同期 %	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	Over corresponding period 較同期 %
Clinical care 臨床護理	4,255,669	3,891,672	9.4%	2,178,573	2,011,914	8.3%
Pharma packaging products 藥品包裝	1,281,038	955,609	34.1%	654,712	482,071	35.8%
Blood management 血液管理	457,857	402,008	13.9%	247,418	222,525	11.2%
Wound management 創傷管理	369,693	299,905	23.3%	207,607	179,699	15.5%
Medical testing 醫學檢驗	191,477	150,678	27.1%	109,700	80,413	36.4%
Anesthesia and surgical related products 麻醉及手術	149,551	105,942	41.2%	84,460	75,949	11.2%
Orthopedic products 骨科產品	1,555,556	1,180,563	31.8%	873,491	656,923	33.0%
Interventional products 介入產品	1,655,586	1,444,238	14.6%	841,960	763,668	10.3%
Other consumables 其他耗材	447,654	378,246	18.3%	222,826	185,201	20.3%
Total 總計	10,364,081	8,808,861	17.7%	5,420,747	4,658,363	16.4%

On behalf of the board of directors (the "Board") of Shandong Weigao Group Medical Polymer Company Limited, I would like to present the audited consolidated results of the Group for the year ended 31 December 2019 (the "Year").

本人欣然代表山東威高集團醫用高分子製品股份有限公司董事會（「董事會」）提呈本集團截至二零一九年十二月三十一日止年度（「本年度」）的經審核綜合業績。

FINANCIAL SUMMARY

Financial Summary

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	Increase 增長 %
Turnover	營業額	10,364,081	8,808,861	17.7%
Gross profit	毛利	6,505,197	5,389,154	20.7%
Net profit attributable to the owners of the Company	本公司擁有人應佔純利	1,844,883	1,472,935	25.3%
Net profit attributable to the owners of the Company (excluding extraordinary items)	不計特殊項目本公司擁有人應佔純利	1,923,392	1,586,834	21.2%

During the Year, extraordinary items include one-off expenses of RMB78,509,000 for loan replacement of Argon Medical Devices Holdings, Inc. ("Argon") (2018: increase in cost of goods sold of approximately RMB76,962,000 from inventory appreciation based on valuation resulted from the acquisition of Argon and an one-off transaction expenses of approximately RMB36,937,000 for the acquisition of Argon).

本年度內，特殊項目為愛琅醫療器械控股有限公司（「愛琅」）貸款置換一次性費用人民幣78,509,000元（二零一八年：收購愛琅致存貨評估增值，增加銷售成本約為人民幣76,962,000元和收購愛琅一次性交易費用約為人民幣36,937,000元）。

		As at 31 December 於十二月三十一日	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
ASSETS AND LIABILITIES	資產及負債		
Total assets	總資產	26,325,738	23,986,873
Total liabilities	總負債	(9,328,928)	(8,795,973)
Non-controlling interests	非控股權益	(811,636)	(676,327)
Equity attributable to owners of the Company	本公司擁有人應佔權益	16,185,174	14,514,573

CHAIRMAN'S STATEMENT 主席報告書

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

Attending and Voting in the Annual General Meeting

In order to determine the shareholders who are entitled to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Tuesday, 23 June 2020 to Wednesday, 22 July 2020 (both days inclusive), during which period no transfer of H Shares will be effected. In order to qualify for attending and voting in the Annual General Meeting, Shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's H Share registrar, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Monday, 22 June 2020.

In order to qualify for attending and voting in the Annual General Meeting:-

Latest time to lodge in transfer instrument accompanied by the share certificates for H Shares 4:30 p.m., Monday, 22 June 2020

Closure of register of members of the Company for attending and voting in the Annual General Meeting Tuesday, 23 June 2020 to Wednesday, 22 July 2020 (both days inclusive)

Latest time to lodge in the reply slip Tuesday, 30 June 2020

Date of the Annual General Meeting Wednesday, 22 July 2020

股東週年大會及暫停辦理股份過戶登記手續

出席股東週年大會並於會上投票

為釐定股東出席股東週年大會並於會上投票的資格，本公司將於二零二零年六月二十三日（星期二）至二零二零年七月二十二日（星期三）（首尾兩日包括在內）暫停過戶登記，於該期間將不會辦理H股的過戶登記手續。為符合資格出席股東週年大會並於會上投票，股東應確保所有過戶文件連同有關股票不遲於二零二零年六月二十二日（星期一）下午四時三十分送交本公司的H股過戶登記處卓佳標準有限公司，地址為香港皇后大道東183號合和中心54樓，以辦理登記手續。

為符合資格出席股東週年大會並於會上投票：

交回過戶文件連同H股股票之最後時限 二零二零年六月二十二日（星期一）下午四時三十分

本公司暫停股份過戶登記以出席股東週年大會並於會上投票 二零二零年六月二十三日（星期二）至二零二零年七月二十二日（星期三）（首尾兩日包括在內）

交回回條之最後時限 二零二零年六月三十日（星期二）

股東週年大會日期 二零二零年七月二十二日（星期三）

Entitlement of Proposed Final dividend

Entitlement of Proposed Final dividend In order to determine entitlement to the proposed final dividend payment, the register of members of the Company for H Shares will be closed from Wednesday, 29 July 2020 to Sunday, 2 August 2020 (both days inclusive), during which period no transfer of H Shares will be effected. In order to qualify for entitlement of the proposed final dividend, Shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's H Share registrar, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 28 July 2020.

In order to qualify to entitle the final dividend for the year ended 31 December 2019:

Latest time to lodge in transfer instrument accompanied by the share certificates for H Shares 4:30 p.m., Tuesday, 28 July 2020

Closure of register of members of the Company for entitlement of the final dividend for the year ended 31 December 2019 Wednesday, 29 July 2020 to Sunday, 2 August 2020 (both day inclusive)

Record date for the entitlement of the final dividend Sunday, 2 August 2020

Expected despatch date of the final dividend Monday, 31 August 2020

建議末期股息之權利

為確定股東收取建議末期股息付款之權利，本公司將於二零二零年七月二十九日（星期三）至二零二零年八月二日（星期日）（首尾兩日包括在內）暫停H股的過戶登記，於該期間將不會辦理H股的過戶登記手續。為符合資格收取建議末期股息之權利，股東應確保所有過戶文件連同有關股票不遲於二零二零年七月二十八日（星期二）下午四時三十分送交本公司之H股過戶登記處卓佳標準有限公司，地址為香港灣仔皇后大道東183號合和中心54樓，以辦理登記手續。

為符合資格獲派截至二零一九年十二月三十一日止年度之末期股息：

交回過戶文件連同H股股票之最後時限 二零二零年七月二十八日（星期二）下午四時三十分

本公司暫停股份過戶登記以釐定截至二零一九年十二月三十一日止年度之末期股息之權利 二零二零年七月二十九日（星期三）至二零二零年八月二日（星期日）（首尾兩日包括在內）

釐定末期股息權利之記錄日期 二零二零年八月二日（星期日）

預期末期股息寄發日期 二零二零年八月三十一日（星期一）

CHAIRMAN'S STATEMENT 主席報告書

The final dividend will be despatched at the risk of those entitled thereto to their respective registered addresses on or before Monday, 31 August 2020

PROPOSED FINAL DIVIDEND

The Board proposed the distribution of a final dividend for the year ended 31 December 2019 of RMB0.061 (2018: RMB0.052) (before considering any tax effect) per share totaling RMB275,862,000 (2018: RMB235,161,000), which will be subject to the approval of shareholders of the Company at the forthcoming 2019 annual general meeting. Dividend payable to Shareholders will be declared in Renminbi and paid in Hong Kong dollars, the exchange rate of which will be calculated based on the average exchange rate published by The People's Bank of China during the week prior to the Annual General Meeting. Subject to the approval of the Annual General Meeting, the 2019 final dividend will be paid on 31 August 2020.

ACKNOWLEDGEMENTS

The Group's various achievements as mentioned above are attributable to the continued supports of the staff, customers and business partners and shareholders. I would like to take this opportunity to express my most sincere thanks for all your contributions!

On behalf of the Board

Zhang Hua Wei

Chairman

29 April 2020

末期股息將於二零二零年八月三十一日(星期一)或之前按有權獲派末期股息之持有人各自之登記地址寄發予彼等，郵誤風險由彼等自行承擔。

建議末期股息

董事會建議派發截至二零一九年十二月三十一日止年度之末期股息每股人民幣0.061元(二零一八年:人民幣0.052元(未考慮任何稅務影響))，涉及總額為人民幣275,862,000元(二零一八年:人民幣235,161,000元)，須待本公司股東於即將舉行之二零一九年股東週年大會上批准後，方可作實。應付股東之股息將以人民幣宣派並以港元支付，匯率將按股東週年大會前一週中國人民銀行公佈之平均匯率計算。待股東週年大會批准後，二零一九年末期股息將於二零二零年八月三十一日派付。

致謝

本人在上文提及本集團各項成就，均有賴於全體僱員、顧客及業務夥伴和各位股東一貫以來不斷的支持。對於彼等的貢獻，本人謹此致以深切感謝！

代表董事會

張華威

主席

二零二零年四月二十九日

OPTIMIZATION OF PRODUCT MIX

During the Year, the gross profit margin of the Group increased from 62.2% of last year (before deducting extraordinary items: 61.2%) to 62.8%, mainly attributable to the effect from change of product structure.

The existing major products of the Group under each re-structured business lines are as follows:

Clinical care business includes vascular and non-vascular access infusion devices, infusion sets, syringes, puncture needles, specialized single-use clinical collection kits;

Pharma packaging business includes prefilled syringes and pre-filled flush syringes.

Blood management business includes blood collection, storage, separation and sterilization.

Wound management includes wound healing dressings, wound suture, wound cleaning and nonvascular catheter supporting extracorporeal devices;

Medical testing business includes blood collection devices and blood glucose testing.

Anesthesia and surgery business includes general anesthesia consumables, local anesthesia consumables, anesthesia auxiliary consumables, ICU equipment, open and minimally invasive surgical equipment.

Orthopedics business includes trauma, spinal implant, artificial joints, sports injury, soft tissue repair, reconstruction implant, orthopedic filling, and orthopedic related surgical tools.

產品結構優化調整

本年度內，本集團毛利率由去年的62.2%（扣除特殊項目前為61.2%）上升到62.8%，主要是產品結構變化產生的影響。

本集團各重組業務領域現有主要產品如下：

臨床護理業務包括血管輸液器械及非血管輸液器械、輸液器、注射器、穿刺針、臨床特定用途的一次性使用各種套裝；

藥品包裝業務包括：預灌封注射器、沖管注射器。

血液管理業務包括：血液採集、貯存、分離、滅菌消毒。

創傷管理業務包括：創面癒合敷料、傷口縫合、傷口清理、與非血管內導管配套用體外器械；

醫學檢驗業務包括：採血器具、血糖檢驗。

麻醉及手術業務包括：全身麻醉耗材、局部麻耗材、麻醉輔助耗材、ICU使用的器械，開放及微創手術器械。

骨科業務：創傷、脊柱植入物，人工關節，運動損傷、軟組織修復及重建植入物、骨填充材料、骨科相關手術工具。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Interventional business includes tumor intervention, vascular intervention and interventional imaging.

1. During the Year, the clinical care business recorded a turnover of approximately RMB4,255,669,000, an increase of 9.4% in revenue over last year, the growth is principally due to enhanced product mix. The Group continued to maintain a dominant position in the market segment.
2. During the Year, the pharma packaging business recorded a turnover of approximately RMB1,281,038,000, representing an increase of 34.1% over last year and the Company continues to maintain a strong growth momentum. Prefilled syringes have further expanded its market influence in the segment of pre-pack bio-pharmaceuticals and built a broad customer base. Pre-filled flush syringes maintained rapid growth.
3. During the Year, the orthopedics business recorded a turnover of approximately RMB1,555,556,000, representing an increase of 31.8% over last year. Measures such as further consolidating its market position in the spine segment, increased marketing of joint products, further penetration of distribution channels and establishment of a logistic platform have driven sales growth.
4. During the Year, the interventional business recorded a turnover of approximately RMB1,655,586,000, representing an increase of 14.6% over last year. The Group will expand sales of Argon products in the PRC market through leveraging resources.

During the Year, as a result of product mix adjustment, the percentage of turnover from high value-added products (products with gross profit margins over 60%) to total turnover was about 60.2% (2018: 59.9%).

介入業務：腫瘤介入、血管介入、影像介入。

1. 本年度內，臨床護理業務錄得營業額約為人民幣4,255,669,000元，憑借豐富產品組合，拉動收入較去年增長9.4%。本集團繼續於該領域市場保持優勢地位。
2. 本年度內，藥品包裝業務錄得營業額約為人民幣1,281,038,000元，較去年增長34.1%，仍保持強勁增長勢頭。預灌封注射器進一步擴大在生物製藥包裝領域的市場影響力，形成廣泛客戶基礎。沖管注射器繼續保持高速增長。
3. 本年度內，骨科業務營業額約為人民幣1,555,556,000元，較去年增長31.8%，通過進一步鞏固在脊柱領域的市場地位、加大關節產品市場推廣，以及渠道下沉、搭建物流平台等措施，較好的拉動銷售增長。
4. 本年度內，介入業務錄得營業額約為人民幣1,655,586,000元，較去年增長14.6%，本集團將利用資源擴大愛琅產品在中國市場的銷售。

受以上產品結構調整舉措的影響，本年度內，本集團高附加值產品（毛利率超過60%）之營業額佔營業總額之百分比約為60.2%（二零一八年：59.9%）。

RESEARCH AND DEVELOPMENT

For the year ended 31 December 2019, the Group obtained 97 new patents and 110 new patents are under application in the PRC. Product registration certificates for 78 new products were obtained. The research and development for 15 products were completed for which application for product registration certificates are underway. For overseas market, 13 new patents are under application and the research and development for 34 products were completed for which application for product registration certificates are underway.

The strategy of placing strong emphasis on research and development has enhanced the competitiveness and laid a foundation for the Company to fully leverage on its customer resources and provided the Group with new profit growth drivers.

For the year ended 31 December 2019, the Group had over 511 product registration certificates and 488 patents, of which 78 were patents on invention, in the PRC. For overseas market, the Group had over 569 product registration certificates and 157 patents.

In view of the need for the strategic adjustments to product mix, the Group continued to increase efforts on improvement and subdivision of product layout in existing products series, so as to further improve its product series and expand product range. The Group continued to maintain the leading position in research and development capability in China. For the year ended 31 December 2019, total research and development expenses amounted to approximately RMB441,409,000 (2018: approximately RMB311,163,000), representing 4.3% (2018: 3.5%) of the revenue of the Group.

研究與開發

截至二零一九年十二月三十一日止年度，本集團中國國內新獲得專利97項，正在申請中的110項，新取得產品註冊證78項，已經研發完成、尚在取證過程中的有15項。海外市場，正在申請中的新專利13項，已經研發完成、尚在取證過程中的產品註冊證有34項。

注重研發的策略提升了本公司的競爭力，為充分利用客戶資源奠定了基礎，並為本集團盈利提供了新的增長點。

截至二零一九年十二月三十一日止年度，本集團國內擁有511餘項產品註冊證，488項專利，其中78項是發明專利。海外，本集團擁有569餘項產品註冊證，157項專利。

基於產品結構戰略性調整的要求，本集團繼續加大在現有產品系列框架內完善細分產品佈局，持續保持本土研發實力的領先地位。截至二零一九年十二月三十一日止年度，研發之總開支約為人民幣441,409,000元（二零一八年：約人民幣311,163,000元），佔本集團收入的4.3%（二零一八年：3.5%）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

PRODUCTION

During the Year, in order to constantly expand production capacity, the Group continued to expand its production facilities including workshops of pre-filled flush syringe and prefilled syringe to satisfy the sales demand for future market growth. Meanwhile, the Group proactively promoted improvement of production processes and enhanced intellectualization and automation of production equipment. The production costs were reduced through efficiency enhancement and scientific management, maintaining the Company's overall profitability.

SALES AND MARKETING

During the Year, the Group consolidated the marketing management system and further adhered to the strategy of sales channel integration and product mix adjustment and to focus on marketing resources on customer development and maintenance in the core healthcare market. The Group achieved substantial results in key client accounts management. As at the date of this report, the Group newly added 44 hospitals, 66 other medical institutions and 150 distributors to its PRC customer base, and the Group has a PRC customer base of 5,638 in aggregate (including 2,610 hospitals, 414 blood stations, 710 other medical units and 1,904 distributors) and an overseas customer base of 4,873 in aggregate (including 3,209 hospitals, 1,401 other medical units and 263 distributors).

生產

本年度內，本集團為了持續擴大產能，繼續擴建了包括沖管注射器車間、預灌封注射器車間等生產設施，以滿足未來市場增長的銷售需求。同時本集團積極推進生產工藝改進，生產設備智能化、自動化水平，通過效率提升和科學管理降低生產成本，保持本公司整體盈利能力。

銷售及市場推廣

年度內，本集團強化了營銷管理體系，繼續堅持銷售渠道整合與產品結構調整之策略，將營銷資源重點聚焦於核心醫療市場的客戶開發與維護。本集團開展大客戶管理取得顯著成效。於本報告刊發日期，本集團國內客戶新增44家醫院，66家其他醫療機構以及150家經銷商，本集團的國內客戶總數為5,638家（包括醫院2,610家、血站414家、其他醫療單位710家和經銷商1,904家），海外客戶總數為4,873家（包括醫院3,209家、其他醫療單位1,401家和經銷商263家）。

Sales comparison by geographical regions when compared with the last year is set out as follows:

各種產品在不同地區的銷售與去年對比如下：

TURNOVER BY GEOGRAPHICAL INFORMATION

營業收入地區資料

Regions 地區		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	Over corresponding period 較同期 增減 %
The PRC	國內			
– Eastern and Central	– 華東與華中	4,115,175	3,428,935	20.0%
– Northern	– 華北	1,868,323	1,639,138	14.0%
– Northeast	– 東北	861,472	752,229	14.5%
– Southwest	– 西南	737,792	563,553	30.9%
– Southern	– 華南	681,917	562,070	21.3%
– Northwest	– 西北	223,534	203,802	9.7%
PRC sub-total	國內小計	8,488,213	7,149,727	18.7%
Overseas	海外			
– The US	– 美國	918,454	814,588	12.8%
– Europe, Middle East and Africa	– 歐洲、中東及非洲	425,605	410,967	3.6%
– Asia	– 亞洲	343,058	267,480	28.3%
– Others	– 其他	188,751	166,099	13.6%
Overseas sub-total	海外小計	1,875,868	1,659,134	13.1%
Total	小計	10,364,081	8,808,861	17.7%

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

TURNOVER BY GEOGRAPHICAL INFORMATION (continued)

The integration of sales channels has strengthened the Group's market penetration and influence over the customers. It enhanced sales contribution per customer and continued to drive up the product penetration to high-end customers and was an important approach in generating revenue growth for the Group.

Adjustment in product mix was another important factor in enhancing the results for the Year. Comparison of revenue of principal products with that in last year is as follows:

營業收入地區資料 (續)

渠道的整合，增強了本集團在客戶群的滲透力、影響力，提高了單客戶的貢獻率，持續推進核心客戶的產品滲透率，是本集團拉動收入增長的一項重要手段。

產品結構的調整為提升本年度內業績的另一項重要因素，各主導產品收入與上年對比情況如下：

Product category 產品類別	For the year ended 31 December 截至十二月三十一日止年度			For the six months ended 31 December 截至十二月三十一日止六個月		
	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	Over corresponding period 較同期 %	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	Over corresponding period 較同期 %
Clinical care 臨床護理	4,255,669	3,891,672	9.4%	2,178,573	2,011,914	8.3%
Pharma packaging products 藥品包裝	1,281,038	955,609	34.1%	654,712	482,071	35.8%
Blood management 血液管理	457,857	402,008	13.9%	247,418	222,525	11.2%
Wound management 創傷管理	369,693	299,905	23.3%	207,607	179,699	15.5%
Medical testing 醫學檢驗	191,477	150,678	27.1%	109,700	80,413	36.4%
Anesthesia and surgical related products 麻醉及手術 相關產品	149,551	105,942	41.2%	84,460	75,949	11.2%
Orthopedic products 骨科產品	1,555,556	1,180,563	31.8%	873,491	656,923	33.0%
Interventional products 介入產品	1,655,586	1,444,238	14.6%	841,960	763,668	10.3%
Other consumables 其他耗材	447,654	378,246	18.3%	222,826	185,201	20.3%
Total 總計	10,364,081	8,808,861	17.7%	5,420,747	4,658,363	16.4%

HUMAN RESOURCES

As at 31 December 2019, the Group employed a total of 10,103 employees. The breakdown by departments when compared with last year is as follows:

DEPARTMENT

		2019 二零一九年	2018 二零一八年
Production	生產	5,289	4,999
Sales and marketing	銷售及市場推廣	2,566	2,507
Research and development	研發	1,132	1,124
Finance and administration	財務及行政	495	460
Quality control	質量控制	276	194
Management	管理	198	167
Purchasing	採購	147	111
Total	總計	10,103	9,562

There are a total of 878 overseas employees who are resided in Hong Kong, the US and Europe. Other employees of the Group are resided in Mainland China. During the Year, the total cost of salaries, welfare and social benefits of the Group amounted to approximately RMB1,919,372,000 (2018: approximately RMB1,456,905,000).

REMUNERATION SYSTEM

The Group's remuneration policy has been determined based on its performance, changes in the local consumption power and competition in human resources market. The remuneration policy so determined has become the basis of determining the salary level of employees recruited for different positions. The salary of each employee is determined according to the employee's performance, ability, employment conditions and the salary standards set by the Company. Remuneration of directors is proposed by the Remuneration Committee with reference to the operating results of the Company, personal performance of the directors and market competition. The proposed remuneration of directors is proposed by the Board subject to approval by shareholders at forthcoming annual general meeting.

人力資源

於二零一九年十二月三十一日，本集團共聘用10,103名僱員，與去年比較的部門分析如下：

部門

		2019 二零一九年	2018 二零一八年
Production	生產	5,289	4,999
Sales and marketing	銷售及市場推廣	2,566	2,507
Research and development	研發	1,132	1,124
Finance and administration	財務及行政	495	460
Quality control	質量控制	276	194
Management	管理	198	167
Purchasing	採購	147	111
Total	總計	10,103	9,562

海外僱員共計878名，分別於香港、美國、歐洲等地居住，本集團的其他僱員均位於中國內地。本年度內，本集團在員工薪資、福利、社會保障等的成本總額約為人民幣1,919,372,000元（二零一八年：約為人民幣1,456,905,000元）。

薪酬訂立制度

本集團的薪酬政策是根據其表現，本地的消費水平變化和人力資源市場競爭狀況釐定。該釐定的薪酬政策作為聘任不同崗位僱員薪資水平的基準。每位僱員的薪資視乎僱員的表現、能力、任職條件及本公司的預定薪資標準而定。董事的酬金是由薪酬委員會經參考本公司的經營業績、董事個人表現及市場競爭情況的基礎上制定薪酬方案，並經股東於應屆股東週年大會上授權董事會釐定。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

FINANCIAL REVIEW

For the year ended 31 December 2019, the Group recorded a turnover of the year of RMB10,364,081,000, representing an increase of 17.7% over the previous financial year. Net profit attributable to the owners of the Company was approximately RMB1,844,883,000 (2018: approximately RMB1,472,935,000), representing an increase of approximately 25.3% as compared with the previous year. Net profit attributable to the owners of the Company (excluding extraordinary items) was approximately RMB1,923,392,000 (2018: approximately RMB1,586,834,000), representing an increase of approximately 21.2% over the previous year.

FINANCIAL SUMMARY

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	Increase 增長 %
Turnover	營業額	10,364,081	8,808,861	17.7%
Gross profit	毛利	6,505,197	5,389,154	20.7%
Net profit attributable to the owners of the Company	本公司擁有人應佔純利	1,844,883	1,472,935	25.3%
Net profit attributable to the owners of the Company (excluding extraordinary items)	不計特殊項目本公司擁有人應佔純利	1,923,392	1,586,834	21.2%

During the Year, extraordinary items include one-off expenses of RMB78,509,000 for loan replacement of Argon Medical Devices Holdings, Inc. ("Argon") (2018: increase in cost of goods sold of approximately RMB76,962,000 from inventory appreciation based on valuation resulted from the acquisition of Argon and an one-off transaction expenses of approximately RMB36,937,000 for the acquisition of Argon).

財務回顧

截至二零一九年十二月三十一日止年度，本集團年度營業額達至人民幣10,364,081,000元，較上一財政年度增長了17.7%。本公司擁有人應佔純利約人民幣1,844,883,000元（二零一八年：約人民幣1,472,935,000元），較上一年度上升約25.3%。不計特殊項目的本公司擁有人應佔純利約人民幣1,923,392,000元（二零一八年：約人民幣1,586,834,000元），較上一年度上升約21.2%。

財務摘要

本年度內，特殊項目為愛琅醫療器械控股有限公司（「愛琅」）貸款置換一次性費用人民幣78,509,000元（二零一八年：收購愛琅致存貨評估增值，增加銷售成本約為人民幣76,962,000元和收購愛琅一次性交易費用約為人民幣36,937,000元）。

LIQUIDITY AND FINANCIAL RESOURCES

The Group has maintained a sound financial position. As at 31 December 2019, the Group's cash and bank balance amounted to approximately RMB4,239,441,000. For the year ended 31 December 2019, net cash flow from operating activities of the Group amounted to approximately RMB2,320,990,000, representing a sound cash flow position.

For the year ended 31 December 2019, total interest expenses of the Group amounted to approximately RMB396,735,000 (2018 total interest expenses: approximately RMB284,408,000). Among the expenses, RMB79,831,000 was an amortized expense of one-off charge for Argon early repaid bank contribution.

GEARING RATIO

The gearing ratio of the Group as at the end of 2019 declined to 33.9% (2018: 36.8%).

As at 31 December 2019, total net debt of the Group amounted to approximately RMB1,253,772,000 (2018: approximately RMB1,525,602,000). The gearing ratio represents total debt as a percentage of total capital. Total debt is calculated as total borrowings. Total capital is calculated as the Group's shareholders' fund.

流動資金及財務資源

本集團維持良好的財務狀況。於二零一九年十二月三十一日，本集團現金及銀行結餘約為人民幣4,239,441,000元。截至二零一九年十二月三十一日止年度，本集團經營活動現金流量淨額約為人民幣2,320,990,000元，現金流量狀況健康。

截至二零一九年十二月三十一日止年度，本集團的利息支出總額約為人民幣396,735,000元，其中愛琅提前償還銀行供款導致的一次性費用攤銷支出為人民幣79,831,000元（二零一八年：利息支出總額約為人民幣284,408,000元）。

資本負債比率

本集團二零一九年年末的資本負債比率下降至33.9%（二零一八年：為36.8%）。

於二零一九年十二月三十一日，本集團淨負債總額約為人民幣1,253,772,000元（二零一八年：約為人民幣1,525,602,000元）。資本負債比率指債務總額與資本總額之百分比。債務總額乃按借貸總額計算。資本總額乃按本集團之股東資金計算。

FOREIGN EXCHANGE RISKS

The Group's purchases and sales are mainly conducted in the PRC and the United States. Assets, liabilities and transactions in the PRC are denominated in RMB, while overseas assets and transactions are mainly denominated in US dollars. Foreign exchange risk mainly arises from outstanding borrowings denominated in foreign currencies. Since this year, the Group has adopted foreign currency hedging instruments to achieve better foreign exchange risk management. The objective of the hedge is to minimise the volatility of the RMB expenditures expected to be incurred in the future to meet foreign currency liabilities. The Group's risk management policy is to partially hedge the forecasted cash flows in foreign currencies by considering the appropriate hedging instruments and costs of hedging. The Group uses foreign exchange structured derivative financial contracts to hedge its foreign currency risk. For the twelve months ended 31 December 2019, the Group had not encountered any material difficulty due to currency fluctuation nor had it affected its funds for operation purpose.

Due to the fluctuation in exchange rates, the Company realized the foreign exchange gain equivalent to RMB7,176,000 (2018: foreign exchange gain equivalent to RMB1,769,000) for the year ended 31 December 2019.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as of 31 December 2019.

匯率風險

本集團的採購和銷售以中國、美國兩地為主。中國境內資產、負債及交易以人民幣計值，海外資產及交易主要以美元計值，外匯風險主要來源於未償還的外幣借貸。今年以來，本集團已採用了外幣對沖工具來達到更好的外匯風險管理。對沖保值的目標在於使預計未來可能發生的償還外幣負債需要的人民幣支出的波動性最小化。本集團的風險管理政策是在考慮合適的對沖工具以及對沖的成本後，部分對沖外幣預測現金流量。本集團通過外匯結構性衍生金融合同來對沖外匯風險。截至二零一九年十二月三十一日止十二個月，本集團並無因匯率波動而遇到重大困難或自身的營運資金受到影響。

由於匯率變動，本公司於截至二零一九年十二月三十一日止年度，實現匯兌收益折合人民幣7,176,000元（二零一八年：匯兌收益折合人民幣1,769,000元）。

或有負債

本集團截至二零一九年十二月三十一日止，不存在重大的或有負債。

MATERIAL INVESTMENTS/FUTURE MATERIAL INVESTMENT PLANS

1. During the year, the Group continued to invest approximately RMB949,862,000 in purchase of properties and production facilities and plant construction for the purpose of enhancing the overall construction of the industrial zone for the Group's medical consumables.
2. In 2020, the Group planned to invest approximately RMB200,000,000 in the new production lines, which is expected to be successively put in operation by the end of 2022.
3. In 2020, the Group planned to invest approximately RMB150,000,000 in the upgrading and reconfiguration of the single-use consumables production equipment to further enhance the level of production automation.

Save for the above material investments and investment plans, the Group had no any future plans involving significant investments or capital assets acquisition as at 31 December 2019.

CAPITAL COMMITMENT

As at 31 December 2019, the capital commitment including purchase of property, plant and equipment which the Group and the Company had contracted for but not provided amounted to approximately RMB485,232,000 (2018: approximately RMB726,184,000). The above amounts will be financed by the internal resources of the Group.

重大投資／未來重大投資計劃

1. 本年度，本集團繼續投資約人民幣949,862,000元，用於購買物業、生產設備與建設廠房，為完善本集團醫療耗材工業園整體建設之用。
2. 2020年，本集團計劃投資約人民幣200,000,000元，購置新生產線，預計2022年末可陸續投入生產。
3. 2020年，本集團計劃投入約人民幣150,000,000元，持續用於一次性耗材的設備更新與改造項目，進一步提升生產的自動化水平。

除上述重大投資與投資計劃外，於二零一九年十二月三十一日，本集團並無參與重大投資或購入資本資產之未來計劃。

資本承擔

於二零一九年十二月三十一日，本集團及本公司已經簽約但尚未作出撥備資本承擔包括物業、廠房及設備約為人民幣485,232,000元（二零一八年：約人民幣726,184,000元），上述款項將以本集團之內部資源支付。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

PLEGDED BANK DEPOSITS

As at 31 December 2019, pledged bank balances represent deposits pledged to banks to secure trade facilities such as bills payable and letter of credit amounting to RMB321,923,000 (2018: RMB222,270,000).

RESERVES AND DISTRIBUTABLE RESERVES

As at 31 December 2019, total reserves of the Group amounted to RMB15,732,941,000 (2018: RMB14,062,340,000).

Under the PRC laws and regulations, the Company's distributable reserves will be based on the lower of the amount calculated according to the PRC accounting principles and rules and the amount calculated according to the Hong Kong generally accepted accounting principles. As at 31 December 2019, the distributable reserves of the Company were approximately RMB4,836,523,000 (2018: RMB3,824,559,000).

REVIEW AND OUTLOOK

During the Year, the Company continued to adhere to product mix optimisation and adjustment strategy, accelerated products iteration, and increased investments in engineering technologies, with a focus to enhance production efficiency and improve product quality; in addition to integrating marketing resources, improving efficiency of new product sales through sharing of internal channel resources, the Company continued to maintain growth in revenue and profit despite intensified competition.

During the Year, the management carried out product lifetime cycle management on the eight major business segments, integrated R&D resources, comprehensively formulated R&D plans, and continuously enhanced the market influence of key products.

During the Year, the Company actively responded to and participated in the reform initiatives of domestic medical industry and provided high-quality products and services to meet clinical needs.

已抵押銀行存款

於二零一九年十二月三十一日，已抵押銀行結餘指抵押予銀行以擔保貿易融資（例如應付票據及信用證）之存款金額人民幣321,923,000元（二零一八年：人民幣222,270,000元）。

儲備及可供分派儲備

於二零一九年十二月三十一日，本集團儲備總額為人民幣15,732,941,000元（二零一八年：人民幣14,062,340,000元）。

根據中國的法律及條例，本公司可供分派的儲備將以按照中國會計原則及規則所計算金額與按照香港公認會計原則所計算金額中的較低者為基準。於二零一九年十二月三十一日，本公司可供分派的儲備約為人民幣4,836,523,000元（二零一八年：人民幣3,824,559,000元）。

回顧與展望

本年度內，本公司持續堅持產品結構優化與調整的策略、加快產品迭代、加大技術改造投入，提升生產效率，改善產品質量；整合營銷資源，通過內部渠道資源共享，提升新產品銷售效率，在競爭日趨激烈的情況下，繼續保持收入與利潤穩健增長。

本年度內，管理層對八大業務板塊開展產品全生命週期管理，整合研發資源，全面制定研發規劃，不斷提升重點產品市場影響力。

本年度內，公司積極響應和參與國內醫療行業改革舉措，提供優質產品和服務滿足臨床需求。

LOOKING FORWARD TO 2020

The Company will endeavor to protect the health and safety of its employees, and ensure an adequate supply of products to meet clinical needs.

While performing on-going product lifetime cycle management, the Company will strengthen product innovation, develop quality products, and further consolidate its brand influence.

While continuously expanding overseas markets, the Company will accelerate global business integration and resource sharing.

While continuously carrying out intelligent manufacturing in the production field and optimizing supply chain management, the Company will continue to improve its product quality and increase production efficiency to maintain cost advantages.

By relying on its extensive strategic layout in the business fields and high-quality products and insisting on the strategy of adapting to market and future-oriented operating and motivation of employee creativity, the management believes that the Company will continue to maintain its leading position in the PRC market. Meanwhile, the Company will proactively promote global resource sharing to achieve the coordinated development of domestic and foreign markets, thus supporting the stable growth in the operating results of the Group.

展望二零二零年

做好新型冠狀病毒的防控工作，保護員工健康和 safety，保證充足的產品供應以滿足臨床需求。

持續開展產品全生命週期管理，加強產品創新、打造優質產品、進一步鞏固品牌影響力。

持續佈局海外市場，加快全球業務融合與資源共享。

將持續開展生產領域智能製造，優化供應鏈管理，不斷提高產品質量、提升生產效率，保持成本優勢。

管理層相信，憑借公司廣泛的業務領域戰略佈局及高質量產品，堅持適應市場、面向未來的經營策略，激發員工創造性，公司將繼續保持中國市場領先地位。同時積極推動公司全球資源共享，實現國內外市場協同發展，支持本集團經營業績穩健增長。

REPORT OF THE SUPERVISORY COMMITTEE

監事會報告書

To all shareholders:

The Supervisory Committee (the "Supervisory Committee") of Shandong Weigao Group Medical Polymer Company Limited, in compliance with the relevant requirements of the Company Law and the Articles of Association of the Company, has conducted its work in accordance with the fiduciary principle, and has taken up an active role to work seriously and with diligence to protect the interests of the Company and its shareholders.

During the Year, the Supervisory Committee had reviewed cautiously the development plans of the Company and provided reasonable suggestions and opinions to the Board. It also strictly and effectively monitored and supervised the Company's management in making significant policies and decisions to ensure that they are in compliance with the relevant requirements of the Company Law and the Articles of Association of the Company, and in the interests of its shareholders.

We have reviewed and agreed to the report of the Directors, audited financial statements and the dividend to be proposed by the Board for presentation at the forthcoming annual general meeting. We are of the opinion that the Directors, the chief executive officer and other senior management of the Company are able to strictly observe their fiduciary duty, to act diligently, to exercise their authority faithfully in the best interests of the Company and to work in accordance with the Articles of Association of the Company. The transactions between the Company and connected parties are in the interests of the shareholders as a whole and under fair and reasonable price.

As of today, none of the Directors, chief executive officer and senior management staff had been found to have abused their authority, damaged the interests of the Company or infringed upon the interests of its shareholders and employees. None of them was found to be in breach of any laws and regulations or the Articles of Association of the Company.

致各位股東：

山東威高集團醫用高分子製品股份有限公司監事會（「本監事會」）遵照公司法及本公司組織章程細則的有關規定，遵守誠信原則，認真履行職責，保護本公司及其股東利益，勤勉主動地開展工作。

在本年度內，本監事會對本公司的發展計劃進行謹慎審核，並向董事會提出合理的建議和意見，對本公司管理層的重大決策及決定是否符合公司法及本公司組織章程細則的有關規定，是否符合股東利益等，進行了嚴謹及有效的監督。

本監事會已審閱並同意董事會提呈予應屆股東週年大會的董事會報告、經審核財務報表及建議派發的股息。本監事會認為本公司董事、行政總裁及其他高級管理人員能夠嚴格遵守誠信原則，工作勤勉盡職並真誠地以本公司最佳利益為出發點行使職權，並按照本公司組織章程細則開展各項工作。本公司與關連人士進行的交易均符合股東的整體利益，且價格公平合理。

本監事會至今並無發現董事、行政總裁及高級管理人員濫用職權，損害本公司利益或侵犯本公司股東和員工權益的行為，亦未發現上述人員違反任何法律法規或本公司的組織章程細則。

REPORT OF THE SUPERVISORY COMMITTEE
監事會報告書

The Supervisory Committee is satisfied with the achievement and cost-effectiveness of the Company in 2019 and has great confidence in the future prospect of the Company.

本監事會對本公司於二零一九年的各項工作和取得的成本效益表示滿意，並對本公司的未來前景充滿信心。

By Order of the Supervisory Committee
**Shandong Weigao Group Medical Polymer
Company Limited**
Bi Dong Mei
Chairman of Supervisory Committee
Weihai, Shandong Province, the PRC

29 April 2020

承本監事會命
**山東威高集團醫用高分子製品股份
有限公司**
本監事會主席
畢冬梅
中國山東省威海市

二零二零年四月二十九日

REPORT OF THE DIRECTORS 董事會報告

The Directors are pleased to submit their annual report and the audited financial statements of the Group for the year ended 31 December 2019.

The Company was established and registered as a joint stock company with limited liability in the PRC under the Company Law of the PRC on 28 December 2000. The H Shares of the Company were listed on GEM of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 27 February 2004 and were transferred to Main Board of the Stock Exchange on 29 July 2010. On 7 August 2018, the Company completed the H share full circulation pilot project to convert and list 2,638,600,000 unlisted or domestic shares into H shares.

PRINCIPAL ACTIVITIES

Based in Shandong province, the Company is principally engaged in the research and development, production and sale of single-use medical device products and operates finance lease and factoring business in the PRC. The Group has a wide range of products, which cover eight principle business lines of clinical care, wound management, blood management, pharma packaging, medical testing, anesthesia and surgery, orthopaedic products and interventional products. The Group's products are sold under its own brand names, including "Jierui", "Wego Ortho", "Yahua", "Bangde" and "Hai Xing". The Group newly added 44 hospitals, 66 other medical institutions and 150 distributors to its PRC customer base, and the Group has a PRC customer base of 5,638 in aggregate (including 2,610 hospitals, 414 blood stations, 710 other medical units and 1,904 distributors) and an overseas customer base of 4,873 in aggregate (including 3,209 hospitals, 1,401 other medical units and 263 distributors). The products are sold throughout the PRC and exported to overseas.

PROPERTY, PLANT AND EQUIPMENT

The Group acquired property, plant and equipment during the year of 2019 at an aggregate cost of approximately RMB944,210,000 in order to enhance its production capacity. Details of movements in the property, plant and equipment of the Group are set out in note 14 to the financial statements.

董事欣然提呈本集團截至二零一九年十二月三十一日止年度的年報及經審核財務報表。

本公司於二零零零年十二月二十八日根據中國公司法在中國成立並註冊為股份有限公司。本公司H股自二零零四年二月二十七日起在香港聯合交易所有限公司（「聯交所」）GEM上市，並於二零一零年七月二十九日轉板至聯交所主板。於二零一八年八月七日，本公司完成H股全流通試點項目，將2,638,600,000股非上市股份或內資股轉換為H股並上市。

主要業務

本公司位於山東省，主要從事研發、生產及銷售一次性醫療器械產品及於中國經營融資租賃及保理業務。本集團的產品種類繁多，包括臨床護理、創傷管理、血液管理、藥品包裝、醫學檢驗、麻醉及手術、骨科產品及介入產品八個主要業務領域。本集團以自有品牌包括「潔瑞」、「威高骨科」、「亞華」、「邦德」及「海星」出售產品。本集團國內客戶新增44家醫院，66家其他醫療機構以及150家經銷商，本集團的國內客戶總數為5,638家（包括醫院2,610家、血站414家、其他醫療單位710家和經銷商1,904家），海外客戶總數為4,873家（包括醫院3,209家、其他醫療單位1,401家和經銷商263家）。產品銷售中國各地和出口至海外。

物業、廠房及設備

本集團為提高產能而於二零一九年年內購置物業、廠房及設備的總成本約人民幣944,210,000元。有關本集團物業、廠房及設備的變動詳情，載於財務報表附註14。

SHARE CAPITAL

As at 31 December 2019, there was a total issued share capital of 4,522,332,324 shares of the Company (the "H Shares").

The changes in share capital of the Company are set out in note 36 to the financial statements.

RESERVES AND DISTRIBUTABLE RESERVES

As at 31 December 2019, total reserves of the Group amounted to RMB15,732,941,000 (2018: RMB14,062,340,000).

Under the PRC laws and regulations, the Company's distributable reserves will be based on the lower of the amount calculated according to the PRC accounting principles and rules and the amount calculated according to the Hong Kong generally accepted accounting principles. As at 31 December 2019, the distributable reserves of the Company were approximately RMB4,836,523,000 (2018: RMB3,824,559,000).

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The directors of the Company during the Year were:

Executive directors

Mr. Zhang Hua Wei, (*Chairman*)
Mr. Long Jing, (*Chief Executive Officer*)
Mr. Wang Yi
Mr. Gong Jian Bo

Non-executive director

Mrs. Zhou Shu Hua

Independent non-executive directors

Mr. Lo Wai Hung
Mrs. Fu Ming Zhong
Mrs. Wang Jin Xia

股本

於二零一九年十二月三十一日，本公司全部已發行股本為4,522,332,324股股份（「H股股份」）。

本公司的股本變動載於財務報表附註36。

儲備及可供分派儲備

於二零一九年十二月三十一日，本集團儲備總額為人民幣15,732,941,000元（二零一八年：人民幣14,062,340,000元）。

根據中國的法律及條例，本公司可供分派的儲備將以按照中國會計原則及規則所計算金額與按照香港公認會計原則所計算金額中的較低者為基準。於二零一九年十二月三十一日，本公司可供分派的儲備約為人民幣4,836,523,000元（二零一八年：人民幣3,824,559,000元）。

董事及董事服務合約

本年度內，本公司的董事為：

執行董事

張華威先生（主席）
龍經先生（行政總裁）
王毅先生
弓劍波先生

非執行董事

周淑華女士

獨立非執行董事

盧偉雄先生
付明仲女士
王錦霞女士

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS (continued)

Each of the directors entered into service agreements with the Company. The service contracts were signed for an initial term of three years, unless and until terminated by either party by giving notice to the other party with three months' notice in writing. In accordance with the Company's Articles of Association, the service agreements of all directors are renewable for successive three-year terms upon expiry.

The service agreements for directors do not stipulate for any amount of remuneration or bonus payment to be paid for services provided. The executive directors are paid with a fixed sum of annual salaries for holding positions in the Company and entitled to welfare benefits (including retirement benefits and medical insurance) in accordance with the relevant laws and regulations in the PRC. The non-executive director waived her directors' remuneration for the year ended 31 December 2019 and accepted a nominal annual fee of RMB1.00.

According to the respective service agreements entered into between the Company and each of three independent non-executive directors, each of Mrs. Fu Ming Zhong and Mrs. Wang Jin Xia received an annual fee of RMB108,000, and Mr. Lo Wai Hung received an annual fee of HK\$180,000.

Apart from the foregoing, no directors have a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed, no transaction, arrangement or contract of significance in relation to the Group's business to which the Company, its fellow subsidiaries or its holding company or the Group was a party and in which a Director or an entity connected with a Director (with meetings as ascribed to it under the Listing Rules) had a material interest, whether directly or indirectly, were entered into or subsisted during or at the end of the year.

董事及董事服務合約 (續)

每名董事已與本公司訂立服務合約。服務合約已簽署初步為期三年，除非及直至任何一方給予另一方三個月的書面通知予以終止。根據本公司的組織章程細則，所有董事的服務協議均可於屆滿時再續三年。

董事的服務協議均無訂明其提供服務可獲取的任何酬金或花紅款額。執行董事獲支付固定年薪以擔任本公司職務，並根據中國有關法律和法規，有權享有各項福利待遇（包括退休福利及醫療保險）。非執行董事於截至二零一九年十二月三十一日止年度放棄其董事酬金，收取名義年度袍金人民幣1.00元。

根據本公司與三名獨立非執行董事各自訂立之有關服務協議，付明仲女士及王錦霞女士各自收取年度袍金人民幣108,000元，而盧偉雄先生收取年度袍金180,000港元。

除上述者外，董事概無與本公司訂立本公司不可於一年內未有支付賠償（法定賠償除外）而終止的服務合約。

董事於合約之權益

除披露者外，本公司、其同系附屬公司或其控股公司或本集團概無於年內或年末訂有任何董事或其關連實體（定義見上市規則）於當中直接或間接擁有任何重大權益且與本集團業務有關之重大交易、安排或合約。

DIRECTORS' INTERESTS AND LONG POSITIONS IN SHARES

As at 31 December 2019, the interests of the directors in the share capital of the Company and their associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong ("SFO")), (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provision of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities transactions by Directors of Listed Companies (the "Model Code") contained in the Listing Rules:

(i) Long positions of non-listed Shares of RMB0.10 each of the Company

Name of Director	Types of interests	Capacity	Total number of H Shares	Approximate percentage of the issued share capital of the Company 佔本公司已發行股本的概約百分比
董事姓名	權益類別	身份	H股總數	
Mr. Zhang Hua Wei 張華威先生	Personal 個人	Beneficial owner 實益擁有人	32,400,000	0.716%
Mr. Wang Yi 王毅先生	Personal 個人	Beneficial owner 實益擁有人	23,400,000	0.517%
Mrs. Zhou Shu Hua 周淑華女士	Personal 個人	Beneficial owner 實益擁有人	15,300,000	0.338%

In addition, Mr. Chen Lin, son of Mr. Chen Xue Li is holder of the Company's 196,000 H Shares, representing 0.004% of the issue share capital of the Company.

董事於股份的權益及好倉

於二零一九年十二月三十一日，董事於本公司及其相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）之股本中擁有(i)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益（包括根據證券及期貨條例的相關條文彼等視作或被視為擁有的權益或淡倉），或(ii)將予記入本公司根據證券及期貨條例第352條須存置之登記冊之權益，或(iii)根據上市規則所載的上市公司董事進行證券交易之標準守則（「標準守則」）而須知會本公司及聯交所之權益如下：

(i) 於本公司每股面值人民幣0.10元非上市股份中的好倉

另外，陳學利先生之子陳林先生乃本公司196,000股H股的持有人，佔本公司已發行股本的0.004%。

DIRECTORS' INTERESTS AND LONG POSITIONS IN SHARES (continued)

董事於股份的權益及好倉 (續)

(ii) Long positions in the registered capital of the ultimate holding company, Weigao Holding, an associated corporation of the Company

(ii) 於最終控股公司威高集團公司(本公司相聯法團)註冊資本的好倉

Name of director	Capacity	Amount of registered capital	Approximate percentage of the registered capital of Weigao Holding 佔威高集團公司註冊資本概約百分比
董事姓名	身份	註冊資本金額	註冊資本金額
Weihai Weigao International Medical Investment Holding Company Limited* (Note) 威海威高國際醫療投資控股有限公司(附註)	Registered owner 登記擁有人	1,078,000,000	89.83%
Mr. Chen Xue Li 陳學利先生	Beneficial owner 實益擁有人	69,540,000	5.79%
Mr. Zhang Hua Wei 張華威先生	Beneficial owner 實益擁有人	21,960,000	1.83%
Mrs. Zhou Shu Hua 周淑華女士	Beneficial owner 實益擁有人	12,200,000	1.02%
Mr. Wang Yi 王毅先生	Beneficial owner 實益擁有人	4,880,000	0.41%

Note: 威海威高國際醫療投資控股有限公司 (Weihai Weigao International Medical Investment Holding Company Limited*) is owned as to 55.89% by Mr. Chen Xue Li, 18.0% by Mr. Zhang Hua Wei, 10.0% by Mrs. Zhou Shu Hua, 5.11% by Mr. Wang Yi and 8.0% by Mr. Chen Lin

附註：威海威高國際醫療投資控股有限公司由陳學利先生、張華威先生、周淑華女士、王毅先生及陳林先生分別擁有55.89%、18.0%、10.0%、5.11%及8.0%權益

Other than as disclosed above, none of the Directors nor their associates had any interests or short positions in any shares of the Company or any of its associated corporations as at the date of this report.

除上文披露者外，於本報告日期，概無董事及其聯繫人於本公司或其任何相聯法團任何股份中擁有任何權益或淡倉。

PURCHASE, SALE OR REDEMPTION OF SECURITIES

At no time during the Year were rights to acquire benefits by means of the acquisition of shares in or debenture of the Company granted to any directors or their respective associates or were any such rights exercised by them; or was the Company, its ultimate holding company or any subsidiaries of its ultimate holding company or fellow subsidiaries a party to any arrangement to enable the directors of the Company to acquire such rights in the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2019, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO recorded that other than the interests disclosed above in respect of certain Directors, the following shareholder had notified the Company of relevant interest in the issued share capital of the Company.

Name of Shareholder	Capacity	Number of H shares	Percentage of total issued share capital 佔已發行股本總額的百分比
股東名稱	身份	H股數目	
Weigao Holding Company Limited 威高集團有限公司	Beneficial owner 實益擁有人	2,159,755,676	47.76%

Save as disclosed above, the following shareholders have disclosed their relevant interests or long positions in the issued share capital of the Company.

購買、出售或贖回證券

於本年度內任何時間，概無任何董事或彼等各自的聯繫人獲授以收購本公司股份或債券方式獲利的權利，而彼等亦無行使任何該等權利；或本公司、其最終控股公司或其最終控股公司的任何附屬公司或同系附屬公司的任何附屬公司概無訂立任何安排，使本公司董事可收購於本公司或任何其他法人團體的該等權利。

主要股東

於二零一九年十二月三十一日，按本公司根據證券及期貨條例第336節存置的主要股東登記冊所示，除上文披露有關若干董事的權益外，下列股東已知會本公司其於本公司已發行股本中的有關權益。

除上文披露者外，下列股東已披露彼等於本公司已發行股本中擁有的相關權益或好倉。

SUBSTANTIAL SHAREHOLDERS (continued)

主要股東 (續)

Name of substantial shareholder 主要股東名稱	Number of H shares interested 擁有權益 H股數目	% of Issued Share Capital 佔已發行 股本百分比
Mr. Chen Xue Li 陳學利先生	2,159,755,676(L)	47.76(L)
Weihai Weigao International Medical Investment Holding Company Limited# 威海威高國際醫療投資控股有限公司	2,159,755,676(L)	47.76(L)
Weigao Holding Company Limited# 威高集團有限公司	2,159,755,676(L)	47.76(L)

Note: (L) – Long Position

* Source: Website of Hong Kong Stock Exchange

For identification purpose only

附註： (L)–好倉

* 資料來源：香港聯交所網站

僅供識別

MAJOR CUSTOMERS AND SUPPLIERS

主要客戶及供應商

In 2019, sales to the Group's five largest customers accounted for 3.5% of the total sales for the Year and sales to the largest customer included therein accounted for 0.8% of the total sales of the Year. Purchases from the Group's five largest suppliers accounted for 17.2% of the total purchases for the Year and purchases from the largest supplier included therein accounted for 4.8% of the total purchases of the Year. During the Year, none of the directors of the Company or any of their associates or any shareholders (which to the knowledge of the directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the top five customers and suppliers of the Group.

於二零一九年，向本集團五大客戶的銷售佔本年度總銷售3.5%，而向其中最大客戶的銷售則佔本年度總銷售0.8%。向本集團五大供應商所作採購佔本年度總採購額17.2%，而向其中最大供應商所作採購則佔本年度總採購4.8%。本年度內，本公司董事、其任何聯繫人或據董事所知擁有本公司已發行股本5%以上的任何股東概無於本集團五大客戶及供應商中擁有任何實益權益。

SHARE AWARD SCHEME REGARDING NON-LISTED SHARES

As approved on the extraordinary general meeting and class meetings on 17 November 2014 (the "Adoption Date"), the Company adopted a share award scheme (the "Scheme") regarding a specific mandate to issue a maximum of 223,818,616 Non-listed Shares as incentive shares under the Scheme. The 223,818,616 Non-listed Shares represent 5% of the issued share capital of the Company or approximately 4.76% of the issued share capital of the Company as enlarged by the issue of the 223,818,616 Non-listed Shares on the Adoption Date. The incentive shares allotted to the eligible participants will be subject to a lock-up period and performance target based on certain key performance indicators. The Scheme serves to retain the long-term service of the selected employee and align his/her continuous performance with the development goal of the Group. The life of the Incentive Share Scheme is for 10 years starting from 17 November 2014. Details of the Scheme are set out in the circular of the Company dated 30 September 2014. As of 31 December 2019, the Company granted 45,960,000 incentive shares to a total of 149 qualified employees.

Details of specific categories of share award are as follows:

	Date of grant 授出日期	Vesting period 歸屬期	Exercise Price 行使價
Batch 1 第1批	11/12/2015 二零一五年 十二月十一日	5 years 5年	RMB2.2 人民幣2.2元

The granted shares are vested in five tranches with the vesting date on 31 December of each year from 2015 to 2019, the vested shares are excisable after two years lock up period following vested.

As of 31 December 2019, the outstanding incentive shares under the Incentive Share Scheme were 45,960,000 (2018:45,960,000), included 9,078,000 exercisable shares (2018: 8,296,000).

有關非上市股份之股份激勵計劃

經於二零一四年十一月十七日（「採納日期」）舉行之股東特別大會及類別會議上批准，本公司採納一項股份激勵計劃（「該計劃」），涉及特別授權以根據該計劃發行最多223,818,616股非上市股份作為激勵股份。223,818,616股非上市股份相當於本公司於採納日期已發行股本5%或經發行223,818,616股非上市股份擴大後本公司已發行股本約4.76%。向合資格參與者配發之激勵股份將須受禁售期及基於若干主要表現指標之表現目標所規限。該計劃的目的為挽留長期服務本集團之經選定僱員及令其持續表現配合本集團之發展目標。激勵股份計劃之期限自二零一四年十一月十七日起計10年。該計劃之詳情載於本公司日期為二零一四年九月三十日之通函內。截至二零一九年十二月三十一日，本公司授出45,960,000股激勵股份予合共149名合資格僱員。

具體股份激勵類別的詳情如下：

授出的股份將分5批予以歸屬，歸屬日期為自二零一五年至二零一九年各年之十二月三十一日，已歸屬股份可於歸屬後兩年鎖定期屆滿後予以行使。

於二零一九年十二月三十一日，激勵股份計劃項下之尚未行使激勵股份為45,960,000股（二零一八年：45,960,000股），包括9,078,000股可行使股份（二零一八年：8,296,000股）。

SHARE AWARD SCHEME REGARDING NON-LISTED SHARES (continued)

During the year ended 31 December 2019, the trustees repurchased 7,248,000 shares (2018: 6,084,000), which would be taken up by the Selected Employees with the net consideration of RMB23,995,000 (2018: RMB10,543,000) at the price of RMB5.51 per share (2018: RMB3.93). The controlling shareholder provided the required funds for repurchase, and it will absorb, and will not claim for, any shortfalls in repayment. The repurchased shares are held by the trustees for the benefit of the Share Award Scheme, to grant to other selected employees or to sell for the repayment of the loan provided by the controlling shareholder.

LOAN AGREEMENT WITH INTERNATIONAL FINANCE CORPORATION

On 27 January 2015, the Company entered into a five (5) years loan agreement (the "Loan Agreement") for the principal amount of RMB600 million (approximately HK\$672 million) (the "Loan") with the International Finance Corporation ("IFC"), a member of the World Bank Group and the largest global development institution focused exclusively on the private sector. The Loan has been repaid in one lump sum on 15 March 2020. The Loan was jointly secured by 100% equity interest of Jierui that owned by the Company. Details of the Loan Agreement are set out in the announcement of the Company dated 27 January 2015.

有關非上市股份之股份激勵計劃 (續)

截至二零一九年十二月三十一日止年度，受託人以每股人民幣5.51元（二零一八年：人民幣3.93元）的價格回購擬由受益人所接納的7,248,000股股份（二零一八年：6,084,000股），代價淨額為人民幣23,995,000元（二零一八年：人民幣10,543,000元）。控股股東提供回購所需資金，且其將收回還款差額及不會就還款差額索償。回購股份由受託人為股份激勵計劃的利益持有，以向其他受益人授出或出售以償還控股股東提供的貸款。

與國際金融公司之貸款協議

於二零一五年一月二十七日，本公司與世界銀行集團成員公司及全球最大之專注於私人市場之發展機構國際金融公司（「國際金融公司」）訂立本金額為人民幣600,000,000元（約672,000,000港元）（「貸款」）之五(5)年貸款協議（「貸款協議」）。貸款已於二零二零年三月十五日一次性償還。貸款以本公司擁有的潔瑞全部股權共同作抵押。貸款協議之詳情載於本公司日期為二零一五年一月二十七日之公佈內。

PROPOSED SPIN-OFF AND LISTING OF SHANDONG WEIGAO ORTHOPAEDIC DEVICE COMPANY LIMITED ON A STOCK EXCHANGE IN THE PRC

The Company is considering a possible spin-off and separate listing of Shandong Weigao Orthopedic Device Company Limited (山東威高骨科材料股份有限公司) (“Weigao Ortho”) and its subsidiaries on a Stock Exchange in the People’s Republic of China (“PRC”) (the “Proposed Spinoff and Listing”). Weigao Ortho is a non-wholly-owned subsidiary of the Company and currently mainly engages in the research and development, production and sale of spine, trauma and joint orthopedic implants. On 30 December 2019, the Company made a submission to Shandong Regulatory Bureau of China Securities Regulatory Commission regarding the application for pre-listing tutoring process in connection with the Proposed Spin-off and Listing. The Company has submitted an application in relation to the Proposed Spin-off and Listing to the Hong Kong Stock Exchange for approval pursuant to Practice Note 15 of the Listing Rules in due course. The Proposed Spin-off and Listing, if materialised, will constitute a deemed disposal under Chapter 14 of the Listing Rules. The Company will make further disclosure as and when appropriate pursuant to the relevant requirements of the Listing Rules.

DISPOSAL OF A SUBSIDIARY

The Company entered an agreement with Weigao Holding Company Limited to dispose its 100% interest in Weihai Weigao Blood Supplies Co., Limited. (“Weigao Blood Supplies”) at a consideration of RMB11.3 million in cash. Weigao Blood Supplies is principally engaged in production of blood collecting needles and blood collection tubes. Details of the transaction was set out in the announcement of the Company dated 28 August 2019.

EVENT AFTER THE REPORTING PERIOD

Since the outbreak of the COVID-19 pandemic in China and around the world from January 2020, governments in various countries have required enterprises to implement measures to prevent and control the disease, including travel restrictions, quarantine arrangements or suspension of operating activities. The subsequent prevention and control measures have certain impact on the operation of the Group, as the Group’s business operations are located in Mainland China, United States, Europe and multiple other countries.

建議分拆山東威高骨科材料股份有限公司並於中國一間證券交易所上市

本公司正考慮可能分拆山東威高骨科材料股份有限公司(「威高骨科」)及其附屬公司並於中華人民共和國(「中國」)一間證券交易所獨立上市(「建議分拆上市」)。威高骨科為本公司之非全資附屬公司，目前主要從事研究及開發、生產及銷售脊柱、創傷及關節骨科植入物。於二零一九年十二月三十日，本公司就申請有關建議分拆上市之上市前輔導過程向中國證券監督管理委員會山東監管局提交申請。根據上市規則第15項應用指引，本公司已於適當時候向香港聯交所提交有關建議分拆上市之申請以供批准。倘建議分拆上市獲落實，根據上市規則第十四章，其將構成視作出售事項。本公司將根據上市規則之相關規定於適當時候作出進一步披露。

出售一家附屬公司

本公司與威高集團有限公司訂立協議，出售其於威海威高採血耗材有限公司(「威高採血耗材」)100%的權益，現金代價為人民幣11,300,000元。威高採血耗材主要從事生產採血針及採血管。該交易的詳情載於本公司日期為二零一九年八月二十八日之公佈。

報告期後事項

自COVID-19疫情於二零二零年一月在中國爆發並蔓延全球，各國已要求企業採取措施防控疫情，包括旅遊限制、檢疫安排或暫停營運活動。其後的防控措施已對本集團的營運造成一定影響，因為本集團的業務營運位於中國內地、美國、歐洲及其他多國。

EVENT AFTER THE REPORTING PERIOD

(continued)

Given the dynamic nature of these circumstances, the directors of the Company consider that the financial effects on the Group's consolidated financial statements cannot be reasonably estimated as at the date of these financial statements which are authorised for issue, but are expected to affect the consolidated results for the first half year of 2020.

CONTINUING CONNECTED TRANSACTIONS IN RESPECT OF FRAMEWORK AGREEMENTS

The Company and subsidiaries (collectively the "Group") renewed the respective framework purchase agreement, framework sales agreement, framework tenancy agreement, framework services agreement, framework finance leasing and factoring agreement and framework logistic and distribution agreement (collectively the "Framework Agreements") with Weigao Holding Company Limited or its subsidiaries (collectively "Weigao Holding Group") dated 5 December 2018 and the revision of annual caps of the respective annual caps of the Framework Agreements in the announcements of the Company dated 26 September 2019 and 18 December 2019.

1. Framework Purchase Agreement

An agreement pursuant to which the Group agrees to purchase and Weigao Holding Group agrees to sell services and medical based products, including and not limited to, medical equipment, medical raw materials, medical packaging materials, pharmaceutical machine accessories and parts and office stationery on a non-exclusive basis. The annual cap for the purchase transactions between the Group and Weigao Holding Group shall not exceed RMB440,000,000 for the year ended 31 December 2019. During the Year, the actual amount of transactions in relation to the Framework Purchase Agreement was approximately RMB402,678,000.

報告期後事項 (續)

由於情況隨時變動，本公司董事認為，截至本集團綜合財務報表獲授權刊發之日，未能合理評估對有關財務報表的財務影響，但預期將影響二零二零年上半年的綜合業績。

有關框架協議之持續關連交易

本公司及附屬公司（統稱「本集團」）與威高集團有限公司或其附屬公司（統稱「威高集團」）於二零一八年十二月五日重續框架採購協議、框架銷售協議、框架租賃協議、框架服務協議、框架融資租賃及保理協議以及框架委託配送服務協議（統稱「框架協議」），並於本公司日期為二零一九年九月二十六日及二零一九年十二月十八日的公佈中修訂框架協議各自的年度上限。

1. 框架採購協議

根據該協議，本集團同意按非獨家基準採購，而威高集團同意按非獨家基準出售服務及醫用產品，包括（但不限於）醫療設備、醫用原材料、醫用包裝材料、製藥工具零配件及辦公文具用品。於截至二零一九年十二月三十一日止年度，本集團與威高集團之採購交易之年度上限不得超過人民幣440,000,000元。年內，有關框架採購協議之實際交易金額約為人民幣402,678,000元。

CONTINUING CONNECTED TRANSACTIONS IN RESPECT OF FRAMEWORK AGREEMENTS

(continued)

2. Framework Sales Agreement

An agreement pursuant to which the Group agrees to sell and Weigao Holding Group agrees purchase, including and not limited to, medical devices, carton box and moulding on a non-exclusive basis. The annual cap for the sales transactions between the Group and Weigao Holding Group shall not exceed RMB350,000,000 for the year ended 31 December 2019. During the Year, the actual amount of transactions in relation to the Framework Sales Agreement was approximately RMB311,716,000.

3. Framework Tenancy Agreement

The Group entered into framework tenancy agreement with Weigao Holding Group regarding lease of premises located at industrial zone at Chucun in Weihai in Shandong Province, the PRC. The annual rental cap between the Group and Weigao Holding Group shall not exceed RMB23,000,000 for the year ended 31 December 2019. During the Year, the actual rental amount in relation to the Framework Tenancy Agreement was approximately RMB14,029,000.

4. Framework Services Agreement

The Group entered into framework services agreement regarding procurement of factory workers transportation services, dormitory, canteen and catering services provided by Weigao Holding Group to the Group. The annual cap between the Group and Weigao Holding Group shall not exceed RMB80,000,000 for the year ended 31 December 2019. During the Year, the actual amount of transactions in relation to the Framework Services Agreement was approximately RMB38,313,000.

5. Framework Finance Leasing and Factoring Agreement

The Group renewed and entered into the finance leasing and factoring framework agreement with Weigao Holding Group to provide finance leasing and factoring services to Weigao Holding Group with a principal of not exceeding RMB500,000,000 for the year ended 31 December 2019. During the Year, the actual amount of transactions in relation to the financial leasing and factoring framework agreement was approximately RMB460,401,000.

有關框架協議之持續關連交易 (續)

2. 框架銷售協議

根據該協議，本集團同意按非獨家基準出售，而威高集團同意按非獨家基準採購包括（但不限於）醫療器械、硬紙盒及模具。於截至二零一九年十二月三十一日止年度，本集團與威高集團之銷售交易之年度上限不得超過人民幣350,000,000元。年內，有關框架銷售協議之實際交易金額約為人民幣311,716,000元。

3. 框架租賃協議

根據該協議，本集團與威高集團訂立框架租賃協議，內容有關租賃位於中國山東省威海初村工業區之物業。於截至二零一九年十二月三十一日止年度，本集團與威高集團之年度租賃上限不得超過人民幣23,000,000元。年內，有關框架租賃協議之實際租金約為人民幣14,029,000元。

4. 框架服務協議

本集團訂立框架服務協議，內容有關威高集團向本集團提供工廠工人運輸服務、宿舍、食堂及餐飲服務。於截至二零一九年十二月三十一日止年度，本集團與威高集團之年度上限不得超過人民幣80,000,000元。年內，有關框架服務協議之實際交易金額約為人民幣38,313,000元。

5. 框架融資租賃及保理協議

本集團與威高集團重續及訂立融資租賃及保理框架協議以於截至二零一九年十二月三十一日止年度向威高集團提供本金額不超過人民幣500,000,000元的融資租賃及保理服務。年內，有關融資租賃及保理框架協議之實際交易金額約為人民幣460,401,000元。

CONTINUING CONNECTED TRANSACTIONS IN RESPECT OF FRAMEWORK AGREEMENTS

(continued)

6. Framework Logistic and Distribution Agreement

The Board also announces that on 5 December 2018, the Company entered into the framework logistic and distribution services agreement and renewed annual caps on 27 September 2019 with Weigao Holding Group, pursuant to which the Weigao Holding Group has agreed to provide integrated medical device supply chain logistic services to the Group. The annual cap between the Group and Weigao Holding Group shall not exceed RMB450,000,000 and the actual transaction amount in relation to the framework logistic and distribution agreement was approximately RMB430,256,000.

Weigao Holding is the controlling shareholder of the Company and is therefore a connected person of the Company, the transactions contemplated under the Framework Agreements constitute continuing connected transactions of the Company for the purpose of Chapter 14A of the Listing Rules.

有關框架協議之持續關連交易 (續)

6. 框架委託配送服務協議

董事會亦宣佈，於二零一八年十二月五日，本公司與威高集團訂立框架委託配送服務協議，並於二零一九年九月二十七日重續年度上限，據此，威高集團已同意向本集團提供綜合醫療器械供應鏈配送服務。本集團與威高集團之間的年度上限不得超過人民幣450,000,000元，有關框架委託配送服務協議的實際交易金額約為人民幣430,256,000元。

威高集團公司為本公司之控股股東，因此為本公司之關連人士，故就上市規則第14A章而言，框架協議項下擬進行之交易構成本公司之持續關連交易。

CONTINUING CONNECTED TRANSACTION IN RESPECT OF DEPOSIT SERVICES AGREEMENT WITH LANHAI BANK

有關與藍海銀行訂立之存款服務 協議之持續關連交易

On 20 December 2017, the Company and 威海藍海銀行股份有限公司 (Weihai Lanhai Banking Corporation*) (“Lanhai Bank”) renewed and entered into the deposit services agreement, pursuant to which the Group utilizes the deposit services offered by Lanhai Bank. Pursuant to the deposit services agreement, Lanhai Bank provides deposit services to the Group and the Group utilizes such deposit services on a non-exclusive basis. Lanhai Bank is one of a number of financial institutions which provide deposit services to the Group. The Group may obtain deposit services available from any other financial institutions as it sees fit. The deposit services agreement shall be for an initial term of three years commencing from the date of agreement. Upon expiry of the initial term of the deposit services agreement, the agreement may be renewed for further terms of three years automatically unless either party objects by giving a written notice at least one month prior to the expiry of the deposit services agreement. The annual cap for the year ended 31 December 2019 is RMB300,000,000. During the Year, the maximum daily balance of deposits in relation to the deposit service agreement was approximately RMB292,639,000. Lanhai Bank is a 30%-controlled company of Weigao Holding, the controlling shareholder of the Company. Details of the transaction has been disclosed in the announcement dated 20 December 2019.

Pursuant to Rule 14A.56 of the Listing Rules, the Board appointed the auditor of the Company to report on the above continuing connected transactions between the Company and the connected persons for the year ended 31 December 2019.

The auditor of the Company was engaged in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the HKICPA and reported the following conclusion to the Board:

二零一九年十二月二十日，本公司與威海藍海銀行股份有限公司（「藍海銀行」）重續及訂立存款服務協議，據此，本集團使用藍海銀行提供之存款服務。根據存款服務協議，藍海銀行向本集團提供存款服務，而本集團按非獨家基準使用有關存款服務。藍海銀行為向本集團提供存款服務之多家金融機構之一。本集團可於其認為屬適當之情況下，向任何其他金融機構取得可用之存款服務。存款服務協議之初步年期將為自協議日期起計三年。於存款服務協議之初步年期屆滿後，該協議可再自動重續進一步年期三年，除非任何訂約方於存款服務協議屆滿前至少一個月通過發出書面通知提出反對。截至二零一九年十二月三十一日止年度，有關年度上限為人民幣300,000,000元。年內，有關存款服務協議交易之存款最高每日結餘為約人民幣292,639,000元。藍海銀行為由威高集團公司（本公司之控股股東）控制30%權益之公司。交易詳情已於日期為二零一九年十二月二十日之公佈內披露。

根據上市規則第14A.56條，董事會委任本公司核數師就上述截至二零一九年十二月三十一日止年度之本公司與關連人士之持續關連交易進行匯報。

本公司已根據香港鑒證業務準則第3000號（經修訂）「審計或審閱歷史財務資料以外的鑒證工作」，並參照香港會計師公會頒佈的實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」委聘核數師，並向董事會呈報以下結論：

CONTINUING CONNECTED TRANSACTION IN RESPECT OF DEPOSIT SERVICES AGREEMENT WITH LANHAI BANK (continued)

Based on the foregoing, in respect of the continuing connected transactions of the Company:

- (i) have received approval from the Board;
- (ii) were conducted in accordance to the pricing policy;
- (iii) have been entered into in accordance with the relevant agreement governing such transactions; and
- (iv) have not exceeded the cap amount for the financial year ended 31 December 2019 disclosed in the relevant announcements.

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors or the management shareholders as defined under the "Listing Rules" of the Company or their respective associates has any interest in a business which competes or may compete with the business of the Group or has any other conflict of interests with the Group.

DISCLOSURE OF INFORMATION ON DIRECTOR, THE CHIEF FINANCIAL OFFICER AND SUPERVISOR

Pursuant to Rule 13.51 B of the Listing Rules, the change of information on director during the Year was, with effect from 14 March 2019, Mr. Wang Yi has been re-designated from a non-executive director to an executive director of the Company.

DIVERSITY OF DIRECTORS

The Company has adopted its diversity policy with respect to the composition of the Board. In assessing candidates running for directorships, the Nomination Committee will consider a number of factors, including but not limited to gender, age, educational background, professional experience, technical expertise and the ability to fulfill the requirements of the Board. Details on the biographies and experience of the Directors are set out on pages 62 to 68 of this report.

有關與藍海銀行訂立之存款服務協議之持續關連交易 (續)

基於上文所述，有關本公司之持續關連交易：

- (i) 已獲董事會批准；
- (ii) 已根據定價政策進行；
- (iii) 已根據規管該等交易之有關協議進行；及
- (iv) 並無超過有關公佈所披露之截至二零一九年十二月三十一日止財政年度之上限金額。

競爭及利益衝突

本公司的董事或管理層股東（定義見「上市規則」）或其各自的聯繫人概無在與本集團業務構成或可能構成競爭或與本集團有任何其他利益衝突的業務中有任何權益。

披露董事、財務總監及監事資料

根據上市規則第13.51B條，董事資料於本年度之變動為王毅先生由非執行董事調任本公司執行董事，自二零一九年三月十四日起生效。

董事多元化

本公司已採納有關董事會組成之董事會成員多元化政策。提名委員會於評估董事候選人時將考慮多項因素，包括但不限於性別、年齡、教育背景、專業經驗、技術專長及達至董事會之要求之能力。董事履歷及經驗詳情載於本報告第62至68頁。

PUBLIC FLOAT AND MARKET CAPITALIZATION

Based on the publicly available information known to the Company and to the best of the Directors' knowledge, as of the date of this report, the public float of the Company is in compliance with that stipulated under Rule 8.08 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. As at 31 December 2019, the market capitalization of the Company was approximately HK\$42.2 billion.

DIRECTORS RESPONSIBILITIES IN PREPARING THE GROUP'S FINANCIAL STATEMENTS

The Directors acknowledged the responsibility for preparing the accounts and have confirmed that the preparation of the Group's financial statement is in compliance with the relevant regulations and applicable accounting standards.

In preparing the financial statements for the Year, the Directors adopted appropriate and consistent accounting policies and made prudent and reasonable judgments and estimations.

The financial statements for the Year have been prepared by the Directors on a going concern basis. There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. A statement by the external auditors of the Company regarding their reporting responsibilities on the accounts of the Group is set out in the "Independent Auditor's Report" in this annual report.

AUDITORS

A resolution will be proposed at the forthcoming annual general meeting to re-appoint Deloitte Touche Tohmatsu as the auditors of the Company.

On behalf of the Board
Zhang Hua Wei
Chairman

Weihai, Shandong, the PRC
29 April 2020

公眾持股量及市值

根據本公司所知之公眾可得資料及就董事所深知，於本報告日期，本公司之公眾持股量符合香港聯合交易所有限公司證券上市規則第8.08條訂明之規定。於二零一九年十二月三十一日，本公司之市值約為422億港元。

董事就編製本集團財務報表承擔之責任

董事承認有編製賬目的責任及已確認本集團財務報表的編製符合有關法規及適用之會計準則。

於編製本年度財務報表時，董事已採用適當及一致的會計政策，並已作出審慎和合理的判斷與估計。

董事已按持續經營基準編製本年度的財務報表。並無可能對本公司持續經營的能力構成重大疑問的事件或情況相關的重大不明朗因素存在。本公司的外聘核數師就其對本集團的賬目應負的報告責任發出的聲明，已載於本年報「獨立核數師報告書」內。

核數師

在應屆股東週年大會上，將會呈交一項決議案，以重新委任德勤•關黃陳方會計師行作為本公司的核數師。

代表董事會
張華威
主席

中國山東威海
二零二零年四月二十九日

OVERVIEW

The Board of Directors of the Company recognize the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability. This report outlines the principles and the code provisions of the Code on Corporate Governance Practices (the “Code”) contained in the Listing Rules, which have been adopted by the Group since its listing on 28 February 2004.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the standard for securities transactions by Directors. The Company has made specific enquiries of all the Directors and all the Directors confirmed that they have complied with the required standards set out in the Model Code and its code of conduct regarding directors’ securities transactions throughout the year of 2019.

The following summarizes the corporate governance practices of the Company:

The Board of Directors

The Board takes responsibility to oversee all major matters of the Company, including the formulation and approval of overall business strategies, internal control and risk management systems, and monitoring the performance of the senior management. The management is responsible for the daily operations of the Group under the leadership of the Chief Executive Officer. The Directors have the responsibility to act objectively in the interests of the Company.

概覽

本公司董事會深知在本集團的管理架構及內部監控程序引入優良的企業管治元素的重要性，藉以達致有效的問責性。本報告概述上市規則所載的企業管治常規守則（「守則」）的原則及守則條文，本集團已自其於二零零四年二月二十八日上市以來採納該原則及守則條文。

遵守董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載的標準守則作為董事進行證券交易的標準。本公司已向全體董事作出特定查詢，而全體董事亦已確認彼等在二零一九年度一直遵守標準守則所載標準及其有關董事進行證券交易的行為守則。

以下概述本公司的企業管治常規：

董事會

董事會負責監察本公司的所有重要事宜，包括制定及批准整體業務策略、內部監控及風險管理系統，以及監督高級管理人員的表現。管理層在行政總裁的領導下負責本集團的日常營運。董事負責以本公司利益客觀行事。

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

(continued)

The Board of Directors (continued)

Currently, the Board comprises eight Directors, including four executive Directors, one non-executive Directors and three independent non-executive Directors.

Executive Directors:

Mr. Zhang Hua Wei (*Chairman*)
Mr. Long Jing (*Chief Executive Officer*)
Mr. Wang Yi
Mr. Gong Jian Bo

Non-executive Director:

Mrs. Zhou Shu Hua

Independent non-executive Directors:

Mr. Lo Wai Hung
Mrs. Fu Ming Zhong
Mrs. Wang Jin Xia

遵守董事進行證券交易的標準守則 (續)

董事會 (續)

目前，董事會由八名董事組成，包括四名執行董事、一名非執行董事以及三名獨立非執行董事。

執行董事：

張華威先生 (主席)
龍經先生 (行政總裁)
王毅先生
弓劍波先生

非執行董事：

周淑華女士

獨立非執行董事：

盧偉雄先生
付明仲女士
王錦霞女士

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

(continued)

The Board of Directors (continued)

In compliance of Rule 3.10(1) of the Listing Rules, the Board currently comprises three independent non-executive Directors. Pursuant to paragraph 12B of the Appendix 16 of the Listing Rules, each of the independent non-executive Directors has confirmed by annual confirmation that he/she has complied with the independence criteria set out in Rules 3.13 of the Listing Rules. The Director consider that all three independent non-executive Directors are independent under these independence criteria and are capable to effectively exercise independent judgment. Amongst the three independent non-executive Directors, Mr. Lo Wai Hung has the appropriate professional qualifications and accounting and related financial management expertise required under Rule 3.10 (2) of the Listing Rules.

Board Meetings

Board meetings were held two times during this year to review and approve financial and operating performance, interim and annual results. Ad-hoc meetings will also be convened if necessary to discuss the overall strategy as well as the operation and financial performance of the Group. Notice of board meeting will be sent to all Directors at least 14 days prior to a regular board meeting. Reasonable notice will be given to Directors for ad-hoc board meetings. Directors may participate either in person or through electronic means of communications.

The Company will adopt the practice to provide relevant materials to all the Directors relating to the matters brought before the meetings. All the Directors will be provided with sufficient resources to discharge their duties, and, upon reasonable requests, the Directors will be able to seek independent professional advice in appropriate circumstances, at the Company's expenses. All Directors will have the opportunity to include matters in the agenda for Board meetings.

遵守董事進行證券交易的標準守則 (續)

董事會 (續)

為符合上市規則第3.10(1)條，董事會目前包括三名獨立非執行董事。根據上市規則附錄十六第12B段，各獨立非執行董事均已以年度確認書確認，彼符合上市規則第3.13條所載獨立身份標準。董事認為，根據此等獨立身份標準，全部三名獨立非執行董事均為獨立人士，能有效作出獨立判斷。在三名獨立非執行董事中，盧偉雄先生具備上市規則第3.10(2)條所規定的適當專業資格及會計以及相關財務管理專業知識。

董事會會議

年內，本公司舉行兩次董事會會議，以審核及批准財務及經營業績、中期及年度業績。需要時亦會召開臨時會議，以商討整體策略以及本集團的營運和財務表現。全體董事將於舉行定期董事會會議前最少十四天獲發董事會會議通告，而臨時董事會會議通告則於合理時間內派發予董事。董事可親身或通過電子通訊方式出席。

本公司於大會前向所有董事提供會上討論事項的相關資料。全體董事將獲得充分的資源以履行其職責，並在合理的要求下，董事可於合適情況下尋求獨立專業意見，費用由本公司承擔。全體董事均有機會於董事會會議議程內加入議題。

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

(continued)

遵守董事進行證券交易的標準守則 (續)

Board Meetings (continued)

Number of Board meetings held during the year 2019: four.

The attendance of each Director at Board meetings during the year ended 31 December 2019 was as follows:

董事會會議 (續)

於二零一九年度舉行的董事會會議次數：四次。

截至二零一九年十二月三十一日止年度，各董事出席董事會會議的情況載列如下：

**Attendance in 2019
於二零一九年的出席率**

Executive Directors

Mr. Zhang Hua Wei
Mr. Long Jing
Mr. Wang Yi
Mr. Gong Jian Bo

執行董事

張華威先生
龍經先生
王毅先生
弓劍波先生

100%
100%
100%
100%

Non-executive Director

Mrs. Zhou Shu Hua

非執行董事

周淑華女士

100%

Independent non-executive Directors

Mr. Lo Wai Hung
Mrs. Fu Ming Zhong
Mrs. Wang Jin Xia

獨立非執行董事

盧偉雄先生
付明仲女士
王錦霞女士

100%
100%
100%

Minutes of the Board and the committee meetings are recorded, and final version are submitted to Directors for review within reasonable time after the meetings, normally 14 days after the meetings.

Secretary of the Board assists the chairman to establish meeting agenda, and each Director may request inclusion of items in the agenda.

董事會及委員會會議均備有記錄，而最終稿在大會後合理時間內（一般為大會後十四日內）送交董事審閱。

董事會秘書協助主席編製會議議程，而各董事可要求在議程內加入議題。

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

(continued)

Board Meetings (continued)

Matters on transactions where Directors are considered having conflict of interests or material interests will not be dealt with by way of written resolutions. The Directors concerned can express views but will not be counted in the quorum of meetings and shall abstain from voting on the relevant resolution(s).

All Directors have access to the company secretary who is responsible for ensuring that the Board procedures are complied with, and advising the Board on compliance matters.

Minutes of the Board and the committee meetings are kept by the company secretary and are open for inspection by Directors.

Chairman and Chief Executive Officer

Under provision A2.1 of the Code, the roles of the Chairman and the Chief Executive Officer should be separate and should not be performed by the same individual. Mr. Zhang Hua Wei is the Chairman of the Board and an executive Director of the Group's business. Mr. Long Jing is the Chief Executive Officer of the Company and an executive Director of the Company.

The Chairman of the Board is appointed by the Board itself, who is responsible for the leadership of the effective operation of the Board, and ensuring that all major and appropriate issues are discussed by the Board on a timely basis and in a constructive manner. The Chief Executive Officer is appointed by the Board. He is responsible for the management of daily operations of the Company and the implementation of the strategies and plans determined by the Board.

Experience

The executive Directors and non-executive Directors possess administrative leadership, diversified knowledge and extensive management experience in the industry. The independent non-executive Directors possess extensive knowledge, experience and judgment in different areas. The Board will seriously consider the objective views of the independent non-executive Directors for making decisions, and regard this as an effective guidance for the Group's business direction.

遵守董事進行證券交易的標準守則 (續)

董事會會議 (續)

對於董事被視為存在利益衝突或擁有重大權益的交易事宜，將不會通過書面決議案方式處理。有關董事可在會上表達意見，但不會計入會議法定人數，並須就有關決議案放棄表決。

全體董事均可接觸公司秘書，而公司秘書負責確保董事會程序得以遵守，並就合規事宜向董事會提供意見。

董事會及委員會會議的會議記錄均由公司秘書保存，而董事可隨時查閱。

主席與行政總裁

根據守則第A2.1條條文，主席及行政總裁的職責應分開且不得由同一人士擔任。張華威先生為董事會主席兼本集團業務之執行董事。龍經先生為本公司的行政總裁兼本公司執行董事。

董事會主席由董事會自行委任，負責領導董事會，並使其有效運作，同時確保董事會以適時及具建設性的方式討論所有主要及適當的事項。行政總裁由董事會委任，負責管理本公司的日常業務以及執行董事會釐定的戰略及計劃。

經驗

執行董事和非執行董事具有行政領導能力、多元化知識及豐富行業管理經驗。獨立非執行董事擁有不同領域的豐富知識、經驗及判斷力。董事會作決策時將認真考慮獨立非執行董事的客觀意見，以此作為本集團業務方針的有效指引。

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

(continued)

Directors' responsibility

The Board manages the business of the Company on behalf of its shareholders. The Directors consider that they are obliged to fulfill their responsibilities in a prudent, diligent and faithful manner, so as to create value for shareholders and safeguard the best interests of the Company and its shareholders.

Remuneration Committee

The Company established a remuneration committee on 12 August 2005 in accordance with the requirement of the Code. The remuneration committee comprises three independent non-executive Directors, namely Mr. Lo Wai Hung, Mrs. Fu Ming Zhong, Mrs. Wang Jin Xia and a non-executive director, Mrs. Zhou Shu Hua.

The remuneration committee has reviewed the remuneration policy, the performance and the remuneration of executive Directors and members of senior management, the existing terms of service contracts of the executive Directors. The objective of the remuneration policy is to ensure that the Company is able to attract, retain and motivate high-caliber staff, which is vital to the success of the Company.

In reviewing and determining the remuneration packages of the executive Directors and members of senior management, the remuneration committee considers their responsibilities, skills, expertise and contribution to the Group's performance and whether remuneration packages are competitive and sufficient to ensure that the Group is able to attract and retain the best available executive talent.

Remuneration of Directors is subject to annual assessment and recommendation by the Remuneration Committee to the Board for further review and approval, which is subsequently subject to shareholders' approval at annual general meeting. The primary goal of the remuneration policy on executive Directors remuneration packages is to enable the Company to retain and motivate executive Directors by linking their compensation with performance as measured against corporate objectives. Under the policy, a Director is not allowed to approve his own remuneration.

遵守董事進行證券交易的標準守則 (續)

董事責任

董事會代表其股東管理本公司業務。董事認為，彼等須謹慎、勤勉且忠誠地履行職責，為股東創造價值，維護本公司及其股東的最佳利益。

薪酬委員會

本公司已根據守則規定於二零零五年八月十二日成立薪酬委員會。薪酬委員會由三名獨立非執行董事盧偉雄先生、付明仲女士及王錦霞女士及一名非執行董事周淑華女士組成。

薪酬委員會已檢討薪酬政策、執行董事及高級管理層成員的表現及薪酬，以及執行董事的服務合約現有條款。薪酬政策的目標是確保本公司能吸納、挽留及激勵優秀員工，而此對本公司的成功十分重要。

在審閱及釐定執行董事及高級管理層成員的薪酬時，薪酬委員會將考慮他們的職責、技能、專業知識及對本集團業績作出的貢獻，以及薪酬待遇是否具競爭能力，以及是否足以保證本集團能吸引及挽留頂尖的行政人才。

董事酬金須由薪酬委員會進行年度評估並將建議提交董事會，董事會進一步審議並批准之後再提呈股東週年大會經股東批准後方可作實。執行董事的酬金組合政策主旨是使本公司執行董事的酬金及其表現與公司目標掛鈎有助激勵執行董事的工作表現及留任。根據該政策，董事不可批准其本身的薪酬。

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

(continued)

Remuneration Committee (continued)

During the Year, three meetings have been held by the remuneration committee. All members of the remuneration committee attended the meeting during which the remuneration package of directors, supervisors and senior management of the Company for the year 2019. The chairman of the remuneration committee reports the findings and provides recommendations to the Board after each meeting.

During the Year, the remuneration committee has convened three meeting and the attendance of each remuneration committee member is set out below:

遵守董事進行證券交易的標準守則 (續)

薪酬委員會 (續)

於本年度，薪酬委員會舉行過三次會議。所有薪酬委員會成員均參加了會議。會議審議通過了本公司二零一九年度董事、監事及高級管理人員薪金方案。薪酬委員會主席於每次會議後向董事會匯報討論結果，並提供建議。

於本年度，薪酬委員會共召開三次會議，薪酬委員會各成員的出席率如下：

Attendance in 2019 於二零一九年 的出席率

Independent non-executive Directors

Mr. Lo Wai Hung
Mrs. Fu Ming Zhong
Mrs. Wang Jin Xia

獨立非執行董事

盧偉雄先生
付明仲女士
王錦霞女士

100%
100%
100%

Non-executive Director

Mrs. Zhou Shu Hua

非執行董事

周淑華女士

100%

Nomination Committee

The Company established a nomination committee on 21 May 2012 in accordance with the requirement of the Code. The nomination committee comprises Mr. Lo Wai Hung, Mrs. Fu Ming Zhong, Mrs. Wang Jin Xia and Mrs. Zhou Shu Hua. The chairman of the nomination committee is Mr. Lo Wai Hung. The terms of reference of the nomination committee have been defined. The principal duties include:

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

提名委員會

本公司已根據守則規定於二零一二年五月二十一日成立提名委員會。提名委員會由盧偉雄先生、付明仲女士、王錦霞女士及周淑華女士組成。盧偉雄先生為提名委員會主席。提名委員會之職權範圍已界定。主要職責包括：

- 至少每年檢討董事會的架構、人數及組成（包括技能、知識及經驗方面），並就任何為配合本公司的公司策略而擬對董事會作出的任何變動提出建議。

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

(continued)

Nomination Committee (continued)

- to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships.
- to assess the independence of independent non-executive directors.
- to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman of the Board and the chief executive.

The Nomination Committee provided with sufficient resources to perform its duties and shall have access to independent professional advice if necessary. All members of the Nomination Committee have access to the advice and services of the company secretary, and separate and independent access to the Company's senior management for obtaining necessary information.

Each of the Directors of the Company has entered into a service contract with the Company for a specific term of three years, and are subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company.

The Company has not experienced any casual vacancy for members of the Board. In the event that there is such circumstance, the Director appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after his appointment.

The Board selects and nominates Director candidates based on whether they possess the skills and experience needed for the Group's development.

遵守董事進行證券交易的標準守則 (續)

提名委員會 (續)

- 物色具備合適資格成為董事會成員的人士，並挑選提名有關人士出任董事或就此向董事會提供意見。
- 評核獨立非執行董事的獨立性。
- 就董事委任或重新委任以及董事（尤其是董事會主席及行政總裁）繼任計劃向董事會提出建議。

提名委員會已獲提供充足資源以履行其職責，及在有需要時可尋求獨立專業意見。提名委員會的所有成員均可聯絡公司秘書及獲取其服務，個別成員亦可聯絡本公司的高級管理人員以獲取所需資料。

本公司各董事均與本公司訂立一份指定任期為三年的服務合約，並須根據本公司的組織章程細則輪值告退及膺選連任。

本公司未曾出現過董事會成員臨時空缺的情況。倘出現該等情況，為填補臨時空缺而獲委任的董事將在接受委任後的首次股東大會上接受股東選舉。

董事會根據本集團發展需要的技能與經驗來挑選及提名董事候選人。

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

(continued)

During the Year, the nomination committee has convened one meeting and the attendance of each nomination committee member is set out below:

遵守董事進行證券交易的標準守則 (續)

於本年度，提名委員會共召開一次會議，提名委員會各成員的出席率如下：

**Attendance
in 2019
於二零一九年
的出席率**

Independent non-executive Directors

Mr. Lo Wai Hung
Mrs. Fu Ming Zhong
Mrs. Wang Jin Xia

獨立非執行董事

盧偉雄先生
付明仲女士
王錦霞女士

100%
100%
100%

Non-executive Director

Mrs. Zhou Shu Hua

非執行董事

周淑華女士

100%

Corporate Governance Committee

The Company established a corporate governance committee on 30 May 2013. The corporate governance committee comprises Mr. Zhang Hua Wei as the chairman of the committee, Mr. Lo Wai Hung, Mrs. Fu Ming Zhong and Mrs. Wang Jin Xia as members. The terms of reference of the corporate governance committee have been defined. The principal duties include:

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

企業管治委員會

本公司於二零一三年五月三十日成立企業管治委員會。企業管治委員會包括張華威先生（作為委員會主席）、盧偉雄先生、付明仲女士及王錦霞女士（作為成員）。企業管治委員會之職權範圍已界定。主要職責包括：

- (a) 制定及檢討本公司的企業管治政策及常規，並向董事會提出建議；
- (b) 檢討及監察董事及高級管理人員的培訓及持續專業發展；
- (c) 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
- (d) 制定、檢討及監察僱員及董事的操守準則及合規手冊（如有）；及
- (e) 檢討本公司遵守守則的情況及在企業管治報告內的披露。

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

(continued)

The Corporate Governance Committee will be provided with sufficient resources to perform its duties and shall have access to independent professional advice if necessary. All members of the Corporate Governance Committee will have access to the advice and services of the company secretary and separate and independent access to the Company's senior management for obtaining necessary information.

During the Year, the corporate governance committee has convened one meeting. The attendance of each Director is set out below:

遵守董事進行證券交易的標準守則 (續)

企業管治委員會將獲提供充足資源以履行其職責，及在有需要時可尋求獨立專業意見。企業管治委員會的所有成員將可聯絡公司秘書及獲取其意見及服務，個別成員亦可聯絡本公司的高級管理人員以獲取所需資料。

於本年度，企業管治委員會共召開一次會議，各董事的出席率如下：

Attendance in 2019 於二零一九年 的出席率

Director	執行董事	Attendance in 2019 於二零一九年 的出席率
Mr. Zhang Hua Wei	張華威先生	100%
Independent non-executive Directors	獨立非執行董事	
Mr. Lo Wai Hung	盧偉雄先生	100%
Mrs. Fu Ming Zhong	付明仲女士	100%
Mrs. Wang Jin Xia	王錦霞女士	100%

ACCOUNTABILITY AND AUDIT

Financial Reporting

All Directors are provided with explanations and information by the management of the Company so as to enable them to have discussions and make assessment at Board meetings.

All Directors acknowledge the responsibility for the preparation of its accounts, with the responsibility statement in respect to the financial reports made by the Directors set out in this annual report. The auditors have also made a statement about their responsibilities in the auditor's report.

The Board presents a comprehensive, balanced and understandable assessment on the position and prospects of the Group in all shareholder communications.

問責及核數

財務報告

全體董事均能夠獲得本公司管理層提供的解釋及資料，以供其在董事會會議上討論與評審。

全體董事均知悉其編製賬目的責任，於本年報內載有董事就財務報告作出的責任聲明。核數師亦已於核數師報告中就彼等的責任作出了聲明。

董事會於所有股東通訊中，對本集團的狀況及前景作出了全面、均衡及易於理解的評估。

ACCOUNTABILITY AND AUDIT (continued)

Internal control

Directors are responsible for reviewing the internal control and risk management system of the Company periodically to ensure its effectiveness and efficiency. With the support of the internal audit department, they will review the practices, procedures, expenditure and internal control of the Company and its subsidiaries on a regular basis. The management will regularly monitor the concerns as reported by the internal audit department to ensure appropriate remedial measures have been implemented. The Board or senior management can also request the internal audit group to review the specific scope of concerns and report the significant findings of such review to the Board and the audit committee.

The Board has conducted a review of the effectiveness of the system of internal control of the Group.

The Board has considered the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training program and budget.

Audit Committee

As at the date of this report, the audit committee of the Company comprises three independent non-executive Directors, namely Mr. Lo Wai Hung (chairman of the audit committee), Mrs. Fu Ming Zhong, Mrs. Wang Jin Xia and a non-executive Director, Mrs. Zhou Shu Hua. The terms of reference of the audit committee have been clearly defined. Its principal responsibilities include:

- To be primarily responsible for making recommendations to the Board regarding the appointment, reappointment and removal of external auditors; to formulate the remuneration and terms of engagement of external auditors and to propose the Board to submit the same at the general meeting for consideration. To approve the remuneration and terms of engagement of the external auditors when the general meeting is authorizing the Board to determine the remuneration of the auditors, and to address any questions regarding the resignation or retirement of that auditor.

問責及核數 (續)

內部監控

董事負責定期檢討本公司的內部監控及風險管理系統，確保其有效性及效率。在內部核數部門的支持下，彼等將定期對本公司及其附屬公司的常規、程序、開支及內部監控進行檢討。管理層將定期監察內部核數部門所匯報的關注事項，確保實施適當的補救措施。董事會或高級管理人員亦可要求內部審核小組對特定的關注範圍進行檢討，並向董事會及審核委員會匯報重要的檢討結果。

董事會已審查本集團內部監控系統的有效性。

董事會已考慮資源的充足性、本公司會計及財務報告部門員工的資歷及經驗以及彼等的培訓計劃及預算。

審核委員會

截至本報告日期，本公司的審核委員會由三位獨立非執行董事盧偉雄先生（審核委員會主席）、付明仲女士及王錦霞女士以及一位非執行董事周淑華女士組成。審核委員會的職權範圍已清晰界定，其主要職責包括：

- 主要負責就外聘核數師的委任、重新委任及罷免向董事會提供建議；制訂外聘核數師的薪酬及聘用條款，並提請董事會提交股東大會審議。在股東大會授權董事會釐定核數師的薪酬時，批准外聘核數師的薪酬及聘用條款；及處理任何有關核數師辭職或退任的問題。

ACCOUNTABILITY AND AUDIT (continued)

Audit Committee (continued)

- To review and oversee the independence and objectivity of engaging external auditors and the effectiveness of the audit process in accordance with applicable standards. The Committee shall discuss with the auditors regarding the nature and scope of the audit and the relevant reporting obligations before commencing the audit.
- To develop and implement policy in engaging external auditors to provide non-auditing services. For the purpose of this requirement, external auditors includes any entity that is under common control, ownership or management with that audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm domestically or internationally. The Committee shall report to the Board, in respect of any matters in which it considers that an action or improvement is needed and to make recommendations as to the steps to be taken.
- To monitor the completeness of the financial statements of the Company and the annual report and accounts and half-year report of the Company and to review the significant opinion of the respective financial reporting contained therein. In this regard, the committee will review the relevant statements and reports of the respective annual report and accounts and half-year report of the Company before submitting the same to the Board.
- To oversee the financial reporting system and internal control procedures of the Company.

問責及核數 (續)

審核委員會 (續)

- 按適用的標準檢討及監察委聘外聘核數師是否獨立客觀及核數程序是否有效。委員會應於核數工作開始前與核數師討論核數性質及範疇及有關申報責任。
- 就外聘核數師提供非核數服務制定政策，並予以執行。就此規定而言，外聘核數師包括與該核數公司處於同一控制權、所有權或管理權之下的任何機構，或一個合理知悉所有有關資料的第三方，在合理情況下會斷定該機構屬於該核數公司的本土或國際業務的一部分的任何機構。委員會應就其認為必須採取的行動或改善的事項向董事會報告，並建議可採取的步驟。
- 監察本公司的財務報表及本公司年度報告及賬目及半年度報告的完整性，並審閱當中所載有關財務申報的重大意見。在這方面，委員會在向董事會提交有關本公司年度報告及賬目及半年度報告前審閱有關報表及報告。
- 監管本公司財務申報制度及內部監控程序。

ACCOUNTABILITY AND AUDIT (continued)

Audit Committee (continued)

During the Year, the audit committee has convened three meetings, at which, they have primarily discussed and reviewed the interim and annual results and have discussed and considered the internal control procedures of the Group. The attendance of each Director is set out below:

		Attendance in 2019 於二零一九年 的出席率
Independent non-executive Directors	獨立非執行董事	
Mr. Lo Wai Hung	盧偉雄先生	100%
Mrs. Fu Ming Zhong	付明仲女士	100%
Mrs. Wang Jin Xia	王錦霞女士	100%
Non-executive Director	非執行董事	
Mrs. Zhou Shu Hua	周淑華女士	100%

The scope of responsibilities of the audit committee is available on the websites of Company and the Stock Exchange of Hong Kong Limited.

There was no disagreement between the audit committee and the Board in respect of the selection, appointment, resignation or removal of external auditors during the year of 2019.

The audit committee can consult independent professional advice in accordance with stated procedures at the expense of the Company.

In 2019, the audit fees paid to the external auditors by the Company was approximately RMB7,735,000.

Mandate Granted to the Board

The Board should assume the responsibility for the leadership and monitoring of the Company, and is collectively responsible for promoting the success of the Company. The responsibilities of the Board are defined explicitly in the Articles of Association of the Company.

問責及核數 (續)

審核委員會 (續)

於本年度，審核委員會共召開三次會議，會上主要討論與審閱中期及年度業績，並就本集團內部監控程序進行了討論與審議。各董事的出席率如下：

審核委員會的職權範圍可於本公司及香港聯合交易所有限公司網站查閱。

於二零一九年度，審核委員會與董事會在外聘核數師的挑選、委聘、辭任或罷免方面並無分歧。

審核委員會可按既定程序諮詢獨立專業意見，費用由本公司支付。

於二零一九年，本公司向外聘核數師支付的核數費用約為人民幣7,735,000元。

董事會的授權

董事會應負有領導及監控本公司的責任，同時集體負責促進本公司成功。董事會的職權已在本公司的組織章程細則內清晰界定。

ACCOUNTABILITY AND AUDIT (continued)

問責及核數 (續)

Mandate Granted to the Board (continued)

董事會的授權 (續)

- | | |
|---|---|
| (1) to be responsible for convening shareholders' meetings and report on its work at shareholders' meetings; | (一) 負責召集股東大會，並於股東大會報告工作； |
| (2) to implement the resolutions passed at shareholders' meetings; | (二) 執行股東大會通過的決議案； |
| (3) to determine the business plans and investment plans of the Company; | (三) 決定本公司的經營計劃和投資方案； |
| (4) to formulate the annual fiscal budgets and final accounts of the Company; | (四) 制訂本公司的年度財務預算方案及決算方案； |
| (5) to formulate profit distribution proposals and loss recovery proposals of the Company; | (五) 制訂本公司的利潤分配方案和彌補虧損方案； |
| (6) to formulate proposals for increasing or reducing of the registered capital of the Company and proposals for issue of debentures of the Company; | (六) 制訂本公司增加或削減註冊資本的方案以及發行本公司債券的方案； |
| (7) to draft proposals for the merger, division and dissolution of the Company; | (七) 擬定本公司合併、分拆及解散的方案； |
| (8) to determine the establishment of the internal management bodies of the Company; | (八) 決定本公司內部管理機構的組成； |
| (9) to appoint or dismiss the general manager of the Company, and to appoint or dismiss the deputy general manager and other senior management, including the person in charge of finance, pursuant to the recommendations of the general manager, as well as to determine their compensations; | (九) 聘任或解聘本公司總經理，並根據總經理的推薦，聘任或解聘副總經理和其他高級管理人員（包括財務負責人），並釐定其報酬； |
| (10) to formulate the basic management system of the Company; | (十) 制訂本公司的基本管理制度； |
| (11) to formulate proposals for amendments to the Articles of Association of the Company; and | (十一) 制訂本公司組織章程細則的修改方案；及 |
| (12) to exercise other functions as stipulated by the Articles of Association or granted by the shareholders' meetings. | (十二) 行使組織章程細則規定或股東大會授予的其他職能。 |

ACCOUNTABILITY AND AUDIT (continued)

Mandate Granted to the Board (continued)

The Board has granted authority to the chief executive officer to implement the following strategies and to be responsible for the day-to-day operation:

- (1) to be in charge of the management of production and operation and to organize the implementation of the resolutions of the Board;
- (2) to organize the implementation of the annual business plans and investment plans of the Company;
- (3) to draft proposals for the establishment of internal management bodies of the Company;
- (4) to draft the basis management system of the Company;
- (5) to formulate the basic rules and regulations of the Company;
- (6) to propose the appointment or removal of the deputy general manager and other senior management, including the person in charge of finance, of the Company;
- (7) to appoint or dismiss the management personnel other than those required to be appointed or dismissed by the Board; and
- (8) to exercise other functions granted by the Articles of Association and the Board.

The chief executive officer grants authorisation to chief financial officer, and senior management within his terms of reference.

The Board is supported by four committees, namely the audit committee, the remuneration committee, nomination committee and corporate governance committee. Each of the committees has its defined terms of reference covering its duties, rights and functions. The chairman of the respective committees report to the Board regularly and make recommendations on matters discussed as appropriate.

問責及核數 (續)

董事會的授權 (續)

董事會授權行政總裁執行以下各項策略及負責日常業務：

- (一) 負責生產經營管理工作並組織實施董事會決議案；
- (二) 組織實施本公司年度經營計劃和投資方案；
- (三) 擬訂本公司內部管理機構的組成方案；
- (四) 擬訂本公司的基本管理制度；
- (五) 制訂本公司的基本規章；
- (六) 提請聘任或罷免本公司副總經理和其他高級管理人員（包括財務負責人）；
- (七) 聘任或解聘管理人員，惟應由董事會聘任或解聘者除外；及
- (八) 行使組織章程細則和董事會授予的其他職權。

行政總裁在其職權範圍內向財務總監及高級管理人員授權。

董事會下設四個委員會：即審核委員會、薪酬委員會、提名委員會及企業管治委員會。每個委員會各有涵蓋其責任、權利和職能的職權範圍。各委員會的主席會定期向董事會匯報，並按情況需要就討論事宜提出建議。

ACCOUNTABILITY AND AUDIT (continued)

Investor Relations

The Company is committed to a policy of open and regular communication and reasonable disclosure of information to its shareholders. Information of the Company is disseminated to the shareholders in the following manner:

- delivery of the interim and annual results and reports to all shareholders;
- publication of announcements on the interim and annual results on the Stock Exchange website, and issue of other announcements and shareholders' circulars in accordance with the continuing disclosure obligations under the Listing Rules; and
- the general meeting of the Company is also an effective communication channel between the Board and shareholders.

The Board has maintained an on-going dialogue with Shareholders and investors, and will regularly review this policy to ensure its effectiveness. Information will be communicated to Shareholders and investors mainly through the Company's financial reports (interim and annual announcements and reports), annual general meetings and other general meetings that may be convened, as well as by making available all the information submitted by the Company to the website of the Stock Exchange and its corporate communications on the Company's website. Shareholders can direct their questions about their shareholdings to the Company's branch share registrar in Hong Kong. Shareholders and investors may at any time make a request for the Company's information to the extent such information is publicly available.

Communications with shareholders

Separate resolutions are proposed at general meetings on each substantially separate issue, including the election of individual Director.

The shareholders' meeting provides an effective forum for shareholders to exchange views with the Board. The chairman, together with the chairmen or members of the audit committee, the remuneration committee and nomination committee are available to answer shareholders' questions.

問責及核數 (續)

與投資者關係

本公司堅持採取開誠的態度，定期與股東溝通，並向股東作出合理的資料披露。本公司資料以下列方式向股東傳達：

- 向全體股東送呈中期及年度業績與報告；
- 在聯交所網站上刊發有關中期及年度業績的公佈及根據上市規則的持續披露規定刊發的其他公佈及股東通函；及
- 本公司的股東大會亦為董事會與股東之間進行有效溝通的渠道之一。

董事會會持續與股東及投資者保持對話，亦會定期檢討本政策，以確保其有效性。本公司向股東及投資者傳達資訊的主要渠道為：本公司的財務報告（中期及年度公佈及報告）、股東週年大會及其他可能召開的股東大會，並將所有本公司呈交予聯交所網站的資料，以及公司通訊登載於本公司網站。股東如對名下持股有任何問題，可向本公司的香港股份過戶登記分處提出。股東及投資者可隨時要求索取本公司的公開資料。

與股東的溝通

每項實際獨立的事宜，均會在股東大會上以個別決議案提呈，包括個別董事的選舉。

股東大會為股東提供一個有效的場合，以與董事會交流意見。主席以及審核委員會、薪酬委員會及提名委員會的主席或成員將會在大會上解答股東的提問。

ACCOUNTABILITY AND AUDIT (continued)

Communications with shareholders (continued)

The procedures demanding for a poll and the rights of shareholders to demand for a poll are included in the notice of shareholders' meeting and the accompanying circular. The relevant procedures are explained at the shareholders' meetings.

The external auditor has been appointed as the scrutineer to ensure the votes cast are properly counted and recorded.

The results of the poll have been posted on the websites of the Stock Exchange of Hong Kong Limited and the Company on the business day following the meeting.

Furthermore, the Company continues to enhance the ongoing communications amongst the shareholders, investors and analysts, including:

- establishing specialized bodies and employing staff to serve investors and analysts and answer their relevant questions;
- arranging site visits to the production bases of the Company in order to keep them abreast of the operations and the latest developments of the Company;
- collecting and analyzing, in a timely manner, the respective opinions and recommendations on the operations of the Company given by securities analysts and investors and compiling them into reports periodically, and selectively adopting them in the operations of the Company;
- providing relevant information, including introduction to the Company, the Board and corporate governance, results of the Company, financial summary, marketing materials of the Company and press releases on the website of the Company; and
- taking the initiative to communicate with various parties, particularly following the announcement of interim, annual results and substantial investment decisions, organizing briefings, press conferences and one-on-one interviews with investment institutions. Besides, the Company also regularly communicates with investors on an one-on-one basis.

問責及核數 (續)

與股東的溝通 (續)

要求以投票方式表決的程序及股東可要求以投票方式表決的權利載於股東大會通告及隨附的通函內。有關程序亦會於股東大會上解釋。

已委任外聘核數師擔任監票員，以確保所有票數均適當點算及記錄在案。

投票表決結果已於大會後首個營業日刊登在香港聯合交易所有限公司及本公司網站上。

此外，本公司亦不斷加強與股東、投資者及分析員的持續溝通，其中包括：

- 設置專門機構及聘請人員接待投資者和分析員並解答彼等提出的相關問題；
- 安排彼等到本公司的生產基地進行實地考察，便於彼等及時了解本公司的經營情況及業務發展的最新動向；
- 本公司及時收集並分析證券分析員及投資者對本公司營運的各種意見及建議，定期匯集成報告，並在本公司的營運中有選擇地加以採納；
- 提供有關資料，包括本公司簡介、董事會及企業管治、本公司業績、財務摘要、本公司推介材料及刊載於本公司網站的新聞稿等；及
- 本公司主動與各方人士溝通，特別是在中期、年度業績公佈及作出重大投資決策事項後，舉行推介會、記者招待會以及與投資機構單對單會談。除此，本公司亦定期與投資者進行單對單的溝通。

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges that it is their responsibility for the risk management and internal control systems and reviewing their effectiveness, and such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives. The Audit Committee assists the Board in fulfilling its oversight and corporate governance roles in relation to the Group's financial, operational, compliance, risk management and internal controls, and internal audit functions. The Board has responsibility to ensure the Group maintains sound and effective controls to safeguard its assets and shareholders' investment.

The Group has internal control systems to formalize the risk management of the Group, to build up a standard and effective risk management system to manage risk and to provide reasonable assurance against material misstatement or loss. Appropriate policies and controls have been designed and established to ensure the assets are safeguarded against improper use or disposal, relevant rules and regulations are adhered to and complied with, reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirement and key risks that may impact on the Group's performance are appropriately managed.

風險管理及內部監控

董事會承認其須對風險管理及內部監控系統負責，並有責任檢討該等系統的有效性。該等系統旨在管理而非消除未能達成業務目標的風險。審核委員會協助董事會履行其於本集團財務、營運、合規、風險管理及內部監控以及內部審核功能方面的監管及企業管治角色。董事會有責任確保本集團維持健全有效的監控以保障其資產及股東投資。

本集團擁有內部監控系統以規範本集團的風險管理，建立標準及有效的風險管理系統以管理風險及合理保證並無重大失實陳述或損失。適當的政策及監控經已訂立及制定，以確保保障資產不會在未經許可下使用或處置，依從及遵守相關規則及規例，根據相關會計標準及監管申報規定保存可靠的財務及會計記錄，以及適當地管理可能影響本集團表現的主要風險。

RISK MANAGEMENT AND INTERNAL CONTROL (continued)

The Group has established an organizational structure with defined levels of responsibility and reporting procedures. The Company has retained an independent professional firm as external advisor to assist the Company to perform an assessment on risk management and internal control mechanism of the Group. We have our own Internal Audit Department to fulfil the requirement of internal audit function. Together with the supports from the external advisor, the internal audit function can facilitate the Audit Committee and the Board of Directors in ascertaining the effectiveness of the Group's risk management and internal control systems on an annual and ongoing basis. During the year ended 31 December 2019, the Group has conducted an annual risk assessment which identified respective strategic risks, operational risks, financial risks and compliance risks for each of the major business segment of the Group. Risk factors were analysed and consolidated at the Group level. Based on the risk assessment results following a risk based methodology audit approach, a three-years' audit plan was devised which prioritized the risks identified into annual audit projects. The Group's internal audit department performed the annual reviews in accordance with the audit plan with a view to assisting the Board and the Audit Committee to evaluate the effectiveness of the Group's risk management and internal control systems.

The Group strictly regulates the handling and dissemination of inside information as set out in information disclosure policy to ensure potential inside information remains confidential until such information is appropriately approved and the dissemination of such information is efficiently and consistently made.

Based on the risk management and internal control systems established and maintained by the Group, the work performed by the internal audit department, the Audit Committee and the Board are of the view that the Group has maintained adequate and effective risk management and internal control system during the year ended 31 December 2019.

風險管理及內部監控 (續)

本集團已建立一個具備明確職責等級及報告程序的組織架構。本公司已委聘獨立專業公司擔任外部顧問，協助本公司對本集團風險管理及內部監控系統進行評估。我們擁有自己的內部審核部門履行內部審核功能規定。連同外部顧問的支持，內部審核部門可幫助審核委員會及董事會，每年及持續地確定風險管理及內部監控系統的有效性。截至二零一九年十二月三十一日止年度，本集團已進行年度風險評估，可識別本集團各主要業務分部的相關策略風險、經營風險、財務風險及合規風險。風險因素乃於本集團層面進行分析及綜合。根據風險評估結果及風險導向的審核方法，本集團已制定一個三年審核計劃，可據此將所識別之風險優先列入年度審核項目。本集團內部審核部門根據審核計劃進行年度檢討，旨在協助董事會及審核委員會評估本集團風險管理及內部監控系統的有效性。

誠如信息披露政策所載，本集團嚴格監管內幕消息的處理及發佈，以確保潛在內幕消息在獲適當批准披露前維持保密，並以有效率及一致的方式發佈有關消息。

根據本集團建立及維持的風險管理及內部監控系統，有關工作由內部審核部門進行，審核委員會及董事會認為，本集團已於截至二零一九年十二月三十一日止年度維持有效及充分的風險管理及內部監控系統。

DIRECTOR'S TRAINING

董事之培訓

Directors' continuous training and development

董事之持續培訓及發展

Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution into the Board remains informed and relevant. The directors are committed to complying with the Corporate Governance Code A6.5 on directors' training. All directors have participated in continuous professional development by attending seminars and/or studying materials to director's duties and responsibility and provided a record of training they received for the financial year ended 31 December 2019 to the Company.

董事須參與持續專業發展，以深造及更新彼等的知識及技能。此為確保彼等向董事會作出知情及相關之貢獻。董事承諾遵守有關董事培訓之企業管治守則第A6.5條。全體董事均透過出席與董事職責及責任有關之研討會及／或研習資料以參與持續專業發展，並已向本公司提供其於截至二零一九年十二月三十一日止財政年度所接受培訓之記錄。

The Directors are regularly briefed on the amendments to or updates on the relevant laws, rules and regulations. In addition, the Company has been encouraging the Directors and senior executives to enrol in a wide range of professional development courses or and seminars relating to the Listing Rules, companies ordinance or act and corporate governance practices organised by professional bodies and independent auditors so that they can continuously update and further improve their relevant knowledge and skills.

董事定期均會獲知會相關法例、規則及規例之修訂或最新版本。此外，本公司一直鼓勵董事及高級行政人員報讀由專業團體及獨立核數師舉辦有關上市規則、公司條例或法例及企業管治常規之廣泛專業發展課程及講座，使彼等可持續更新及進一步提高其相關知識及技能。

DIRECTOR'S TRAINING (continued)

Directors' continuous training and development
(continued)

From time to time, Directors are provided with written materials to develop and refresh their professional skills; the company secretary also organises and arranges seminars on the latest development of applicable laws, rules and regulations for the Directors to assist them in discharging their duties.

According to the records maintained by the Company, the Directors received the following training with an emphasis on the roles, functions and duties of a director of a listed company in compliance with the new requirement of the CG Code on continuous professional development during the Year:

董事之培訓 (續)

董事之持續培訓及發展 (續)

董事將不時獲提供旨在制定及更新其專業技能之書面材料；公司秘書亦會為董事舉辦及安排有關適用法例、規則及規例最新發展之講座，以協助彼等履行其職責。

根據本公司存置之記錄，為符合企業管治守則關於持續專業發展之新規定，董事於本年度內接受以下重點在於上市公司董事之角色、職能及職責之培訓：

Corporate Governance/Updates on laws, rules and regulations
企業管治／關於法例、規則及規例之更新

	Read materials 閱讀材料	Attend workshops 出席研討會
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Executive Directors

執行董事

Mr. Zhang Hua Wei
Mr. Long Jing
Mr. Wang Yi
Mr. Gong Jian Bo

張華威先生
龍經先生
王毅先生
弓劍波先生

✓
✓
✓
✓

✓
✓
✓
✓

Non-executive Director

非執行董事

Mrs. Zhou Shu Hua

周淑華女士

✓

✓

Independent non-executive Directors

獨立非執行董事

Mr. Lo Wai Hung
Mrs. Fu Ming Zhong
Mrs. Wang Jin Xia

盧偉雄先生
付明仲女士
王錦霞女士

✓
✓
✓

✓
✓
✓

DIRECTORS' LIABILITIES INSURANCE

The Company has arranged appropriate insurance cover for Directors' liabilities in respect of potential legal actions against the Directors arising out of corporate activities of the Group pursuant to Code Provision A.1.8 of the new Corporate Governance Code. Such directors' liability insurance will be reviewed and renewed annually.

Throughout the year ended 31 December 2019, no claim has been made against the Directors.

COMPANY SECRETARY

Mrs. Wong Miu Ling, Phillis was appointed as the company secretary of the Company with effective from 26 May 2006. All Directors have access to the advice and services of the company secretary. During the year ended 31 December 2019, Mrs. Wong Miu Ling, Phillis has taken no less than 15 hours of relevant professional trainings to update her skills and knowledge.

CHANGE IN CONSTITUTIONAL DOCUMENTS

During the Year, amendments to the Articles of Association of the Company were approved by the shareholders of the Company and amendments regarding the change in scope of operation with effect from 29 April 2019 and 2 July 2019. An updated version of the Articles of Association of the Company is available on the websites of the Company and the Stock Exchange.

董事責任保險

本公司已按照新企業管治守則之守則條文第A.1.8條，就董事可能因本集團企業活動而面對之潛在法律行動作適當董事責任投保安排。有關董事責任保險將每年檢討及續保。

於截至二零一九年十二月三十一日止整個年度並無針對董事之申索。

公司秘書

黃妙玲女士已獲委任為本公司公司秘書，自二零零六年五月二十六日起生效。所有董事均可獲公司秘書提供意見及服務。截至二零一九年十二月三十一日止年度，黃妙玲女士已接受不少於15個小時的相關專業培訓以更新其技能及知識。

憲章文件之變更

於本年度，本公司股東已審批本公司章程細則之修訂，而有關公司營業範圍變更之修訂已自二零一九年四月二十九日及二零一九年七月二日生效。本公司章程細則之更新版本可於本公司及聯交所網頁查閱。

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理人員

BOARD OF DIRECTORS

Executive Directors

Mr. Zhang Hua Wei, aged 56, is the chairman and an executive director of the Company and chairman of Weigao Holding Company Limited ("Weigao Holding"). Mr. Zhang studied politics and economics at the Weihai Campus of Shandong University from 1996 to 1998. Mr. Zhang was the deputy factory director of Weigao Holding from 1988 to 1998, and has been the general manager of Weigao Holding since 1998. Mr. Zhang joined the Company in December 2000.

Mr. Long Jing, aged 45, is the chief executive officer and executive director of the Company, responsible for the marketing management of the Company. Mr. Long has over 10 years of valuable experiences in sales and marketing in the medical device industry in China. Mr. Long joined the Company in July 2005 and served as the assistant manager and sales manager of sales department of the Company. Prior to joining the Company, Mr. Long served as the sales chief of 山東省塑料工業總公司 (Shandong Plastic Materials Industry Company*) from 1996 to 2002 and was principally responsible for the sales and marketing of raw materials. Mr. Long is a certified public accountant in the PRC. In 1996, Mr. Long obtained a bachelor degree in marketing from Shandong Economic University and a master degree in business administration from Shandong University in 2005.

Mr. Wang Yi, aged 60, is the vice chairman and an executive director of the Company. Mr. Wang studied Business Administration at the Shandong Cadres Distance Learning University from 1994 to 1997. He joined Weigao Holding in 1988 and was production director from 1988 to 1989, head of the No. 2 branch of Weigao Holding from 1989 to 1992 and manager of the No. 3 branch of Weigao Holding from 1992 to 2004. Mr. Wang joined the Company in December 2000.

董事會

執行董事

張華威先生，56歲，本公司主席兼執行董事及威高集團有限公司（「威高集團公司」）主席。張先生於一九九六年至一九九八年在山東大學威海分校修讀政治及經濟學。張先生於一九八八年至一九九八年任威高集團公司副廠長，自一九九八年起為威高集團公司總經理。張先生於二零零零年十二月加入本公司。

龍經先生，45歲，本公司行政總裁兼執行董事，負責本公司營銷管理工作。龍先生於中國醫療器械行業擁有逾十年之銷售及市場推廣方面的寶貴經驗。龍先生於二零零五年七月加入本公司，歷任本公司銷售管理部副經理兼銷售經理。於加入本公司前，龍先生於一九九六年至二零零二年在山東省塑料工業總公司擔任銷售主管，主要負責原材料的銷售及市場推廣工作。龍先生乃中國註冊會計師。龍先生於一九九六年取得山東經濟學院市場營銷專業學士學位，二零零五年取得山東大學工商管理碩士學位。

王毅先生，60歲，本公司副主席兼執行董事。王先生於一九九四年至一九九七年在山東幹部函授大學攻讀工商管理，彼於一九八八年加入威高集團公司，歷任生產科長（一九八八年至一九八九年）、威高集團公司第二分廠主管（一九八九年至一九九二年）、威高集團公司第三分廠經理（一九九二年至二零零四年）。王先生於二零零零年十二月加入本公司。

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT 董事、監事及高級管理人員

BOARD OF DIRECTORS (continued)

Executive Directors (continued)

Mr. Gong Jian Bo, aged 52, is an executive Director of the Company and the general manager of Shandong Weigao Orthopaedic Device Company Limited (“Weigao Orthopaedic”). Mr. Gong graduated from 常州市武進前黃學校 (Changzhou Wujin Qian Huang College*) in 1987. Prior to joining the Company, Mr. Gong joined 常州市武進第三醫療器械廠 (Changzhou Wujin The Third Medical Device Factory*) (“Changzhou Wujin”) in 1988. He served as an assistant to the factory director and worked in technical and sales departments and was subsequently promoted to factory director in 1993. Changzhou Wujin is principally engaged in the research and development, sales and production of medical devices in China. Mr. Gong joined Weigao Orthopaedic in February 2005. Mr. Gong has over 20 years of valuable experience in medical device industry in China.

Non-executive Director

Mrs. Zhou Shu Hua, aged 63, is a non-executive Director of the Company and financial deputy general manager of Weigao Holding. Mrs. Zhou studied Business Administration at the Weihai Campus of Shandong University from 1999 to 2001. Mrs. Zhou joined Weigao Holding in 1989 and held a number of positions such as head of the finance division in the finance department, manager of the finance department and deputy general manager of Weigao Holding.

Independent Non-executive Directors

Mr. Lo Wai Hung, aged 60, obtained a bachelor degree in Commerce from James Cook University of North Queensland, Australia in 1985. Mr. Lo is an associate member of Institute of Chartered Accountants in Australia and a fellow member of Hong Kong Institute of Certified Public Accountants. Mr. Lo was appointed as an independent non-executive director, the chairman of audit committee, the chairman of remuneration committee, the chairman of nomination committee and a member of corporate governance committee of the Company. Mr. Lo is also an independent non-executive director of Talent Property Group Limited (stock code:760) and C Cheng Holdings Limited (stock code: 1486). Mr. Lo was also an independent non-executive director of Lerthai Group Limited (formerly known as LT Commercial Real Estate Limited) (Stock code: 112) since March 2017 till November 2018. The shares of these companies are listed on the Stock Exchange of Hong Kong Limited. Mr. Lo was also an independent director of China Merchant Property Development Co. Ltd since 2011 and the shares of which were ceased from listing on the Shenzhen Stock Exchange on 30 December 2015.

董事會 (續)

執行董事 (續)

弓劍波先生，52歲，本公司之執行董事及山東威高骨科材料有限公司（「威高骨科」）總經理。弓先生於一九八七年畢業於常州市武進前黃學校。於加入本公司前，弓先生於一九八八年加入常州市武進第三醫療器械廠（「常州武進」）。彼曾擔任廠長助理並參予技術及銷售部門之工作並其後於一九九三年晉升為廠長。常州武進主要於中國從事醫療設備之研發、銷售及生產。弓先生於二零零五年二月加入威高骨科。弓先生於中國醫療設備行業擁有逾20年之寶貴從業經驗。

非執行董事

周淑華女士，63歲，本公司非執行董事兼威高集團公司財務副總經理。周女士於一九九九年至二零零一年在山東大學威海分校修讀工商管理。周女士於一九八九年加入威高集團公司，歷任威高集團公司財務部財務科長、財務部經理及財務副總經理等職。

獨立非執行董事

盧偉雄先生，60歲，於一九八五年獲澳洲北崑士蘭詹姆斯庫克大學 (James Cook University of North Queensland) 頒授商學學士學位。盧先生為澳洲特許會計師公會會員及香港會計師公會資深會員。盧先生獲委任為本公司獨立非執行董事、審核委員會主席、薪酬委員會主席、提名委員會主席及企業管治委員會成員。盧先生亦為新天地產集團有限公司（股份代號：760）及思城控股有限公司（股份代號：1486）之獨立非執行董事及於二零一七年三月至二零一八年十一月亦擔任勒泰集團有限公司（前稱勒泰商業地產有限公司）（股份代號：112）獨立非執行董事（該等公司之股份均於香港聯合交易所有限公司上市）。盧先生自二零一一年起亦擔任招商局地產控股股份有限公司（其股份於二零一五年十二月三十日停止於深圳證券交易所上市）之獨立董事。

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT 董事、監事及高級管理人員

BOARD OF DIRECTORS (continued)

Independent Non-executive Directors (continued)

Mrs. Fu Ming Zhong, aged 69, senior economist and associate chief pharmacist and has over 40 years of working experience, particular in the area of management experience in the pharmaceutical and healthcare products industry. Mrs. Fu obtained a master's degree in engineering from the Harbin Institute of Technology in March 1995. Mrs. Fu was previously a deputy workshop director, the office head and the vice factory manager of The Third Harbin Pharmaceutical Factory from June 1972 to March 1992. Mrs. Fu was a director of Harbin City Pharmaceutical Group and the general manager of Harbin Pharmaceutical Company Limited from March 1992 to December 1997. She was also a deputy general manager of China Medicines Group from December 1997 to January 1999 and she was a director of China Medicines Group Corporation from January 1999 to October 2009 respectively. Mrs. Fu was the executive deputy general manager of China National Pharmaceutical industry Corporation from January 1999 to January 2001. Ms. Fu was the chairman of National Medicines Company Limited (a company listed on the Shanghai Stock Exchange) from January 2001 to February 2008. Mrs. Fu has been a director of Shenzhen Accord Pharmaceutical Company Ltd. (a company listed on the Shenzhen Stock Exchange) since April 2008 and was the chairman from April 2008 to December 2008. Ms. Fu has also been a director of Sinopharm Industrial Investment Co., Ltd. from July 2008 to December 2010. Mrs. Fu was the general manager, duty chairman and director of Sinopharm Group Co. Ltd. (a company listed on the Hong Kong Stock Exchange) during the period from January 2006 to December 2009, and December 2009 to November 2010 respectively.

Mrs. Fu is currently the honorary chairman and the director of the expert committee of China Association of Pharmaceutical Commerce and she joined the Company in October 2011.

董事會 (續)

獨立非執行董事 (續)

付明仲女士，69歲，高級經濟師及副主任藥師並擁有逾40年工作經驗，尤其是於藥品及保健品行業方面之管理經驗。付女士於一九九五年三月獲得哈爾濱工業大學工學碩士學位。付女士自一九七二年六月至一九九二年三月歷任哈爾濱製藥三廠之車間副主任、辦公室主任及副廠長。付女士曾自一九九二年三月至一九九七年十二月擔任哈藥集團之董事及哈爾濱市醫藥公司之總經理。彼亦分別於一九九七年十二月至一九九九年一月擔任中國醫藥(集團)公司之副總經理及一九九九年一月至二零零九年十月擔任中國醫藥集團之董事。付女士於一九九九年一月至二零零一年一月擔任中國醫藥工業公司常務副總經理，並於二零零一年一月至二零零八年二月擔任國藥集團藥業股份有限公司(一間於上海證券交易所上市之公司)之董事長。付女士自二零零八年四月起亦一直擔任深圳一致藥業有限公司(一間於深圳證券交易所上市之公司)之董事，並於二零零八年四月至二零零八年十二月擔任其董事長。付女士亦自二零零八年七月至二零一零年十二月擔任國藥產業投資有限公司之董事。付女士於二零零六年一月至二零零九年十二月及二零零九年十二月至二零一零年十一月期間分別擔任國藥控股有限公司(一間於香港聯交所上市之公司)總經理、副董事長及董事。

付女士現時亦為中國醫藥商業協會名譽會長專家委員會主任及彼於二零一一年十月加入本公司。

BOARD OF DIRECTORS (continued)

董事會 (續)

Independent Non-executive Directors (continued)

獨立非執行董事 (續)

Mrs. Wang Jin Xia, aged 65, an independent non-executive Director of the Company. Mrs. Wang is a senior economist and has over 30 years of working experience, especially the management experience in the pharmaceutical commerce and pharmaceutical industry. Mrs. Wang obtained a bachelor degree in economics (經濟學學士) from Dongbei University of Finance and Economics in July 1983 and was assigned to work in State Pharmaceutical Administration of China Pharmaceutical Company (國家醫藥管理局中國醫藥公司). Mrs. Wang was deputy director of the finance division, director of the information division of China Pharmaceutical Company (中國醫藥公司), the general secretary and the vice president of China Association of Pharmaceutical Commerce (中國醫藥商業協會) and the person in charge of the pharmaceutical chains branch of China Association of Pharmaceutical Commerce (中國醫藥商業協會連鎖藥店分會). She is also a senior advisor of China Nonprescription Medicines Association (中國非處方藥協會).

王錦霞女士，65歲，本公司之獨立非執行董事。王女士為高級經濟師及擁有逾30年工作經驗，尤其於藥品流通及醫藥行業的管理經驗。王女士於一九八三年七月在東北財經大學獲得經濟學學士學位，被分配到國家醫藥管理局中國醫藥公司工作。王女士曾任中國醫藥公司財務處副處長、信息處處長、中國醫藥商業協會秘書長及副會長以及中國醫藥商業協會連鎖藥店分會負責人。彼亦為中國非處方藥協會高級顧問。

Currently, Mrs. Wang also acts as the independent director of Jointown Pharmaceutical Group Co., Ltd. (九州通醫藥集團股份有限公司) (stock code: 600998) and Xinjiang Ready Health Industry Co., Ltd. (新疆同濟堂健康產業股份有限公司) (stock code: 600090).

王女士現亦任九州通醫藥集團股份有限公司(股份代號: 600998)及新疆同濟堂健康產業股份有限公司(股份代號: 600090)獨立董事。

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理人員

BOARD OF DIRECTORS (continued)

Supervisors

The Company has a committee of Supervisors whose primary duty is to supervise the senior management of the Company, including the Board, Directors, managers and other senior officers. The function of the committee of Supervisors is to ensure that the senior management of the Company acts in the interests of the Company, and does not violate the rights of the Company's shareholders and employees. The committee of Supervisors reports to the shareholders in general meetings. The articles of association provides that the committee of Supervisors has the right to investigate the Group's financial affairs; to supervise the directors, general manager and other senior officers of the Company in the event that they contravene any laws, administrative regulations or the articles of association in the performance of their duties; to require the Directors, general managers and other senior management to rectify any activities committed by them that is harmful to the interests of the Company; to examine financial reports, result reports, profit distribution plans and other financial documents prepared by the Board to be submitted to shareholders in general meeting, and in appropriate cases, to appoint certified accountants or certified practicing auditors in the name of the Company to assist in such review; to propose the convening of extraordinary general meetings of shareholders; to represent the Company during negotiations with the Directors or to initiate legal proceedings against the Directors; and other functions and powers given by the shareholders in general meeting. The committee of Supervisors currently comprises the following three members:

Mrs. Bi Dong Mei, aged 56, is the supervisor of the Company and the audit consultant of Weigao Holding. Mrs. Bi graduated from the Economic Management Department of Shandong Cadres Distance Learning University in 1997. She joined Weigao Holding in December 1988 and has been the head of the finance division and the deputy manager of the infusion sets branch, the audit manager and auditor general of Weigao Holding.

董事會 (續)

監事

本公司設有監事會，主要職責為監督本公司的高級管理人員，包括董事會、董事、經理及其他高級主管人員。監事會職能為確保本公司高級管理人員依據本公司的利益行事，且不會損害本公司股東及僱員的利益。監事會在股東大會上向股東匯報。組織章程細則規定監事會有權調查本集團的財務狀況；監督本公司董事、總經理及其他高級管理人員在履行彼等的職責時不會違反任何法律、行政法規或組織章程細則；要求董事、總經理及其他高級管理人員停止進行有違本公司利益的活動；審核董事會編製並於股東大會向股東呈交的財務報告、業績報告、溢利分配計劃及其他財務文件，並在適當情況下，代表本公司委聘執業會計師或執業核數師協助有關審核工作；建議召開股東特別大會；代表本公司與董事磋商或對董事提出法律訴訟；以及股東在股東大會上所授予的其他職權。目前，監事會由以下三名成員組成：

畢冬梅女士，56歲，本公司監事及威高集團公司審計顧問。畢女士於一九九七年畢業於山東幹部函授大學經濟管理系，於一九八八年十二月加入威高集團公司，歷任輸液器分公司財務科長及副經理，威高集團公司審計經理、審計長。

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT 董事、監事及高級管理人員

BOARD OF DIRECTORS (continued)

Supervisors (continued)

Ms. Chen Xiao Yun, aged 46, is the supervisor of the Company and the chief financial officer of Weigao Holding. Ms. Chen studied financial accounting at the Shandong Broadcast and Television University from 1994 to 1998. She joined Weigao Holding in July 1991 and was the head of the finance division in finance department and the assistant to the manager of infusion sets branch, and the financial manager of Weigao Holding.

Mr. Yue Chun Liang, aged 39, is the employee representative supervisor of the Company. Mr. Yue obtained a degree in Polymer Materials and Engineering from the University of Yantai in 2005. Mr. Yue joined the Company in 2005 and served in the research and development department and was subsequently transferred to production department of the infusion sets branch company. Mr. Yue is currently the manager of procurement center.

Senior Management

Mr. Wu Xue Feng, aged 41, the chief financial officer of the Company, has over 15 years of extensive experience in the accounting and finance sectors. Mr. Wu joined the finance department of the Company in July 2001. He has been the manager of the finance department of the production unit of the Company since January 2005 and responsible for production cost auditing and control. He has been the manager of the finance department of the sales unit of the Company since June 2009 and responsible for auditing and management of sales business. He worked as the manager of the risk management department of Weigao Holding Company Limited, the controlling shareholder of the Company, since July 2012. He has been appointed as the financial controller of the distribution business department of Weigao Holding Company Limited since October 2013. Mr. Wu graduated and obtained a bachelor degree in finance management from the University of QiQiHar in Heilongjiang Province and obtained a master degree in business management from the Missouri State University, the United States in 2016.

董事會 (續)

監事 (續)

陳曉雲女士，46歲，本公司監事及威高集團公司之財務總監。陳女士於一九九四年至一九九八年在山東廣播電視大學修讀財務會計。彼於一九九一年七月加入威高集團公司，曾任財務部財務科長及輸液器製品分公司經理助理，威高集團公司財務經理。

岳春良先生，39歲，本公司職工代表監事。岳先生於二零零五年獲得煙台大學高分子材料與工程學位。岳先生於二零零五年加入本公司並任職於研發部及其後調任至輸液器分公司之生產部。岳先生現任採購中心經理。

高級管理人員

吳雪峰先生，41歲，本公司財務總監，於會計及財務方面擁有逾15年豐富經驗。吳先生於二零零一年七月加入本公司財務部。二零零五年一月起擔任本公司製造財務部經理，負責製造成本核算和控制。二零零九年六月起擔任本公司銷售財務部經理，負責銷售業務的核算和管理。二零一二年七月起擔任威高集團有限公司（本公司之控股股東）風險管理部經理。二零一三年十月起擔任威高集團有限公司醫藥分銷事業部財務總監。吳先生畢業於黑龍江省齊齊哈爾大學，獲得財務管理學學士學位，並於二零一六年獲得美國密蘇里州立大學(Missouri State University)企業管理碩士學位。

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT 董事、監事及高級管理人員

BOARD OF DIRECTORS (continued)

Senior Management (continued)

Mr. Ju Hong Feng, age 45, is the vice-general manager of the Company. Mr. Ju graduated from Shandong University and obtained a MBA degree from Northwestern University in 2014. Mr. Ju joined the Company in June 2002 and acted as the manager of financial and accounts department of the Company. He acted as the chief financial officer of the Company since January 2009, the chief operating officer of Weigao Holding Company Limited and the general manager of the pharmaceutical distribution business division since February 2014 and the vice-general manager of the production and supply chain of the Company since January 2016. Mr. Ju has over 10 years of valuable experiences in finance and operating in the medical device industry in China.

Ms. Wong Miu Ling, Phillis, aged 51, is the company secretary of the Company. Ms. Wong joined the Company in May 2006. She is an fellowship member of both the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators. Ms. Wong has over 25 years of experience in corporate finance and management.

董事會 (續)

高級管理人員 (續)

鞠洪峰先生，45歲，本公司副總經理。鞠先生畢業於山東大學，並於二零一四年取得西北大學工商管理碩士學位。鞠先生於二零零二年六月加入本公司擔任財務與會計部經理，二零零九年一月起擔任本公司財務總監，二零一四年二月起擔任威高集團有限公司運營總監兼醫藥分銷事業部總經理，二零一六年一月起擔任本公司生產與供應鏈副總經理。鞠先生於中國醫療器械行業擁有逾十年之財務及運營方面的寶貴經驗。

黃妙玲女士，51歲，本公司的公司秘書，於二零零六年五月加入本公司。黃女士為香港特許秘書公會及英國特許秘書及行政人員公會資深會員。黃女士於企業融資及管理方面積逾二十五年經驗。



德勤

**TO THE SHAREHOLDERS OF
SHANDONG WEIGAO GROUP MEDICAL POLYMER
COMPANY LIMITED**

山東威高集團醫用高分子製品股份有限公司

(A joint stock limited company established in the People's Republic of China)

致山東威高集團醫用高分子製品股份有限公司股東

(於中華人民共和國成立的股份有限公司)

OPINION

We have audited the consolidated financial statements of Shandong Weigao Group Medical Polymer Company Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 75 to 255, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 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 ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

意見

本行已完成審核第75至255頁所載山東威高集團醫用高分子製品股份有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)的綜合財務報表，該等綜合財務報表包括於二零一九年十二月三十一日的綜合財務狀況表、及截至該日止年度的綜合損益及其他全面收入報表、綜合權益變動報表及綜合現金流量報表，及該等綜合財務報表附註(包括主要會計政策的概要)。

本行認為，綜合財務報表按照香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實及公平地反映貴集團於二零一九年十二月三十一日的綜合財務狀況，以及截至該日止年度的綜合財務表現及其綜合現金流量狀況，並已依據香港公司條例的披露規定妥為編製。

意見基準

本行是按照香港會計師公會頒佈的香港核數準則(「香港核數準則」)進行審核工作。本行於該等標準項下之責任進一步詳述於本報告「核數師就審核綜合財務報表須承擔的責任」一節。根據香港會計師公會的專業會計師道德守則(「守則」)，本行獨立於貴集團，並根據守則履行吾等其他道德責任。本行相信，吾等所取得的審核憑證已足夠及適當地為吾等的審核意見提供基礎。

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, 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.

Key audit matter 關鍵審核事項

Impairment assessment of goodwill 商譽減值評估

We identified impairment assessment of the goodwill of interventional products cash generating unit from acquisition of Argon Medical Devices Holding, Inc. ("Argon") amounting to RMB3,195,985,000 as a key audit matter due to its significance to the consolidated financial statements and the significant management estimate involved in assessing the impairment of goodwill.

吾等已確認收購愛琅醫療器械控股有限公司(「愛琅」)的介入產品現金產生單位之商譽(金額為人民幣3,195,985,000元)減值評估作為關鍵審核事項，乃由於其對於綜合財務報表具有重大影響及評估商譽減值時涉及重大的管理層估計。

In estimating the recoverable amount of the cash generating units to which goodwill have been allocated, the management has made a number of significant assumptions in the value in use calculation. The key assumptions mainly include discount rate and revenue growth rates applied.

於估計商譽獲分配的現金產生單位之可回收金額時，管理層於使用價值計算中使用若干重大假設。關鍵假設主要包括所使用的貼現率和收入增長率。

Details of significant judgments and assumptions in the impairment assessment are disclosed in notes 4 and 18 to the consolidated financial statements.

減值評估中的重大判斷及假設詳情於綜合財務報表附註4及18中披露。

關鍵審核事項

關鍵審核事項為吾等的專業判斷中，審核本期綜合財務報表中最重要的事項。本行於審核整體綜合財務報表及就此形成意見時處理此等事項，而不會就此等事項單獨發表意見。

How our audit addressed the key audit matter 處理關鍵審核事項之方法

Our procedures in relation to the impairment assessment of the goodwill of interventional products cash generating unit from acquisition of Argon included:

吾等就收購愛琅的介入產品現金產生單位之商譽減值評估的審核程序包括：

- Understanding the internal controls relevant to the impairment assessment of the goodwill;
- 了解與商譽減值評估有關之內部控制；
- Evaluating the valuation methodology and long-term growth rate with the assistance of our internal valuation specialists;
- 在內部估值專家的協助下評估估值方法及長期增長率；
- Evaluating the discount rate, including developing a range of independent estimates and comparing those with the discount rate selected by management, with the assistance of our internal valuation specialists; and
- 在我們內部估值專家的協助下評估貼現率，包括編制一系列獨立估算，並將其與管理層選擇的貼現率比較；及
- Evaluating the revenue growth rates by comparing with historical performance and industry data.
- 通過與過往表現及行業數據比較評估收入增長率。

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

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

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

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

其他資料

貴公司董事對其他資料負責。其他資料包括年報內所載的資料，惟不包括綜合財務報表及吾等就此作出之核數師報告。

吾等對綜合財務報表作出的意見並未涵蓋其他資料。吾等不對其他資料發表任何形式的核證結論。

就審核綜合財務報表而言，吾等的責任是閱讀其他資料，從而考慮其他資料是否與綜合財務報表或吾等在審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。倘若吾等基於已完成的工作認為其他資料出現重大錯誤陳述，吾等須報告該事實。吾等就此並無任何事項須報告。

董事及治理層就綜合財務報表須承擔的責任

貴公司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規定編製真實而公平的綜合財務報表，並對董事認為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在編製綜合財務報表時，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。

治理層須負責監督貴集團的財務報告過程。

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 solely to you, as a body, in accordance with our agreed terms of engagement, 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

核數師就審核綜合財務報表須承擔的責任

本行的目標乃對綜合財務報表整體是否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，並出具包括本行意見的核數師報告，並按照協定的委聘條款僅向閣下（作為整體）報告，除此之外本報告別無其他目的。本行概不就本報告的內容對任何其他人士負責或承擔責任。合理保證為高水平的保證，但不能保證按照香港核數準則進行的審核總能發現重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果合理預期其單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

作為根據香港核數準則進行審核其中一環，本行運用專業判斷，保持專業懷疑態度。本行亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對該等風險，以及獲取充足及適當的審核憑證，作為本行意見的基礎。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出現重大錯誤陳述的風險高於未能發現因錯誤而導致出現重大錯誤陳述的風險。
- 了解與審核相關的內部控制，以設計在有關情況下屬適當的審核程序，但目的並非對貴集團內部控制的有效性發表意見。

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

**核數師就審核綜合財務報表須承
擔的責任 (續)**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 評估董事所採用會計政策的適當性以及作出會計估計及相關披露的合理性。
- 對董事採用持續經營會計基礎的適當性作出結論，並根據所獲取的審核憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。倘本行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，則修訂本行的意見。本行的結論乃基於直至核數師報告日止所取得的審核憑證。然而，未來事項或情況可能導致貴集團不能持續經營業務。
- 評估綜合財務報表的整體列報方式、結構及內容（包括披露）事項以及綜合財務報表是否公平反映相關交易及事項。
- 就貴集團內實體或業務活動的財務資料獲取充足適當的審核憑證，以便對綜合財務報表發表意見。本行負責貴集團審核的方向、監督及執行。本行為審核意見承擔全部責任。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements 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 the independent auditor's report is Tung Wai Lung Ricky.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
29 April 2020

核數師就審核綜合財務報表須承 擔的責任 (續)

本行與治理層溝通審核的計劃範圍及時間以及重大審核發現等，其中包括本行在審核中識別出內部控制的任何重大不足之處。

本行亦向治理層提交聲明，表明本行已符合有關獨立性的相關專業道德要求，並與彼等溝通可能合理被認為會影響本行獨立性的所有關係及其他事項以及在適用的情況下相關的防範措施。

從與治理層溝通的事項中，本行確定該等對本期綜合財務報表的審計最為重要的事項，因而構成關鍵審計事項。本行在核數師報告中闡釋該等事項，除非法律或規例不允許公開披露該等事項，或在極端罕見的情況下，合理預期倘於本行之報告中註明某事項造成的負面後果超過產生的公眾利益，則本行決定不應在報告中註明該事項。

出具獨立核數師報告的審核項目合夥人為董偉龍。

德勤•關黃陳方會計師行
執業會計師

香港
二零二零年四月二十九日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收入報表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		NOTES	Year ended 31/12/2019 RMB'000 截至 二零一九年 十二月 三十一日 止年度 人民幣千元	Year ended 31/12/2018 RMB'000 截至 二零一八年 十二月 三十一日 止年度 人民幣千元
		附註		
Revenue	收入	5	10,364,081	8,808,861
Cost of sales	銷售成本		(3,858,884)	(3,419,707)
Gross profit	毛利		6,505,197	5,389,154
Other income, gains and losses	其他收入、收益及虧損	6	247,495	334,103
Impairment losses under expected credit loss model, net of reversal	預期信貸虧損模型下之減值虧損(扣除撥回)	7	(16,163)	(17,911)
Selling and distribution expense	銷售及分銷開支		(2,781,192)	(2,438,194)
Administrative expenses	行政開支		(986,235)	(929,612)
Research and development expenses	研發開支		(406,363)	(311,163)
Finance costs	融資成本	8	(396,735)	(284,408)
Share of profit of an associate	應佔一間聯營公司溢利		81,097	33,246
Profit before tax	除稅前溢利		2,247,101	1,775,215
Income tax expense	所得稅開支	9	(327,137)	(258,431)
Profit for the year	年內溢利		1,919,964	1,516,784
Other comprehensive income	其他全面收入			
<i>Item that may be reclassified subsequently to profit or loss:</i>	<i>其後可重新分類至損益之項目:</i>			
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額		27,041	124,999
Total comprehensive income for the year	年內全面收入總額		1,947,005	1,641,783
Profit for the year attributable to owners of the Company	本公司擁有人應佔年內溢利		1,844,883	1,472,935
Profit for the year attributable to non-controlling interests	非控股權益應佔年內溢利		75,081	43,849
			1,919,964	1,516,784

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收入報表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		NOTE	Year ended 31/12/2019 RMB'000 截至 二零一九年 十二月 三十一日 止年度 人民幣千元	Year ended 31/12/2018 RMB'000 截至 二零一八年 十二月 三十一日 止年度 人民幣千元
		附註		
Total comprehensive income for the year attributable to:	全面收入總額下列各項應佔：			
Owners of the Company	本公司擁有人		1,869,413	1,585,730
Non-controlling interests	非控股權益		77,592	56,053
			1,947,005	1,641,783
Earnings per share	每股盈利			
Basic (RMB per share)	基本（每股人民幣元）	13	0.41	0.33
Diluted (RMB per share)	攤薄（每股人民幣元）		0.41	0.33

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2019 於二零一九年十二月三十一日

		NOTES	31/12/2019 RMB'000 二零一九年 十二月 三十一日 人民幣千元	31/12/2018 RMB'000 二零一八年 十二月 三十一日 人民幣千元
		附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	4,994,857	4,468,162
Right-of-use assets	使用權資產	15	416,811	-
Prepaid lease payments	預付租賃款項	16	-	386,869
Investment properties	投資物業	17	159,650	131,476
Goodwill	商譽	18	3,398,885	3,339,069
Deposits paid for acquiring property, plant and equipment	就收購物業、廠房及設備之已付按金		143,069	143,295
Intangible assets	無形資產	19	2,266,932	2,409,736
Interests in an associate	於一間聯營公司的權益	20	1,056,416	970,746
Financial assets at fair value through profit or loss	按公平值計入損益計量之金融資產	21	410,326	107,339
Deferred tax assets	遞延稅項資產	22	101,018	78,093
Finance lease receivables	應收融資租賃款項	23	153,026	293,361
Loan receivables	應收貸款	24	627,727	941,201
			13,728,717	13,269,347
Current assets	流動資產			
Inventories	存貨	25	1,242,441	1,137,312
Loan receivables	應收貸款	24	1,501,502	896,585
Trade and other receivables	應收貿易賬款及其他應收款項	26	4,713,078	4,103,675
Debt instruments at fair value through other comprehensive income	按公平值計入其他全面收益計量之債務工具	27	421,883	349,531
Finance lease receivables	應收融資租賃款項	23	156,753	195,707
Pledged bank deposits	已抵押銀行存款	28	321,923	222,270
Bank balances and cash	銀行結餘及現金	29	4,239,441	3,812,446
			12,597,021	10,717,526
Current liabilities	流動負債			
Trade and other payables	應付貿易賬款及其他應付款項	30	3,235,552	2,800,218
Contract liabilities	合約負債	31	120,201	96,297
Borrowings	借款	32	914,247	130,925
Tax payable	應付稅項		123,570	179,211
Deferred income	遞延收入	33	6,413	5,844
Loans from the ultimate holding company	來自最終控股公司貸款	34	143,982	114,234
Lease liabilities	租賃負債	35	7,062	-
			4,551,027	3,326,729
Net Current Assets	流動資產淨額		8,045,994	7,390,797
Total Assets less Current Liabilities	總資產減流動負債		21,774,711	20,660,144

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2019 於二零一九年十二月三十一日

		NOTES	31/12/2019 RMB'000 二零一九年 十二月 三十一日 人民幣千元	31/12/2018 RMB'000 二零一八年 十二月 三十一日 人民幣千元
		附註		
Capital and Reserves	資本及儲備			
Share capital	股本	36	452,233	452,233
Reserves	儲備		15,732,941	14,062,340
Equity attributable to owners of the Company	本公司擁有人應佔權益		16,185,174	14,514,573
Non-controlling interests	非控股權益		811,636	676,327
Total Equity	權益總額		16,996,810	15,190,900
Non-current Liabilities	非流動負債			
Borrowings	借款	32	4,434,984	5,092,889
Deferred income	遞延收入	33	45,851	36,789
Deferred tax liabilities	遞延稅項負債	22	278,417	339,566
Lease liabilities	租賃負債	35	18,649	–
			4,777,901	5,469,244
			21,774,711	20,660,144

The consolidated financial statements on pages 75 to 255 were approved and authorised for issue by the board of directors on 29 April 2020 and are signed on its behalf by:

第75至255頁的綜合財務報表已獲董事會於二零二零年四月二十九日批准及授權刊發，並由以下董事代表董事會簽署：

Zhang Hua Wei
張華威

DIRECTOR
董事

Long Jing
龍經

DIRECTOR
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動報表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔									
		Share capital	Share premium reserve	Statutory surplus reserve	Translation reserve	Share- based payments reserve	Other reserves	Retained profits	Total	Non- controlling interests	Total Equity
		RMB'000	RMB'000	RMB'000 (Note a)	RMB'000	RMB'000	RMB'000 (Note b)	RMB'000	RMB'000	RMB'000	RMB'000
		股本	股份溢價 儲備	法定盈餘 儲備	匯兌儲備	以股份 為基礎付款 儲備	其他儲備	保留溢利	總計	非控股權益	權益總額
		人民幣千元	人民幣千元	人民幣千元 (附註a)	人民幣千元	人民幣千元	人民幣千元 (附註b)	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018	於二零一八年一月一日	452,233	2,575,060	257,956	6,751	49,259	455,790	9,537,456	13,334,505	303,945	13,638,450
Profit for the year	本年度溢利	-	-	-	-	-	-	1,472,935	1,472,935	43,849	1,516,784
Other comprehensive income for the year	年內其他全面收入總額	-	-	-	112,795	-	-	-	112,795	12,204	124,999
Total comprehensive income for the year	年內全面收入總額	-	-	-	112,795	-	-	1,472,935	1,585,730	56,053	1,641,783
Capital contribution by non-controlling shareholders	非控股股東注資	-	-	-	-	-	(5,890)	-	(5,890)	314,850	308,960
Business combination under common control	同一控制下的企業合併	-	-	-	-	-	(3,658)	-	(3,658)	(858)	(4,516)
Recognition of equity-settled share-based payments (note 37)	確認以權益結算之以股份為基礎付款 (附註37)	-	-	-	-	39,684	-	-	39,684	2,337	42,021
Repurchase of shares under a share award scheme (note 37)	根據股份激勵計劃回購股份 (附註37)	-	-	-	-	(13,785)	3,242	-	(10,543)	-	(10,543)
Dividends recognised as distribution (note 12)	確認為分派的股息 (附註12)	-	-	-	-	-	-	(425,255)	(425,255)	-	(425,255)
At 31 December 2018	於二零一八年十二月三十一日	452,233	2,575,060	257,956	119,546	75,158	449,484	10,585,136	14,514,573	676,327	15,190,900
Profit for the year	本年度溢利	-	-	-	-	-	-	1,844,883	1,844,883	75,081	1,919,964
Other comprehensive income for the year	年內其他全面收入總額	-	-	-	24,530	-	-	-	24,530	2,511	27,041
Total comprehensive income for the year	年內全面收入總額	-	-	-	24,530	-	-	1,844,883	1,869,413	77,592	1,947,005
Capital contribution by non-controlling shareholders	非控股股東注資	-	-	-	-	-	-	-	-	12,097	12,097
Disposal of partial interest in a subsidiary (note c)	出售於一間附屬公司之部分權益 (附註c)	-	-	-	-	-	291,967	-	291,967	208,033	500,000
Debt waiver	免除債務	-	-	-	-	-	(3,776)	-	(3,776)	3,776	-
Acquired interest in subsidiary from non-controlling shareholder	自非控股股東收購的附屬公司權益	-	-	-	-	-	204	-	204	(16,326)	(16,122)
Recognition of equity-settled share-based payments (note 37)	確認以權益結算之以股份為基礎付款 (附註37)	-	-	-	-	33,665	-	-	33,665	2,137	35,802
Repurchase of shares under a share award scheme (note 37)	根據股份激勵計劃回購股份 (附註37)	-	-	-	-	(16,422)	(7,573)	-	(23,995)	-	(23,995)
Dividends recognised as distribution (note 12)	確認為分派的股息 (附註12)	-	-	-	-	-	-	(496,877)	(496,877)	(152,000)	(648,877)
At 31 December 2019	於二零一九年十二月三十一日	452,233	2,575,060	257,956	144,076	92,401	730,306	11,933,142	16,185,174	811,636	16,996,810

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動報表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

Notes:

- (a) The Articles of Association of the Company and its subsidiaries established in PRC (as defined in note 1) require the appropriation of 10% of profit after taxation (prepared under the generally accepted accounting principles in the PRC) each year to the statutory surplus reserve until the balance reaches 50% of the registered share capital. According to the provisions of the Articles of Association of the PRC companies, in normal circumstances, the statutory surplus reserve shall only be used for making up losses, capitalisation into capital and expansion of its production and operation. For the capitalisation of statutory surplus reserve into capital, the remaining amount of such reserve shall not be less than 25% of the registered capital.
- (b) Other reserves mainly represent the difference between the amounts by which the non-controlling interests are adjusted and the fair value of the consideration paid to acquire the additional interest in subsidiaries, and the cost of the ordinary shares held by the trustees under a share award scheme.
- (c) During the year ended 31 December 2019, an independent third party injected RMB500,000,000 in Shandong Weigao Orthopaedic Device Company Limited ("Weigao Orthopaedic") resulting in a dilution of the Group's interest in Weigao Orthopaedic from 81% to 75.29%. A credit amount of RMB291,967,000 which represents the difference between the fair value of the consideration received and the carrying amount of the net assets attributable to the equity interests of 5.71% in Weigao Orthopaedic is recognised in other reserves.

附註：

- (a) 本公司及其於中國成立之附屬公司的組織章程細則（定義見附註1）規定將其各年除稅後溢利（根據中國公認會計原則編製）的10%分派至法定盈餘儲備，直至法定盈餘儲備的結餘達註冊股本的50%為止。根據中國公司的組織章程細則的條文規定，在一般情況下，法定盈餘儲備僅可用作彌補虧損、撥充股本及擴充生產及營運。將法定盈餘儲備撥充股本後，該儲備的餘額不得低於註冊股本的25%。
- (b) 其他儲備主要指就收購附屬公司額外權益經調整的非控股權益的金額與所支付的代價的公平值之間的差額，及受託人根據股份激勵計劃持有普通股的成本之間的差額。
- (c) 截至二零一九年十二月三十一日止年度，一名獨立第三方向山東威高骨科材料股份有限公司（「威高骨科」）注資人民幣500,000,000元，致使本集團於威高骨科的權益由81%攤薄至75.29%。人民幣291,967,000元之信貸，即已收代價公平值與威高骨科5.71%股本權益應佔淨資產之賬面值之差額，於其他儲備中確認。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量報表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		Year ended 31/12/2019 RMB'000 截至 二零一九年 十二月 三十一日 止年度 人民幣千元	Year ended 31/12/2018 RMB'000 截至 二零一八年 十二月 三十一日 止年度 人民幣千元
OPERATING ACTIVITIES	經營業務		
Profit before tax	除稅前溢利	2,247,101	1,775,215
Adjustments for:	經作出下列調整：		
Interest income	利息收入	(94,937)	(125,171)
Finance costs	融資成本	396,735	284,408
Depreciation of property, plant and equipment	物業、廠房及設備折舊	343,926	344,551
Depreciation of right-of-use assets	使用權資產折舊	19,027	-
Depreciation of investment properties	投資物業折舊	7,037	2,959
Prepaid lease payments charged to profit or loss	從損益中扣除的預付租賃款項	-	13,492
Allowances for credit losses	信貸虧損撥備	16,163	17,911
Allowances for property, plant and equipment	物業、廠房及設備撥備	5,891	-
Allowances for inventories	存貨撥備	24,893	611
Amortisation of intangible assets	無形資產攤銷	241,207	215,048
Share-based payment expenses	以股份為基礎之付款開支	35,802	42,021
Share of profit of an associate	應佔聯營公司溢利	(81,097)	(33,246)
Gain on deemed disposal of investment in an associate	視為出售於一間聯營公司投資之收益	(4,573)	-
Loss on disposal of a subsidiary	出售一間附屬公司之虧損	50	-
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	3,580	2,044
Release of deferred income	遞延收入付回	(5,929)	(4,654)
Gain from changes in fair value of financial assets at fair value through profit or loss	按公平值計入損益計量之金融資產公平值變動收益	(21,444)	(17,603)
Exchange gain	匯兌收益	(8,483)	(20,692)
		3,124,949	2,496,894
Movements in working capital	營運資金變動		
Increase in inventories	存貨增加	(132,158)	(52,173)
Increase in trade and other receivables	應收貿易賬款及 其他應收款項增加	(634,569)	(444,537)
Decrease in finance lease receivables	應收融資租賃款項減少	179,802	55,778
Increase in loan receivable	應收貸款增加	(236,118)	-
Increase in debt instruments at fair value through other comprehensive income	按公平值計入其他全面收益計量之債務工具增加	(73,913)	(107,933)
Increase in trade and other payables	應付貿易賬款及 其他應付款項增加	527,184	470,797
Increase in contract liabilities	合約負債增加	23,904	32,873
Increase in deferred income	遞延收入增加	15,560	8,297

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量報表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		Year ended 31/12/2019 RMB'000 截至 二零一九年 十二月 三十一日 止年度 人民幣千元	Year ended 31/12/2018 RMB'000 截至 二零一八年 十二月 三十一日 止年度 人民幣千元
Cash generated from operations	經營所得現金	2,794,641	2,459,996
Income taxes paid	已付所得稅	(473,651)	(240,800)
NET CASH FROM OPERATING ACTIVITIES	經營業務所得現金淨額	2,320,990	2,219,196
INVESTING ACTIVITIES	投資業務		
Purchases of property, plant and equipment	購買物業、廠房及設備	(798,675)	(651,495)
Purchases of intangible assets	購買無形資產	(43,348)	(690)
Payment of investment properties	投資物業款項	(8,118)	-
Deposits paid for acquiring property, plant and equipment	就收購物業、廠房及設備支付的按金	(143,069)	(143,295)
Net cash outflow on acquisition of a subsidiary (note 38)	收購一間附屬公司的現金流出淨額(附註38)	(33,317)	(5,420,082)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	22,993	18,880
Interest received	已收利息	38,174	54,325
Withdrawal of pledged bank deposits	提取已抵押銀行存款	372,831	1,497,849
Placement of pledged bank deposits	存入已抵押銀行存款	(472,484)	(1,623,941)
Purchase of financial assets at fair value through profit or loss	購買按公平值計入損益之金融資產	(281,713)	(8,745)
Payments for loans	發放貸款	-	(10,000)
Repayment of loans	償還貸款	-	200,123
Net cash outflow on disposal of a subsidiary (note 39)	出售附屬公司的現金流出淨額(附註39)	9,459	-
NET CASH USED IN INVESTING ACTIVITIES	投資業務所用現金淨額	(1,337,267)	(6,087,071)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量報表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		Year ended 31/12/2019 RMB'000 截至 二零一九年 十二月 三十一日 止年度 人民幣千元	Year ended 31/12/2018 RMB'000 截至 二零一八年 十二月 三十一日 止年度 人民幣千元
FINANCING ACTIVITIES	融資業務		
Repayments of borrowings	償還借款	(3,157,304)	(1,498,447)
Repayments of lease liabilities	償還租賃負債	(11,312)	-
New borrowings raised	新增加之借款	3,152,079	5,557,599
Interest paid	已付利息	(333,726)	(271,133)
Dividends paid	已付股息	(711,428)	(217,904)
Capital contribution by non-controlling shareholders	非控股股東之注資	12,097	308,960
Disposal of partial interest in a subsidiary	出售於一間附屬公司之部分權益	500,000	-
Acquired interest in subsidiary from non-controlling shareholder	自非控股股東收購的附屬公司權益	(16,122)	-
New loans raised from the ultimate holding company	自最終控股公司籌集之新貸款	24,500	10,535
Repurchase of shares under a share award scheme	根據股份激勵計劃回購股份	(23,995)	(10,543)
Net cash flow on the business combination under common control	同一控制下企業合併現金流淨額	-	(4,516)
NET CASH (USED IN) FROM FINANCING ACTIVITIES	融資業務(所用)所得之現金淨額	(565,211)	3,874,551
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加淨額	418,512	6,676
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	於年初的現金及現金等價物	3,812,446	3,784,553
Effect of foreign exchange rate changes	外匯匯率變動的影響	8,483	21,217
CASH AND CASH EQUIVALENTS AT END OF YEAR, represented by bank balances and cash	於年末的現金及現金等價物，指銀行結餘及現金	4,239,441	3,812,446

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

1. GENERAL

Shandong Weigao Group Medical Polymer Company Limited (the “Company”) was established and registered as a joint stock company with limited liability in the People’s Republic of China (the “PRC”) under the Company Law of the PRC on 28 December 2000 and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its immediate and ultimate holding company is Weigao Holding Company Limited (“Weigao Holding”), a company registered in the PRC with limited liability. Its ultimate controlling party is Chen Xue Li. The address of the registered office and principal place of business of the Company is No. 18, Xing Shan Road, Weihai, Shandong Province, PRC.

The Company and its subsidiaries (hereinafter collectively referred to as the “Group”) are principally engaged in the research and development, production and sale of medical device products, orthopaedic products, interventional products, pharma packaging products and blood management products, and operate financing business.

The consolidated financial statements are presented in Renminbi (“RMB”), which is the functional currency of the Company.

1. 概述

山東威高集團醫用高分子製品股份有限公司（「本公司」）於二零零零年十二月二十八日根據中華人民共和國（「中國」）公司法在中國成立及註冊為股份有限公司，及其股份於香港聯合交易所有限公司（「聯交所」）主板上市。本公司直接及最終控股公司為威高集團有限公司（「威高集團公司」），其為於中國註冊的有限責任公司。其最終控股人士為陳學利先生。本公司之註冊辦事處及主要營業地點為中國山東省威海興山路18號。

本公司及其附屬公司（以下統稱「本集團」）主要從事研究及開發、生產及銷售醫療器械、骨科產品、介入產品、藥品包裝產品及血液管理產品，及經營融資業務。

綜合財務報表以本公司的功能貨幣人民幣（「人民幣」）呈列。

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

New and amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time in the current year:

HKFRS 16	<i>Leases</i>
HK(IFRIC)-Int 23	<i>Uncertainty over Income Tax Treatments</i>
Amendments to HKFRS 9	<i>Prepayment Features with Negative Compensation</i>
Amendments to HKAS 19	<i>Plan Amendment, Curtailment or Settlement</i>
Amendments to HKAS 28	<i>Long-term Interests in Associates and Joint Ventures</i>
Amendments to HKFRSs	<i>Annual Improvements to HKFRSs 2015-2017 Cycle</i>

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

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

於本年度強制生效的新訂及經修訂香港財務報告準則

於本年度，本集團已首次應用香港會計師公會（「香港會計師公會」）頒佈的下列香港財務報告準則修訂本：

香港財務報告準則第16號	租賃
香港（國際財務報告詮釋委員會）— 詮釋第23號	所得稅處理的不確定性
香港財務報告準則第9號（修訂本）	負值補償之預付特點
香港會計準則第19號（修訂本）	計劃修訂、縮減或結算
香港會計準則第28號（修訂本）	於聯營公司及合營企業的長期權益
香港財務報告準則（修訂本）	香港財務報告準則二零一五年至二零一七年週期的年度改進

除下文所述者外，本年度內應用新訂香港財務報告準則及香港財務報告準則修訂本並無對本集團於本年度及過往年度的財務表現及狀況及／或該等綜合財務報表所載披露造成重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

HKFRS 16 Leases

The Group has applied HKFRS 16 for the first time in the current year. HKFRS 16 superseded HKAS 17 Leases (“HKAS 17”), and the related interpretations.

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease* and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019.

As at 1 January 2019, the Group recognised additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities adjusted by any prepaid lease payments by applying HKFRS 16.C8(b)(ii) transition. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第16號租賃

於本年度，本集團已首次應用香港財務報告準則第16號。香港財務報告準則第16號取代香港會計準則第17號租賃（「香港會計準則第17號」）及相關注釋。

租賃的定義

本集團已選擇可行權宜方法將香港財務報告準則第16號應用於先前應用香港會計準則第17號及香港（國際財務報告詮釋委員會）－詮釋第4號「釐定安排是否包含租賃」確定為租賃的合約，而不將該準則應用於先前並無獲確定包含租賃的合約。因此，本集團概無重新評估於初步應用日期前已存在的合約。

就於二零一九年一月一日或之後訂立或修改的合約而言，本集團根據香港財務報告準則第16號所載規定於評估合約是否包含租賃時應用租賃的定義。

作為承租人

本集團已追溯應用香港財務報告準則第16號，累計影響已於初步應用日期（二零一九年一月一日）確認。

於二零一九年一月一日，本集團透過應用香港財務報告準則第16.C8(b)(ii)過渡性條文，按等於相關租賃負債（經任何預付租賃款項調整）的金額確認租賃負債及使用權資產。於初步應用日期之任何差異已於期初保留溢利確認，而比較資料未獲重列。

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

HKFRS 16 *Leases* (continued)

As a lessee (continued)

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

- i. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;
- ii. excluded initial direct costs from measuring the right-of-use assets at the date of initial application;
- iii. applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment; and
- iv. used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group’s leases with extension and termination options.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rate applied by PRC entities is 4.75%, while that applied by U.S. entities range from 8.45% to 8.69%.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第16號租賃（續）

作為承租人（續）

於過渡時採用香港財務報告準則第16號項下的經修訂追溯法時，在與各租賃合約相關的情況下，本集團就先前根據香港會計準則第17號按個別租賃基準分類為經營租賃的租賃採用以下可行權宜方法：

- i. 選擇不予確認租期自初步應用日期起12個月內結束之租賃的使用權資產及租賃負債；
- ii. 於首次應用日期計量使用權資產時撇除初始直接成本；
- iii. 對具有於類似經濟環境中屬類似相關資產類別且剩餘期限相若的租賃組合應用單一折現率；及
- iv. 根據於首次應用日期的事實及情況使用事後方式為本集團具有延長及終止選擇權的租賃釐定期。

於確認先前分類為經營租賃之租賃的租賃負債時，本集團已採用於初步應用日期相關集團實體之增量借款利率。中國實體應用的加權平均之增量借款利率為4.75%，於美國的實體應用的加權平均之增量借款利率介乎8.45%至8.69%之間。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

HKFRS 16 Leases (continued)

香港財務報告準則第16號租賃
(續)

As a lessee (continued)

作為承租人 (續)

		At 1 January 2019 RMB'000 於二零一九年 一月一日 人民幣千元
Operating lease commitments disclosed as at 31 December 2018	於二零一八年十二月三十一日所披露之經營租賃承擔	24,366
Lease liabilities discounted at relevant incremental borrowing rates	按相關增量借款利率所貼現的租賃負債	20,317
Add: Extension options reasonably certain to be exercised	加：合理確信將行使的續租選擇權	8,635
Less: Recognition exemption – short-term leases	減：確認豁免—短期租賃	978
Practical expedient – leases with lease term ending within 12 months from the date of initial application	可行之權宜之計—租期於自首次應用起12個月內到期之租賃	1,403
Lease liabilities relating to operating leases recognised upon application of HKFRS 16	於應用香港財務報告準則第16號時確認的有關經營租賃之租賃負債	26,571
Lease liabilities as at 1 January 2019	於二零一九年一月一日的租賃負債	26,571
Analysed as	分析為	
Current	流動	6,726
Non-current	非流動	19,845
		26,571

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

HKFRS 16 Leases (continued)

As a lessee (continued)

The carrying amount of right-of-use assets for own use as at 1 January 2019 comprises the following:

	Note	At 1 January 2019 RMB'000 於二零一九年一月一日 人民幣千元
	附註	
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16		26,571
Reclassified from prepaid lease payments	(a)	400,522
		427,093

(a) Upfront payments for leasehold lands in the PRC for own used properties were classified as prepaid lease payments as at 31 December 2018. Upon application of HKFRS 16, the current and non-current portion of prepaid lease payments amounting to RMB13,653,000 and RMB386,869,000 respectively were reclassified to right-of-use assets.

As a lessor

In accordance with the transitional provisions in HKFRS 16 the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with HKFRS 16 from the date of initial application and comparative information has not been restated.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第16號租賃（續）

作為承租人（續）

作自用的使用權資產於二零一九年一月一日之賬面值包括以下各項：

(a) 自用物業之中國土地租賃預付款項於二零一八年十二月三十一日分類為預付租賃款項。因採用香港財務報告準則第16號，預付租賃款項之流動及非流動部份，分別為港幣13,653,000元及港幣386,869,000元，已重新分類至使用權資產。

作為出租人

根據香港財務報告準則第16號的過渡性條文，本集團毋須就本集團為出租人的租賃於過渡時作出任何調整，惟須根據香港財務報告準則第16號自首次應用日期起為該等租賃入賬，而比較資料並未經重列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

HKFRS 16 *Leases* (continued)

As a lessor (continued)

- (a) Upon application of HKFRS 16, new lease contracts entered into but commence after the date of initial application relating to the same underlying assets under existing lease contracts are accounted as if the existing leases are modified as at 1 January 2019. The application has had no impact on the Group’s consolidated statement of financial position at 1 January 2019. However, effective 1 January 2019, lease payments relating to the revised lease term after modification are recognised as income on straight-line basis over the extended lease term.
- (b) Before application of HKFRS 16, refundable rental deposits received were considered as rights and obligations under leases to which HKAS 17 applied under trade and other payables. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right-of-use assets and should be adjusted to reflect the discounting effect at transition. The amount of refundable rental deposits of the Group is not material and no adjustments were made on the first adoption of HKFRS 16.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第16號租賃（續）

作為出租人（續）

- (a) 於應用香港財務報告準則第16號時，有關現有租約項下相同相關資產之已訂立但於首次應用日期後開始的新租約以猶如現有租賃於二零一九年一月一日獲修訂的方式入賬。該項應用對本集團於二零一九年一月一日的綜合財務狀況表並無影響。然而，於二零一九年一月一日生效起，有關經修訂租期於修訂後的租賃付款按直線法於經延長租期內確認為收入。
- (b) 於應用香港財務報告準則第16號前，所收取的可退還租賃按金被視為應用香港會計準則第17號的租賃的權利及責任（屬貿易應付款項及其他應付款項）。根據香港財務報告準則第16號租賃付款的定義，該等按金並非與使用權資產相關的付款，並調整以反映過渡時的貼現影響。本集團可退還租賃按金數目並不重大且並未就首次採納香港財務報告準則第16號作出調整。

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

HKFRS 16 *Leases* (continued)

Sales and leaseback transactions

The Group acts as a buyer-lessor

In accordance with the transition provisions of HKFRS 16, sale and leaseback transactions entered into before the date of initial application were not reassessed. Upon application of HKFRS 16, the Group as a buyer-lessor does not recognise the transferred asset if such transfer does not satisfy the requirements of HKFRS 15 as a sale. During the year, several sales and leaseback transactions in which the relevant seller-lessees have an obligation or a right to repurchase the relevant assets were accounted as financing arrangements under HKFRS 9.

At the date of initial application, the adoption of HKFRS16 has no impact to the retained profits of the Group as at 1 January 2019.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第16號租賃（續）

售後租回交易

本集團作為買方承租人

根據香港財務報告準則第16號的過渡性條文，並無對於首次採納當日前簽訂的出售及售後回租交易進行重新評估。於採納香港財務報告準則第16號後，倘有關轉讓不符合香港財務報告準則第15號有關作為出售事項的規定，則本集團（作為買方承租人）不會確認已轉讓資產。於本年度，根據香港財務報告準則第9號，多項相關賣方承租人有義務或權利購回相關資產的售後租回交易已作為融資安排入賬。

於首次應用日期，採納香港財務報告準則第16號對本集團於二零一九年一月一日的保留溢利並無影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

HKFRS 16 Leases (continued)

Sales and leaseback transactions (continued)

The Group acts as a buyer-lessor (continued)

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第16號租賃（續）

售後租回交易（續）

本集團作為買方承租人（續）

已就於二零一九年一月一日的綜合財務狀況表中確認的金額作出下列調整。未受變動影響的項目並未列入。

	Carrying amounts previously reported at 31 December 2018 RMB'000 於二零一八年十二月三十一日 先前呈報的賬面值 人民幣千元	Adjustments RMB'000 調整 人民幣千元	Carrying amounts under HKFRS 16 at 1 January 2019 RMB'000 於二零一九年一月一日 香港財務報告準則第16號 項下賬面值 人民幣千元
Non-current Assets			
Prepaid lease payments	386,869	(386,869)	-
Right-of-use assets	-	427,093	427,093
Current Assets			
Prepaid lease payments	13,653	(13,653)	-
Current Liabilities			
Lease liabilities	-	6,726	6,726
Non-current Liabilities			
Lease liabilities	-	19,845	19,845

Note: For the purpose of reporting cash flows from operating activities under indirect method for the year ended 31 December 2019, movements in working capital have been computed based on opening consolidated statement of financial position as at 1 January 2019 as disclosed above.

附註：為以間接法報告截至二零一九年十二月三十一日止年度經營業務產生之現金流量，營運資金變動已按如上文披露於二零一九年一月一日之綜合財務狀況表之期初結餘計算。

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts ¹
Amendments to HKFRS 3	Definition of a Business ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1 and HKAS 8	Definition of Material ⁴
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform ⁴

¹ Effective for annual periods beginning on or after 1 January 2021

² Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020

³ Effective for annual periods beginning on or after a date to be determined

⁴ Effective for annual periods beginning on or after 1 January 2020

In addition to the above new and amendments to HKFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, the Amendments to References to the Conceptual Framework in HKFRS Standards, will be effective for annual periods beginning on or after 1 January 2020.

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

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但尚未生效的新訂及經修訂香港財務報告準則

本集團並未提早應用以下已頒佈但尚未生效的新訂及經修訂香港財務報告準則：

香港財務報告準則第17號	保險合約 ¹
香港財務報告準則第3號（修訂）	業務的定義 ²
香港財務報告準則第10號及香港會計準則第28號（修訂）	投資者與其聯營企業及合營企業之間的資產出售或注資 ³
香港會計準則第1號及香港會計準則第8號之修訂	重要之定義 ⁴
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號之修訂	利率基準改革 ⁴

¹ 於二零二一年一月一日或之後開始之年度期間生效

² 對收購日期為二零二零年一月一日或之後開始的首個年度期間開始之日或之後之業務合併及資產收購有效

³ 於待定期日或之後開始之年度期間生效

⁴ 於二零二零年一月一日或之後開始之年度期間生效

除上文之新訂及經修訂香港財務報告準則外，二零一八年頒佈了經修訂財務報告之概念框架。其重大修訂、香港財務報告準則之概念框架指引之修訂，將於二零二零年一月一日或之後開始的年度期間生效。

本公司董事預期應用所有其他新訂及經修訂香港財務報告準則於可見未來將不會對綜合財務報表產生重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“Listing Rules”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16 (since 1 January 2019) or HKAS 17 (before application of HKFRS 16), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

3. 主要會計政策

綜合財務報表乃按照香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表載有香港聯合交易所有限公司證券上市規則（「上市規則」）及香港公司條例規定的適用披露。

除於各報告期末若干金融工具按公平值計量外，綜合財務報表乃以歷史成本為基礎編製。

歷史成本一般以換取貨品及服務所作出代價之公平值為基準。

公平值指市場參與者之間於計量日期進行的有序交易中出售一項資產所收取的價格或轉移一項負債所支付的價格，無論該價格為直接觀察得出或採用其他估值技術作出的估計。在對資產或負債的公平值作出估計時，本集團考慮了市場參與者於計量日期為該資產或負債進行定價時將會考慮的該等特徵。在該等綜合財務報表中計量及／或披露的公平值均按此基礎予以確定，惟香港財務報告準則第2號以股份為基礎付款範圍內的以股份為基礎付款交易、根據香港財務報告準則第16號（自二零一九年一月一日起）或香港會計準則第17號入賬的租賃交易（於應用香港財務報告準則第16號前）、以及與公平值類似但並非公平值的計量（例如，香港會計準則第2號存貨中的可變現淨值或香港會計準則第36號資產減值中的使用價值）除外。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

3. 主要會計政策 (續)

就於隨後期間按公平值及將使用不可觀察輸入數據計量公平值的估值技術交易的金融工具而言，估值技術會予以校準，以便在首次確認時使估值技術結果與交易價相等。

此外，就財務報告而言，公平值計量根據公平值計量的輸入數據可觀察程度及公平值計量的輸入數據對其整體的重要性分類為第一級、第二級或第三級，概述如下：

- 第一級輸入數據指該實體於計量日期可以取得的相同資產或負債於活躍市場的報價（未經調整）；
- 第二級輸入數據指就資產或負債直接或間接地可觀察的輸入數據（第一級內包括的報價除外）；及
- 第三級輸入數據指資產或負債的不可觀察輸入數據。

主要會計政策載列如下。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

3. 主要會計政策 (續)

綜合基準

綜合財務報表包含本公司以及本公司及其附屬公司所控制的實體(包括結構性實體)的財務報表。當本公司符合以下情況，即取得控制權：

- 有權控制被投資方；
- 因其參與被投資方業務而獲得或有權獲得可變回報；及
- 有能力以其權力影響其回報。

倘有事實及情況顯示上述三項控制權要素有一項或多項出現變動，則本集團會重新評估其是否控制被投資方。

附屬公司於本集團取得附屬公司的控制權時開始綜合入賬，並於本集團喪失對附屬公司的控制權時終止。特別是，年內收購或出售附屬公司的收入及開支自本集團取得控制權當日起直至本集團不再控制附屬公司之日止於綜合損益及其他全面收益表列賬。

損益及各其他全面收入項目歸屬於本公司擁有人及非控股權益。附屬公司的全面收入總額會歸屬於本公司擁有人及非控股權益，即使其將導致非控股權益為赤字結餘。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Basis of consolidation (continued)

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

3. 主要會計政策 (續)**綜合基準 (續)**

本集團於必要時會對附屬公司的財務報表作出調整，以使附屬公司的會計政策與本集團的會計政策相符一致。

與本集團成員公司間交易有關的所有集團內資產及負債、權益、收入、開支及現金流量均於綜合賬目時悉數對銷。

於附屬公司之非控股權益與本集團於當中的權益分開呈列，指現時擁有之權益且賦予持有人權利於清盤時按比例分佔相關附屬公司淨資產。

本集團於現有附屬公司的擁有權權益的變動

並無導致本集團失去附屬公司控制權的本集團於附屬公司的擁有權權益變動，乃按權益交易入賬。本集團相關權益部分（包括儲備）及非控股權益的賬面金額，乃予以調整以反映彼等於附屬公司相關權益的變動，包括按照本集團與非控股權益之權益比例，將本集團與非控股權益之間相關儲備重新歸屬。

重新分配相關權益部分後非控股權益數額的調整額與已付或已收代價公平值之間的任何差額，乃於權益直接確認，並歸本公司擁有人。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Basis of consolidation (continued)***Changes in the Group's interests in existing subsidiaries*** (continued)

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interest (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified that to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3. 主要會計政策 (續)**綜合基準 (續)****本集團於現有附屬公司的擁有權權益的變動 (續)**

當本集團失去一間附屬公司之控制權時，盈虧於損益內確認，並按：(i) 已收代價公平值及任何保留權益公平值總額與(ii)本公司擁有人應佔之資產（包括商譽）及負債以及任何非控股權益之先前賬面值之差額計算。所有先前於其他全面收益確認之有關該附屬公司之款項，將按猶如本集團已直接出售該附屬公司之相關資產或負債入賬（適用香港財務報告準則之規定／許可條文重新分類至損益或轉撥至另一類權益）。於失去控制權當日在前附屬公司保留之任何投資之公平值根據香港財務報告準則第9號，在其後入賬時被列作初步確認之公平值，或（如適用）初步確認於聯營公司或共同控制實體之投資之成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations

Acquisitions of businesses, other than business combination under common control, are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

3. 主要會計政策 (續)

業務合併

收購業務(共同控制下的業務合併除外)以收購法入賬。於業務合併轉移之代價以公平值計量,其計算乃按於收購日期本集團轉移資產、本集團向被收購方之前擁有人所承擔之負債及本集團用以換取被收購方之控制權而發行之股本權益之公平值總和。收購相關成本一般在發生時於損益中確認。

於收購日期,可識別之已收購資產及已承擔負債乃按公平值確認,惟:

- 遞延稅項資產或負債及員工福利安排之相關資產或負債分別按照香港會計準則第12號*所得稅*及香港會計準則第19號*僱員福利*來確認和計量;
- 租賃負債按剩餘租賃付款(定義見香港財務報告準則第16號)的現值確認及計量,猶如收購的租賃於收購日為新租賃,惟(a)租賃期限於收購日期12個月內結束;或(b)相關資產為低價值的租賃除外。使用權資產按與相關租賃負債相同的金額確認及計量,並進行調整以反映與市場條件相比租賃的有利或不利條款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Business combinations (continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value.

3. 主要會計政策 (續)

業務合併 (續)

商譽乃按已轉移之代價、被收購方之非控股權益金額及收購方以往持有被收購方之股本權益(如有)之公平值的總和,超出於收購日期可識別之已收購資產及已承擔負債之淨額計量。倘重新評估後,可識別之已收購資產及已承擔負債之淨額,超出已轉移之代價、被收購方之非控股權益金額及收購方以往持有被收購方之股本權益(如有)之公平值的總和時,超出之金額即時於損益中確認為議價收購收益。

屬現有擁有權益並賦予持有人可於清盤時按比例攤佔相關附屬公司之資產淨額之非控股權益,按非控股權益比例攤佔被收購方之可識別淨資產之已確認金額或按公平值作初始計量。計量基準之選擇乃按逐筆交易為基礎作出。其他類型之非控股權益,乃按公平值計量。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Merger accounting for business combination involving businesses under common control

The consolidated financial statements incorporate the financial statements items of the combining businesses in which the common control combination occurs as if they had been combined from the date when the combining businesses first came under the control of the controlling party.

The net assets of the combining businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or bargain purchase gain at the time of common control combination.

The consolidated statement of profit or loss and other comprehensive income includes the results of each of the combining businesses from the earliest date presented or since the date when the combining businesses first came under the common control, where this is a shorter period.

The comparative amounts in the consolidated financial statements are presented as if the businesses had been combined at the end of the previous reporting period or when they first came under common control, whichever is shorter.

3. 主要會計政策 (續)**涉及共同控制業務的業務合併的合併會計法**

綜合財務報表包括發生共同控制合併的合併業務的財務報表項目，猶如該等合併業務自其首次受控制方控制當日起已經合併。

對於控制方而言，合併業務的資產淨值乃按現有賬面值進行合併。共同控制合併時並無就商譽或溢價收購利得確認金額。

綜合損益及其他全面收入報表包括自最早呈列日期或合併業務首次受共同控制當日（以期限較短者為準）起各合併業務的業績。

合併財務報表中的比較數額乃按猶如有關業務已於先前報告期末或首次受共同控制時（以期限較短者為準）合併的方式呈列。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's relevant cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

The Group's policy for goodwill arising on the acquisition of an associate is described below.

3. 主要會計政策 (續)

商譽

收購業務產生之商譽按收購業務日期的成本(見上述會計政策)減任何累計減值虧損(如有)列賬。

就減值測試而言,商譽會分配至預期可受惠於收購的協同效益的本集團之各有關現金產生單位或現金產生單位組合,而該單位或單位組合指就內部管理目的監控商譽的最低水平且不超過經營分類。

獲分配商譽的現金產生單位(或現金產生單位組合)會每年或於有跡象顯示該單位可能出現減值時更頻繁進行減值測試。就報告期內收購所產生的商譽而言,獲分配商譽的現金產生單位(或現金產生單位組合)會於該報告期末前進行減值測試。倘可收回金額低於其賬面值,則減值虧損會先分配以調減任何商譽的賬面值,其後則按該單位(或現金產生單位組合)內各項資產的賬面值的比例分配至該單位的其他資產。

於出售相關現金產生單位或現金產生單位組別中任何現金產生單位時,商譽的應佔金額計入釐定的出售損益金額。當本集團出售現金產生單位(或現金產生單位組別中的一個現金產生單位)內的業務時,所出售商譽金額按所出售業務(或現金產生單位)與所保留現金單位(或現金產生單位組別)部分的相對價值計量。

本集團有關收購聯營公司產生的商譽的政策載於下文。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in an associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of an associate is incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associate used for equity accounting purposes is prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

3. 主要會計政策 (續)

於聯營公司的投資

聯營公司指本集團對其擁有重大影響力的實體。重大影響力是有權參與被投資方的財務及經營決策，而不是控制或共同控制該等政策。

聯營公司之業績、資產及負債利用權益會計法載入該等綜合財務報表內。作會計權益法用途的聯營公司的財務報表乃按與本集團就同類交易及同類情況下事項的統一會計政策編製。根據權益法，於聯營公司的投資乃初步於綜合財務狀況表按成本值確認，並於其後作出調整以確認本集團應佔聯營公司的損益及其他全面收益。損益及其他全面收益除外，聯營公司的淨資產變動不會入賬，除非該等變動導致本集團持有的所有權權益出現變動。當本集團應佔一間聯營公司虧損超出本集團於該聯營公司的權益時（包括任何實際上構成本集團於聯營公司投資淨值一部分的長期權益），本集團會終止確認其應佔的進一步虧損。當本集團產生法定或推定責任或代表聯營公司付款時，方會確認額外虧損。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Investments in an associate (continued)

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

3. 主要會計政策 (續)

於聯營公司的投資 (續)

於被投資方成為一家聯營公司當日，對於聯營公司的投資採用權益法入賬。於收購一間聯營公司的投資時，投資成本超過本集團分佔該被投資方可識別資產及負債公平淨值的任何部分乃確認為商譽，並計入投資之賬面值。本集團應佔可識別資產及負債的公平淨值超出投資成本的任何差額，於重新評估後即時於投資被收購之期間於損益確認。

本集團評估是否有客觀證據表明於聯營公司的權益可能出現減值。如存在任何客觀證據，則將投資的全部賬面值（包括商譽）作為單一資產根據香港會計準則第36號，透過比較其可收回金額（使用價值與公平值減銷售成本之較高者）與賬面值而測試有否減值。任何確認的減值虧損並未分配予任何資產（包括商譽），屬投資賬面值之一部份。倘其後投資的可收回金額增加，則根據香港會計準則第36號確認該減值虧損的撥回。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in an associate (continued)

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of HKFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

3. 主要會計政策 (續)

於聯營公司的投資 (續)

當本集團不再對聯營公司擁有重大影響力時，則按出售於該被投資公司的全部權益入帳，所產生的收益或虧損於損益中確認。倘本集團於前聯營公司中保留權益，而保留權益又屬香港財務報告準則第9號範圍的金融資產，則本集團按該日公平值計量保留權益，而公平值視為其於初始確認時的公平值。於釐定出售聯營公司之收益或虧損時考慮聯營公司的賬面值與任何保留權益的公平值及出售聯營公司的相關權益的任何所得款項之間的差額。此外，倘該聯營公司直接出售相關資產或負債，則本集團可能需要按相同基準計入有關該聯營公司的以往於其他全面收入確認的所有金額。因此，倘聯營公司以往於其他全面收入確認的盈虧重新分類為出售相關資產或負債的損益，則本集團將於出售／部分出售相關聯營公司時將盈虧由權益重新分類至損益（列作重新分類調整）。

當本集團減少其於聯營公司之所有者權益但本集團繼續採用權益法時，本集團將此前計入其他全面收益內與任何減少所有者權益相關之收益或虧損部份重新分類至損益（前提為此項收益或虧損於出售相關資產或負債時將重新分類至損益）。

倘集團實體與本集團聯營公司進行交易，則與聯營公司進行交易所產生之溢利及虧損乃按與本集團無關之於聯營公司之權益於本集團之綜合財務報表內確認。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

3. 主要會計政策 (續)

客戶合約收入

本集團於完成履約責任時(即當貨品或服務按特定履約責任之「控制權」轉移予客戶時)確認收入。

履約責任指個別的商品或服務(或一組商品或服務)或一系列大致相同的個別商品或服務。

倘符合以下其中一項條件,則控制權隨時間轉移,而收入將參照完全履行相關履約責任的進展情況而隨時間確認:

- 於本集團履約時,客戶同時收取及耗用本集團履約所帶來的利益;
- 於本集團履約時,自本集團之履約產生及提升一項由客戶控制的資產;或
- 本集團之履約並無產生對本集團有替代用途的資產,且本集團可享有強制執行權利,以收回至今已履約部份的款項。

否則,收入於客戶取得明確商品或服務的控制權時確認。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Revenue from contracts with customers

(continued)

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

3. 主要會計政策 (續)**客戶合約收入 (續)**

合約資產指本集團就向客戶換取本集團已轉讓的商品或服務收取代價的權利(尚未成為無條件)。其根據香港財務報告準則第9號評估減值。相反,應收款項指本集團收取代價的無條件權利,即代價僅隨時間推移即成為到期支付。

合約負債指本集團因已自客戶收取代價(或到期的代價金額),而須向客戶轉讓商品或服務之責任。

與相同合約有關的合約資產及合約負債按淨額入賬及呈列。

主事人與代理人

倘向客戶提供商品或服務涉及另一方,本集團會釐定其承諾性質是否為其本身提供指定商品或服務的履約責任(即本集團為主事人),抑或是安排另一方提供該等商品或服務(即本集團為代理人)。

倘本集團於向客戶轉移指定商品或服務前控制該商品或服務,則為主事人。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Revenue from contracts with customers

(continued)

Principal versus agent (continued)

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Leases

Definition of a lease (upon application of HKFRS 16 in accordance with transitions in note 2)

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.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

3. 主要會計政策 (續)

客戶合約收入 (續)

主事人與代理人 (續)

倘本集團的履約責任為安排另一方提供指定商品或服務，則為代理人。在這一情況下，本集團於指定商品或服務轉讓予客戶之前，不控制由另一方提供的該商品或服務。倘本集團作為代理人行事，其所確認收入的金額為就安排另一方提供指定商品或服務作為交換應收取的任何費用或佣金。

租賃

租賃的定義 (於根據附註2所載過渡性條文應用香港財務報告準則第16號後)

倘合約為換取代價而授予在一段期間內已識別資產的使用控制權，則該合約屬於租賃或包含租賃。

就於首次應用日期或之後訂立或修改或業務合併所致的合約而言，本集團於開始、修改日期或收購日期（倘適用）根據香港財務報告準則第16號項下的定義評估合約是否屬於租賃或包含租賃，惟倘合約條款及條件隨後有所變動，該合約將不獲重新評估。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Leases (continued)***The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2)****Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to leases of buildings and equipment that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

3. 主要會計政策 (續)**租賃 (續)*****本集團作為承租人 (於根據附註2所載過渡性條文應用香港財務報告準則第16號後)****短期租賃及低價值資產租賃*

本集團將短期租賃確認豁免應用於租期自開始日期起為12個月或以下的樓宇及設備租賃，且並不包括購買選擇權。其亦對低價值資產租賃應用確認豁免。短期租賃及低價值資產租賃之租賃付款於租期內按直線法確認為開支。

使用權資產

使用權資產的成本包括：

- 租賃負債初始計量的金額；
- 於開始日期或之前作出的任何租賃付款減去所收取的任何租賃優惠；
- 本集團產生的任何初始直接成本；及
- 本集團拆除及移除相關資產、還原該資產所處位置或將相關資產恢復至租賃條款及條件規定的狀況將產生的預計成本。

使用權資產按成本減去任何累計折舊及減值虧損計量，並就租賃負債的任何重新計量予以調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Leases (continued)

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2) (continued)

Right-of-use assets (continued)

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

3. 主要會計政策 (續)

租賃 (續)

本集團作為承租人 (於根據附註2所載過渡性條文應用香港財務報告準則第16號後) (續)

使用權資產 (續)

本集團合理確定於租賃期結束時將取得相關已租賃資產所有權的使用權資產自開始日期起至可使用年期結束止予以折舊。否則，使用權資產於其估計可使用年期及租賃期 (以較短者為準) 按直線法折舊。

本集團將使用權資產於綜合財務狀況表內單獨呈列。

可退還租賃按金

已付可退還的租賃按金按香港財務報告準則第9號入賬，並初步按公平值計量。初始確認時對公平值的調整被視為額外租賃付款並包含於使用權資產之成本中。

租賃負債

於租賃開始日期，本集團按當日未支付的租賃付款的現值確認及計量租賃負債。在計算租賃付款的現值時，倘租賃中隱含的利率不易釐定，則本集團使用在租賃開始日期的增量借款利率。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Leases (continued)***The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2) (continued)****Lease liabilities (continued)*

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

3. 主要會計政策 (續)**租賃 (續)*****本集團作為承租人 (於根據附註2所載過渡性條文應用香港財務報告準則第16號後) (續)****租賃負債 (續)*

租賃付款包括：

- 固定付款 (包括實質固定付款) 減任何應收租賃優惠；
- 剩餘價值擔保下本集團預期應付的金額；
- 倘本集團合理確定將行使購買選擇權的行權價。

於開始日期後，租賃負債按利息累增及租賃付款調整。

倘出現以下情況，本集團重新計量租賃負債 (並對相關使用權資產作出相應調整)：

- 租賃期變動或行使購買權的評估變動，在各情況下，相關租賃負債透過於重新評估當日使用經修訂貼現率貼現經修訂租賃付款而重新計量。
- 租賃付款因進行市場租金調查後市場租金變動而出現變動，在此情況下，相關租賃負債透過使用初始貼現率貼現經修訂租賃付款而重新計量。

本集團在綜合財務狀況表中將租賃負債作為單獨的項目呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Leases (continued)

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2) (continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group as a lessee (prior to 1 January 2019)

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight-line basis over the lease term.

3. 主要會計政策 (續)

租賃 (續)

本集團作為承租人 (於根據附註2所載過渡性條文應用香港財務報告準則第16號後) (續)

租賃修改

倘出現以下情況，本集團將租賃修改按單獨租賃入賬：

- 修改透過增加一項或多項相關資產的使用權而擴大租賃範圍；及
- 租賃代價增加的金額為與範圍擴大相稱之獨立價格金額及反映特定合約情況而對獨立價格作出的任何適當調整。

就不按單獨租賃入賬的租賃修改而言，本集團透過於修改生效日期使用經修訂貼現率貼現經修訂租賃付款，根據經修訂租賃的租賃期，重新計量經修訂租賃。

本集團作為承租人 (二零一九年一月一日之前)

風險及回報轉移予承租人的租約分類為融資租約。所有其他租約則被分類為經營租約。

經營租賃付款 (包括根據經營租賃所持土地的收購成本) 按租期以直線法確認為開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

The Group as lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at commencement date at amounts equal to net investments in the leases, measured using the interest rate implicit in the respective leases. Initial direct costs (other than those incurred by manufacturer or dealer lessors) are included in the initial measurement of the net investments in the leases. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term.

The Group as a lessor (upon application of HKFRS 16 in accordance with transitions in note 2)

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

3. 主要會計政策 (續)

租賃 (續)

本集團作為出租人

租賃之分類及計量

本集團為出租人之租賃乃分類為融資或經營租賃。當租賃條款將相關資產擁有權附帶的絕大部分風險及回報轉移至承租人時，該合約乃分類為融資租賃。所有其他租賃乃分類為經營租賃。

根據融資租賃應收承租人的款項於開始日期確認為應收款項，其金額等於租賃淨投資，並使用各個租賃中隱含的利率計量。初始直接成本（製造商或交易出租人所致之成本除外）包括在租賃淨投資的初始計量中。利息收入被分配至會計期間，以反映本集團有關租賃的未償還淨投資的固定定期收益率。

經營租約的租金收入以直線法按有關租約年期於損益中確認。於磋商及安排經營租約時引致的初步直接成本乃加至租賃資產的賬面值，及相關成本按租約年期以直線法確認為開支。

本集團作為出租人（於根據附註2所載過渡性條文應用香港財務報告準則第16號後）

可退換租賃按金

已收到的可退還租賃按金根據香港財務報告準則第9號進行核算，並初始按公平值計量。初始確認時的公平值調整視為承租人的額外租賃付款額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Leases (continued)

Sale and leaseback transactions (upon application of HKFRS 16 since 1 January 2019)

The Group applies the requirements of HKFRS 15 to assess whether sale and leaseback transaction constitutes a sale by the Group.

The Group as a buyer-lessor

For a transfer of asset that does not satisfy the requirements of HKFRS 15 to be accounted for as a sale of asset, the Group as a buyer-lessor does not recognise the transferred asset and recognises a loan receivables equal to the transfer proceeds within the scope HKFRS 9.

Sale and leaseback transactions (prior to 1 January 2019)

The accounting treatment of a sale and leaseback transaction depends on the type of lease involved. The leaseback may be a finance lease if it meets the condition that substantially all the risks and rewards of ownership remain with the lessee, or it may be an operating lease (in which case, some significant risks and rewards of ownership have been transferred to the purchaser).

The Group as a buyer-lessor

For sale and leaseback transactions which are in substance a financing arrangement under HKFRS 9, the Group as a buyer-lessor does not recognise the transferred asset and recognises a loan receivables equal to the net investment in the lease.

3. 主要會計政策 (續)

租賃 (續)

售後租回交易 (於自二零一九年一月一日應用香港財務報告準則第16號後)

本集團將按香港財務報告準則第15號的規定評估售後租回交易是否構成本集團的銷售。

集團作為買方出租人

就不符合香港財務報告準則第15號入賬作資產出售規定的資產轉讓，本集團作為買家－出租人不會確認獲轉讓資產，而確認相等於香港財務報告準則第9號範圍內轉讓所得款項的應收貸款。

售後租回交易 (於二零一九年一月一日之後)

出售及租回交易的會計處理方法視乎租賃涉及的類型而定。倘符合所有權的絕大部分所有風險及報酬均由承租人承擔的狀況，租回可能為金融租賃，或可能為經營租賃（就此情況而言，所有權的若干重大風險及報酬已轉讓予買家）。

本集團作為買方出租人

就根據香港財務報告準則第9號實質上為融資安排的出售及租回交易而言，本集團作為買家－出租人並無確認轉讓資產，而確認相等於租賃中淨投資的應收貸款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests in associates.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rate prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

3. 主要會計政策 (續)

外幣

在編製各個別集團實體的財務報表時，以實體功能貨幣以外貨幣（外幣）進行的交易按交易日通用的匯率記錄。於報告期末，以外幣列值的貨幣項目以該日通用的匯率重新換算。以外幣歷史成本計算的非貨幣項目不會重新換算。

結算及重新換算貨幣項目時產生的匯兌差額會於產生期間在損益確認，惟應收或應付海外業務的貨幣項目的匯兌差額除外，就此，有關結算未納入計劃中亦無可能產生（因此形成海外業務投資淨額部分），且就出售或部份出售本集團於聯營公司權益而初步於其他全面收益中確認並自權益中重新分類至損益。

為呈報綜合財務報表，本集團海外業務的資產及負債乃按報告期末的通用匯率換算為本集團的呈列貨幣（即人民幣），而其收支按年內平均匯率換算。所產生的匯兌差額（如有）會在其他全面收入確認並於權益內的匯兌儲備項下累計（倘適用，則歸屬於非控股權益）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Foreign currencies (continued)

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associate that does not result in the Group losing significant influence), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired and liabilities assumed arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3. 主要會計政策 (續)

外幣 (續)

此外，倘部分出售附屬公司並不會導致本集團失去對該附屬公司之控制權，按比例所佔累計匯兌差額乃重新歸於非控股權益，且不會於損益確認。就所有其他部分出售（即並不導致本集團失去重大影響力之聯營公司部分出售）而言，按比例所佔之累計匯兌差額乃重新分類至損益。

收購境外業務及承擔負債產生的可辨認資產商譽及公平值調整均視為該境外業務的資產及負債，按各報告期末的現行匯率換算。所產生的匯兌差額於其他全面收益確認。

借貸成本

收購、建造或生產合資格資產所直接產生的借貸成本乃撥充該等資產的成本，直至有關資產大致上可作擬定用途或銷售為止，而合資格資產為需較長時間預備以用於擬定用途或銷售的資產。

於相關資產準備用於其釐定用途或出售後仍未償還的任何特定借款計入一般借款池，以計算一般借款的資本化比率。特定借貸於撥作合資格資產的支出前用作臨時投資所賺取的投資收入，會從可撥充資本的借貸成本中扣除。

所有其他借貸成本於其產生年度在損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans and state-managed retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

3. 主要會計政策 (續)

政府補助

在合理地保證本集團會遵守政府補助的附帶條件以及將會得到補助後，政府補助方會予以確認。

政府補助按系統化基準於本集團將由補助擬補償的相關成本確認為開支的各期間在損益內確認。具體而言，主要條件為本集團應購買、興建或以其他方式收購非流動資產的政府補助乃於綜合財務狀況表確認為遞延收入並且在有關資產的可使用年期內有系統及合理地轉移至損益內。

用作補償本集團已產生支出或虧損或旨在為本集團提供即時財務資助（而無未來相關成本）的應收政府補助，乃於應收期間於損益內確認。

退休福利成本及辭退福利

向定額供款退休福利計劃、國家管理退休金計劃付款均在僱員提供服務可獲供款時確認為開支。

短期僱員福利

短期僱員福利按僱員提供福利時預期將支付的福利未貼現金額確認。所有短期僱員福利確認為開支，除非其他香港財務報告準則要求或准許將福利納入資產的成本。

於扣除任何已付金額後就應付僱員福利（例如工資及薪金、年假及病假）確認負債。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Share-based payments

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of equity instruments at the grant date.

The fair value of the equity settled share-based payments determined at the grant date without taking into consideration of all non-market vesting considerations is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share-based payments reserve). At the end of the reporting period, the Group revises its estimates of the number of granted shares that are expected to ultimately vest based on assessment of all relevant non-market vesting condition. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share-based payments reserve.

When the award shares/share options are exercised, the amount previously recognised in share-based payments reserve will be transferred to other reserve. When the award shares/share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payments reserve will be transferred to retained profits.

3. 主要會計政策 (續)

以股份為基礎付款

以股權結算之股份基礎付款交易

授予僱員之購股權計劃

向僱員及提供類似服務之其他人士作出之以股權結算之股份基礎付款乃按股本工具於授出日期之公平值計量。

不計及所有非市場歸屬代價，以股權結算之股份基礎付款於授出日期釐定之公平值乃於歸屬期內按直線法支銷，並相應增加權益（股份付款儲備）。於報告期末，本集團根據對所有相關非市場歸屬條件的評估修訂其對預期最終歸屬的已授出股份數目的估計。修訂原先估計的影響（如有）於損益內確認，因此，累計開支反映經修訂估計，並對以股份為基礎付款儲備作相應調整。

倘獎勵股份／購股權獲行使，先前於股份付款儲備內確認之金額將轉撥至其他儲備。倘獎勵股份／購股權於歸屬日期後或直至到期日仍未獲行使而獲沒收，先前於股份付款儲備內確認之金額將轉撥至保留溢利。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and an associate, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

3. 主要會計政策 (續)

稅項

所得稅開支指現時應付的稅項及遞延稅項總和。

現時應付的稅項以年內的應納稅溢利為基礎。由於於其他年度應納稅或可扣稅的收支及不應納稅或不可扣稅的項目，應納稅溢利有別於「除稅前溢利」。本集團目前的稅務責任乃採用報告期末已制定或大致上已製定的稅率計算。

遞延稅項就綜合財務報表內資產及負債的賬面值與用以計算應納稅溢利的相關稅基的暫時差額而確認。遞延稅項負債一般就所有應納稅暫時差額確認。倘有應納稅溢利將可用以抵銷可動用可扣稅暫時差額，遞延稅項資產一般就所有可扣稅暫時差額確認。倘暫時差額來自商譽或來自一項不會影響應納稅溢利或會計溢利的交易的其他資產及負債的初步確認（業務合併除外），則該等資產及負債不會予以確認。此外，倘初步確認商譽產生暫時差額，則遞延稅項發債予以確認。

遞延稅項負債乃按因於附屬公司及聯營公司之投資而產生的應課稅暫時差額而確認，惟若本集團可令暫時差額撥回及暫時差額有可能未必於可見將來撥回之情況除外。與該等投資及權益相關的可扣稅暫時差額所產生的遞延稅項資產僅於可能有足夠應課稅溢利可以使用暫時差額的益處且預計於可見將來可以撥回時確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Taxation (continued)

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 *Income Taxes* requirements the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease liabilities resulting in net deductible temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

3. 主要會計政策 (續)

稅項 (續)

於各報告期末審閱遞延稅項資產的賬面值，及倘應納稅溢利不再足夠收回全部或部分資產，即減少遞延稅項資產的賬面值。

遞延稅項資產及負債乃根據於報告期末已實施或大致上已實施的稅率（及稅法），按預期於負債清償或資產變現期間適用的稅率計算。

遞延稅項負債與資產的計算，反映按照本集團於報告期末時預期收回或清償資產及負債賬面值的方式所產生稅務結果。

就計量本集團確認使用權資產及相關租賃負債的租賃交易的遞延稅項而言，本集團首先釐定稅項扣減是否歸因於使用權資產或租賃負債。

就租賃交易（其減稅歸屬於租賃負債）而言，本集團對租賃交易整體應用香港會計準則第12號*所得稅*之規定。使用權資產與租賃負債之臨時差額以淨額估算。由於使用權資產折舊超過租賃負債主要部分之租金，而導致可扣除臨時淨差額。

當有法定可執行權利將當期稅項資產抵銷當期稅項負債時，以及當它們與同一稅務機關對同一應課稅實體徵收的所得稅有關時，遞延所得稅資產和負債均予以抵銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

Current and deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction as described below). Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Freehold land is stated at cost less any recognised impairment loss. Freehold land is not depreciated.

Surgical instruments produced by the Group that are dedicated for use with the Group's orthopaedic implant products will commence depreciation upon they are provided to the distributors that in the location for their intended use.

Buildings in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

3. 主要會計政策 (續)

稅項 (續)

即期及遞延稅項於損益內確認，惟倘即期及遞延稅項涉及於其他全面收益或直接在權益確認項目，則即期及遞延稅項亦會分別於其他全面收益或直接於權益內確認。倘因業務合併之初步會計方法而產生即期或遞延稅項，有關稅務影響會計入業務合併之會計方法內。

物業、廠房及設備

物業、廠房及設備為持有用於生產或供應貨物或服務的有形資產，或用於行政用途之樓宇（不包括下文所述的在建物業），物業、廠房及設備乃按照成本減其後累計折舊及其後累計減值虧損（如有）於綜合財務狀況表列賬。

自由保有土地按成本減任何已確認減值虧損列賬。自由保有土地未折舊。

本集團所生產專門配合本集團的骨科植入物產品使用的手術工具將於提供予所在地的分銷商作其擬定用途時開始計提折舊。

在建以作生產、供應及行政用途的樓宇按成本減任何已確認減值虧損列賬。成本包括使資產達到能夠按照管理層擬定的方式開展經營所必要的位置及條件而直接產生的任何成本，及就合資格資產而言，根據本集團會計政策資本化的借款成本。該等資產按與其他物業資產相同的基準，於該等資產可投入作擬定用途時開始計提折舊。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Property, plant and equipment (continued)

Ownership interests in leasehold land and building

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “right-of-use assets” (upon application of HKFRS 16) or “prepaid lease payments” (before application of HKFRS 16) in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and construction in progress) less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. 主要會計政策 (續)

物業、廠房及設備 (續)

於租賃土地及樓宇的擁有權權益

當本集團就於物業的擁有權權益 (包括租賃土地及樓宇成分) 付款時, 全部代價於租賃土地及樓宇成分之間按初始確認時的相對公平值的比例分配。

於相關付款能夠可靠分配的情況下, 入賬列作經營租賃的租賃土地的權益於綜合財務狀況表內呈列為「使用權資產」(應用香港財務報告準則第16號後)或「預付租賃付款」(應用香港財務報告準則第16號前)。當代價無法在相關租賃土地的非租賃樓宇成分及未分割權益之間可靠分配時, 整項物業分類為物業、廠房及設備。

折舊乃確認以撇銷按直線法在其估計可使用年期內的資產(自由土地及在建資產除外)成本減其剩餘價值。估計可使用年期、殘值和折舊方法會在每個報告期末覆核, 並採用未來適用法對任何估計變更的影響進行核算。

物業、廠房及設備項目於出售或預期日後繼續使用資產時不再產生經濟利益時終止確認。處置或報廢物業、廠房及設備項目所產生的損益釐定為資產的銷售所得款項與賬面值的差額並於損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Transfers

Transfers to, or from, investment property when, and only when, there is a change in use, evidenced by end of owner-occupation, for a transfer from owner-occupied property to investment property; or commencement of owner-occupation, for a transfer from investment property to owner-occupied property.

3. 主要會計政策 (續)

投資物業

投資物業指持作賺取租金及／或作資本增值的物業。

投資物業初步乃以成本(包括任何直接應佔開支)計值。初步確認後,投資物業乃按成本減其後累計折舊及任何累計減值虧損計值。確認折舊以便於經考慮投資物業的估計剩餘價值後採用直線法按估計使用年限撇銷其成本。

當投資物業出售或永久停止使用及預計不會從出售該項物業中獲得未來經濟收益時,即取消確認該項投資物業。取消確認某項物業所產生的任何收益或虧損(按出售所得款項淨額與該資產的賬面值兩者之差額計算),於取消確認物業的期間於損益表中確認。

轉移

當且僅當存在業主佔用結束而自業主佔用物業轉至投資物業;或開始業主佔用而自投資物業轉至業主佔用物業證明用途改變時,才可轉入或轉出投資物業。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

3. 主要會計政策 (續)

無形資產

獨立收購的無形資產

個別收購且具備有限可使用年期的無形資產按成本減累計攤銷及任何累計減值虧損入賬。攤銷於其估計可使用年期內按直線基準確認。估計可使用年期及攤銷法於各報告期末檢討，而估計之任何變動影響按未來適用法予以入賬。

內部產生無形資產－研發開支

研究活動的支出在其產生的期間內列為一項開支。

當且僅當以下所有各項得到證明時，開發活動（或內部項目的開發階段）引致的內部產生的無形資產方予以確認：

- 在技術上可完成該無形資產以使其能使用或出售；
- 有完成該無形資產並使用或出售的意圖；
- 有能力使用或出售該無形資產；
- 該無形資產如何產生潛在未來經濟利益；
- 具有足夠技術、財務及其他資源，以完成該無形資產的開發，並使用或出售該無形資產；及
- 歸屬於該無形資產開發階段的支出能可靠計量。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Intangible assets (continued)***Internally-generated intangible assets – research and development expenditure****(continued)*

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3. 主要會計政策 (續)**無形資產 (續)*****內部產生無形資產－研發開支***
(續)

內部產生的無形資產的初步確認金額是自無形資產首次滿足上述確認條件的日期後所產生支出的總額。如果不能確認內部產生的無形資產，則開發支出應於其產生期間於損益中確認。

在初步確認後，內部產生的無形資產採用與獨立收購的無形資產相同的基準，按成本減累計攤銷及累計減值虧損（如有）呈報。

於業務合併中收購的無形資產

於業務合併中收購的無形資產乃以獨立於商譽的方式確認，並於收購日期初步按公平值（被視為其成本）確認。

於初步確認後，於業務合併中收購且具備有限可使用年期的無形資產按成本減累計攤銷及累計減值虧損根據與獨立收購無形資產的相同基準呈報。

取消確認無形資產

無形資產於出售或當預期使用或出售時不會帶來未來經濟利益時取消確認。終止確認無形資產所產生的收益或虧損乃以出售所得款項淨額與該項資產賬面值之間的差額計量，並於該項資產終止確認時於損益表中確認。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Impairment on property, plant and equipment, right-of-use assets, and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, (if any).

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually, when it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In addition, the Group assesses whether there is indication that corporate assets may be impaired. If such indication exists, corporate assets are also allocated to individual cash-generating units, when a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of 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 (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

3. 主要會計政策 (續)

除商譽外之物業、廠房及設備、使用權資產及無形資產減值

於報告期末，本集團審閱其有限使用年期之物業、廠房及設備、使用權資產及無形資產之賬面值，以確定是否有任何跡象顯示該等資產出現減值虧損。倘有任何該等跡象存在，將估計相關資產之可收回金額以釐定其減值虧損（如有）。

物業、廠房及設備、使用權資產及無形資產的可回收金額單獨估計，倘不能估計個別資產之可收回金額時，本集團則估計該資產所屬之現金產生單位之可收回金額。

此外，本集團對是否有跡象顯示公司資產可能出現減值進行評估。倘存在有關跡象，公司資產亦會分配至個別現金產生單位，倘有合理及一致的分配基準，公司資產亦會分配至個別現金產生單位，否則會被分配至最小之現金產生單位組合，當中有合理及一致的分配基準。

可收回金額為公平值減出售成本及使用價值之較高者。評估使用價值時，乃使用能反映現行市場所評估金錢之時間價值之稅前貼現率貼現至其現在價值，而該資產（或現金產生單位）之預計未來現金流量則未有調整相關風險。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Impairment on property, plant and equipment, right-of-use assets, and intangible assets other than goodwill (continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit or the group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or the group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. 主要會計政策 (續)**除商譽外之物業、廠房及設備、使用權資產及無形資產減值 (續)**

倘一項資產 (或現金產生單位) 之估計可收回金額低於其賬面值, 則該資產 (或現金產生單位) 之賬面值將調低至其可收回金額。就未能按合理一致的基準分配至現金產生單位的企業資產或部分企業資產, 本集團會比較一個組別的現金產生單位賬面值 (包括已分配至該組現金產生單位的企業資產或部分企業資產的賬面值) 與該組現金產生單位的可收回金額。於分配減值虧損時, 首先分配減值虧損以減少任何商譽的賬面值 (如適用), 然後按比例根據該單位或本集團現金產生單位各資產的賬面值分配至其他資產。資產賬面值不得減少至低於其公平值減出售成本 (如可計量)、其使用價值 (如可計量) 及零之中的最高值。已另行分配至資產之減值虧損數額按比例分配至該單位其他資產。減值虧損會即時於損益確認。

倘減值虧損其後撥回, 該項資產 (或現金產生單位或本集團現金產生單位) 之賬面值將增加至其經修訂之估計可收回金額, 惟增加後之賬面值不得超過倘若該資產 (或現金產生單位或本集團現金產生單位) 於過往年度並無確認減值虧損所釐定之賬面值。減值虧損撥回隨即於損益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

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

3. 主要會計政策 (續)

存貨

存貨按成本與可變現淨值兩者中較低者列賬。存貨成本按加權平均法釐定。可變現淨值指存貨估計售價減所有估計完成成本及就進行銷售而言屬必要的成本。

金融工具

金融資產及金融負債乃於某集團實體成為工具合約條文的訂約方時確認。金融資產的所有日常買賣乃按交易日基準確認及終止確認。常規方式買賣乃指遵循一般法規或市場慣例在設定的時限內交付資產的金融資產買賣。

金融資產及金融負債初步按公平值計量，根據香港財務報告準則第15號初始計量的來自客戶合約的應收貿易賬款除外。收購或發行金融資產及金融負債（按公平值計入損益的金融資產或金融負債除外）直接應佔的交易成本乃於初步確認時，計入金融資產或金融負債的公平值內或自當中扣除（如適用）。收購按公平值計入損益的金融資產或金融負債直接產生的交易成本即時於損益中確認。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

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

Interest/dividend income which are derived from the Group's ordinary course of business are presented as other income.

Financial assets*Classification and subsequent measurement of financial assets*

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

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

3. 主要會計政策 (續)**金融工具 (續)**

實際利率法是計算金融資產或金融負債攤銷成本及按有關期間分配利息收入及利息開支的方法。實際利率是將估計日後現金收入及付款(包括所付或所收屬於實際利率組成部分的一切費用及代價、交易成本及其他溢價或折扣)按金融資產或金融負債的預期年期或(如適用)較短期間準確貼現至初步確認時賬面淨值的利率。

本集團日常業務產生的利息／股息收入列示為其他收入。

金融資產*金融資產的分類及後續計量*

符合下列條件的金融資產其後按攤銷成本計量：

- 金融資產乃按旨在收取合約現金流量的業務模式持有；及
- 合約條款於指定日期產生純粹為支付未償還本金及利息的現金流量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (“FVTOCI”):

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

All other financial assets are subsequently measured at FVTPL.

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

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產的分類及後續計量 (續)

符合下列條件的金融資產其後按公平值計入其他全面收益計量(「按公平值計入其他全面收益計量」):

- 金融資產乃按旨在同時出售及收取合約現金流量的金融資產的業務模式持有;及
- 合約條款於指定日期產生純粹為支付未償還本金及利息的現金流量。

所有其他金融資產其後按公平值計入損益計量。

此外,本集團可不可撤回地將一項須按攤銷成本或指定為按公平值計入其他全面收益計量的金融資產按公平值計入損益計量,前提為有關指定可消除或大幅減少會計錯配。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產的分類及後續計量 (續)

(i) 攤銷成本及利息收入

其後按攤銷成本及債務工具計量的金融資產及其後按公平值計入其他全面收益計量的應收款項的利息收入乃使用實際利息法予以確認。利息收入乃對一項金融資產賬面總值應用實際利率予以計算，惟其後出現信貸減值的金融資產除外（見下文）。就其後出現信貸減值的金融資產而言，自下一報告期起，利息收入乃對金融資產攤銷成本應用實際利率予以確認。倘信貸減值金融工具的信貸風險好轉，使金融資產不再出現信貸減值，於釐定資產不再出現信貸減值後，自報告期開始起利息收入乃對金融資產賬面總值應用實際利率予以確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

(ii) Debt instruments classified as at FVTOCI

Subsequent changes in the carrying amounts for debt instruments classified as at FVTOCI as a result of interest income calculated using the effective interest method are recognised in profit or loss. All other changes in the carrying amount of these debt instruments are recognised in other comprehensive income and accumulated under the heading of FVTOCI reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these debt instruments. When these debt instruments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other income, gains and losses" line item.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產的分類及後續計量 (續)

(ii) 分類為按公平值計入其他全面收益計量之債務工具

由於按實際利率法計算的利息收入而分類為按公平值計入其他全面收益之債務工具的賬面值的後續變動在損益中確認。該等債務工具賬面值的所有其他變動均於其他全面收益中確認，並於按公平值計入其他全面收益計量儲備項下累計。減值準備於損益中確認，並在不減少該等債務工具賬面值的情況下對其他全面收益作出相應調整。當終止確認該等債務工具時，先前於其他全面收益確認的累計收益或虧損將重新分類至損益。

(iii) 按公平值計入損益計量之金融資產

金融資產如不符合按攤銷成本計量或按公平值計入其他全面收益計量或指定按公平值計入其他全面收益的計量標準，則按公平值計入損益計量。

於各報告期末，按公平值計入損益計量之金融資產按公平值計量，而任何公平值收益或虧損於損益中確認。於損益中確認的收益或虧損淨額包括就金融資產所賺取的任何股息或利息，並計入「其他收入、收益及虧損」項目內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including trade and other receivables, loan receivables and debt instruments at FVTOCI, pledged bank deposits, bank balances and cash), and other items (finance lease receivables and financial guarantee contracts) which are subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產及香港財務報告準則第9號須進行減值評估之其他項目之減值

本集團根據預期信貸虧損(「預期信貸虧損」)模式對根據香港財務報告準則第9號進行減值的金融資產(包括應收貿易賬款及其他應收款項、應收貸款及按公平值計入其他全面收益計量之債務工具、已抵押銀行存款以及銀行結餘及現金)及其他項目(應收融資租賃款項及金融擔保合約)進行減值評估。預期信貸虧損的金額於各呈報日期更新,以反映自首次確認起的信貸風險變動。

整個週期的預期信貸虧損指相關工具於預計年期內所有可能的違約事件將產生的預期信貸虧損。相反,12個月預期信貸虧損(「12個月預期信貸虧損」)指於呈報日期後12個月內可能發生的違約事件預計產生的該部分整個週期的預期信貸虧損。評估乃根據本集團過往信貸虧損經驗為基礎,並就債務人特定因素、整體經濟環境及報告日期當前及未來情況預測的評估作出調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (continued)

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

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

(i) Significant increase in credit risk

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

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產及香港財務報告準則第9號須進行減值評估之其他項目之減值 (續)

本集團一直就應收貿易賬款及應收租賃款項確認整個週期的預期信貸虧損。對債務人具有重大結餘的該等資產的預期信貸虧損單獨進行評估及／或一併使用合適組別的撥備矩陣進行評估。

對於所有其他工具，本集團按12個月預期信貸虧損的相同金額計量該財務工具的損失撥備，除非當自首次確認以來信貸風險顯著上升，則本集團確認整個週期的預期信貸虧損。評估整個週期的預期信貸虧損是否應確認乃基於自首次確認以來發生違約的可能性或風險顯著上升。

(i) 信貸風險顯著上升

於評估信貸風險是否自初始確認以來顯著上升時，本集團會將金融工具於呈報日期發生違約的風險與金融工具於初始確認日期發生違約的風險進行比較。作出評估時，本集團會考慮合理及具支持性的定量及定性資料，包括過往經驗及可以合理成本及努力獲得的前瞻性資料。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)**Financial assets** (continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (continued)

(i) Significant increase in credit risk (continued)

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

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

3. 主要會計政策 (續)**金融工具 (續)****金融資產 (續)**

金融資產及香港財務報告準則第9號須進行減值評估之其他項目之減值 (續)

(i) 信貸風險顯著上升 (續)

具體而言，在評估信貸風險是否顯著上升時，會考慮以下資料：

- 金融工具外部 (如有) 或內部信貸評級的實際或預期顯著惡化；
- 信貸風險的外界市場指標顯著惡化，例如：債務人的信貸息差、信貸違約掉期價格大幅上升；
- 現有或預期的商業、金融或經濟狀況的不利變動，導致債務人償還債項能力大幅下降；
- 債務人經營業績的實際或預期顯著惡化；
- 債務人的監管、經濟或技術環境有實際或預期的重大不利變動，導致債務人償還債項的能力大幅下降。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (continued)

(i) Significant increase in credit risk (continued)

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group's debt instruments at FVTOCI only comprise bills receivable that are issued and guaranteed by the reputable PRC banks and therefore are considered to be low credit risk.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

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

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產及香港財務報告準則第9號須進行減值評估之其他項目之減值 (續)

(i) 信貸風險顯著上升 (續)

儘管如此，倘債務工具於呈報日期被確定信貸風險較低，則本集團假設該債務工具的信貸風險自初始確認以來並無大幅上升。倘若債務工具符合以下條件，則被確定信貸風險較低：i) 違約風險低，ii) 借款人於近期內具有雄厚實力履行其合約現金流責任，及iii) 經濟及商業狀況的不利變化從長遠來看，可能但未必會降低借款人履行合約現金流責任的能力。本集團之按公平值計入其他全面收益計量之債務工具僅包括由聲譽良好的中國銀行發行及擔保的應收票據且因此被視為具有較低信貸風險。

就財務擔保合約而言，本集團不可撤回成為該承擔的相關方當日，被視為評估減值的首次確認日。在評估信貸風險在首次確認財務擔保合約後有否大幅攀升時，本集團會考慮該特定債務人違約所引起的風險變動。

本集團定期監控用以識別信貸風險有否顯著增加的標準之效益，且修訂標準（如適當）來確保標準能在金額逾期前識別信貸風險顯著增加。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

(iii) Credit-impaired financial assets

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

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

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產及香港財務報告準則第9號須進行減值評估之其他項目之減值 (續)

(ii) 違約定義

就內部信貸風險管理而言，本集團認為，違約事件在內部制訂或得自外界來源的資料顯示債務人不大可能悉數向債權人（包括本集團）還款（未計及本集團所持任何抵押品）時發生。

(iii) 信用減值金融資產

金融資產在一項或以上事件（對該金融資產估計未來現金流量構成不利影響）發生時維持信用減值。金融資產維持信用減值的證據包括有關下列事件的可觀察數據：

- a) 發行人或借款人的重大財困；
- b) 違反合約（如違約或逾期事件）；
- c) 借款人的貸款人因有關借款人財困的經濟或合約理由而向借款人批出貸款人不會另行考慮的優惠；
- d) 借款人將可能陷入破產或其他財務重組；或
- e) 由於出現財務困難，金融資產活躍市場消失。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (continued)

(iv) Write-off policy

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

(v) Measurement and recognition of ECL

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

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with HKFRS 16 (since 1 January 2019) or HKAS 17 (prior to 1 January 2019).

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產及香港財務報告準則第9號須進行減值評估之其他項目之減值 (續)

(iv) 撇銷政策

資料顯示對手方處於嚴重財困及無實際收回可能時(例如對手方被清盤或已進入破產程序時)，本集團則撇銷金融資產。經考慮法律意見後(倘合適)，遭撇銷的金融資產可能仍須按本集團收回程序進行強制執行活動。撇銷構成取消確認事項。任何其後收回在損益中確認。

(v) 預期信貸損失之計量及確認

預期信貸損失之計量為違約概率、違約虧損(即違約時虧損大小)及違約時風險敞口之函數。違約概率及違約虧損之評估乃基於歷史數據按前瞻性資料作調整。預期信貸損失的預估乃無偏概率加權平均金額，以各自發生違約的風險為權重確定。

一般而言，預期信貸虧損為根據合約應付本集團的所有合約現金流與本集團預期將收取的現金流之間的差額，並按初始確認時釐定的實際利率貼現。就租賃應收款項而言，釐定預期信貸虧損所用的現金流與根據香港財務報告準則第16號(自二零一九年一月一日起)或香港會計準則第17號(二零一九年一月一日之前)租賃計量租賃應收款項所用的現金流一致。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)**Financial assets** (continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (continued)

(v) Measurement and recognition of ECL (continued)

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the expected losses is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

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

- Nature of financial instruments (i.e. the Group's trade and other receivables, finance lease receivables are each assessed as a separate group. Loans to related parties are assessed for expected credit losses on an individual basis);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

3. 主要會計政策 (續)**金融工具 (續)****金融資產 (續)**

金融資產及香港財務報告準則第9號須進行減值評估之其他項目之減值 (續)

(v) 預期信貸損失之計量及確認 (續)

就財務擔保合約而言，本集團僅須在債務人違反所擔保工具條款的情況下付款。因此，預期損失乃補償持有人就所產生信貸損失之預期款項之現值，減任何本集團預期從該持有人、債務人或任何其他方所收取之任何金額。

倘預期信貸損失按集體基準計量或迎合個別工具水平證據未必存在的情況，則金融工具按以下基準歸類：

- 金融工具性質（即本集團貿易應收款項及其他應收款項、應收融資租賃款項各自評為獨立組別。向關聯方授出的貸款乃按個別基準評估預期信貸虧損）；
- 逾期狀況；
- 貸方性質、規模及所處行業；及
- 外部信貸評級（倘有）。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (continued)

(v) Measurement and recognition of ECL (continued)

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

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

For financial guarantee contracts, the loss allowances are recognised at the higher of the amount of the loss allowance determined in accordance with HKFRS 9; and the amount initially recognised less, where appropriate, cumulative amount of income recognised over the guarantee period.

Except for debt instruments that are measured at FVTOCI and financial guarantee contracts, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by recognising the corresponding adjustment through a loss allowance account. For investments in debt instruments that are measured at FVTOCI, the loss allowance is recognised in other comprehensive income and accumulated in the FVTOCI reserve without reducing the carrying amount of these debt instruments.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產及香港財務報告準則第9號須進行減值評估之其他項目之減值 (續)

(v) 預期信貸損失之計量及確認 (續)

歸類工作經管理層定期檢討，以確保各組別成份繼續分擔類似信貸風險特性。

利息收入乃根據金融資產的總賬面值計算，惟金融資產出現信貸減值則除外，在此情況下，利息收入根據金融資產的攤銷成本計算。

就貸款承擔而言，虧損撥備乃根據香港財務報告準則第9號釐定之虧損撥備與初步確認金額當中較高者，減去（倘適用）擔保期間所確認累計收入。

除按公平值計入其他全面收益計量的債務工具及金融擔保合約外，本集團通過利用虧損撥備賬目確認相應調整確認所有金融工具的減值損益。就按公平值計入其他全面收益計量的債務工具投資而言，虧損撥備於其他全面收益中確認，並累計於按公平值計入其他全面收益計量的儲備，而不會減少該等債務工具的賬面值。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)**Financial assets** (continued)*Derecognition of financial assets*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is reclassified to profit or loss.

Financial liabilities and equity*Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3. 主要會計政策 (續)**金融工具 (續)****金融資產 (續)***終止確認金融資產*

倘從資產收取現金流量之合約權利已到期，或金融資產已轉讓且本集團已將其於金融資產擁有權之絕大部份風險及回報轉移至另一實體，則金融資產將被取消確認。倘若本集團並無轉讓或保留擁有權之絕大部份風險及回報，並繼續控制已轉讓之資產，則本集團會確認其於資產的保留權益及可能需要支付的相關負債款項。倘若本集團保留已轉讓金融資產擁有權之絕大部份風險及回報，則本集團繼續確認金融資產並同時就所得收益確認抵押借款。

當以攤銷成本計量的金融資產終止確認時，資產的賬面值與已收及應收代價款項總額之間的差額將於損益中確認。

於終止確認分類為按公平值計入其他全面收益計量的債務工具投資時，先前於按公平值計入其他全面收益計量儲備中累計的累計收益或虧損將重新分類至損益。

金融負債及權益*分類為負債或權益*

負債及股本工具乃根據合約安排的性質與金融負債及股本工具的定義分類為金融負債或權益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities at amortised cost

Financial liabilities including borrowings, loans from the ultimate holding company and trade and other payables are subsequently measured at amortised cost, using the effective interest method.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are measured initially at their fair values. It is subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with HKFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. 主要會計政策 (續)

金融工具 (續)

金融負債及權益 (續)

股本工具

股本工具乃證明實體於扣減所有負債後的資產中擁有剩餘權益之任何合約。

按攤銷成本計量之金融負債

金融負債 (包括借款、來自最終控股公司的貸款以及應付貿易賬款及其他應付款項) 其後按攤銷成本採用實際利率法計量。

財務擔保合約

財務擔保合約乃要求發行人根據一項債務工具之條款，因特定債務人未能於到期日償還款項而需支付特定款項以補償合約持有人所招致損失之一項合約。財務擔保合約於首次確認時以其公平值計量。於首次確認後則以下列較高者計量：

- 按香港財務報告準則第9號所確定虧損撥備金額；及
- 於首次確認之金額減於擔保期間之累計攤銷 (如適用)。

終止確認金融負債

當及僅當本集團的責任獲解除、取消或屆滿時，本集團便會終止確認金融負債。終止確認的金融負債的賬面值與已付及應付代價之間的差額於損益中確認。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)**Financial liabilities and equity** (continued)*Derivative financial instruments*

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment assessment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash generating unit (or group of cash-generating units) to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit (or group of cash-generating units) and a suitable discount rate in order to calculate the present value.

Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows, a material impairment loss/further impairment loss may arise. Details of the recoverable amount calculation are disclosed in note 18.

3. 主要會計政策 (續)**金融工具 (續)****金融負債及權益 (續)***衍生金融工具*

衍生工具初步按衍生工具合約訂立日期的公平值確認，其後按其於報告期末的公平值重新計量。所產生的收益或虧損即時於損益中確認。

4. 估計不明朗因素的主要來源

以下為有關未來的主要假設，而於各報告期末具有重大風險會導致資產及負債的賬面值於未來財政年度內需要作出重大調整的估計不確定因素的其他主要來源。

商譽減值評估

釐定商譽是否減值需要估計獲分配有關商譽之現金產生單位（或一組現金產生單位之可收回金額，即使使用價值或公允值減出售成本兩者之較高者。計算使用價值須要本集團對預期可自現金產生單位（或本集團現金產生單位）獲得之未來現金流量，以及適合計算所得現值之折現率作出估計。

倘未來實際現金流量較預期為少，或事實及情況有變以致未來現金流量向下調整，則可能產生重大減值虧損／進一步減值虧損。可回收金額計算詳情於附註18中披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the research and development, production and sale of medical device products, orthopaedic products, interventional products, pharma packaging products, blood management products, and operates financing business.

For management purposes, the Group is currently organised into six operating divisions – medical device products, orthopaedic products, interventional products, pharma packaging products, blood management products and others, among which interventional products were produced by Argon. These divisions are the basis of the internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (Managing Director) in order to allocate resources to segments and to assess their performance.

Principal activities of the Group's operating and reportable segments are as follows:

Medical device products	– production and sale of clinical care, wound management, medical testing, anesthesia and surgical related products and other consumables
Orthopaedic products	– production and sale of orthopaedic products
Interventional products	– production and sale of tumour and blood vessel interventional instruments
Pharma packaging products	– production and sale of pre-filled syringes and flushing syringes
Blood management products	– production and sale of blood collection, storage, separation and sterilization products
Others	– finance lease and factoring business

5. 收入及分部資料

本集團主要從事研發、生產及銷售醫療器械產品、骨科產品、介入產品、藥品包裝產品、血液管理產品，及經營融資業務。

就管理而言，本集團目前分為六個經營分部：醫療器械產品、骨科產品、介入產品、藥品包裝產品、血液管理產品及其他，其中介入產品由愛琅生產。該等分部乃按本集團各部的內部呈報基準劃分，定期由主要營運決策者（董事總經理）審核，以分配資源至分部並評估其表現。

本集團經營及可呈報分部的主要業務如下：

醫療器械產品	– 生產及銷售臨床護理、創傷護理、醫學檢驗、麻醉及手術相關產品
骨科產品	– 生產及銷售骨科產品
介入產品	– 生產及銷售腫瘤及血管介入器械
藥品包裝產品	– 生產及銷售預充式注射器及沖管注射器
血液管理產品	– 生產及銷售血液採集、貯存、分離、滅菌消毒產品
其他	– 融資租賃及保理業務

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION (continued)

5. 收入及分部資料 (續)

Segment revenues and results

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

分部收益及業績

本集團按可報告分部分析之收益及業績如下：

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

		Medical device products RMB'000 醫療器械 產品 人民幣千元	Orthopaedic products RMB'000 骨科產品 人民幣千元	Interventional products RMB'000 介入產品 人民幣千元	Pharma packaging products RMB'000 藥品包裝 產品 人民幣千元	Blood management products RMB'000 血液管理 產品 人民幣千元	Others RMB'000 其他 人民幣千元	Eliminations RMB'000 抵減 人民幣千元	Total RMB'000 合計 人民幣千元
Revenue	收益								
External sales	外部銷售	5,636,270	1,555,556	1,433,360	1,281,038	457,857	-	10,364,081	
Inter-segment sales	內部分部銷售	250	27,763	42	-	-	(28,055)	-	
Total	合計	5,636,520	1,583,319	1,433,402	1,281,038	457,857	-	10,364,081	
Segment profit	分部溢利	1,100,807	510,902	(79,334)	471,151	62,639	66,853	2,133,018	
Depreciation of investment properties	投資物業之折舊							(7,037)	
Unallocated other income, gains and losses	未分配其他收入、收益及虧損							(36,375)	
Rental income of investment properties	投資物業之租金收入							17,076	
Interest income from bank deposits	銀行存款利息收入							37,878	
Gain from changes in fair value of financial assets at FVTPL	按公平值計入損益計量之金融資產公平值變動收益							21,444	
Share of profit of an associate	應佔一間聯營公司溢利							81,097	
Profit before tax	除稅前溢利							2,247,101	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION

(continued)

5. 收入及分部資料 (續)

Segment revenues and results (continued)

分部收益及業績 (續)

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

		Medical device products RMB'000 醫療器械 產品 人民幣千元	Orthopaedic products RMB'000 骨科產品 人民幣千元	Interventional products RMB'000 介入產品 人民幣千元	Pharma packaging products RMB'000 藥品包裝 產品 人民幣千元	Blood management products RMB'000 血液管理 產品 人民幣千元	Others RMB'000 其他 人民幣千元	Eliminations RMB'000 抵減 人民幣千元	Total RMB'000 合計 人民幣千元
Revenue	收益								
External sales	外部銷售	5,010,655	1,180,563	1,260,026	955,609	402,008	-	8,808,861	
Inter-segment sales	內部分部銷售	195	5,299	1,502	-	-	(6,996)	-	
Total	合計	5,010,850	1,185,862	1,261,528	955,609	402,008	-	8,808,861	
Segment profit	分部溢利	955,868	353,653	(102,932)	327,758	51,659	61,760	-	1,647,766
Depreciation of investment properties	投資物業之折舊								(2,959)
Unallocated other income, gains and losses	未分配其他收入、收益及虧損								(136)
Rental income of investment properties	投資物業之租金收入								17,602
Interest income from bank deposits	銀行存款利息收入								62,093
Gain from changes in fair value of financial assets at FVTPL	按公平值計入損益計量之金融資產公平值變動收益								17,603
Share of profit of an associate	應佔一間聯營公司溢利								33,246
Profit before tax	除稅前溢利								1,775,215

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION (continued)

5. 收入及分部資料 (續)

Segment revenues and results (continued)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit earned by each segment without allocation of depreciation and rental income of investment properties, other income, gains and losses of the corporate function, interest income from bank, gain from changes in fair value of financial assets at FVTPL, and share of profit of an associate. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

Segment assets

		31/12/2019	31/12/2018
		RMB'000	RMB'000
		二零一九年	二零一八年
		十二月	十二月
		三十一日	三十一日
		人民幣千元	人民幣千元
Medical device products	醫療器械產品	10,016,768	8,840,343
Orthopaedic products	骨科產品	1,466,090	1,497,061
Interventional products	介入產品	6,053,777	6,073,665
Pharma packaging products	藥品包裝產品	873,260	791,261
Blood management products	血液管理產品	406,700	377,619
Others	其他	1,220,369	1,084,554
Total segment assets	分部總資產	20,036,964	18,664,503
Financial assets at FVTPL	按公平值計入損益計量之 金融資產	410,326	107,339
Interests in an associate	於一間聯營公司的權益	1,056,416	970,746
Investment properties	投資物業	159,650	131,476
Deferred tax assets	遞延稅項資產	101,018	78,093
Pledged bank deposits	已抵押銀行存款	321,923	222,270
Bank balances and cash	銀行結餘及現金	4,239,441	3,812,446
Consolidated assets	綜合資產	26,325,738	23,986,873

分部收益及業績 (續)

經營分部的會計政策與本集團會計政策相同(如附註三所述)。分部溢利指各分部所賺取的溢利,未計及投資物業之折舊分配及租金收入、企業職能的其他收入、收益及虧損、銀行利息收入、按公平值計入損益計量之金融資產公平值變動收益及應佔一間聯營公司溢利。此為向主要營運決策者就資源分配及表現評估呈報的計量方式。

內部分部銷售按現行市場價格收取。

分部資產及負債

本集團按可報告及經營分部分析之資產及負債如下:

分部資產

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION

(continued)

Segment assets and liabilities (continued)

Segment liabilities

5. 收入及分部資料 (續)

分部資產及負債 (續)

分部負債

		31/12/2019	31/12/2018
		RMB'000	RMB'000
		二零一九年	二零一八年
		十二月	十二月
		三十一日	三十一日
		人民幣千元	人民幣千元
Medical device products	醫療器械產品	5,016,090	4,596,944
Orthopaedic products	骨科產品	620,370	347,957
Interventional products	介入產品	2,925,459	2,952,878
Pharma packaging products	藥品包裝產品	151,270	122,474
Blood management products	血液管理產品	142,954	107,152
Others	其他	194,368	329,002
Total segment liabilities	分部總負債	9,050,511	8,456,407
Deferred tax liabilities	遞延稅項負債	278,417	339,566
Consolidated liabilities	綜合負債	9,328,928	8,795,973

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than financial assets at FVTPL, interests in an associate, investment properties, deferred tax assets, pledged bank deposits, bank balances and cash.
- all liabilities are allocated to operating segments other than deferred tax liabilities.

為監控分部表現及在分部之間分配資源：

- 所有資產分配至經營分部，惟按公平值計入損益計量之金融資產、於一間聯營公司的權益、投資物業、遞延稅項資產、已抵押銀行存款、銀行結餘及現金除外。
- 所有負債分配至經營分部，惟遞延稅項負債除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION (continued) 5. 收入及分部資料 (續)

Other segment information

其他分部資料

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

		Medical device products	Orthopaedic products	Interventional products	Pharma packaging products	Blood management products	Others	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		醫療器械	骨科產品	介入產品	藥品包裝	血液管理	其他	合計
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Amounts included in the measure of segment profit or segment assets:	計量分部溢利或分部資產時應計款項：							
Additions to property, plant and equipment	新增物業、廠房及設備	722,984	89,491	44,789	74,488	12,458	-	944,210
Allowances for credit losses	信貸虧損撥備	1,697	12,188	1,425	-	-	853	16,163
Allowances for inventories	存貨撥備	-	24,893	-	-	-	-	24,893
Allowances for property, plant and equipment	物業、廠房及設備撥備	-	5,891	-	-	-	-	5,891
Amortisation of intangible assets	無形資產攤銷	-	4,435	236,697	-	75	-	241,207
Depreciation of property, plant and equipment	物業、廠房及設備折舊	186,050	87,376	12,936	49,088	14,169	198	349,817
Depreciation of right-of-use assets	使用權資產折舊	14,769	-	4,258	-	-	-	19,027
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	1,087	(17)	2,510	-	-	-	3,580
Research and development expenditure	研發開支	279,089	71,848	14,242	23,940	17,244	-	406,363
Share-based payment expenses	以股份為基礎的付款開支	12,220	-	20,965	1,023	1,594	-	35,802
Government grants	政府補助	(4,839)	(6,439)	-	(2,514)	(335)	-	(14,127)
Rebate of value added tax ("VAT")	增值稅退款	(79,288)	-	-	-	-	(3,620)	(82,908)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION (continued)

5. 收入及分部資料 (續)

Other segment information (continued)

其他分部資料 (續)

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

	Medical device products	Orthopaedic products	Interventional products	Pharma packaging products	Blood management products	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	醫療器械	骨科產品	介入產品	藥品包裝	血液管理	其他	合計
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Amounts included in the measure of segment profit or segment assets:	計量分部溢利或分部資產時應計款項:						
Additions to property, plant and equipment	494,654	92,897	35,331	95,451	35,553	8	753,894
Allowances for credit losses	11,541	1,102	730	3,250	650	638	17,911
Allowances for inventories	-	611	-	-	-	-	611
Release of prepaid lease payments	4,924	6,561	-	767	1,240	-	13,492
Amortisation of intangible assets	-	77	214,971	-	-	-	215,048
Depreciation of property, plant and equipment	196,131	72,565	21,506	41,642	12,371	336	344,551
Loss on disposal of property, plant and equipment	1,908	19	117	-	-	-	2,044
Research and development expenditure	210,153	48,571	9,622	24,809	18,008	-	311,163
Share-based payment expenses	15,167	-	22,930	2,022	1,902	-	42,021
Government grants	(1,856)	(8,201)	-	(2,144)	(28)	-	(12,229)
Rebate of VAT	(81,079)	-	-	-	-	-	(81,079)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION

(continued)

5. 收入及分部資料 (續)

Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services.

主要產品及服務收益

以下為本集團來自其主要產品及服務收益之分析。

		Year ended 31/12/2019 RMB'000 二零一九年 十二月 三十一日 人民幣千元	Year ended 31/12/2018 RMB'000 二零一八年 十二月 三十一日 人民幣千元
Sale of medical device products	銷售醫療器械產品		
– Clinical care	– 臨床護理	4,255,669	3,891,672
– Wound management	– 創傷護理	369,693	299,905
– Anesthesia and surgical related products	– 麻醉及手術相關產品	149,551	105,942
– Medical testing	– 醫學檢驗	191,477	150,678
– Other consumables	– 其他耗材	447,654	378,246
Sale of orthopaedic products	銷售骨科產品	1,555,556	1,180,563
Sale of interventional products	銷售介入產品	1,655,586	1,444,238
Sale of pharma packaging products	銷售藥品包裝產品	1,281,038	955,609
Sale of blood management products	銷售血液管理產品	457,857	402,008
		10,364,081	8,808,861

Information about major customers

There is no single customer contributing over 10% of total sales of the Group for both years.

主要客戶的資料

於兩個年度內，概無單一客戶貢獻超逾本集團總銷售額的10%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION (continued)

5. 收入及分部資料 (續)

Geographical information

Information about the Group's revenue from external customers is presented based on the location of the customers. Information about the Group's non-current assets is presented based on the geographical location of the assets.

地區資料

本集團來自外部客戶收益之資料乃按客戶位置呈列。本集團非流動資產之資料乃按資產地理位置呈列。

		Revenue from external customers		Non-current assets	
		Year ended		31/12/2019 31/12/2018	
		31/12/2019	31/12/2018	31/12/2019	31/12/2018
		RMB'000	RMB'000	RMB'000	RMB'000
		來自外部客戶之收益		非流動資產	
		截至	截至	二零一九年	二零一八年
		二零一九年	二零一八年	十二月	十二月
		十二月	十二月	三十一日	三十一日
		止年度	止年度	三十一日	三十一日
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
PRC	中國	8,488,213	7,149,727	8,190,576	6,509,306
United States	美國	918,454	814,588	5,536,443	5,633,039
Europe, the Middle East and Africa	歐洲、中東及非洲	425,605	410,967	1,617	295
Other districts	其他地區	531,809	433,579	81	74
		10,364,081	8,808,861	13,728,717	12,142,714

Transaction price allocated to the remaining performance obligation for contracts with customers

As a practical expedient of HKFRS 15, the Group need not disclose the transaction price allocated to these unsatisfied contracts with customers that has an original expected duration of one year or less.

分配至客戶合約之餘下履約責任的交易價

作為香港財務報告準則第15號的可行權宜方式，本集團毋須披露分配至該等原預計期限為一年或更短的未履行客戶合約的交易價。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

6. OTHER INCOME, GAINS AND LOSSES

6. 其他收入、收益及虧損

		Year ended 31/12/2019 RMB'000 截至 二零一九年 十二月 三十一日 止年度 人民幣千元	Year ended 31/12/2018 RMB'000 截至 二零一八年 十二月 三十一日 止年度 人民幣千元
Other income:	其他收入：		
Rebate of VAT (note a)	增值稅退款(附註a)	82,908	81,079
Government grants (note b)	政府補助(附註b)	14,127	12,229
Operating rental income	經營租金收入	17,076	17,602
Finance lease income	融資租賃收入	44,738	35,803
Interest income from bank deposits	銀行存款之利息收入	37,878	62,093
Interest income from factoring business	保理業務之利息收入	26,372	19,223
Interest income from loan receivables	應收貸款之利息收入	65,099	89,493
		288,198	317,522
Other gains and losses:	其他收入及虧損：		
Impairment losses on inventories	存貨之減值虧損	(24,893)	(611)
Impairment losses on property, plant and equipment	物業、廠房及設備之減值虧損	(5,891)	-
Net exchange gain	匯兌收益之淨額	7,176	1,769
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	(3,580)	(2,044)
Loss on disposal of investments in a subsidiary (note 39)	出售於一間附屬公司之投資之虧損(附註39)	(50)	-
Gain on deemed disposal of investments in an associate (note 20)	視作出售於一間聯營公司之投資之收益(附註20)	4,573	-
Gain from changes in fair value of financial assets measured at FVTPL	按公平值計入損益計量之金融資產公平值變動收益	21,444	17,603
Donation paid	已付捐贈	(36,962)	(2,729)
Loss on Structured Cross Currency Swap	結構性交叉貨幣互換虧損	(3,106)	-
Others	其他	586	2,593
		(40,703)	16,581
		247,495	334,103

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

6. OTHER INCOME, GAINS AND LOSSES

(continued)

Notes:

- (a) As Weihai Jierui Medical Products Company Limited ("Jierui"), one of the subsidiary of the Company, was recognised as a "Social Welfare Entity", the Tax Bureau in Weihai granted a rebate of VAT paid by Jierui with effect from 1 May 1999 on the basis of "payment first then rebate". Pursuant to Caishui [2016] No.52 issued by the State Council, with effect from 1 May 2016, Jierui was granted a rebate of VAT determined with reference to the number of staff with physical disability. For each staff with physical disability, four times of the minimum salary approved by the local government in Weihai is granted to Jierui as rebate of VAT.

Pursuant to Caishui [2016] No.36, Weigao Financial Leasing Co., Ltd., one of the subsidiary of the Company, is entitled to immediate tax rebates upon collection when the actual VAT tax burden rate exceeds 3%.

- (b) During the year, government grants were awarded to the Group mainly for business development and certain research and development expenses occurred and were recognised as other income when the government grants were received. There were no unfulfilled conditions in the year in which they were recognised.

7. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

6. 其他收入、收益及虧損 (續)

附註：

- (a) 由於本公司的附屬公司威海潔瑞醫用製品有限公司(「潔瑞」)獲確認為「社會福利企業」，因此威海稅務局向潔瑞授出增值稅退稅，由一九九九年五月一日起生效，原則為「先付款後退還」。根據國務院發出之財稅[2016]第52號文件，由二零一六年五月一日起生效，潔瑞獲授予的增值稅退稅乃參考殘障員工之人數釐定。就每名殘障員工而言，潔瑞將獲授相當於由威海市地方政府所批准之最低薪金四倍之金額，作為增值稅退稅。

根據財稅[2016]第36號文件，本公司的附屬公司山東威高融資租賃有限公司有權於實際增值稅稅務負擔超過3%時，立即獲退稅款。

- (b) 年內，本集團主要就業務發展及產生的特定研發開支獲獎勵政府補助，並於收取政府補助時確認為其他收入。在確認年度內概無未達成條件。

7. 預期信貸虧損模式下之減值虧損，扣除撥回

		Year ended 31/12/2019 RMB'000 截至 二零一九年 十二月 三十一日 止年度 人民幣千元	Year ended 31/12/2018 RMB'000 截至 二零一八年 十二月 三十一日 止年度 人民幣千元
Impairment losses recognised on:	就下列項目確認的減值虧損：		
– trade receivables	– 應收貿易賬款	(6,773)	(17,016)
– loan receivables	– 應收貸款	(1,616)	(7,000)
– other receivables	– 其他應收款項	(8,357)	(258)
– receivables from factoring business	– 來自保理業務之應收款項	70	1,857
– finance lease receivables	– 應收融資租賃款項	513	4,506
		(16,163)	(17,911)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

8. FINANCE COSTS

8. 融資成本

		Year ended 31/12/2019 RMB'000 截至 二零一九年 十二月 三十一日 止年度 人民幣千元	Year ended 31/12/2018 RMB'000 截至 二零一八年 十二月 三十一日 止年度 人民幣千元
Interest on bank loans and other borrowings	銀行借款及其他借款利息	314,682	284,408
Interest on early repayment of bank loans (note)	提前償還銀行借款利息(附註)	79,831	-
Interest on lease liabilities	租賃負債利息	2,222	-
		396,735	284,408

Note:

During the year ended 31 December 2019, as disclosed in note 32, the Group early repaid the borrowings under First Lien Credit Agreement and Second Lien Credit Agreement. The interest on early repayment of bank loans, amounting to RMB79,831,000, represents the difference between the carrying amount of the borrowings derecognised and the consideration repaid.

附註：

截至二零一九年十二月三十一日止年度，誠如附註32所披露，本集團提前償還於第一留置權信貸協議及第二留置權信貸協議項下的借款。提前償還銀行借款利息金額為人民幣79,831,000元，為取消確認借款的賬面值與償還代價的差額。

9. INCOME TAX EXPENSE

9. 所得稅開支

		Year ended 31/12/2019 RMB'000 截至 二零一九年 十二月 三十一日 止年度 人民幣千元	Year ended 31/12/2018 RMB'000 截至 二零一八年 十二月 三十一日 止年度 人民幣千元
Current enterprise income tax	即期企業所得稅	401,672	321,830
Withholding income tax from dividend distribution	股息分派產生的預扣所得稅	16,200	-
(Over)/Under provision in prior years	過往年度(超額撥備)/撥備不足	(1,795)	4,679
Deferred tax	遞延稅項	(88,940)	(68,078)
		327,137	258,431

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

9. INCOME TAX EXPENSE (continued)

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of PRC subsidiaries is 25% for both years.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. The subsidiaries in the U.S. are subject to federal income tax at a tax rate of 21% and state income tax.

The Company, Jierui and Weigao Orthopaedic were recognised as Shandong Province New and High Technical Enterprises (山東省高新技術企業) from the year 2017 to 2019. In accordance with the "Notice of the State Tax Bureau of the Ministry of Finance Regarding Certain Preferential Treatment Policies on Enterprise Income Tax", New and High Technical Enterprise was subject to income tax at a tax rate of 15%.

Jierui has been recognised as a "Social Welfare Entity". Pursuant to Caishui [2016] No. 52 issued by the State Council, with effect from 1 May 2016. Jierui Entity is subject to income tax rate of 15%, and an amount equivalent to the total salaries paid to staff with physical disability is further deducted from the taxable income of Jierui. The tax charge provided for the years ended 31 December 2019 and 2018 were made after taking these tax incentives into account.

9. 所得稅開支 (續)

根據《中華人民共和國企業所得稅法》(「企業所得稅法」)及《企業所得稅法實施條例》，中國附屬公司於兩個年度之稅率為25%。

其他司法權區產生的稅項按相關司法權區的現行稅率計算。於美國的附屬公司須按21%的稅率繳納聯邦所得稅及須繳納州所得稅。

本公司、潔瑞及威高骨科獲確認為二零一七年度至二零一九年度山東省高新技術企業。根據《財政部國家稅務總局關於企業所得稅若干優惠政策的通知》，高新技術企業可按15%稅率繳付所得稅。

潔瑞獲確認為「社會福利企業」。根據國務院發出之財稅[2016]第52號文件，自二零一六年五月一日起，潔瑞亦須按15%稅率繳付所得稅，及相等於支付予殘障員工薪金總額之金額進一步自潔瑞的應課稅收入中扣減。截至二零一九年及二零一八年十二月三十一日止年度作出之稅項開支撥備已計及該等稅務優惠。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

9. INCOME TAX EXPENSE (continued)

9. 所得稅開支 (續)

The charge for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

本年度的支出與綜合損益及其他全面收入報表中的除稅前溢利對賬如下：

		Year ended 31/12/2019 RMB'000 截至 二零一九年 十二月 三十一日 止年度 人民幣千元	Year ended 31/12/2018 RMB'000 截至 二零一八年 十二月 三十一日 止年度 人民幣千元
Profit before tax	除稅前溢利	2,247,101	1,775,215
Taxation at income tax rate of 15% (2018: 15%)	按15%所得稅稅率計算的稅項 (二零一八年: 15%)	337,065	266,282
Tax effect of share of an associate	應佔一間聯營公司之稅務影響	(12,850)	(4,987)
Tax effect of income not taxable for tax purpose	就稅務而言毋須課稅收入之稅務影響	(905)	(2,107)
Effect of additional tax deduction for research and development expenses	有關研發費用之額外稅務扣減之影響	(41,601)	(27,950)
Additional tax benefit to a Social Welfare Entity	社會福利企業之額外稅務優惠	(5,490)	(5,690)
Utilisation of tax losses previously not recognised	動用過往未確認的稅項虧損	(2,220)	(931)
Utilisation of deductible temporary difference previously not recognised	動用過往未確認的可抵扣暫時性差異	(137)	-
Tax effect on tax losses and deductible temporary difference not recognised	未確認的稅項虧損及可抵扣暫時性差異的稅務影響	6,275	4,052
Tax effect on expenses not deductible for tax purpose	就稅務而言不可抵扣開支的稅務影響	18,230	9,327
State and local income taxes for U.S. subsidiaries	適用於美國附屬公司的國家及地方所得稅	(7,848)	(4,593)
Effect on different tax rates of subsidiaries	不同稅率對附屬公司的影響	22,213	20,349
Withholding income tax from dividend distribution	股息分派產生的預扣所得稅	16,200	-
(Over)/Under provision in prior years	過往年度(超額撥備)/撥備不足	(1,795)	4,679
Income tax expense for the year	年內所得稅支出	327,137	258,431

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

10. PROFIT FOR THE YEAR

10. 年內溢利

		Year ended 31/12/2019 RMB'000 截至 二零一九年 十二月 三十一日 止年度 人民幣千元	Year ended 31/12/2018 RMB'000 截至 二零一八年 十二月 三十一日 止年度 人民幣千元
Profit for the year has been arrived at after charging:	本年度溢利經扣除下列項目後達致：		
Allowances for credit losses	信貸虧損撥備	16,163	17,911
Allowances for inventories	存貨撥備	24,893	611
Allowances for property, plant and equipment	物業、廠房及設備撥備	5,891	–
Amortisation of intangible assets	無形資產攤銷	241,207	215,048
Auditors' remuneration	核數師酬金	7,735	6,237
Depreciation of property, plant and equipment	物業、廠房及設備折舊	349,817	344,551
Depreciation of investment properties	投資物業折舊	7,037	2,959
Depreciation of right-of-use assets	使用權資產折舊	19,027	–
Release of prepaid lease payments	預付租賃款項付回	–	13,492
Rental payments in respect of premises under operating leases	經營租賃項下的物業租金付款	–	19,921
Recognition exemption of lease expenses of initial application of HKFRS 16	首次應用香港財務報告準則第16號確認豁免的租賃開支	5,383	–
Lease liabilities interest expense	租賃負債利息支出	2,222	–
Cost of inventories recognised as an expense	確認為開支的存貨成本	3,858,884	3,419,707
Staff costs, including directors' and supervisors' remuneration	員工成本(包括董事及監事薪酬)		
– Retirement benefits scheme contributions	– 退休福利計劃供款	109,869	101,707
– Salaries and other allowances	– 薪金及其他津貼	1,773,701	1,313,177
– Share-based payment expenses (note 37)	– 以股份為基礎的付款開支(附註37)	35,802	42,021
Total staff costs	員工成本總額	1,919,372	1,456,905
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	3,580	2,044

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

11. DIRECTORS', SUPERVISORS' AND EMPLOYEES' EMOLUMENTS

11. 董事、監事及僱員酬金

Directors' and supervisors' emoluments

Details of the emoluments paid or payable by the entities comprising the Group to the directors, chief executive and supervisors of the Company are as follows:

董事及監事酬金

本集團實體已付或應付本公司董事、行政總裁及監事酬金如下：

		Year ended 31/12/2019 截至二零一九年十二月三十一日止年度					
		Fee	Salaries and other allowances	Retirement benefits schemes contributions	Performance related bonus (note a)	Share-based payment expenses	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		袍金	薪金及其他津貼	退休福利計劃供款	表現相關花紅 (附註a)	以股份為基礎的付款開支	總計
		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
Chief executive and executive director	行政總裁兼執行董事						
Mr. Zhang Hua Wei	張華威先生	-	1,364	-	854	-	2,218
Executive directors	執行董事						
Mr. Gong Jian Bo	弓劍波先生	-	2,357	53	9,122	-	11,532
Mr. Long Jing	龍經先生	-	928	31	552	822	2,333
Mr. Wang Yi (note b)	王毅先生 (附註b)	-	1,132	34	698	-	1,864
		-	4,417	118	10,372	822	15,729

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

11. DIRECTORS', SUPERVISORS' AND EMPLOYEES' EMOLUMENTS (continued)

11. 董事、監事及僱員酬金 (續)

Directors' and supervisors' emoluments (continued)

董事及監事酬金 (續)

		Year ended 31/12/2019 截至二零一九年十二月三十一日止年度					
		Fee	Salaries and other allowances	Retirement benefits schemes contributions	Performance related bonus (note a)	Share-based payment expenses	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		袍金	薪金及其他津貼	退休福利計劃供款	相關花紅 (附註a)	以股份為基礎的付款開支	總計
		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
Non-executive director	非執行董事						
Mrs. Zhou Shu Hua	周淑華女士	-	-	-	-	-	-
		-	-	-	-	-	-
Independent non-executive directors	獨立非執行董事						
Mr. Lo Wai Hung	盧偉雄先生	158	-	-	-	-	158
Mrs. Fu Ming Zhong	付明仲女士	108	-	-	-	-	108
Mrs. Wang Jin Xia	王錦霞女士	108	-	-	-	-	108
		374	-	-	-	-	374
Supervisors	監事						
Mr. Yue Chun Liang	岳春良先生	-	170	30	36	-	236
Ms. Bi Dong Mei (note c)	畢冬梅女士 (附註c)	-	-	-	-	-	-
Ms. Chen Xiao Yun (note c)	陳曉雲女士 (附註c)	-	-	-	-	-	-
		-	170	30	36	-	236
		374	5,951	148	11,262	822	18,557

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

11. DIRECTORS', SUPERVISORS' AND EMPLOYEES' EMOLUMENTS (continued)

11. 董事、監事及僱員酬金 (續)

Directors' and supervisors' emoluments
(continued)

董事及監事酬金 (續)

		Year ended 31/12/2018 截至二零一八年十二月三十一日止年度					
		Fee	Salaries and other allowances	Retirement benefits schemes contributions	Performance related bonus (note a)	Share-based payment expenses	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		袍金	薪金及其他津貼	退休福利計劃供款	相關花紅(附註a)	以股份為基礎的付款開支	總計
		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
Chief executive and executive director	行政總裁及兼執行董事						
Mr. Zhang Hua Wei	張華威先生	-	1,348	-	958	-	2,306
Executive directors	執行董事						
Mr. Gong Jian Bo	弓劍波先生	-	1,826	44	9,022	-	10,892
Mr. Long Jing	龍經先生	-	1,469	34	-	822	2,325
Mr. Wang Yi (note b)	王毅先生(附註b)	-	742	14	518	-	1,274
		-	4,037	92	9,540	822	14,491
Non-executive directors	非執行董事						
Mrs. Zhou Shu Hua	周淑華女士	-	-	-	-	-	-
Mr. Wang Yi (note b)	王毅先生(附註b)	-	-	-	-	-	-
		-	-	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

11. DIRECTORS', SUPERVISORS' AND EMPLOYEES' EMOLUMENTS (continued)

11. 董事、監事及僱員酬金 (續)

Directors' and supervisors' emoluments (continued)

董事及監事酬金 (續)

		Year ended 31/12/2018 截至二零一八年十二月三十一日止年度					
		Fee	Salaries and other allowances	Retirement benefits schemes contributions	Performance related bonus (note a)	Share-based payment expenses	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		袍金	薪金及其他津貼	退休福利計劃供款	相關花紅 (附註a)	以股份為基礎的付款開支	總計
		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
Independent non-executive directors	獨立非執行董事						
Mr. Lo Wai Hung	盧偉雄先生	154	-	-	-	-	154
Mrs. Fu Ming Zhong	付明仲女士	108	-	-	-	-	108
Mrs. Wang Jin Xia	王錦霞女士	108	-	-	-	-	108
		370	-	-	-	-	370
Supervisors	監事						
Mr. Yue Chun Liang	岳春良先生	-	139	18	31	-	188
Ms. Bi Dong Mei (note c)	畢冬梅女士 (附註c)	-	-	-	-	-	-
Ms. Chen Xiao Yun (note c)	陳曉雲女士 (附註c)	-	-	-	-	-	-
		-	139	18	31	-	188
		370	5,524	110	10,529	822	17,355

Notes:

- (a) Approved by the Remuneration Committee, the performance related bonus payment is determined by reference to the individual performance of the directors and the chief executive.
- (b) On 14 March 2019, Mr. Wang Yi was reappointed as executive director of the Company. Mr. Wang Yi was appointed to be non-executive director of the Company after resigned from executive director of the Company on 29 August 2018.
- (c) Ms. Bi Dong Mei and Ms. Chen Xiao Yun have been worked for Weigao Holding since 2012, and the salaries and other allowances and retirement benefits schemes contributions were paid by Weigao Holding.

附註:

- (a) 經薪酬委員會批准，表現相關花紅付款乃參考董事及行政總裁之個人表現而釐定。
- (b) 於二零一九年三月十四日，王毅先生獲重新委任為本公司執行董事。王毅先生於二零一八年八月二十九日辭任本公司執行董事後獲委任為本公司非執行董事。
- (c) 畢冬梅女士及陳曉雲女士自二零一二年起一直任職於威高集團公司，其薪金及其他津貼及退休福利計劃供款由威高集團公司支付。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

11. DIRECTORS', SUPERVISORS' AND EMPLOYEES' EMOLUMENTS (continued)

11. 董事、監事及僱員酬金 (續)

Five highest paid employees

The five highest paid employees of the Group during the year included one director (2018: one director), details of whose remuneration are set out above. Details of the remuneration for the year of the remaining four (2018: four) highest paid employees who are neither a director nor chief executive of the Group are as follows:

五名最高酬金僱員

於年內本集團五名最高薪酬僱員包括一名董事(二零一八年:一名董事),其薪酬詳情載列於上文。其餘四名(二零一八年:四名)最高薪酬僱員(非本公司董事或主要行政人員)年內的薪酬詳情如下:

		Year ended 31/12/2019 RMB'000 截至 二零一九年 十二月 三十一日 止年度 人民幣千元	Year ended 31/12/2018 RMB'000 截至 二零一八年 十二月 三十一日 止年度 人民幣千元
Salaries and other benefits	薪金及其他津貼	30,921	28,434

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

11. DIRECTORS', SUPERVISORS' AND EMPLOYEES' EMOLUMENTS (continued)

Five highest paid employees (continued)

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

HKD4,000,001 to HKD5,000,000	4,000,001港元至5,000,000港元	2	1
HKD5,000,001 to HKD6,000,000	5,000,001港元至6,000,000港元	-	1
HKD7,000,001 to HKD8,000,000	7,000,001港元至8,000,000港元	-	1
HKD8,000,001 to HKD9,000,000	8,000,001港元至9,000,000港元	1	-
HKD16,000,001 to HKD17,000,000	16,000,001港元至 17,000,000港元	-	1
HKD17,000,001 to HKD18,000,000	17,000,001港元至 18,000,000港元	1	-

During the year ended 31 December 2019, no emoluments were paid by the Group to any of the executive directors, non-executive director, independent non-executive directors, supervisors, or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2018: nil). None of the directors, supervisors and chief executive has waived any emoluments during the year ended 2019 (2018: nil).

11. 董事、監事及僱員酬金 (續)

五名最高酬金僱員 (續)

薪酬介乎於以下範圍且並非本公司董事之最高薪酬僱員人數如下：

Year ended 31/12/2019	Year ended 31/12/2018
No. of employees	No. of employees
截至 二零一九年	截至 二零一八年
十二月	十二月
三十一日	三十一日
止年度	止年度
僱員人數	僱員人數

於截至二零一九年十二月三十一日止年度內，本集團並無支付酬金予任何執行董事、非執行董事、獨立非執行董事、監事或五名最高薪酬僱員作為吸引加入本集團或於加入本集團時的獎勵，或作為離職補償（二零一八年：無）。概無董事、監事及行政總裁於截至二零一九年止年度（二零一八年：無）放棄任何酬金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

12. DIVIDENDS

12. 股息

		Year ended 31/12/2019 RMB'000 截至 二零一九年 十二月 三十一日 止年度 人民幣千元	Year ended 31/12/2018 RMB'000 截至 二零一八年 十二月 三十一日 止年度 人民幣千元
Dividends recognised as distribution during the year:	年內確認為分派的股息：		
2019 Interim dividend – RMB0.059 (2018: interim dividend – RMB0.049 per share) per share	二零一九年中期股息 每股人民幣0.059元 (二零一八年：中期股息 每股人民幣0.049元)	266,817	221,594
2018 Final dividend – RMB0.052 (2017: final dividend – RMB0.046 per share) per share	二零一八年末期股息 每股人民幣0.052元 (二零一七年：末期股息 每股人民幣0.046元)	235,161	208,027
Total	總計	501,978	429,621
Less: distribution to the shares held by the trustees under a share award scheme (note 37(a))	減：分配至受託人根據股份 激勵計劃持有之股份 (附註37(a))	5,101	4,366
		496,877	425,255

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2019 of RMB0.061 (2018: RMB0.052) per share, amounting to RMB275,862,000 (2018: RMB235,161,000) in total, has been proposed by the directors and is subject to approval by the shareholders in the forthcoming general meeting.

於報告期末後，董事建議派付截至二零一九年十二月三十一日止年度的末期股息每股人民幣0.061元（二零一八年：人民幣0.052元），合共人民幣275,862,000元（二零一八年：人民幣235,161,000元）。該建議須經股東在即將舉行的股東大會上批准後，方可作實。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

13. EARNINGS PER SHARE

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

Earnings figures are calculated as follows:

13. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃根據下列數據計算：

盈利數據計算如下：

		Year ended 31/12/2019 RMB'000 截至 二零一九年 十二月 三十一日 止年度 人民幣千元	Year ended 31/12/2018 RMB'000 截至 二零一八年 十二月 三十一日 止年度 人民幣千元
Profit for the year attributable to owners of the Company	本公司擁有人應佔年內溢利	1,844,883	1,472,935
Earnings for the purpose of basic/diluted earnings per share	就每股基本／攤薄盈利而言的盈利	1,844,883	1,472,935
		Year ended 31/12/2019 '000 截至 二零一九年 十二月 三十一日 止年度 千股	Year ended 31/12/2018 '000 截至 二零一八年 十二月 三十一日 止年度 千股
Number of shares	股份數目		
Number of shares for the purpose of basic earnings per share	就計算每股基本盈利而言的股份數目	4,476,372	4,476,372
Effect of dilutive potential ordinary shares:	普通股潛在攤薄的影響：		
Incentive shares	激勵股份	6,467	7,507
Weighted average number of ordinary shares for the purpose of diluted earnings per share	就計算每股攤薄盈利而言的普通股加權平均數	4,482,839	4,483,879

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Construction In progress RMB'000	Buildings RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Furniture, Fixtures and tools RMB'000	Freehold Land RMB'000	Total RMB'000
		在建工程 人民幣千元	建築物 人民幣千元	廠房及機器 人民幣千元	汽車 人民幣千元	傢俱、 固定裝置 及工具 人民幣千元	自由保有 土地 人民幣千元	總計 人民幣千元
COST	成本							
At 1 January 2018	於二零一八年一月一日	719,932	2,281,004	1,407,652	66,825	713,660	-	5,189,073
Additions	添置	496,964	2,493	182,069	7,880	64,488	-	753,894
Transfer	轉讓	(520,578)	444,211	30,803	-	45,564	-	-
Acquisition of a subsidiary (note 38)	收購一間附屬公司 (附註38)	19,892	47,670	23,439	34	9,993	7,872	108,900
Transfer from investment properties	轉撥自投資物業	-	53,602	-	-	-	-	53,602
Disposals	出售	-	-	(70,403)	(2,994)	(81,911)	-	(155,308)
Exchange adjustments	匯兌調整	1,437	3,443	1,693	2	722	569	7,866
At 31 December 2018	於二零一八年 十二月三十一日	717,647	2,832,423	1,575,253	71,747	752,516	8,441	5,958,027
Additions	添置	677,151	13,743	166,723	36,027	50,566	-	944,210
Transfer	轉讓	(423,912)	260,014	95,083	106	68,709	-	-
Transfer from investment properties	轉撥自投資物業	-	44,191	-	-	-	-	44,191
Transfer to investment properties	轉撥至投資物業	-	(71,259)	-	-	-	-	(71,259)
Acquisition of a subsidiary (note 38)	收購一間附屬公司 (附註38)	-	-	-	1,226	-	-	1,226
Disposals	出售	-	(13,975)	(28,103)	(8,536)	(26,068)	-	(76,682)
Disposals of a subsidiary (note 39)	出售一間附屬公司 (附註39)	(40)	-	(25,900)	(311)	(13,233)	-	(39,484)
Exchange adjustments	匯兌調整	593	881	948	(24)	364	63	2,825
At 31 December 2019	於二零一九年 十二月三十一日	971,439	3,066,018	1,784,004	100,235	832,854	8,504	6,763,054

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

14. PROPERTY, PLANT AND EQUIPMENT

(continued)

14. 物業、廠房及設備 (續)

		Construction In progress RMB'000	Buildings RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Furniture, Fixtures equipment and tools RMB'000	Freehold Land RMB'000	Total RMB'000
		在建工程 人民幣千元	建築物 人民幣千元	廠房及機器 人民幣千元	汽車 人民幣千元	傢俱、 固定裝置 及工具 人民幣千元	自由保有 土地 人民幣千元	總計 人民幣千元
DEPRECIATION AND IMPAIRMENT	折舊及減值							
At 1 January 2018	於二零一八年一月一日	2,314	226,485	645,751	38,142	364,244	-	1,276,936
Provided for the year	年內撥備	-	89,729	147,784	6,572	100,466	-	344,551
Transfer from investment properties	轉撥自投資物業	-	1,081	-	-	-	-	1,081
Eliminated on disposals	於出售時抵銷	-	-	(57,939)	(2,096)	(73,197)	-	(133,232)
Exchange adjustments	匯兌調整	-	84	324	1	120	-	529
At 31 December 2018	於二零一八年 十二月三十一日	2,314	317,379	735,920	42,619	391,633	-	1,489,865
Provided for the year	年內撥備	5,891	93,801	140,889	9,077	100,159	-	349,817
Transfer from investment properties	轉撥自投資物業	-	5,401	-	-	-	-	5,401
Transfer to investment properties	轉撥至投資物業	-	(5,376)	-	-	-	-	(5,376)
Eliminated on disposals	於出售時抵銷	-	(2,349)	(20,621)	(7,213)	(19,947)	-	(50,130)
Disposals of a subsidiary (note 39)	出售一間附屬公司 (附註39)	-	-	(12,509)	(105)	(9,277)	-	(21,891)
Exchange adjustments	匯兌調整	-	76	300	(1)	136	-	511
At 31 December 2019	於二零一九年 十二月三十一日	8,205	408,932	843,979	44,377	462,704	-	1,768,197
CARRYING VALUES	賬面值							
At 31 December 2019	於二零一九年 十二月三十一日	963,234	2,657,086	940,025	55,858	370,150	8,504	4,994,857
At 31 December 2018	於二零一八年 十二月三十一日	715,333	2,515,044	839,333	29,128	360,883	8,441	4,468,162

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

14. PROPERTY, PLANT AND EQUIPMENT

(continued)

The above items of property, plant and equipment, other than construction in progress and freehold land, are depreciated on a straight-line basis after taking into account of their estimated residual values and at the following rates per annum:

Buildings	3.2 – 9.5%
Plant and machinery	9.5 – 19%
Motor vehicles	19 – 31.7%
Furniture, fixtures equipment and tools	19 – 47.5%

As at 31 December 2019, total net book value of Property, Plant and Equipment served as collateral for the Group's borrowing amounted to RMB129,401,000 (2018: RMB129,703,000).

14. 物業、廠房及設備 (續)

上述的物業、廠房及設備項目(在建工程及自由保有土地除外)以直線法就計入其估計剩餘價值後,按下列年率折舊:

建築物	3.2 – 9.5%
廠房及機器	9.5 – 19%
汽車	19 – 31.7%
傢俱、固定裝置及工具	19 – 47.5%

於二零一九年十二月三十一日,作為本集團借款抵押品的物業、廠房及設備的賬面淨值總額為人民幣129,401,000元(二零一八年:人民幣129,703,000元)。

15. RIGHT-OF-USE ASSETS

15. 使用權資產

		Leasehold land RMB'000 租賃土地 人民幣千元	Leased properties RMB'000 租賃物業 人民幣千元	Office equipment RMB'000 辦公室設備 人民幣千元	Total RMB'000 總計 人民幣千元
As at 1 January 2019	於二零一九年一月一日				
Carrying amount	賬面值	400,522	25,518	1,053	427,093
As at 31 December 2019	於二零一九年十二月三十一日				
Carrying amount	賬面值	391,502	24,692	617	416,811
For the year ended 31 December 2019	截至二零一九年 十二月三十一日止年度				
Depreciation charge	折舊費用	9,020	9,565	442	19,027

Expense relating to short-term leases and other leases with

lease terms end within 12 months of the date of initial application of HKFRS 16

開支為於首次應用香港財務報告準則第16號之日起計12個月的租期內屆滿的短期租賃及其他租賃的開支

5,383

Total cash outflow for leases

租賃現金流出總額

16,695

Additions to right-of-use assets

新增使用權資產

8,745

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

15. RIGHT-OF-USE ASSETS (continued)

For both years, the Group leases various offices and equipment for its operations. Lease contracts are entered into for fixed term of 1 year to 7 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Details of the lease maturity analysis of lease liabilities are set out in note 35.

15. 使用權資產 (續)

本集團於兩個年度租賃各種辦公室及設備用於營運。租賃合約按1至7年的固定期限訂立。租賃條款乃在個別基礎上磋商，包括各種不同條款及條件。於釐定租期及評估不可撤回期間的時長時，本集團應用合約的定義並釐定合約可強制執行的期間。

租賃負債的租賃到期時間分析詳情載於附註35。

16. PREPAID LEASE PAYMENTS

16. 預付租賃款項

31/12/2018
RMB'000
二零一八年
十二月
三十一日
人民幣千元

The Group's prepaid lease payments comprise: 本集團的預付租賃款項包括：

Leasehold land in the PRC	於中國的租賃土地	
Medium-term lease	中期租約	400,522
<hr/>		
Analysed for reporting purposes as:	就呈報目的分析為：	
Current assets	流動資產	13,653
Non-current assets	非流動資產	386,869
<hr/>		
		400,522
<hr/>		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

17. INVESTMENT PROPERTIES

17. 投資物業

		RMB'000 人民幣千元
<hr/>		
COST	成本	
At 1 January 2018	於二零一八年一月一日	204,129
Transfer to property, plant and equipment	轉撥至物業、廠房及設備	<u>(53,602)</u>
At 31 December 2018	於二零一八年十二月三十一日	150,527
Addition	添置	8,118
Transfer from property, plant and equipment	轉撥自物業、廠房及設備	71,259
Transfer to property, plant and equipment	轉撥至物業、廠房及設備	<u>(44,191)</u>
At 31 December 2019	於二零一九年十二月三十一日	<u>185,713</u>
DEPRECIATION	折舊	
At 1 January 2018	於二零一八年一月一日	17,173
Provided for the year	年內撥備	2,959
Transfer to property, plant and equipment	轉撥至物業、廠房及設備	<u>(1,081)</u>
At 31 December 2018	於二零一八年十二月三十一日	19,051
Provided for the year	年內撥備	7,037
Transfer from property, plant and equipment	轉撥自物業、廠房及設備	5,376
Transfer to property, plant and equipment	轉撥至物業、廠房及設備	<u>(5,401)</u>
At 31 December 2019	於二零一九年十二月三十一日	<u>26,063</u>
CARRYING VALUES	賬面值	
At 31 December 2019	於二零一九年十二月三十一日	<u>159,650</u>
At 31 December 2018	於二零一八年十二月三十一日	<u>131,476</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

17. INVESTMENT PROPERTIES (continued)

The fair value of the Group's investment properties of approximately RMB207,546,000 as at 31 December 2019 (2018: RMB170,920,000) has been determined by the Company.

The fair value was determined based on the income approach, where the market rentals of all lettable units of the properties are assessed and discounted at the market yield expected by investors for this type of properties. The market rentals are assessed by reference to the rentals achieved in the lettable units of the properties as well as other lettings of similar properties in the neighbourhood. The discount rate is determined by reference to the yields derived from analysing the sales transactions of similar commercial properties in the PRC and adjusted to take into account the market expectation from property investors to reflect factors specific to the Group's investment properties. There has been no change from the valuation technique used in the prior year.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

17. 投資物業 (續)

本集團投資物業於二零一九年十二月三十一日的公平值約為人民幣207,546,000元(二零一八年:人民幣170,920,000元),該公平值已由本公司釐定。

公平值乃按投資方法釐定,而物業所有可出租單位之市場租金則按投資者對此類物業預期之市場收益率評估及貼現。市場租金乃參考物業之可出租單位可得租金及該區其他類似物業之出租情況予以評估。貼現率乃參考中國同類商用物業之銷售交易分析所得之收益率予以釐定,並就物業投資者之市場預期作出調整,以反映本集團投資物業之特定因素。去年所用的估值方法並無變動。

於估計該等物業的公平值時,其最佳用途乃為其現有用途。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

17. INVESTMENT PROPERTIES (continued)

17. 投資物業 (續)

Details of the Group's investment properties and information about the fair value hierarchy as at the end of the reporting period are as follows:

於報告期末，本集團有關公平值等級的投資物業及資料詳情如下：

The carrying value of investment properties shown above comprise of buildings erected on:

以上所述投資物業的賬面值包括建於下述土地上之建築物：

		31/12/2019 二零一九年十二月三十一日		31/12/2018 二零一八年十二月三十一日	
		Carrying amount RMB'000 賬面值 人民幣千元	Fair value at level 3 hierarchy RMB'000 第三級公平值 人民幣千元	Carrying amount RMB'000 賬面值 人民幣千元	Fair value at level 3 hierarchy RMB'000 第三級公平值 人民幣千元
Land in PRC	於中國的土地				
Medium term lease	中期租約	159,650	207,546	131,476	170,920

The above investment properties are depreciated on a straight-line basis at 3.2% per annum.

上述投資物業按直線法以年率3.2%予以折舊。

18. GOODWILL

18. 商譽

		31/12/2019 RMB'000 二零一九年 十二月 三十一日 人民幣千元	31/12/2018 RMB'000 二零一八年 十二月 三十一日 人民幣千元
Cost	成本		
At 1 January	於一月一日	3,339,069	202,900
Arising on acquisition of a subsidiary (note 38)	自收購一間附屬公司產生 (附註38)	7,769	2,924,920
Exchange adjustments	匯兌調整	52,047	211,249
At 31 December	於十二月三十一日	3,398,885	3,339,069

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

18. GOODWILL (continued)

Impairment testing on goodwill

The Group uses operating divisions as the basis for reporting segment information. For the purposes of impairment testing, goodwill has been allocated to the following groups of cash generating units (“CGUs”). The carrying amounts of goodwill as at 31 December 2019 and 2018 are as follows:

Medical device products	醫療器械產品
Orthopaedic products	骨科產品
Interventional products	介入產品

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The management considers that groups of CGUs are represented by different groups of subsidiaries for the purpose of goodwill impairment testing.

The recoverable amounts of the groups of CGUs of medical device products have been determined based on a value in use calculation. The recoverable amount is based on the financial budget approved by management covering a 5-year period (2018: 5-year), and discount rate of 14% (2018: 14%). The cash flows for the following years are extrapolated using a steady 2.5% growth rate (2018: 2.5%). A key assumption for the value in use calculations is the budgeted growth rate, which is determined based on past performance and management’s expectations for the market development.

18. 商譽 (續)

商譽減值測試

本集團使用經營分部作為其報告分部資料的基準。為進行減值測試，商譽被分配到以下現金產生單位（「現金產生單位」）組別。於二零一九年及二零一八年十二月三十一日，商譽之賬面值如下：

31/12/2019 RMB'000 二零一九年 十二月 三十一日 人民幣千元	31/12/2018 RMB'000 二零一八年 十二月 三十一日 人民幣千元
28,934	28,934
173,966	173,966
3,195,985	3,136,169
3,398,885	3,339,069

本集團每年測試商譽減值，或倘有跡象顯示商譽可能已減值，則會更頻密測試減值。

就商譽減值測試而言，管理層認為現金產生單位組別指不同的附屬公司組別。

醫療器械產品之現金產生單位組別之可收回金額乃按使用價值計算而釐定。可收回金額以管理層批准之五年（二零一八年：五年）財政預算及貼現率14%（二零一八年：14%）為基礎。將來年度的現金流量採用2.5%（二零一八年：2.5%）的穩定增長率推算。計算使用價值之主要假設為預算增長率，乃按過往表現及管理層對市場發展之預期而釐定。

18. GOODWILL (continued)**Impairment testing on goodwill** (continued)

The recoverable amounts of the groups of CGUs of orthopaedic products have been determined based on a value in use calculation. The recoverable amount is based on the financial budget approved by management covering a 5-year period (2018: 5-year), and discount rate of 14% (2018: 14%). The cash flows for the following years are extrapolated using a steady 2.5% growth rate (2018: 2.5%). A key assumption for the value in use calculations is the budgeted growth rate, which is determined based on past performance and management's expectations for the market development.

The recoverable amounts of the groups of CGUs of interventional products have been determined based on a value in use calculation. The recoverable amount is based on the financial budget approved by management covering a 10-year period (2018: 10-year), and discount rate of 13% (2018: 13%). The cash flows for the following years are extrapolated using a steady 3% growth rate (2018: 3%). A key assumption for the value in use calculations is the budgeted growth rate, which is determined based on past performance and management's expectations for the market development.

During the year ended 31 December 2019 and 31 December 2018, management of the Group determines that there is no impairment on goodwill.

18. 商譽 (續)**商譽減值測試** (續)

骨科產品之現金產生單位組別之可收回金額乃按使用價值計算而釐定。可收回金額以管理層批准之五年(二零一八年:五年)財政預算及貼現率14%(二零一八年:14%)為基礎。將來年度的現金流量採用2.5%(二零一八年:2.5%)的穩定增長率推算。計算使用價值之主要假設為預算增長率,乃按過往表現及管理層對市場發展之預期而釐定。

介入產品之現金產生單位組別之可收回金額乃按使用價值計算而釐定。可收回金額以管理層批准之十年(二零一八年:十年)財政預算及貼現率13%(二零一八年:13%)為基礎。將來年度的現金流量採用3%(二零一八年:3%)的穩定增長率推算。計算使用價值之主要假設為預算增長率,乃按過往表現及管理層對市場發展之預期而釐定。

截至二零一九年十二月三十一日及二零一八年十二月三十一日止年度,本集團管理層釐定商譽並無減值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

19. INTANGIBLE ASSETS

19. 無形資產

		Development Costs RMB'000 開發成本 人民幣千元	Product Technology RMB'000 產品技術 人民幣千元	Customer Relationship RMB'000 客戶關係 人民幣千元	Trademarks RMB'000 商標 人民幣千元	Total RMB'000 總計 人民幣千元
COST	成本					
At 1 January 2018	於二零一八年一月一日	-	74,618	-	-	74,618
Additions	添置	-	690	-	-	690
Acquisition of a subsidiary (note 38)	收購一間附屬公司(附註38)	-	1,216,171	1,030,545	166,423	2,413,139
Exchange adjustments	匯兌調整	-	87,837	74,430	12,020	174,287
At 31 December 2018	於二零一八年十二月三十一日	-	1,379,316	1,104,975	178,443	2,662,734
Addition	添置	43,348	-	-	-	43,348
Acquisition of a subsidiary (note 38)	收購一間附屬公司(附註38)	-	-	17,380	-	17,380
Exchange adjustments	匯兌調整	488	21,470	19,113	2,938	44,009
At 31 December 2019	於二零一九年十二月三十一日	43,836	1,400,786	1,141,468	181,381	2,767,471
AMORTISATION	攤銷					
At 1 January 2018	於二零一八年一月一日	-	32,671	-	-	32,671
Charge for the year	年內開支	-	100,230	101,096	13,722	215,048
Exchange adjustments	匯兌調整	-	2,459	2,483	337	5,279
At 31 December 2018	於二零一八年十二月三十一日	-	135,360	103,579	14,059	252,998
Charge for the year	年內開支	-	114,308	111,855	15,044	241,207
Exchange adjustments	匯兌調整	-	2,926	3,007	401	6,334
At 31 December 2019	於二零一九年十二月三十一日	-	252,594	218,441	29,504	500,539
CARRYING VALUES	賬面值					
At 31 December 2019	於二零一九年十二月三十一日	43,836	1,148,192	923,027	151,877	2,266,932
At 31 December 2018	於二零一八年十二月三十一日	-	1,243,956	1,001,396	164,384	2,409,736

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Product technology	10-12 years
Customer relationship	8-11 years
Trademarks	11-12 years

As at 31 December 2019, total net book value of intangible assets served as collateral for the Group's borrowing amounted to RMB2,167,702,000 (2018: RMB2,367,176,000).

上述無形資產具有有限可使用年期。該等無形資產於以下期間按直線法攤銷：

產品技術	10-12年
客戶關係	8-11年
商標	11-12年

於二零一九年十二月三十一日，作為本集團借款抵押品的無形資產的賬面淨值總額為人民幣2,167,702,000元(二零一八年：人民幣2,367,176,000元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

20. INTERESTS IN AN ASSOCIATE

20. 於一間聯營公司的權益

		31/12/2019	31/12/2018
		RMB'000	RMB'000
		二零一九年	二零一八年
		十二月	十二月
		三十一日	三十一日
		人民幣千元	人民幣千元
Cost of investment in an associate	投資聯營公司的成本	937,500	937,500
Share of post-acquisition profits and other comprehensive income	應佔收購後利潤及其他全面收入	118,916	33,246
		1,056,416	970,746

Details of the Group's associate at the end of the reporting period are as follow:

於報告期末，本集團的聯營公司詳情如下：

Name of entity	Country of incorporation/ registration	Principal place of business	Proportion of ownership interest held by the Group		Proportion of voting rights held by the Group		Principal activity
			31/12/2019	31/12/2018	31/12/2019	31/12/2018	
實體名稱	註冊成立/ 註冊所在國家	主要營業地點	本集團所持 所有者權益比例		本集團所持 投票權比例		主營業務
			二零一九年 十二月 三十一日	二零一八年 十二月 三十一日	二零一九年 十二月 三十一日	二零一八年 十二月 三十一日	
Weihai Weigao Blood Purification Products Company ("Weigao Blood Purification")	PRC	PRC	43.30%	46.875%	43.30%	46.875%	Manufacturing of medical blood purification treatments and related consumables
威海威高血液淨化製品有限公司 (「威高血液淨化」)	中國	中國					製造醫學血液淨化處理及相關消耗品

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

20. INTERESTS IN AN ASSOCIATE (continued)

Summarised financial information of the associate

Summarised financial information in respect of the Group's associate is set out below. The summarised financial information represents amounts shown in the associate's financial statements prepared in accordance with HKFRSs.

The associate is accounted for using the equity method in the consolidated financial statements.

Weigao Blood Purification

		31/12/2019	31/12/2018
		RMB'000	RMB'000
		二零一九年	二零一八年
		十二月	十二月
		三十一日	三十一日
		人民幣千元	人民幣千元
Current assets	流動資產	2,395,998	1,390,984
Non-current assets	非流動資產	3,532,422	3,028,076
Current liabilities	流動負債	(3,298,068)	(1,864,423)
Non-current liabilities	非流動負債	(570,005)	(861,676)
		Year ended	Year ended
		31/12/2019	31/12/2018
		RMB'000	RMB'000
		二零一九年	二零一八年
		十二月	十二月
		三十一日	三十一日
		人民幣千元	人民幣千元
Revenue	收入	2,295,811	1,773,672
Profit for the year	本年度溢利	185,843	63,752
Profit for the year attributable to owners of the Weigao Blood Purification	威高血液淨化擁有人應佔本年度溢利	187,292	70,924
Profit for the year attributable to non-controlling interests of Weigao Blood Purification	威高血液淨化非控股權益擁有人本年度溢利	(1,449)	(7,172)

20. 於一間聯營公司的權益 (續)

聯營公司之財務資料概要

有關本集團的一間聯營公司之財務資料概要載列如下。聯營公司之財務資料概要指於根據香港財務報告準則編製之聯營公司財務報表中列示之金額。

聯營公司使用權益法於綜合財務報表入賬。

威高血液淨化

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

20. INTERESTS IN AN ASSOCIATE (continued)

20. 於一間聯營公司的權益 (續)

Weigao Blood Purification (continued)

威高血液淨化 (續)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statement:

上文概述之財務資料與於綜合財務報表確認的於聯營公司權益之賬面值的對賬：

		31/12/2019	31/12/2018
		RMB'000	RMB'000
		二零一九年	二零一八年
		十二月	十二月
		三十一日	三十一日
		人民幣千元	人民幣千元
Net assets of Weigao Blood Purification	威高血液淨化之資產淨值	2,060,347	1,692,961
Non-controlling interests of Weigao Blood Purification	威高血液淨化之非控股權益	931	(518)
		2,061,278	1,692,443
Proportion of the Group's ownership interest in Weigao Blood Purification	本集團於威高血液淨化之所有權權益比例	43.30%	46.875%
The Group's share of net assets of Weigao Blood Purification	本集團應佔威高血液淨化資產淨值	892,533	793,333
Goodwill	商譽	163,883	177,413
Carrying amount of the Group's interest in Weigao Blood Purification	本集團於威高血液淨化權益之賬面值	1,056,416	970,746

Note:

During the year ended 31 December 2019, Weigao Holding invested a leasehold land with carrying amount of RMB175,654,000 to Weigao Blood Purification, and an independent third party has injected RMB5,889,000 to Weigao Blood Purification, which resulted in a dilution of the Group's interest in Weigao Blood Purification from 46.875% to 43.30%.

附註：

截至二零一九年十二月三十一日止年度，威高集團公司向威高血液淨化投資賬面值人民幣175,654,000元的租賃土地，且獨立第三方向威高血液淨化注資人民幣5,889,000元，導致本集團於威高血液淨化的權益由46.875%攤薄至43.30%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

21. 按公平值計入損益計量之金融資產

		31/12/2019	31/12/2018
		RMB'000	RMB'000
		二零一九年	二零一八年
		十二月	十二月
		三十一日	三十一日
		人民幣千元	人民幣千元
Unlisted investments:	非上市投資：		
– Convertible bonds (note a)	– 可轉換債券（附註a）	295,310	–
– Structured Cross Currency Swap (note b)	– 結構性交叉貨幣互換（附註b）	7,900	–
– Investment funds (note c)	– 投資基金（附註c）	106,496	106,658
– Equity security	– 股本證券	620	681
		410,326	107,339
Analysed for reporting purposes as:	就呈報目的分析為：		
– Current assets	– 流動資產	–	–
– Non-current assets	– 非流動資產	410,326	107,339
		410,326	107,339

Notes:

- (a) During the year ended 31 December 2019, the Group entered into a note purchase agreement to invest a secured convertible promissory notes due 31 December 2022 issued by NeuroVesc Technologies Inc (“NeuroVesc”), with a total investment amount of USD40,084,000 (equivalent to RMB281,713,000).
- (b) During the year ended 31 December 2019, the Group entered into a Structured Cross Currency Swap with HSBC Bank (China) Company Limited to exchange periodic interest obligation and principle payments for stated period of time.
- (c) As at 31 December 2019, the amount of RMB89,323,000 represents 11.76% (2018: RMB90,354,000 represents 11.76%) of the interest in a health science fund. The amount of RMB17,173,000 represents 3.75% (2018: RMB16,304,000 represents 3.75%) of the interest in an investment fund.

附註：

- (a) 截至二零一九年十二月三十一日止年度，本集團訂立票據購買協議，以投資由NeuroVesc Technologies Inc（「NeuroVesc」）發行於二零二二年十二月三十一日到期的抵押可轉換承兌票據，投資總額為40,084,000美元（相當於人民幣281,713,000元）。
- (b) 截至二零一九年十二月三十一日止年度，本集團與HSBC Bank (China) Company Limited進行結構性交叉貨幣置換，以於規定期間內交換定期利息責任及本金款項。
- (c) 於二零一九年十二月三十一日，金額人民幣89,323,000元（二零一八年：人民幣90,354,000元；11.76%）指健康科學基金之11.76%權益。金額人民幣17,173,000元（二零一八年：人民幣16,304,000元；3.75%）指一項投資基金之3.75%權益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

22. DEFERRED TAXATION

22. 遞延稅項

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purpose.

為呈列綜合財務狀況表，遞延稅項資產及負債已被抵銷。就財務申報目的作出之遞延稅項結餘分析如下：

		31/12/2019	31/12/2018
		RMB'000	RMB'000
		二零一九年	二零一八年
		十二月	十二月
		三十一日	三十一日
		人民幣千元	人民幣千元
Deferred tax assets	遞延稅項資產	101,018	78,093
Deferred tax liabilities	遞延稅項負債	(278,417)	(339,566)
		(177,399)	(261,473)

The followings are the major deferred tax assets and liabilities recognised and movements thereon during the current and prior reporting year:

於本年度及過往年度，已確認的主要遞延稅項資產及負債及其變動載列如下：

		Time difference of property, plants and equipment	Time difference of intangible assets	Unrealised profit	Share-based payments reserve	Unpaid bonus and salary	US research and development expenses	Impairment of assets	Interest deduction limited	Deductible losses	Time difference of fair value	Others (note)	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		物業、廠房及設備的時間差	無形資產的時間差	未變現溢利	為基礎的儲備	未支付花紅及薪金	美國研發支出	資產減值	利息抵扣限額	可抵扣虧損	公平值時間差	其他(附註)	總計
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018	於二零一八年一月一日	4,744	5,268	-	3,393	7,317	11,575	-	28,331	-	-	-	60,628
Acquisition of a subsidiary	收購一間附屬公司	-	(4,468)	(383,880)	1,169	-	2,982	-	2,955	3,069	22,568	(9,452)	(365,057)
Charge (credit) to profit or loss	計入(扣除)損益	502	(2,686)	33,403	7,624	4,837	1,308	-	3,198	20,812	(20,522)	19,602	68,078
Exchange adjustments	匯兌調整	-	(402)	(26,905)	86	49	194	-	197	733	1,126	(200)	(25,122)
At 31 December 2018	於二零一八年十二月三十一日	5,246	(2,288)	(377,382)	12,272	12,203	16,059	-	34,681	24,614	3,172	9,950	(261,473)
Acquisition of a subsidiary	收購一間附屬公司	-	-	-	-	-	-	-	-	-	-	(19)	(19)
Charge (credit) to profit or loss	計入(扣除)損益	1,100	(7,981)	41,096	12,030	7,329	(4,425)	(8,279)	6,699	41,297	1,869	(1,185)	88,940
Exchange adjustments	匯兌調整	-	(224)	(5,751)	17	91	13	(93)	46	870	37	147	(4,847)
At 31 December 2019	於二零一九年十二月三十一日	6,346	(10,493)	(342,037)	24,319	19,623	11,647	(8,372)	41,426	66,781	5,078	9,468	(177,399)

Note: The others mainly comprised transaction cost, prepaid expense, inventory capitalization adjustment etc., due to the time differences under U.S. income tax code.

附註：其他主要包括美國所得稅法項下時間差產生的交易成本、預付開支、存貨資本化調整等。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

22. DEFERRED TAXATION (continued)

At the end of reporting period, no deferred tax asset has been recognised in relation to the following deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

22. 遞延稅項 (續)

於報告期末，概無就以下可扣稅減暫時差異確認遞延稅項資產，因為應課稅溢利不可能用於抵銷可扣稅暫時差異。

		31/12/2019	31/12/2018
		RMB'000	RMB'000
		二零一九年	二零一八年
		十二月	十二月
		三十一日	三十一日
		人民幣千元	人民幣千元
Arising from impairment of assets	自資產減值產生	20,107	17,767
Arising from other temporary differences	自其他暫時差異產生	4,280	4,280
		24,387	22,047

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

22. DEFERRED TAXATION (continued)

As at 31 December 2019, the Group has estimated unused tax losses of approximately RMB65,386,000 (2018: RMB49,617,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams. The above tax losses will be expired in the following years:

		31/12/2019	31/12/2018
		RMB'000	RMB'000
		二零一九年	二零一八年
		十二月	十二月
		三十一日	三十一日
		人民幣千元	人民幣千元
2019	二零一九年	-	4,792
2020	二零二零年	4,883	9,644
2021	二零二一年	6,873	9,607
2022	二零二二年	8,213	8,247
2023	二零二三年	17,314	17,327
2024	二零二四年	28,103	-
		65,386	49,617

23. FINANCE LEASE RECEIVABLES

The Group entered into certain finance lease agreements as a lessor for equipment. The average terms of finance leases entered into usually range from one to five years. All interest rates inherent in the leases are fixed at the contract date over the leases terms.

22. 遞延稅項 (續)

於二零一九年十二月三十一日，本集團擁有可供抵銷未來溢利的估計未使用稅項虧損約人民幣65,386,000元（二零一八年：人民幣49,617,000元）。由於未能預測未來的溢利來源，故並無就稅項虧損確認遞延稅項資產。上述稅項虧損將於下列年限到期：

		31/12/2019	31/12/2018
		RMB'000	RMB'000
		二零一九年	二零一八年
		十二月	十二月
		三十一日	三十一日
		人民幣千元	人民幣千元
2019	二零一九年	-	4,792
2020	二零二零年	4,883	9,644
2021	二零二一年	6,873	9,607
2022	二零二二年	8,213	8,247
2023	二零二三年	17,314	17,327
2024	二零二四年	28,103	-
		65,386	49,617

23. 應收融資租賃款項

本集團（作為設備承租人）訂立若干融資租賃協議。融資租賃平均租期通常訂立為介乎一至五年。有關租賃之全部利率均根據租期於合約日期釐定。

		31/12/2019	31/12/2018
		RMB'000	RMB'000
		二零一九年	二零一八年
		十二月	十二月
		三十一日	三十一日
		人民幣千元	人民幣千元
Analysed for reporting purposes as:	就呈報目的分析為：		
Current assets	流動資產	156,753	195,707
Non-current assets	非流動資產	153,026	293,361
		309,779	489,068

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

23. FINANCE LEASE RECEIVABLES (continued)

23. 應收融資租賃款項 (續)

		Minimum lease receivables		Present value of minimum lease receivables	
		31/12/2019	31/12/2018	31/12/2019	31/12/2018
		RMB'000	RMB'000	RMB'000	RMB'000
		應收最低租賃款項	應收最低租賃款項	應收最低租賃款項之現值	應收最低租賃款項之現值
		二零一九年	二零一八年	二零一九年	二零一八年
		十二月	十二月	十二月	十二月
		三十一日	三十一日	三十一日	三十一日
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Finance lease receivables comprise	應收融資租賃款項包括				
Within one year	於一年內	168,710	204,738	160,896	195,707
In more than one year but not more than two years	超過一年但不超過兩年	113,118	173,060	101,486	155,739
In more than two years but not more than five years	超過兩年但不超過五年	67,822	179,224	54,455	145,193
Unguaranteed residual values	無擔保剩餘價值	349,650	557,022	316,837	496,639
Less: unearned finance income allowance for credit losses	減：未賺取融資收益 信貸虧損撥備	(32,813) (7,058)	(60,383) (7,571)	- (7,058)	- (7,571)
Present value of minimum lease payment receivables	應收最低租賃款項之現值	309,779	489,068	309,779	489,068

Effective interest rates implicit in the above finance leases range from 4.43% to 8.93% per annum (2018: 4.43% to 9.00%).

Finance lease receivables are secured over the machineries leased. The Group is not permitted to sell or repledge the collateral in the absence of default by the lessee.

As at 31 December 2019, the carrying amount of the finance lease receivables due from fellow subsidiaries is RMB65,001,000 (2018: RMB96,575,000).

As at 31 December 2019, the finance lease receivables which has been pledged as security for the borrowings is RMB120,321,000 (2018: RMB202,983,000).

Details of impairment assessment of financial lease receivables are set out in note 43.

上述融資租賃內含之實際年利率介乎4.43厘至8.93厘(二零一八年：4.43厘至9.00厘)。

應收融資租賃款項以所租機器作抵押。本集團不允許在承租人未違約情況下出售或再抵押抵押品。

於二零一九年十二月三十一日，應收融資租賃款項的賬面值包括應收同系附屬公司款項人民幣65,001,000元(二零一八年：人民幣96,575,000元)。

於二零一九年十二月三十一日，已抵押為借款的抵押品的應收融資租賃款項為人民幣120,321,000元(二零一八年：人民幣202,983,000元)。

應收融資租賃款項減值評估詳情載於附註43。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

24. LOAN RECEIVABLES

24. 應收貸款

		31/12/2019	31/12/2018
		RMB'000	RMB'000
		二零一九年	二零一八年
		十二月	十二月
		三十一日	三十一日
		人民幣千元	人民幣千元
Interest-free loan receivables (note a)	免息應收貸款 (附註a)	1,267,977	1,221,562
Fixed-rate loan receivables (note b)	固定利率應收貸款 (附註b)	586,118	350,000
Variable-rate loan receivables (note c)	浮動利率應收貸款 (附註c)	283,750	273,224
Less: Allowance for credit losses	減：信貸虧損撥備	(8,616)	(7,000)
		2,129,229	1,837,786
Analysed for reporting purposes as:	就呈報目的分析為：		
Current assets	流動資產	1,501,502	896,585
Non-current assets	非流動資產	627,727	941,201
		2,129,229	1,837,786

Notes:

- (a) As at 31 December 2019, the loans of RMB1,293,232,000 were provided to Weigao Blood Purification (2018: RMB1,293,232,000). The loans were interest-free and the balance represents the present value calculated with effective interest rate of 3.8% per annum based on management's expected settlement schedule. Upon initial recognition, the difference between the principle amount and the present value of the loan receivable was treated as deemed contribution to Weigao Blood Purification. The outstanding balance of RMB700,000, RMB66,917,000 and RMB1,225,615,000 was fully recovered at 15 January 2020, 19 February 2020 and 25 February 2020 respectively.

附註：

- (a) 於二零一九年十二月三十一日，向威高血液淨化提供貸款人民幣1,293,232,000元（二零一八年：人民幣1,293,232,000元）。該等貸款免息且結餘指根據管理層預期結算時間表按實際年利率3.8厘計算的現值。於初始確認後，應收貸款之本金和現值之差額被視為視作對威高血液淨化注資。於二零二零年一月十五日、二零二零年二月十九日及二零二零年二月二十五日已分別全數收回未償還結餘人民幣700,000元、人民幣66,917,000元及人民幣1,225,615,000元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

24. LOAN RECEIVABLES (continued)

Notes: (continued)

- (b) As at 31 December 2019, the carrying amount of RMB568,859,000 represents the loan provided to third parties are secured by various equipment and fishing vessels, carrying the effective interest rates range from 6.10% to 9.44%. (2018: RMB35,000,000, secured by certain sea area, with effective interest rate of 8%). As at 31 December 2019, the carrying amount of RMB17,259,000 loan receivables due from fellow subsidiaries, carrying the effective interest rates range from 6.1% to 7.4% (2018: nil).
- (c) As at 31 December 2019, the amount of RMB221,600,000 represents the loan provided to the management of Weigao Orthopaedic with a period of five years for their subscription under the share arrangement of Weigao Orthopaedic (2018: RMB221,600,000). The loans are unsecured, and bearing the benchmark lending rate that published by the People's Bank of China. As of 31 December 2019, the accrued interest of the loans included in the balance of loan receivables was RMB38,150,000 (2018: RMB27,624,000). The entire amount of principle and interest is due on 15 May 2021.

Details of impairment assessment of loan receivables are set out in note 43.

25. INVENTORIES

Raw materials	原料
Finished goods	製成品

As at 31 December 2019, total net book value of inventories served as collateral for the Group's borrowing amounted to RMB202,603,000 (2018: RMB197,674,000).

24. 應收貸款 (續)

附註：(續)

- (b) 於二零一九年十二月三十一日，賬面值人民幣568,859,000元指提供於獨立第三方之貸款（二零一八年：人民幣35,000,000元，以某海域作擔保，實際年利率為8厘），並以各設備及漁業船舶作擔保，實際年利率範圍介乎6.10厘至9.44厘。於二零一九年十二月三十一日，應收貸款賬面值人民幣包括同系附屬公司17,259,000元，實際年利率範圍介乎6.1厘至7.4厘（二零一八年：無）。
- (c) 於二零一九年十二月三十一日，金額人民幣221,600,000元（二零一八年：人民幣221,600,000元）指向威高骨科之管理層就其於威高骨科之股份安排項下之認購提供貸款，為期五年。貸款為無抵押，及按中國人民銀行公佈的基準貸款利率計息。於二零一九年十二月三十一日，計入應收貸款結餘之應計利息為人民幣38,150,000元（二零一八年：人民幣27,624,000元）。全部本金及利息將於二零二一年五月十五日到期。

應收貸款減值評估詳情載於附註43。

25. 存貨

31/12/2019 RMB'000 截至 二零一九年 十二月 三十一日 止年度 人民幣千元	31/12/2018 RMB'000 截至 二零一八年 十二月 三十一日 止年度 人民幣千元
250,272	267,894
992,169	869,418
1,242,441	1,137,312

於二零一九年十二月三十一日，用作本集團借款抵押品的存貨總賬面淨值為人民幣202,603,000元（二零一八年：人民幣197,674,000元）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

26. TRADE AND OTHER RECEIVABLES

26. 應收貿易賬款及其他應收款項

		31/12/2019	31/12/2018
		RMB'000	RMB'000
		二零一九年	二零一八年
		十二月	十二月
		三十一日	三十一日
		人民幣千元	人民幣千元
Trade receivables	應收貿易賬款	4,093,417	3,662,622
Less: Allowance for credit losses	減：信貸虧損撥備	(209,167)	(202,228)
		3,884,250	3,460,394
Receivables from factoring business	來自保理業務之應收款項	297,807	253,274
Less: Allowance for credit losses	減：信貸虧損撥備	(1,649)	(1,719)
		296,158	251,555
Other receivables	其他應收款項	288,862	238,972
Less: Allowance for credit losses	減：信貸虧損撥備	(10,122)	(1,765)
		278,740	237,207
Prepayments	預付款項	253,930	140,866
Prepaid lease payments	預付租賃款項	-	13,653
		4,713,078	4,103,675

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

26. TRADE AND OTHER RECEIVABLES

(continued)

As at 31 December 2019, trade receivables from contracts with customers amounted to RMB4,093,417,000 (2018: RMB3,662,622,000).

Included in trade receivables are an amount due from fellow subsidiaries of RMB515,718,000 (2018: RMB135,224,000), an amount due from ultimate holding company of RMB48,000 (2018: RMB215,000), an amount due from an associate of RMB147,021,000 (2018: RMB132,376,000), and an amount due from an associate of the ultimate holding company of RMB34,000 (2018: nil). The amounts are unsecured, interest-free and repayable on demand.

Included in receivables from factoring business are an amount due from fellow subsidiaries of RMB257,000,000 (2018: RMB210,800,000), and an amount due from an associate of nil (2018: RMB7,000,000). The amounts are due in one year with effective interest rates ranging from 6.01% to 39.86% (2018: 3.5% to 18.63%) per annum.

Included in other receivables are an amount due from fellow subsidiaries of RMB110,530,000 (2018: RMB135,763,000), an amount due from ultimate holding company of RMB16,626,000 (2018: RMB14,990,000), and an amount due from an associate of RMB111,000 (2018: RMB83,000). The amounts are unsecured and repayable on demand.

Included in prepayments are an amount paid to fellow subsidiaries of RMB17,315,000 (2018: RMB14,392,000), and an amount paid to an associate of nil (2018: RMB4,285,000).

26. 應收貿易賬款及其他應收款項

(續)

於二零一九年十二月三十一日，來自與客戶合約的應收貿易賬款為人民幣4,093,417,000元（二零一八年：人民幣3,662,622,000元）。

應收貿易賬款包括應收同系附屬公司款項人民幣515,718,000元（二零一八年：人民幣135,224,000元）、應收最終控股公司款項人民幣48,000元（二零一八年：人民幣215,000元）、應收一間聯營公司款項人民幣147,021,000元（二零一八年：人民幣132,376,000元）及應收最終控股公司的一間聯營公司款項人民幣34,000元（二零一八年：人民幣零元）。該等款項為無抵押、免息及須於要求時償還。

來自保理業務之應收款項包括應收同系附屬公司款項人民幣257,000,000元（二零一八年：人民幣210,800,000元）及應收一間聯營公司款項零元（二零一八年：人民幣7,000,000元）。該等款項於一年內到期，實際年利率介乎6.01厘至39.86厘（二零一八年：3.5厘至18.63厘）。

其他應收款項包括應收同系附屬公司款項人民幣110,530,000元（二零一八年：人民幣135,763,000元）、應收最終控股公司款項人民幣16,626,000元（二零一八年：人民幣14,990,000元）、及應收一間聯營公司款項人民幣111,000元（二零一八年：人民幣83,000元）。該等款項為無抵押及須於要求時償還。

預付款項包括已付同系附屬公司款項人民幣17,315,000元（二零一八年：人民幣14,392,000元），及已付一間關聯公司款項人民幣零元（二零一八年：人民幣4,285,000元）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

26. TRADE AND OTHER RECEIVABLES

(continued)

The following is an aged analysis of trade receivables net of allowance for credit losses presented based on the invoice date at the end of the reporting period.

0 to 90 days	0至90天
91 to 180 days	91至180天
181 to 365 days	181至365天
Over 365 days	365天以上

Trade receivables 應收貿易賬款

As at 31 December 2019, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB969,884,000 which are past due (2018: RMB739,873,000).

As at 31 December 2019, total net book value of trade and other receivables served as collateral for the Group's borrowing amounted to RMB231,139,000 (2018: RMB152,336,000).

Details of impairment assessment of trade and other receivables are set out in note 43.

26. 應收貿易賬款及其他應收款項

(續)

按報告期末的發票日呈列的應收貿易賬款(經扣減信貸虧損撥備)之賬齡分析如下。

31/12/2019	31/12/2018
RMB'000	RMB'000
二零一九年	二零一八年
十二月	十二月
三十一日	三十一日
人民幣千元	人民幣千元
1,930,010	1,944,541
1,034,534	806,726
599,862	492,543
319,844	216,584
3,884,250	3,460,394

於二零一九年十二月三十一日，本集團的應收貿易賬款結餘已包括賬面總值為人民幣969,884,000元(二零一八年：人民幣739,873,000元)已逾期的應收賬款。

於二零一九年十二月三十一日，作為本集團借款抵押品的應收貿易賬款及其他應收款項的賬面淨值總額為人民幣231,139,000元(二零一八年：人民幣152,336,000元)。

應收貿易賬款及其他應收款項的減值評估詳情載於附註43。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

27. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

27. 按公平值計入其他全面收益計量之債務工具

	31/12/2019 RMB'000 二零一九年 十二月 三十一日 人民幣千元	31/12/2018 RMB'000 二零一八年 十二月 三十一日 人民幣千元
Unlisted investments:		
– Bills receivable	421,883	349,531
非上市投資：		
– 應收票據		

As at 31 December 2019, the Group endorsed bills receivable of RMB317,408,000 (2018: RMB279,515,000) for the settlement of trade and other payables. In the opinion of the directors of the Company, the Group has transferred the significant risks and rewards relating to these bills receivable, and the Group's obligations to the corresponding counterparties were discharged in accordance with the commercial practice in the PRC and the risk of the default in payment of the endorsed bills receivable is low because all endorsed bills receivable are issued and guaranteed by the reputable PRC banks. As a result, the relevant assets and liabilities were derecognised. The maximum exposure to the Group that may result from the default of these endorsed bills receivable are RMB317,408,000 (2018: RMB279,515,000). All bills received by the Group are with a maturity period of less than one year.

As at 31 December 2019, the Group has pledged bills receivable of RMB165,630,000 (2018: RMB58,029,000) to secure the letter of credit.

於二零一九年十二月三十一日，本集團已背書應收票據人民幣317,408,000元（二零一八年：人民幣279,515,000元）以支付應付貿易賬款及其他應付款項。本公司董事認為，本集團已轉移有關該等應收票據的重大風險及回報，而本集團對相對手的責任已根據中國商業慣例獲解除。鑒於所有已背書應收票據均由聲譽良好的中國銀行發出及擔保，故已背書應收票據出現拖欠付款的風險低。因此，相關資產及負債已取消確認。本集團可能因該等已背書應收票據出現拖欠付款所蒙受的最大風險為人民幣317,408,000元（二零一八年：人民幣279,515,000元）。本集團收到的所有票據均於一年內到期。

於二零一九年十二月三十一日，本集團已抵押應收票據人民幣165,630,000元（二零一八年：58,029,000元）用於取得信用證。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

28. PLEDGED BANK DEPOSITS

As at 31 December 2019, pledged bank balances represent deposits pledged to banks to secure trade facilities such as bills payable and letter of credit amounting to RMB321,923,000 (2018: RMB222,270,000).

The pledged bank balances carry fixed interest rates which range from 0.3% to 2.75% per annum as at 31 December 2019 (2018: 0.35% to 1.65% per annum).

29. BANK BALANCES AND CASH

Bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. The deposits carry interest rates which range from nil to 4.125% per annum (2018: nil to 4.5% per annum).

As at 31 December 2019, bank balances included deposits of RMB283,458,000 (2018: RMB170,166,000), carrying interest rates which range from 0.35% to 4.125% per annum (2018: 0.35% to 0.675% per annum), in an associate of ultimate holding company.

As at 31 December 2019, bank balances and cash served as collateral for the Group's borrowing amounted to RMB133,998,000 (2018: RMB202,717,000).

28. 已抵押銀行存款

於二零一九年十二月三十一日，已抵押銀行結餘指抵押予銀行以擔保貿易融資（例如應付票據及信用證）之存款金額人民幣321,923,000元（二零一八年：人民幣222,270,000元）。

於二零一九年十二月三十一日，已抵押銀行結餘按固定利率介乎每年0.3厘至2.75厘（二零一八年：每年0.35厘至1.65厘）計息。

29. 銀行結餘及現金

銀行結餘及現金包括本集團持有的現金及原到期時間為三個月或以下的短期銀行存款。有關存款按介乎於每年0至4.125厘之間的利率（二零一八年：每年0至4.5厘）計息。

於二零一九年十二月三十一日，銀行結餘包括最終控股公司之一間聯營公司之按金人民幣283,458,000元（二零一八年：人民幣170,166,000元），按每年0.35厘至4.125厘的利率（二零一八年：每年0.35厘至0.675厘）計息。

於二零一九年十二月三十一日，用作本集團借款抵押品的銀行結餘及現金為人民幣133,998,000元（二零一八年：202,717,000元）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

30. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

		31/12/2019	31/12/2018
		RMB'000	RMB'000
		二零一九年	二零一八年
		十二月	十二月
		三十一日	三十一日
		人民幣千元	人民幣千元
0 to 90 days	0至90天	582,637	488,842
91 to 180 days	91至180天	138,733	109,455
181 to 365 days	181至365天	36,204	29,416
Over 365 days	365天以上	33,743	31,916
Trade payables	應付貿易賬款	791,317	659,629
Bills payable	應付票據	339,300	286,436
Other tax payables	其他應付稅項	103,199	65,569
Construction cost and retention payables	建築成本及應付保留金	96,767	94,528
Selling expense payables	應付銷售開支	953,572	843,004
Other payables	其他應付款項	806,597	643,701
Dividend payables	應付股息	144,800	207,351
		3,235,552	2,800,218

The normal credit period taken for trade purchases is 30 days to 180 days. All the bills payable will mature within six months.

Included in trade payables are an amount due to fellow subsidiaries of RMB172,112,000 (2018: RMB70,513,000), an amount due to an associate of RMB59,780,000 (2018: RMB32,627,000), an amount due to ultimate holding company of RMB1,000 (2018: RMB1,000). The amounts are unsecured, interest-free and repayable on demand.

Included in other payables are an amount due to fellow subsidiaries of RMB8,434,000 (2018: RMB12,590,000), and an amount due to ultimate holding company of RMB14,397,000 (2018: RMB20,003,000). The amounts are unsecured, interest-free and repayable on demand.

Included in dividend payables are an amount due to other related parties of RMB80,000,000 (2018: nil).

30. 應付貿易賬款及其他應付款項

於報告期末，按發票日期呈列的應付貿易賬款的賬齡分析如下：

貿易採購的正常信貸期為30天至180天。所有應付票據均將於六個月內到期。

應付貿易賬款包括應付同系附屬公司款項人民幣172,112,000元（二零一八年：人民幣70,513,000元）、應付一間聯營公司款項人民幣59,780,000元（二零一八年：人民幣32,627,000元）及應付最終控股公司款項人民幣1,000元（二零一八年：人民幣1,000元），該等款項為無抵押、免息及於要求時償還。

其他應付款項包括應付同系附屬公司款項人民幣8,434,000元（二零一八年：人民幣12,590,000元）及應付最終控股公司款項人民幣14,397,000元（二零一八年：人民幣20,003,000元）。該等款項為無抵押、免息及於要求時償還。

應付股息包括應付其他關連人士款項人民幣80,000,000元（二零一八年：無）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

31. CONTRACT LIABILITIES

31. 合約負債

		31/12/2019	31/12/2018
		RMB'000	RMB'000
		二零一九年	二零一八年
		十二月	十二月
		三十一日	三十一日
		人民幣千元	人民幣千元
Sales of goods	銷售商品	120,201	96,297
Current	流動	120,201	96,297

The revenue recognised in the current year relates to carried-forward contract liabilities amounted to RMB96,297,000.

本年度確認的與結轉合約負債相關的收入為人民幣96,297,000元。

Included in contract liabilities are an amount received from fellow subsidiaries of RMB3,941,000 (2018: RMB2,883,000), and an amount received from ultimate holding company of nil (2018: RMB5,000), and amount received from an associate of RMB19,000 (2018: nil).

合約負債包括預收同系附屬公司款項人民幣3,941,000元(二零一八年:人民幣2,883,000元)及預收最終控股公司款項人民幣零(二零一八年:人民幣5,000元),以及預收一間聯營公司款項人民幣19,000元(二零一八年:零)。

32. BORROWINGS

32. 借款

		31/12/2019	31/12/2018
		RMB'000	RMB'000
		二零一九年	二零一八年
		十二月	十二月
		三十一日	三十一日
		人民幣千元	人民幣千元
Bank borrowings at variable-rate (note a)	按浮動利率計息的銀行借款 (附註a)	4,749,231	4,623,814
Bank borrowings at fixed-rate (note b)	按固定利率計息的銀行借款 (附註b)	600,000	600,000
		5,349,231	5,223,814
Secured (note c)	有抵押(附註c)	4,949,231	4,784,214
Unsecured	無抵押	400,000	439,600

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

32. BORROWINGS (continued)

32. 借款 (續)

The borrowings are repayable as follows:

借款須於下列期間償還：

		31/12/2019	31/12/2018
		RMB'000	RMB'000
		二零一九年	二零一八年
		十二月	十二月
		三十一日	三十一日
		人民幣千元	人民幣千元
Within one year	於一年內	914,247	130,925
More than one year but not exceeding two years	於一年以上但不超過兩年	808,013	811,229
More than two years but not exceeding five years	於兩年以上但不超過五年	3,626,971	1,560,378
More than five years	超過五年	-	2,721,282
		5,349,231	5,223,814
Less: Amount due within one year shown under current liabilities	減：列為流動負債而於一年以內到期的款項	(914,247)	(130,925)
Amount due after one year shown under non-current liabilities	列為非流動負債而於一年後到期的款項	4,434,984	5,092,889

Notes:

附註：

- (a) As at 31 December 2019, the variable-rate borrowings carry interest rates ranged from 3.34% to 4.99% per annum (2018: 4.31% to 10.34% per annum).
- (b) As at 31 December 2019, the fixed-rate borrowings carry interest rate of 5.25% per annum (2018: 5.25% per annum).
- (c) As at 31 December 2019, the balance included a long-term loan of RMB600,000,000 (2018: RMB600,000,000) obtained from International Finance Corporation during the year ended 31 December 2015. The loan is jointly secured by 100% equity interest of Jierui that owned by the Company.

- (a) 於二零一九年十二月三十一日，浮動利率借款按介於每年3.34厘至4.99厘之間的利率（二零一八年：每年4.31厘至10.34厘）計息。
- (b) 於二零一九年十二月三十一日，固定利率借款按每年5.25厘的利率（二零一八年：每年5.25厘）計息。
- (c) 於二零一九年十二月三十一日，結餘包括於截至二零一五年十二月三十一日止年度自國際金融公司取得一項人民幣600,000,000元之長期借款（二零一八年：人民幣600,000,000元）。借款以本公司擁有的潔瑞全部股權共同作抵押。

As at 31 December 2019, the balance included loans of RMB120,321,000 (2018: RMB202,983,000) secured by pledge of certain of the Group's finance lease receivables of RMB120,321,000 (2018: RMB202,983,000).

於二零一九年十二月三十一日，結餘包括借款人民幣120,321,000元（二零一八年：人民幣202,983,000元），通過抵押本集團人民幣120,321,000元（二零一八年：人民幣202,983,000元）之若干應收融資租賃款項提供擔保。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

32. BORROWINGS (continued)

Notes: (continued)

(c) (continued)

On 17 January 2018, WW Medical and Healthcare Company Limited ("WW Cayman"), a subsidiary of the Company, entered into a Tranche A Loan Credit Agreement ("Tranche A Loan") in the aggregate principal amount of USD212,000,000 (equal to RMB1,363,902,000), bearing interest at a per annum rate equal to one month Libor plus 1.40%, and a Tranche B Loan Credit Agreement ("Tranche B Loan") in the aggregate principal amount of USD175,000,000 (equal to RMB1,125,863,000), bearing interest at a per annum rate equal to three month Libor plus 1.50%. The Tranche A Loan was fully repaid during the year ended 31 December 2018.

Outstanding debt as of 31 December 2019 is wholly from Tranche B Loan in aggregate principal amount of USD175,000,000 (equal to RMB1,220,835,000). As of 31 December 2019, Tranche B Loan matures as follows:

		31/12/2019 RMB'000 二零一九年 十二月三十一日 人民幣千元
Within one year	一年以內	122,084
More than one year but not exceeding two years	超過一年，但不超過兩年	244,167
More than two years but not exceeding five years	超過兩年，但不超過五年	854,584
		1,220,835

On 23 January 2018, WW Medical and Healthcare Holdings Corporation ("WW Holding"), and Argon, both subsidiaries of the company, entered into a First Lien Credit Agreement ("First Lien Term Loan") with a bank, in the aggregate principal amount of USD310,000,000 (equal to RMB1,984,279,000), bearing interest at a rate per annum of Libor plus 3.75%, and a Second Lien Credit Agreement ("Second Lien Term Loan") in the aggregate principal amount of USD110,000,000 (equal to RMB704,099,000), bearing interest at a rate per annum of Libor Plus 8%. The First Lien Term Loan includes a revolving credit commitments in the principal amount of up to USD15,000,000 (equal to RMB96,014,000), bearing interest at a rate per annum of Libor plus 3.75%. The borrowings of First Lien Term Loan and Second Lien Term Loan was fully repaid during the year ended 31 December 2019.

32. 借款 (續)

附註：(續)

(c) (續)

於二零一八年一月十七日，本公司附屬公司WW Medical and Healthcare Company Limited (「WW Cayman」) 訂立一份本金總額為212,000,000美元(相等於人民幣1,363,902,000元)的Tranche A借款(「Tranche A借款」)信貸協議，年利率為一個月Libor加1.40%，及一份本金總額為175,000,000美元(相等於人民幣1,125,863,000元)的Tranche B借款信貸協議(「Tranche B借款」)，年利率為三個月Libor加1.50%。截至二零一八年十二月三十一日止年度，Tranche A借款已悉數償還。

於二零一九年十二月三十一日的未償還債務全部來自Tranche B借款，本金總額為175,000,000美元(相等於人民幣1,220,835,000元)。於二零一九年十二月三十一日，Tranche B借款期限如下：

二零一八年一月二十三日，本公司兩間附屬公司WW Medical and Healthcare Holdings Corporation (「WW Holding」) (作為控股公司) 及Argon訂立第一留置權信貸協議(「第一留置權定期借款」)，本金總額為310,000,000美元(相等於人民幣1,984,279,000元)，年利率為Libor加3.75%，及第二留置權信貸協議(「第二留置權定期借款」)，本金總額為110,000,000美元(相等於人民幣704,099,000元)，年利率為Libor加8%。第一留置權定期借款包括已替換的循環信貸承諾，本金額達15,000,000美元(相等於人民幣96,014,000元)，年利率為Libor加3.75%。截至二零一九年十二月三十一日，第一留置權定期借款及第二留置權定期借款借款已悉數償還。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

32. BORROWINGS (continued)

Notes: (continued)

(c) (continued)

On 12 September 2019, Argon entered into Tranche A Credit Agreement ("Tranche A"), with principal amount of USD325,000,000 (equivalent to RMB2,267,265,000), bearing variable interest at Libor plus 2.625% and includes a revolving credit facility bearing interest at the same rate; WW Holding entered into Tranche B Facility Agreement ("Tranche B") with principal amount of USD75,000,000 (equivalent to RMB523,215,000), bearing variable interest at Libor plus 2.7%.

Outstanding debts as of 31 December 2019 excluding debt discount, matures as follows:

Within one year	一年以內
More than one year but not exceeding two years	超過一年，但不超過兩年
More than two years but not exceeding five years	超過兩年，但不超過五年

The Company guaranteed for the borrowings under Tranche A and Tranche B. Certain of Argon's assets serve as collateral for borrowings under Tranche A and Tranche B.

32. 借款 (續)

附註：(續)

(c) (續)

於二零一九年九月十二日，Argon訂立本金額為325,000,000美元（相等於人民幣2,267,265,000元）的Tranche A信貸協議（「Tranche A」），浮動利率為Libor加2.625%，及包括以相同利率計息的循環信貸融資；WW Holding訂立本金額為75,000,000美元（相等於人民幣523,215,000元）的Tranche B融資協議（「Tranche B」），浮動利率為Libor加2.7%。

於二零一九年十二月三十一日，除債務貼現外的未償債務期限如下：

31/12/2019
RMB'000
二零一九年
十二月三十一日
人民幣千元

113,363
127,534
2,521,242
2,762,139

本公司為Tranche A及Tranche B的借款提供擔保。Argon若干資產作為Tranche A及Tranche B項下借款的抵押品。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

32. BORROWINGS (continued)

32. 借款 (續)

Notes: (continued)

附註：(續)

(c) (continued)

(c) (續)

On 31 December 2019, the details are as follow:

於二零一九年十二月三十一日，詳情如下：

		31/12/2019 RMB'000 二零一九年 十二月三十一日 人民幣千元
Property, plant and equipment	物業、廠房及設備	129,401
Intangible assets	無形資產	2,167,702
Inventories	存貨	202,603
Trade and other receivables	應收貿易賬款及其他應收款項	231,139
Bank balances and cash	銀行結餘及現金	133,998
		2,864,843

On 25 April 2019, Weigao International Medical CO. Limited ("Weigao International"), a subsidiary of the company, entered into a Credit Agreement in the aggregate principal amount of USD40,000,000 (equal to RMB279,049,000), bearing interest at a per annum rate equal to one month Libor plus 1.58%. As of 31 December 2019 the debt matures as follows:

於二零一九年四月二十五日，本公司附屬公司威高國際醫療有限公司（「威高國際」）訂立本金額為40,000,000美元（相等於人民幣279,049,000元）的信貸協議，年利率為一個月Libor加1.58%。於二零一九年十二月三十一日，債務期限如下：

		31/12/2019 RMB'000 二零一九年 十二月三十一日 人民幣千元
Within one year	一年以內	6,976
More than one year but not exceeding two years	超過一年，但不超過兩年	20,929
More than two years but not exceeding five years	超過兩年，但不超過五年	251,144
		279,049

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

33. DEFERRED INCOME

33. 遞延收入

		31/12/2019	31/12/2018
		RMB'000	RMB'000
		二零一九年	二零一八年
		十二月	十二月
		三十一日	三十一日
		人民幣千元	人民幣千元
Arising from government grants	來自政府補助	52,264	42,633
Analysed for reporting purposes as:	就呈報目的分析為：		
Current liabilities	流動負債	6,413	5,844
Non-current liabilities	非流動負債	45,851	36,789
		52,264	42,633

During the year ended 31 December 2019, the Group received new government grants from the government authorities amounting to in aggregate RMB15,560,000 (2018:RMB8,297,000) to subsidy the Group's certain capital expenditures. The Group has complied with the conditions attached to the grants as at the end of 31 December 2019, and will transfer the grants to profit or loss over the useful lives of the related assets. During the year, the Group recognised these government grants to other income amounting to RMB5,929,000 (2018: RMB4,654,000).

截至二零一九年十二月三十一日止年度，本集團收到政府部門合共人民幣15,560,000元（二零一八年：人民幣8,297,000元）之新政府補助，以為本集團的若干資本開支提供補助。截至二零一九年十二月三十一日，本集團已遵守補助的附帶條件，並按有關資產之可使用年期內轉撥該等補助至損益。年內，本集團確認該等政府補助至其他收入人民幣5,929,000元（二零一八年：人民幣4,654,000元）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

34. LOANS FROM THE ULTIMATE HOLDING COMPANY

34. 最終控股公司提供的貸款

	31/12/2019	31/12/2018
	RMB'000	RMB'000
	二零一九年	二零一八年
	十二月	十二月
	三十一日	三十一日
	人民幣千元	人民幣千元
Loans from the ultimate holding company 最終控股公司提供的貸款	143,982	114,234
Analysed for reporting purposes as:		
Current liabilities	143,982	114,234
就呈報目的分析為：		
流動負債	143,982	114,234

The principal of loans amounting to RMB101,112,000 provided by the ultimate holding company is carrying a fixed interest rate of 4.785% (2018: 4.35%) per annum for the subscription of the incentive shares under a share award scheme (note 37(a)), and the loans are secured by these incentive shares of the Company held by the trustees. The loans is originally matured on 12 March 2019, and have been extended to 12 March 2020.

During the year ended 31 December 2019, the amount of RMB24,500,000 loans were provided by the ultimate holding company with a fixed interest rate of 4.785% per annum for the repurchase of the incentive shares under a share award scheme (note 37(a)), which is due on 26 December 2020.

The amount of RMB10,535,000 loans provided by ultimate holding company during the year ended 31 December 2018, bears an interest rate of 4.785% was originally matured on 12 December 2019 have been extended to 12 December 2020.

最終控股公司提供本金額為人民幣101,112,000元的貸款的固定利率為每年4.785%（二零一八年：4.35%），用於根據股份激勵計劃認購激勵股份（附註37(a)），且貸款由受託人持有的本公司激勵股份擔保，貸款最初於二零一九年三月十二日到期，并已延期至二零二零年三月十二日。

截至二零一九年十二月三十一日止年度，最終控股公司提供金額為人民幣24,500,000元的貸款的固定利率為每年4.785%，用於回購股份激勵計劃項下的激勵股份（附註37(a)），貸款將於二零二零年十二月二十六日到期。

截至二零一八年十二月三十一日止年度，最終控股公司提供利率為4.785%的貸款人民幣10,535,000元，最初於二零一九年十二月十二日到期，已延期至二零二零年十二月十二日。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

35. LEASE LIABILITIES

35. 租賃負債

		31/12/2019 RMB'000 二零一九年 十二月 三十一日 人民幣千元
Lease liabilities payable:	應付租賃負債：	
Within one year	於一年內	7,062
Within a period of more than one year but not more than two years	於一年以上但不超過兩年期間內	4,935
Within a period of more than two years but not more than five years	於兩年以上但不超過五年期間內	6,272
Within a period of more than five years	超過五年期間內	7,442
		25,711
Less: Amount due for settlement with 12 months shown under current liabilities	減：列為流動負債而於12個月以內到期 結算的款項	7,062
Amount due for settlement after 12 months shown under non-current liabilities	列為非流動負債而於12個月以後到期 結算的款項	18,649

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

36. SHARE CAPITAL

36. 股本

		Nominal value of each share RMB 每股 股份面值 人民幣	Number of H shares H股數目	Total number of shares 股份總數	Value RMB'000 價值 人民幣千元
Registered: At 31 December 2018	註冊: 於二零一八年十二月三十一日	0.1	4,522,332,324	4,522,332,324	452,233
At 31 December 2019	於二零一九年十二月三十一日	0.1	4,522,332,324	4,522,332,324	452,233
Issued and fully paid: At 31 December 2018	已發行及繳足: 於二零一八年十二月三十一日	0.1	4,522,332,324	4,522,332,324	452,233
At 31 December 2019	於二零一九年十二月三十一日	0.1	4,522,332,324	4,522,332,324	452,233

37. SHARE-BASED PAYMENTS

37. 以股份為基礎付款

(a) Share Award Scheme of the Company

(a) 本公司股份激勵計劃

On 17 November 2014, the Company's share award scheme (the "Incentive Share Scheme") was adopted by the extraordinary general meeting. The maximum number of non-listed Shares which may be issued under the share award scheme would be 223,818,616, which represent 5% of the existing issued share capital of the Company or approximately 4.76% of the issued share capital of the Company as enlarged by the issue of the 223,818,616 non-listed shares, respectively, as incentive shares to key personnel of the Group, and other persons as approved by the Remuneration Committee (the "Selected Employee"), in batches in subsequent years. The life of the Incentive Share Scheme is for 10 years starting from 17 November 2014. Details of the Incentive Share Scheme are set out in the Company's announcement dated 15 August 2014.

於二零一四年十一月十七日，本公司通過股東特別大會採納股份激勵計劃（「激勵股份計劃」）。根據股份激勵計劃可發行非上市股份之最多數目將為223,818,616股，分別相當於本公司現有已發行股本5%或經發行223,818,616股非上市股份擴大後本公司已發行股本約4.76%，於隨後年度向本集團主要人員及薪酬委員會批准的其他人（「受益人」）分批發行作為激勵股份。激勵股份計劃之年期為自二零一四年十一月十七日起計十年。激勵股份計劃之詳情載於本公司日期為二零一四年八月十五日之公佈內。

According to the Incentive Share Scheme, the incentive shares will be granted to the Selected Employee, subject to non-market performance vesting conditions.

根據激勵股份計劃，激勵股份將在非市場業績歸屬條件的規限下授予受益人。

37. SHARE-BASED PAYMENTS (continued)**37. 以股份為基礎付款** (續)**(a) Share Award Scheme of the Company**
(continued)**(a) 本公司股份激勵計劃** (續)

According to the Incentive Share Scheme, for Selected Employee with a domestic identity, the trustee will administer the incentive shares, which may be organised in forms of companies owned by the employees, limited partnership, or qualified trust companies in the PRC, or for Selected Employee with a foreign identity, the trustee will hold the incentive shares outside the PRC.

根據激勵股份計劃，就持有境內身份的受益人而言，受託人將管理激勵股份，其可能以僱員擁有的公司、於中國的有限合夥公司或合資格信託公司的方式作出，或就持有境外身份的受益人而言，受託人將在中國境外持有激勵股份。

On 11 December 2015, the Company granted first 45,960,000 incentive shares to 111 Selected Employees. On 4 January 2016, the trustees subscribed the 45,960,000 shares with the consideration of RMB101,112,000 at the issue price of RMB2.20 per share.

於二零一五年十二月十一日，本公司首次授出45,960,000股激勵股份予111名受益人。於二零一六年一月四日，受託人以每股股份人民幣2.20元之發行價認購45,960,000股股份，代價為人民幣101,112,000元。

The fair value of the incentive shares as at grant date amounted to RMB205,251,000 which determined by market price of listing shares of the Company.

於授予日期之激勵股份之公平值人民幣205,251,000元乃經參考本公司上市股份之市價而釐定。

For grants of shares that are satisfying specified vesting conditions, the difference between the fair value and the issue price of the vested shares is expensed on a straight-line basis over the periods in which services are expected to be rendered by the relevant employees. The Group recognised the incentive share expenses of approximately RMB14,837,000 (2018: RMB19,091,000) into the profit or loss during the current year.

就授出須符合指定歸屬條件的股份而言，公平值與已歸屬股份發行價之間的差額於預期將由有關僱員提供服務的歸屬期內以直線法確認為開支。於本年度，本集團於損益確認激勵股份開支約人民幣14,837,000元（二零一八年：人民幣19,091,000元）。

Three limited partnerships (named Weihai Chang Hong Enterprise Management Consulting Centre (Limited Partnership) (威海長弘企業管理諮詢中心(有限合夥)), Weihai Yang Fan Enterprise Management Consulting Centre (Limited Partnership) (威海揚帆企業管理諮詢中心(有限合夥)) and Weihai Hong Tu Enterprise Management Consulting Centre (Limited Partnership) (威海宏圖企業管理諮詢中心(有限合夥)), respectively) were set up for the purpose of administering the Incentive Share Scheme and holding the shares, and hereby regarded as special purpose entities of the Company and consolidated to the Group accordingly.

就管理激勵股份計劃及持有股份設立之三間有限合夥公司（即分別為威海長弘企業管理諮詢中心(有限合夥)、威海揚帆企業管理諮詢中心(有限合夥)及威海宏圖企業管理諮詢中心(有限合夥)），據此視為本公司之特殊目的實體及因此於本集團綜合入賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

37. SHARE-BASED PAYMENTS (continued)

37. 以股份為基礎付款 (續)

(a) Share Award Scheme of the Company (continued)

(a) 本公司股份激勵計劃 (續)

Details of specific categories of share award are as follows:

具體股份激勵類別的詳情如下：

	Date of grant 授出日期	Vesting period 歸屬期	Exercise Price 行使價
Batch 1 第1批	11/12/2015 二零一五年 十二月十一日	5 years 5年	RMB2.2 人民幣2.2元

Note: The granted shares are vested in five tranches with the vesting date on 31 December of each year from 2015 to 2019, the vested shares are excisable after two years lock up period following vested.

附註：授出的股份將分5批予以歸屬，歸屬日期為二零一五年至二零一九年各年之十二月三十一日，已歸屬股份可於歸屬後兩年鎖定期屆滿後予以行使。

As of 31 December 2019, the outstanding incentive shares under the Incentive Share Scheme were 45,960,000 (2018: 45,960,000), included 9,078,000 exercisable shares (2018: 8,296,000).

於二零一九年十二月三十一日，激勵股份計劃項下之尚未行使激勵股份為45,960,000股（二零一八年：45,960,000股），包括9,078,000股可行使股份（二零一八年：8,296,000股）。

During the year ended 31 December 2019, the trustees repurchased 7,248,000 shares (2018: 6,084,000), which would be taken up by the Selected Employees with the net consideration of RMB23,995,000 (2018: RMB10,543,000) at the price of RMB5.51 per share (2018: RMB3.93). The controlling shareholder provided the required funds for repurchase, and it will absorb, and will not claim for, any shortfalls in repayment. The repurchased shares are held by the trustees for the benefit of the Share Award Scheme, to grant to other selected employees or to sell for the repayment of the loan provided by the controlling shareholder.

截至二零一九年十二月三十一日止年度，受託人以每股人民幣5.51元（二零一八年：3.93元）的價格回購擬由受益人所接納的7,248,000股股份（二零一八年：6,084,000股），代價淨額為人民幣23,995,000元（二零一八年：人民幣10,543,000元）。控股股東提供回購所需資金，且其將收回還款差額及不會就還款差額索償。回購股份由受託人為股份激勵計劃的利益持有，以向其他受益人授出或出售以償還控股股東提供的貸款。

37. SHARE-BASED PAYMENTS (continued)**37. 以股份為基礎付款** (續)**(b) Share Option Scheme by WW Cayman**

On July 26 2018, WW Cayman, a subsidiary of the Company, adopted a non-qualified share option plan (the "Share Option Scheme") for the primary purpose of providing incentives to directors and eligible employees of WW Cayman and its subsidiaries, which shall be valid and effective for a period of 10 years commencing from the adoption date. Under the Share Option Scheme, a committee designated by the board of directors of the WW Cayman may from time to time in its sole discretion grant options to the eligible employees.

The total number of shares in respect of which options may be granted under the Share Option Scheme is not permitted to exceed 8% of the shares of the WW Cayman in issue at closing date. As at 31 December 2019, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 3,092,950, representing 7% (2018: 3,110,600, representing 7%) of the shares at that date.

No consideration is payable on the grant of an option. Options may be exercised at any time after vesting and will be cancelled if not exercised before the 10th anniversary of the date of grant. The exercise price is determined by the committee, and will not be less than the fair market value of a share of stock on the date of grant.

(b) WW Cayman的購股權計劃

於二零一八年七月二十六日，本公司附屬公司WW Cayman採納非限定購股權計劃（「購股權計劃」），其主要目的是為WW Cayman及其附屬公司的董事及合資格僱員提供激勵，自採用日期起10年內有效。根據購股權計劃，WW Cayman董事會指定的委員會可不時全權酌情向合資格僱員授出購股權。

根據購股權計劃可授出購股權的相關股份總數不得超過交割日期已發行的WW Cayman股份的8%。於二零一九年十二月三十一日，計劃項下已授出及仍發行在外的股份數目為3,092,950，佔於該日期股份總數的7%（二零一八年：3,110,600，佔7%）。

授出購股權無需支付代價。購股權可於歸屬後的任何時間行使，且倘未於授出日期起滿10年之前獲行使，則將被註銷。行使價由委員會釐定，且不低於授出日期股票的公平市場價值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

37. SHARE-BASED PAYMENTS (continued)

37. 以股份為基礎付款 (續)

(b) Share Option Scheme by WW Cayman
(continued)

(b) WW Cayman的購股權計劃
(續)

Details of specific categories of options are as follows:

具體購股權類別詳情如下：

	Date of grant 授出日期	Vesting period 歸屬期	Exercise Price 行使價
Time-based options 時間基準購股權	26/07/2018 二零一八年 七月二十六日	4 years 4年	USD10.00 10.00美元
Time-based options 時間基準購股權	30/10/2019 二零一九年 十月三十日	4 years 4年	USD10.00 10.00美元
Performance-based options 表現基準購股權	26/07/2018 二零一八年 七月二十六日	4 years 4年	USD10.00 10.00美元
Performance-based options 表現基準購股權	30/10/2019 二零一九年 十月三十日	4 years 4年	USD10.00 10.00美元

The following table discloses movements of the share options held by employees during the year:

下表披露年內僱員所持購股權的變動情況：

Option type	Outstanding at 1/1/2019 於二零一九年 一月一日 發行在外	Granted during year 年內授出	Forfeited during year 年內沒收	Outstanding at 31/12/2019 於二零一九年 十二月三十一日 發行在外
Time-based options 時間基準購股權	1,555,300	111,350	(120,175)	1,546,475
Performance-based options 表現基準購股權	1,555,300	111,350	(120,175)	1,546,475
	3,110,600	222,700	(240,350)	3,092,950

During the year ended 31 December 2019, options were granted on 30 October 2019. The estimated fair value of the time-based options granted on that date is USD4.64. The estimated weighted-average fair value of the performance-based options on that date is USD2.60.

於截至二零一九年十二月三十一日止年度，購股權於二零一九年十月三十日獲授出。於該日期授出的時間基準購股權的估計公平值為4.64美元。於該日期的表現基準購股權的估計公平值為2.60美元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

37. SHARE-BASED PAYMENTS (continued)

(b) Share Option Scheme by WW Cayman (continued)

During the year ended 31 December 2018, options were granted on 26 July 2018. The estimated fair value of the time-based options granted on that date is USD4.64. The estimated weighted-average fair value of the performance-based options on that date is USD2.60.

The fair value of time-based options was calculated using the Black-Scholes pricing model and the fair value of the performance-based options was calculated using a combination of the Black-Scholes pricing model and a Monte-Carlo simulation. The inputs into the model were as follows:

	2019 二零一九年	2018 二零一八年
Weighted average share price 加權平均股價	10.00	10.00
Exercise price 行使價	10.00	10.00
Expected volatility 預期波動率	40%	40%
Expected life 預期年期	7 years 7年	7 years 7年
Risk-free rate 無風險利率	2.95%	2.91%

37. 以股份為基礎付款 (續)

(b) WW Cayman的購股權計劃 (續)

於截至二零一八年十二月三十一日止年度，購股權於二零一八年七月二十六日獲授出。於該日期授出的時間基準購股權的估計公平值為4.64美元。於該日期的表現基準購股權的估計公平值為2.60美元。

時間基準購股權之公平值採用Black-Scholes定價模型計算及表現基準購股權之公平值聯合採用Black-Scholes定價模型及Monte-Carlo模擬計算。模型的輸入數據如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

37. SHARE-BASED PAYMENTS (continued)

37. 以股份為基礎付款 (續)

(b) Share Option Scheme by WW Cayman (continued)

Expected volatility was determined by using the historical volatility of the comparable companies over the previous 7 years (2018: 7 years). The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Group recognised the total expense of USD3,039,000 (equivalent to RMB20,965,000) for the year ended 31 December 2019 (2018: USD3,423,000, equivalent to RMB22,930,000) relation to share options granted under the Share Option Scheme by WW Cayman.

(b) WW Cayman的購股權計劃 (續)

預期波動率乃通過使用過去7年(二零一八年:7年)可資比較公司的歷史波動率確定。基於管理層的最佳估計,模型中使用的預期年期已根據不可轉移性、行使限制及行為考慮因素的影響作出調整。

本集團就WW Cayman根據購股權計劃授出的購股權確認截至二零一九年十二月三十一日止年度總開支為3,039,000美元(相等於人民幣20,965,000元)(二零一八年:3,423,000美元,相等於人民幣22,930,000元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

38. ACQUISITION OF SUBSIDIARIES

38. 收購附屬公司

(a) For the year ended 31 December 2019

(a) 截至二零一九年十二月三十一日止年度

On 17 May 2019, the Group's subsidiary Argon acquired 100% of the issued share capital of Mana-Tech Limited for consideration of USD11,452,000 (equivalent to RMB78,858,000), including USD201,915 (equivalent to RMB1,390,000) of contingent consideration related to an earn-out provision in the purchase agreement. Mana-Tech Limited is a distributor of medical devices and was acquired to more closely control the distribution of Argon products in the U.K.

於二零一九年五月十七日，本集團附屬公司Argon收購全部Mana-Tech Limited已發行股本，代價為11,452,000美元（相當於人民幣78,858,000元），包括與於購買協議中盈餘撥備有關的或有代價201,915美元（相當於人民幣1,390,000元）。Mana-Tech Limited為一家醫療器械經銷商，並已收購以更緊密地控制Argon產品於英國的分銷。

Consideration transferred	已轉移代價	RMB'000 人民幣千元
Cash	現金	77,468
Deferred cash consideration	遞延現金代價	1,390
Total	總計	<u>78,858</u>

Acquisition-related costs amounting to USD583,484 (equivalent to RMB4,018,000) have been excluded from the consideration transferred and have been recognised as an expense in the current year.

於本年度，收購相關成本583,484美元（相等於人民幣4,018,000元）已從已轉移代價中扣除並確認為開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

38. ACQUISITION OF SUBSIDIARIES (continued)

38. 收購附屬公司 (續)

(a) For the year ended 31 December 2019
(continued)

(a) 截至二零一九年十二月三十一日止年度 (續)

The fair value of the net identifiable assets acquired at the date of acquisition are as follows:

於收購日期已收購的可識別資產的公平值如下:

		RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	1,226
Right-of-use assets	使用權資產	1,275
Intangible assets	無形資產	17,380
Inventories	存貨	8,035
Trade and other receivables	應收貿易賬款及其他應收款項	6,631
Bank balances and cash	銀行結餘及現金	44,151
Trade and other payables	應付貿易賬款及其他應付款項	(4,212)
Lease liabilities	租賃負債	(1,275)
Income tax payable	應付所得稅	(2,103)
Deferred tax liabilities	遞延稅項負債	(19)
		<u>71,089</u>

Goodwill arising on acquisition:

收購所產生的商譽:

		RMB'000 人民幣千元
Consideration transferred	已轉移代價	78,858
Less: net assets acquired	減: 所收購淨資產	<u>71,089</u>
Goodwill arising on acquisition	收購所產生的商譽	<u>7,769</u>

Goodwill arose in the acquisition of Mana-Tech Limited due to the benefit of expected synergies, revenue growth, and future market development of Mana-Tech Limited. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

收購Mana-Tech Limited產生商譽，因為Mana-Tech Limited的預期協同效應、收入增長及未來市場發展所帶來的利益。該等利益並無與商譽分開確認，乃由於該等利益並不符合可識別無形資產的確認標準。

The goodwill arising on the acquisition is not expected to be deductible for tax purposes.

預期就稅項而言收購產生的商譽不可扣減。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

38. ACQUISITION OF SUBSIDIARIES (continued) 38. 收購附屬公司 (續)

(a) For the year ended 31 December 2019
(continued)

(a) 截至二零一九年十二月三十一日止年度 (續)

Net cash outflow on the acquisition

收購所產生的現金流出淨額

		RMB'000 人民幣千元
Acquisition consideration in cash and cash equivalents	現金及現金等價物中的收購代價	77,468
Less: Cash and cash equivalents of the acquired subsidiary	減：所收購附屬公司的現金及現金等價物	44,151
Net outflow of cash and cash equivalents paid upon acquisition of subsidiary	就收購附屬公司支付的現金及現金等價物淨流出	33,317

Included in the profit for the year ended 31 December 2019 is RMB6,301,000 attributable to the additional business generated by Mana-Tech Limited. Revenue for the year ended 31 December 2019 includes RMB27,876,000 generated from Mana-Tech Limited after the acquisition.

截至二零一九年十二月三十一日止年度，溢利包括人民幣6,301,000元，歸於Mana-Tech Limited產生的其他業務。截至二零一九年十二月三十一日止年度，收入包括Mana-Tech Limited於收購後產生的人民幣27,876,000元。

Had the acquisition been completed on 1 January 2019, the Group's revenue for the year ended 31 December 2019 would have been RMB10,411,869,000, and profit for the year ended 31 December 2019 would have been RMB1,930,766,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2019, nor is it intended to be a projection of future results.

倘收購於二零一九年一月一日完成，則本集團截至二零一九年十二月三十一日收益將為人民幣10,411,869,000元，本年度溢利將為人民幣1,930,766,000元。備考資料只作說明之用，並非必然表示倘收購於二零一九年一月一日完成，則本集團將實際達到的收益及營運業績，亦無意作為對未來業績的預測。

38. ACQUISITION OF SUBSIDIARIES (continued)**38. 收購附屬公司** (續)**(b) For the year ended 31 December 2018**

On 23 January 2018, WW Holding, the Group's 89.81% owned subsidiary, acquired 100% of the shares of Argon for consideration of USD850,888,000 (equivalent to RMB5,446,449,000). This acquisition has been accounted for using the purchase method. Argon is principally engaged in the production and sale of medical devices for interventional radiology, vascular surgery, interventional cardiology and oncology. Argon will become the Group's platform for overseas expansion and interventional product operations expansion.

(b) 截至二零一八年十二月三十一日止年度

於二零一八年一月二十三日，本集團擁有89.81%權益的附屬公司WW Holding完成收購愛琅之100%股份，代價為850,888,000美元（相等於人民幣5,446,449,000元）。該收購事項採用購買方法入賬。愛琅主要從事生產及銷售用於介入放射學、血管外科學、介入心臟學及腫瘤學之醫療器械。愛琅將作為本集團的海外拓展平台及介入產品業務擴張的平台。

Consideration transferred	已轉讓代價	RMB'000 人民幣千元
Cash	現金	5,446,449

Acquisition-related costs amounting to USD6,140,000 (equivalent to RMB41,129,000) have been excluded from the consideration transferred and have been recognised as an expense in the year ended 2018.

截至二零一八年年度，收購相關成本6,140,000美元（相等於人民幣41,129,000元）已從已轉移代價中扣除並確認為開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

38. ACQUISITION OF SUBSIDIARIES (continued) 38. 收購附屬公司 (續)

(b) For the year ended 31 December 2018 (continued)

The fair value of the net identifiable assets acquired at the date of acquisition are as follows:

		RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	108,900
Intangible assets	無形資產	2,413,139
Inventories	存貨	263,157
Trade and other receivables	應收貿易賬款及其他應收款項	224,271
Bank balances and cash	銀行結餘及現金	26,367
Trade and other payables	應付貿易賬款及其他應付款項	(133,042)
Income tax payable	應付所得稅	(16,206)
Deferred tax liability	遞延稅項負債	(365,057)
		<u>2,521,529</u>

The fair values of the identifiable assets and liabilities acquired in the transaction are determined by reference to the valuation performed by an independent valuer.

收購日期已收購的可識別淨資產的公平值如下：

交易中所收購可識別資產及負債的公平值乃經參考獨立估值師進行的估值釐定。

Goodwill arising on acquisition:

收購所產生的商譽：

		RMB'000 人民幣千元
Consideration transferred	已轉移代價	5,446,449
Less: net assets acquired	減：所收購淨資產	<u>(2,521,529)</u>
Goodwill arising on acquisition	收購所產生的商譽	<u>2,924,920</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

38. ACQUISITION OF SUBSIDIARIES (continued)

38. 收購附屬公司 (續)

(b) For the year ended 31 December 2018
(continued)

(b) 截至二零一八年十二月三十一日止年度 (續)

Goodwill arising on acquisition: (continued)

收購所產生的商譽: (續)

Goodwill arose in the acquisition of Argon because the consideration paid for the combination included the benefit of expected synergies, revenue growth, future market development, and the assembled workforce of Argon. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

收購愛琅產生商譽，因為就合併支付的代價包括與預期協同效應、收入增長、未來市場發展及愛琅的組合勞力所帶來的利益。該等利益並無與商譽分開確認，乃由於該等利益並不符合可識別無形資產的確認標準。

The goodwill arising on the acquisition is not expected to be deductible for tax purposes.

預期就稅項而言收購產生的商譽不可扣減。

Net cash outflow on the acquisition

收購所產生的現金流出淨額

		RMB'000 人民幣千元
Acquisition consideration in cash and cash equivalents	現金及現金等價物中的收購代價	5,446,449
Less: Cash and cash equivalents of the acquired subsidiary	減：所收購附屬公司的現金及現金等價物	26,367
Net outflow of cash and cash equivalents paid upon acquisition of subsidiary	就收購附屬公司支付的現金及現金等價物淨流出	5,420,082

Included in the profit for the year ended 31 December 2018 is the loss of RMB82,451,000 attributable to Argon after the acquisition. Revenue for the year ended 31 December 2018 includes RMB1,261,528,000 generated from Argon after the acquisition.

截至二零一八年十二月三十一日止年度，溢利包括愛琅於收購後產生的虧損人民幣82,451,000元。截至二零一八年十二月三十一日止年度，收入包括愛琅於收購後產生的人民幣1,261,528,000元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

39. DISPOSAL OF A SUBSIDIARY

The Company entered an agreement with ultimate holding company to dispose its 100% interest in Weihai Weigao Blood Supplies Co., Limited. (“Weigao Blood Supplies”) and the transaction was completed as at 28 August 2019. The net assets of Weigao Blood Supplies at the date of disposal were as follows:

39. 出售附屬公司

本公司與最終控股公司訂立協議，以出售其於威海威高采血耗材有限公司（「威高采血耗材」）的100%權益，且交易於二零一九年八月二十八日完成。於出售日期威高采血耗材的淨資產如下：

Consideration received	已收代價	RMB'000 人民幣千元
Cash consideration	現金代價	11,300
Analysis of assets and liabilities over which control was lost:		失去控制權之資產及負債分析：
		RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	17,593
Inventories	存貨	13,525
Trade and other receivables	應收貿易賬款及其他應收款項	7,532
Bank balances and cash	銀行結餘及現金	1,841
Trade and other payables	應付貿易賬款及其他應付款項	(29,141)
Net assets disposed of	已出售資產淨值	11,350
Gain on disposal of a subsidiary:	出售一間附屬公司之收益：	
Cash consideration	現金代價	11,300
Net assets disposed of	已出售資產淨值	(11,350)
Loss on disposal	出售之虧損	(50)
Net cash inflow arising on disposal:	出售所產生的現金流入淨額：	
Cash consideration	現金代價	11,300
Less: bank balance and cash disposed of	減：已出售銀行結餘及現金	(1,841)
		9,459

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

40. OPERATING LEASES

40. 經營租約

The Group as lessee

本集團作為承租人

2018
RMB'000
二零一八年
人民幣千元

Minimum lease payments paid under operating leases during the year	於年內根據經營租約支付的最低租金	
Properties	物業	19,921

As at 31 December 2018, the Group had commitment for future minimum leases payments under non-cancellable operating leases which fall due as follows:

於二零一八年十二月三十一日，本集團根據不可取消經營租約，有於下列日期到期的未來最低租賃付款金額承擔：

31/12/2018
RMB'000
二零一八年
十二月
三十一日
人民幣千元

Within one year	於一年內	12,543
In the second to fifth year inclusive	於第二至第五年 (包括首尾兩年)	11,823
		<u>24,366</u>

Operating lease payments relate to the Group's branch office premises, staff quarters and warehouses. Leases are mainly negotiated for a period ranging from two to five years and all rentals are fixed.

經營租約款項與本集團之分公司辦公物業、員工宿舍及貨倉有關。租約年期主要磋商為介乎二年至五年，而所有租金均固定不變。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

41. CAPITAL COMMITMENTS

As at 31 December 2019, the Group had commitments which were contracted for but not provided in the consolidated financial statements:

Acquisition of property, plant and equipment	收購物業、廠房及設備
Incorporation of a joint venture	註冊成立一間合營公司
Investment fund	投資基金

41. 資本承擔

於二零一九年十二月三十一日，本集團於綜合財務報表中擁有已訂約但未撥備的承擔：

31/12/2019
RMB'000
二零一九年
十二月
三十一日
人民幣千元

334,548
150,000
684

42. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt (which includes borrowings net of cash and cash equivalents) and equity attributable to owners of the Company (comprising issued share capital, share premium, reserves and retained profits).

The directors of the Company review the capital structure on a semi-annual basis. As part of this review, the directors consider the cost of capital and the risks associates with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends and issue of new shares as well as the issue of new debt or the repayment of existing debt.

42. 資本風險管理

本集團其管理資本乃為確保本集團內各實體將可以持續方式經營，同時透過適當優化債務與權益結餘為股東帶來最大回報。本集團的整體策略與以往年度保持不變。

本集團的資本結構包括債務淨額（包括扣除現金及現金等價物後之借款）以及本公司擁有人應佔權益（包括已發行股本、股份溢價、儲備及保留溢利）。

本公司董事按半年基準對資本結構進行檢討。作為是次檢討的一環，董事會考慮資本成本及與各類資本有關的風險。根據董事建議，本集團將透過派付股息、發行新股份及發行新債務或償還現有債務平衡其整體資本結構。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

43. FINANCIAL INSTRUMENTS

43. 金融工具

Categories of financial instruments

金融工具類別

		31/12/2019	31/12/2018
		RMB'000	RMB'000
		二零一九年	二零一八年
		十二月	十二月
		三十一日	三十一日
		人民幣千元	人民幣千元
Financial assets	金融資產		
Financial assets at FVTPL	按公平值計入損益計量之 金融資產	410,326	107,339
Financial assets at amortised cost	按攤銷成本計量之金融資產	11,149,741	9,821,658
Debt instruments at FVTOCI	按公平值計入其他全面 收益計量之債務工具	421,883	349,531
Financial liabilities	金融負債		
Amortised cost	攤銷成本	8,296,349	8,072,697

Financial risk management objectives and policies

財務風險管理目標及政策

The Group's major financial instruments include receivables from factoring business, loan receivables, Financial assets at FVTPL, debt instruments at FVTOCI, trade and other receivables, pledged bank deposits, bank balances and cash, trade and other payables, borrowings and loans from the ultimate holding company. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

本集團的主要金融工具包括來自保理業務之應收款項、應收貸款、按公平值計入損益計量之金融資產、按公平值計入其他全面收益計量之債務工具、應收貿易賬款及其他應收款項、已抵押銀行存款、銀行結餘及現金、應付貿易賬款及其他應付款項、借款及來自最終控股公司貸款。該等金融工具詳情於各附註披露。與該等金融工具有關的風險包括市場風險（貨幣風險及利率風險）、信貸風險及流動資金風險。下文載列如何降低該等風險的政策。管理層管理及監控該等風險，以確保及時有效地採取適當的措施。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

43. FINANCIAL INSTRUMENTS (continued)

43. 金融工具 (續)

Financial risk management objectives and policies (continued)

財務風險管理目標及政策 (續)

Market risk

市場風險

Currency risk

貨幣風險

Some subsidiaries of the Group undertakes certain operating transactions in foreign currencies other than functional currencies, which expose the Group to foreign currency risk. During the year ended 31 December 2019, as disclosed in note 21, the Group entered into a Structured Cross Currency Swap to exchange USD floating rate liability into CNY fixed rate debt with aggregate principal amount of USD175,000,000. The Group did not applied hedge accounting in the measurement of Structured Cross Currency Swap. The management manages its currency risk by closely monitoring the movement of the foreign currency rates and considering hedging significant foreign currency exposure should such need arise.

本集團若干附屬公司以功能貨幣以外的其他外幣進行若干經營交易，令本集團面臨外匯風險。截至二零一九年十二月三十一日止年度，誠如附註21所披露，本集團訂立結構性交叉貨幣互換合約，將美元浮動利率負債轉換為本金總額為175,000,000美元的人民幣固定利率債務，本集團於計量結構性交叉貨幣互換時並無應用對沖會計處理。管理層通過密切監控外幣匯率變動來管理其貨幣風險，並考慮在有需要時對沖重大外幣風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

43. FINANCIAL INSTRUMENTS (continued)

43. 金融工具 (續)

Financial risk management objectives and policies (continued)

財務風險管理目標及政策 (續)

Market risk (continued)

市場風險 (續)

Currency risk (continued)

貨幣風險 (續)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

於報告期末，本集團以外幣列值之貨幣資產及貨幣負債之賬面值如下。

		Liabilities		Assets	
		31/12/2019	31/12/2018	31/12/2019	31/12/2018
		RMB'000	RMB'000	RMB'000	RMB'000
		負債		資產	
		二零一九年	二零一八年	二零一九年	二零一八年
		十二月	十二月	十二月	十二月
		三十一日	三十一日	三十一日	三十一日
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Group entities in PRC	本集團於中國的實體				
Currency of SGD	新加坡元	-	-	105	47,244
Currency of EUR	歐元	630	-	80	613
Currency of HKD	港元	-	11,513	5,389	27,543
Currency of USD	美元	29,703	1,022	363,098	176,293
Currency of JPY	日圓	-	568	191	184
Currency of KRW	韓元	-	-	34	-
Group entities in U.S.	本集團於美國的實體				
Currency of EUR	歐元	836	2,591	31,146	36,115
Currency of SGD	新加坡元	248	-	316	475
Currency of NOK	挪威克朗	8	1,318	4,981	3,556
Currency of CHF	瑞士法郎	192	46	3,529	655
Currency of DKK	丹麥克朗	135	957	3,157	4,782
Currency of SEK	瑞典克朗	17	1,077	4,189	3,828
Currency of GBP	英鎊	508	-	18,044	-

The Group's foreign currency risk is concentrated on the fluctuation of RMB and USD against foreign currency.

本集團的外匯風險主要集中在人民幣及美元兌外幣的波動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

43. FINANCIAL INSTRUMENTS (continued)

43. 金融工具 (續)

Financial risk management objectives and policies (continued)

財務風險管理目標及政策 (續)

Market risk (continued)

市場風險 (續)

Currency risk (continued)

貨幣風險 (續)

The following table details the Group's sensitivity to a 5% (2018: 5%) increase and decrease in the RMB and USD against the relevant foreign currencies. 5% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in post-tax profit for the year where RMB and USD weakens 5% against the relevant currency. For a 5% strengthening of RMB and USD against the relevant currency, there would be an opposite impact on the post-tax profit for the year.

下表詳列本集團對人民幣及美元兌相關外幣之匯率上升及下跌5% (二零一八年: 5%) 之敏感度。5% 為管理層對外匯匯率合理可能變動之評估。敏感度分析僅包括未結付之以外幣列值之貨幣項目，並於期末按5%之外匯匯率變動調整彼等之換算。以下正數表示當人民幣及美元兌相關外幣貶值5%時之本年度稅後溢利之升幅。倘人民幣兌相及美元關外幣升值5%，則會對本年度稅後溢利有相反影響。

		2019 RMB'000 二零一九年 人民幣千元	2018 RMB'000 二零一八年 人民幣千元
Profit for the year	本年度稅後溢利		
– Group entities in PRC	– 本集團於中國的實體	14,389	10,148
– Group entities in U.S.	– 本集團於美國的實體	2,505	1,715

Interest rate risk

利率風險

The Group is exposed to fair value interest rate risk in relation to loan receivables, pledged bank balances, borrowings, loans from the ultimate holding company and lease liabilities with fixed interest rate (notes 24, 28, 32, 34 and 35).

本集團面臨有關應收貸款、已抵押銀行結餘、借款、來自最終控股公司貸款及定息租賃負債的公平值利率風險 (附註24、28、32、34及35)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

43. FINANCIAL INSTRUMENTS (continued)

43. 金融工具 (續)

Financial risk management objectives and policies (continued)

財務風險管理目標及政策 (續)

Market risk (continued)

市場風險 (續)

Interest rate risk (continued)

利率風險 (續)

The Group is also exposed to cash flow interest rate risk in relation to loan receivables, bank balances and borrowings with variable interest rate (notes 24, 29 and 32). The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of saving/lending rate promulgated by the People's Bank of China and Libor.

本集團亦面臨有關應收貸款、銀行結餘及浮息借款的現金流量利率風險(附註24、29及32)。本集團的現金流量利率風險主要集中於中國人民銀行頒佈的存款／貸款利率及Libor波動。

The Group manages its interest rate exposure based on the interest rate level and outlook as well as potential impact on the Group's financial position arising from volatility of the interest rate.

本集團基於利率水平及展望以及因利率波動對本集團財政狀況的潛在影響管理其利率風險。

During the year ended 31 December 2019, as disclosed in note 21, the Group entered into a Structured Cross Currency Swap to keep the variable interests (Libor plus 1.50%) of Tranche B Loan in the aggregate principal amount of USD175,000,000 as fixed 4.5%. The Group had a loss on Structured Cross Currency Swap amounted to RMB3,106,000. The Group did not applied hedge accounting in the measurement of Structured Cross Currency Swap.

截至二零一九年十二月三十一日止年度，誠如附註21所披露，本集團訂立結構性交叉貨幣互換合約，以維持本金總額為175,000,000美元的Tranche B借款的可變權益(Libor加1.50%)固定為4.5%。本集團的結構性交叉貨幣互換虧損為人民幣3,106,000元。本集團應用於計量結構性交叉貨幣互換時並無應用對沖會計處理。

Total interest income from financial assets that are measured at amortised cost are as follows:

以攤銷成本計量的金融資產的利息收入總額如下：

		Year ended 31/12/2019 RMB'000 截至 二零一九年 十二月 三十一日 止年度 人民幣千元
Interest income	利息收入	
Financial assets at amortised cost	按攤銷成本計量之金融資產	174,087

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

43. FINANCIAL INSTRUMENTS (continued)

43. 金融工具 (續)

Financial risk management objectives and policies (continued)

財務風險管理目標及政策 (續)

Market risk (continued)

市場風險 (續)

Interest rate risk (continued)

利率風險 (續)

	Year ended 31/12/2018 RMB'000 截至 二零一八年 十二月 三十一日 止年度 人民幣千元
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Interest income	利息收入	
Financial assets at amortised cost	按攤銷成本計量之金融資產	<u>170,809</u>

Interest expense on financial liabilities not measured at FVTPL: 未按公平值計入損益計量之金融負債的利息開支：

	Year ended 31/12/2019 RMB'000 截至 二零一九年 十二月 三十一日 止年度 人民幣千元	Year ended 31/12/2018 RMB'000 截至 二零一八年 十二月 三十一日 止年度 人民幣千元
Financial liabilities at amortised cost	按攤銷成本之金融負債	<u>396,735</u> 284,408

43. FINANCIAL INSTRUMENTS (continued)**43. 金融工具** (續)**Financial risk management objectives and policies** (continued)**財務風險管理目標及政策** (續)**Market risk** (continued)**市場風險** (續)*Sensitivity analysis**敏感度分析*

The sensitivity analysis below has been determined based on the exposure to interest rates for loan receivables, bank balances, borrowings, and lease liabilities with variable interest rate at the end of the reporting period. The analysis is prepared assuming the variable-rate loan receivables, bank balances and variable-rate borrowings at the end of the reporting period were outstanding for the whole year. A 25 basis points (2018: 25 basis points) increase or decrease represents management's assessment of the reasonably possible change in interest rates.

下文的敏感度分析已按於報告期末應收貸款、銀行結餘、借款及浮息租賃負債承受的利率風險釐定。分析經假設於報告期末的浮息應收貸款、銀行結餘及浮息借款於全年均屬未償還而編製。25個基本點子(二零一八年: 25個基本點子)增加或減少代表管理層對利率的合理可能變動作出的評估。

If interest rates on variable-rate loan receivables, bank balances and variable-rate borrowings had been 25 basis points (2018: 25 basis points) higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2019 would have decreased/increased by RMB517,903 (2018: decreased/increased by RMB1,345,000).

倘浮息應收貸款、銀行結餘及浮息借款利率升高/降低25個基本點子(二零一八年: 25個基本點子), 所有其他變動維持不變, 則本集團於截至二零一九年十二月三十一日止年度的稅後溢利將增加/減少人民幣517,903元(二零一八年: 減少/增加人民幣1,345,000元)。

43. FINANCIAL INSTRUMENTS (continued)**43. 金融工具** (續)**Financial risk management objectives and policies** (continued)**財務風險管理目標及政策** (續)**Credit risk and impairment assessment****信貸風險及減值評估**

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade receivables, receivables from factoring business, other receivables, pledged bank deposits, bank balances and cash, loan receivables, debt instruments at FVTOCI, finance lease receivables. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risks associated with loan receivables is mitigated because they are secured over various equipment and fishing vessels.

信貸風險指本集團對手違約其合同義務而給本集團造成財務虧損的風險。本集團信貸風險主要來自應收貿易賬款、來自保理業務之應收款項、其他應收款項、已抵押銀行存款、銀行結餘及現金、應收貸款、按公平值計入其他全面收益計量的債務工具及應收融資租賃款項。本集團並無持有任何抵押品或其他信用增級以抵銷與其金融資產相關的信貸風險，惟與應收貸款相關的信貸風險得以緩解，因其為通過各種設備及漁船做擔保。

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debtors. For finance lease business and factoring business, the Group also has delegated a team responsible for (i) designing and implementation of overall risk management internal control policies and procedures and establishing appropriate risk appetite; (ii) designing and execution of due diligence procedures; (iii) reviewing the creditworthiness of customers. In addition, the Group performs impairment assessment under ECL model in accordance with HKFRS 9 on receivable balances individually or based on provision matrix.

為盡量降低信貸風險，本集團管理層已委派一組人員負責釐定信貸限額、信貸審批及其他監控措施，以確保採取跟進措施收回逾期債項。就融資租賃業務及保理業務而言，本集團亦組建團隊負責(i)設計及實施全面風險管理的內部控制政策及程序，並設定適當的風險承受能力；(ii)設計及執行盡職調查程序；(iii)審查客戶的信貸情況。此外，本集團根據香港財務報告準則第9號按預期信貸虧損模式單獨或根據撥備矩陣對應收結餘進行減值評估。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

43. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

The Group's debt instruments at FVTOCI only comprise bills receivable that are issued and guaranteed by the reputable PRC banks and therefore are considered to be low credit risk.

The Group has concentration of credit risk on liquid funds which are deposited with several banks. However, the credit risk on pledged bank deposits and bank balances and cash is limited because the majority of the counterparties are banks with good reputation.

For trade receivables, the Group has applied the simplified approach of HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances or credit-impaired, the Group determines the ECL on these items by using a provision matrix grouped by risk portfolio, which is estimated based on the financial quality of the debtors, historical credit loss experience and the past due status of the debtors, general economic conditions of the industry in which the debtors operate and assessment of both the current as well as the forward-looking information that available without undue cost or effort at the reporting date.

The following table provides information about the exposure to credit risk for trade receivables which are assessed based on provision matrix as at 31 December 2019 within lifetime ECL (not credit impaired). Debtors with significant outstanding balances or credit-impaired with gross carrying amounts of RMB302,248,000 and RMB8,881,000 respectively as at 31 December 2019 were assessed individually (2018: RMB398,069,000 and RMB7,751,000 respectively).

43. 金融工具 (續)

財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

鑒於本集團的按公平值計入其他全面收益計量之債務工具僅包括由聲譽良好的中國銀行發出及擔保的應收票據，因此被視為低信貸風險。

本集團之信貸風險集中於存置於若干銀行之流動資金。然而，已抵押銀行存款及銀行結餘之信貸風險有限，原因為大部分對手方為信譽良好之銀行。

就應收貿易賬款而言，本集團已採用香港財務報告準則第9號中的簡化方法按全期預期信貸虧損計量虧損撥備。除具有重大未償還餘額或信貸減值的債務外，本集團通過使用按風險組合分組的撥備矩陣釐定該等項目的預期信貸虧損，此乃根據債務人的財務質素、基於債務人逾期狀況的歷史信貸虧損經驗、債務人經營所在行業的一般經濟狀況以及報告日期無須耗費龐大人力物力而取得的前瞻性信息現有及前瞻性信息進行估計。

下表載列有關貿易應收款項信貸風險敞口的資料，該等應收貿易賬款在全期預期信貸虧損（無信貸減值）內基於二零一九年十二月三十一日的撥備矩陣評估。於二零一九年十二月三十一日具有重大未償還結餘或信貸減值，賬面總值分別為人民幣302,248,000元及人民幣8,881,000元（二零一八年：分別為人民幣398,069,000元及人民幣7,751,000元）的債務人獲單獨評估。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

43. FINANCIAL INSTRUMENTS (continued)

43. 金融工具 (續)

Financial risk management objectives and policies (continued)

財務風險管理目標及政策 (續)

Credit risk and impairment assessment (continued)

信貸風險及減值評估 (續)

		Average loss rate	31/12/2019 Trade receivables – Gross carrying amount RMB'000 二零一九年十二月三十一日 應收貿易賬款 – 賬面總值 人民幣千元
		平均虧損率	
Low risk type customer	低風險型客戶	2.57%	2,237,004
Normal risk type customer	正常風險型客戶	8.61%	1,545,284
Total	總計		3,782,288
		Average loss rate	31/12/2018 Trade receivables – Gross carrying amount RMB'000 二零一八年十二月三十一日 應收貿易賬款 – 賬面總值 人民幣千元
		平均虧損率	
Low risk type customer	低風險型客戶	2.95%	2,229,466
Normal risk type customer	正常風險型客戶	9.29%	1,027,336
Total	總計		3,256,802

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

43. FINANCIAL INSTRUMENTS (continued)

43. 金融工具 (續)

Financial risk management objectives and policies (continued)

財務風險管理目標及政策 (續)

Credit risk and impairment assessment (continued)

信貸風險及減值評估 (續)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

下表顯示採用簡化方法就應收貿易賬款確認的全期預期信貸虧損變動。

		Lifetime ECL (not credit -impaired) RMB'000 全期預期 信貸虧損 (無信貸減值) 人民幣千元	Lifetime ECL (credit -impaired) RMB'000 全期預期 信貸虧損 (信貸減值) 人民幣千元	Total RMB'000 總計 人民幣千元
As at 1 January 2018	於二零一八年一月一日	179,491	3,839	183,330
Transfer to credit-impaired	轉至信貸減值	(312)	312	-
Purchase of a subsidiary	收購一間附屬公司	2,610	-	2,610
Impairment losses recognised	已確認減值虧損	19,168	4,148	23,316
Impairment losses reversed	已撥回減值虧損	(5,752)	(548)	(6,300)
Write-offs	撤銷	(745)	-	(745)
Exchange adjustments	匯兌調整	17	-	17
As at 31 December 2018	於二零一八年十二月三十一日	194,477	7,751	202,228
Transfer to credited – impaired	轉至信貸減值	(1,729)	1,729	-
Impairment losses recognised	已確認減值虧損	21,244	-	21,244
Impairment losses reversed	已撥回減值虧損	(13,872)	(599)	(14,471)
Exchange adjustments	匯兌調整	166	-	166
As at 31 December 2019	於二零一九年十二月三十一日	200,286	8,881	209,167

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

43. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. None of the trade receivables that have been written off is subject to enforcement activities.

For finance lease receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL.

The following tables show reconciliation of loss allowances that has been recognised for finance lease receivables.

43. 金融工具 (續)

財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

倘有資料顯示債務人面對嚴重財務困難且收回款項的機率不大(如債務人遭清盤或啟動破產程序),本集團將撇銷應收貿易賬款。概無應收貿易賬款因執法行動而撇銷。

本集團已採用香港財務報告準則第9號中的簡化方法按全期預期信貸虧損計量虧損撥備。

下表載列就應收融資租賃款項確認的虧損撥備對賬。

		Lifetime ECL (not credit -impaired) RMB'000 全期預期 信貸虧損 (無信貸減值) 人民幣千元	Lifetime ECL (credit -impaired) RMB'000 全期預期 信貸虧損 (信貸減值) 人民幣千元	Total RMB'000 總計 人民幣千元
As at 1 January 2018	於二零一八年一月一日	12,077	-	12,077
Impairment losses reversed	已撥回減值虧損	(4,506)	-	(4,506)
As at 31 December 2018	於二零一八年 十二月三十一日	7,571	-	7,571
Transfer to credit-impaired	轉至信貸減值	(430)	430	-
Impairment losses recognised	已確認減值虧損	-	2,493	2,493
Impairment losses reversed	已撥回減值虧損	(3,006)	-	(3,006)
As at 31 December 2019	於二零一九年 十二月三十一日	4,135	2,923	7,058

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

43. FINANCIAL INSTRUMENTS (continued)

43. 金融工具 (續)

Financial risk management objectives and policies (continued)

財務風險管理目標及政策 (續)

Credit risk and impairment assessment (continued)

信貸風險及減值評估 (續)

The following tables show reconciliation of loss allowances that has been recognised for receivables from factoring business.

下表載列就來自保理業務之應收款項確認的虧損撥備對賬。

		12 m ECL RMB'000	Lifetime ECL (not credit -impaired) RMB'000	Lifetime ECL (credit -impaired) RMB'000	Total RMB'000
		12個月 預期信貸虧損 人民幣千元	全期預期 信貸虧損 (無信貸減值) 人民幣千元	全期預期 信貸虧損 (信貸減值) 人民幣千元	總計 人民幣千元
As at 1 January 2018	於二零一八年一月一日	3,576	-	-	3,576
Impairment losses recognised	已確認減值虧損	225	-	-	225
Impairment losses reversed	已撥回減值虧損	(2,082)	-	-	(2,082)
At 31 December 2018	於二零一八年十二月三十一日	1,719	-	-	1,719
Transfer to not credit-impaired	轉入未發生信用減值	(300)	300	-	-
Impairment losses recognised	已確認減值虧損	-	250	-	250
Impairment losses reversed	已撥回減值虧損	(320)	-	-	(320)
At 31 December 2019	於二零一九年十二月三十一日	1,099	550	-	1,649

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

43. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

The following tables show reconciliation of loss allowances that has been recognised for other receivables.

43. 金融工具 (續)

財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

下表載列就其他應收款項確認的虧損撥備對賬。

		12 m ECL RMB'000	Lifetime ECL (not credit -impaired) RMB'000	Lifetime ECL (credit -impaired) RMB'000	Total RMB'000
		12個月 預期信貸虧損 人民幣千元	全期預期 信貸虧損 (無信貸減值) 人民幣千元	全期預期 信貸虧損 (信貸減值) 人民幣千元	總計 人民幣千元
As at 1 January 2018	於二零一八年一月一日	1,179	328	-	1,507
Impairment losses recognised	已確認減值虧損	258	-	-	258
At 31 December 2018	於二零一八年十二月三十一日	1,437	328	-	1,765
Impairment losses recognised	已確認減值虧損	3,535	18	5,000	8,553
Impairment losses reversed	已撥回減值虧損	(196)	-	-	(196)
At 31 December 2019	於二零一九年十二月三十一日	4,776	346	5,000	10,122

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

43. FINANCIAL INSTRUMENTS (continued)

43. 金融工具 (續)

Financial risk management objectives and policies (continued)

財務風險管理目標及政策 (續)

Credit risk and impairment assessment
(continued)

信貸風險及減值評估 (續)

The following tables show reconciliation of loss allowances that has been recognised for loan receivables.

下表載列就應收貸款確認的虧損撥備對賬。

		12 m ECL RMB'000	Lifetime ECL (not credit -impaired) RMB'000	Lifetime ECL (credit -impaired) RMB'000	Total RMB'000
		12個月 預期信貸虧損 人民幣千元	全期預期 信貸虧損 (無信貸減值) 人民幣千元	全期預期 信貸虧損 (信貸減值) 人民幣千元	總計 人民幣千元
As at 1 January 2018	於二零一八年一月一日	-	-	-	-
Impairment losses recognised	已確認減值虧損	-	7,000	-	7,000
At 31 December 2018	於二零一八年十二月三十一日	-	7,000	-	7,000
Impairment losses recognised	已確認減值虧損	8,616	-	-	8,616
Impairment losses reversed	已撥回減值虧損	-	(7,000)	-	(7,000)
At 31 December 2019	於二零一九年十二月三十一日	8,616	-	-	8,616

43. FINANCIAL INSTRUMENTS (continued)

43. 金融工具 (續)

Financial risk management objectives and policies (continued)

財務風險管理目標及政策 (續)

Liquidity risk

流動資金風險

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of borrowings and ensures compliance with loan covenants.

在管理流動資金風險時，本集團監察及維持管理層視為足夠水平的現金及現金等價物，以為本集團營運提供資金並減輕現金流量波動所帶來的影響。管理層監察借款的使用情況並確保符合貸款契約。

The amounts included below for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates different to those estimates of interest rates determined at the end of the reporting period.

倘可變利率變動有別於報告期末所釐定之利率估計，則以下就非衍生金融負債之可變利率工具納入之數額會出現變動。

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from the interest rate at the end of the reporting period.

下表根據協定償還期限詳細載列本集團非衍生金融負債的剩餘合約到期日。該表乃根據要求本集團償還金融負債的最早日期的金融負債的未貼現現金流量而編製。該表包括利息及本金現金流量。因利息流為浮動利率，於報告期末之未貼現款項源自於利率。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

43. FINANCIAL INSTRUMENTS (continued)

43. 金融工具 (續)

Financial risk management objectives and policies (continued)

財務風險管理目標及政策 (續)

Liquidity risk (continued)

流動資金風險 (續)

Liquidity tables

流動資金表

	Weighted average effective interest rate	On demand or less than 1 year	1-2 years	2-5 years	Over 5 years	Total undiscounted cash flows	Carrying amount at 31/12/2019
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	加權平均實際利率	按要求或少於1年	1至2年	2至5年	超過5年	未貼現現金流量總額	於二零一九年十二月三十一日的賬面值
	%	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
2019							
Non-derivative financial liabilities							
Trade payables		791,317	-	-	-	791,317	791,317
Construction cost and retention payables		96,767	-	-	-	96,767	96,767
Bills payable		339,300	-	-	-	339,300	339,300
Other payables		1,575,752	-	-	-	1,575,752	1,575,752
Lease liabilities	8	8,782	5,720	8,960	8,777	32,239	25,711
Loans from the ultimate holding company	4.46	146,184	-	-	-	146,184	143,982
Borrowings							
- fixed rate	5.25	606,455	-	-	-	606,455	600,000
- variable rate	4.22	514,940	1,007,717	3,853,474	-	5,376,131	4,749,231
		4,079,497	1,013,437	3,862,434	8,777	8,964,145	8,322,060

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

43. FINANCIAL INSTRUMENTS (continued)

43. 金融工具 (續)

Financial risk management objectives and policies (continued)

財務風險管理目標及政策 (續)

Liquidity risk (continued)

流動資金風險 (續)

Liquidity tables (continued)

流動資金表 (續)

	Weighted average effective interest rate	On demand or less than 1 year	1-2 years	2-5 years	Over 5 years	Total undiscounted cash flows	Carrying amount at 31/12/2018
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	加權平均 實際利率 %	按要求或 少於1年 人民幣千元	1至2年 人民幣千元	2至5年 人民幣千元	超過5年 人民幣千元	未貼現現金 流量總額 人民幣千元	於二零一八年 十二月三十一日 的賬面值 人民幣千元
2018							
Non-derivative financial liabilities							
Trade payables		659,629	-	-	-	659,629	659,629
Construction cost and retention payables		94,528	-	-	-	94,528	94,528
Bills payable		286,436	-	-	-	286,436	286,436
Other payables		1,694,056	-	-	-	1,694,056	1,694,056
Loans from the ultimate holding company	4.39	115,596	-	-	-	115,596	114,234
Borrowings							
- fixed rate	5.25	31,500	606,455	-	-	637,955	600,000
- variable rate	6.10	426,676	496,142	2,272,274	3,050,510	6,245,602	4,623,814
		3,308,421	1,102,597	2,272,274	3,050,510	9,733,802	8,072,697

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

43. FINANCIAL INSTRUMENTS (continued)

43. 金融工具 (續)

Financial risk management objectives and policies (continued)

財務風險管理目標及政策 (續)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

本集團以經常性基準按公平值計量的金融資產及金融負債的公平值

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

本集團部分金融資產於各報告期末按公平值計量。下表載列有關如何釐定該等金融資產及金融負債公平值之資料(尤其是,所用估值方法及輸入數據)。

Financial assets 金融資產	Fair value as at (RMB'000) 於以下日期的公平值 (人民幣千元)		Fair value hierarchy 公平值等級	Valuation technique(s) and key input(s) 估值方法及關鍵輸入數據
	31/12/2019 二零一九年 十二月三十一日	31/12/2018 二零一八年 十二月三十一日		
FVTPL – Structured Cross Currency Swap 按公平值計入損益計量 — 結構性交叉貨幣互換合約	7,900		– Level 2 第二級	The Cross current swap is a structured product constructed by interest rate swap and range forward. The interest rate swap is valued by discounting floating and fixed leg cash flows at appropriate discount rate. The range forward creates a range of exercise prices through two derivative market positions (long call and short put) that is valued by Black Scholes Pricing model. 交叉流動互換為一種通過利率互換及範圍性遠期構建的結構性產品。利率互換通過以適當的折現率對浮動及固定支票現金流量進行折現來評估。透過Black Scholes定價模型評估的兩個衍生市場頭寸(多頭及空頭),遠期範圍創造了一系列行權價。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

43. FINANCIAL INSTRUMENTS (continued)

43. 金融工具 (續)

Financial risk management objectives and policies (continued)

財務風險管理目標及政策 (續)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

本集團以經常性基準按公平值計量的金融資產及金融負債的公平值 (續)

Financial assets	Fair value as at (RMB'000)		Fair value hierarchy	Valuation technique(s) and key input(s)
	31/12/2019	31/12/2018		
金融資產	於以下日期的公平值 (人民幣千元)		公平值等級	估值方法及關鍵輸入數據
	二零一九年 十二月三十一日	二零一八年 十二月三十一日		
FVTPL – Convertible bonds	295,310	–	Level 3	Scenario Analysis and Binomial Pricing Model Key inputs include: NeuroVesc's share price, volatility of share prices, discounted rate; dividend yield and scenario probability.
按公平值計入損益計量 – 可換股債券			第三級	情景分析及二項期權定價模型關鍵輸入數據包括：NeuroVesc的股價、股價的波動性、折現率、股息率及情況概率。
FVTPL – Investment funds and equity security	107,116	107,339	Level 3	Income approach – in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of this investee, based on an appropriate discount rate.
按公平值計入損益計量 – 基金投資和權益抵押			第三級	收入法—此方法中，使用貼現現金流量法獲得將自該等投資對象的擁有權取得的預期未來經濟利益的現值（按適用貼現率計量）
FVTOCI – Debt instruments at FVTOCI	421,883	349,531	Level 2	Discounted cash flow – future cash flows discounted at a rate that reflects the credit risk of various counterparties.
按公平值計入其他全面收益計量 – 按公平值計入其他全面 收益計量之債務工具			第二級	貼現現金流量—以反映各交易對手信貸風險的貼現率貼現的未來現金流量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

43. FINANCIAL INSTRUMENTS (continued)

43. 金融工具 (續)

Financial risk management objectives and policies (continued)

財務風險管理目標及政策 (續)

Reconciliation of Level 3 fair value measurements

第三級公平值計量的對賬

31 December 2019	二零一九年十二月三十一日	Financial assets at FVTPL RMB'000 按公平值計入損益計量之金融資產 人民幣千元
Balance at 1/1/2018	於二零一八年一月一日之結餘	81,517
Total gains in profit or loss	於損益之收益總額	17,603
Addition	增加	8,745
Exchange adjustments	匯兌調整	(526)
Balance at 31/12/2018	於二零一八年十二月三十一日之結餘	107,339
Total gains in profit or loss	於損益之收益總額	13,544
Addition	增加	281,713
Exchange adjustments	匯兌調整	(170)
Balance at 31/12/2019	於二零一九年十二月三十一日之結餘	402,426

Fair value of financial instruments that are recorded at amortized cost

按攤銷成本入賬的金融工具的公平值

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in these consolidated financial statements approximate their fair values.

董事認為，該等綜合財務報表中按攤銷成本入賬的金融資產及金融負債的賬面值與其公平值相若。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

44. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flow were, or future cash flows will be classified in the Group's consolidated statement of cash flows from financing activities.

44. 融資活動產生的負債之對賬

下表詳述本集團融資活動所產生的負債變動（包括現金及非現金變動）。融資活動所產生的負債已經或將會於來自融資活動之本集團綜合現金流量報表內分類。

		Borrowings RMB'000 (note 32)	Loans from the ultimate holding company RMB'000 (note 34) 來自 最終控股的 貸款	Dividend payable RMB'000 (note 30) 應付股息	Lease liabilities RMB'000 (note 35) 租賃負債	Total RMB'000 合計
		人民幣千元 (附註32)	人民幣千元 (附註34)	人民幣千元 (附註30)	人民幣千元 (附註35)	人民幣千元
At 1 January 2018	於二零一八年一月一日	902,177	103,311	-	-	1,005,488
Dividend declared	已宣派股息	-	-	425,255	-	425,255
Interest accrued	應計利息	279,988	4,420	-	-	284,408
Exchange adjustments	匯兌調整	249,598	-	-	-	249,598
Financing cash flows	融資現金流量	3,792,051	6,503	(217,904)	-	3,580,650
At 1 January 2019	於二零一九年一月一日	5,223,814	114,234	207,351	26,571	5,571,970
Dividend declared	已宣派股息	-	-	648,877	-	648,877
Interest accrued	應計利息	389,265	5,248	-	2,222	396,735
Exchange adjustments	匯兌調整	75,103	-	-	(129)	74,974
Acquisition of a subsidiary	收購一間附屬公司	-	-	-	1,275	1,275
New lease	新租賃	-	-	-	7,084	7,084
Financing cash flows	融資現金流量	(338,951)	24,500	(711,428)	(11,312)	(1,037,191)
At 31 December 2019	於二零一九年 十二月三十一日	5,349,231	143,982	144,800	25,711	5,663,724

45. MAJOR NON-CASH TRANSACTIONS

During the year, the Group endorsed bill receivables of RMB1,020,694,000 (2018: RMB1,133,421,000) to settle the trade and other payables.

45. 主要非現金交易

年內，本集團就結算應付貿易賬款及其他應付款項背書應收票據人民幣1,020,694,000元（二零一八年：人民幣1,133,421,000元）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

46. RELATED PARTY TRANSACTIONS

46. 關連人士交易

(a) The Group had the following related party transactions during the two years ended 31 December 2019 and 2018:

(a) 於截至二零一九年及二零一八年十二月三十一日止兩個年度內，本集團有下列關連人士交易：

		2019	2018
		RMB'000	RMB'000
		二零一九年	二零一八年
		人民幣千元	人民幣千元
Sales to fellow subsidiaries	銷售予同系附屬公司	311,631	184,648
Sales to the ultimate holding company	銷售予最終控股公司	85	193
Sales to an associate of the ultimate holding company	銷售予最終控股公司的一間聯營公司	56	-
Sales to an associate	銷售予一間聯營公司	23,816	25,709
Logistic and Distribution through fellow subsidiaries	通過同系附屬公司提供委託配送服務	430,256	-
Purchases from fellow subsidiaries	向同系附屬公司採購	402,678	259,996
Purchases from an associate	向一間聯營公司採購	112,676	63,778
Operating lease income from fellow subsidiaries	來自同系附屬公司之經營租賃收入	14,029	14,651
Finance lease income from fellow subsidiaries	來自同系附屬公司之融資租賃收入	10,810	9,467
Interest income from factoring business from fellow subsidiaries	來自同系附屬公司保理業務之利息收入	24,259	11,914
Interest income from factoring business from an associate	來自一間聯營公司之保理業務之利息收入	-	132
Service received from fellow subsidiaries	自同系附屬公司接獲之服務	32,699	35,116
Service received from the ultimate holding company	自最終控股公司接獲之服務	5,614	4,782
Service provided to fellow subsidiaries	向同系附屬公司提供之服務	3,781	5,238
Interest income from an associate	來自一間聯營公司之利息收入	46,415	52,160
Interest income from an associate of the ultimate holding company	最終控股公司的一間聯營公司之利息收入	3,062	2,879
Interest expense arising from the ultimate holding company	最終控股公司產生之利息支出	5,248	4,419

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

46. RELATED PARTY TRANSACTIONS

(continued)

(a) (continued)

Details of amounts due from/to related parties are set out in notes 23, 24, 26, 29, 30, 31, 32 and 34.

During the year ended 31 December 2019, the principal of the finance lease business provided to fellow subsidiaries by the Group amounted to RMB95,401,000 (2018: RMB26,988,000).

During the year ended 31 December 2019, the principal of the factoring business provided to fellow subsidiaries by the Group amounted to RMB365,000,000 (2018: RMB256,800,000).

During the year ended 31 December 2019, the principal of the factoring business provided to an associate by the Group amounted nil (2018: RMB7,000,000).

As at 31 December 2019, the Company provided guarantees of nil (2018: RMB125,000,000) to an associate of the Group related to its two long-term bank borrowings.

As at 31 December 2018, a long-term loan of the Group is secured by 230,000,000 shares of the Company that owned by the ultimate holding company.

During the year ended 31 December 2019, the Group obtained a loan of RMB24,500,000 (2018: RMB10,535,000) from the ultimate holding company with interest rate at 4.785% per annum (2018: 4.785% per annum).

46. 關連人士交易 (續)

(a) (續)

應收／付關連人士款項的詳情載於附註23、24、26、29、30、31、32及34。

截至二零一九年十二月三十一日止年度，本集團向同系附屬公司提供之融資租賃業務本金額為人民幣95,401,000元（二零一八年：人民幣26,988,000元）。

截至二零一九年十二月三十一日止年度，本集團向同系附屬公司提供之保理業務本金額為人民幣365,000,000元（二零一八年：人民幣256,800,000元）。

截至二零一九年十二月三十一日止年度，本集團向一間聯營公司提供之保理業務本金額為零（二零一八年：人民幣7,000,000元）。

於二零一九年十二月三十一日，本公司就本集團兩項長期銀行借款向其一間聯營公司提供零元（二零一八年：人民幣125,000,000元）之擔保。

於二零一八十二月三十一日，本集團之長期借款乃以最終控股公司持有之本公司之230,000,000股股份作抵押。

截至二零一九年十二月三十一日止年度，本集團自最終控股公司獲得貸款人民幣24,500,000元（二零一八年：10,535,000元），年利率為4.785%（二零一八年：年利率為4.785%）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

46. RELATED PARTY TRANSACTIONS
(continued)

(a) (continued)

As at 31 December 2019, the ultimate holding company provided guarantees of RMB1,220,835,000 (2018: RMB1,201,060,000) to the Group related to its long-term bank borrowings.

During the year ended December 2019, the Group disposed a subsidiary to the ultimate holding company at the consideration of RMB11,300,000. Details are set out in note 39.

During the year ended 31 December 2018, the Group acquired a subsidiary from a fellow subsidiary of the Group at a consideration of RMB4,516,000.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

		2019	2018
		RMB'000	RMB'000
		二零一九年	二零一八年
		人民幣千元	人民幣千元
Short-term employee benefits	短期僱員福利	21,052	19,837
Post-employment benefits	離職後福利	211	178
		21,263	20,015

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

46. 關連人士交易 (續)

(a) (續)

於二零一九年十二月三十一日，最終控股公司向本集團之長期銀行借款提供擔保人民幣1,220,835,000元（二零一八年：1,201,060,000元）。

於截至二零一九年十二月三十一日止年度，本集團向最終控股公司出售一間附屬公司，代價為人民幣11,300,000元。詳情載於附註39。

於截至二零一八年十二月三十一日止年度，本集團向其一間同系附屬公司收購一間附屬公司，代價為人民幣4,516,000元。

(b) 主要管理人員的報酬

於年內，董事及主要管理層的其他成員的薪酬如下：

		2019	2018
		RMB'000	RMB'000
		二零一九年	二零一八年
		人民幣千元	人民幣千元
Short-term employee benefits	短期僱員福利	21,052	19,837
Post-employment benefits	離職後福利	211	178
		21,263	20,015

董事及主要行政人員的薪酬乃由薪酬委員會就個別人的士的表現及市場趨勢而釐定。

47. RETIREMENT BENEFITS SCHEMES

The Group participates in a Mandatory Provident Fund Scheme established under the Mandatory Provident Fund Ordinance in December 2000. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. All Hong Kong employees joining the Group are required to join the Mandatory Provident Fund Scheme.

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the government of mainland. These subsidiaries are required to contribute 16% for the period from 1 May 2019 to 31 December 2019, and 18% for the period from 1 January 2019 to 30 April 2019 (2018:18%) of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

Argon sponsors a 401(k) profit sharing plan for all Argon employees. This plan allows for both discretionary and nondiscretionary employer matching contributions for participating employees.

Other subsidiaries in jurisdictions outside of the PRC contribute to statutory retirement plans on behalf of their employees which in many cases are managed by the government in those territories. Those subsidiaries make periodic contributions to the statutory retirement plans as required and contributions are generally determined as a percentage of employees' basic salaries or a fixed amount per employee per calendar year depending on the jurisdiction.

The contributions paid and payable to the schemes by the Group are disclosed in note 10.

47. 退休福利計劃

本集團於二零零零年十二月參與根據強制性公積金計劃條例而設立之強制性公積金計劃。該等計劃之資產乃由受託人監管之基金，與本集團之資產分開持有。所有加盟本集團之香港僱員均須參與強制性公積金計劃。

本集團之中國附屬公司之僱員均為大陸政府經營之國家管理退休福利計劃之成員。於二零一九年五月一日至二零一九年十二月三十一日止期間，該等附屬公司須按薪金成本之16%而於二零一九年一月一日至二零一九年四月三十日則為18%（二零一八年：18%）向退休福利計劃供款以作為福利所需資金。本集團對退休福利計劃之唯一責任為作出指定之供款。

愛琅為所有愛琅僱員提供401(k)利潤分享計劃。該計劃允許為參與僱員作出酌情及非酌情雇主匹配供款。

中國以外司法權區的其他附屬公司代表其僱員參與法定退休計劃，而在許多情況下，該等計劃由該等地區的政府管理。該等附屬公司按要求定期向法定退休計劃供款，且供款通常按僱員基本工資的百分比或根據司法權區每個日曆年度每名僱員的固定金額釐定。

本集團就該等計劃已付及應付的供款於附註10作出披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

48. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

48. 本公司主要附屬公司詳情

Particulars of the Company's subsidiaries as at 31 December 2019 and 2018 are as follows:

於二零一九年及二零一八年十二月三十一日，本公司附屬公司的詳情如下：

Name of subsidiary	Place of registration	Paid up issued/ registered capital	Effective equity interest attributable to the Group as at 31 December				Principal activities
			% (direct)		% (indirect)		
附屬公司名稱	註冊地點	已發行實繳/ 註冊資本	31/12/2019	31/12/2018	31/12/2019	31/12/2018	主要業務
			於十二月三十一日 本集團應佔之實際股權		於十二月三十一日 本集團應佔之實際股權		
			% (直接)		% (間接)		
			二零一九年 十二月 三十一日	二零一八年 十二月 三十一日	二零一九年 十二月 三十一日	二零一八年 十二月 三十一日	
Weigao Orthopaedic* (山東威高骨科材料股份有限公司) (note a)	PRC	RMB358,585,800	56.47	62.63	18.82	18.37	Manufacturing of orthopaedic medical device products
山東威高骨科材料股份有限公司 (附註a)	中國	人民幣358,585,800元					製造骨科醫療設備產品
Beijing Weigao Yahua Artificial Joints Development Company Limited* (北京威高亞華人工關節開發有限公司)(note a)	PRC	RMB70,000,000	-	-	75.29	81	Research, services and sales of medical devices
北京威高亞華人工關節開發有限公司 (附註a)	中國	人民幣70,000,000元					醫療設備的研發、服務及銷售
Changzhou Jianli Bangde Medical Devices Co., Ltd.* (常州健力邦德醫療器械有限公司) (note a)	PRC	RMB65,000,000	-	-	75.29	81	Manufacturing of orthopaedic devices, implantation materials and artificial organs
常州健力邦德醫療器械有限公司 (附註a)	中國	人民幣65,000,000元					製造骨科設備、移植材料及人造器官
Weihai Weigao Management Asset Management Co., Ltd.* (威海威高資產管理有限公司) (note a)	PRC	RMB10,000,000	-	-	75.29	81	Asset management and enterprise consulting service
威海威高資產管理有限公司(附註a)	中國	人民幣10,000,000元					資產管理及企業顧問服務
Weigao Group (Weihai) Medical Products Marketing Co., Ltd.* (威高集團(威海)醫用製品營銷有限公司)	PRC	RMB950,000,000	25	25	75	75	Wholesale of Type I medical devices, surgical devices and other disposal medical products
威高集團(威海)醫用製品營銷有限公司	中國	人民幣950,000,000元					批發第一類醫療設備、手術設備及其他一次性醫療產品

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

48. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(continued)

48. 本公司主要附屬公司詳情 (續)

Name of subsidiary	Place of registration	Paid up issued/ registered capital	Effective equity interest attributable to the Group as at 31 December				Principal activities
			% (direct)		% (indirect)		
附屬公司名稱	註冊地點	已發行實繳/ 註冊資本	31/12/2019	31/12/2018	31/12/2019	31/12/2018	主要業務
			於十二月三十一日 本集團應佔之實際股權				
			% (直接)		% (間接)		
			二零一九年 十二月 三十一日	二零一八年 十二月 三十一日	二零一九年 十二月 三十一日	二零一八年 十二月 三十一日	
Weigao Group (Weihai) Medical Products Material Supply Co., Ltd.* (威高集團(威海)醫用製品材料供應有限公司)	PRC	RMB1,006,000,000	25	25	75	75	Wholesale of Type I medical devices, surgical devices and other disposal medical products
威高集團(威海)醫用製品材料供應有限公司	中國	人民幣1,006,000,000元					批發第一類醫療設備、手術設備及其他一次性醫療產品
Weihai Jierui Medical Products Company Limited* (威海潔瑞醫用製品有限公司)	PRC	RMB32,000,000	90	100	10	-	Manufacturing of medical PVC granules, plastic packing bags and carton boxes
威海潔瑞醫用製品有限公司	中國	人民幣32,000,000元					製造醫用PVC粒料、塑料包裝袋及紙箱
Shandong Weigao Automatic Equipment Company Limited* (山東威高自動化設備有限公司)	PRC	RMB5,000,000	-	-	100	100	Manufacturing of industrial automatic equipment and parts
山東威高自動化設備有限公司	中國	人民幣5,000,000元					製造工業自動化設備及配件
Shandong Weigao Group Logistic Company Limited* (山東威高集團物流有限公司)	PRC	RMB20,000,000	100	100	-	-	Provision of logistics and storage services
山東威高集團物流有限公司	中國	人民幣20,000,000元					提供物流及儲存服務
Weihai Weigao Group Mould Company Limited* (威海威高集團模具有限公司)	PRC	RMB8,000,000	90	90	10	10	Manufacturing of moulds
威海威高集團模具有限公司	中國	人民幣8,000,000元					製造模具

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

**48. PARTICULARS OF PRINCIPAL
SUBSIDIARIES OF THE COMPANY**
(continued)

48. 本公司主要附屬公司詳情
(續)

Name of subsidiary	Place of registration	Paid up issued/ registered capital	Effective equity interest attributable to the Group as at 31 December				Principal activities	
			% (direct)		% (indirect)			
附屬公司名稱	註冊地點	已發行實繳/ 註冊資本	31/12/2019	31/12/2018	31/12/2019	31/12/2018	主要業務	
			於十二月三十一日 本集團應佔之實際股權					
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Sichuan Jierui Weigao Medical Device Company Limited* (四川潔瑞威高醫療器械有限公司)	PRC 中國	RMB2,000,000 人民幣2,000,000元	100	100	-	-	Trading of medical products 買賣醫療產品	
Weihai Weigao Jiesheng Medical Devices Co., Ltd.* (威海威高潔盛醫療器材有限公司)	PRC 中國	RMB20,000,000 人民幣20,000,000元	100	100	-	-	Trading of medical products 買賣醫療產品	
Weihai Weigao Medical International Trading Co., Ltd.* (威海威高醫療國際貿易有限公司)	PRC 中國	RMB5,000,000 人民幣5,000,000元	80	80	20	20	Sales of medical devices, imports and exports of registered products 銷售醫療設備、進出口登記產品	
Weigao International Medical Co., Ltd. (威高國際醫療有限公司)	Hong Kong 香港	HKD207,699,690 207,699,690港元	100	100	-	-	Investment holding and trading 投資控股及貿易	
Wellford Capital Limited	British Virgin Islands ("BVI")	USD50,000	-	-	100	100	Investment holding	
Wellford Capital Limited	英屬處女群島 ("英屬處女群島")	50,000美元					投資控股	
Shandong Weigao Financial Leasing Co., Ltd.* (山東威高融資租賃有限公司)	PRC 中國	RMB500,000,000 人民幣500,000,000元	-	-	100	100	Engaged in various financial leasing business of medical equipment 從事醫療設備的各類融資租賃服務	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

48. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(continued)

48. 本公司主要附屬公司詳情 (續)

Name of subsidiary	Place of registration	Paid up issued/ registered capital	Effective equity interest attributable to the Group as at 31 December				Principal activities
			% (direct)		% (indirect)		
附屬公司名稱	註冊地點	已發行實繳/ 註冊資本	31/12/2019	31/12/2018	31/12/2019	31/12/2018	主要業務
			於十二月三十一日 本集團應佔之實際股權				
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			二零一九年 十二月 三十一日	二零一八年 十二月 三十一日	二零一九年 十二月 三十一日	二零一八年 十二月 三十一日	
Wego Medical Holding Company Limited (威高醫療控股有限公司)	Hong Kong	HKD1,000,000	-	-	100	100	Investment holding
威高醫療控股有限公司	香港	1,000,000港元					投資控股
Weigao Hemodialysis Technology Development Co., Ltd.* (威海威高血液透析科技發展有限公司)	PRC	RMB150,000,000/ RMB200,000,000	-	-	75	75	Manufacturing and sales of hemo-dialysis equipment
威海威高血液透析科技發展有限公司	中國	人民幣150,000,000元/ 人民幣200,000,000元					血液透析設備的製造及出售
Shanghai Weigao Financing Lease Co., Limited* (上海威高融資租賃有限公司)	PRC	USD45,000,000/ USD50,000,000	-	-	100	100	Engaged in various financial leasing business
上海威高融資租賃有限公司	中國	45,000,000美元/ 50,000,000美元					從事醫療設備的各類融資租賃業務
Champion Falcon limited (翔冠有限公司)	Hong Kong	HKD1	-	-	100	100	Investment holding
翔冠有限公司	香港	1港元					投資控股
Brilliant Grace limited (耀恩有限公司)	BVI	USD1	-	-	100	100	Investment holding
耀恩有限公司	英屬處女群島	1美元					投資控股
Fuzhou Fanshun Medical Device Technology Company Limited* (福州帆順醫療器械技術有限公司)	PRC	RMB500,000	95	95	-	-	Wholesale, sales and purchases of disposable sterile medical devices
福州帆順醫療器械技術有限公司	中國	人民幣500,000元					一次性醫療設備的批發、銷售及採購

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

48. PARTICULARS OF PRINCIPAL
SUBSIDIARIES OF THE COMPANY

(continued)

48. 本公司主要附屬公司詳情
(續)

Name of subsidiary	Place of registration	Paid up issued/ registered capital	Effective equity interest attributable to the Group as at 31 December				Principal activities
			% (direct)		% (indirect)		
附屬公司名稱	註冊地點	已發行實繳/ 註冊資本	31/12/2019	31/12/2018	31/12/2019	31/12/2018	主要業務
			於十二月三十一日 本集團應佔之實際股權				
			% (直接)		% (間接)		
			二零一九年 十二月 三十一日	二零一八年 十二月 三十一日	二零一九年 十二月 三十一日	二零一八年 十二月 三十一日	
Weihai Weigao Blood Supplies Co., Limited* (威海威高採血耗材有限公司)	PRC	RMB10,000,000	-	100	-	-	Trading of medical products
威海威高採血耗材有限公司	中國	人民幣10,000,000元					買賣醫療產品
Weihai Weigao Anesthesia Products Co., Limited* (威海威高麻醉製品有限公司)	PRC	nil/RMB1,000,000	90	90	10	10	Production and sales of Type I Type II and Type III medical devices
威海威高麻醉製品有限公司	中國	無/人民幣1,000,000元					生產及銷售第一類、第二類 及第三類醫療設備
Taian Weixin Medical Products Co., Ltd.* (泰安市威新醫用製品 有限公司)	PRC	RMB800,000/ RMB30,000,000	1	1	99	99	Trading of medical products
泰安市威新醫用製品有限公司	中國	人民幣800,000元/ 人民幣30,000,000元					買賣醫療產品
Weihai Chang Hong Enterprise Management Consulting Centre (Limited Partnership)* (威海長弘企業管理諮詢中心 (有限合夥))	PRC	RMB50	-	-	-	-	Enterprise management advisory services
威海長弘企業管理諮詢中心(有限 合夥)	中國	人民幣50元					企業管理顧問服務
Weihai Yang Fan Enterprise Management Consulting Centre (Limited Partnership) * (威海揚帆企業管理諮詢中心 (有限合夥))	PRC	RMB50	-	-	-	-	Enterprise management advisory services
威海揚帆企業管理諮詢中心 (有限合夥)	中國	人民幣50元					企業管理顧問服務
Weihai Hong Tu Enterprise Management Consulting Centre (Limited Partnership) * (威海宏圖企業管理 諮詢中心(有限合夥))	PRC	nil/RMB41	-	-	-	-	Enterprise management advisory services
威海宏圖企業管理諮詢中心 (有限合夥)	中國	無/人民幣41元					企業管理顧問服務

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

48. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(continued)

48. 本公司主要附屬公司詳情 (續)

Name of subsidiary	Place of registration	Paid up issued/ registered capital	Effective equity interest attributable to the Group as at 31 December				Principal activities
			% (direct)		% (indirect)		
附屬公司名稱	註冊地點	已發行實繳/ 註冊資本	31/12/2019	31/12/2018	31/12/2019	31/12/2018	主要業務
			於十二月三十一日 本集團應佔之實際股權				
			% (直接)		% (間接)		
			二零一九年 十二月 三十一日	二零一八年 十二月 三十一日	二零一九年 十二月 三十一日	二零一八年 十二月 三十一日	
Anhui Weigao Orthopaedic Medical Device Co., Ltd.* (安徽威高骨科醫療器械有限公司) (notes a & b)	PRC	RMB40,920,595.50/ RMB150,000,000	-	-	75.29	41.31	Sales of Type I, Type II and Type III medical device; Enterprise management advisory services
安徽威高骨科醫療器械有限公司 (附註a及b)	中國	人民幣40,920,595.50元/ 人民幣150,000,000元					第一類、第二類及第三類醫療設備的銷售；企業管理顧問服務
Weihai Hai Xing Medical Devices Co., Ltd.* (威海海星醫療器械有限公司) (note a)	PRC	RMB70,000,000	-	-	75.29	81	Production and sales of Type III medical implant material and artificial organ (6846); production and sales of Type I medical devices.
威海海星醫療器械有限公司(附註a)	中國	人民幣70,000,000元					生產及銷售第三類醫療植入物材料及人造器官(6846)；生產及銷售第一類醫療製品
Sichuan Weigao Tianfu Medical Technology Co. Ltd..* (四川威高天府醫藥科技有限公司)	PRC	nil/RMB20,000,000	90	90	10	10	Research, sales of medicines and medical devices
四川威高天府醫藥科技有限公司	中國	無/人民幣20,000,000元					醫藥及醫療設備的研發、銷售
Jilin Weigao Bao Ren Medical Products Co., Ltd.* (吉林省威高寶仁醫用製品有限公司)	PRC	RMB20,116,810/ RMB50,000,000	82	65	-	-	Wholesale and retail of medical products and medical devices
吉林省威高寶仁醫用製品有限公司	中國	人民幣20,116,810元/ 人民幣50,000,000元					批發及零售醫療產品及醫療設備
Weihai Weigao Yi Kang Medical Device Sales Co., Ltd.* (威海威高億康醫療器械銷售有限公司)	PRC	RMB30,000,000	10	10	90	90	Sales of medical devices
威海威高億康醫療器械銷售有限公司	中國	人民幣30,000,000元					銷售醫療產品

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

48. PARTICULARS OF PRINCIPAL
SUBSIDIARIES OF THE COMPANY

(continued)

48. 本公司主要附屬公司詳情
(續)

Name of subsidiary	Place of registration	Paid up issued/ registered capital	Effective equity interest attributable to the Group as at 31 December				Principal activities
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附屬公司名稱	註冊地點	已發行實繳/ 註冊資本	31/12/2019	31/12/2018	31/12/2019	31/12/2018	主要業務
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WW Medical and Healthcare Company Limited	Cayman Islands	USD50,000	-	-	89.81	89.81	Investment holding
WW Medical and Healthcare Company Limited	開曼群島	50,000美元					投資控股
WW Medical and Healthcare Holdings Corporation	U.S.	USD1,000	-	-	89.81	89.81	Investment holding
WW Medical and Healthcare Holdings Corporation	美國	1,000美元					投資控股
WW Medical and Company Limited**	Cayman Islands	USD1,000	-	-	-	-	Investment holding
WW Medical and Company Limited**	開曼群島	1,000美元					投資控股
Argon Medical Devices Holding, Inc.	U.S.	USD1/USD2,000,000	-	-	89.81	89.81	Investment holding
Argon Medical Devices Holding, Inc.	美國	1美元/2,000,000美元					投資控股
Weihai Weigao Medical Products Co., Ltd. * (威海威高醫用製品有限公司)	PRC	nil/RMB10,000,000	-	-	100	100	Sales of medical devices
威海威高醫用製品有限公司	中國	無/人民幣10,000,000元					銷售醫療設備
Shandong Weigao Jiahe Pharmaceutical Technology Co., Ltd. * (山東威高佳禾醫藥科技有限公司)	PRC	RMB5,000,000	67	67	-	-	Sales of Type I, Type II and Type III medical device; Biotechnology Extension Service
山東威高佳禾醫藥科技有限公司	中國	人民幣5,000,000元					銷售第一類、第二類及第三類醫療設備; 生物技術推廣服務
Argon Medical Devices (Hong Kong) Co., Ltd. (愛琅醫療器械(香港)有限公司)	Hong Kong	HKD1	-	-	100	100	Investment holding
愛琅醫療器械(香港)有限公司	香港	1港元					投資控股

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

48. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(continued)

48. 本公司主要附屬公司詳情 (續)

Name of subsidiary	Place of registration	Paid up issued/ registered capital	Effective equity interest attributable to the Group as at 31 December				Principal activities
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Argon Medical Devices (Shanghai) Co., Ltd. * (愛琅(上海)醫療器械有限公司)	PRC	nil/RMB1,000,000	-	-	100	100	Sales of Type II and Type III medical device; technical services and technology transfer
愛琅(上海)醫療器械有限公司	中國	無/人民幣1,000,000元					銷售第二類及第三類醫療設備; 技術服務及技術轉讓
Shandong Weigao Puri Pharmaceutical Packaging Co., Ltd. * (山東威高普瑞醫藥包裝有限公司)	PRC	nil/RMB100,000,000	100	100	-	-	Production and marketing of medical polymer materials and products, injection puncture instruments
山東威高普瑞醫藥包裝有限公司	中國	無/人民幣100,000,000元					生產及銷售醫用高分子材料及產品、注射穿刺器械
Shandong Mingde Biomedical Engineering Co., Ltd. * (山東明德生物醫學工程有限公司) (note a)	PRC	RMB18,703,417/ RMB20,000,000	-	-	60.23	64.8	Production and marketing of medical polymer materials and products, injection puncture
山東明德生物醫學工程有限公司 (附註a)	中國	人民幣18,703,417元/ 人民幣20,000,000元					生產及銷售醫用高分子材料及產品、注射穿刺器械
Yichun Weigao Orthopaedic Medical Devices Co., Ltd. * (宜春市威高骨科醫療器械有限公司) (note a)	PRC	nil/RMB5,000,000	-	-	75.29	81	Sales of Type I, Type II and Type III medical device
宜春市威高骨科醫療器械有限公司 (附註a)	中國	無/人民幣5,000,000元					銷售第一類、第二類及第三類醫療設備
Yunnan Weigao Orthopaedic Medical Devices Co., Ltd. * (雲南威高骨科醫療器械有限公司) 限責任公司	PRC	RMB50,000/ RMB50,000,000	-	-	38.40	41.31	Sales of medical devices
雲南威高骨科醫療器械有限公司 限責任公司	中國	人民幣50,000元/ 人民幣50,000,000元					銷售醫療設備

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

48. PARTICULARS OF PRINCIPAL
SUBSIDIARIES OF THE COMPANY

(continued)

48. 本公司主要附屬公司詳情
(續)

Name of subsidiary	Place of registration	Paid up issued/ registered capital	Effective equity interest attributable to the Group as at 31 December				Principal activities
			% (direct)		% (indirect)		
附屬公司名稱	註冊地點	已發行實繳/ 註冊資本	31/12/2019	31/12/2018	31/12/2019	31/12/2018	主要業務
			於十二月三十一日 本集團應佔之實際股權				
			% (直接)		% (間接)		
			二零一九年 十二月 三十一日	二零一八年 十二月 三十一日	二零一九年 十二月 三十一日	二零一八年 十二月 三十一日	
Shandong Weikang Medical Technology Co., Ltd. * (山東威康醫療科技有限公司)	PRC	RMB2,000,000/ RMB10,000,000	100	-	-	-	Research and sales of medical devices
山東威康醫療科技有限公司	中國	人民幣2,000,000元/ 人民幣10,000,000元					研發及銷售醫療設備
Shandong Weigao Orthopaedic Devices Sales Co., Ltd. * (山東威高骨科醫療器械銷售 有限公司)	PRC	RMB10,000,000/ RMB50,000,000	-	-	75.29	-	Sales of medical devices
山東威高骨科醫療器械銷售有限公司	中國	人民幣10,000,000元/ 人民幣50,000,000元					銷售醫療設備
Quanzhou Weigao Orthopaedic Devices Co., Ltd. * (泉州威高骨科醫療器械有限公司)	PRC	RMB500,000/ RMB50,000,000	-	-	75.29	-	Sales of medical devices
泉州威高骨科醫療器械有限公司	中國	人民幣500,000元/ 人民幣50,000,000元					銷售醫療設備
Hunan Weigao Orthopaedic Devices Co., Ltd. * (湖南威高骨科醫療器械有限公司)	PRC	RMB13,750,000/ RMB50,000,000	-	-	57.22	-	Sales of medical devices
湖南威高骨科醫療器械有限公司	中國	人民幣13,750,000元/ 人民幣50,000,000元					銷售醫療設備

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

48. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(continued)

48. 本公司主要附屬公司詳情 (續)

Name of subsidiary	Place of registration	Paid up issued/ registered capital	Effective equity interest attributable to the Group as at 31 December				Principal activities
			% (direct)		% (indirect)		
附屬公司名稱	註冊地點	已發行實繳/ 註冊資本	31/12/2019	31/12/2018	31/12/2019	31/12/2018	主要業務
			於十二月三十一日 本集團應佔之實際股權				
			% (直接)		% (間接)		
			二零一九年 十二月 三十一日	二零一八年 十二月 三十一日	二零一九年 十二月 三十一日	二零一八年 十二月 三十一日	
Sichuan Weigao Orthopaedic Devices Co., Ltd. *	PRC	RMB5,000,000/ RMB50,000,000	-	-	75.29	-	Sales of medical devices
(四川威高骨科醫療器械有限公司) 四川威高骨科醫療器械有限公司	中國	人民幣5,000,000元/ 人民幣50,000,000元					銷售醫療設備
Fenwei Healthcare Technology and Development (Shanghai) Co., Ltd. *	PRC	RMB10,000,000/ RMB50,000,000	100	-	-	-	Research, services and consulting
(威高奮威健康科技發展(上海) 有限公司) 威高奮威健康科技發展(上海)有限公司	中國	人民幣10,000,000元/ 人民幣50,000,000元					研發、服務及諮詢
Weigao Medical Korea Co.Ltd. (威高醫療韓國有限公司)	Korea	KRW 173,180,000/ KRW 168,000,000	100	-	-	-	Sales of medical devices
威高醫療韓國有限公司	韓國	173,180,000韓元/ 168,000,000韓元					銷售醫療設備
* For identification purposes only					* 僅供識別		
** This company was stroked off the company register on 20 August 2018.					** 該公司於二零一八年八月二十日從公 司登記簿上刪除。		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

48. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(continued)

Notes:

- (a) As disclosed in consolidated statement of changes in equity, an independent third party injected in Weigao Orthopaedic resulting in a dilution of the Group's interest in Weigao Orthopaedic and the subsidiaries of Weigao Orthopaedic.
- (b) Weigao Orthopaedic acquired interest in Anhui Weigao Orthopaedic Medical Device Co., Ltd. from non-controlling shareholder.

None of the subsidiaries had issued any debt securities at the end of the year.

In the opinion of the directors of the Company, there is no subsidiary that has non-controlling interests which is material to the Group.

49. EVENT AFTER THE REPORTING PERIOD

Since the outbreak of the COVID-19 pandemic in China and around the world from January 2020, governments in various countries have required enterprises to implement measures to prevent and control the disease, including travel restrictions, quarantine arrangements or suspension of operating activities. The subsequent prevention and control measures have certain impact on the operation of the Group, as the Group's business operations are located in Mainland China, United States, Europe and multiple other countries.

Given the dynamic nature of these circumstances, the directors of the Company consider that the financial effects on the Group's consolidated financial statements cannot be reasonably estimated as at the date of these financial statements which are authorised for issue, but are expected to affect the consolidated results for the first half year of 2020.

48. 本公司主要附屬公司詳情

(續)

附註：

- (a) 如綜合權益變動表所披露，獨立第三方對威高骨科注資，導致本集團於威高骨科及其附屬公司的權益攤薄。
- (b) 威高骨科自非控股股東收購於安徽威高骨科醫療器械有限公司的權益。

概無附屬公司於年末發行任何債務證券。

本公司董事認為，概無擁有對本集團有重大影響之非控股權益之附屬公司。

49. 報告期後事項

自COVID-19疫情於二零二零年一月在中國爆發並蔓延全球，各國已要求企業採取措施防控疫情，包括旅遊限制、檢疫安排或暫停營運活動。其後的防控措施已對本集團的營運造成一定影響，因為本集團的業務營運位於中國內地、美國、歐洲及其他多國。

由於情況隨時變動，本公司董事認為，截至本集團綜合財務報表獲授權刊發之日，未能合理評估對有關財務報表的財務影響，但預期將影響二零二零年上半年的綜合業績。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

50. COMPANY'S STATEMENT OF FINANCIAL POSITION 50. 本公司之財務狀況表

		31/12/2019	31/12/2018
		RMB'000	RMB'000
		二零一九年	二零一八年
		十二月	十二月
		三十一日	三十一日
		人民幣千元	人民幣千元
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	3,244,592	3,130,686
Investment properties	投資物業	334,561	210,790
Prepaid lease payments	預付租賃款項	-	227,682
Right-of-use assets	使用權資產	231,441	-
Financial assets at fair value through profit or loss	按公平值計入損益計量之金融資產	7,900	-
Investments in subsidiaries	於附屬公司的投資	1,139,179	1,010,121
Interests in an associate	於一間聯營公司的權益	818,974	694,068
Deferred tax asset	遞延稅項資產	51,542	51,483
Loan receivables	應收貸款	259,750	917,201
Intangible assets	無形資產	9,955	-
Deposit paid for acquiring property, plant and equipment	就收購物業、廠房及設備之已付按金	86,631	56,541
		6,184,525	6,298,572
Current assets	流動資產		
Inventories	存貨	509,210	522,576
Loan receivables	應收貸款	1,267,977	553,585
Trade and other receivables	應收貿易賬款及其他應收款項	2,985,304	2,764,336
Debt instruments at fair value through other comprehensive income	按公平值計入其他全面收益計量之債務工具	190,546	177,589
Amount due from subsidiaries	應收附屬公司款項	3,147,001	1,746,453
Pledged bank deposits	已抵押銀行存款	281,503	264,415
Bank balances and cash	銀行結餘及現金	1,854,826	2,431,926
		10,236,367	8,460,880
Current liabilities	流動負債		
Trade and other payables	應付貿易賬款及其他應付款項	2,232,782	2,401,491
Contract liabilities	合約負債	119,498	82,257
Amount due to subsidiaries	應付附屬公司款項	4,608,444	3,817,094
Bank borrowings	銀行借款	600,000	-
Lease liabilities	租賃負債	2,807	-
Tax payable	應付稅項	28,712	66,068
		7,592,243	6,366,910
Net current assets	流動資產淨額	2,644,124	2,093,970

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

50. COMPANY'S STATEMENT OF FINANCIAL POSITION (continued) 50. 本公司之財務狀況表 (續)

		31/12/2019 RMB'000 二零一九年 十二月 三十一日 人民幣千元	31/12/2018 RMB'000 二零一八年 十二月 三十一日 人民幣千元
Total Assets less Current Liabilities	總資產減流動負債	8,828,649	8,392,542
Capital and reserves	資本及儲備		
Share capital	股本	452,233	452,233
Reserves	儲備	7,944,778	6,917,977
Total equity	權益總額	8,397,011	7,370,210
Non-current liabilities	非流動負債		
Borrowings	借款	400,000	1,000,000
Deferred income	遞延收入	30,620	22,332
Lease liabilities	租賃負債	1,018	-
		431,638	1,022,332
Total equity and non-current liabilities	權益及非流動負債總額	8,828,649	8,392,542

Information about the movements in reserves of the Company at the end of the reporting period includes:

有關本公司於報告期末之儲備變動之資料包括：

		Share premium RMB'000 股份溢價 人民幣千元	Other reserves RMB'000 其他儲備 人民幣千元	Statutory surplus reserve RMB'000 法定盈餘儲備 人民幣千元	Retained profits RMB'000 保留溢利 人民幣千元	Total RMB'000 總計 人民幣千元
At 1 January 2018	於二零一八年一月一日	2,575,060	273,150	226,117	3,391,686	6,466,013
Profit for the year	本年度溢利	-	-	-	862,494	862,494
Share-based payments (note 37(a))	以股份為基礎付款 (附註37(a))	-	19,091	-	-	19,091
Dividends recognised as distribution	確認為分派的股息	-	-	-	(429,621)	(429,621)
At 31 December 2018	於二零一八年 十二月三十一日	2,575,060	292,241	226,117	3,824,559	6,917,977
Profit for the year	本年度溢利	-	-	-	1,513,942	1,513,942
Share-based payments (note 37(a))	以股份為基礎付款 (附註37(a))	-	14,837	-	-	14,837
Dividends recognised as distribution	確認為分派的股息	-	-	-	(501,978)	(501,978)
At 31 December 2019	於二零一九年 十二月三十一日	2,575,060	307,078	226,117	4,836,523	7,944,778

FINANCIAL SUMMARY

財務概要

		For the year ended 31 December				
		2019	2018	2017	2016	2015
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		截至十二月三十一日止年度				
		二零一九年	二零一八年	二零一七年	二零一六年	二零一五年
		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
RESULTS	業績					
Revenue	收入	10,364,081	8,808,861	7,685,544	6,730,340	5,918,930
Profit before taxation	除稅前溢利	2,247,101	1,775,215	2,084,019	1,314,346	1,335,505
Taxation	稅項	(327,137)	(258,431)	(258,686)	(176,754)	(186,647)
Profit for the year	本年度溢利	1,919,964	1,516,784	1,825,333	1,137,592	1,148,858
Profit for the year attributable to:	年內下列各項應佔溢利：					
Owners of the Company	本公司擁有人	1,844,883	1,472,935	1,728,660	1,105,933	1,112,736
Non-controlling interests	非控股權益	75,081	43,849	96,673	31,659	36,122
		1,919,964	1,516,784	1,825,333	1,137,592	1,148,858
		As at 31 December				
		2019	2018	2017	2016	2015
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		於十二月三十一日				
		二零一九年	二零一八年	二零一七年	二零一六年	二零一五年
		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
ASSETS AND LIABILITIES	資產及負債					
Total assets	總資產	26,325,738	23,986,873	16,781,017	15,756,309	13,519,246
Total liabilities	總負債	(9,328,928)	(8,795,973)	(3,142,567)	(3,551,045)	(2,732,423)
Non-controlling interests	非控股權益	(811,636)	(676,327)	(303,945)	(338,687)	(128,646)
Equity attributable to owners of the Company	本公司擁有人應佔權益	16,185,174	14,514,573	13,334,505	11,866,577	10,658,177

***WEGO* 威高**