

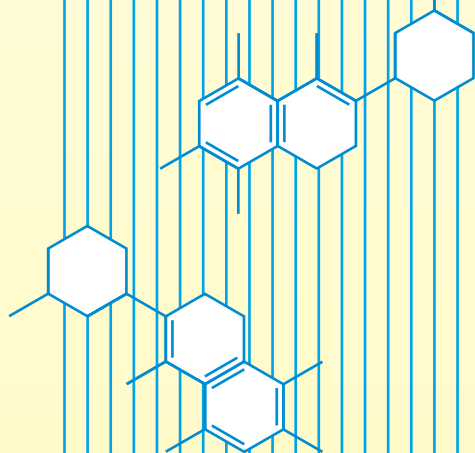


# Extrawell Pharmaceutical Holdings Limited 精優藥業控股有限公司

(Incorporated in Bermuda with limited liability)

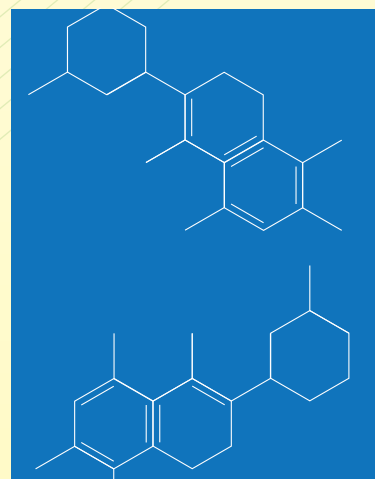
(於百慕達註冊成立之有限公司)

Stock code 股份代號 : 858



ANNUAL REPORT 年報

# 2020



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# CORPORATE INFORMATION

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

Dr. XIE Yi (*Chairman and Chief Executive Officer*)  
 Mr. CHENG Yong (*Deputy Chief Executive Officer*)  
 Dr. LOU Yi  
 Ms. WONG Sau Kuen  
 Mr. LIU Kwok Wah  
 Mr. LU Zhiqiang

#### Independent Non-executive Directors

Mr. FANG Lin Hu  
 Mr. XUE Jing Lun  
 Ms. JIN Song

### AUDIT COMMITTEE

Mr. FANG Lin Hu (*Chairman*)  
 Mr. XUE Jing Lun  
 Ms. JIN Song

### REMUNERATION COMMITTEE

Mr. FANG Lin Hu (*Chairman*)  
 Mr. XUE Jing Lun  
 Ms. JIN Song  
 Dr. XIE Yi

### NOMINATION COMMITTEE

Dr. XIE Yi (*Chairman*)  
 Mr. FANG Lin Hu  
 Mr. XUE Jing Lun  
 Ms. JIN Song

### JOINT COMPANY SECRETARIES

Mr. LIU Kwok Wah  
 Ms. WONG Sau Kuen

### HONG KONG LEGAL ADVISERS

Chiu & Partners Solicitors

### INDEPENDENT AUDITOR

Elite Partners CPA Limited  
*Certified Public Accountants*

### 董事會

#### 執行董事

謝毅博士 (*主席兼行政總裁*)  
 程勇先生 (*副行政總裁*)  
 樓屹博士  
 王秀娟女士  
 廖國華先生  
 盧志強先生

#### 獨立非執行董事

方林虎先生  
 薛京倫先生  
 金松女士

### 審核委員會

方林虎先生 (*主席*)  
 薛京倫先生  
 金松女士

### 薪酬委員會

方林虎先生 (*主席*)  
 薛京倫先生  
 金松女士  
 謝毅博士

### 提名委員會

謝毅博士 (*主席*)  
 方林虎先生  
 薛京倫先生  
 金松女士

### 聯席公司秘書

廖國華先生  
 王秀娟女士

### 香港法律顧問

趙不渝 • 馬國強律師事務所

### 獨立核數師

開元信德會計師事務所有限公司  
*執業會計師*

## CORPORATE INFORMATION (Continued) 公司資料(續)

### REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

### 註冊辦事處

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 2206–08, 22/F  
Devon House, Taikoo Place  
979 King's Road  
Quarry Bay  
Hong Kong

### 總辦事處及香港主要營業地點

香港  
鰂魚涌  
英皇道979號  
太古坊德宏大廈  
22樓2206–08室

### PRINCIPAL BANKERS

Industrial and Commercial Bank of China (Asia) Limited  
The Bank of East Asia, Limited

### 主要往來銀行

中國工商銀行(亞洲)有限公司  
東亞銀行有限公司

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

### 股份過戶登記總處

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

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

### 香港股份過戶登記分處

卓佳登捷時有限公司  
香港灣仔  
皇后大道東183號  
合和中心54樓

### WEBSITE

<http://www.extrawell.com.hk>

### 網站

<http://www.extrawell.com.hk>

### STOCK CODE

The Stock Exchange of Hong Kong Limited: 00858

### 股份代號

香港聯合交易所有限公司：00858

# CHAIRMAN'S STATEMENT 主席報告

**DEAR SHAREHOLDERS**  
**致各位股東：**

On behalf of the board of directors (the “Board”) of Extrawell Pharmaceutical Holdings Limited (the “Company”) together with its subsidiaries (the “Group”), I am pleased to present the annual report of the Group for the year ended 31 March 2020.

本人謹代表精優藥業控股有限公司（「本公司」）連同其附屬公司（「本集團」）董事會（「董事會」）欣然提呈本集團截至二零二零年三月三十一日止年度之年報。



## CHAIRMAN'S STATEMENT (Continued) 主席報告(續)

In 2019, the global economy slowed down in the context of geopolitical instability arising from trade tension between China and the United States and the Brexit uncertainty. Battered by the trade war with the United States, China's economy grew 6.1% in 2019, its slowest rate of growth in 29 years, but was within its official target range for 2019.

At the beginning of 2020, the outbreak of novel coronavirus pneumonia (COVID-19) that was declared as a pandemic by World Health Organisation in March, has considerable impact on the global business environment, dampening international trade and creating great uncertainty to the global economy. China's economy shrank 6.8% in the first quarter of 2020, its first economic contraction since 1992, as the nation was substantially placed on lockdown in early 2020 in order to restrict the movement of people and contain the spread of the pandemic, that caused disruption to industrial production and weakened sentiments in investment and domestic consumption.

China's pharmaceutical industry has been undergoing continuous changes alongside the deepening comprehensive healthcare reforms accompanied by an array of intensive policies. Associated with optimisation of the drug supply side structure, multiple policies through the expansion of the pilot areas for the centralised bulk procurement program across the nation, issue of key monitoring drug list, adjustment to the national reimbursement drug list and the piloting of payment systems based on diagnosis related group, have stepped up the rationalisation of price and use of drugs. The amended Drug Administration Law aiming at, among others, improving health legislation, reinforcing drug administration and intensifying penalties for non-compliance, came into force on 1 December 2019. With China's accession to The International Council for harmonisation of Technical Requirements for Pharmaceuticals for Human Use, together with the reforms in the pharmaceutical regulatory and supervisory systems, pharmaceutical enterprises are subject to stringent regulatory compliance, outdated production capacity of generic drug manufacturers are eliminated while the review and approval process of high-quality clinically needed products are accelerated. The advancing regulatory and supervisory frameworks facilitate the pharmaceutical industry to develop in an innovative and quality-oriented direction.

二零一九年，中美貿易摩擦及英國脫歐不確定性，導致地緣政治不穩定，全球經濟放緩。受中美貿易戰的影響，中國經濟於二零一九年的增長率為6.1%，為29年來最低，但處於二零一九年的官方目標範圍內。

二零二零年初，世界衛生組織於三月宣佈新型冠狀病毒肺炎疫情為大流行，疫情對全球商業環境造成了相當大的影響，抑制了國際貿易，同時給全球經濟帶來極大不確定性。為限制人民流動及防控流行病蔓延，二零二零年初國內大範圍封鎖，導致工業生產中斷，投資及國內消費情緒疲軟，於二零二零年第一季度，中國經濟萎縮6.8%，這是自一九九二年以來的首次經濟收縮。

隨著全面醫療改革的深化及一系列強化政策，中國醫藥行業正不斷發生變化。就優化藥品供給側而言，擴大全國大宗集中採購項目試點範圍、發佈重點監控藥品清單、調整國家報銷藥品清單及試行基於疾病診斷相關分組的支付系統等多項政策加強了藥品的價格及用途合理化。經修訂藥品管理法於二零一九年十二月一日生效，旨在(其中包括)改進衛生立法、加強藥品管理及加大對違規事項的處罰力度。隨著中國加入國際人用藥品技術要求協調理事會以及藥品監管及監督體系的改革，醫藥企業受到嚴格監管，淘汰仿製藥製造商落後產能，同時加快臨床所需優質產品的審批。改進的監管及監督框架有助於推動醫藥行業朝著創新及優質的方向發展。

## CHAIRMAN'S STATEMENT (Continued)

### 主席報告(續)

The Group believes that the healthcare reforms bring both challenges and opportunities to pharmaceutical enterprises amid intense competition in the China market with huge potential. In light of the complicated operating environment in China, the Group has kept on aligning its internal resources in recent years to strengthen its long-term development path. Through years of persistent efforts on the technical, managerial and marketing aspects to enhance productivity, optimise cost structure and promote brand awareness, the Group's manufacturing segment has demonstrated continuous improvement in performance. And in response to the added challenges posed by the COVID-19 outbreak, the Group used its endeavor to ensure that its response actions to the containment measures kept up by the nation were adequately in place while exerting its greatest efforts to minimise disruption to its production in February 2020. With consolidated efforts in further strengthening internal management to alleviate the impacts from the COVID-19 outbreak nationwide, the Group's manufacturing segment delivered a positive result this financial year. The Group's trading segment of imported pharmaceuticals, however, suffered from increase in loss aggravated by the impairment provision made for trade and other receivables, and as the regulatory issues of the imported pharmaceuticals are still pending to be resolved, the Group expects to input additional efforts with its business partners in order to improve the situation. The overall operating results of the Group's business operations have improved as compared to last financial year and the Group will continue to stay focused on improving its business performance while staying vigilant in managing risks against the ever-changing market environment.

The Group's profit for the year attributable to owners of the Company amounted to about HK\$83.3 million as compared to a profit of about HK\$64.0 million of last financial year, representing an increase of about HK\$19.3 million, primarily attributable to increase in the fair value of the Group's investments in convertible bonds, which is a non-cash item.

中國醫藥市場潛力巨大，競爭激烈，本集團相信，醫療改革會同時給醫藥企業帶來挑戰及機遇。鑒於中國經營環境複雜，本集團近年來不斷調整其內部資源加強其長期發展路徑。為提高生產力、優化成本架構及提高品牌知名度，數年以來，本集團製造分類在技術、管理及營銷方面作出不懈努力，業績持續改善。同時，為應對新型冠狀病毒肺炎疫情帶來的挑戰，於二零二零年二月，本集團努力確保充分響應國家所採取的遏制措施，同時盡最大努力減少生產中斷。為減輕全國範圍內新型冠狀病毒肺炎疫情的影響，通過共同努力進一步加強內部管理，本集團的製造分類於本財政年度取得了良好的業績。然而，因就貿易及其他應收賬款計提減值撥備，本集團進口藥品貿易分類的虧損增加，且由於進口藥品的監管問題尚待解決，本集團預計加大投入與其業務夥伴共同努力改善此狀況。本集團業務營運的整體經營業績較上一個財政年度有所改善，本集團將繼續專注於提高其業務表現，同時在不斷變化的市場環境中審慎管理有關風險。

本公司擁有人應佔本集團之年度溢利為約83,300,000港元，較上一個財政年度之溢利約64,000,000港元增加約19,300,000港元，主要歸因於本集團可換股債券投資(為非現金項目)之公平值增加。

## CHAIRMAN'S STATEMENT (Continued) 主席報告(續)

In the midst of the global downturn caused by the COVID-19 pandemic, the Chinese government has not set an economic growth target this year but it is expected that various policies and measures will be successively released by the Chinese government to stimulate the economy and to further improve its public health system, and under the national strategy of "Healthy China 2030", the pharmaceutical industry will continue to undergo processes of transformation and upgrading. The Group believes that favourable policies supporting the accomplishment of the national goal, together with the unmet demand for quality drugs alongside the growing aging population, changing disease spectrum and emerging rare diseases, will continue to bring business and development opportunities to pharmaceutical enterprises. The Group will keep track of the national policy direction and keep pace with the rapidly evolving policy landscape. In the meantime, the Group will continue to focus on improving its production capability and operating performance, thereby enhancing its core competitiveness for its sustainable development. With sound financial fundamentals, the Group believes it will be in a better position to respond to ongoing challenges and changes.

On behalf of the Board, I would like to express its appreciation to all those in the Group for their dedicated efforts and contribution to the Group during the past year, and to the shareholders, business partners and stakeholders for their continuous support.

**Dr. Xie Yi**

*Chairman*

Hong Kong, 29 June 2020

新型冠狀病毒肺炎疫情造成全球經濟低迷，中國政府於本年度並未設定經濟增長目標，但預計中國政府將會陸續出台各類政策及措施刺激經濟及進一步改善其公共衛生體系，根據「健康中國2030」的國家戰略，醫藥行業將繼續進行轉型升級。本集團相信，支持實現國家目標的利好政策，連同優質藥品的需求未得到滿足以及人口老齡化不斷增加、疾病譜不斷變化及罕見疾病不斷出現將繼續為醫藥企業帶來業務及發展機遇。本集團將跟隨國家政策方向，緊跟迅速變化的政策格局。同時，本集團將繼續專注於提高其產能及經營業績，從而加強其持續發展的核心競爭力。在健全財政基礎的支持下，本集團相信其將能夠更好地應對持續的挑戰及變化。

本人謹代表董事會衷心感謝本集團全體員工於過去一年不懈之努力及對本集團所作之貢獻，及股東、業務夥伴與利益相關者一如既往之支持。

主席

謝毅博士

香港，二零二零年六月二十九日



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### BUSINESS REVIEW

#### Overall Performance Review

Global economy showed subdued growth momentum throughout 2019, which was marked by the heightened uncertainty of global political and economic environment, largely due to protracted and escalating US-China trade disputes. Global economic growth dropped to its decade low to 2.9% in 2019 according to the International Monetary Fund, while China's economy continued performing within a reasonable range, albeit slower, maintained a stable growth of 6.1% in 2019. Nevertheless, overshadowed by the outbreak of COVID-19 pandemic in early 2020, the world was put to an almost standstill and China's economy was impacted when large scale lockdowns of cities and quarantines were implemented by the government in order to contain the spread of the pandemic. As a result, China had experienced its first contraction in economic growth since 1992, shrinking 6.8% in the first quarter of 2020. Although China faced tremendous downward pressures of economic growth, the pharmaceutical industry maintained its growth momentum underpinned by growing market demands and increasing government's investments in the industry toward high-quality and innovation driven development under the directives of the Thirteenth Five-Year Plan (2016–2020) and Healthy China 2030 Plan. Following last year's major institutional reform to streamline the drug regulatory administration framework, the Chinese government had stepped up the reform to amend the Drug Administration Law, which came into effect on 1 December 2019, seeking to improve health legislation, reinforcing drug administration and intensifying penalties for non-compliance. The legislative reform as well as the continuous rollout of expanded scope of policies including the advancement of consistent quality and efficacy evaluation, adjustment of reimbursement drug list, issue of key monitored drug list, and extension of centralised drug procurement initiative to more cities and provinces have brought significant challenges to the pharmaceutical market and the Group.

The challenging economic conditions and the acceleration of regulatory changes have further intensified the competition in the industry on all fronts, which have placed immense pressure on the Group's performance, and largely due to negative impact of no revenue generated in the imported pharmaceutical trading segment, the Group's revenue and gross profit decreased to HK\$77.6 million (2019: HK\$89.2 million) and HK\$42.9 million (2019: HK\$49.6 million) respectively, representing a decrease of about 13.0% and 13.5% as compared with that of last financial year.

### 業務回顧

#### 整體表現回顧

於二零一九年整年，全球經濟增長勢頭低迷，尤其是全球政治及經濟環境不確定性加劇，乃主要由於曠日持久且逐步升級的中美貿易爭端所致。根據國際貨幣基金組織的數據，二零一九年全球經濟增長跌至十年來最低增速2.9%，而中國經濟於二零一九年雖有所放緩，但仍運行在合理區間，增速穩定維持在6.1%。然而，二零二零年初，新型冠狀病毒肺炎疫情爆發，受其影響，世界幾乎陷入停滯狀態，中國政府為遏制疫情蔓延實施大規模城市封鎖與隔離，中國經濟因而受到衝擊。結果，自一九九二年以來中國首次出現經濟增長收縮，於二零二零年第一季度萎縮6.8%。儘管中國面臨巨大的經濟增長下行壓力，但在「第十三個五年」規劃（二零一六年至二零二零年）以及「健康中國2030」規劃綱要的指導下，得益於市場需求不斷增長，並且政府加大對醫藥行業的投資力度，推動其朝著高質量和創新驅動的發展方向演進，醫藥行業得以保持增長勢頭。繼去年進行重大機構改革以精簡藥品監管管理框架，中國政府加大改革力度，修訂藥品管理法並自二零一九年十二月一日起生效，旨在改善衛生立法，加強藥品管理以及加大違規處罰力度。立法改革以及擴大範圍之政策的不斷出台，包括促進質量及功效一致性評估、調整報銷藥品目錄、發佈藥品重點監測清單以及將藥品集中採購計劃擴大到更多的省市，給醫藥市場及本集團帶來重大挑戰。

充滿挑戰的經濟狀況以及監管變革的加速推行進一步加劇醫藥行業各個方面的競爭，給本集團的業績帶來極大壓力，而主要由於進口藥品貿易分類未能產生收益所造成的負面影響，本集團的收益及毛利分別減少至77,600,000港元（二零一九年：89,200,000港元）及42,900,000港元（二零一九年：49,600,000港元），較上一個財政年度減少約13.0%及13.5%。

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued) 管理層討論及分析(續)

### BUSINESS REVIEW (Continued)

#### Overall Performance Review (Continued)

However, the operating results of the Group's manufacturing segment continued to improve and reported a segmental profit of about HK\$6.5 million (2019: loss HK\$3.6 million) which offset the increase in segmental loss mainly due to impairment provision made for trade and other receivables, of the trading segment. The Group's profit for the year was about HK\$85.6 million (2019: HK\$63.3 million), representing an increase of about HK\$22.3 million or 35.1%. The increase in profit was primarily attributable to a non-cash item, resulted from an increase in a gain of about HK\$21.5 million arising from the fair value change of the Group's investments in convertible bonds.

The Group's profit for the year attributable to owners of the Company was about HK\$83.3 million, representing an increase of about HK\$19.3 million when compared to profit of about HK\$64.0 million of last financial year.

### REVENUE AND OPERATING RESULTS

#### Manufactured Pharmaceutical Sector

The pandemic outbreak in early 2020 had created tremendous pressures to manufacturing enterprises in China. The Group's plants in Changchun were temporarily closed after the Lunar New Year holidays until mid-February 2020 in response to the nationwide containment measures, and upon resumption of production, management had promptly implemented stricter health and hygiene measures to safeguard health and safety of the staff in the workplace while consolidating efforts to strengthen internal management and external material supply to avoid disruption to production, which helped mitigate the negative impact on the segment's performance.

The shifting market dynamics as driven by tightened regulatory controls and deepened healthcare reform policies had also exerted tremendous pressures to the segment. In face of rapidly changing and highly competitive market environment, aside from building on executing the successful strategic initiatives implemented last year to strengthen competitive position, secure market share and capture new growth opportunities, management had swiftly put in place more stringent measures focused on profitability by improving production efficiency and reducing operating costs. These combined efforts enabled the segment to maintain the trend of revenue growth and stable gross profit margin for the Group's major product lines, in particular, the product specialised in improving the immunity system of human body against diseases. As a result, segment revenue slightly increased to about HK\$77.6 million (2019: HK\$75.8 million) with gross profit margin maintained at similar level as last year.

### 業務回顧(續)

#### 整體表現回顧(續)

然而，本集團製造分類的經營業績得以持續改善，錄得分類溢利約6,500,000港元（二零一九年：虧損3,600,000港元），抵銷貿易分類主要由於計提貿易及其他應收賬款減值撥備而導致的分類虧損增加。本集團之年度溢利約為85,600,000港元（二零一九年：63,300,000港元），相當於增加約22,300,000港元或35.1%。溢利增加主要是由於非現金項目，乃本集團可換股債券投資之公平值變動產生之收益增加約21,500,000港元所致。

本公司擁有人應佔本集團之年度溢利約為83,300,000港元，較上一個財政年度之溢利約64,000,000港元增加約19,300,000港元。

### 收益及經營業績

#### 自產藥品業務

二零二零年初爆發的疫情給中國的製造企業帶來巨大壓力。本集團位於長春的廠房於春節假期之後暫時關閉直至二零二零年二月中旬，以響應全國性的遏制措施，恢復生產後，管理層迅速採取更為嚴格的健康及衛生措施，保障員工在工作場所的健康與安全，同時著力加強內部管理和外部物料供應以避免生產中斷，該等舉措減輕了對分類業績的負面影響。

在收緊監管控制及深化醫療改革政策的推動下，市場動態變化亦為該分類帶來巨大壓力。面對瞬息萬變且競爭激烈的市場環境，除繼續執行去年成功實施的戰略舉措以增加競爭力，獲取市場份額以及捕捉增長新機遇外，管理層迅速採取更為嚴格的措施，通過提高生產效率和降低經營成本來提高盈利能力。通過這些共同努力，該分類得以保持本集團主要產品線的收益增長趨勢和穩定的毛利率，尤其是專門用於改善人體抵禦疾病的免疫系統的產品。因此，分類收益略微增加至約77,600,000港元（二零一九年：75,800,000港元），而毛利率與去年水平相若。

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### 管理層討論及分析(續)

#### REVENUE AND OPERATING RESULTS (Continued)

##### Manufactured Pharmaceutical Sector (Continued)

During the year, segment results recorded a profit of about HK\$6.5 million (2019: loss HK\$3.6 million), representing a significant improvement by about HK\$10.1 million, contributed by stable revenue and gross profit margin, together with management's efforts in promptly adjusting its marketing strategies and controlling those budgeted costs and expenses in response to market changes, which led to a write-back of provision for marketing and promotion expenses of about HK\$3.7 million coupled with a further reduction in such overall selling and distribution expenses of about HK\$7.5 million, whilst there was a recovery of bad debts of about HK\$2.1 million to partly offset the increase in impairment provision for receivables of about HK\$4.2 million made in accordance with the Group's accounting policies.

##### Imported Pharmaceutical Sector

The unfavorable factors as stated in the Group's Annual and Interim Reports published respectively in July and December 2019, including the backlog of approval process for the renewal of import license and the issues pertaining to temporary sales suspension of the Group's imported products, have continued adversely affecting the segment performance. As a consequence, no revenue was generated in the year under review, which resulted in the loss of revenue and gross profit contribution to about HK\$13.4 million and HK\$7.1 million respectively when compared to last year.

Although there was a corresponding reduction of selling and marketing expenses as well as operating expenses by about HK\$4.5 million and HK\$0.3 million respectively, the loss in gross profit contribution together with the increase in impairment provision for trade and other receivables of about HK\$6.0 million aggravated the segment loss to about HK\$14.9 million (2019: loss HK\$6.6 million), representing an increase of about HK\$8.3 million. The Group has taken measures to rationalise its operations with the aim of reducing its operating costs, other than the overhead expenses comprising mainly offices and staff costs that are necessary to maintain its ongoing operations.

Despite the above, the Group and its business partners have been making persistent efforts in order to resolve the regulatory issues in the long term so as to bring the imported product, in particular, the skin treatment product which was the major revenue contributor to the segment, back to the China market, and at the same time to explore other market opportunities by developing new sales platform.

#### 收益及經營業績(續)

##### 自產藥品業務(續)

年內，分類業績錄得溢利約6,500,000港元(二零一九年：虧損3,600,000港元)，得到顯著改善，相當於增加約10,100,000港元，此乃得益於穩定的收益及毛利率，以及管理層迅速調整其營銷策略及控制預算成本和開支以對應市場變化之努力，從而撥回營銷及推廣費用撥備約3,700,000港元，連同進一步減少此類銷售及分銷整體開支約7,500,000港元，同時已收回壞賬約2,100,000港元以部分抵銷按本集團之會計政策就應收賬款計提減值撥備增加約4,200,000港元。

##### 進口藥品業務

誠如分別於二零一九年七月及十二月刊發之本集團年報及中期報告中所述之不利因素，包括重續進口許可證的審批程序拖延以及暫停銷售本集團進口產品相關事宜持續對分類業績造成不利影響。因此，於回顧年度並無產生收益，導致收益及毛利貢獻之損失，而相較去年，有關損失分別約為13,400,000港元及7,100,000港元。

儘管銷售及營銷費用以及經營費用分別相應減少約4,500,000港元及300,000港元，但毛利貢獻損失以及貿易及其他應收賬款減值撥備增加約6,000,000港元致使分類虧損增加至約14,900,000港元(二零一九年：虧損6,600,000港元)，相當於增加約8,300,000港元。本集團已採取措施梳理其營運，以期降低經營成本，但一般管理費用除外，該項主要包括維持日常經營所需的辦公室及員工成本。

儘管如前文所述，本集團及其業務夥伴持續努力，以期長遠解決監管問題，盡快使進口產品，尤其是該分類主要收益來源的皮膚治療產品重回中國市場，同時透過開發新銷售平台探索其他市場機遇。

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued) 管理層討論及分析(續)

### REVENUE AND OPERATING RESULTS (Continued)

#### Gene Development Sector

During the year, gene development remained inactive and no revenue was recorded.

#### Interest in an Associate

The Group holds 49% equity interest in Smart Ascent Limited (“Smart Ascent”, together with its subsidiaries, the “Smart Ascent Group”), and the major asset of the Smart Ascent Group is the intangible asset in relation to an in-process research and development project (“In-process R&D”) involving an oral insulin product (“Product”), which is still at its clinical trial stage. As a minority shareholder of Smart Ascent, the Group has been working closely with Innovative Pharmaceutical Biotech Limited (“Innovative Pharm”), the 51% shareholder of Smart Ascent, in monitoring the progress of the oral insulin project with a view to facilitating successful launching of the Product to the market.

For the purpose of financing the working capital requirements of Smart Ascent Group for the oral insulin project, Innovative Pharm (together with its subsidiaries, the “Innovative Pharm Group”) and the Company through their respective wholly-owned subsidiaries as lenders and Smart Ascent as borrower entered into a shareholders’ loan agreement on 27 July 2018 for a loan to Smart Ascent amounting to HK\$30 million in total (the “Loan”), to be contributed as to 51% i.e. HK\$15.3 million by Innovative Pharm Group and as to 49% i.e. HK\$14.7 million by the Group. The Loan is unsecured, interest bearing at 5% per annum and has a repayment term fixed at 60 months after each drawdown of the Loan. In August 2019, Smart Ascent had drawn down in aggregate of HK\$20 million, and accordingly, the Group and Innovative Pharm Group made contribution in the sum of HK\$9.8 million and HK\$10.2 million respectively to Smart Ascent, and together with the HK\$10 million drawn down in September 2018, Smart Ascent had fully drawn down the Loan of HK\$30 million.

As stated in the 2019 Annual Report, the timeline for commercialisation of the Product was expected to be in around January 2022.

### 收益及經營業績(續)

#### 基因開發業務

於本年度，基因開發業務仍未開展，故並無錄得任何收益。

#### 於一間聯營公司之權益

本集團持有進生有限公司(「進生」，連同其附屬公司稱為「進生集團」)49%股權，進生集團之主要資產為有關進行中之研發項目(「進行中之研發」)之無形資產，當中涉及口服胰島素產品(「產品」)，其仍在臨床測試階段。作為進生之少數股東，本集團已與領航醫藥及生物科技有限公司(「領航醫藥」)(擁有進生51%股權之股東)緊密協作，監察口服胰島素項目之進展情況，以促使產品成功推出市場。

為向進生集團就口服胰島素項目之營運資金需求提供融資，領航醫藥(連同其附屬公司稱為「領航醫藥集團」)及本公司透過彼等各自之全資附屬公司(作為貸款方)及進生(作為借款方)於二零一八年七月二十七日訂立一份股東貸款協議，向進生提供總額為30,000,000港元之貸款(「該貸款」)，由領航醫藥集團提供51%款項(即15,300,000港元)及由本集團提供49%款項(即14,700,000港元)。該貸款為無抵押、年利率為5%及須於每次提取該貸款後60個月內償還。於二零一九年八月，進生合共提取20,000,000港元，而本集團及領航醫藥集團相應向進生分別合共提供款項9,800,000港元及10,200,000港元，連同二零一八年九月提取的10,000,000港元，進生已全數提取該貸款的30,000,000港元。

誠如二零一九年年報所述，商品化該產品之時間表預期將為二零二二年一月前後。

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### 管理層討論及分析(續)

#### REVENUE AND OPERATING RESULTS (Continued)

##### Interest in an Associate (Continued)

The contract research organisation engaged by Smart Ascent Group has been working with the principal investigator for the clinical trial and the project team in the process of selection of participating hospitals and the selection and enrolment of patients for the clinical trial. However, the outbreak of COVID-19 in China since early 2020 has disrupted the normal operations of participating hospitals for the clinical trial of the Product, and to ensure the safety of patients and clinical researchers, the clinical trial in the process of selection and enrolment of patients, was temporarily suspended pending improvement in the pandemic situation. Given the aforesaid delay in the selection and enrolment of patients for the clinical trial caused by the unexpected pandemic outbreak, and subject to the pandemic situation improving, the timeline for commercialisation of the Product as reassessed by Smart Ascent Group has been revised to be in around the fourth quarter of 2022.

During the year, the loss of Smart Ascent Group increased to about HK\$13.1 million (2019: HK\$3.6 million), for which the Group's share of loss amounted to about HK\$3.2 million (2019: HK\$0.9 million) representing an increase of HK\$2.3 million. Such increase mainly related to increase in research and development expenses for the oral insulin project.

In light of the growing aging population and development of chronic diseases such as diabetes, in China, enormous market exists for quality diabetes drugs, and the Product featured with oral administration of insulin is expected to provide an effective treatment and better quality of life for the constantly growing diabetic population in China that market prospect will be enormous for the Product.

In making the assessment as to the recoverability of the In-process R&D and the fair value of the interest in the associate, the Group has engaged an independent qualified valuer, Roma Appraisals Limited ("Valuer") in conducting a valuation. The asset-based valuation approach has been consistently adopted in the valuation and the recoverable amount of the In-process R&D was determined based on fair value calculation using cash flow projections, which the estimated cash inflows derived from budgeted sales and gross margin were based on the expectation for the market development, and which included the regulatory approvals from the relevant government bodies and launching of the Product by the fourth quarter of 2022. The recoverable amount of the interest in the associate was determined based on share of the estimated fair value of the In-process R&D after taking into account the lack of control discount.

#### 收益及經營業績(續)

##### 於一間聯營公司之權益(續)

進生集團委聘的合約研究機構一直與臨床測試的項目主要研究者以及項目團隊合作，甄選參與醫院以及甄選和招募臨床測試患者。然而，二零二零年初新型冠狀病毒肺炎在中國爆發已經擾亂產品臨床測試參與醫院的正常運作，為確保患者及臨床研究人員的安全，甄選及招募患者階段的臨床測試已暫停進行，以待疫情形勢有所好轉。鑒於上述因意外疫情爆發而導致延誤甄選及招募患者進行臨床測試，並視乎疫情形勢好轉，經進生集團重新評估，商品化該產品的時間表已修改為二零二二年第四季度前後。

於本年度，進生集團的虧損增至約13,100,000港元(二零一九年：3,600,000港元)，就此本集團分佔虧損約3,200,000港元(二零一九年：900,000港元)，相當於增加2,300,000港元。該增加主要與口服胰島素項目的研究與開發開支增加有關。

鑒於老齡化人口增加以及糖尿病等慢性疾病的發展，在中國，優質糖尿病藥品有著巨大市場，具口服胰島素特色的產品有望為中國不斷增長的糖尿病患者提供有效治療以及更好的生活質量，該產品在中國有著巨大的市場前景。

就評估進行之研發的可收回金額及於聯營公司之權益的公平值，本集團委聘了獨立合資格估值師羅馬國際評估有限公司(「估值師」)進行估值。在進行估值時一直採用資產基礎估值法，而進行之研發的可收回金額乃使用現金流量預測根據公平值計算釐定，其中根據預算銷售額及毛利率計算之估計現金流入乃基於對市場發展之預期，及其包括於二零二二年第四季度前取得有關政府監管部門批准及推出該產品。於聯營公司之權益的可收回金額乃根據應佔進行之研發的估計公平值並經計及無控制權之折讓後釐定。

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued) 管理層討論及分析(續)

### REVENUE AND OPERATING RESULTS (Continued)

#### Interest in an Associate (Continued)

The expected future economic benefits attributable to the In-process R&D was assumed to cover a 10-year period from the commercialisation of the Product. The calculation used in the cash flow projections with certain key parameters are as below:

Discount rate (post-tax)	貼現率(除稅後)	24.64%
Growth rate	增長率	3%
Gross profit ratio	毛利率	64.44%

In conducting the impairment assessment, the directors of the Company, having considered the prevailing market conditions, reasonableness of assumptions used for the cash flow projections and the valuation as prepared by the Valuer indicating its fair value in excess of the carrying amount, do not identify any indication on the carrying amount of the interest in the associate as at 31 March 2020 that may need to be impaired. Accordingly, no impairment is considered necessary as at 31 March 2020.

The Group will continue to closely coordinate with Innovative Pharm in monitoring the progress of the oral insulin project with a view to facilitating successful launching of the Product to the market. In addition, the Group will continue to perform impairment assessment on the carrying amount of the interest in the associate in accordance with Hong Kong Accounting Standard 36 "Impairment of Assets" where necessary.

#### Other income and gains and losses, net

Other income and gains and losses, net were in total a gain of about HK\$106.1 million (2019: HK\$89.1 million), which increased by about HK\$17.0 million or 19.1%. The increase was mainly attributable to (i) increase in a gain by about HK\$21.5 million arising from fair value change of the Group's investments in convertible bonds, (ii) increase in loan and imputed interest income from an associate in aggregate of about HK\$2.5 million, (iii) bad debts recovery of about HK\$2.1 million, and (iv) increase in impairment provision for trade and other receivables of about HK\$5.7 million and HK\$4.5 million respectively.

#### Selling and Distribution Expenses

Selling and distribution expenses of the Group decreased to about HK\$24.6 million (2019: HK\$40.2 million), representing a decrease of HK\$15.6 million or 38.9%. The decrease was the result of a combination of effect from (i) manufacturing segment, upon its adoption effective marketing strategies and the initiatives to control budgeted costs and expenses, which led to savings by about HK\$7.5 million and a write-back of provision of about HK\$3.7 million made in prior year, and (ii) trading segment, which generated no sales causing a decrease of related expenses by about HK\$4.5 million.

### 收益及經營業績(續)

#### 於一間聯營公司之權益(續)

進行之研發應佔預期未來經濟利益乃假設自商品化該產品起涵蓋十年期間。用於計算現金流量預測之若干關鍵參數如下：

在進行減值評估時，經考慮當前市況、各現金流量預測所使用假設的合理性及估值師進行之估值表明其公平值超出賬面值，本公司董事並無發現任何跡象顯示於聯營公司之權益於二零二零年三月三十一日之賬面值可能須作出減值，故認為於二零二零年三月三十一日毋須作出減值。

本集團將繼續與領航醫藥緊密協作，監察口服胰島素項目之進展情況，以促使產品成功推出市場。此外，本集團於必要時將繼續根據香港會計準則第36號「資產減值」就於聯營公司之權益之賬面值進行減值評估。

#### 其他收入及收益及虧損淨額

其他收入及收益及虧損淨額合計錄得收益約106,100,000港元(二零一九年：89,100,000港元)，增加約17,000,000港元或19.1%。該增加主要歸因於(i)來自本集團可換股債券投資之公平值變動而產生之收益增加約21,500,000港元；(ii)應收一間聯營公司之貸款及估算利息收入總額增加約2,500,000港元；(iii)收回壞賬約2,100,000港元；及(iv)貿易及其他應收賬款減值撥備分別增加約5,700,000港元及4,500,000港元。

#### 銷售及分銷費用

本集團銷售及分銷費用減少至約24,600,000港元(二零一九年：40,200,000港元)，相當於減少15,600,000港元或38.9%。有關減少乃由於(i)製造分類採取有效的營銷策略，加上監控預算成本及開支舉措後，節省約7,500,000港元以及撥回此前年度撥備約3,700,000港元；及(ii)貿易分類並無產生銷售額，故相關費用減少約4,500,000港元所帶來的綜合影響所致。

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### 管理層討論及分析(續)

#### REVENUE AND OPERATING RESULTS (Continued)

##### Administrative Expenses

Administrative expenses were maintained at a similar level of about HK\$26.4 million (2019: HK\$26.4 million), which reflects management's efforts and vigilance in cost control and savings with the aim of improving the Group's profitability.

#### OUTLOOK

Despite signs of gradual recovery after easing lockdown measures to contain the spread of COVID-19 pandemic, the widespread uncertainties of the second wave of infections as well as diplomatic rifts between the US and China have clouded the outlook for the global economic growth. Facing global slowdown and domestic headwinds, the Chinese government has unveiled larger fiscal and monetary policies to support businesses, stimulate domestic demands, and sustain employments in order to weather this difficult time.

Although the pace of growth in China has been slowing, it is expected that the government will continue to commit resources to invest in the healthcare reforms in the last year of the Thirteenth Five-Year Plan. Notwithstanding a slew of regulatory reforms to rationalise drug prices, improve access to new drugs, tighten control over drug quality and safety, promote innovation and foster market competition, the Group remains optimistic that opportunities in the pharmaceutical market are huge in light of mounting demands driven by the accelerated aging population, rising standard of living and increasing health consciousness emerged from the recent pandemic outbreak.

Looking ahead, the economic and operating environments are expected to be more complex and dynamic. The outbreak of COVID-19 pandemic as well as the radical changes in the regulatory landscape of the pharmaceutical industry have caused disturbances to the market and the whole process of the industry chain, which poses significant challenges to the production and operation of the Group's business segments operating in China. As the positive progress by the Group's manufacturing segment reflects the effectiveness of the strategic initiatives adopted, management is committed to moving forward with these strategic initiatives and believes that the Group will build a more solid foundation for sustainable growth in revenue and profitability in the long term.

#### 收益及經營業績(續)

##### 行政費用

行政費用保持在相若水平，約為26,400,000港元(二零一九年：26,400,000港元)，反映出管理層為提高本集團的盈利能力而在成本控制及節約方面所作的努力及警惕。

##### 前景

在放寬為遏制新型冠狀病毒肺炎疫情而實施的封鎖措施後，儘管出現逐步恢復的跡象，但第二波感染浪潮的普遍不確定性以及中美之間的外交分歧使全球經濟增長的前景蒙上陰影。面對全球經濟放緩以及國內不利因素，中國政府出台強有力的財政及貨幣政策，支持企業，刺激內需，維持就業，以期渡過難關。

雖然中國的增長速度在放緩，但預計政府將在「第十三個五年」規劃的最後一年繼續投入資源用於醫療改革。雖然就合理化藥品價格，改善獲取新藥品的途徑，加強對藥品質量及安全的把控，推動創新並促進市場競爭等推行了一系列監管改革，但隨著人口老齡化加速、生活水平不斷提高以及近期疫情爆發使人們的健康意識不斷增強，需求將繼續增加，本集團仍對醫藥市場的巨大機遇持樂觀態度。

展望未來，預計經濟及運營環境將更為複雜多變。新型冠狀病毒肺炎疫情爆發以及醫藥行業監管格局的徹底變革已經對市場及整個產業鏈造成干擾，因而給本集團於中國營運之業務分類在生產及經營方面構成重大挑戰。由於本集團製造分類的正面進展反映了所採取戰略舉措的有效性，管理層致力於推進該等戰略舉措，並相信本集團將為收益及盈利能力的長期可持續增長奠定更堅實的基礎。

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued) 管理層討論及分析(續)

### OUTLOOK (Continued)

Given the uncertainties of magnitude and depth the pandemic impacting the global and China's economy, management will continuously endeavor to adopt flexible strategies in response to the market changes and stay vigilance in controlling the operating costs in order to enhance operational efficiency and preserve financial flexibility for the Group. Buttressed upon the Group's sound financial position, the Group believes that it is in a better position to respond to abrupt changes and challenges and sustain a development path for a better future.

### FINANCIAL REVIEW

#### Liquidity and Financial Resources

It is the Group's strategy to manage its financial resources conservatively by maintaining a healthy level of cash flows to meet all its financial commitments when they fall due. The Group generally finances its operations with internally generated cash flow and banking facilities.

As at 31 March 2020, the Group had total cash and bank balances (including pledged bank deposits) of about HK\$147.9 million (2019: HK\$169.9 million), representing a decrease by about HK\$22.0 million or 12.9%. Such decrease was mainly due to provision of a shareholder's loan of about HK\$9.8 million to Smart Ascent Limited and a negative operating cash flows of about HK\$13 million, which was also the result of the extension the date of annual interest payment of HK\$25.0 million from investments in convertible bonds until 28 July 2021 to partly offset the cash utilisation.

#### Accruals and Other Payables

Accruals and other payables decreased by about HK\$22.3 million to HK\$32.2 million as of 31 March 2020 (2019: HK\$54.6 million). When excluding a reclassification of about HK\$4.0 million related to credit balances with customers, such decrease of about HK\$18.3 million was largely due to (i) a reduction in accrued expenses for marketing and promotion by about HK\$6.4 million to HK\$9.9 million (2019: HK\$16.3 million) resulting from a write-back of provision of about HK\$3.7 million in the manufacturing segment and no provision for such expenses (2019: HK\$4.5 million) as no revenue was generated in the trading segment, and (ii) settlement of payables in aggregate of about HK\$11.9 million, of which payables for acquisition of property, plant and equipment reduced by about HK\$8.3 million to HK\$5.6 million (2019: HK\$13.9 million) and payables for marketing and promotion expenses reduced by HK\$3.6 million to HK\$4.5 million (2019: HK\$8.1 million).

### 前景(續)

鑒於疫情對全球及中國經濟影響的廣度及深度的不確定性，管理層將繼續努力採取靈活策略來應對市場變化，在控制經營成本時保持警惕，從而提高營運效率並維持本集團的財務靈活性。憑藉本集團良好的財務狀況，本集團相信，其能夠更好的應對突變事件及挑戰，並維持創造美好未來的發展路徑。

### 財務回顧

#### 流動資金及財務資源

本集團之策略為透過將現金流量維持於穩健水平審慎地管理其財務資源，以確保所有財務承擔可如期償還。本集團一般以內部產生之現金流量及銀行信貸為其營運提供資金。

於二零二零年三月三十一日，本集團有現金及銀行結餘總額(包括已抵押銀行存款)約147,900,000港元(二零一九年：169,900,000港元)，相當於減少約22,000,000港元或12.9%。有關減少主要由於向進生有限公司提供股東貸款約9,800,000港元以及負值的經營現金流量約13,000,000港元，並因延長可換股債券投資年度利息25,000,000港元的利息支付日期至二零二一年七月二十八日以抵銷部分現金使用所致。

#### 預提費用及其他應付款項

截至二零二零年三月三十一日，預提費用及其他應付款項減少約22,300,000港元至32,200,000港元(二零一九年：54,600,000港元)。扣除重新分類有關貸方餘額約4,000,000港元後，減少約18,300,000港元乃主要由於(i)製造分類撥備撥回約3,700,000港元，且由於貿易分類並未產生收益，該等費用並無計提撥備(二零一九年：4,500,000港元)，導致預提營銷及推廣費用減少約6,400,000港元至9,900,000港元(二零一九年：16,300,000港元)；及(ii)結算應付款項合共約11,900,000港元，其中收購物業、廠房及設備的應付款項減少約8,300,000港元至5,600,000港元(二零一九年：13,900,000港元)及應付營銷及推廣費用減少約3,600,000港元至4,500,000港元(二零一九年：8,100,000港元)。



## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### 管理層討論及分析(續)

#### FINANCIAL REVIEW (Continued)

##### Liquidity and Financial Resources (Continued)

The Group did not have bank borrowings during the year but had banking facilities on trade finance, which were supported by the pledge of the Group's fixed deposits of about HK\$21.5 million (2019: HK\$21.0 million) and corporate guarantees from the Company and certain subsidiaries of the Company. In general, there is no significant seasonality fluctuation on trade finance requirement of the Group.

The Group's total borrowing over total assets ratio as at 31 March 2020 was 0.051 (2019: 0.041), calculated based on the Group's total assets of about HK\$1,265.7 million (2019: HK\$1,196.0 million) and total debts of about HK\$64.5 million (2019: HK\$49.6 million), comprising convertible bonds of about HK\$59.0 million (2019: HK\$49.6 million) and lease liabilities of about HK\$5.6 million (2019: nil).

##### Foreign Exchange Exposure

Save for certain purchases are denominated in Euros, the Group's business transactions, assets and liabilities are principally denominated in Hong Kong dollars, United States dollars and Renminbi. The Group manages the foreign currency exposure by closely monitoring the foreign currency movements and may purchase foreign currencies at spot rate, when and where appropriate for meeting its payment obligation. No hedge on foreign currencies was made during the year but the Group will use financial instruments for hedging purpose when considered appropriate.

##### Material Acquisitions and Disposals

There is no material acquisition or disposal of subsidiaries, associates and investments in financial instruments during the year ended 31 March 2020.

##### Investments in Unlisted Funds

As at 31 March 2020, the Group held a total of 80,000 participating shares in KKC Capital SPC, a segregated portfolio company incorporated in the Cayman Islands at aggregate consideration of HK\$80 million (the "Investments"), which has been accounted for as financial assets at fair value through other comprehensive income ("FVTOCI"). Details are set out in note 22 to the consolidated financial statements.

#### 財務回顧(續)

##### 流動資金及財務資源(續)

本集團於年內並無銀行借款，惟擁有貿易融資之銀行信貸融資，其乃以本集團之定期存款約21,500,000港元(二零一九年：21,000,000港元)以及本公司與其若干附屬公司提供之公司擔保作抵押。一般而言，本集團之貿易融資需求並無重大季節性波動。

於二零二零年三月三十一日，本集團總借款與總資產之比率為0.051(二零一九年：0.041)，乃按本集團總資產約1,265,700,000港元(二零一九年：1,196,000,000港元)及總債項約64,500,000港元(二零一九年：49,600,000港元)(包括可換股債券約59,000,000港元(二零一九年：49,600,000港元)及租賃負債約5,600,000港元(二零一九年：無))計算。

##### 外匯風險

除部分採購是以歐元計價外，本集團之業務交易、資產及負債主要以港元、美元及人民幣列值。本集團透過密切監察外幣變動和於適時購買即期外匯以履行付款責任等措施來執行外匯風險管理。本集團於年內並無進行外幣對沖活動，然而，本集團在合適時機將會以金融工具作風險對沖用途。

##### 重大收購及出售事項

截至二零二零年三月三十一日止年度，並無附屬公司、聯營公司及金融工具投資的重大收購或出售事項。

##### 非上市基金投資

於二零二零年三月三十一日，本集團於KKC Capital SPC(一間於開曼群島註冊成立之獨立投資組合公司)合共持有80,000股參與股份，總代價為80,000,000港元(「該等投資」)，該等投資入賬列作按公平值計入其他全面收益(「按公平值計入其他全面收益」)之金融資產。詳情載於綜合財務報表附註22。

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued) 管理層討論及分析(續)

### FINANCIAL REVIEW (Continued)

#### Investments in Unlisted Funds (Continued)

The investment objective of the funds is for long term capital appreciation by investing primarily in listed and unlisted shares, rights and warrants. It is noted that, in addition to the rapidly deteriorating relations between the US and China, uncertainties arising from the recent pandemic outbreak have aggravated the volatility of equity markets and weakening of corporate earnings, and the fair value loss of the Investments amounting to HK\$80 million as recorded in the FVTOCI remained as at 31 March 2020. Nevertheless, the Board will continue exploring possibilities to realise the Investments in order to mitigate the loss.

#### Employment and Remuneration Policy

As at 31 March 2020, the Group had 169 employees (2019: 171). Staff costs (including directors' emoluments) for the year ended 31 March 2020 amounted to approximately HK\$22.5 million (2019: approximately HK\$23.7 million), which was mainly due to decrease in headcount and adjustment of sales expenses reimbursement system at the manufacturing segment.

The Group remunerates its employees based on industry practices. Its staff benefits, welfare and statutory contributions, if any, are made in accordance with prevailing labour laws of its operating entities.

On 24 August 2012, shareholders of the Company had approved the adoption of a share option scheme (the "Scheme"), which became effective on 29 August 2012 after obtaining approval from the Listing Committee of The Stock Exchange of Hong Kong Limited and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The Scheme will enable the Group to reward the employees, the directors and other selected participants for their contribution to the Group and will also assist the Group in its recruitment and retention of high caliber professionals, executives and employees who are instrumental to the growth of the Group.

From the effective date of the Scheme to 31 March 2020, no share option has been granted under the Scheme.

### 財務回顧(續)

#### 非上市基金投資(續)

基金投資目標為透過主要投資上市及非上市股份、供股及認股權證以取得長期資本增值。據悉，除中美關係迅速惡化之外，近期疫情爆發帶來的不確定因素加劇了股票市場的波動，不斷削弱企業盈利，按公平值計入其他全面收益中已錄得的該等投資公平值虧損約80,000,000港元於二零二零年三月三十一日依然。然而，董事會將繼續尋求可實現該等投資的可能性以減輕虧損。

#### 僱傭和薪酬政策

於二零二零年三月三十一日，本集團共聘用169名僱員(二零一九年：171名)。截至二零二零年三月三十一日止年度之員工成本(包括董事薪酬)為約22,500,000港元(二零一九年：約23,700,000港元)，主要由於製造分類員工人數減少及調整銷售費用報銷系統所致。

本集團乃根據行業慣例向僱員支付薪酬。其員工利益、福利和法定供款(如有)乃按照其營運實體之現行勞動法實行。

於二零一二年八月二十四日，本公司股東已批准採納一項購股權計劃(「該計劃」)，於獲得香港聯合交易所有限公司上市委員會批准後，該計劃已於二零一二年八月二十九日生效，除非被另行取消或修訂，否則將自該日起十年內維持有效。

該計劃將讓本集團可獎勵為本集團作出貢獻之僱員、董事及其他經挑選之參與者，亦有助本集團招聘及挽留有利本集團增長之優秀專才、主管及僱員。

自該計劃的生效日期起至二零二零年三月三十一日止，概無根據該計劃授出購股權。

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### 管理層討論及分析(續)

#### Additional Information regarding the 2020 Qualified Opinion

The Group's auditor, Elite Partners CPA Limited ("Auditor") issued a qualified opinion in the independent auditor's report relating to the audit of the consolidated financial statements of the Group for the year ended 31 March 2020 ("2020 Qualified Opinion"). Additional information regarding the 2020 Qualified Opinion is provided below:

#### Background of the 2019 Qualified Opinion

The auditor's report on the consolidated financial statements of the Group for the year ended 31 March 2018 ("2018 Financial Statements") contained a disclaimer of opinion on limitation of audit scope in relation to the Group's interest in an associate which amounted to HK\$330,970,000 due to the inability to obtain sufficient and appropriate audit evidence in the impairment assessment of the carrying amount of the Group's interest in an associate as at 31 March 2018, as such any adjustments to the carrying amount of the interest in an associate would adversely affect the Group's net assets as at 31 March 2018, the financial results for the year ended 31 March 2018 and the disclosures thereof in the 2018 Financial Statements.

In the 2019 Annual Report, the auditor's report on the consolidated financial statements of the Group for the year ended 31 March 2019 ("2019 Financial Statements") contained a qualified opinion on prior year's audit scope limitation affecting opening balance and comparative figures in relation to the Group's interest in an associate, as the limitations in the 2018 Financial Statements remained in the 2019 Financial Statements and the 2018 Financial Statements formed the basis for the comparative figures and opening balance of the 2019 Financial Statements. To the best knowledge and belief of the management, any adjustments found to be necessary on the opening balance (i.e. 1 April 2018) of the Group's interest in an associate would have a significant effect on the financial results of the Group for the year ended 31 March 2019 and the related disclosures thereof for 2019 Financial Statements ("2019 Qualified Opinion").

#### 有關二零二零年保留意見之其他資料

本集團核數師開元信德會計師事務所有限公司(「核數師」)就審核本集團截至二零二零年三月三十一日止年度綜合財務報表於獨立核數師報告內發出保留意見(「二零二零年保留意見」)。有關二零二零年保留意見之其他資料載列如下：

#### 二零一九年保留意見之背景

由於二零一八年三月三十一日就本集團於一間聯營公司之權益賬面值作減值評估時無法獲取充足及適當的審核憑證，有關本集團截至二零一八年三月三十一日止年度之綜合財務報表(「二零一八年財務報表」)之核數師報告中載述就本集團於一間聯營公司之權益(金額為330,970,000港元)之審核範圍限制不發表意見，因此，對於一間聯營公司之權益之賬面值作出任何調整將對本集團於二零一八年三月三十一日的資產淨值、截至二零一八年三月三十一日止年度的財務業績及二零一八年財務報表相關披露事項造成不利影響。

於二零一九年年報中，有關本集團截至二零一九年三月三十一日止年度之綜合財務報表(「二零一九年財務報表」)之核數師報告中載述有關影響本集團於一間聯營公司之權益的期初結餘及比較數字上一年度審核範圍限制的保留意見，由於二零一八年財務報表的限制仍適用於二零一九年財務報表且二零一八年財務報表構成二零一九年財務報表之比較數字及期初結餘之基礎。據管理層所知及所信，就本集團於一間聯營公司之期初結餘(即二零一八年四月一日)作出任何必要調整將對本集團截至二零一九年三月三十一日止年度之財務業績及二零一九年財務報表相關披露事項造成重大影響(「二零一九年保留意見」)。

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued) 管理層討論及分析(續)

### Additional Information regarding the 2020 Qualified Opinion (Continued)

#### *Background of the 2019 Qualified Opinion (Continued)*

The auditor's report in the 2019 Financial Statements did not include an audit modification on the Group's interest in an associate as the audit matter in respect of the impairment assessment on the carrying amount of the interest in an associate as at 31 March 2019 of HK\$330,062,000 was addressed and described in the Key Audit Matters section of the auditor's report in the 2019 Annual Report (Pages 73 to 75).

#### *Details of the 2020 Qualified Opinion*

The auditor's report of the Group for the year ended 31 March 2020 did not include an audit modification on the Group's interest in an associate as the audit matter has already been addressed in the same manner as set out in the 2019 Financial Statements. However, the Auditor has issued a qualified opinion in relation to the scope limitation on the opening balance of the comparative figures as the 2019 Financial Statements formed the basis for the comparative figures of the consolidated financial statements of the Group for the year ended 31 March 2020 ("2020 Financial Statements"), such audit modification related to the opening balance of comparative figures (i.e. the 2019 Opening Balance), as those comparative figures were required to be presented in the 2020 Financial Statements for the comparability of the 2020 figures and the corresponding 2019 figures.

### 有關二零二零年保留意見之其他資料(續)

#### *二零一九年保留意見之背景(續)*

由於有關於二零一九年三月三十一日就於一間聯營公司之權益賬面值330,062,000港元作出減值評估之審核事項已於二零一九年年報的核數師報告中的關鍵審核事項章節(第73至75頁)處理及論述，二零一九年財務報表的核數師報告並未載列有關本集團於一間聯營公司之權益的審核修訂。

#### *二零二零年保留意見之詳情*

由於審核事項已按二零一九年財務報表中所載的相同方式處理，本集團截至二零二零年三月三十一日止年度的核數師報告並未載列有關本集團於一間聯營公司之權益的審核修訂。然而，由於二零一九年財務報表構成本集團截至二零二零年三月三十一日止年度之綜合財務報表(「二零二零年財務報表」)比較數字之基礎，核數師已就比較數字之期初結餘之範圍限制發出了保留意見。由於相關比較數字須於二零二零年財務報表中呈列以比較二零二零年數字及相應的二零一九年數字，該審核修訂與比較數字之期初結餘(即二零一九年期初結餘)有關。

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### 管理層討論及分析(續)

#### Additional Information regarding the 2020 Qualified Opinion (Continued)

##### *Management's view on 2020 Qualified Opinion*

Based on the discussion with the Auditor, the management was given to understand and considered that the 2020 Qualified Opinion was a result of the 2019 Opening Balance that related to the 2019 Financial Statements, and the 2019 Financial Statements has formed the basis for the comparative figures of the 2020 Financial Statements. The management expects that the 2020 Qualified Opinion will be removed in the next financial year as the 2020 Financial Statements containing no audit scope limitations will be presented as the corresponding figures for the consolidated financial statements of the Group for the year ending 31 March 2021 ("FY 2021").

##### *Audit Committee's view on 2020 Qualified Opinion*

Based on the discussion with the Auditor, the audit committee of the Company concurred with the view of management as set out above and its expectation to remove the audit qualification for the corresponding figures for the consolidated financial statements of the Group for FY 2021.

#### 有關二零二零年保留意見之其他資料(續)

##### *管理層對二零二零年保留意見的看法*

根據與核數師的討論，管理層了解並認為二零二零年保留意見乃由於與二零一九年財務報表相關的二零一九年期初結餘及二零一九年財務報表構成二零二零年財務報表之比較數字之基礎。由於二零二零年財務報表並無審核範圍限制並將呈列為本集團截至二零二一年三月三十一日止年度(「二零二一財年」)綜合財務報表的相應數字，管理層預計，二零二零年保留意見將於下一財政年度移除。

##### *審核委員會對二零二零年保留意見的看法*

根據與核數師的討論，本公司審核委員會同意上文所載管理層的看法及其預計移除有關本集團二零二一財年綜合財務報表相應數字之審核保留意見。

# DIRECTORS AND SENIOR MANAGEMENT PROFILE

## 董事及高層管理人員簡介

### BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

#### Executive Directors

##### *Dr. Xie Yi Ph.D. (aged 57)*

##### *Chairman, Chief Executive Officer and Executive Director*

Dr. Xie Yi is a professor of School of Life Sciences in Fudan University and is one of the founders of United Gene group of companies in the PRC. Being a scientist with significant breakthroughs in human genome research, Dr. Xie is responsible for research and development and management of United Gene group and is the vice chairman and chief executive officer of United Gene Holdings Limited in the PRC.

Dr. Xie is currently the chairman and chief executive officer of the Company responsible for the strategic planning and development and the overall management of the Group. He is also an executive director and chairman of Changchun Extrawell Pharmaceutical Co., Ltd., a 73% owned subsidiary of the Company established in the PRC, and an executive director of certain members of the Group.

##### *Mr. Cheng Yong (aged 57)*

##### *Executive Director and Deputy Chief Executive Officer*

Mr. Cheng Yong is a practicing pharmacist in the PRC. Mr. Cheng obtained his Master of Pharmacology from Second Military Medical University in the PRC. He has been engaged in pharmacology and research study for over ten years and has extensive experience in the aspects of research and drug development. Since 2001, he has been working in the capacity of director and general manager for various companies owned by Dr. Xie Yi and Dr. Mao Yumin, former chairman and executive director. Mr. Cheng is currently a director of two PRC subsidiaries of Innovative Pharmaceutical Biotech Limited (formerly known as United Gene High-Tech Group Limited), a company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Since 1 July 2019, Mr. Cheng has been appointed as the deputy chief executive officer of the Company to provide support in the execution of the Company's plans and strategies.

### 董事及高層管理人員簡介

#### 執行董事

##### *謝毅博士(五十七歲)*

##### *主席、行政總裁及執行董事*

謝毅博士為復旦大學生命科學學院教授，並為中國聯合基因集團公司創始人之一。作為在人類基因研究中作出突破性進展的科學家，謝博士負責聯合基因集團的研發工作及管理事務，並擔任中國聯合基因控股有限公司之副董事長及行政總裁。

謝博士現為本公司之主席兼行政總裁，負責本集團之策略規劃及發展以及整體管理。彼亦為長春精優藥業股份有限公司(於中國成立並由本公司擁有73%權益之附屬公司)之執行董事及董事長，同時亦擔任本集團旗下若干成員公司之執行董事。

##### *程勇先生(五十七歲)*

##### *執行董事及副行政總裁*

程勇先生為一名中國執業藥劑師。程先生自中國第二軍醫大學取得藥理學碩士學位。彼從事藥理學及研究逾十年，並於研究及藥物開發方面擁有豐富經驗。自二零零一年起，彼於由謝毅博士及毛裕民博士(前任主席兼執行董事)所擁有多間公司擔任董事及總經理職務。程先生目前為於香港聯合交易所有限公司(「聯交所」)上市公司領航醫藥及生物科技有限公司(前稱為聯合基因科技集團有限公司)之兩間中國附屬公司之董事。

自二零一九年七月一日起，程先生獲委任為本公司副行政總裁，為執行本公司計劃及策略提供協助。

## DIRECTORS AND SENIOR MANAGEMENT PROFILE (Continued) 董事及高層管理人員簡介(續)

### BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

#### Executive Directors (Continued)

##### *Dr. Lou Yi Ph.D. (aged 62)*

##### *Executive Director*

Dr. Lou Yi obtained a doctoral degree in medicine and conducted his postdoctoral research in clinical study at Shanghai Second Medical University (now renamed as School of Medicine, Shanghai Jiaotong University) and industrial economy at Fudan University. Dr. Lou had been a director and general manager of Shanghai Biochip Co. Ltd. and as a director and deputy general manager of General Technology Group Pharmaceutical Holdings, Ltd. in the PRC. Dr. Lou was also a non-executive director of Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd., a company listed on the GEM of the Stock Exchange, from June 2004 to June 2006. Dr. Lou is currently a director and general manager of various companies owned by Dr. Xie Yi and Dr. Mao Yumin, former chairman and executive director.

##### *Ms. Wong Sau Kuen (aged 57)*

##### *Executive Director*

Ms. Wong Sau Kuen joined the Group in May 2008 as assistant to the Board and was appointed as director in October 2008. Ms. Wong has more than 20 years of experience in both the commercial and industrial sectors including the PRC pharmaceutical market. Ms. Wong has extensive experience in areas of business administration and internal control. She is currently the Authorised Representative of the Company.

Ms. Wong has been appointed as the joint company secretary of the Company with effect from 8 January 2014.

### 董事及高層管理人員簡介(續)

#### 執行董事(續)

##### *樓屹博士(六十二歲)*

##### *執行董事*

樓屹博士持有醫學博士學位，曾經在上海第二醫科大學(現為上海交通大學醫學院)從事臨床醫學博士後研究，亦曾在復旦大學從事產業經濟學博士後研究。樓博士曾擔任上海生物芯片有限公司之董事兼總經理，及曾在中國擔任通用技術集團醫藥控股有限公司之董事兼副總經理。於二零零四年六月至二零零六年六月期間，樓博士亦曾在上海復旦張江生物醫藥股份有限公司(一間於聯交所GEM上市之公司)擔任非執行董事。樓博士目前於由謝毅博士及毛裕民博士(前任主席兼執行董事)所擁有之多間公司兼任董事和總經理職務。

##### *王秀娟女士(五十七歲)*

##### *執行董事*

王秀娟女士於二零零八年五月加盟本集團擔任董事會助理，並於二零零八年十月獲委任為董事。王女士於工商業領域(當中包括中國醫藥市場)擁有逾二十年經驗。王女士具有豐富的商業管理及內部監控經驗。彼目前為本公司之授權代表。

自二零一四年一月八日起，王女士獲委任為本公司聯席公司秘書。

## DIRECTORS AND SENIOR MANAGEMENT PROFILE (Continued) 董事及高層管理人員簡介(續)

### BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

#### Executive Directors (Continued)

##### *Mr. Liu Kwok Wah (aged 58)*

##### *Executive Director*

Mr. Liu Kwok Wah joined the Company in November 2008 as the company secretary and financial controller and was appointed as executive director in December 2013. Mr. Liu has become the joint company secretary with effect from 8 January 2014. Mr. Liu is a fellow member of the Association of Chartered Certified Accountants and an associate of the Hong Kong Institute of Certified Public Accountants. Mr. Liu holds a Master's degree in Business Administration from The Open University of Hong Kong and has more than 20 years of experience in accounting and financial management. Prior to joining the Company, he had worked for international accounting firms and several listed companies in Hong Kong.

##### *Mr. Lu Zhiqiang (aged 45)*

##### *Executive Director*

Mr. Lu Zhiqiang holds a Master Degree of Business Administration from Central State University of the United States of America, a Bachelor Degree of Engineering and a Bachelor Degree of Industry from Nanchang Hangkong University of the PRC. Mr. Lu attended the program of a Master of Science Degree in International Purchasing & Supply Chain Management organised by Audencia NANTES.Ecole de Management. Mr. Lu is experienced in corporate management and investment. He is currently an executive director and chief executive officer of Hong Kong Life Sciences and Technologies Group Limited (stock code: 8085) whose shares are listed on the GEM of the Stock Exchange. He was a non-executive director of Lamtex Holdings Limited (formerly known as China New Energy Power Group Limited) (stock code: 1041) from 29 October 2014 to 9 July 2015 and an executive director of Global Energy Resources International Group Limited (stock code: 8192) from 28 November 2014 to 2 September 2016, the shares of these two companies are listed on the Main Board and GEM of the Stock Exchange respectively.

### 董事及高層管理人員簡介(續)

#### 執行董事(續)

##### *廖國華先生(五十八歲)*

##### *執行董事*

廖國華先生於二零零八年十一月加入本公司，擔任公司秘書及財務總監，並於二零一三年十二月獲委任為執行董事。廖先生自二零一四年一月八日起擔任聯席公司秘書。廖先生為英國特許公認會計師公會之資深會員及香港會計師公會之會員。廖先生持有香港公開大學工商管理碩士學位及擁有逾20年會計及財務管理經驗。於加入本公司前，彼曾於國際會計師事務所及多間香港上市公司就職。

##### *盧志強先生(四十五歲)*

##### *執行董事*

盧志強先生持有美國中央城大學頒授之工商管理學碩士學位及中國南昌航空大學頒授之工程學士學位及工業工程學士學位。盧先生曾修讀法國南特歐當斯亞高等商業管理學院舉辦之國際採購及供應鏈管理之理學碩士學位課程。盧先生擁有豐富的企業管理和投資經驗。彼現為香港生命科學技術集團有限公司(股份代號：8085)之執行董事兼行政總裁，該公司股份於聯交所GEM上市。彼自二零一四年十月二十九日至二零一五年七月九日期間擔任林達控股有限公司(前稱中國新能源動力集團有限公司，股份代號：1041)之非執行董事，並自二零一四年十一月二十八日至二零一六年九月二日期間擔任環球能源資源國際集團有限公司(股份代號：8192)之執行董事，該兩家公司的股份分別於聯交所主板及GEM上市。



## DIRECTORS AND SENIOR MANAGEMENT PROFILE (Continued)

### 董事及高層管理人員簡介(續)

#### BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

##### Independent Non-executive Directors

###### *Mr. Fang Lin Hu (aged 82)*

###### *Independent Non-executive Director*

Mr. Fang Lin Hu was a professor in Fudan University, ex-vice chancellor of the Fudan University (overseeing technology industrialisation and utilisation matters), a member of National Information Technology Education and Electronic Education Advisory Committee and vice faculty head of the Physics Faculty of Fudan University, dean of the Electronic Engineering Faculty, and the director of Micro-electronic Research Institute. Mr. Fang retired in 2000. Currently, he is the vice chairman of the Shanghai Senior Professor Association and a vice president of Shanghai Retired Education Workers Association. Mr. Fang has performed research in the area of microwave theory and technology. He is a well-recognised scientist who has extensive experience in scientific research and management. Mr. Fang was appointed as an independent non-executive director in 2001.

###### *Mr. Xue Jing Lun (aged 86)*

###### *Independent Non-executive Director*

Mr. Xue Jing Lun was the chief professor of Fudan University, a guest professor of the Second Military Medical University of China, Tongji Medical University and Shantou University, chairman of Chinese Environmental Mutagen Association, a director of International Environmental Mutagen Association, and a committee member of the China Genetic Engineering Society. Mr. Xue retired in April 2007. The research team led by Mr. Xue gained international recognition in the area of gene therapy and transgenic animal research. Mr. Xue has been granted a number of national awards for merits in scientific research and is an internationally recognised genetic scientist. Mr. Xue was appointed as an independent non-executive director in 2001.

#### 董事及高層管理人員簡介(續)

##### 獨立非執行董事

###### *方林虎先生(八十二歲)*

###### *獨立非執行董事*

方林虎先生曾任復旦大學教授、復旦大學前副校長(主管科技工業化及應用事宜)，彼曾兼任國家教委信息與電子學科教學指導委員會委員，並曾任復旦大學物理系副主任、電子工程系主任及微電子學研究所所長職務。方先生在二零零零年退休，現任上海市老教授協會副會長及上海市退休教育工作者協會副理事長。方先生在微波理論與技術領域進行深入研究，具有豐富的科學研究與管理經驗，為卓有聲望之科學家。方先生於二零零一年獲委任為獨立非執行董事。

###### *薛京倫先生(八十六歲)*

###### *獨立非執行董事*

薛京倫先生曾任復旦大學首席教授，兼任國內第二軍醫大學、同濟醫科大學及汕頭大學等校客席教授、中國環境誘變劑學會理事長、國際環境誘變劑學會理事及中國遺傳工程學學會理事等職務。薛先生在二零零七年四月退休。薛先生領導的研究小組在基因治療及轉基因動物研究等領域獲得國際矚目的成就。薛先生多次獲得國家的重大科研獎項，是一位具有國際聲望的遺傳學家。薛先生於二零零一年獲委任為獨立非執行董事。

## DIRECTORS AND SENIOR MANAGEMENT PROFILE (Continued) 董事及高層管理人員簡介(續)

### BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

#### Independent Non-executive Directors (Continued)

##### *Ms. Jin Song (aged 49)*

##### *Independent Non-executive Director*

Ms. Jin Song holds a diploma in engineering from Broadcasting University in Shandong Province and a diploma in business from Fudan University. She is a member of the Chinese Institute of Certified Public Accountants (“CICPA”) and passed all the professional examinations held by CICPA in 2001. Ms. Jin has over 20 years’ experience in accounting in different industries. Ms. Jin was appointed as an independent non-executive director in 2004.

#### Senior Management

##### *Dr. Wen Ming (aged 59)*

##### *Head of Research and Development*

Dr. Wen Ming joined the Group in 1992. He is responsible for overseeing the regulatory affairs, research & development, and the registration of the Group’s products, and the marketing and promotion aspects of the Group’s imported pharmaceutical business. Dr. Wen graduated with a bachelor’s degree in medical science from the Guangzhou Medical College and obtained a master’s degree in medical science from Sun Yat Sen University of Medical Sciences (now renamed as the Sun Yat Sen University). Prior to joining the Group, Dr. Wen worked in a hospital of Sun Yat Sen University as the chief physician for ten years.

##### *Mr. Gong Youlu (aged 51)*

##### *General Manager of Changchun Extrawell Pharmaceutical Co., Ltd. (“CEP”) and Jilin Extrawell Changbaishan Pharmaceutical Co., Ltd. (“JECP”)*

Mr. Gong Youlu joined the Group in 2011. Mr. Gong is responsible for the overall management and operations of CEP and JECP. He has over 20 years’ experience in the pharmaceutical manufacturing sector. Mr. Gong holds a Bachelor of Engineering degree from Taiyuan Mechanical College (now known as North University of China) and a Master’s degree in Business Administration from Jilin University, China. Prior to joining the Group, he had held the position of general manager for pharmaceutical manufacturing enterprises in the PRC for over 10 years.

### 董事及高層管理人員簡介(續)

#### 獨立非執行董事(續)

##### *金松女士(四十九歲)*

##### *獨立非執行董事*

金松女士持有山東廣播電視大學工程學專科文憑和復旦大學國際貿易專科文憑。彼為中國註冊會計師協會(「中國註冊會計師協會」)會員，並且於二零零一年取得中國註冊會計師協會考試全科合格證。金女士於多個行業會計方面擁有逾二十年之經驗。金女士於二零零四年獲委任為獨立非執行董事。

#### 高層管理人員

##### *溫明醫生(五十九歲)*

##### *研究及發展總監*

溫明醫生於一九九二年加入本集團。其負責本集團產品之規管事宜、研究及開發以及註冊事務，並負責本集團進口藥品業務之營銷及推廣事務。溫醫生畢業於廣州醫學院，並取得醫學士學位及於中山醫科大學(現稱為中山大學)取得醫學碩士學位。溫醫生在加入本集團前曾任中山大學附屬醫院之主治醫生達十年。

##### *龔有祿先生(五十一歲)*

##### *長春精優藥業股份有限公司(「長春精優」)及吉林精優長白山藥業有限公司(「吉林精優」)總經理*

龔有祿先生於二零一一年加入本集團。龔先生負責長春精優及吉林精優之整體管理及營運。彼於製藥行業擁有逾二十年經驗。龔先生畢業於太原機械學院(現稱中北大學)，取得工學學士學位，並於吉林大學取得工商管理碩士學位。在加入本集團前，彼已在國內製藥企業擔任總經理職務逾十年。

## DIRECTORS AND SENIOR MANAGEMENT PROFILE (Continued)

### 董事及高層管理人員簡介(續)

#### BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

##### Senior Management (Continued)

###### *Ms. Wu Hong (aged 48)*

###### *Group Senior Finance Manager*

Ms. Wu Hong, a qualified accountant in the PRC, joined the Group in 1995 and is responsible for all the Group's financial matters in the PRC. She graduated from Jiangsu Television Broadcast University, majoring in Foreign Trading Accounting. Before joining the Group, she worked with a joint venture company in the PRC.

###### *Mr. Huang Wenda (aged 43)*

###### *Financial Controller of CEP and JECP*

Mr. Huang Wenda joined the Group in 2004. Mr. Huang is responsible for financial control and financial management of the operations of CEP and JECP and currently also serves as secretary to the board handling corporate secretarial matters of CEP and JECP. He has accumulated experience of over 10 years in financial management of pharmaceutical manufacturing enterprises. Prior to joining the Group, he worked with manufacturing enterprises in the PRC.

#### 董事及高層管理人員簡介(續)

##### 高層管理人員(續)

###### *吳紅女士(四十八歲)*

###### *集團高級財務經理*

吳紅女士，中國合資格會計師，於一九九五年加入本集團，負責本集團在中國之所有財務事宜。彼畢業於江蘇省廣播電視大學，主修外貿會計。在加入本集團前，彼曾於一家國內合資公司工作。

###### *黃文達先生(四十三歲)*

###### *長春精優及吉林精優財務總監*

黃文達先生於二零零四年加入本集團。黃先生負責長春精優及吉林精優營運的財務控制及財務管理工作，現時亦擔任董事會秘書處理長春精優及吉林精優的公司秘書事務。彼在製藥企業財務管理方面累積了逾十年經驗。在加入本集團前，彼曾於國內的製造企業工作。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### A. CORPORATE GOVERNANCE PRACTICES

#### Corporate Governance

The Group recognises the importance of achieving and monitoring the high standard of corporate governance consistent with the need and requirements of its business and the best interest of all of its shareholders. The Group is fully committed to doing so.

In the opinion of the directors, the Company has complied with the code provisions of the Corporate Governance Code and Corporate Governance Report (“Code Provisions”) as set out in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). During the year ended 31 March 2020, the Company had adopted and applied the Code Provisions, except for certain deviations as set out below.

Code Provisions A.1.3 and A.7.1 stipulate that 14-day notice should be given for each regular board meeting and that in respect of regular meetings, and as far as practicable in all other cases, an agenda and accompanying board papers should be sent in full to all directors in a timely manner and at least 3 days before the intended date of a board or board committee meeting (or other agreed period). The Company agrees that sufficient time should be given to the directors in order to make a proper decision. In these respects, the Company adopts a more flexible approach (and yet sufficient time has been given) in convening board meetings to ensure efficient and prompt management decisions could be made.

Code Provision A.2.1 provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same person. Dr. Xie Yi has served as the Chairman and Chief Executive Officer of the Company. However, the Company believes that there is adequate balance of power and authority in place though vesting the roles of both chairman and chief executive officer in the same person as all major decisions of the Company are made in consultation with members of the Board.

### A. 企業管治常規

#### 企業管治

本集團認同達致及監控高水平企業管治之重要性，務求符合商業需要及規定以及其全體股東之最佳利益。本集團承諾竭盡所能達致高水平之企業管治。

董事認為，本公司已遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載的企業管治守則及企業管治報告內之守則條文（「守則條文」）。於截至二零二零年三月三十一日止年度，本公司已採納及應用守則條文，惟下列若干偏離者除外。

守則條文第A.1.3及A.7.1條規定，須就每次董事會例會發出十四日通知，且須就例會（及只要所有其他情況切實可行時）適時向全體董事寄發全部議程及相關董事會文件，並至少在計劃舉行董事會或其轄下委員會會議日期前三日（或其他協定時間內）送出。本公司同意須給予董事充足時間以作出適當決策。就此而言，本公司採用一個更靈活之方法（亦會給予充足時間）召開董事會會議，以確保管理層有效及快速作出決策。

守則條文第A.2.1條規定，主席及行政總裁之角色應分開，且不應由同一人兼任。謝毅博士擔任本公司之主席兼行政總裁。然而，由於本公司所有主要決策均於諮詢董事會成員後作出，故本公司相信，即使由同一人兼任主席及行政總裁，亦足以維持權力與權限之平衡。

## CORPORATE GOVERNANCE REPORT (Continued)

### 企業管治報告(續)

#### A. CORPORATE GOVERNANCE PRACTICES (Continued)

##### Corporate Governance (Continued)

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election. The Company deviates from this Code Provision as the independent non-executive directors (“INEDs”) are not appointed for specific terms. According to the bye-laws of the Company, however, the INEDs are subject to retirement and re-election. The reason for the deviation is that the Company believes that the directors ought to be committed to representing the long-term interest of the Company’s shareholders.

Code Provision A.4.2 stipulates that every director should be subject to retirement by rotation at least once every three years. According to the bye-laws of the Company, one-third of the directors shall retire from office by rotation provided that the Chairman, Deputy Chairman or Managing Director shall not be subject to retirement by rotation. The Company’s bye-laws deviate from the Code Provision. The Company considers that the continuity of the Chairman/Deputy Chairman/Managing Director and their leadership are essential for the stability of the business and key management. The rotation methodology ensures a reasonable continuity of directorship which is to the best interest of the Company’s shareholders.

Code Provision A.4.2 also stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. According to the bye-laws of the Company, any director so appointed shall hold office only until the next annual general meeting. The Company’s bye-laws deviate from the Code Provision. However, the Company believes that it is in the best interest of the Company’s shareholders to transact this ordinary course of business in the annual general meeting.

#### A. 企業管治常規(續)

##### 企業管治(續)

守則條文第A.4.1條規定，非執行董事應按特定任期委任，並須接受重選。本公司偏離此守則條文，原因是獨立非執行董事（「獨立非執董」）並非按特定任期委任。然而，根據本公司之公司細則，獨立非執董須退任及重選。此項偏離之原因為本公司相信董事應為本公司股東之長遠利益而作出承擔。

守則條文第A.4.2條規定，每名董事應最少每三年輪值退任一次。根據本公司之公司細則，三分之一的董事須輪值退任，惟主席、副主席或董事總經理毋須輪值退任。本公司之公司細則偏離守則條文。本公司認為主席／副主席／董事總經理之連任及彼等之領導對業務及主要管理層之穩定性非常重要。輪值方法可確保董事合理連任，從而符合本公司股東之最佳利益。

守則條文第A.4.2條亦規定，所有獲委任填補臨時空缺之董事須於獲委任後的首屆股東大會上由股東選舉。根據本公司之公司細則，任何獲委任之董事任期僅直至下屆股東週年大會為止。本公司之公司細則偏離守則條文。然而，本公司相信於股東週年大會處理此日常事務符合本公司股東之最佳利益。

## CORPORATE GOVERNANCE REPORT (Continued) 企業管治報告(續)

### A. CORPORATE GOVERNANCE PRACTICES (Continued)

#### Corporate Governance (Continued)

Code provision E.1.2 stipulates that the chairman of the independent board committee (if any) should be available to answer questions at any general meeting to approve a connected transaction or any other transaction that requires independent shareholders' approval. The chairman of the independent board committee was unable to attend the special general meeting of the Company held on 17 October 2019 due to health reason.

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

The Company will continue to review and monitor the situation as stated above, and to improve the practices as and when the circumstances demand.

### B. DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the Company's code of conduct for dealings in securities of the Company by the directors. Based on specific enquiry of the directors, the directors have complied with the required standard set out in the Model Code throughout the year ended 31 March 2020.

### A. 企業管治常規(續)

#### 企業管治(續)

守則條文第E.1.2條規定，獨立董事委員會(如有)的主席應於任何批准關連交易或任何其他須獨立股東批准之交易的股東大會上回應問題。獨立董事委員會主席由於健康原因無法出席本公司於二零一九年十月十七日舉行的股東特別大會。

守則條文第E.1.5條規定，本公司應設立派付股息的政策。本公司並無設立股息政策，原因為本公司認為經計及本公司當時的財務表現、營運及資本需求及市況等因素釐定股息支付更為合適，以使本公司處於更有利之地位，應對其未來發展，此舉符合本公司及其股東之整體最佳利益。

本公司將繼續審閱及監控上述情況，如情況需要，將會對有關常規作出改善。

### B. 董事進行之證券交易

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易的標準守則(「標準守則」)作為董事買賣本公司證券之操守守則。經向董事作出特定查詢後，董事於截至二零二零年三月三十一日止年度內均一直遵照標準守則所載之規定準則。

## CORPORATE GOVERNANCE REPORT (Continued)

### 企業管治報告(續)

#### C. BOARD OF DIRECTORS

As at the date of this annual report, the board of directors (the "Board") comprises six executive directors and three INEDs as follows:

##### Executive Directors

Dr. Xie Yi (*Chairman and Chief Executive Officer*)  
 Mr. Cheng Yong (*Deputy Chief Executive Officer*)  
 Dr. Lou Yi  
 Ms. Wong Sau Kuen  
 Mr. Liu Kwok Wah  
 Mr. Lu Zhiqiang

##### Independent Non-executive Directors

Mr. Fang Lin Hu  
 Mr. Xue Jing Lun  
 Ms. Jin Song

Save as disclosed, there is no other relationship (including financial, business, family or other material/relevant relationship) among the members of the Board.

The Board is responsible for the leadership and control of the Company and oversees the Group's businesses, strategic decisions and performances. The management is delegated with the authority and responsibility by the Board for the day-to-day management of the Group. Major corporate matters that are specifically delegated by the Board to the management include the preparation of interim and annual reports and announcements for the Board's approval before publishing, execution of business strategies and initiatives adopted by the Board, implementation of adequate internal control systems and risk management procedures, and compliance with relevant statutory and regulatory requirements and rules and regulations.

Each of the INEDs has complied with the provisions set out in Rule 3.13 of the Listing Rules and the Company also considers that they are independent under the Listing Rules. Of the three INEDs, Ms. Jin Song has appropriate accounting or related financial management experience as required under Rule 3.10(2) of the Listing Rules.

#### C. 董事會

於本年報刊發日期，董事會（「董事會」）由六名執行董事及三名獨立非執董組成，成員如下：

##### 執行董事

謝毅博士（主席及行政總裁）  
 程勇先生（副行政總裁）  
 樓屹博士  
 王秀娟女士  
 廖國華先生  
 盧志強先生

##### 獨立非執行董事

方林虎先生  
 薛京倫先生  
 金松女士

除披露者外，董事會成員之間並無任何其他關係（包括財務、業務、家族或其他重大／相關關係）。

董事會負責領導及監控本公司，並監督本集團之業務、策略決策及表現。董事會授予管理層權力及責任以監管本集團之日常管理。董事會特別授予管理層權力處理之主要企業事宜包括編製中期及年度報告及公告，以於刊發前提交董事會批准、實施董事會所採納之業務策略及措施、推行充足之內部監控制度及風險管理程序，並遵守有關法定和監管規定、規則與法規。

各獨立非執董已遵守上市規則第3.13條所載之條文，而本公司亦認為根據上市規則，彼等均屬獨立。三名獨立非執董當中，金松女士具備上市規則第3.10(2)條所規定之適當會計或相關財務管理經驗。

## CORPORATE GOVERNANCE REPORT (Continued) 企業管治報告(續)

### C. BOARD OF DIRECTORS (Continued)

During the year ended 31 March 2020, five Board meetings and two general meetings of the Company were held, and the attendance records of each director at the respective meetings are set out in the table below:

Name of Director	董事姓名	Number of attendance 出席次數	
		Board Meeting 董事會會議	General Meeting 股東大會
Dr. Xie Yi	謝毅博士	5/5	2/2
Mr. Cheng Yong	程勇先生	5/5	2/2
Dr. Lou Yi	樓屹博士	5/5	2/2
Ms. Wong Sau Kuen	王秀娟女士	5/5	2/2
Mr. Liu Kwok Wah	廖國華先生	5/5	2/2
Mr. Lu Zhiqiang	盧志強先生	5/5	0/2
Mr. Fang Lin Hu	方林虎先生	5/5	1/2
Mr. Xue Jing Lun	薛京倫先生	4/5	1/2
Ms. Jin Song	金松女士	5/5	1/2

In addition, a meeting was held between the Chairman and all INEDs without the presence of executive directors during the financial year.

The Company has arranged appropriate directors' and officers' liability insurance for members of the Board and officers in order to protect legal claims against their lawful discharge of duties in relation to the Group's business.

### C. 董事會(續)

截至二零二零年三月三十一日止年度，本公司曾舉行五次董事會會議及兩次股東大會，而各董事於相關會議之出席率載列於下表：

此外，主席亦曾於財政年度內在執行董事不在場的情況下與全體獨立非執董舉行一次會議。

本公司已為董事會成員及高級人員安排合適之董事及高級人員責任保險，以為彼等就本集團業務依法履職過程中產生的法律申訴提供保障。



## CORPORATE GOVERNANCE REPORT (Continued)

### 企業管治報告(續)

#### D. CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Dr. Xie Yi serves as the Chairman and Chief Executive Officer of the Company. This is a deviation from Code Provision A.2.1, which requires the roles of chairman and chief executive officer should be separate and should not be performed by the same person. As all major decisions of the Company are made in consultation with members of the Board, the Company believes that there is adequate balance of power and authority in place though vesting the roles of both chairman and chief executive officer in the same person.

#### E. NON-EXECUTIVE DIRECTORS

Pursuant to Code Provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election and, pursuant to Code Provision A.4.2, every director shall retire by rotation at least once every three years. None of the INEDs of the Company is appointed for a specific term and according to the bye-laws of the Company, one-third of the directors (except for the Chairman) shall retire from office by rotation and become eligible for re-election. The reason for the deviation is that the Company believes that the directors ought to be committed to representing the long-term interest of the Company's shareholders and the rotation methodology ensures a reasonable proportion of directors in continuity which is to the best interest of the Company's shareholders.

The function of the INEDs includes but not limited to participating in Board meetings and meetings of committees to bring an independent judgement to bear on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct.

The Board has established three committees; namely Nomination Committee, Remuneration Committee and Audit Committee. Each committee comprising of all INEDs is responsible for, inter alia, the review and oversight of the activities within its defined terms of reference. The written terms of reference for the respective committees are available on the websites of the Stock Exchange and the Company.

#### D. 主席及行政總裁

謝毅博士擔任本公司主席及行政總裁。此不符合守則條文第A.2.1條要求主席及行政總裁之角色應該分開，且不應由同一人士兼任之規定。由於本公司所有主要決策均經董事會成員磋商後作出，故本公司相信，即使由同一人兼任主席及行政總裁，亦足以維持權力與權限之平衡。

#### E. 非執行董事

根據守則條文第A.4.1條，非執行董事應按特定任期委任，並重選連任，而根據守則條文第A.4.2條，每名董事應最少每三年輪值退任一次。本公司之獨立非執董並非按特定任期委任，而根據本公司之公司細則，三分之一的董事(主席除外)須輪值退任，並符合資格重選連任。此項偏離之原因為本公司相信董事應為本公司股東之長遠利益而作出承擔，而輪值方法可確保董事按合理比例連任，從而符合本公司股東之最佳利益。

獨立非執董之職責包括但不限於參加董事會會議及委員會會議，以就有關策略、政策、表現、問責性、資源、主要委任及操守準則等事宜作出獨立判斷。

董事會已設立三個委員會，即提名委員會、薪酬委員會及審核委員會。各委員會由全體獨立非執董組成，負責(其中包括)審閱及監管其指定職權範圍內的活動。各委員會的書面職權範圍可於聯交所及本公司網站查閱。

## CORPORATE GOVERNANCE REPORT (Continued) 企業管治報告(續)

### F. NOMINATION COMMITTEE

The Nomination Committee consists of four members including, Dr. Xie Yi (Chairman), Chief Executive Officer and Chairman of the Board, and all INEDs, namely Mr. Fang Lin Hu, Mr. Xue Jing Lun and Ms. Jin Song.

The major role and function of the Nomination Committee are to formulate and implement the policy for nominating candidates for consideration by the Board and election by shareholders, review the structure, size and composition of the Board with due regard to Board diversity, and to assess the independence of non-executive directors.

The Board has adopted a Board Diversity Policy and the Nomination Committee will help implement and monitor the policy. To enhance the effectiveness of the Board, selection of candidates will be based on a range of perspectives, including but not limited to, gender, age, cultural and educational background, professional experience, skills and length of service. The Nomination Committee will review and discuss the measurable objective for Board diversity on an annual basis and will make recommendation to the Board for its consideration and approval. Having reviewed the structure and composition of the Board and the business nature of the Group, the Nomination Committee considered that Board diversity has been achieved.

The Nomination Committee has adopted a nomination policy guiding the nomination criteria and procedures to identify, select and recommend candidates for directorship.

The Nomination Committee shall consider a number of nomination criteria in assessing the suitability of a proposed candidate for directorship or proposed re-appointment of a retiring director, including but not limited to: the skills, knowledge and experience possessed by the candidate or retiring director which are relevant to the Company's business, corporate development and strategy; the diversity perspectives set out in the Board Diversity Policy and the balance of skills and experience in board composition; the level of independence from the Company and compliance of the relevant requirements under the Listing Rules; and such other factors the Nomination Committee may consider relevant to enhancement of the effectiveness of the Board.

### F. 提名委員會

提名委員會由四名成員組成，包括行政總裁兼董事會主席謝毅博士(主席)以及全體獨立非執董(即方林虎先生、薛京倫先生及金松女士)。

提名委員會的主要角色及功能是制定及實施有關提名人選之政策，以供董事會審議及股東選任，及適當考慮董事會的多元化以檢討董事會的架構、人數及組成，以及評核非執行董事之獨立性。

董事會已採納一套董事會成員多元化政策，提名委員會將協助實施並監督該政策。為提高董事會的效率，挑選人選將基於多項因素，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能及服務年期。提名委員會將每年審閱及討論董事會多元化之可計量目標，並將提出建議以供董事會考慮及批准。經審閱董事會架構及組成與本集團業務性質後，提名委員會認為董事會已達成多元化的目標。

提名委員會已採納提名政策，作為提名標準及程序的指引，以識別、挑選及建議董事人選。

提名委員會於評估人選擔任董事職務或重新委任退任董事是否適合時，須考慮若干提名標準，包括但不限於：人選或退任董事所擁有與本公司業務、企業發展及戰略相關之技能、知識及經驗；董事會多元化政策中載列之多元化觀點以及董事會組成之技能及經驗之平衡；在多大程度上獨立於本公司及是否符合上市規則之相關規定；以及提名委員會可能認為與提高董事會效率有關之其他因素。

## CORPORATE GOVERNANCE REPORT (Continued)

### 企業管治報告(續)

#### F. NOMINATION COMMITTEE (Continued)

Subject to the provisions in the Company's bye-laws, where the Nomination Committee determines that an additional director or a replacement director is required, it may take appropriate steps in connection with the identification and evaluation of a suitable candidate for directorship. The Nomination Committee may deploy channels including referral from directors, advisers of the Company and external executive search firms in the identification process, evaluate a candidate based on the nomination criteria stated above, and make recommendation for the Board's consideration and approval.

For re-appointment of a retiring director, the Nomination Committee reviews his/her service to the Company, the level of participation on the Board during his/her term, and after taking into account the nomination criteria, recommends to the Board for proposed re-appointment of the retiring director who wishes to stand for re-election at the Company's general meeting.

The Nomination Committee may also propose to the Board a candidate recommended or offered for nomination by a shareholder of the Company as a nominee for election to the Board, if it evaluates that the candidate meets the nomination criteria. The procedures for shareholders to propose a person for election as a director are published in the Company's website.

The Board has the ultimate responsibility for selection and appointment of directors. On accepting the recommendation made by the Nomination Committee, the Board may (as the case may be) appoint the candidate as director to fill a casual vacancy or as an addition to the Board and recommend the candidate to shareholders for election or re-election (for a retiring director) at the general meeting.

The Nomination Committee held a meeting during the year ended 31 March 2020, and all members had attended the meeting to review the structure, size and composition including Board diversity, of the Board; consider and make recommendations to the Board on the re-appointment of retiring directors; and assess the independence of INEDs.

#### F. 提名委員會(續)

根據本公司之公司細則，倘提名委員會決定需要一名新增或替補董事，則可採取適當措施物色及評估合適董事人選。提名委員會可在物色人選過程中部署渠道，包括董事、本公司顧問及外部獵頭公司之推薦，根據上述提名標準評估人選，並建議人選供董事會考慮及批准。

就重新委任退任董事而言，提名委員會會審閱彼對本公司之服務、彼於任期內在董事會之參與程度，並經計及提名標準後，向董事會建議重新委任有意於本公司股東大會上重選連任的退任董事。

若提名委員會評估由本公司股東所推薦或提名之人選符合提名標準，則可向董事會推薦該人選，作為被提名人供董事會選任。股東提名人選參選董事的程序刊登於本公司網站。

甄選及委任董事的最終責任由董事會承擔。在接納提名委員會作出之建議時，董事會可(視情況而定)委任該人選擔任董事以填補臨時空缺或作為增補董事，並向股東推薦該人選以於股東大會上進行選任或重選(就退任董事而言)。

提名委員會於截至二零二零年三月三十一日止年度曾舉行一次會議，全體成員均已出席該會議以檢討董事會之架構、人數及組成(包括董事會多元化)；考慮及建議董事會重新委任退任董事；及評核獨立非執董之獨立性。

## CORPORATE GOVERNANCE REPORT (Continued) 企業管治報告(續)

### G. REMUNERATION COMMITTEE

The Company has established a Remuneration Committee with specific terms of reference, which state clearly its authority and duties. It advises the Board on the remuneration of the directors and senior management of the Company.

In line with good and fair practice, members of the Remuneration Committee consist of the three INEDs, namely Mr. Fang Lin Hu (Chairman), Mr. Xue Jing Lun, Ms. Jin Song, and Dr. Xie Yi.

During the year ended 31 March 2020, two meetings were held and attendance of each director is set out as follows:

Name of Director	董事姓名	Number of attendance 出席次數
Mr. Fang Lin Hu	方林虎先生	2/2
Mr. Xue Jing Lun	薛京倫先生	2/2
Ms. Jin Song	金松女士	2/2
Dr. Xie Yi	謝毅博士	2/2

The emoluments of the directors are reviewed and recommended by the Remuneration Committee and/or decided by the Board as authorised by the shareholders at the annual general meeting according to the directors' respective responsibilities, individual performance and prevailing market conditions. The Company has also adopted a share option scheme as an incentive to the directors and the senior management. The Remuneration Committee conducts regular review of the Company's remuneration policy and structure of the directors and senior management which takes into account the prevailing market conditions and the role and responsibility of individual members, for making recommendation to the Board. During the year ended 31 March 2020, the Remuneration Committee reviewed and approved the remuneration packages (including directors' fees) of the directors and made recommendation to the Board for consideration and approval.

### G. 薪酬委員會

本公司已成立薪酬委員會，並制定其特定職權範圍，清楚列明其權力及職責。薪酬委員會負責就本公司董事及高層管理人員之薪酬向董事會提供意見。

為配合良好及公平之慣例，薪酬委員會之成員包括三名獨立非執董(即方林虎先生(主席)、薛京倫先生及金松女士)以及謝毅博士。

截至二零二零年三月三十一日止年度，本公司曾舉行兩次會議，各董事之出席率載列如下：

根據董事各自的責任、個別表現及當時市況，董事薪酬由薪酬委員會檢討及建議及／或由董事會經股東於股東週年大會上之授權而作出決定。本公司亦已採納購股權計劃作為對董事及高層管理人員之獎勵。薪酬委員會會因應當時市況及個別成員之角色及職責，定期審閱本公司就董事及高層管理人員採納的薪酬政策以及架構，向董事會作出建議。截至二零二零年三月三十一日止年度，薪酬委員會已審閱及批准董事薪酬待遇(包括董事袍金)，並向董事會提供建議以供考慮及批准。

## CORPORATE GOVERNANCE REPORT (Continued)

### 企業管治報告(續)

#### G. REMUNERATION COMMITTEE (Continued)

Directors' emoluments and the five highest paid individuals for the year ended 31 March 2020 are disclosed in notes 11 and 12 respectively to the consolidated financial statements. Emoluments of senior management whose profiles are disclosed in the section "Directors and Senior Management Profile" but not included in the note as the five highest paid individuals, fell within the following band:

		Number of individuals	
		2020 二零二零年	2019 二零一九年
Emolument band	酬金範圍		
HK\$ Nil to HK\$1,000,000	零港元至1,000,000港元	3	3

#### H. AUDIT COMMITTEE

The Company has established an Audit Committee with specific terms of reference that have included the duties which are set out in Code Provision C.3.3 with appropriate modification when necessary.

The major role and function of the Audit Committee are to ensure the maintenance of proper relationship with the Company's auditor, the establishment of proper review and control arrangements relating to risk management and internal control systems, financial reporting and the compliance to applicable reporting requirements.

#### G. 薪酬委員會(續)

截至二零二零年三月三十一日止年度之董事酬金及五位最高薪酬人士分別於綜合財務報表附註11及12內披露。高層管理人員(其履歷披露於「董事及高層管理人員簡介」一節，但未載列於附註內作為五位最高薪酬人士)之酬金屬於下列範圍：

#### H. 審核委員會

本公司已成立審核委員會，並列出其特定職權範圍，有關職權範圍已包括守則條文第C.3.3條所載之職責(於必要時作出適當修訂)。

審核委員會之主要職責及功能是確保與本公司之核數師維持良好關係，就風險管理及內部監控制度、財務報告及遵守適用報告規定作出適當審閱及監管安排。

## CORPORATE GOVERNANCE REPORT (Continued) 企業管治報告(續)

### H. AUDIT COMMITTEE (Continued)

The current members of the Audit Committee are Mr. Fang Lin Hu (Chairman), Mr. Xue Jing Lun and Ms. Jin Song. During the year ended 31 March 2020, four meetings were held and attendance of each director is set out as follows:

Name of Director	董事姓名	Number of attendance	出席人數
Mr. Fang Lin Hu	方林虎先生	4/4	4/4
Mr. Xue Jing Lun	薛京倫先生	3/4	3/4
Ms. Jin Song	金松女士	4/4	4/4

The Audit Committee reviewed the half yearly and full year consolidated financial statements, including the Group's adopted accounting principles and practices, risk management and internal control systems with internal audit function and financial reporting matters (in conjunction with the external auditor for the annual results). The Audit Committee endorsed the accounting treatments adopted by the Company and, to the best of its ability assured itself that the disclosures of the financial information in this annual report comply with the applicable accounting standards and Appendix 16 of the Listing Rules.

### I. AUDITOR'S REMUNERATION

The remuneration paid/payable to the Company's auditor, Elite Partners CPA Limited in respect of audit services and non-audit services for the year ended 31 March 2020 amounted to HK\$730,000 and HK\$48,000 respectively.

### H. 審核委員會(續)

審核委員會之現有成員為方林虎先生(主席)、薛京倫先生及金松女士。截至二零二零年三月三十一日止年度，本公司曾舉行四次會議，各董事之出席率載列如下：

審核委員會已審閱半年度及全年綜合財務報表，包括本集團所採納之會計原則及慣例、風險管理及內部監控制度(設有內部審核功能)及財務報告事宜，並就年度業績與外聘核數師一同審閱。審核委員會贊同本公司所採取之會計處理方法，並已盡力確保本年報披露之財務資料符合適用之會計準則及上市規則附錄十六。

### I. 核數師酬金

截至二零二零年三月三十一日止年度，就審核服務及非審核服務已付／應付本公司核數師開元信德會計師事務所有限公司之酬金分別為730,000港元及48,000港元。

## CORPORATE GOVERNANCE REPORT (Continued)

### 企業管治報告(續)

#### J. FINANCIAL REPORTING

The directors of the Company acknowledged their responsibility for preparing the consolidated financial statements of the Group in accordance with the requirements of the Listing Rules and applicable statutory requirements and accounting standards. The Group had adopted the going concern basis in preparing its financial statements.

A statement by the auditor of the Company about their reporting responsibilities is set out in the "Independent Auditor's Report" on pages 75 to 82 of this annual report.

#### K. RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for overseeing on an ongoing basis and ensuring that sound and effective risk management and internal control systems are maintained within the Group in order to safeguard the Group's assets and the interests of the Company's shareholders. These systems are designed under the framework of a defined management structure with specified limits of authority and control responsibilities to manage rather than to eliminate the risk of failure to achieve business objectives and help to provide reasonable assurance against material misstatement or loss.

The Audit Committee is delegated with authorities to assist the Board to fulfill its oversight role over the systems by reviewing and evaluating on a regular basis the effectiveness and adequacy of the Company's financial controls, risk management and internal control systems (the "Systems"). During the year ended 31 March 2020, the Audit Committee, after taking into consideration the size of the Group's activities and operations, had adopted a risk-based approach in identifying the scope for review for its business units. The review was conducted by the Group's risk management and internal audit function independent of the business unit, which covered appraisal of the Systems by conducting walkthroughs and tests on operating procedures. Audit findings and recommendations were reported to the Audit Committee and the senior management. The Audit Committee and the Board satisfied the result of the review and concluded that the key areas of the Systems are reasonably and adequately implemented to their satisfaction.

#### J. 財務報告

本公司董事確認彼等按照上市規則規定及根據適用法定要求及會計準則編製本集團綜合財務報表之責任。本集團已採納持續經營基準編製其財務報表。

本公司核數師就其報告責任所作聲明載於本年報第75至82頁之「獨立核數師報告」。

#### K. 風險管理及內部監控

董事會負責持續監督及確保於本集團內維持一個健全且有效之風險管理及內部監控制度，以保障本集團之資產及本公司股東之權益。該等制度乃於界定管理架構框架下設計，具備特定的職權範圍及監控職責，旨在管理而非消除未能實現業務目標的風險並協助提供針對重大錯誤闡述或缺失的合理保證。

審核委員會獲授權力透過定期審閱及評估本公司之財務監控、風險管理及內部監控制度(「該等制度」)是否有效及足夠以協助董事會履行其對該等制度之監管角色。截至二零二零年三月三十一日止年度，經考慮本集團業務及營運之規模後，審核委員會已採納風險管理方法，以確定其業務單位的審閱範疇。有關審閱乃由本集團獨立於業務單位的風險管理及內部審核職能進行，其中涵蓋透過對經營流程進行的走查及測試評估該等制度。審核發現及推薦建議向審核委員會及高層管理人員匯報。審核委員會及董事會信納審閱結果，並總結該等制度的主要領域獲合理及充分執行。

## CORPORATE GOVERNANCE REPORT (Continued) 企業管治報告(續)

### K. RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

With respect to handling and dissemination of inside information (the “Information”), the Group is aware of its obligations under the Listing Rules, the Securities and Futures Ordinance and the guiding principle that when the Information comes to the Group’s attention it should be properly disclosed as soon as practicable. In this regard, the Group has adopted an inside information disclosure policy (the “Policy”) in 2013 with the aim of preventing the disclosure of premature Information and ensuring shareholders and the public are provided with full, accurate and timely Information about the activities, performance and financial condition of the Group. The Policy covers the procedures as to (i) maintain the confidentiality of Information, such as identification of project by using code name, dissemination on a need-to-know basis and (ii) identify, assess and monitor the dissemination of Information. The Audit Committee and the Board consider that the procedures are effective in discharging the Group’s obligations in respect of the Information.

### L. DIRECTORS’ CONTINUOUS TRAINING AND DEVELOPMENT

Directors are encouraged to participate in continuous professional development in order to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant.

### K. 風險管理及內部監控(續)

就處理及發佈內幕消息(「該等資料」)而言，本集團知悉其於上市規則、證券及期貨條例及指引原則項下的責任，即倘本集團知悉該等資料，應在實際可行情況下儘快妥為披露該等資料。就此而言，本集團已於二零一三年採納內幕消息披露政策(「該政策」)，旨在防止該等資料遭提前披露及確保股東及公眾就本集團活動、表現及財務狀況獲提供完整、準確和及時的該等資料。該政策涵蓋有關以下各項的程序：(i)對該等資料保密，如使用代號識別項目、按須知基準發佈；及(ii)識別、評估及監察該等資料分發。審核委員會及董事會認為該等程序在本集團履行有關該等資料的責任方面屬有效。

### L. 董事的持續培訓及發展

本公司鼓勵董事進行持續的專業進修，以發展及更新彼等的知識及技能。此舉能確保彼等繼續在掌握全面資訊及切合所需的情況下向董事會作出貢獻。



## CORPORATE GOVERNANCE REPORT (Continued)

### 企業管治報告(續)

#### L. DIRECTORS' CONTINUOUS TRAINING AND DEVELOPMENT (Continued)

During the year ended 31 March 2020, the directors were briefed and updated with written materials on the latest development regarding the Listing Rules and other applicable legal and regulatory requirements from time to time, to ensure compliance and enhance their awareness of good corporate governance practices. In addition, the Company had organised an in-house training seminar for the directors, which was conducted by qualified professional covering topics of updates on the Listing Rules and Environmental, Social and Governance reporting, with training materials provided. Directors are also encouraged to attend outside seminars and talks organised by professional bodies to enrich their knowledge in discharging their duties as a director. All directors have participated in continuous professional development by attending training courses and/or referring materials on the topics related to corporate governance and regulations:

##### Executive Directors

Dr. Xie Yi	Attending in-house training course and self-study
Mr. Cheng Yong	Attending in-house training course and self-study
Dr. Lou Yi	Attending in-house training course and self-study
Ms. Wong Sau Kuen	Attending in-house training course and outside seminars/talks conducted by professional bodies and self-study
Mr. Liu Kwok Wah	Attending in-house training course and outside seminars/talks conducted by professional bodies and self-study
Mr. Lu Zhiqiang	Attending in-house training course and self-study

#### L. 董事的持續培訓及發展(續)

截至二零二零年三月三十一日止年度，董事獲得有關上市規則及其他不時適用的法律及監管規定最新發展的簡報及最新書面資料，以確保合規及增加對良好企業管治常規的認識。此外，本公司亦為董事舉辦內部培訓研討會，該研討會由合資格專業人士進行，內容涵蓋上市規則及環境、企業及管治報告之最新資料，並向參加者提供培訓材料。本公司亦鼓勵董事參加由專業組織舉辦的外界研討會及講座，以增加彼等在履行董事職務方面的知識。所有董事已透過參加培訓課程及／或參考有關企業管治及法規的資料進行持續的專業進修：

##### 執行董事

謝毅博士	參加內部培訓課程及自修
程勇先生	參加內部培訓課程及自修
樓屹博士	參加內部培訓課程及自修
王秀娟女士	參加內部培訓課程及由專業組織舉辦的外界研討會／講座及自修
廖國華先生	參加內部培訓課程及由專業組織舉辦的外界研討會／講座及自修
盧志強先生	參加內部培訓課程及自修

## CORPORATE GOVERNANCE REPORT (Continued) 企業管治報告(續)

### L. DIRECTORS' CONTINUOUS TRAINING AND DEVELOPMENT (Continued)

#### Independent Non-executive Directors

Mr. Fang Lin Hu	Attending in-house training course and self-study
Mr. Xue Jing Lun	Attending in-house training course and self-study
Ms. Jin Song	Attending in-house training course and self-study

### M. JOINT COMPANY SECRETARIES

Mr. Liu Kwok Wah and Ms. Wong Sau Kuen are joint company secretaries of the Company and each has taken no less than 15 hours of relevant professional training during the year ended 31 March 2020.

### N. COMMUNICATION WITH SHAREHOLDERS

The Company believes the value of maintaining open communication with and providing current and relevant information to its shareholders, and uses a number of channels to disseminate information to shareholders through:

- (1) the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk))
- (2) the Company's website ([www.extrawell.com.hk](http://www.extrawell.com.hk))
- (3) corporate information in printed forms such as annual and interim reports, circulars and explanatory materials
- (4) annual general meeting
- (5) the Company's Hong Kong Branch Share Registrar, Tricor Tengis Limited in respect of share registration and related matters

### L. 董事的持續培訓及發展(續)

#### 獨立非執行董事

方林虎先生	參加內部培訓課程及自修
薛京倫先生	參加內部培訓課程及自修
金松女士	參加內部培訓課程及自修

### M. 聯席公司秘書

廖國華先生及王秀娟女士為本公司聯席公司秘書，各自已於截至二零二零年三月三十一日止年度參與不少於15小時的相關專業培訓。

### N. 與股東之溝通

本公司相信保持與其股東公開溝通以及向彼等提供現有及相關資料的價值，並透過利用以下多個溝通渠道以向股東傳達資料：

- (1) 聯交所網站([www.hkexnews.hk](http://www.hkexnews.hk))
- (2) 本公司網站([www.extrawell.com.hk](http://www.extrawell.com.hk))
- (3) 公司資料印刷本(例如年報及中期報告、通函及說明資料)
- (4) 股東週年大會
- (5) 本公司之香港股份過戶登記分處卓佳登捷時有限公司，處理股份登記及相關事宜

## CORPORATE GOVERNANCE REPORT (Continued)

### 企業管治報告(續)

#### N. COMMUNICATION WITH SHAREHOLDERS (Continued)

The annual general meeting of the Company provides a useful forum for shareholders to exchange views with the Board. The Board members, in particular, Chairman of the Board as well as chairmen of the Nomination Committee, Remuneration Committee and Audit Committee (or their delegates) will make themselves available at the annual general meetings to meet shareholders and answer their enquiries.

#### O. SHAREHOLDERS' RIGHTS

##### Convening a Special General Meeting

Section 74 of the Companies Act 1981 of Bermuda stipulates that the directors shall, on the requisition of shareholders holding not less than one-tenth of such of the paid-up capital of the Company, forthwith proceed duly to convene a special general meeting of the Company. The requisition must state the purposes of the meeting, and must be signed by the relevant requisitionists and deposited at the registered office of the Company. If the directors do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

##### Putting forward Proposals at General Meetings

Section 79 of the Companies Act 1981 of Bermuda stipulates that the Company shall, on the requisition in writing by either any number of shareholders representing not less than one-twentieth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company or not less than 100 shareholders, (a) give to shareholders entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting, and (b) circulate to these shareholders a written statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

#### N. 與股東之溝通(續)

本公司之股東週年大會為股東提供一個與董事會交流意見之有效平台。董事會成員，特別是董事會主席以及提名委員會、薪酬委員會和審核委員會的主席(或其代表)將出席股東週年大會，與股東見面並回答彼等的詢問。

#### O. 股東權利

##### 召開股東特別大會

百慕達《一九八一年公司法》第74條規定，董事應按持有不少於本公司已繳足股本十分之一的股東請求書的請求，立刻安排召開本公司股東特別大會。請求書須列明會議目的，並須由相關呈請人簽署及遞交至本公司註冊辦事處。倘董事在請求書遞呈日期起計二十一日內，未有妥為安排召開大會，則該等呈請人或任何佔全體呈請人總投票權一半以上之呈請人，則可自行召開大會，惟任何如此召開之大會均不能於上述日期起計三個月屆滿後舉行。

##### 於股東大會上提呈決議案

百慕達《一九八一年公司法》第79條規定，本公司應按持有有權於本公司股東大會投票之本公司繳足股本不少於二十分之一之任何數目股東，或不少於100名股東的書面要求：(a)向有權接收下一屆股東週年大會通告之股東發出通知，以告知任何可能於該大會上正式動議及擬於會上動議之決議案，及(b)向該等股東傳閱不超過1,000字之書面陳述書，以告知於該大會上提呈之決議案所述事宜或將處理之事項。

## CORPORATE GOVERNANCE REPORT (Continued) 企業管治報告(續)

### O. SHAREHOLDERS' RIGHTS (Continued)

#### Putting forward Proposals at General Meetings (Continued)

Section 80 of the Companies Act 1981 of Bermuda stipulates that the written requisition as signed by the requisitionists must be deposited at the registered office of the Company with a sum reasonably sufficient to meet the Company's expenses in giving effect thereto not less than six weeks before the meeting in case of a requisition requiring notice of a resolution and not less than one week before the meeting in case of any other requisition.

#### Enquiries to the Board

Shareholders may send their enquiries and suggestions to the Board by mail to the Company's principal place of business at Suites 2206-08, 22/F, Devon House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong.

### P. CONSTITUTIONAL DOCUMENTS

There were no changes in the Company's constitutional documents during the year ended 31 March 2020.

### O. 股東權利(續)

#### 於股東大會上提呈決議案(續)

百慕達《一九八一年公司法》第80條規定，由呈請人簽署之書面呈請須送交本公司註冊辦事處，且呈請須在(倘為須發送決議案通知之呈請)大會舉行前至少六星期或(倘為任何其他呈請)大會舉行前至少一星期遞交，並須支付足以合理彌補本公司開支之款項。

#### 向董事會提交查詢

股東如有任何查詢及建議，可致函本公司主要營業地點予董事會，地址為香港鰂魚涌英皇道979號太古坊德宏大廈22樓2206-08室。

### P. 組織章程文件

截至二零二零年三月三十一日止年度，本公司之組織章程文件概無任何變動。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### 1. INTRODUCTION

As a member of the global business community, the Group recognises the importance of sustainable development. This Environmental, Social and Governance (“ESG”) Report, covering the period from 1 April 2019 to 31 March 2020 (the “Period”), has been prepared in accordance with the “Environmental, Social and Governance Reporting Guide” under Appendix 27 of the Listing Rules. The Group observes the principles of materiality, quantitative, balance and consistency, and therefore focuses on reporting the practices and various works in environmental and social aspects of the Group’s major lines of business in manufacturing and trading activities as well as the operations of its Hong Kong headquarters. The selected Key Performance Indicators are summarised under Section 6 of this report. With respect to governance, it is separately reported on pages 27 to 43.

The Board is responsible for the ESG strategy, and is committed to conducting regular review and evaluation of the Group’s ESG-related policies and risks so as to ensure that appropriate and effective ESG risk management and internal control systems (the “Systems”) are in place. Senior management and departmental staff of relevant operations have been engaged to identify the relevant ESG issues and to assess their materiality to the Group’s business as well as to its stakeholders. As the Group’s manufacturing activities in China (or the “PRC”) involve production process, which will have a material ESG impact, an “Environmental Protection, Occupational Health and Safety Management Committee” (the “Committee”) has been formed to lead the management of environmental protection as well as to foster a safe and healthy work environment. The Committee includes staff members who are professionally qualified with relevant permits recognised by the Chinese authorities to administrate and monitor the works. The Committee will report to the Board on material ESG issues on annual basis. For trading segment and Hong Kong headquarters, which are generally office’s operations and will have a limited ESG impact, staff members of various departments are engaged to implement the sustainable policies and practices adopted by the Group. The Group’s risk management and internal audit function will conduct regular review on the effectiveness of the Systems and report the findings to the Board.

### 1. 緒言

作為全球商業界的一員，本集團認同可持續發展的重要性。本環境、社會及管治（「環境、社會及管治」）報告涵蓋二零一九年四月一日至二零二零年三月三十一日期間（「本期間」），乃根據上市規則附錄二十七項下的「環境、社會及管治報告指引」編製。本集團遵守重要性、量化、平衡及一致性原則，因而專注於報告本集團主要的製造及貿易活動業務領域以及香港總部營運在環境及社會方面的常規及各項工作。本報告第6部分概述了部分關鍵績效指標。相關管治則單獨呈報於第27至43頁。

董事會負責制定環境、社會及管治策略，並承諾定期審查及評估本集團環境、社會及管治相關的政策及風險，以確保落實適當且有效的環境、社會及管治風險管理及內部監控制度（「該等制度」）。有關業務的高層管理人員及部門員工已參與識別相關環境、社會及管治問題及評估該等問題對本集團業務及其利益相關者的重要性。由於本集團於中國的生產活動涉及將對環境、社會及管治產生重大影響的生產過程，本集團已成立「環境保護、職業健康及安全管理委員會」（「委員會」）以領導環境保護管理以及營造安全及健康的工作環境。委員會包括員工成員，彼等具備專業資格並具有獲中國相關部門認可的許可以管理及監察有關工作。委員會將每年向董事會報告重大環境、社會及管治問題。貿易分類及香港總部一般進行辦公室業務，產生的環境、社會及管治影響有限，各部門的員工參與實施本集團採取的可持續政策及措施。本集團的風險管理及內部審核職能將定期審閱該等制度的有效性並向董事會報告調查結果。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued) 環境、社會及管治報告(續)

### 1. INTRODUCTION (Continued)

The Group values opinions from stakeholders including shareholders, staff members, business partners, governments and the communities, and is committed to building constructive relationships with stakeholders through different communication channels including annual general meetings, the Company's website, annual reports, industry forums, meetings and corporate social responsibility activities with a view to achieving its objectives towards sustainable growth. Stakeholders could send their comments on this ESG Report to the head office of the Company by post, fax or email as detailed in the Company's website [www.extrawell.com.hk](http://www.extrawell.com.hk).

### 2. ENVIRONMENTAL ASPECTS

#### 2.1 Emissions

It is the Group's policy for each business segment or operation to manage the environmental impacts of emissions caused by its activities and comply with the applicable environmental laws, prevention and control regulations in which it operates. During the Period, the Group did not breach the related emissions laws and regulations.

### 1. 緒言(續)

本集團重視利益相關者(包括股東、員工、業務合作夥伴、政府及社區)發表的意見，並致力於透過不同溝通渠道(包括股東週年大會、本公司網站、年度報告、行業論壇、會議及企業社會責任活動)與利益相關者建立良好關係，以期實現其可持續增長目標。利益相關者可通過郵寄、傳真或電郵方式(詳情見本公司網站([www.extrawell.com.hk](http://www.extrawell.com.hk)))向本公司總辦事處提交彼等對本環境、社會及管治報告的意見。

### 2. 環境層面

#### 2.1 排放

本集團各業務分類或營運的政策為管理因其活動產生的排放對環境的影響並遵守其經營所在地區的適用環境法律、預防及監控法規。於本期間內，本集團並未違反相關排放法律及法規。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

### 環境、社會及管治報告(續)

## 2. ENVIRONMENTAL ASPECTS (Continued)

### 2.1 Emissions (Continued)

Emissions arising from production activities of the Group's manufacturing segment include air pollutants, greenhouse gas ("GHG"), water and solid wastes. The Group's trading activities and the Hong Kong headquarters have insignificant emissions of air pollutants, water and solid wastes but GHG emissions. In this report, GHG is categorised into three scopes as below:

- (i) Scope 1 refers to direct emissions from sources that are owned or controlled by the operations. Examples include natural gas combusted for boilers, fuels used by owned vehicles.
- (ii) Scope 2 refers to indirect emissions from consumption of purchased electricity, steam or other sources of energy.
- (iii) Scope 3 refers to indirect emissions from other activities that are consequences of the operations but are not directly owned or controlled. Examples include business travel, third-party distribution and logistics.

2.1.1 GHG emissions arising from the Group's trading activities and the Hong Kong headquarters mainly relate to indirect emissions of purchased electricity under Scope 2 and third-party distribution and logistics as well as business travels under Scope 3. During the Period, the respective Scope 2 and Scope 3 carbon dioxide ("CO<sub>2</sub>") emissions amounted to a total of about 20 tonnes (2019: 20 tonnes) and 7 tonnes (2019: 125 tonnes) respectively. The significant decrease in Scope 3 emission was mainly the result of no purchases of pharmaceuticals from overseas.

## 2. 環境層面(續)

### 2.1 排放(續)

本集團製造分類的生產活動產生的排放物包括空氣污染物、溫室氣體(「溫室氣體」)、水及固體廢棄物。本集團的貿易活動及香港總部產生的空氣污染物、水及固體廢棄物排放微乎其微，而溫室氣體排放則較多。在本報告中，溫室氣體分為以下三個範圍：

- (i) 範圍1 指來自業務擁有或控制的來源的直接排放。例子包括鍋爐燃燒的天然氣、自有汽車使用的燃料等。
- (ii) 範圍2 指來自消耗所購電力、蒸汽或其他能量來源的間接排放。
- (iii) 範圍3 指因來自非直接擁有或控制業務產生的其他活動的間接排放。例子包括商務旅行、第三方分銷及物流等。

2.1.1 本集團貿易活動及香港總部產生的溫室氣體排放主要與範圍2所購電力及範圍3第三方分銷及物流以及商務旅行的間接排放有關。於本期間內，範圍2及範圍3各自產生的二氧化碳(「二氧化碳」)排放總量分別約為20噸(二零一九年：20噸)及7噸(二零一九年：125噸)。範圍3排放顯著下降乃主要由於並無在海外購買藥品所致。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued) 環境、社會及管治報告(續)

### 2. ENVIRONMENTAL ASPECTS (Continued)

#### 2.1 Emissions (Continued)

2.1.2 As to the manufacturing segment with a GMP factory in Changchun, China, the Committee is responsible for implementing policies and monitoring the factory's performance so as to ensure its strict compliance with the environmental requirements under the relevant laws and regulations such as the Environmental Protection Law (《環境保護法》), the Water Pollution Prevention and Control Law (《水污染防治法》) and Prevention and Control of Air Pollution Law (《大氣污染防治法》). During the Period, the factory handled its major emissions in the following manner:

##### (a) Waste gas emission management

The major source of waste gas emission comes from natural gas combusted for boilers as the factory had replaced all coal-fired boilers with natural gas boilers. Air pollutants mainly include sulfur oxide ("SOx"), nitrogen oxide ("NOx"), and particle material ("PM"). The factory has installed a desulfurisation tower to ensure levels of emission are in compliance with the standards. The tower is functioning well and levels of emission are significantly lower than the lower limit of the national emission requirements. In the Period, SOx, NOx, and PM emissions amounted to about 738 kgs (2019: 3,947 kgs), 158 kgs (2019: 5,752 kgs) and 0 kgs (2019: 274 kgs) respectively.

CO<sub>2</sub> emissions arising from natural gas boilers (after replacing coal-fired boilers) and fuels for daily operations of vehicles (Scope 1), purchased electricity (Scope 2) and business travels (Scope 3) amounted to about 965 tonnes (2019: 3,261 tonnes), 1,652 tonnes (2019: 1,659 tonnes) and 5 tonnes (2019: 8 tonnes) respectively.

### 2. 環境層面(續)

#### 2.1 排放(續)

2.1.2 至於中國長春一間GMP工廠的製造分類，委員會負責實施有關政策及監控工廠的履行情況，以確保其嚴格遵守相關法律及法規（如《環境保護法》、《水污染防治法》及《大氣污染防治法》）項下的環保規定。於本期間內，該工廠乃按以下方式處理其主要排放物：

##### (a) 廢氣排放管理

廢氣排放的主要來源為鍋爐燃燒的天然氣，乃由於工廠已將所有燃煤鍋爐替換為天然氣鍋爐。空氣污染物主要包括硫氧化物（「硫氧化物」）、氮氧化物（「氮氧化物」）及顆粒物（「顆粒物」）。工廠已安裝脫硫塔，以確保排放水平符合標準。該塔運行良好，排放水平遠低於國家排放要求的下限。本期間內，硫氧化物、氮氧化物及顆粒物的排放量分別約為738千克（二零一九年：3,947千克）、158千克（二零一九年：5,752千克）及0千克（二零一九年：274千克）。

天然氣鍋爐（替換燃煤鍋爐後）以及汽車日常使用所用燃料（範圍1）、所購電力（範圍2）及商務旅行（範圍3）產生的二氧化碳排放量分別約為965噸（二零一九年：3,261噸）、1,652噸（二零一九年：1,659噸）及5噸（二零一九年：8噸）。



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

### 環境、社會及管治報告(續)

## 2. ENVIRONMENTAL ASPECTS (Continued)

### 2.1 Emissions (Continued)

#### 2.1.2 (Continued)

#### (b) Wastewater management

The factory has built its own waste water treatment facilities with daily capacity of 400 tonnes to treat the wastewater from its production processes before discharge, and about 34,000 tonnes (2019: 40,000 tonnes) of effluents were treated and discharged in the Period. To monitor and control the discharge, the factory has worked jointly with local environmental monitoring stations, and an on-line monitoring system has been installed to test and collect data on the quality of effluent. In addition, the factory has commissioned a third-party inspection unit to conduct regular surveillance on effluent discharge standards in order to ensure timely detection of its abnormality and implementation of corrective measures when in exceedances.

#### (c) Solid waste management

The storages and disposals of hazardous and non-hazardous wastes are handled in accordance with the requirements of relevant rules and regulations. During the Period, about 119 kgs (2019: 97 kgs) hazardous wastes generated from the production process were disposed of with waste management services provided by contractors as designated by Jilin Province Environmental Protection Office. The non-hazardous wastes of about 150 tonnes (2019: 155 tones) were disposed of through wastes collection services provided by the local authorities.

## 2. 環境層面(續)

### 2.1 排放(續)

#### 2.1.2 (續)

#### (b) 廢水管理

工廠已建立自身日處理量為400噸的廢水處理設施以於排放前處理其生產過程產生的廢水，而於本期間內，約有34,000噸(二零一九年：40,000噸)廢水經處理及排放。為監察及監控有關排放，工廠已與當地的環境監察站合作，並已安裝在線監測系統，以測試及收集污水的質量數據。此外，工廠委聘了第三方檢測單位，定期監測污水排放標準，以確保及時探測到異常情況，並於污水排放過量時採取糾正措施。

#### (c) 固體廢棄物管理

有害及無害廢棄物乃根據相關規則及法規的規定儲存及處理。於本期間內，生產過程產生之約119千克(二零一九年：97千克)有害廢棄物已由吉林省環保廳指定的承包商提供的廢棄物管理服務進行處理。約150噸(二零一九年：155噸)無害廢棄物已通過地方當局提供的廢棄物收集服務進行處理。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued) 環境、社會及管治報告(續)

### 2. ENVIRONMENTAL ASPECTS (Continued)

#### 2.2 Use of Resources

It is the Group's policy to encourage all staff to be environmentally friendly at work to reduce the consumption of paper, water and electricity and effective use of the resources. Measures being implemented include double-sided printing and copying, disseminating information in digital format, waste paper recycling, turning off power consuming devices when not in use.

2.2.1 The major resources used by the Group's trading activities and Hong Kong headquarters are electricity, and paper (including own offices use and bulk printing of reports and circulars distributed to the Company's shareholders through printing firms). In the Period, the electricity consumption and paper used were in aggregate of about 24,000 KWhs (2019: 25,000 KWhs) and 1.8 tonnes (2019: 1.6 tonnes) respectively. With respect to the paper usage, about 1.4 tonnes (2019: 1.4 tonnes) were used for the Group's documents copying and annual and interim reports using FSC certified paper.

The Group has been making its best efforts to reduce paper usage by distributing office files in digital format, reusing single-sided paper, and collecting double-sided printed paper for recycler's handling. The Group also adopts the practice of green procurement that eco-friendly paper is selected for office use and bulk printing of reports.

### 2. 環境層面(續)

#### 2.2 資源使用

本集團的政策為鼓勵全體員工在工作中保護環境以減少紙張、水及電力的消耗並高效使用資源。所實行的措施包括雙面打印及影印、以數碼形式傳播資料、回收廢紙、於不使用時關閉用電設備。

2.2.1 本集團的貿易活動及香港總部使用的主要資源為電力及紙張(包括辦公室自用及透過印刷公司大量印刷向本公司股東分發之報告及通函)。於本期間內,耗電量及用紙量分別合計約24,000千瓦時(二零一九年:25,000千瓦時)以及1.8噸(二零一九年:1.6噸)。至於紙張使用情況,本集團的文件複印及年報及中期報告所使用FSC認證紙約1.4噸(二零一九年:1.4噸)。

本集團一直在盡其最大努力來減少紙張使用,方法為分發數碼格式的辦公文件、重用單面紙及收集雙面印刷紙供回收站處理。本集團亦採用綠色採購做法,選擇環保紙用於辦公室使用及批量印刷報告。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

### 環境、社會及管治報告(續)

## 2. ENVIRONMENTAL ASPECTS (Continued)

### 2.2 Use of Resources (Continued)

2.2.2 The Group's manufacturing activities consume mainly water, electricity, natural gas, fuel for vehicles and packing material used for finished products. Paper consumption in its daily operations amounted to about 28 tonnes (2019: 25 tonnes) relates to paper used during the processes of procurement, invoicing, production, quality assurance, marketing and administration, of which the consumption in various departments is being monitored by the management, where management aims to reduce paper consumption within internal departments by better utilisation of the electronic network and digitalisation of files and would select eco-friendly paper products as far as practicable in the paper procurement process.

The major resources consumed in the Period are set out as below:

Type of resources consumed	所消耗資源類型	2020 二零二零年		2019 二零一九年	
		Amount 數量	Intensity* 密度*	Amount 數量	Intensity* 密度*
1. Water (tonne)	水(噸)	<b>39,160</b>	<b>0.5</b>	55,000	0.73
2. Electricity (KWh)	電力(千瓦時)	<b>2,040,000</b>	<b>26.3</b>	2,100,000	27.7
3. Coal (tonne)	煤炭(噸)	—	—	1,000	0.013
4. Natural gas (m <sup>3</sup> )	天然氣(立方米)	<b>360,000</b>	<b>4.64</b>	150,000	1.98
5. Fuel for vehicles (liter)	汽車燃料(升)	<b>33,822</b>	<b>0.44</b>	17,000	0.22
6. Packing material (tonne)	包裝物料(噸)	<b>775</b>	<b>0.01</b>	760	0.01

\* Amount generated per HK\$'000 of revenue.

\* 每千港元收入所產生的數量。

## 2. 環境層面(續)

### 2.2 資源使用(續)

2.2.2 本集團的生產活動主要消耗水、電力、天然氣、汽車燃料及製成品所用的包裝物料。其日常業務的紙張消耗(約28噸(二零一九年: 25噸))涉及採購、開具發票、生產、質量控制、商務及管理過程中所使用的紙張, 管理層正監控各部門的紙張消耗情況, 以期透過更好地利用電子網絡及數碼化文件等方式來減少內部部門的紙張消耗, 並在紙張採購過程中盡可能選擇環保紙製品。

本期間所消耗的主要資源載列如下:

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued) 環境、社會及管治報告(續)

### 2. ENVIRONMENTAL ASPECTS (Continued)

#### 2.2 Use of Resources (Continued)

##### 2.2.2 (Continued)

It is the Group's policy to ensure effective and efficient use of resources in the production process with the aim of minimising wastes and reducing consumption of the resources.

Water is a key element of the products and production process. Water supplies are provided by the municipally owned water supply company, which will ensure relatively stable and adequate water supplies. During the Period, there was no reported difficulties or issues arising from water supplies. Management has recognised the importance of water conservation, and therefore has closely monitored the operation with the aim of identifying means and ways in saving and reusing water; including setting clear instructions for better water used (time, volume and frequency) in the production process, more frequent inspection to reduce leakage in water supplies, and enhance employees' consciousness of water conservation in operation process training.

As to other resources, measures being implemented include avoiding procurement of high-energy consumption materials, regular monitoring performance of the production equipment, upgrading and phasing out non eco-friendly machines to raise the utilisation of energy and resources. Packing materials primarily comprise paper, glasses and plastics used for the Group's finished products. As a good practice, the Group endeavors to select eco-friendly materials in the procurement process, and minimise wastes by managing purchase quantities.

### 2. 環境層面(續)

#### 2.2 資源使用(續)

##### 2.2.2 (續)

本集團的政策為在生產過程中確保資源的高效使用，以盡量減少廢棄物及降低資源消耗。

水是產品和生產過程的關鍵要素。供水由市政供水公司提供，這將確保相對穩定和充足的供水。在本期間，沒有報告供水造成的困難或問題。管理層已認識到節約用水的重要性，因此密切監測運作，目的是識別節約和再利用水的工具和方法；包括在生產過程中設定明確的用水(時間、數量和次數)，更頻繁的檢查，以減少供水洩漏，在操作過程培訓中提高員工的節約用水意識。

至於其他資源所實行的措施包括避免採購高耗能材料、定期監察生產設備的性能、升級及淘汰非環保機器以提升對能源及資源的使用。包裝材料主要包括用於本集團製成品的紙張、玻璃和塑料。作為一項良好做法，本集團致力於在採購過程中選擇環保材料，並通過管理採購數量來最大限度地減少浪費。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

### 環境、社會及管治報告(續)

## 2. ENVIRONMENTAL ASPECTS (Continued)

### 2.3 The Environment and Natural Resources

The Group is dedicated to reducing the adverse effect of its activities that could result in environmental damages, controlling the level of consumption of natural resources and promoting environmental awareness among its employees at workplaces. In production, the Group has regularly inspected and monitored the production process to ensure strict compliance with relevant laws and regulations on emissions. In office, management has persistently reminded colleagues to protect the environment by recycling papers and plastic, turning off unused electricity devices. Management has also kept colleagues abreast of various environmental issues and encouraged colleagues to participate in activities like tree planting.

## 3. SOCIAL ASPECTS

### 3.1 Employment

The Group employs about 169 employees on a permanent basis, and the manufacturing segment accounts for nearly 90% of the Group's workforce. The statistics of the Group's workforce and employee turnover rate of the manufacturing segment are set out as below:

*Total workforce by gender and age group (of the Group)*

Gender	性別	Age			Total
		Below 30 30歲以下	Between 30-50 30至50歲	Over 50 50歲以上	
Male	男	2	34	27	63
Female	女	7	88	11	106
Total	總計	9	122	38	169

## 2. 環境層面(續)

### 2.3 環境及自然資源

本集團致力於減少會導致環境破壞的活動的不利影響，控制自然資源的消耗水平及提升僱員在工作場所的環保意識。就生產而言，本集團已定期檢查及監控生產流程，確保嚴格遵守相關排放的法律及法規。就辦公室而言，管理層不斷提醒同事透過回收紙張及塑料、關閉未使用的設備以保護環境。管理層亦向同事更新各類環境問題並鼓勵同事參與植樹等活動。

## 3. 社會層面

### 3.1 僱傭

本集團聘有約169名長期僱員，而製造分類的僱員佔本集團員工總數接近90%。本集團員工總數及製造分類的僱員流失率統計載列如下：

*按性別及年齡層劃分之員工總數(本集團)*

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

### 環境、社會及管治報告(續)

### 3. SOCIAL ASPECTS (Continued)

#### 3.1 Employment (Continued)

*Employee turnover rate (%) by gender and age group (Manufacturing segment only\*)*

Gender	性別	Age			Total
		Below 30	Between 30–50	Over 50	
		30歲以下	30至50歲	50歲以上	總計
Male	男	150%	13%	25%	22%
Female	女	14%	18%	17%	17%
Total	總計	44%	16%	23%	19%

\* Information relating to the manufacturing segment is disclosed as the employee turnover rate of the trading segment and Hong Kong headquarters is insignificant.

People are valuable asset to the Group's success and sustainable development. It is the Group's policy to attract and retain high caliber people for its business operations. The Group recruits people on the basis of job requirements without discrimination on grounds of age, gender, ethnic, politics or religion, trains and grows their capabilities, rewards and makes promotion based on their contributions. The Group remunerates its employees based on industry practices. The Group arranges working hours, rest periods, benefits and welfare including medicals and retirement protection in accordance with prevailing labour laws of its operating units in which they operate. The Group is committed to ensuring that all applicable legal requirements are observed in dealing with dismissal of any employee who violates the Group's regulations or persistently performs below job requirements.

During the Period, the Group did not breach any employment laws and regulations in the PRC, Hong Kong and Malaysia.

### 3. 社會層面(續)

#### 3.1 僱傭(續)

*按性別及年齡層劃分之僱員流失率(%)(僅製造分類\*)*

\* 有關製造分類的資料作出披露，因為貿易分類及香港總部的僱員流失率微小。

僱員乃本集團成功及可持續發展的寶貴資產。為本集團之業務經營吸引及挽留優秀人才亦是本集團之政策。本集團以崗位要求為基準招募僱員，不因年齡、性別、種族、政治或宗教等理由而歧視僱員；本集團培訓及培養各僱員的辦事能力，並根據彼等之貢獻作出獎勵及安排晉升。本集團員工之薪酬乃根據行業慣例確定。本集團按照其經營所在經營單位的現行勞工法律安排工作時間、休息時間、利益及福利(包括醫療及退休保障)。本集團致力確保解僱任何違反本集團規例或長時間未能符合工作要求的僱員時遵守一切適用法律規定。

於本期間內，本集團並無違反中國、香港及馬來西亞的任何僱傭法律及法規。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

### 環境、社會及管治報告(續)

### 3. SOCIAL ASPECTS (Continued)

#### 3.2 Health and Safety

The Group is committed to providing and maintaining a safe and healthy working environment for all its employees.

For the Group's office operations, management strives to maintain smoke-free, healthy and safe working environment. All employees are encouraged to participate regularly emergency drills held by the office building management.

For the Group's factory in China, management has persistently upheld the principle of safe production and observed the requirements of the "Law of the Prevention and Control of Occupational Diseases" (《職業病防治法》). There is no allowance of any personal consideration but strict compliance of the requirements under the GMP standards and the relevant laws and regulations. Management has regularly conducted safety examinations for production equipment, conducted drills and provided training to employees in order to increase their awareness and involvement in accident prevention.

During the Period, the Group did not breach any laws and regulations in relation to occupational health and safety and there were no work-related fatalities in the Group's operations but 8 work injury cases (2019: 12 cases) in the manufacturing segment resulting in 74 lost days (2019: 311 days). Measures have been taken to strengthen the production safety with the aim of minimising risk of injury through safety publicity and education in order to enhance consciousness of all employees.

### 3. 社會層面(續)

#### 3.2 健康與安全

本集團致力為其全體僱員提供及維持安全及健康的工作環境。

就本集團的辦公室運營而言，管理層致力營造無煙、健康及安全的工作環境。本集團鼓勵全體僱員定期參加辦公樓管理處舉行的應急演習。

就本集團於中國的工廠而言，管理層一貫堅持安全生產的原則及遵守《職業病防治法》的規定，要求嚴格遵守GMP準則及相關法律及法規的規定，不允許個人存在僥倖心理。管理層已定期對生產設備進行安全檢驗、進行操作演練及向僱員提供培訓，以提高彼等的事務防範意識及參與程度。

於本期間內，本集團並無違反任何有關職業健康及安全的法律法規，且本集團業務並未發生任何因工作關係而死亡事件，但製造分類發生8個工傷案例(二零一九年：12個)，導致損失工作日數達74日(二零一九年：311日)。本集團已採取措施加強生產安全，以期透過安全宣傳及教育提高全體僱員安全意識，從而最大限度地降低受傷風險。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued) 環境、社會及管治報告(續)

### 3. SOCIAL ASPECTS (Continued)

#### 3.2 Health and Safety (Continued)

To cope with the evolving situation of the COVID-19 crisis, since January 2020, various actions and measures have been taken by the Group to ensure the safety and health of its employees in the workplaces.

The Group's factory in Changchun, China was temporarily closed after the Lunar New Year holidays until mid-February 2020 in response to the nationwide containment measures, and upon resumption of production, management has promptly implemented stricter health and hygiene measures to safeguard health and safety of its employees in the workplace.

Precautionary measures such as restriction on travels and meetings, temperature screening before entering workplaces and provision of adequate disinfection supplies like face masks and hand sanitisers to employees have been maintained and followed through in all workplaces. A team of personnel is designated to monitor regular cleaning and disinfection of areas in the respective workplaces. Wider physical spacing is provided for workstations and seats in meeting rooms and rest areas, as far as practicable, while tele-conferencing is used in place of physical meetings and split team arrangements are enhanced, where possible. In addition, employees are educated the need to keep social distancing and hygiene practices and to comply with quarantine orders by the government agencies, where applicable.

All these measures have facilitated infection control and will be reviewed and adjusted taking into account the public health measures imposed by the government agencies.

### 3. 社會層面(續)

#### 3.2 健康與安全(續)

為應對新型冠狀病毒肺炎疫情不斷發展的趨勢，自二零二零年一月起，本集團已採取若干行動及措施以確保僱員在工作場所的安全與健康。

本集團的工廠位於中國長春，於農曆新年假期至二零二零年二月中旬暫時關閉，以應對全國的遏制措施，於恢復生產後，管理層迅速實施更為嚴格的健康及衛生措施以保障僱員在工作場所的安全與健康。

所有工作場所均維持及實施預防措施，如限制旅遊及會議、進入工作場所前檢測體溫及向僱員提供足夠的消毒用品(如口罩及消毒洗手液)。指定一組人員監管各個工作場所的定期清潔及消毒工作。於切實可行的情況下，盡量擴寬工作間、會議室及休息區的座位距離，如有可能，則以遠程會議替代現場會議並安排團隊分散工作。此外，教導僱員，使其了解保持社交距離及衛生習慣的必要性，並在適當情況下遵守政府部門的檢疫令。

所有該等措施加強了感染控制且將根據政府部門實施的公共衛生措施進行檢討及調整。



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

### 環境、社會及管治報告(續)

### 3. SOCIAL ASPECTS (Continued)

#### 3.3 Development and Training

The Group organises and provides on-the-job training to develop its employees' potential in order to support the Group's sustainable development. Employees are encouraged to equip themselves with relevant academic and professional qualifications by attending external training programs for future career development.

As to the Group's manufacturing segment in China, regular training programs have been provided in the areas of production process operations, quality and safety management, applicable legal and regulatory requirements, important environmental factors and risk controls to relevant personnel including production technicians, safety management personnel and operating personnel.

The Group also provides training subsidies to support its employees to receive external professional training to develop and refresh their knowledge and skills.

#### 3.4 Labour Standards

All employees of the Group are employed in accordance with the relevant laws and regulations on employment including, inter alia, working hours, rest periods and staff benefits. The Group prohibits the use of child labour and forced labour at all its operation units. During the recruitment process, the Group requires all applicants to provide true and accurate personal information including their proofs of identity for checking purpose, particularly for verifying the photo on the documents and reviewing the age. The Group will take immediate action to terminate the employment of anyone who provides false information or in breach of the Group's regulations.

During the Period, the Group has complied with employment-related laws and regulations and found no violations of laws and regulations regarding child labour and forced labour.

### 3. 社會層面(續)

#### 3.3 發展與培訓

本集團組織及提供在職培訓，以發展其僱員潛能支持本集團的可持續性發展。本集團鼓勵僱員為未來職業發展參加外部培訓課程，充實自身的相關學術及專業資格。

至於本集團於中國的製造分類，在生產流程操作、質量及安全管理、適用法律及法規要求、重要環境因素及風險控制等方面向生產技術人員、安全管理人員及操作人員等相關人員提供定期培訓課程。

本集團亦提供培訓津貼支持其僱員接受外部專業培訓，以發展及更新彼等的知識及技能。

#### 3.4 勞工準則

本集團全體僱員均按相關僱傭法律法規聘用，涵蓋(其中包括)工作時間、休息時間及員工福利等多個方面。本集團在其所有業務單位禁止使用童工及強制勞工。在招聘過程中，本集團要求所有求職者提供真實及準確的個人信息(包括彼等之身份證明)以供核查，尤其是檢查文件上的照片及核實年齡。倘發現有僱員提供虛假信息或違反本集團規例，本集團將即時採取措施終止僱傭關係。

於本期間內，本集團已遵守僱傭相關的法律及法規，並未發現任何有關童工及強制勞工法律及法規的違規行為。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued) 環境、社會及管治報告(續)

### 4. OPERATING PRACTICES

#### 4.1 Supply Chain Management

The Group relies on a wide range of vendors to supply goods; from raw materials to finished goods for the Group's manufacturing and trading activities. In order to fulfill the Group's mission to provide quality products, it is imperative for its pursuit of quality goods from the vendors.

The Group's GMP plants in China have established a quality management system to regulate the production and quality management of drugs. Since all procurement is conducted locally, the Group has clearly notified its vendors to comply with relevant quality standards and provide necessary permits if so required by the relevant laws and regulations for the goods supplied. Specific procedures have been implemented in quality control and inventory management in order to ensure the Group's products are consistently manufactured in accordance with the registration requirements. The aim of the Group's management system is to minimise the risks of contamination, detect, monitor and rectify errors in production process.

As to the Group's trading segment for China market, all drugs were sourced from GMP manufacturers in Europe and Latin America, and the Group has committed to work closely with and provide supports to its customers for quality control in compliance with the stringent testing conducted by the PRC drug authorities. During the Period, there were no imports of pharmaceutical products from overseas, in particular, the skin treatment products from Spain, which as stated in the 2019 ESG Report, have been suspended for sale since January 2019. The suspension was due to certain issues on manufacturing practices identified in an overseas on-site inspection by the Chinese regulatory authorities. In the meantime, the foreign manufacturer is preparing supplemental information for submission to the authorities in order to rectify the issues. The Group has been working closely with its business partners with a view to resolving all those issues in the long term so as to bring the products back to the market as soon as possible.

### 4. 營運慣例

#### 4.1 供應鏈管理

本集團的製造及貿易活動從原材料到製成品各個環節均倚賴廣泛的供應商提供之貨品。為達成本集團提供優質產品的使命，向供應商採購優質貨品至關重要。

本集團的中國GMP廠房設有質量管理系統規管藥品的生產及質量管理。由於所有採購乃於當地進行，本集團已明確知會其供應商遵循相關的質量準則及於相關法律法規要求時就所供應之貨品提供必要的許可證明。質控及存貨管理流程亦執行特定程序，以確保本集團的產品乃一致地按照註冊要求而製造。本集團的管理系統旨在最大程度地降低生產過程中的污染風險，並探測、監控及糾正各類錯誤。

就本集團的中國市場貿易分類而言，所有藥品均採購自歐洲及拉丁美洲的GMP製造商，且本集團已承諾就質量控制與客戶密切協作並向其提供支持，以符合中國藥監當局主導的嚴格檢測。於本期間內，並無自海外進口藥品，尤其是西班牙的皮膚治療產品，如二零一九年環境、社會及管治報告所述，已自二零一九年一月起停售。停售是由於中國監管當局進行海外現場視察時識別若干製造規範問題。與此同時，國外製造商現正編製補充資料提交主管當局，以糾正有關問題。本集團一直與業務夥伴緊密合作，以期可長遠解決所有該等問題，讓產品可以儘快重返市場。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

### 環境、社會及管治報告(續)

#### 4. OPERATING PRACTICES (Continued)

##### 4.2 Product Responsibility

The Group places great emphasis on maintaining and improving the quality of its products. The Group has implemented a comprehensive quality control and inspection procedures to ensure product quality and safety from procurement of raw materials, packaging materials and finished products. All products manufactured and sold by the Group to its customers in China have met the GMP production standards and complied with the registration requirements with the National Medical Products Administration.

On distribution side, all products distributed by the Group have clear instructions and specifications as to its composition, quality and safety use for end-user protection purpose, which are in compliance with the laws and requirements, such as the Advertisement Law and the Drug Administration Law in China.

The Group has also worked closely with customers to deal with products and services complaints in order to ensure product quality and competitiveness and has put top priority to ensure privacy of customer's information.

#### 4. 營運慣例(續)

##### 4.2 產品責任

本集團高度重視維持及提高其產品品質。本集團已落實全面的質控及檢驗程序，確保產品從採購原料、包裝材料到製成品各個方面的質量及安全。本集團為中國客戶製造及向其出售的所有產品均已符合GMP生產標準及符合國家藥品監督管理局註冊標準。

分銷方面，本集團分銷的所有產品均就其成分、質量及安全使用附有清晰的使用說明及藥品規格以保護終端用戶，此做法符合中國廣告法及藥品管理法等法律及法規。

本集團亦與客戶密切合作處理產品及服務投訴，確保產品的質量及競爭力；並將保護客戶隱私資料作為第一要務。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued) 環境、社會及管治報告(續)

### 4. OPERATING PRACTICES (Continued)

#### 4.3 Anti-corruption

The Company understands the importance of good business ethics, which along with good corporate governance are essential foundation to success. The Company has established ethics code to promote integrity and accountability, which requires all group companies and employees to strictly comply with the local laws and regulations. The code contains, inter alia, provisions for bribery, extortion, fraud, money laundering and whistleblowing procedures.

During the Period, the Group did not breach any laws and regulations relating to anti-corruptions or receive any reports in relation thereof in China, Malaysia, and Hong Kong.

### 5. COMMUNITY INVESTMENT

As a socially responsible corporation, the Company is committed to leverage its resources to facilitate the community development and strongly encourages all staff members to participate in volunteering and charitable activities, such as “Dress Casual Day” and “Blood Donation”. Staff members also support the Lai See Packet Recycle and Reuse Programme by dropping off the unused lai see packets at the designated collection points.

### 4. 營運慣例(續)

#### 4.3 反貪污

本公司深明良好商業道德的重要性，其與良好的企業管治一起構成成功的重要基礎。本公司已制定誠信守則倡導誠信及加強問責，要求所有集團公司及全體僱員嚴格遵守當地法律及法規。守則載有(其中包括)賄賂、敲詐、欺詐、洗錢及檢舉程序多方面條文。

於本期間內，就中國、馬來西亞及香港三地而言，本集團並無違反任何有關反貪污的法律及法規或接獲任何舉報。

### 5. 社區投資

作為一個具社會責任感的企業，本公司致力利用其資源促進社區發展並積極鼓勵其全體僱員參與「公益金便服日」及「愛心捐血」等志願及慈善活動。僱員亦於指定收集點投放未經使用的利是封，以支持利是封回收重用大行動。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

### 環境、社會及管治報告(續)

#### 6. ENVIRONMENTAL KEY PERFORMANCE INDICATORS (“KPIs”) TABLE

The following table summarises the Group’s significant KPIs information as set out in this report:

#### 6. 環境關鍵績效指標(「關鍵績效指標」)表

下表概述本報告內所載本集團主要關鍵績效指標資料：

KPIs	關鍵績效指標	2020 二零二零年	2019 二零一九年
<b>Environment</b>	<b>環境</b>		
<b>Air pollutants (Kg)</b>	<b>空氣污染物(千克)</b>		
SOx	硫氧化物	<b>738</b>	3,947
NOx	氮氧化物	<b>158</b>	5,752
PM	顆粒物	—	274
<b>Greenhouse gas (Tonne CO<sub>2</sub>)</b>	<b>溫室氣體(噸二氧化碳)</b>		
<b>Total emission:</b>	<b>總排放量：</b>	<b>2,649</b>	5,073
Direct emission (Scope 1)	直接排放(範圍1)	<b>965</b>	3,261
Indirect emission (Scope 2)	間接排放(範圍2)	<b>1,672</b>	1,679
Indirect emission (Scope 3)	間接排放(範圍3)	<b>12</b>	133
Intensity per employee	每名僱員強度	<b>16</b>	30
<b>Wastes (Tonne)</b>	<b>廢棄物(噸)</b>		
Total hazardous waste produced	所產生有害廢棄物總量	<b>34,000</b>	40,000
Intensity (Hazardous waste) per employee	每名僱員強度(有害廢棄物)	<b>201</b>	234
Total non-hazardous waste produced	所產生無害廢棄物總量	<b>150</b>	155
Intensity (Non-hazardous waste) per employee	每名僱員強度(無害廢棄物)	<b>1</b>	1
<b>Energy consumption</b>	<b>能源消耗</b>		
<b>Total energy consumption:</b>	<b>能源消耗總量：</b>		
Fuel consumed for vehicles (Liter)	汽車燃料消耗(升)	<b>33,822</b>	17,000
Intensity (Fuel) per employee	每名僱員強度(燃料)	<b>200</b>	99
Electricity (MWh)	電力(兆瓦時)	<b>2,064</b>	2,125
Intensity (Electricity) per employee	每名僱員強度(電力)	<b>12</b>	12
Coal (Tonne)	煤炭(噸)	—	1,000
Intensity (Coal) per employee	每名僱員強度(煤炭)	—	6
Natural gas (thousand m <sup>3</sup> )	天然氣(千立方米)	<b>360</b>	150
Intensity (Natural gas) per employee	每名僱員強度(天然氣)	<b>2</b>	1

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)  
環境、社會及管治報告(續)

6. ENVIRONMENTAL KEY PERFORMANCE INDICATORS (“KPIs”) TABLE (Continued)

6. 環境關鍵績效指標(「關鍵績效指標」)表(續)

KPIs	關鍵績效指標	2020	2019
		二零二零年	二零一九年
<b>Social</b>	社會		
<b>Total workforce (persons) – Group</b>	工作員工(人員)總數 – 本集團	<b>169</b>	171
<b>By gender:</b>	按性別劃分：		
Male	男	<b>63</b>	62
Female	女	<b>106</b>	109
<b>By age group:</b>	按年齡層劃分：		
<30	30歲以下	<b>9</b>	11
30–50	30至50歲	<b>122</b>	131
>50	50歲以上	<b>38</b>	29
<b>By employment type:</b>	按僱傭類型劃分：		
Permanent	全職	<b>169</b>	171
Part-time	兼職	—	—
<b>Employee turnover rate (%) – Manufacturing</b>	僱員流失率(%) – 製造分類		
<b>By gender:</b>	按性別劃分：		
Male	男	<b>22%</b>	29%
Female	女	<b>17%</b>	17%
<b>By age group:</b>	按年齡層劃分：		
<30	30歲以下	<b>44%</b>	45%
30–50	30至50歲	<b>16%</b>	13%
>50	50歲以上	<b>23%</b>	55%
<b>By employment type:</b>	按僱傭類型劃分：		
Permanent	全職	<b>100%</b>	100%
Part-time	兼職	—	—
<b>Health and safety</b>	健康與安全		
Number of work-related fatalities	因工作關係死亡人數	—	—
Lost days due to work injury (days)	因工傷損失的工作日數(日)	<b>74</b>	311

# REPORT OF THE DIRECTORS

## 董事會報告

The directors present their annual report and the audited consolidated financial statements of Extrawell Pharmaceutical Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2020.

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding and the activities of its principal subsidiaries and an associate are set out in notes 42 and 23 to the consolidated financial statements respectively.

The business review of the Group and the discussion and analysis of the Group’s performance for the year ended 31 March 2020 are set out in the sections “Chairman’s Statement” and “Management Discussion and Analysis” on pages 4 to 7 and pages 8 to 20 of this annual report respectively.

A discussion on the Group’s environmental policies and performance, and information about laws and regulations affecting the businesses of the Group and their compliance are included in the Environmental, Social and Governance Report on pages 44 to 61 of this annual report. Furthermore, financial risk management and capital management of the Group are set out in notes 44 and 45. to the consolidated financial statement.

The above discussions and information form part of this report.

### RESULTS AND DIVIDEND

The results of the Group for the year ended 31 March 2020 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 83 to 84.

The directors do not recommend the payment of dividend in respect of the year after taking into account factors including the Group’s financial performance, operating and capital requirements and market conditions. Currently, no formal dividend policy is adopted by the Company.

董事會謹此提呈精優藥業控股有限公司（「本公司」）及其附屬公司（統稱「本集團」）截至二零二零年三月三十一日止年度之年報及經審核綜合財務報表。

### 主要業務及業務回顧

本公司之主要業務為投資控股，其主要附屬公司及一間聯營公司之業務分別載於綜合財務報表附註42及23。

本集團截至二零二零年三月三十一日止年度之業務回顧及本集團表現之討論及分析分別載於本年報第4至7頁及第8至20頁之「主席報告」及「管理層討論及分析」各節。

有關本集團環境政策及表現之討論以及有關影響本集團業務及其合規性之法律及法規之資料載於本年報第44至61頁之環境、社會及管治報告。此外，本集團之財務風險管理及資本管理載於綜合財務報表附註44及45。

上述討論及資料組成本報告之一部分。

### 業績及股息

本集團截至二零二零年三月三十一日止年度之業績載於第83至84頁之綜合損益及其他全面收益表。

經考慮多項因素（包括本集團財務表現、營運及資本需求以及市況）後，董事並不建議就本年度派發股息。本集團目前並無採納正式股息政策。

## REPORT OF THE DIRECTORS (Continued) 董事會報告(續)

### FIVE YEARS' FINANCIAL SUMMARY

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years is set out on page 204.

### 五年財務概要

本集團過去五個財政年度之業績、資產、負債及非控股權益概要載於第204頁。

### INVESTMENT PROPERTIES

Details of movements in the investment properties of the Group during the year are set out in note 16 to the consolidated financial statements.

### 投資物業

本集團之投資物業於年內之變動詳情載於綜合財務報表附註16。

### PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year are set out in note 17 to the consolidated financial statements.

### 物業、廠房及設備

本集團之物業、廠房及設備於年內之變動詳情載於綜合財務報表附註17。

### SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 36 to the consolidated financial statements.

### 股本

本公司股本於年內之變動詳情載於綜合財務報表附註36。

### EQUITY-LINKED ARRANGEMENT

No equity-linked agreement which may result in the Company issuing shares was entered into during the year.

### 股票掛鈎安排

於本年度並無訂立可能導致本公司發行股份之股票掛鈎協議。

Details of the convertible bonds of the Company with principal amount of HK\$577,170,000 outstanding are disclosed in note 34 to the consolidated financial statements.

有關本公司未償還本金額為577,170,000港元之可換股債券之詳情於綜合財務報表附註34內披露。



## REPORT OF THE DIRECTORS (Continued) 董事會報告(續)

### SHARE OPTION SCHEME

On 24 August 2012, the shareholders of the Company approved the adoption of a new share option scheme (the "Scheme"), as the share option scheme adopted by the Company on 8 August 2002 expired on 14 August 2012. The Scheme became effective on 29 August 2012 after obtaining approval from the Listing Committee of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. Information about the Scheme is set out in note 12 to the consolidated financial statements.

### DISTRIBUTABLE RESERVES

As at 31 March 2020, the reserves of the Company available for cash distribution and/or distribution in specie amounted to HK\$132,176,000 which was computed in accordance with the Bermuda Companies Act. In addition, the Company's share premium account with a balance of HK\$191,738,000 as at 31 March 2020 may be distributed in the form of fully paid bonus shares.

### RELATIONSHIP WITH EMPLOYEES

During the year, the Group had not experienced any significant problems with its employees or disruption to its operations due to labour disputes nor had it experienced any difficulties in the recruitment. The directors consider that the Group has maintained good working relationship with its employees.

### MAJOR CUSTOMERS AND SUPPLIERS

The Group understands the importance of maintaining good relationships with its customers and suppliers to the overall development of its business. During the year, there were no disputes between the Group and its customers and/or suppliers which would have caused significant adverse impact to the Group's business.

For the year ended 31 March 2020, revenue attributable to the Group's five largest customers accounted for approximately 20% of the Group's revenue, and revenue attributable to the Group's largest customer accounted for approximately 5% of the Group's revenue.

### 購股權計劃

由於本公司於二零零二年八月八日採納之購股權計劃於二零一二年八月十四日屆滿，於二零一二年八月二十四日，本公司股東批准採納新購股權計劃（「該計劃」）。於獲得香港聯合交易所有限公司（「聯交所」）上市委員會批准後，該計劃已於二零一二年八月二十九日生效，除非以其他方式取消或修訂，否則將自該日期起計10年內一直有效。有關該計劃之資料載於綜合財務報表附註12。

### 可供分派儲備

於二零二零年三月三十一日，依據百慕達公司法計算，本公司可供作現金分派及／或實物分派之儲備金額為132,176,000港元。此外，於二零二零年三月三十一日，本公司可供以繳足股本之紅股方式作分派之股份溢價賬餘額為191,738,000港元。

### 與僱員之關係

於年內，本集團並無與其僱員出現任何重大問題或因勞工糾紛而令其業務中斷，且其在招聘員工方面並無面臨任何困難。董事認為本集團與其僱員維持良好的工作關係。

### 主要客戶及供應商

本集團深明與其客戶及供應商維持良好關係對其業務之整體發展十分重要。於年內，本集團與其客戶及／或供應商並無發生會對本集團業務造成重大不利影響的糾紛。

截至二零二零年三月三十一日止年度，本集團五大客戶應佔之收益額佔本集團收益額的約20%，而本集團最大客戶應佔之收益額佔本集團收益額的約5%。

## REPORT OF THE DIRECTORS (Continued) 董事會報告(續)

### MAJOR CUSTOMERS AND SUPPLIERS (Continued)

For the year ended 31 March 2020, purchases attributable to the Group's five largest suppliers accounted for approximately 82% of the Group's purchases and purchases attributable to the Group's largest supplier accounted for approximately 33% of the Group's purchases.

None of the directors, their close associates or any shareholders (which to the knowledge of the directors owned more than 5% of the Company's issued share capital) had any interests in the Group's five largest customers and the suppliers.

### DIRECTORS

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

#### Executive directors:

Xie Yi  
Cheng Yong  
Lou Yi  
Wong Sau Kuen  
Liu Kwok Wah  
Lu Zhiqiang

Dr. Xie Yi, Dr. Lou Yi, Ms. Wong Sau Kuen and Mr. Liu Kwok Wah are also directors in certain subsidiaries of the Company.

#### Independent non-executive directors:

Fang Lin Hu  
Xue Jing Lun  
Jin Song

The Company has received annual confirmations of independence pursuant to rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") from Messrs. Fang Lin Hu, Xue Jing Lun and Jin Song and still considers them to be independent.

### 主要客戶及供應商(續)

截至二零二零年三月三十一日止年度，本集團五大供應商應佔之採購額佔本集團採購額的約82%，而本集團最大供應商應佔之採購額佔本集團採購額的約33%。

各董事、彼等之緊密聯繫人或任何股東(就董事所知擁有本公司已發行股本5%以上者)概無於本集團五大客戶及供應商中擁有任何權益。

### 董事

本年度及截至本報告日期在任之本公司董事如下：

#### 執行董事：

謝毅  
程勇  
樓屹  
王秀娟  
廖國華  
盧志強

謝毅博士、樓屹博士、王秀娟女士及廖國華先生亦為本公司若干附屬公司之董事。

#### 獨立非執行董事：

方林虎  
薛京倫  
金松

本公司已收到方林虎先生、薛京倫先生及金松女士根據聯交所證券上市規則(「上市規則」)第3.13條就彼等之獨立性發出之年度確認，並認為彼等仍為獨立人士。

## REPORT OF THE DIRECTORS (Continued)

### 董事會報告(續)

#### DIRECTORS (Continued)

In accordance with the Company's bye-law 111, other than the Chairman, the directors of the Company, including the independent non-executive directors ("INEDs"), are subject to retirement by rotation and re-election at the annual general meeting of the Company. In accordance with the provisions of the Company's bye-laws, Mr. Cheng Yong and Mr. Lu Zhiqiang will retire as directors by rotation at the forthcoming annual general meeting of the Company. Mr. Cheng Yong, being eligible, will offer himself for re-election, and Mr. Lu Zhiqiang has confirmed not to offer himself for re-election and will retire as director at the conclusion of the forthcoming annual general meeting of the Company.

#### DIRECTORS' SERVICE CONTRACTS

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

#### DIRECTORS' REMUNERATION

The directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Company's board of directors with reference to directors' duties, responsibilities and performance and the results of the Group, and pursuant to the recommendation made by the remuneration committee.

#### DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in the consolidated financial statements, no director had material interests, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

#### DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, no directors or their close associates are considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

#### 董事(續)

根據本公司之公司細則第111條之規定，除主席外，本公司董事(包括獨立非執行董事(「獨立非執董」))須輪值退任，並於本公司之股東週年大會上重選連任。根據本公司之公司細則條文，程勇先生及盧志強先生將於本公司應屆股東週年大會上輪值退任董事。程勇先生符合資格並願意膺選連任，而盧志強先生已確認不參與重選，並將於本公司應屆股東週年大會結束時退任董事。

#### 董事之服務合約

擬於應屆股東週年大會上重選連任之董事概無與本公司訂立不可由本公司於一年內免付賠償(法定責任除外)而終止之服務合約。

#### 董事薪酬

董事袍金須於股東大會上獲得股東批准。其他酬金乃由本公司董事會參考董事之職務、職責及表現以及本集團之業績並根據薪酬委員會所作推薦意見而釐定。

#### 董事之合約利益

除綜合財務報表所披露者外，概無董事於本公司或其任何附屬公司於年內所訂立對本集團業務具重大影響之任何合約中，直接或間接擁有重大權益。

#### 董事於競爭業務之權益

於年內，概無董事或彼等之緊密聯繫人被視為於與本集團業務構成或可能構成直接或間接競爭之業務中擁有權益。

## REPORT OF THE DIRECTORS (Continued) 董事會報告(續)

### PERMITTED INDEMNITY

Pursuant to the Company's bye-laws, every director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. In addition, the Company has arranged appropriate directors' and officers' liability insurance coverage for the directors and officers of the Group.

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

At 31 March 2020, the interests and short positions of the directors in the shares, underlying shares or debentures of the Company or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

#### Long positions in the ordinary shares of the Company

Name of director 董事姓名	Notes 附註	Capacity and nature of interest 身份及權益性質	Number of ordinary shares held/entitled 所持／有權持有之普通股數目	Approximate percentage of interests held 所持權益之概約百分比
Xie Yi 謝毅	(a)	Through controlled corporations 透過受控制公司	900,000,000	37.66%
Cheng Yong 程勇	(b)	Directly beneficially owned 直接實益擁有	830,000	0.04%
		Through controlled corporations 透過受控制公司	140,760,000	5.89%
		Held by spouse 由配偶持有	5,090,000	0.21%
			146,680,000	6.14%

### 獲准許彌償

根據本公司之公司細則，本公司各董事或其他高級人員有權就履行其職務或在其他有關方面而可能蒙受或產生或相關之所有損失或負債自本公司之資產中獲得彌償。此外，本公司已為本集團董事及高級人員投保適當的董事及高級人員責任保險。

### 董事於股份、相關股份及債權證之權益及淡倉

於二零二零年三月三十一日，董事於本公司或其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份或債權證中，擁有登記於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及淡倉，或根據上市發行人董事進行證券交易之標準守則(「標準守則」)須知會本公司及聯交所之權益及淡倉如下：

#### 於本公司普通股之好倉

## REPORT OF THE DIRECTORS (Continued) 董事會報告(續)

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

#### Long positions in the ordinary shares of the Company (Continued)

Notes:

- (a) These 900,000,000 shares represent conversion shares to be allotted and issued to the bondholder, United Gene International Holdings Group Limited ("UG International") upon exercise in full of the conversion rights by UG International, at conversion price of HK\$0.6413 per share under the Company's 20-year zero coupon convertible bonds issued on 16 July 2013 with principal amount of HK\$577,170,000 outstanding. The entire issued share capital of UG International is owned by JNJ Investments Ltd which is wholly owned by Biowindow Gene Development (Hong Kong) Limited ("HK Biowindow"), and the entire issued share capital of HK Biowindow is owned by United Gene Group Ltd (a company incorporated in the British Virgin Islands). The issued share capital of United Gene Group Ltd is owned as to 33% by Ease Gold Investments Limited, which is wholly owned by Dr. Xie Yi.

At 31 March 2020, there was a total of 2,390,000,000 shares issued by the Company, and assuming the exercise in full of the conversion rights attaching to the Company's convertible bonds, UG International will hold approximately 27.36% of the enlarged share capital of the Company.

- (b) 1,060,000 shares and 139,700,000 shares of the Company's shares in issue are respectively held by Merchandise Holdings Limited and United Gene Industry Group Limited, both are companies incorporated in the British Virgin Islands and are wholly owned by Mr. Cheng Yong.

Save as disclosed above, as at 31 March 2020, none of the directors had registered an interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

### 董事於股份、相關股份及債權證之權益及淡倉(續)

#### 於本公司普通股之好倉(續)

附註：

- (a) 該等900,000,000股股份指債券持有人United Gene International Holdings Group Limited (「UG International」) 根據本公司於二零一三年七月十六日發行之20年零息可換股債券(尚未償還之本金額為577,170,000港元)按換股價每股0.6413港元悉數行使換股權後將獲配發及發行之換股股份。UG International之全部已發行股本由JNJ Investments Ltd擁有，JNJ Investments Ltd由香港博德基因開發有限公司(「香港博德」)全資擁有，而香港博德之全部已發行股本由United Gene Group Ltd(一間於英屬處女群島註冊成立之公司)擁有。United Gene Group Ltd之已發行股本由Ease Gold Investments Limited擁有33%權益，而Ease Gold Investments Limited由謝毅博士全資擁有。

於二零二零年三月三十一日，本公司已發行股份合共為2,390,000,000股。假設本公司可換股債券附帶之換股權獲悉數行使，UG International將持有本公司經擴大股本的約27.36%。

- (b) 本公司1,060,000股及139,700,000股已發行股份分別由Merchandise Holdings Limited及United Gene Industry Group Limited持有，兩家公司均於英屬處女群島註冊成立並由程勇先生全資擁有。

除上文所披露者外，於二零二零年三月三十一日，概無任何董事於本公司或其任何相聯法團之股份、相關股份及債權證中，擁有根據證券及期貨條例第352條須予登記之權益或淡倉，或根據標準守則須知會本公司及聯交所之權益或淡倉。

## REPORT OF THE DIRECTORS (Continued) 董事會報告(續)

### DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

At no time during the year were rights to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate granted to any directors or their respective spouses or minor children, or were any such rights exercised by them, or was the Company or any of its subsidiaries a party to any arrangement to enable the directors, their respective spouses or minor children to acquire such rights in any other body corporate.

### 董事購入股份及債權證之權利

於年度任何時間，任何董事或彼等各自之配偶或未成年子女概無獲授可藉購入本公司或任何其他法團股份或債權證而獲益之權利，或彼等並無行使任何該等權利，或本公司或其任何附屬公司亦無訂立任何安排，致使董事、彼等各自之配偶或未成年子女可於任何其他法團獲得該等權利。

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

At 31 March 2020, the following interests and short positions of 5% or more of the shares and underlying shares of the Company were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

### 主要股東及其他人士於股份、相關股份及債權證之權益及淡倉

於二零二零年三月三十一日，根據本公司按照證券及期貨條例第336條須予保存之登記冊所記錄，登記擁有本公司股份及相關股份5%或以上權益及淡倉之人士如下。

Name of substantial shareholder 主要股東姓名	Notes 附註	Capacity and nature of interest 身份及權益性質	Number of ordinary shares held/entitled 所持／有權持有之普通股數目	Long (L) or Short (S) 好倉(L)或淡倉(S)	Approximate percentage of interest held 所持權益之概約百分比
Mao Yumin 毛裕民		Directly beneficially owned 直接實益擁有	189,920,000	L	7.94%
	(a)	Through controlled corporations 透過受控制公司	900,000,000	L	37.66%
			1,089,920,000		45.60%
Huang Zhenping 黃振平		Directly beneficially owned 直接實益擁有	150,000,000	L	6.28%

## REPORT OF THE DIRECTORS (Continued) 董事會報告(續)

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

Note:

- (a) These 900,000,000 shares represent conversion shares to be allotted and issued to the bondholder, United Gene International Holdings Group Limited ("UG International") upon exercise in full of the conversion rights by UG International, at conversion price of HK\$0.6413 per share under the Company's 20-year zero coupon convertible bonds issued on 16 July 2013 with principal amount of HK\$577,170,000 outstanding. The entire issued share capital of UG International is owned by JNJ Investments Ltd which is wholly owned by Biowindow Gene Development (Hong Kong) Limited ("HK Biowindow"), and the entire issued share capital of HK Biowindow is owned by United Gene Group Ltd (a company incorporated in the British Virgin Islands). The issued share capital of United Gene Group Ltd is owned as to 33% by United Gene Holdings Limited, which is wholly owned by Dr. Mao Yumin.

Save as disclosed above, as at 31 March 2020, no person, other than certain directors of the Company, whose interests are set out in the section "Directors' interests and short positions in shares, underlying shares and debentures" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

### 主要股東及其他人士於股份、相關股份及債權證之權益及淡倉(續)

附註：

- (a) 該等900,000,000股股份指債券持有人United Gene International Holdings Group Limited (「UG International」)根據本公司於二零一三年七月十六日發行之20年零息可換股債券(尚未償還之本金額為577,170,000港元)按換股價每股0.6413港元悉數行使換股權後將獲配發及發行之換股股份。UG International之全部已發行股本由JNJ Investments Ltd擁有，JNJ Investments Ltd由香港博德基因開發有限公司(「香港博德」)全資擁有，而香港博德之全部已發行股本由United Gene Group Ltd(一間於英屬處女群島註冊成立之公司)擁有。United Gene Group Ltd之已發行股本由United Gene Holdings Limited擁有33%權益，而United Gene Holdings Limited由毛裕民博士全資擁有。

除上文所披露者外，於二零二零年三月三十一日，概無任何人士(不包括本公司若干董事，彼等之權益載於上文「董事於股份、相關股份及債權證之權益及淡倉」一節)於本公司之股份或相關股份中擁有根據證券及期貨條例第336條須予登記之權益或淡倉。

## REPORT OF THE DIRECTORS (Continued) 董事會報告(續)

### CONNECTED AND RELATED PARTY TRANSACTIONS

The following connected and related party transaction was recorded during the year and up to the date of this report:

#### Provision of shareholders' loan to Smart Ascent Limited ("Smart Ascent"), an associate of the Company

On 27 July 2018, the Company and Innovative Pharmaceutical Biotech Limited (together with its subsidiaries, the "Innovative Pharm Group") through their respective wholly-owned subsidiaries namely Extrawell (BVI) Limited and Clear Rich International Limited holding 49% and 51% shareholdings in Smart Ascent, as lenders and Smart Ascent as borrower, entered into a shareholders' loan agreement (the "Loan Agreement") for a loan to Smart Ascent amounting to HK\$30,000,000 in total (the "Loan"), to be contributed as to 49% i.e. HK\$14,700,000 by the Group and as to 51% i.e. HK\$15,300,000 by Innovative Pharm Group, for the purpose of financing the working capital requirements of Smart Ascent and its subsidiaries for the oral insulin project. The Loan is unsecured, interest bearing at 5% per annum and has a repayment term fixed at 60 months after each drawdown of the Loan.

Innovative Pharm was a then substantial shareholder of the Company that the entering into of the Loan Agreement constitutes a connected transaction of the Company. As the Loan Agreement was entered into on normal commercial terms and the provision of the Loan is in proportion to the equity interest held by the Group and Innovative Pharm Group in Smart Ascent, this connected transaction is fully exempted from the reporting, announcement and shareholders' approval requirements in accordance with rule 14A.89 of the Listing Rules. In addition, the applicable percentage ratios in respect of this connected transaction are less than 5%, it does not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

In August 2019, Smart Ascent had drawn down in aggregate of HK\$20,000,000, and accordingly, the Group and Innovative Pharm Group made contribution in the sum of HK\$9,800,000 and HK\$10,200,000 respectively to Smart Ascent, and together with the HK\$10,000,000 drawn down in September 2018, Smart Ascent had fully drawn down the Loan of HK\$30,000,000 under the Loan Agreement. Further details are set out in note 24 to the consolidated financial statements.

### 關連及關聯方交易

下列為本年度及直至本報告日期所錄得之關連及關聯方交易：

#### 向本公司聯營公司進生有限公司(「進生」)提供股東貸款

於二零一八年七月二十七日，本公司及領航醫藥及生物科技有限公司(連同其附屬公司統稱「領航醫藥集團」)透過其各自全資附屬公司(即Extrawell (BVI) Limited及Clear Rich International Limited，分別於進生持有49%及51%權益，作為貸款方)與進生(作為借款方)訂立一份股東貸款協議(「貸款協議」)，向進生提供總額為30,000,000港元之貸款(「該貸款」)，由本集團提供49%款項(即14,700,000港元)及由領航醫藥集團提供51%款項(即15,300,000港元)，以為進生及其附屬公司就口服胰島素項目之營運資金需求提供融資。該貸款為無抵押，按年利率5%計息及須於每次提取該貸款後60個月內償還。

由於領航醫藥當時為本公司主要股東，其所訂立之貸款協議構成本公司之關連交易。由於貸款協議按一般商業條款訂立，而該貸款按本集團及領航醫藥集團於進生所持有之權益比例提供，故此關連交易獲全面豁免遵守上市規則第14A.89條項下申報、公告及股東批准之規定。另外，由於有關此關連交易之適用百分比率低於5%，故不構成上市規則第14章項下之須予公佈交易。

於二零一九年八月，進生合共提取20,000,000港元，因此，本集團及領航醫藥集團分別向進生提供9,800,000港元及10,200,000港元。連同二零一八年九月提取的10,000,000港元，進生已全數提取貸款協議項下的貸款30,000,000港元。進一步詳情載於綜合財務報表附註24。



## REPORT OF THE DIRECTORS (Continued) 董事會報告(續)

### CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

#### Amendments to terms and conditions of the HK\$715,000,000 Convertible Bonds due 2021 issued by Innovative Pharm for Extension of Interest Payment Dates

The Group's investments in convertible bonds issued by Innovative Pharm on 28 July 2014 with principal amount of HK\$715,000,000 bears interest at 3.5% per annum payable in arrears annually with maturity on the 7th anniversary of the date of issue (the "Bonds").

On 26 July 2019, the Company and Innovative Pharm, a then substantial shareholder of the Company entered into, amongst others, the deed of amendment to amend and vary certain terms and conditions in the Bonds (the "Proposed Amendments"), whereby the dates for annual interest payment of HK\$25,025,000 (the "Interest") each for the periods from 28 July 2018 to 27 July 2019 ("2019 Interest Period") and 28 July 2019 to 27 July 2020 ("2020 Interest Period") would both be extended to 28 July 2021 and an additional interest in the amount of HK\$11,261,250 be paid on the even date. The additional interest represents 15% per annum on the Interest for 2-year extension for payment of interest for 2019 Interest Period and 1-year extension for payment of interest for 2020 Interest Period.

The transaction contemplated under the Proposed Amendments constitutes a major and connected transaction for the Company under Chapter 14 and Chapter 14A of the Listing Rules, which was approved by the Company's independent shareholders at its special general meeting held on 17 October 2019 and completed on 28 October 2019.

Details regarding the Proposed Amendments, the results of the special general meeting and the completion are respectively disclosed in the Company's announcement dated 26 July 2019 and the circular dated 16 September 2019, and the Company's announcements dated 17 October 2019 and 28 October 2019.

Details of the material related party transactions entered into by the Group which do not constitute connected transactions under the Listing Rules for the year are set out in note 40(a)(i) and (b) to the consolidated financial statements.

### 關連及關聯方交易(續)

#### 對領航醫藥所發行二零二一年到期之715,000,000港元可換股債券之條款及條件進行修訂以延長利息支付日期

本集團於領航醫藥於二零一四年七月二十八日發行的可換股債券投資之本金額為715,000,000港元，按年利率3.5%計息，須於每年的到期日支付，並於發行日期起計第七周年屆滿(「債券」)。

於二零一九年七月二十六日，本公司與領航醫藥(本公司當時主要股東)簽立(其中包括)修訂契約，以修訂及更改債券的若干條款及條件(「建議修訂」)，據此，每年支付利息25,025,000港元(「該利息」)的日期分別為自二零一八年七月二十八日至二零一九年七月二十七日(「二零一九年利息期」)及自二零一九年七月二十八日至二零二零年七月二十七日(「二零二零年利息期」)的各自年度利息支付期均延期至二零二一年七月二十八日，及額外利息11,261,250港元須於同一日期支付。額外利息為就該利息的二零一九年利息期延長兩年及二零二零年利息期延長一年，按年息15%計算的利息。

根據上市規則第14章及第14A章，建議修訂項下擬進行的交易構成本公司的主要及關連交易，該交易已在本公司於二零一九年十月十七日舉行的股東特別大會上獲批准並於二零一九年十月二十八日完成。

有關建議修訂、股東特別大會結果及完成的詳情，分別披露於本公司日期為二零一九年七月二十六日的公告及日期為二零一九年九月十六日的通函，以及本公司日期為二零一九年十月十七日及二零一九年十月二十八日的公告。

有關本集團於本年度訂立而根據上市規則並不構成關連交易之重大關聯方交易詳情載於綜合財務報表附註40(a)(i)及(b)。

## REPORT OF THE DIRECTORS (Continued) 董事會報告(續)

### CONTRACTS OF SIGNIFICANCE

Save as disclosed in “Connected and Related Party Transactions” above, no contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

### EVENTS AFTER THE REPORTING PERIOD

There is no material subsequent event occurred after 31 March 2020 and up to the date of this report.

### SUFFICIENCY OF PUBLIC FLOAT

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

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as the Company’s code of conduct for dealings in securities of the Company by the directors. Based on specific enquiry of the directors, the directors have complied with the required standard set out in the Model Code throughout the year ended 31 March 2020.

### 重大合約

除上文「關連及關聯方交易」所披露者外，於本年度末或本年度任何時間並不存在本公司或其任何附屬公司參與訂立而本公司董事於當中直接或間接擁有重大利益之任何重大合約。

### 報告期後事項

於二零二零年三月三十一日後及直至本報告日期，本集團並無發生重大期後事項。

### 充足公眾持股量

根據本公司於公開可得之資料及就董事所深知，於本報告刊發日期前之最後實際可行日期，公眾人士最少持有本公司已發行股本總數25%。

### 董事之證券交易標準守則

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易的標準守則（「標準守則」）作為董事買賣本公司證券之操守守則。經向董事作出特定查詢後，董事於截至二零二零年三月三十一日止年度內均一直遵照標準守則所載之規定準則。

## REPORT OF THE DIRECTORS (Continued) 董事會報告(續)

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

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws or the laws of Bermuda, being the jurisdiction in which the Company is incorporated, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

### AUDIT COMMITTEE

The Company has established an Audit Committee (the "Committee"), with written terms of reference, in compliance with Rule 3.21 of the Listing Rules, for the purpose of reviewing and providing supervision over the financial reporting process and risk management and internal control systems of the Group. The Committee comprises three INEDs. The Group's financial statements for the year ended 31 March 2020 have been reviewed by the Committee. The Committee is of the opinion that such financial statements comply with the applicable accounting standards, and Stock Exchange's and legal requirements, and that adequate disclosures have been made.

### AUDITOR

The Company's consolidated financial statements for the year were audited by Elite Partners CPA Limited, who will retire and, being eligible, offer themselves for re-appointment as auditor of the Company at the forthcoming annual general meeting.

On behalf of the Board

**Dr. Xie Yi**  
Chairman

Hong Kong, 29 June 2020

### 購買、出售或贖回本公司上市證券

本公司或其任何附屬公司於年內概無購買、出售或贖回本公司任何上市證券。

### 優先購股權

本公司之公司細則或百慕達(即本公司註冊成立所在之司法權區)法例概無規定本公司須按比例向現有股東發售新股份之優先購股權之條文。

### 審核委員會

為檢討及監察本集團之財務匯報程序及風險管理及內部監控制度，本公司已遵照上市規則第3.21條成立審核委員會(「委員會」)，並列出其書面職權範圍。委員會由三名獨立非執董組成。本集團截至二零二零年三月三十一日止年度之財務報表已由委員會審閱。委員會認為該等財務報表已符合適用之會計準則及聯交所及法例規定，並已提供足夠披露。

### 核數師

本公司於本年度之綜合財務報表已由開元信德會計師事務所有限公司審核，該行將退任，並符合資格及願意於應屆股東週年大會上接受續聘為本公司之核數師。

代表董事會

主席  
謝毅博士

香港，二零二零年六月二十九日

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告



**To The Shareholders of  
Extrawell Pharmaceutical Holdings Limited**  
*(incorporated in Bermuda with limited liability)*

### QUALIFIED OPINION

We have audited the consolidated financial statements of Extrawell Pharmaceutical Holdings Limited (the “Company”) and its subsidiaries (together referred to as the “Group”) set out on pages 83 to 203, which comprise the consolidated statement of financial position as at 31 March 2020, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2020, 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.

致精優藥業控股有限公司全體股東

*(於百慕達註冊成立之有限公司)*

### 保留意見

吾等已審核第83至第203頁所載精優藥業控股有限公司(「貴公司」)及其附屬公司(以下統稱「貴集團」)之綜合財務報表，包括於二零二零年三月三十一日之綜合財務狀況表、截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註(包括主要會計政策概要)。

吾等認為，除本報告內保留意見之基準一節所述事宜的影響外，綜合財務報表已遵照香港會計師公會(「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」)真實公平地反映 貴集團於二零二零年三月三十一日的綜合財務狀況以及其於截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例披露要求妥為編製。

## INDEPENDENT AUDITOR'S REPORT (Continued)

### 獨立核數師報告(續)

#### BASIS FOR QUALIFIED OPINION

##### Prior year's audit scope limitation affecting opening balance of comparative figures for the Group's interest in an associate

The auditor's report on the consolidated financial statements of the Group for the year ended 31 March 2019 ("2019 Financial Statements") contained a qualified opinion on the limitation of audit scope in relation to the opening balance on the Group's interest in an associate. Details of which had been set out in the auditor's report dated 28 June 2019.

As the 2019 Financial Statements formed the basis for the comparative figures presented in the current year's consolidated financial statements, any adjustments found to be necessary in respect of the opening balance (i.e. 1 April 2018) on the Group's interest in an associate would have a significant effect on the results of the year ended 31 March 2019 and the related disclosures thereof for the comparative figures for the year ended 31 March 2020.

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAAs") 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 qualified opinion.

#### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the year ended 31 March 2020. 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.

#### 保留意見之基準

##### 影響 貴集團於一間聯營公司之權益的比較數字之期初結餘之上一年度審核範圍限制

就 貴集團截至二零一九年三月三十一日止年度之綜合財務報表(「二零一九年財務報表」)之核數師報告中，載述就 貴集團於一間聯營公司之權益的期初結餘之審核範圍保留意見。有關詳情載於日期為二零一九年六月二十八日之核數師報告。

由於二零一九年財務報表構成本年度綜合財務報表所呈列比較數字之基礎，就 貴集團於一間聯營公司之權益的期初結餘(即二零一八年四月一日)發現之任何須作出之調整將對截至二零一九年三月三十一日止年度之業績及相關披露事項就截至二零二零年三月三十一日止年度之比較數字造成重大影響。

吾等已根據香港會計師公會頒佈之香港審計準則(「香港審計準則」)進行審核。吾等在該等準則下之責任已在本報告「核數師就審核綜合財務報表須承擔之責任」一節中進一步闡述。根據香港會計師公會頒佈之專業會計師道德守則(「守則」)，吾等獨立於 貴集團，且已根據守則履行其他道德責任。吾等相信所獲取之審核憑證為充足，且適當地為吾等之保留意見提供基礎。

#### 關鍵審核事項

關鍵審核事項為根據吾等之專業判斷，認為對截至二零二零年三月三十一日止年度綜合財務報表之審核最為重要的事項。該等事項為在吾等審核整體綜合財務報表及出具吾等之意見時進行處理，且吾等不會對該等事項提供單獨意見。

## INDEPENDENT AUDITOR'S REPORT (Continued) 獨立核數師報告(續)

### KEY AUDIT MATTERS (Continued)

### 關鍵審核事項(續)

#### (1) Impairment assessment of an associate

#### (1) 於一間聯營公司之減值評估

##### Key audit matters 關鍵審核事項

As at 31 March 2020, the Group has interest in an associate of approximately HK\$327,000,000 representing 49% equity interests in Smart Ascent Limited (see note 23 to the consolidated financial statements).

於二零二零年三月三十一日，貴集團於一間聯營公司之權益約為327,000,000港元，乃指於進生有限公司之49%權益（見綜合財務報表附註23）。

For the purpose of impairment assessment, the Group appointed an independent external valuer to assess the recoverable amount of the interest in an associate.

就評估減值而言，貴集團已委任獨立外部估值師評估於一間聯營公司權益之可收回金額。

We had identified the impairment assessment of interest in an associate as a key audit matter because significant management judgement was required to determine the recoverable amount for the interest in an associate.

吾等已識別於一間聯營公司權益之減值評估為關鍵審核事項，原因為管理層須作出重大判斷以釐定於一間聯營公司權益之可收回金額。

Our major audit procedures to address this matter included the following:

吾等處理該事項之主要審核程式包括如下：

- We discussed with management whether any impairment indicator exists and basis for the impairment recognised;
- 吾等已與管理層討論是否存在任何減值跡象及確認減值的基準；
- We discussed with management and relevant professionals about the In-process R&D of oral insulin product;
- 吾等已與管理層及相關專業人士討論有關口服胰島素產品進行中之研發；
- We obtained and assessed the fair value calculations methodology provided by the management including but not limited to the reasonableness of key assumptions applied (e.g. operating margins, terminal growth rates and discount rates), the accuracy and reliance of the input data used; and
- 吾等已獲取並評估管理層所提供之公平值計算方法，包括但不限於所應用主要假設（例如營運溢利、永久增長率及貼現率）之合理性、所使用輸入數據之準確性及可靠性；及
- We evaluated the competency of the independent external valuer taking account its experience and qualifications.
- 吾等已評估獨立外部估值師之能力，並考慮其經驗及資格。

## INDEPENDENT AUDITOR'S REPORT (Continued)

### 獨立核數師報告(續)

#### KEY AUDIT MATTERS (Continued)

##### (2) Impairment assessment of property, plant and equipment

#### 關鍵審核事項(續)

##### (2) 物業、廠房及設備之減值評估

#### Key audit matters

#### 關鍵審核事項

As at 31 March 2020, the Group has property, plant and equipment of approximately HK\$126,000,000 (see note 17 to the consolidated financial statements).

於二零二零年三月三十一日，貴集團有物業、廠房及設備約126,000,000港元(見綜合財務報表附註17)。

For the impairment assessment, the Group appointed an independent external valuer to assess the recoverable amount of property, plant and equipment.

就評估減值而言，貴集團已委任獨立外部估值師評估物業、廠房及設備之可收回金額。

We had identified the impairment assessment of property, plant and equipment as key audit matter due to the significant judgement involved by the management in impairment assessment.

吾等已識別物業、廠房及設備之減值評估為關鍵審核事項，原因為管理層須就減值評估作出重大判斷。

Our major audit procedures to address this matter included the following:

吾等處理該事項之主要審核程式包括如下：

- We assessed the fair value calculations methodology used and the appropriateness of the key assumptions adopted in the fair value less cost of disposal;
- 吾等已評估所使用之公平值計算方法及公平值減出售成本所採納之主要假設之合適性；
- We discussed with management whether any impairment indicator exists and basis for the impairment recognised;
- 吾等已與管理層討論是否存在任何減值跡象及確認減值的基準；
- We challenged the reasonableness of key assumptions based on our knowledge of the business and industry;
- 吾等已根據本身對業務及行業的知識，質詢主要假設之合理性；
- We checked on sampling basis, the accounting and relevance of the input data used; and
- 吾等已以抽查方式檢查所使用輸入數據之會計處理及相關性；及
- We evaluated the competency of the independent external valuer taking account its experience and qualifications.
- 吾等已評估獨立外部估值師之能力，並考慮其經驗及資格。

## INDEPENDENT AUDITOR'S REPORT (Continued) 獨立核數師報告(續)

### INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors 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 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.

### 綜合財務報表及核數師報告以外 之資料

董事須對其他資料負責。其他資料包括年報所載資料，惟不包括綜合財務報表及核數師報告。吾等對綜合財務報表之意見並不涵蓋其他資料，且吾等亦不會就其發表任何形式的鑒證結論。

就審核綜合財務報表而言，吾等之責任為閱讀其他資料，並在此過程中，考慮其他資料是否與綜合財務報表或吾等在審核過程中所了解的情況有重大不符，或者似乎有重大錯誤陳述。基於吾等已執行之工作，倘吾等認為其他資料有重大錯誤陳述，吾等需要報告有關事實。就此而言，吾等毋須報告任何事項。

### 董事及管理層就綜合財務報表須 承擔之責任

董事負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定，編製真實且公平意見之綜合財務報表，以及維持董事認為必要之有關內部控制，以確保編製綜合財務報表時不存在由於欺詐或錯誤而導致之重大錯誤陳述。

在編製綜合財務報表時，董事負責評估貴集團持續經營之能力，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，或除此之外別無其他實際的替代方案。

管理層負責監督貴集團的財務報告流程。



## INDEPENDENT AUDITOR'S REPORT (Continued) 獨立核數師報告(續)

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 90 of Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

### 核數師就審核綜合財務報表須承擔之責任

吾等之目標為對綜合財務報表整體是否不存在由於欺詐或錯誤而導致之任何重大錯誤陳述取得合理保證，並出具包括吾等意見之核數師報告。吾等根據百慕達《一九八一年公司法》第90條僅向閣下(作為整體)報告，除此之外本報告別無其他目的。吾等不會就本報告之內容向任何其他人士負上或承擔任何責任。合理保證為高水準保證，但不能保證按香港審計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，倘按合理預期而錯誤陳述個別或匯總起來可能影響綜合財務報表使用者所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據香港審計準則進行審核的過程中，吾等運用了專業判斷，並於審核過程中保持專業懷疑態度。吾等亦：

- 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之風險、設計及執行審核程式以應對該等風險以及取得充足及適當的審核憑證，作為吾等意見之基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險較因錯誤而導致的重大錯誤陳述的風險為高。
- 了解與審核相關之內部控制，以設計適當之審核程式，但並非旨在對貴集團內部控制之有效性發表意見。
- 評估董事所採用會計政策之合適性以及作出會計估計及相關披露資料之合理性。

## INDEPENDENT AUDITOR'S REPORT (Continued) 獨立核數師報告(續)

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

- 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.

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.

### 核數師就審核綜合財務報表須承 擔之責任(續)

- 對董事採用持續經營會計基礎之合適性作出結論，並根據所得之審核憑證決定是否存在與事件或情況有關之重大不確定性，而可能對 貴集團持續經營之能力構成重大疑慮。倘吾等認為存在重大不確定性，則吾等須在核數師報告中提請注意綜合財務報表中之相關披露資料，或倘有關披露資料不足，則修訂吾等之意見。吾等之結論乃基於截至核數師報告日止所取得之審核憑證。然而，未來事件或情況可能導致 貴集團不能繼續持續經營。
- 評估綜合財務報表(包括披露資料)之整體呈報方式、結構及內容，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之財務資料獲取充足、適當之審核憑證，以就綜合財務報表發表意見。吾等負責指導、監督及執行集團審核工作。吾等對審核意見承擔全部責任。

吾等就(其中包括)審核之計劃範圍及時間以及重大審核發現(包括吾等在審核過程中識別出內部監控之任何重大缺陷)與管理層進行溝通。

吾等亦向管理層提交聲明，表明吾等已符合有關獨立性之相關道德要求，並與彼等溝通可能合理被認為會影響吾等獨立性之所有關係及其他事項，以及(倘適用)相關防範措施。

## INDEPENDENT AUDITOR'S REPORT (Continued) 獨立核數師報告(續)

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

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 for 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 Mr. Leung Man Kin with Practising Certificate number P07174.

**Elite Partners CPA Limited**  
*Certified Public Accountants*

10th Floor,  
8 Observatory Road,  
Tsim Sha Tsui,  
Kowloon, Hong Kong

29 June 2020

### 核數師就審核綜合財務報表須承 擔之責任(續)

從與管理層溝通之事項中，吾等釐定對本期間綜合財務報表之審核最為重要之事項，因而構成關鍵審核事項。除非法律或法規禁止公開披露該等事項，否則吾等會於核數師報告中描述該等事項，或在極端罕見之情況下，倘合理預期在吾等之報告中溝通某事項造成之不利後果超過所產生之公眾利益，吾等會釐定不應在報告中描述該事項。

出具本獨立核數師報告之審核項目合夥人為梁文健先生，其執業證書編號為P07174。

**開元信德會計師事務所有限公司**  
*執業會計師*

香港九龍  
尖沙咀  
天文臺道8號  
10樓

二零二零年六月二十九日

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## 綜合損益及其他全面收益表

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

		Notes 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Revenue	收益	6	77,584	89,218
Cost of sales	銷售成本		(34,668)	(39,618)
Gross profit	毛利		42,916	49,600
Other income	其他收入	7	12,932	10,214
Other gains and losses, net	其他收益及虧損淨額	8	93,153	78,863
Selling and distribution expenses	銷售及分銷費用		(24,552)	(40,170)
Administrative expenses	行政費用		(26,445)	(26,402)
Share of results of an associate	應佔一間聯營公司業績		(3,165)	(908)
Finance cost	財務成本	10	(9,348)	(7,823)
Profit before income tax	除所得稅前溢利	9	85,491	63,374
Income tax credit/(expense)	所得稅抵免/(支出)	13	90	(50)
<b>Profit for the year</b>	<b>本年度溢利</b>		<b>85,581</b>	<b>63,324</b>
<b>Other comprehensive expense</b>	<b>其他全面開支</b>			
<i>Item that may be reclassified subsequently to profit or loss</i>	<i>其後可能重新分類至損益的項目</i>			
Exchange differences on translation of foreign operations	換算海外業務之匯兌差額		(7,304)	(6,881)
<i>Item that will not be reclassified subsequently to profit or loss</i>	<i>其後將不會重新分類至損益的項目</i>			
Change in fair value on financial assets through other comprehensive income	計入其他全面收益之金融資產公平值變動		—	(59,047)
Other comprehensive expense for the year	本年度其他全面開支		(7,304)	(65,928)
<b>Total comprehensive income/(expense) for the year</b>	<b>本年度全面收益/(開支)總額</b>		<b>78,277</b>	<b>(2,604)</b>

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

### 綜合損益及其他全面收益表(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

		Notes 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<b>Profit/(Loss) for the year attributable to:</b>	以下人士應佔本年度溢利／(虧損)：			
Owners of the Company	本公司擁有人		<b>83,280</b>	64,030
Non-controlling interests	非控股權益		<b>2,301</b>	(706)
			<b>85,581</b>	63,324
<b>Total comprehensive income/ (expense) for the year attributable to:</b>	以下人士應佔本年度全面收益／(開支)總額：			
Owners of the Company	本公司擁有人		<b>75,843</b>	(2,042)
Non-controlling interests	非控股權益		<b>2,434</b>	(562)
			<b>78,277</b>	(2,604)
<b>Earnings per share for profit attributable to owners of the Company</b>	本公司擁有人應佔溢利之每股盈利：		<b>HK cents</b> 港仙	HK cents 港仙
— Basic	— 基本	14	<b>3.48</b>	2.68
— Diluted	— 攤薄	14	<b>2.81</b>	2.18

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

As at 31 March 2020 於二零二零年三月三十一日

		Notes 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<b>Non-current assets</b>	<b>非流動資產</b>			
Investment properties	投資物業	16	1,319	1,378
Property, plant and equipment	物業、廠房及設備	17	126,070	140,740
Prepaid lease payments	預付租賃付款	18	—	9,236
Right-of-use assets	使用權資產	19	14,005	—
Intangible assets	無形資產	20	1,807	1,807
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	21	571,065	469,737
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收益之金融資產	22	—	—
Interest in an associate	於一間聯營公司之權益	23	326,897	330,062
Amount due from an associate	應收一間聯營公司款項	24	—	29,388
Loan to an associate	貸款予一間聯營公司	24	15,383	5,027
Deferred tax assets	遞延稅項資產	33	69	69
			<b>1,056,615</b>	987,444
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	25	5,865	5,824
Trade and bills receivables	貿易應收賬款及應收票據	26	10,484	20,047
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	27	4,787	11,106
Amount due from an associate	應收一間聯營公司款項	24	38,377	—
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	21	1,652	1,769
Pledged bank deposits	已抵押銀行存款	28	21,493	20,994
Cash and bank balances	現金及銀行結餘	29	126,437	148,902
			<b>209,095</b>	208,642
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and bills payables	貿易應付賬款及應付票據	30	6,239	8,125
Accruals, other payables and contract liabilities	預提費用、其他應付款項及合約負債	31	36,052	56,201
Lease liabilities	租賃負債	32	1,692	—
Deferred income on government grants	政府補助之遞延收入	35	117	125
Tax payable	應付稅項		14,232	15,287
			<b>58,332</b>	79,738
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>150,763</b>	128,904
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>1,207,378</b>	1,116,348

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

### 綜合財務狀況表(續)

As at 31 March 2020 於二零二零年三月三十一日

		Notes 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Convertible bonds	可換股債券	34	<b>58,950</b>	49,635
Lease Liabilities	租賃負債	32	<b>3,894</b>	—
Deferred income on government grants	政府補助之遞延收入	35	<b>4,686</b>	5,142
			<b>67,530</b>	54,777
<b>Net assets</b>	<b>資產淨值</b>		<b>1,139,848</b>	1,061,571
<b>Equity</b>	<b>權益</b>			
Share capital	股本	36	<b>23,900</b>	23,900
Reserves	儲備	38	<b>1,118,595</b>	1,042,752
<b>Equity attributable to owners of the Company</b>	<b>本公司擁有人應佔權益</b>		<b>1,142,495</b>	1,066,652
<b>Non-controlling interests</b>	<b>非控股權益</b>	42	<b>(2,647)</b>	(5,081)
<b>Total equity</b>	<b>權益總額</b>		<b>1,139,848</b>	1,061,571

On behalf of the board

代表董事會

**Xie Yi**  
謝毅  
Director  
董事

**Wong Sau Kuen**  
王秀娟  
Director  
董事

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔										
		Share capital	Share premium	Capital reserve	Contributions surplus	Foreign currency translation reserve	Convertible bonds equity reserve	FVTOCI reserve	Retained earnings	Sub-total	Non-controlling interests	Total
		股本	股份溢價	資本儲備	繳入盈餘	匯兌儲備	可換股債券權益儲備	全面收益之儲備	保留盈利	小計	非控股權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2018	於二零一八年四月一日	23,900	191,738	6,542	4,839	34,970	512,359	—	297,225	1,071,573	(4,494)	1,067,079
Initial application of HKFRS 9	首次應用香港財務報告準則第9號	—	—	—	—	—	—	(24,039)	21,160	(2,879)	(25)	(2,904)
Restated balance as at 1 April 2018	於二零一八年四月一日經重列之結餘	23,900	191,738	6,542	4,839	34,970	512,359	(24,039)	318,385	1,068,694	(4,519)	1,064,175
Profit for the year	本年度溢利	—	—	—	—	—	—	—	64,030	64,030	(706)	63,324
Change in fair value on financial assets through other comprehensive income	計入其他全面收益之金融資產公平值變動	—	—	—	—	—	—	(59,047)	—	(59,047)	—	(59,047)
Exchange differences on translation of foreign operations	換算海外業務產生之匯兌差額	—	—	—	—	(7,025)	—	—	—	(7,025)	144	(6,881)
Total comprehensive (expenses)/ income	全面(開支)/收益總額	—	—	—	—	(7,025)	—	(59,047)	64,030	(2,042)	(562)	(2,604)
At 31 March 2019 and 1 April 2019	於二零一九年三月三十一日及二零一九年四月一日	23,900	191,738	6,542	4,839	27,945	512,359	(83,086)	382,415	1,066,652	(5,081)	1,061,571
Profit for the year	本年度溢利	—	—	—	—	—	—	—	83,280	83,280	2,301	85,581
Exchange differences on translation of foreign operations	換算海外業務產生之匯兌差額	—	—	—	—	(7,437)	—	—	—	(7,437)	133	(7,304)
Total comprehensive income/(expense)	全面收益/(開支)總額	—	—	—	—	(7,437)	—	—	83,280	75,843	2,434	78,277
At 31 March 2020	於二零二零年三月三十一日	23,900	191,738	6,542	4,839	20,508	512,359	(83,086)	465,695	1,142,495	(2,647)	1,139,848



# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<b>Cash flows from operating activities</b>	<b>經營活動之現金流量</b>		
Profit before income tax	除所得稅前溢利	<b>85,491</b>	63,374
Adjustment for:	調整以下項目：		
Amortisation of prepaid lease payments	預付租賃付款之攤銷	—	234
Depreciation of right-of-use assets	使用權資產之折舊	<b>467</b>	—
Depreciation of investment properties	投資物業之折舊	<b>59</b>	59
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	<b>5,835</b>	6,237
(Gain)/Loss on disposal of property, plant and equipment	出售物業、廠房及設備之(收益)/虧損	<b>(85)</b>	734
Provision for impairment loss on trade receivables, net	貿易應收賬款減值虧損撥備淨額	<b>5,921</b>	255
Provision for/(Reversal of) impairment loss on inventories, net	存貨減值虧損撥備/(撥回)淨額	<b>253</b>	(44)
Change in fair value on financial assets at FVTPL — investments in convertible bonds	按公平值計入損益之金融資產公平值變動 — 可換股債券投資	<b>(101,328)</b>	(79,789)
Change in fair value on financial assets at FVTPL — bank structured product	按公平值計入損益之金融資產公平值變動 — 銀行結構性產品	<b>(51)</b>	(61)
Share of results of an associate	應佔一間聯營公司業績	<b>3,165</b>	908
Effective interest expense on convertible bonds	可換股債券之實際利息開支	<b>9,315</b>	7,823
Imputed interest income from amount due from an associate	應收一間聯營公司款項之估算利息收入	<b>(8,989)</b>	(6,883)
Interest income	利息收入	<b>(3,264)</b>	(2,947)
Amortisation of deferred income	遞延收入攤銷	<b>(121)</b>	(257)
Loan interest income from an associate	來自一間聯營公司之貸款利息收入	<b>(556)</b>	(127)
Provision for/(Reversal of) impairment loss on other receivables	其他應收款項減值虧損撥備/(撥回)	<b>4,517</b>	(2)
Interest expenses on lease liabilities	租賃負債之利息開支	<b>33</b>	—
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	<b>662</b>	(10,486)
Increase in inventories	存貨增加	<b>(279)</b>	(1,680)
Decrease in trade and bills receivables	貿易應收賬款及應收票據減少	<b>6,342</b>	3,169
Decrease/(Increase) in deposits, prepayments and other receivables	按金、預付款項及其他應收款項減少/(增加)	<b>1,989</b>	(2,743)
(Decrease)/Increase in trade and bills payables	貿易應付賬款及應付票據(減少)/增加	<b>(1,886)</b>	1,209
Decrease in accruals, other payables and contract liabilities	預提費用、其他應付款項及合約負債減少	<b>(20,149)</b>	(4,520)

## CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

### 綜合現金流量表(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<b>Cash used in operations</b>	營運所用之現金	<b>(13,321)</b>	(15,051)
Income tax refunded/(paid)	退還/(已付)所得稅	70	(38)
<b>Net cash used in operating activities</b>	經營活動所用之現金淨額	<b>(13,251)</b>	(15,089)
<b>Cash flows from investing activities</b>	投資活動所產生之現金流量		
Interest income received from investments in convertible bonds	可換股債券投資之已收利息收入	—	25,025
Interest income received	已收利息收入	3,026	2,947
Government grant received	已收政府補助	—	1,553
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項	85	118
Purchase of property, plant and equipment	購置物業、廠房及設備	(162)	(1,414)
Short term investment's return received	已收短期投資回報	51	57
Repayment of the amount due to an associate	償還應付一間聯營公司之款項	—	(19,780)
Loan made to an associate	貸款予一間聯營公司	(9,800)	(4,900)
Increase in pledged bank deposits	已抵押銀行存款增加	(499)	(492)
<b>Net cash (used in)/generated from investing activities</b>	投資活動(所用)/所產生之現金淨額	<b>(7,299)</b>	3,114
<b>Cash flows from financing activities</b>	融資活動所產生之現金流量		
Repayment for lease liabilities	償還租賃負債	(208)	—
Interest paid	已付利息	(33)	—
<b>Net cash used in financing activities</b>	融資活動所用之現金淨額	<b>(241)</b>	—
<b>Net decrease in cash and cash equivalents</b>	現金及現金等值項目減少淨額	<b>(20,791)</b>	(11,975)
<b>Effect of foreign exchange rate change</b>	外幣匯率變動之影響	<b>(1,674)</b>	(888)
<b>Cash and cash equivalents at beginning of year</b>	年初之現金及現金等值項目	<b>148,902</b>	161,765
<b>Cash and cash equivalents at end of year</b>	年終之現金及現金等值項目	<b>126,437</b>	148,902
<b>Analysis of the balances of cash and cash equivalents</b>	現金及現金等值項目之結餘分析		
Cash and bank balances	現金及銀行結餘	<b>126,437</b>	148,902

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

### (1) GENERAL

The Company is a limited liability company incorporated in Bermuda whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The address of its principal place of business is suites 2206–08, 22/F., Devon House, Taikoo Place, 979 King’s Road, Quarry Bay, Hong Kong.

The Company is an investment holding company (together with the subsidiaries referred as the “Group”). The principal activities of its subsidiaries and an associate are set out in notes 42 and 23 respectively to the consolidated financial statements.

### (2) ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

#### (a) Adoption of new/revised HKFRSs – effective 1 April 2019

The Hong Kong Institute of Certified Public Accountants (“HKICPA”) has issued a number of new or amended HKFRSs that are first effective for the current accounting period of the Group:

HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle

Except as described below, the application of the new/revised HKFRSs and amendment to HKFRSs in the current year has had no material impact on the Group’s accounting policies.

### (1) 一般資料

本公司乃於百慕達註冊成立之有限公司，其股份於香港聯合交易所有限公司（「聯交所」）主板上市。其註冊辦事處地址位於Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。其主要營業地點位於香港鰂魚涌英皇道979號太古坊德宏大廈22樓2206–08室。

本公司為一間投資控股公司（連同其附屬公司統稱為「本集團」）。本公司旗下附屬公司及一間聯營公司之主要業務分別載於綜合財務報表附註42及23。

### (2) 採納新訂及經修訂香港財務報告準則（「香港財務報告準則」）

#### (a) 採納新訂／經修訂香港財務報告準則 – 於二零一九年四月一日生效

香港會計師公會（「香港會計師公會」）已頒佈多項新訂或經修訂香港財務報告準則，該等準則於本集團當前會計期間首次生效：

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	所得稅處理之不確定性
香港財務報告準則第9號（修訂本）	附帶負補償之預付款項特點
香港會計準則第19號（修訂本）	計劃修改、縮減或結算
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，本年度採納新訂／經修訂香港財務報告準則及香港財務報告準則（修訂本）對本集團的會計政策並無重大影響。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

### (2) ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

#### (a) Adoption of new/revised HKFRSs — effective 1 April 2019 (Continued)

##### *HKFRS 16 — Leases*

The impact of the adoption of HKFRS 16 “Leases” has been summarised below. The other new or amended HKFRSs that are effective from 1 April 2019 did not have any significant impact on the Group’s accounting policies.

##### *(i) Impact of the adoption of HKFRS 16*

HKFRS 16 brings significant changes in accounting treatment for lease accounting, primarily for accounting for lessees. It replaces HKAS 17 “Leases” (“HKAS 17”), HK(IFRIC)-Int 4 “Determining whether an Arrangement contains a Lease”, HK(SIC)-Int 15 “Operating Leases — Incentives” and HK(SIC)-Int 27 “Evaluating the Substance of Transactions Involving the Legal Form of a Lease”. From a lessee’s perspective, almost all leases are recognised in the statement of financial position as a right-of-use asset and a lease liability, with the narrow exception to this principle for leases which the underlying assets are of low-value or are determined as short-term leases. From a lessor’s perspective, the accounting treatment is substantially unchanged from HKAS 17. For details of HKFRS 16 regarding its new definition of a lease, its impact on the Group’s accounting policies and the transition method adopted by the Group as allowed under HKFRS 16, please refer to section (ii) to (iv) of this note.

The Group has applied HKFRS 16 using the cumulative effect approach and recognised all the cumulative effect of initially applying HKFRS 16 as an adjustment to the opening balance of retained earnings at the date of initial application. The comparative information presented in 2019 has not been restated and continues to be reported under HKAS 17 and related interpretations as allowed by the transition provision in HKFRS 16.

### (2) 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

#### (a) 採納新訂／經修訂香港財務報告準則 — 於二零一九年四月一日生效(續)

##### *香港財務報告準則第16號 — 租賃*

採納香港財務報告準則第16號「租賃」的影響概述如下。自二零一九年四月一日起生效的其他新訂或經修訂香港財務報告準則對本集團的會計政策並無任何重大影響。

##### *(i) 採納香港財務報告準則第16號之影響*

香港財務報告準則第16號為租賃會計(主要為承租人之會計)之會計處理帶來重大變動。其取代香港會計準則第17號「租賃」(「香港會計準則第17號」)、香港(國際財務報告詮釋委員會) — 詮釋第4號「釐定安排是否包括租賃」、香港(準則詮釋委員會) — 詮釋第15號「經營租賃 — 優惠」及香港(準則詮釋委員會) — 詮釋第27號「評估涉及租賃法律形式交易的內容」。在承租人之角度, 幾乎所有租賃均於財務狀況表內確認為使用權資產及租賃負債, 此原則中少數例外情況為租賃之相關資產為低價值或釐定為短期租賃。在出租人之角度, 會計處理大致上較香港會計準則第17號維持不變。有關香港財務報告準則第16號對租賃之新定義、對本集團會計政策之影響及根據香港財務報告準則第16號本集團獲准採納之過渡方法之詳情, 請參閱本附註(ii)至(iv)節。

本集團已採用累計影響法應用香港財務報告準則第16號, 並確認初始應用香港財務報告準則第16號之所有累計影響作為對首次應用日期的保留盈利之期初結餘之調整。按香港財務報告準則第16號之過渡條文所允許, 所呈列之二零一九年比較資料並無重列, 並繼續根據香港會計準則第17號及相關詮釋呈報。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (2) ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

##### (a) Adoption of new/revised HKFRSs – effective 1 April 2019 (Continued)

###### HKFRS 16 – Leases (Continued)

###### (i) Impact of the adoption of HKFRS 16 (Continued)

The following table summarises the impact of transition to HKFRS 16 on consolidated statement of financial position as of 31 March 2019 to that of 1 April 2019 as follows (increase/(decrease)):

		HK\$'000 千港元
<i>Consolidated statement of financial position as at 1 April 2019</i>	於二零一九年四月一日之綜合綜合財務狀況表	
Right-of-use assets	使用權資產	9,236
Prepaid lease payments	預付租賃付款	(9,236)

The following reconciliation explains how the operating lease commitments disclosed applying HKAS 17 as at 31 March 2019 could be reconciled to the lease liabilities at the date of initial application recognised in the consolidated statement of financial position as at 1 April 2019:

		HK\$'000 千港元
<i>Reconciliation of operating lease commitment to lease liabilities</i>	經營租賃承擔與租賃負債之對賬	
Operating lease commitment as of 31 March 2019	於二零一九年三月三十一日之經營租賃承擔	1,601
Less: short-term leases for which lease terms end within 31 March 2020	減：租期於二零二零年三月三十一日內結束之短期租賃	(1,601)
Total lease liabilities as of 1 April 2019	於二零一九年四月一日之租賃負債總額	—

#### (2) 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

##### (a) 採納新訂/經修訂香港財務報告準則 – 於二零一九年四月一日生效(續)

###### 香港財務報告準則第16號 – 租賃(續)

###### (i) 採納香港財務報告準則第16號之影響(續)

下表概述過渡至香港財務報告準則第16號對截至二零一九年三月三十一日之綜合財務狀況表較二零一九年四月一日之綜合財務狀況表之影響如下(增加/(減少)):

以下對賬說明於二零一九年三月三十一日應用香港會計準則第17號披露之經營租賃承擔如何可與於二零一九年四月一日之綜合財務狀況表中確認於首次應用日期之租賃負債進行對賬:

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

### (2) ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

#### (a) Adoption of new/revised HKFRSs — effective 1 April 2019 (Continued)

##### *HKFRS 16 — Leases (Continued)*

##### *(ii) The new definition of a lease*

Under HKFRS 16, a lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A contract conveys the right to control the use of an identified asset for a period of time when the customer, throughout the period of use, has both: (a) the right to obtain substantially all of the economic benefits from use of the identified asset and (b) the right to direct the use of the identified asset.

For a contract that contains a lease component and one or more additional lease or non-lease components, a lessee shall allocate the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate stand-alone price of the non-lease components, unless the lessee applies the practical expedient which allows the lessee to elect, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group has elected not to separate non-lease components and accounted for all each lease component and any associated non-lease components as a single lease component for all leases.

### (2) 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

#### (a) 採納新訂／經修訂香港財務報告準則 — 於二零一九年四月一日生效(續)

##### *香港財務報告準則第16號 — 租賃(續)*

##### *(ii) 租賃之新定義*

根據香港財務報告準則第16號，租賃界定為賦予權利於一段時間內使用一項資產(相關資產)以換取代價之合約或合約之一部分。當客戶於整段使用期間內擁有：(a)權利從使用已識別資產中取得絕大部分經濟利益及(b)權利指示已識別資產之使用，則合約賦予權利於一段時間控制使用已識別資產。

就包含租賃部分及一項或多項額外租賃或非租賃部分之合約而言，承租人須按租賃部分之相對單獨價格及非租賃部分之總單獨價格向各租賃部分分配合約內之代價，除非承租人應用可行權宜方法，其使承租人可選擇按相關資產類別不將非租賃部分從租賃部分中分離，而將各租賃部分及任何相關非租賃部分入賬為單一租賃部分。

本集團已選擇不區分非租賃部分並就所有租賃將所有各租賃部分及任何相關非租賃部分入賬列作單一租賃部分。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (2) ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

##### (a) Adoption of new/revised HKFRSs – effective 1 April 2019 (Continued)

###### HKFRS 16 – Leases (Continued)

###### (iii) Accounting as a lessee

Under HKAS 17, a lessee has to classify a lease as an operating lease or a finance lease based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee. If a lease is determined as an operating lease, the lessee would recognise the lease payments under the operating lease as an expense over the lease term. The asset under the lease would not be recognised in the statement of financial position of the lessee.

Under HKFRS 16, all leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the statement of financial position as right-of-use assets and lease liabilities, but HKFRS 16 provides accounting policy choices for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

The Group recognised a right-of-use asset and a lease liability at the commencement date of a lease.

#### (2) 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

##### (a) 採納新訂／經修訂香港財務報告準則 – 於二零一九年四月一日生效(續)

###### 香港財務報告準則第16號 – 租賃(續)

###### (iii) 作為承租人的會計處理

根據香港會計準則第17號，承租人須根據租賃資產擁有權隨附風險及回報與出租人或承租人的相關程度將租賃分類為經營租賃或融資租賃。倘租賃釐定為經營租賃，承租人將於租期內將經營租賃項下的租賃付款確認為開支。租賃項下的資產將不會於承租人的財務狀況表內確認。

根據香港財務報告準則第16號，所有租賃(不論為經營租賃或融資租賃)須於財務狀況表資本化為使用權資產及租賃負債，惟香港財務報告準則第16號為實體提供會計政策選擇，可選擇不將(i)屬短期租賃的租賃及／或(ii)相關資產為低價值的租賃進行資本化。本集團已選擇不就低價值資產以及於開始日期租期低於12個月的租賃確認使用權資產及租賃負債。與該等租賃相關的租賃付款已於租期內按直線法支銷。

本集團於租賃開始日期確認使用權資產及租賃負債。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

### (2) ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

#### (a) Adoption of new/revised HKFRSs — effective 1 April 2019 (Continued)

##### HKFRS 16 — Leases (Continued)

##### (iii) Accounting as a lessee (Continued)

##### Right-of-use asset

The right-of-use asset is recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which the underlying asset is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. Except for right-of-use asset that meets the definition of an investment property or a class of property, plant and equipment to which the Group applies the revaluation model, the Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-of-use assets at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability. For right-of-use asset that meets the definition of an investment property, they are carried at fair value and for right-of-use asset that meets the definition of a leasehold land and buildings held for own use, they are carried at cost.

Leasehold land and buildings that were held for rental or capital appreciation purpose would continue to be accounted for under HKAS 40. For leasehold land and buildings which were held for own use would continue to be accounted for under HKAS 16 and would be carried at cost. The adoption of HKFRS 16 therefore does not have any significant impact on these right-of-use assets. Other than the above right-of-use assets, the Group also has leased a property under tenancy agreement which the Group exercises its judgement and determines that is the building leased for own use carried at cost. As a result, the right-of-use assets arising from the properties under tenancy agreement are carried at depreciated cost.

### (2) 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

#### (a) 採納新訂／經修訂香港財務報告準則 — 於二零一九年四月一日生效(續)

##### 香港財務報告準則第16號 — 租賃(續)

##### (iii) 作為承租人的會計處理(續)

##### 使用權資產

使用權資產按成本確認並將包括：(i) 租賃負債的初始計量金額(見下文有關租賃負債入賬的會計政策)；(ii) 於開始日期或之前作出的任何租賃付款減收到的任何租賃優惠；(iii) 承租人發生的任何初始直接費用；及(iv) 本集團於拆解及搬遷相關資產、復原相關資產所在場地或復原相關資產至租賃的條款及條件所規定的狀況時估計產生的成本。除了符合投資物業定義的使用權資產或本集團應用重估模型的物業、廠房及設備類別外，本集團採用成本模型計量使用權資產。根據成本模型，本集團按成本減任何累計折舊及任何減值虧損計量使用權資產，並就租賃負債的任何重新計量作出調整。符合投資物業定義的使用權資產按公平值列值，而符合為自用而持有的租賃土地及樓宇的定義的使用權資產按成本列值。

為租金或資本增值用途而持有的租賃土地及樓宇會繼續根據香港會計準則第40號入賬。對於為自用而持有的租賃土地及樓宇，會繼續根據香港會計準則第16號入賬，並按成本列值。因此，採用香港財務報告準則第16號對該等使用權資產並無任何重大影響。除上述使用權資產外，本集團亦已經根據租賃協議租賃物業，而本集團行使其判斷力並認為其屬按成本列值的自用租賃樓宇。因此，租賃協議項下物業產生的使用權資產按折餘成本列值。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (2) ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

##### (a) Adoption of new/revised HKFRSs – effective 1 April 2019 (Continued)

###### *HKFRS 16 – Leases (Continued)*

###### *(iii) Accounting as a lessee (Continued)*

###### *Lease liability*

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group shall use the Group's incremental borrowing rate.

The following payments for the right of use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, a lessee shall measure the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in substance fixed lease payments or a change in assessment to purchase the underlying asset.

#### (2) 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

##### (a) 採納新訂／經修訂香港財務報告準則－於二零一九年四月一日生效(續)

###### *香港財務報告準則第16號－租賃(續)*

###### *(iii) 作為承租人的會計處理(續)*

###### *租賃負債*

租賃負債以於租賃開始日期尚未支付的租賃付款的現值確認。如果可直接確定租賃內含利率，租賃付款須使用該利率折現。如果無法直接確定該利率，本集團採用其增量借款利率。

下列於租期內就相關資產的使用權作出的付款而於租賃開始日期尚未支付者被視為租賃付款：(i) 固定付款額，扣除任何應收的租賃優惠；(ii) 取決於指數或比率的可變租賃付款(初始按於開始日期的指數或比率計量)；(iii) 根據餘值擔保預計承租人應付的金額；(iv) 承租人合理確定將行使購買選擇權時，該選擇權的行權價；及(v) 在租期反映出承租人將行使終止租賃選擇權時終止租賃的罰款金額。

在開始日期之後，承租人須按以下方式計量租賃負債：(i) 增加賬面值以反映租賃負債的利息；(ii) 減少賬面值以反映作出的租賃付款；及(iii) 重新計量賬面值以反映任何重新評估或租賃修改，例如指數或利率發生變動導致未來租賃付款發生變動、租期變動、實質固定租賃付款變動或對購買相關資產的評估結果發生變化。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

### (2) ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

#### (a) Adoption of new/revised HKFRSs — effective 1 April 2019 (Continued)

##### *HKFRS 16 — Leases (Continued)*

##### *(iv) Transition*

As mentioned above, the Group has applied HKFRS 16 using the cumulative effect approach and recognised all the cumulative effect of initially applying HKFRS 16 as an adjustment to the opening balance of retained earnings at the date of initial application (1 April 2019). The comparative information presented in 2019 has not been restated and continues to be reported under HKAS 17 and related interpretations as allowed by the transition provision in HKFRS 16.

The Group has recognised the lease liabilities at the date of 1 April 2019 for leases previously classified as operating leases applying HKAS 17 and measured those lease liabilities at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate at 1 April 2019.

The Group has elected to recognise all the right-of-use assets at 1 April 2019 for leases previously classified operating leases under HKAS 17 as if HKFRS 16 had been applied since the commencement date, but discounted using the lessee’s incremental borrowing rate at the date of initial application. For all these right-of-use assets, the Group has applied HKAS 36 “Impairment of Assets” at 1 April 2019 to assess if there was any impairment as on that date.

### (2) 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

#### (a) 採納新訂／經修訂香港財務報告準則 — 於二零一九年四月一日生效(續)

##### *香港財務報告準則第16號 — 租賃(續)*

##### *(iv) 過渡*

誠如上文所述，本集團已採用累計影響法應用香港財務報告準則第16號，並確認初始應用香港財務報告準則第16號之所有累計影響作為對首次應用日期(二零一九年四月一日)的保留盈利之期初結餘之調整。按香港財務報告準則第16號之過渡條文所允許，所呈列之二零一九年比較資料並無重列，並繼續根據香港會計準則第17號及相關詮釋呈報。

本集團已於二零一九年四月一日就先前應用香港會計準則第17號分類為經營租賃的租賃確認租賃負債並按餘下租賃付款的現值(採用於二零一九年四月一日的承租人增量借款利率貼現)計量該等租賃負債。

本集團已選擇於二零一九年四月一日就先前根據香港會計準則第17號分類為經營租賃的租賃確認所有使用權資產，猶如香港財務報告準則第16號自開始日期起已獲採納，但採用首次應用日期的承租人增量借款利率進行貼現。就所有該等使用權資產而言，本集團已於二零一九年四月一日應用香港會計準則第36號「資產減值」以評估該日是否有任何減值。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (2) ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

##### (a) Adoption of new/revised HKFRSs – effective 1 April 2019 (Continued)

###### *HKFRS 16 – Leases (Continued)*

###### *(iv) Transition (Continued)*

The Group has also applied the following practical expedients: (i) applied a single discount rate to a portfolio of leases with reasonably similar characteristics; (ii) applied the exemption of not to recognise right-of-use assets and lease liabilities for leases with term that will end within 12 months of the date of initial application (1 April 2019) and accounted for those leases as short-term leases; (iii) exclude the initial direct costs from the measurement of the right-of-use asset at 1 April 2019 and (iv) used hindsight in determining the lease terms if the contracts contain options to extend or terminate the leases.

In addition, the Group has also applied the practical expedients such that: (i) HKFRS 16 is applied to all of the Group’s lease contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 “Determining whether an Arrangement contains a Lease”; and (ii) not to apply HKFRS 16 to contracts that were not previously identified as containing a lease under HKAS 17 and HK(IFRIC)-Int4.

#### (2) 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

##### (a) 採納新訂／經修訂香港財務報告準則 – 於二零一九年四月一日生效(續)

###### *香港財務報告準則第16號 – 租賃(續)*

###### *(iv) 過渡(續)*

本集團亦已應用下列實際權宜方法：(i)就具有合理相似特徵的租賃組合應用單一貼現率；(ii)對於首次應用日期(二零一九年四月一日)租期少於12個月的租賃應用豁免，不確認使用權資產及租賃負債，並入賬為短期租賃；(iii)扣除二零一九年四月一日計量使用權資產產生的初步直接成本；及(iv)倘合約載有延長或終止租賃的選擇權，則於事後釐定租期。

此外，本集團亦已應用實際權宜方法以便：(i)將香港財務報告準則第16號應用於本集團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「釐定安排是否包括租賃」識別為租賃的租賃合約；及(ii)不將香港財務報告準則第16號應用於先前根據香港會計準則第17號及香港(國際財務報告詮釋委員會)－詮釋第4號並無識別為含有租賃的合約。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

### (2) ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

#### (b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group’s consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group’s current intention is to apply these changes on the date they become effective.

Amendments to HKFRS 3	Definition of a Business <sup>1</sup>
Amendments to HKAS 1 and HKAS 8	Definition of Material <sup>1</sup>
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform <sup>1</sup>
HKFRS 17	Insurance Contracts <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKFRS 16	COVID-19 — Related Rent Concessions <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2020.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2021.

<sup>3</sup> The amendments were originally intended to be effective for periods beginning on or after 1 April 2018. The effective date has now been deferred/removed. Early application of the amendments continues to be permitted.

<sup>4</sup> Effective for annual periods beginning on or after 1 June 2020.

### (2) 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

#### (b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則

以下已頒佈但尚未生效及本集團並未提早採納之新訂／經修訂香港財務報告準則可能與本集團之綜合財務報表有關。本集團目前有意於該等準則生效日期應用該等變動。

香港財務報告準則第3號(修訂本)	業務之定義 <sup>1</sup>
香港會計準則第1號及香港會計準則第8號(修訂本)	重大之定義 <sup>1</sup>
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號(修訂本)	利率基準改革 <sup>1</sup>
香港財務報告準則第17號	保險合約 <sup>2</sup>
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合營企業間銷售或注入資產 <sup>3</sup>
香港財務報告準則第16號(修訂本)	新型冠狀病毒肺炎—有關租金優惠 <sup>4</sup>

<sup>1</sup> 於二零二零年一月一日或之後開始之年度期間生效。

<sup>2</sup> 於二零二一年一月一日或之後開始之年度期間生效。

<sup>3</sup> 該等修訂原擬於二零一八年四月一日或之後開始之期間生效。生效日期現已遞延／移除。仍可提早應用該等修訂。

<sup>4</sup> 於二零二零年六月一日或之後開始之年度期間生效。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (2) ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

##### (b) New/revised HKFRSs that have been issued but are not yet effective (Continued)

###### *Amendments to HKFRS 3 – Definition of a business*

The amendments clarify that a business must include, as a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs, together with providing extensive guidance on what is meant by a “substantive process”.

Additionally, the amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs, whilst narrowing the definition of “outputs” and a “business” to focus on returns from selling goods and services to customers, rather than on cost reductions.

An optional concentration test has also been added that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

###### *Amendments to HKAS 1 and HKAS 8 – Definition of material*

The amendments clarify the definition and explanation of “material”, aligning the definition across all HKFRS Standards and the Conceptual Framework, and incorporating supporting requirements in HKAS 1 into the definition.

###### *Amendments to HKFRS 9, HKAS 39 and HKFRS 7 – Interest Rate Benchmark Reform*

The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainties caused by interest rate benchmark reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

#### (2) 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

##### (b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則(續)

###### *香港財務報告準則第3號(修訂本)－業務之定義*

有關修訂澄清一項業務必須包括至少一項投入及一個實質過程，有關過程對創造產出之能力有重大貢獻，並就「實質過程」之解釋提供廣泛指引。

此外，有關修訂刪除市場參與者是否有能力取代任何缺失之投入或過程及持續產出之評估，同時收窄「產出」及「業務」之定義，將重點放在向客戶提供之商品及服務，而非成本縮減。

有關修訂加入選擇性集中測試，允許簡化評估所收購一組活動及資產是否並非一項業務。

###### *香港會計準則第1號及香港會計準則第8號(修訂本)－重大之定義*

有關修訂澄清「重大」之定義及解釋，統一所有香港財務報告準則及概念框架之定義，並將香港會計準則第1號之承載規定納入定義。

###### *香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號(修訂本)－利率基準改革*

有關修訂修改若干特定對沖會計規定，以減輕利率基準改革所帶來不確定因素之潛在影響。此外，有關修訂要求公司向投資者提供有關直接受該等不確定因素影響之對沖關係之額外資料。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

### (2) ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

#### (b) New/revised HKFRSs that have been issued but are not yet effective (Continued)

##### *HKFRS 17 – Insurance Contracts*

HKFRS 17 will replace HKFRS 4 as a single principle-based standard for the recognition, measurement, presentation and disclosure of insurance contracts in the consolidated financial statements of the issuers of those contracts.

##### *Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors’ interests in the joint venture or associate.

The Group is not yet in a position to state whether these new pronouncements will result in substantial changes to the Group’s accounting policies and consolidated financial statements.

### (2) 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

#### (b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則(續)

##### *香港財務報告準則第17號 – 保險合約*

香港財務報告準則第17號將取代香港財務報告準則第4號，作為在有關合約發行人綜合財務報表中確認、計量、呈列及披露保險合約之單一原則準則。

##### *香港財務報告準則第10號及香港會計準則第28號(修訂本) – 投資者與其聯營公司或合營企業間銷售或注入資產*

有關修訂澄清實體向其聯營公司或合營企業銷售或注入資產時，將予確認之收益或虧損程度。當交易涉及一項業務，則須確認全數收益或虧損。反之，當交易涉及不構成一項業務之資產，則僅須就不相關投資者於合營企業或聯營公司之權益確認收益或虧損。

本集團尚未能說明該等新公佈會否導致本集團會計政策及綜合財務報表出現重大變動。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

### (3) BASIS OF PREPARATION

#### 3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “HKFRSs”) and the provisions of the Hong Kong Companies Ordinance which concern the preparation of financial statements. 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.

#### 3.2 Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments, which are measured at fair values as explained in the accounting policies set out below.

#### 3.3 Functional and presentation currency

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Company. The amounts stated are rounded to the nearest HK\$1,000 unless otherwise stated.

### (3) 編製基準

#### 3.1 合規聲明

綜合財務報表乃根據所有適用香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋(以下統稱「香港財務報告準則」)以及香港公司條例有關編製財務報表之條文而編製。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規定之適用披露。

#### 3.2 計量基準

如下文會計政策所述，除若干金融工具按公平值計量外，綜合財務報表乃根據歷史成本基準編製。

#### 3.3 功能及呈列貨幣

綜合財務報表乃以港元(「港元」)呈列，港元亦為本公司之功能貨幣。除另有所指外，所示金額約整至最接近千港元。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES

#### 4.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (the “Group”). Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the dates of acquisition or up to the dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

When the Group loses control of a subsidiary, the profit or loss on disposal 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 of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest’s share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

### (4) 重大會計政策

#### 4.1 綜合基準

綜合財務報表包括本公司及其附屬公司(「本集團」)之財務報表。集團各成員公司間之公司間交易與結餘連同未變現溢利乃於編製綜合財務報表時全數對銷。未變現虧損亦可對銷，惟於有關交易可提供所轉讓資產之減值證明則除外，在此情況下，虧損可於損益中確認。

於年內收購或出售之附屬公司業績乃自收購日期起或截至出售日期止(如適用)計入綜合全面收益表。為使附屬公司之會計政策與本集團其他成員公司採用之會計政策一致，必要時會對附屬公司之財務報表作出調整。

倘本集團喪失對附屬公司之控制權，則出售產生之損益乃根據(i)已收代價公平值與任何保留權益公平值之總額及(ii)該附屬公司之資產(包括商譽)及負債以及任何非控股權益之過往賬面值兩者間之差額計算。先前於其他全面收益內確認與該附屬公司有關之任何金額按猶如本集團已出售相關資產或負債之方式入賬。

收購後，代表目前於附屬公司擁有權益之非控股權益之賬面值為該等權益於初步確認時之金額另加有關非控股權益應佔之其後權益變動。即使會導致非控股權益出現虧絀結餘，全面收益總額仍歸屬於非控股權益。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.2 Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for the Company on the basis of dividend received and receivable.

##### 4.3 Associate

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

Associates are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amounts are adjusted for the Group's share of the post-acquisition change in the associates' net assets except that losses in excess of the Group's interest in the associates are not recognised unless there is an obligation to make good those losses.

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate. Where unrealised losses provide evidence of impairment of the asset transferred they are recognised immediately in profit or loss.

#### (4) 重大會計政策(續)

##### 4.2 附屬公司

附屬公司指本公司有能力對其行使控制權之被投資公司。倘具備以下全部三項元素，本公司即對被投資公司擁有控制權：對被投資公司擁有權力、就被投資方可變回報承受風險或享有權利，及其行使權力影響有關可變回報之能力。倘有事實及情況顯示任何該等控制權元素可能有變，將會重新評估有關控制權。

於本公司財務狀況表內，於附屬公司之投資按成本扣除減值虧損(如有)列值。本公司按已收及應收股息基準將附屬公司業績入賬。

##### 4.3 聯營公司

聯營公司指本集團對其擁有重大影響力而非屬於附屬公司或合營安排之實體。重大影響力指有權參與被投資方之財務及營運決策，而非對該等政策擁有控制或共同控制權。

聯營公司採用權益法入賬，據此，聯營公司初步按成本確認，此後其賬面值會因應本集團所佔之聯營公司資產淨值收購後變動調整，惟超出本集團於聯營公司之權益之虧損不會被確認，除非有責任妥善處理該等虧損。

本集團與其聯營公司進行交易所產生之溢利及虧損，僅會就聯營公司之不相關投資者權益確認。該等交易產生之投資者所佔聯營公司之溢利及虧損，與聯營公司之賬面值對銷。如未變現虧損提供所轉讓資產減值證據，其即時於損益確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.3 Associate (Continued)

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

#### 4.4 Goodwill

Where the fair value of identifiable assets and liabilities exceed the aggregate of the fair value of consideration paid, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of the acquirer's previously held equity interest in the acquiree, the excess is recognised in profit or loss on the acquisition date, after re-assessment.

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units that are expected to benefit from the synergies of the acquisition. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, by comparing its carrying amount with its recoverable amount (see note 4.15), and whenever there is an indication that the unit may be impaired.

### (4) 重大會計政策(續)

#### 4.3 聯營公司(續)

就聯營公司已付之任何溢價超出本集團所佔已收購可識別資產、負債及或然負債之公平值之金額會撥充資本，並計入聯營公司之賬面值。如於聯營公司之投資出現已減值之客觀證據，投資之賬面值按其他非金融資產之相同方式測試減值。

#### 4.4 商譽

倘可識別資產及負債公平值超出已付代價之公平值、於被收購方之任何非控股權益金額及收購方過往於被收購方所持股權於收購日期之公平值之總額，則有關差額在重估後於收購日期於損益賬確認。

商譽以成本扣除減值虧損計量。就減值測試而言，收購產生之商譽會分配至預期受惠於收購所帶來協同效益之相關各現金產生單位。現金產生單位是最小可識別之資產組別，其產生之現金流入大致上獨立於其他資產或資產組別之現金流入。獲分配商譽之現金產生單位每年均透過其賬面值與其可收回金額作比較檢測減值(見附註4.15)，及凡有跡象顯示單位可能出現減值，則檢測減值。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.4 Goodwill (Continued)

For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro-rata on the basis of the carrying amount to each asset in the unit. However, the loss allocated to each asset will not reduce the individual asset's carrying amount to below its fair value less cost of disposal (if measurable) or its value in use (if determinable), whichever is the higher. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

##### 4.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as an expense in profit or loss during the financial period in which they are incurred.

#### (4) 重大會計政策(續)

##### 4.4 商譽(續)

就於財政年度收購產生之商譽而言，獲分配商譽之現金產生單位於該財政年度結束之前測試減值。當現金產生單位之可收回金額少於其賬面值，則減值虧損首先分配以減少分配至單位之商譽賬面值，然後再根據有關單位各項資產之賬面值按比例分配至單位之其他資產。然而，分配至各資產之虧損將不會減少個別資產之賬面值至低於其公平值減出售成本(倘可計量)或其使用價值(倘可釐定)(以較高者為準)。商譽之任何減值虧損於損益賬確認且不會於其後期間撥回。

##### 4.5 物業、廠房及設備

物業、廠房及設備乃以成本減累計折舊及任何減值虧損呈列。物業、廠房及設備成本包括其購買價及收購該項目之直接應佔成本。

其後成本計入資產賬面值或於適當時確認為獨立資產，惟以有關該項目之日後經濟利益很可能流入本集團及該項目之成本能可靠計量為限。已取代部分之賬面值乃終止確認。所有其他維修及保養均於產生之財政期間於損益賬內支銷。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.5 Property, plant and equipment (Continued)

Property, plant and equipment are depreciated so as to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The annual rates/useful lives are as follows:

Buildings	Over the lease terms of the relevant leasehold land and 50 years if shorter
Plant and machinery	6.67%–20%
Furniture, fixtures and equipment	10%–30%
Motor vehicles	20%

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

#### 4.6 Investment property

Investment property is property held either to earn rentals or for capital appreciation or for both, but not held for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

The land component of leasehold investment property is accounted for as prepaid lease payments.

### (4) 重大會計政策(續)

#### 4.5 物業、廠房及設備(續)

物業、廠房及設備予以折舊，以按物業、廠房及設備之估計可使用年期以直線法撇銷其成本值扣除預期剩餘價值。於各報告期末，會審閱可使用年期、剩餘價值及折舊方法，並在適當時作出調整。年率／可使用年期如下：

樓宇	有關租賃土地之租期及50年(以較短者為準)
廠房及機器	6.67%至20%
傢俬、固定裝置及設備	10%至30%
汽車	20%

倘資產之賬面值高於其估計可收回金額，資產即時撇減至其可收回金額。

出售物業、廠房及設備項目之收益或虧損，為銷售所得款項淨額與其賬面值兩者間之差額，於出售時在損益賬中予以確認。

#### 4.6 投資物業

投資物業為持有作賺取租金或資本升值或作該兩種用途而非在日常業務過程中持作出售、用作生產或供應貨品或服務或作行政用途之物業。

租賃投資物業之土地部分按預付租賃付款入賬。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.6 Investment property (Continued)

The building component of investment property is measured at cost on initial recognition and subsequently carried at cost less accumulated depreciation and accumulated impairment (if any). Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives of 30.25 years.

The residual values and useful lives of investment property are reviewed, and adjusted as appropriate, at each financial year end. The effects of any revision are included in the statement of profit or loss when the changes arise.

##### 4.7 Leasing

###### *Accounting as a lessee (accounting policies applied from 1 April 2019)*

All leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

#### (4) 重大會計政策(續)

##### 4.6 投資物業(續)

投資物業之樓宇部分初始確認按成本計量，其後按成本減累計折舊及累計減值(如有)列賬。折舊使用直線法計算，於估計可使用年期30.25年內將可折舊金額分攤。

於各財政年度結算日就投資物業之剩餘價值及可使用年期檢討，並作出適當調整。任何修訂之影響於發生變動時計入損益表內。

##### 4.7 租賃

###### *作為承租人的會計處理(自二零一九年四月一日起適用之會計政策)*

所有租賃(不論為經營租賃或融資租賃)須於財務狀況表資本化為使用權資產及租賃負債，惟實體可作出會計政策選擇，選擇不將(i)屬短期租賃的租賃及/或(ii)相關資產為低價值的租賃進行資本化。本集團已選擇不就低價值資產以及於開始日期租期低於12個月的租賃確認使用權資產及租賃負債。與該等租賃相關的租賃付款已於租期內按直線法支銷。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.7 Leasing (Continued)

*Accounting as a lessee (accounting policies applied from 1 April 2019) (Continued)*

##### *Right-of-use asset*

The right-of-use asset is recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which the underlying asset is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. Except for right-of-use asset that meets the definition of an investment property or a class of property, plant and equipment to which the Group applies the revaluation model, the Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-of-use assets at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

##### *Lease liability*

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

### (4) 重大會計政策(續)

#### 4.7 租賃(續)

*作為承租人的會計處理(自二零一九年四月一日起適用之會計政策)(續)*

##### *使用權資產*

使用權資產按成本確認並將包括：(i)租賃負債的初始計量金額(見下文有關租賃負債入賬的會計政策)；(ii)於開始日期或之前作出的任何租賃付款減收到的任何租賃優惠；(iii)承租人發生的任何初始直接費用；及(iv)承租人於拆解及搬遷相關資產、復原相關資產所在場地或復原相關資產至租賃的條款及條件所規定的狀況時估計產生的成本。除了符合投資物業定義的使用權資產或本集團應用重估模型的物業、廠房及設備類別外，本集團採用成本模型計量使用權資產。根據成本模型，本集團按成本減任何累計折舊及任何減值虧損計量使用權資產，並就租賃負債的任何重新計量作出調整。

##### *租賃負債*

租賃負債以於租賃開始日期尚未支付的租賃付款的現值確認。如果可直接確定租賃內含利率，租賃付款使用該利率折現。如果無法直接確定該利率，本集團採用其增量借款利率。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.7 Leasing (Continued)

*Accounting as a lessee (accounting policies applied from 1 April 2019) (Continued)*

##### *Lease liability (Continued)*

The following payments for the right of use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, the Group measures the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in substance fixed lease payments or a change in assessment to purchase the underlying asset.

#### (4) 重大會計政策(續)

##### 4.7 租賃(續)

*作為承租人的會計處理(自二零一九年四月一日起適用之會計政策)(續)*

##### *租賃負債(續)*

下列於租期內就相關資產的使用權作出的付款而於租賃開始日期尚未支付者被視為租賃付款：(i)固定付款額，扣除任何應收的租賃優惠；(ii)取決於指數或比率的可變租賃付款(初始按於開始日期的指數或比率計量)；(iii)根據餘值擔保預計承租人應付的金額；(iv)承租人合理確定將行使購買選擇權時，該選擇權的行權價；及(v)在租期反映出承租人將行使終止租賃選擇權時終止租賃的罰款金額。

在開始日期之後，本集團按以下方式計量租賃負債：(i)增加賬面值以反映租賃負債的利息；(ii)減少賬面值以反映作出的租賃付款；及(iii)重新計量賬面值以反映任何重新評估或租賃修改，例如指數或利率發生變動導致未來租賃付款發生變動、租期變動、實質固定租賃付款變動或對購買相關資產的評估結果發生變化。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.7 Leasing (Continued)

###### *Accounting as a lessee (accounting policies applied until 31 March 2019)*

The total rentals payable under the operating leases are recognised in profit or loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integrated part of the total rental expense, over the term of the lease.

###### *Lease of land and building (accounting policies applied until 31 March 2019)*

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

#### (4) 重大會計政策(續)

##### 4.7 租賃(續)

###### *作為承租人的會計處理(截至二零一九年三月三十一日適用之會計政策)*

經營租賃項下之應付租賃總額於租期內以直線法於損益內確認。已收到之租賃優惠於租期內確認為支出總額之組成部分。

###### *租賃土地及樓宇(截至二零一九年三月三十一日適用之會計政策)*

倘租賃包括土地及樓宇部分，本集團根據對附於各部分之擁有權之絕大部分風險及回報是否已轉移至本集團之評估，分別將各部分之分類評定為融資或經營租賃。具體而言，最低租賃付款(包括任何一整筆預付款項)於租賃初次訂立時按租賃土地部分及樓宇部分中之租賃權益相對公平值比例於土地與樓宇部分間分配。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.7 Leasing (Continued)

###### *Lease of land and building (accounting policies applied until 31 March 2019) (Continued)*

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments” in the consolidated statement of financial position and are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment. Unless it is clear that both elements are operating lease, in which case the entire lease is classified as an operating lease.

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

###### (i) *Intangible asset acquired separately*

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives 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.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses (see note 4.8(iii)).

#### (4) 重大會計政策(續)

##### 4.7 租賃(續)

###### *租賃土地及樓宇(截至二零一九年三月三十一日適用之會計政策)(續)*

倘租賃付款能夠可靠地分配，則入賬列作經營租賃之租賃土地權益於綜合財務狀況表中列作「預付租賃付款」，初步按成本列賬，其後於租期內以直線法確認。倘租賃付款未能可靠地於土地及樓宇部分之間作出分配，則全部租賃付款計入土地及樓宇成本，作為物業、廠房及設備之融資租賃。除非兩個部分均明顯屬於經營租賃，於該情況下，整項租賃會被分類為經營租賃。

##### 4.8 無形資產(商譽除外)

###### (i) *個別收購之無形資產*

個別收購且具有限可使用年期之無形資產乃按成本減累計攤銷及任何累計減值虧損列賬。具有限可使用年期之無形資產之攤銷乃按直線法於其估計可使用年期內確認。估計可使用年期及攤銷方法於各報告期末檢討，而估計之任何變動影響按預期基準入賬。

個別收購之具無限可使用年期之無形資產乃按成本減任何其後累計減值虧損列賬(見附註4.8(iii))。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.8 Intangible assets (other than goodwill) (Continued)

###### (ii) Internally generated intangible assets (research and development costs)

Expenditure on internally developed products is capitalised if it can be demonstrated that:

- it is technically feasible to develop the product for it to be sold;
- adequate resources are available to complete the development;
- there is an intention to complete and sell the product;
- the Group is able to sell the product;
- sale of the product will generate future economic benefits; and expenditure on the project can be measured reliably.

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.

#### (4) 重大會計政策(續)

##### 4.8 無形資產(商譽除外)(續)

###### (ii) 內部產生無形資產(研發成本)

內部開發產品支出在出現下列情況時可被撥充資本：

- 在技術上可開發產品以供銷售；
- 有足夠資源完成開發；
- 有意完成及銷售產品；
- 本集團有能力銷售產品；
- 銷售產品會產生未來經濟利益；及可靠計量項目支出。

就內部產生無形資產初始確認之金額為自無形資產首次符合上述確認標準當日起產生之開支總額。倘未能確認任何內部產生無形資產，則開發支出於其產生期間內在損益中確認。

於初始確認後，內部產生無形資產按與單獨收購之無形資產相同之基準，以成本減累計攤銷及累計減值虧損(如有)呈報。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.8 Intangible assets (other than goodwill) (Continued)

###### (ii) Internally generated intangible assets (research and development costs) (Continued)

Intangible assets, which comprise rights to commercially exploit certain gene inventions, are stated at cost less accumulated amortisation and impairment losses. The category of intangible asset is summarised as follows:

###### Gene invention rights

The cost of gene invention rights is amortised over the lives of the rights granted for the invention of a period up to a maximum of twenty years.

###### (iii) Impairment

Intangible assets with finite lives are tested for impairment when there is an indication that an asset may be impaired. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that they may be impaired. Intangible assets are tested for impairment by comparing their carrying amounts with their recoverable amounts (see note 4.15).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as revaluation decrease to the extent of its revaluation surplus.

#### (4) 重大會計政策(續)

##### 4.8 無形資產(商譽除外)(續)

###### (ii) 內部產生無形資產(研發成本)(續)

無形資產包括以商業形式利用若干基因發明之權利，乃按成本減累計攤銷及減值虧損列賬。無形資產之類別概述如下：

###### 基因發明權

基因發明權之成本，乃自授出基因發明權起，最長分二十年攤銷。

###### (iii) 減值

如有跡象顯示資產可能減值，則具有有限使用年期之無形資產作減值測試。無限使用年期之無形資產及尚未能使用之無形資產每年進行減值測試，而不管有否任何跡象顯示其可能減值。無形資產按比較其賬面值與其可收回金額之方式進行減值測試(見附註4.15)。

當某資產之可收回金額估計低於其賬面值時，資產賬面值乃調低至其可收回金額。

減值虧損即時確認為開支，除非有關資產乃以重估金額列賬，在此情況下，減值虧損視為重估減值，減值以重估盈餘為限。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.9 Financial Instruments

###### (i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

#### (4) 重大會計政策(續)

##### 4.9 金融工具

###### (i) 金融資產

金融資產(除並無重大融資組成部分之貿易應收賬款外)初步按公平值加(就並非按公平值計入損益(「按公平值計入損益」)之項目而言)其收購或發行直接應佔之交易成本計量。並無重大融資組成部分之貿易應收賬款初步按交易價格計量。

正常買賣之所有金融資產均於交易日確認，即本集團承諾收購或出售資產當日。正常買賣指一般由市場法規或慣例設定要求於指定期間內交付買賣金融資產。

於釐定具有嵌入衍生工具之金融資產之現金流量是否純粹為支付本金及利息時，應整體考慮該等金融資產。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.9 Financial Instruments (Continued)

###### (i) *Financial assets (Continued)* *Debt instruments*

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

**Fair value through other comprehensive income ("FVTOCI"):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Debt investments at FVTOCI are subsequently measured at fair value. Interest income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

#### (4) 重大會計政策(續)

##### 4.9 金融工具(續)

###### (i) *金融資產(續)* *債務工具*

債務工具之其後計量取決於本集團管理資產之業務模式及資產之現金流量特點。本集團將其債務工具分為三種計量類別：

**攤銷成本：**就持作收取合約現金流量之資產而言，倘有關資產之現金流量純粹為支付本金及利息，則按攤銷成本計量。按攤銷成本計量之金融資產其後採用實際利率法計量。利息收入、匯兌收益及虧損以及減值於損益確認。終止確認之任何收益於損益確認。

**按公平值計入其他全面收益(「按公平值計入其他全面收益」)：**就持作收取合約現金流量及出售金融資產之資產而言，倘有關資產之現金流量純粹為支付本金及利息，則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之債務投資其後按公平值計量。採用實際利率法計算之利息收入、匯兌收益及虧損以及減值於損益確認。其他收益及虧損淨額於其他全面收益確認。於其他全面收益累計之收益及虧損在終止確認時重新分類至損益。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.9 Financial Instruments (Continued)

(i) *Financial assets (Continued)*  
*Debt instruments (Continued)*

Fair value through profit or loss (“FVTPL”): Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

### (4) 重大會計政策(續)

#### 4.9 金融工具(續)

(i) *金融資產(續)*  
*債務工具(續)*

按公平值計入損益(「按公平值計入損益」): 按公平值計入損益之金融資產包括持作買賣金融資產、於初步確認時指定為按公平值計入損益之金融資產, 或強制要求按公平值計量之金融資產。倘收購金融資產之目的為作短期出售或購回用途, 則該等金融資產分類為持作買賣。衍生工具(包括獨立嵌入式衍生工具)亦分類為持作買賣, 惟被指定為有效對沖工具則除外。現金流量並非純粹為支付本金及利息之金融資產均按公平值計入損益分類及計量(不論其業務模式)。儘管如上文所述債務工具可按攤銷成本或按公平值計入其他全面收益分類, 惟債務工具可於初步確認時指定為按公平值計入損益(倘此舉可消除或大幅減少會計錯配)。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.9 Financial Instruments (Continued)

###### (i) *Financial assets (Continued)* *Equity instruments*

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Equity investments at fair value through other comprehensive income are measured at fair value. Dividend income are recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss. All other equity instruments are classified as FVTPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

###### (ii) *Impairment loss on financial assets*

The Group recognises loss allowances for expected credit loss ("ECL") on trade and bills receivables and financial assets measured at amortised cost. The ECLs are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

#### (4) 重大會計政策(續)

##### 4.9 金融工具(續)

###### (i) *金融資產(續)* *股本工具*

於初步確認並非持作買賣股本投資時，本集團可不可撤回地選擇於其他全面收益中呈列投資公平值之其後變動。該選擇按每項投資基準作出。按公平值計入其他全面收益之股本投資按公平值計量。股息收入於損益內確認，除非股息收入明確列為收回部分投資成本。其他收益及虧損淨額於其他全面收益確認，而非重新分類至損益。所有其他股本工具乃分類為按公平值計入損益，其中公平值變動、股息及利息收入均於損益中確認。

###### (ii) *金融資產之減值虧損*

本集團就貿易應收賬款及應收票據以及按攤銷成本計量之金融資產之預期信貸損失(「預期信貸損失」)確認虧損撥備。預期信貸損失將採用以下基準計量：(1) 12個月預期信貸損失：其為於報告日期後12個月內發生之可能違約事件導致之預期信貸損失；及(2) 全期預期信貸損失：其為於金融工具之預計年期內所有可能發生之違約事件產生之預期信貸損失。於估計預期信貸損失時考慮之最長期間為本集團面臨信貸風險之最長合約期間。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.9 Financial Instruments (Continued)

##### (ii) *Impairment loss on financial assets (Continued)*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group has elected to measure loss allowances for trade and bills receivables using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are based on the 12-months ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

### (4) 重大會計政策(續)

#### 4.9 金融工具(續)

##### (ii) *金融資產之減值虧損(續)*

預期信貸損失為按概率加權估計之信貸損失。信貸損失以本集團按合約應收之所有合約現金流量與本集團預期收取之所有現金流量之間之差額計量。該差額其後按資產原有實際利率相近之比率貼現。

本集團已選擇採用香港財務報告準則第9號之簡化法計量貿易應收賬款及應收票據之虧損撥備，並已根據全期預期信貸損失計算預期信貸損失。本集團已根據其過往信貸虧損經驗制定撥備矩陣，並按債務人特定之前瞻性因素及經濟環境予以調整。

就其他債務金融資產而言，預期信貸損失以12個月預期信貸損失為基準。然而，當信貸風險自產生起顯著增加時，撥備將以全期預期信貸損失為基準。

當釐定金融資產之信貸風險自初步確認起後是否顯著增加及於估計預期信貸損失時，本集團會考慮相關及毋須付出過多成本或精力即可獲得之合理及有理據之資料。此包括根據本集團之過往經驗及已知信貸評估得出之定量及定性資料以及前瞻性資料分析。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.9 Financial Instruments (Continued)

###### (ii) *Impairment loss on financial assets (Continued)*

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be credit-impaired when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets interest income is calculated based on the gross carrying amount.

###### (iii) *Financial liabilities*

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at fair value through profit or loss are initially measured at fair value and financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

#### (4) 重大會計政策(續)

##### 4.9 金融工具(續)

###### (ii) *金融資產之減值虧損(續)*

本集團假設，倘金融資產逾期超過30日，其信貸風險會顯著增加。

本集團認為金融資產於下列情況出現信貸減值：(1) 借款人不太可能在本集團無採取行動追索(例如：變現抵押品(如持有))之情況下向本集團悉數履行其信貸義務；或(2) 該金融資產逾期超過90日。

信貸減值金融資產之利息收入乃根據金融資產之攤銷成本(即賬面總值減虧損撥備)計算。非信貸減值金融資產之利息收入乃根據賬面總值計算。

###### (iii) *金融負債*

本集團視乎負債產生之目的將其金融負債分類。按公平值計入損益之金融負債初步按公平值計量，而按攤銷成本計量之金融負債初步按公平值減所產生之直接應佔成本計量。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.9 Financial Instruments (Continued)

##### (iii) Financial liabilities (Continued)

##### *Financial liabilities at amortised cost*

Financial liabilities at amortised cost including trade and other payables and the liability component of convertible bonds issued by the Company are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

##### (iv) Convertible bonds

Convertible bonds issued by the Group that contain both the liability and conversion option components are classified separately into their respective items on initial recognition. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the proceeds of the issue of the convertible bonds and the fair value assigned to the liability component, representing the conversion option for the holder to convert the bonds into equity, is included in equity (convertible bonds equity reserve).

### (4) 重大會計政策(續)

#### 4.9 金融工具(續)

##### (iii) 金融負債(續)

##### *按攤銷成本列賬之金融負債*

按攤銷成本列賬之金融負債包括貿易應付賬款及其他應付款項以及本公司發行之可換股債券負債部分，其後使用實際利率法按攤銷成本計量。有關利息開支於損益內確認。

收益或虧損於終止確認負債時透過攤銷於損益確認。

##### (iv) 可換股債券

本集團所發行包含負債及換股權部分之可換股債券，乃於初步確認時獨立分類為相關項目。將以固定金額現金或另一項金融資產交換本公司本身固定數目之股本工具方式結清之換股權乃分類為股本工具。

於初步確認時，負債部分之公平值乃按類似不可轉換債務之現行市場利率釐定。發行可換股債券之所得款項與撥往負債部分之公平值之差額(指讓持有人將債券轉換為權益之轉換權)列入權益(可換股債券權益儲備)內。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.9 Financial Instruments (Continued)

###### (iv) Convertible bonds (Continued)

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The equity component, represented by the option to convert the liability component into ordinary shares of the Company, will remain in convertible bonds equity reserve until the embedded option is exercised (in which case the balance stated in convertible bonds equity reserve will be transferred to share capital and share premium). Where the option remains unexercised at the expiry dates, the balance stated in convertible bonds equity reserve will be released to the retained earnings. No gain or loss is recognised upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible bonds using the effective interest method.

#### (4) 重大會計政策(續)

##### 4.9 金融工具(續)

###### (iv) 可換股債券(續)

於隨後期間，可換股債券負債部分乃按實際利率法以攤銷成本列賬。權益部分(指可將負債部分轉換為本公司普通股之換股權)將保留於可換股債券權益儲備內，直至該嵌入式換股權獲行使為止(於此情況下，可換股債券權益儲備之結餘將轉撥至股本及股份溢價)。倘換股權於到期日尚未行使，可換股債券權益儲備之結餘將解除至保留盈利。換股權獲轉換或到期後不會確認任何收益或虧損。

發行可換股債券有關之交易成本，按所得款項分配比例撥往負債及權益部分。與權益部分有關之交易成本於權益中直接扣除。與負債部分有關之交易成本計入負債部分之賬面值，並按實際利率法於已發行可換股債券期限內攤銷。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.9 Financial Instruments (Continued)

###### (v) *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

###### (vi) *Equity instruments*

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

###### (vii) *Derecognition*

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

#### (4) 重大會計政策(續)

##### 4.9 金融工具(續)

###### (v) *實際利率法*

實際利率法為計算金融資產或金融負債攤銷成本及就有關期間分配利息收入或利息開支之方法。實際利率為透過金融資產或負債預計年期或(如適用)較短期間準確貼現估計未來現金收款或付款之利率。

###### (vi) *股本工具*

本公司發行之股本工具按收取之所得款項扣除直接發行成本入賬。

###### (vii) *終止確認*

本集團在與金融資產有關之未來現金流量合約權利屆滿，或金融資產已轉讓，且該轉讓根據香港財務報告準則第9號符合終止確認標準時，終止確認金融資產。

金融負債於有關合約所訂明責任解除、註銷或屆滿時終止確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.9 Financial Instruments (Continued)

###### (vii) Derecognition (Continued)

Where the Group issues its own equity instruments to a creditor to settle a financial liability in whole or in part as a result of renegotiating the terms of that liability, the equity instruments issued are the consideration paid and are recognised initially and measured at their fair value on the date the financial liability or part thereof is extinguished. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the year.

##### 4.10 Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

#### (4) 重大會計政策(續)

##### 4.9 金融工具(續)

###### (vii) 終止確認(續)

倘本集團向債權人發行自有股本工具，以全部或部分結清重新磋商金融負債條款產生的金融負債，則已發行股本工具為已付代價，並於該金融負債或其一部分終止之日按公平值初步確認及計量。倘已發行股本工具的公平值無法可靠計量，則股本工具的計量應反映已終止金融負債的公平值。金融負債或其中一部分的賬面值與已付代價之間的差額於年內損益中確認。

##### 4.10 存貨

存貨初始按成本確認，其後按成本及可變現淨值之較低者確認。成本包括所有採購成本、轉換成本及將存貨達致其目前地點及狀況所產生之其他成本。成本按加權平均法計算。可變現淨值相當於一般業務過程中之估計售價減去達致完成之估計成本及作出銷售所需之估計成本。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.11 Revenue

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- 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.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service.

### (4) 重大會計政策(續)

#### 4.11 收益

客戶合約收益於貨品或服務之控制權轉移至客戶時確認，有關金額反映本集團預期就交換該等貨品或服務而有權獲得之代價，不包括代表第三方收取之金額。收益不包括增值稅或其他銷售稅項，並扣除任何貿易折扣。

視乎合約條款及合約適用之法律，貨品或服務之控制權可在一段時間內或某一時間點轉移。倘本集團之履約符合下列條件，則貨品或服務之控制權會在一段時間內轉移：

- 提供了由客戶同步收取及消耗之所有利益；
- 隨著本集團履約，創建或改良客戶所控制之資產；或
- 並無創建對本集團而言具有其他用途之資產，而本集團有權強制收取迄今已完成之履約部分之款項。

倘貨品或服務之控制權在一段時間內轉移，收益將參考在完全履行該履約責任上之進度而於合約期間確認。否則，收益於客戶取得貨品或服務之控制權時於某一時間點確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.11 Revenue (Continued)

###### *Sales of pharmaceutical products*

Customers obtain control of the pharmaceutical products when the goods are delivered to and have been accepted. Revenue is thus recognised upon when the customers accepted the pharmaceutical products. There is generally only one performance obligation. Invoices are usually payable within 30 days.

###### *Other income*

Interest income is accrued on a time basis on the principal outstanding at the applicable interest rate.

###### *Contract liabilities*

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

##### 4.12 Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

#### (4) 重大會計政策(續)

##### 4.11 收益(續)

###### *銷售藥品*

當貨品交付及獲接收時，客戶方可獲得藥品的控制權。因此，收益於客戶接收藥品時確認。一般只有一項履約責任。發票通常在30日內支付。

###### *其他收入*

利息收入根據未償還本金及適用利率按時間累計。

###### *合約負債*

合約負債指本集團將本集團已向客戶收取代價(或應收代價金額)的服務轉移予客戶的責任。

##### 4.12 所得稅

本年度之所得稅包括即期稅項及遞延稅項。

即期稅項乃日常業務所得損益(已就毋須繳納所得稅或不獲寬減所得稅之項目作出調整)，按於報告期末已頒佈或實質上已頒佈之稅率計算。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.12 Income taxes (Continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, 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.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

### (4) 重大會計政策(續)

#### 4.12 所得稅(續)

遞延稅項乃因就財務報告而言資產及負債之賬面值與就稅務而言之相關金額之暫時差額而確認。除商譽及不影響會計或應課稅溢利之已確認資產及負債之外，所有應課稅暫時差額均被確認為遞延稅項負債。尚可動用可扣稅之暫時差額抵銷應課稅溢利時，遞延稅項資產方會確認。遞延稅項乃按預期於有關資產之賬面值變現或有關負債之賬面值結算之期間適用之稅率，根據報告期末時已頒佈或實際已頒佈之稅率計算。

遞延稅項負債乃按於附屬公司、聯營公司及共同控制實體之投資而產生之應課稅暫時差額確認入賬，惟倘本集團可控制暫時差額之撥回並預期該暫時差額將不會在可見將來撥回者則除外。

所得稅乃於損益確認，除非該等稅項與於其他全面收益確認之項目有關，在此情況下該等稅項亦於其他全面收益內確認，或該等稅項與於權益直接確認之項目相關，在此情況下該等稅項亦於權益內直接確認。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.13 Foreign currency

Transactions entered into by the Company/group entities in currencies other than the currency of the primary economic environment in which it/they operate(s) (the “functional currency”) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. 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 translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

#### (4) 重大會計政策(續)

##### 4.13 外幣

本公司／集團實體以其經營業務所在主要經濟環境貨幣(「功能貨幣」)以外之貨幣進行之交易，按交易發生時之適用匯率入賬。外幣貨幣資產及負債則以報告期末之適用匯率換算。按公平值入賬並以外幣計值之非貨幣項目重新按公平值釐定當日之現行匯率換算。以外幣歷史成本計量之非貨幣項目毋須重新換算。

結算與換算貨幣項目產生之匯兌差額於其產生期間於損益內確認。重新換算按公平值列賬之非貨幣項目產生之匯兌差額計入期內損益，惟重新換算有關收益及虧損於其他全面收益內確認之非貨幣項目產生之差額除外，在此情況下，匯兌差額亦於其他全面收益內確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.13 Foreign currency (Continued)

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve (attributed to non-controlling interests as appropriate). Exchange differences recognised in profit or loss of group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as foreign currency translation reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign currency translation reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of reporting period. Exchange differences arising are recognised in the foreign currency translation reserve.

### (4) 重大會計政策(續)

#### 4.13 外幣(續)

綜合賬目時，海外業務之收支項目以年內平均匯率換算為本集團之呈報貨幣(即港元)，除非期內匯率大幅波動，則按進行該等交易時之相若匯率換算。所有海外業務之資產及負債均以報告期末之匯率換算。所產生之匯兌差額(如有)，於其他全面收益確認，並累計至權益入賬為匯兌儲備(歸屬於非控股權益(如適用))。於換算構成本集團所涉海外業務之部分投資淨額之長期貨幣項目時，在集團實體之獨立財務報表之損益內確認之匯兌差額則重新分類至其他全面收益，並累計至權益入賬為匯兌儲備。

出售海外業務時，匯兌儲備內確認該業務截至出售日期止之累計匯兌差額將重新分類至損益，作為出售溢利或虧損之一部分。

於二零零五年一月一日或以後，收購海外業務產生之有關所收購可識別資產之商譽及公平價值調整乃視為該海外業務之資產及負債，並按於報告期末之現行匯率進行換算。產生之匯兌差額乃於匯兌儲備內確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.14 Employee benefits

(i) *Short term employee benefits*

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related service.

(ii) *Retirement benefit costs*

Payments to state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

(iii) *Termination benefits*

Termination benefits are recognised on the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

##### 4.15 Impairment of assets (other than financial assets)

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment/investment property under cost model;
- right-of-use assets;
- intangible assets; and
- investments in subsidiaries and an associate

#### (4) 重大會計政策(續)

##### 4.14 僱員福利

(i) *短期僱員福利*

短期僱員福利為預期於僱員提供相關服務之年度報告期末後十二個月之前悉數結清之僱員福利(終止福利除外)。短期僱員福利於僱員提供相關服務之年度內確認。

(ii) *退休福利成本*

於僱員提供服務且有權獲得供款時，向國家管理之退休福利計劃及強制性公積金計劃之供款被確認為開支。

(iii) *終止福利*

終止福利於本集團不能取消提供該等福利時及本集團確認重組成本(涉及支付終止福利)時(以較早日期為準)確認。

##### 4.15 資產減值(金融資產除外)

於各報告期末，本集團檢討下列資產之賬面值，以釐定是否有任何跡象顯示該等資產已出現減值虧損或過往確認之減值虧損不再存在或可能已經減少：

- 成本模式項下的物業、廠房及設備／投資物業；
- 使用權資產；
- 無形資產；及
- 於附屬公司及一間聯營公司之投資

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.15 Impairment of assets (other than financial assets) (Continued)

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the impairment loss is treated as a revaluation decrease under that HKFRS.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent 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 in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the reversal of the impairment loss is treated as a revaluation increase under that HKFRS.

Value in use is based on the estimated future cash flows expected to be derived from the asset, 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 cash generating unit.

### (4) 重大會計政策(續)

#### 4.15 資產減值(金融資產除外) (續)

倘資產之可收回金額(即公平值減出售成本與使用價值之較大者)估計少於其賬面值,該資產之賬面值將減至其可收回金額。減值虧損即時確認為開支,除非相關資產根據另一條香港財務報告準則按重估金額入賬,在此情況下,減值虧損則根據該條香港財務報告準則被視為重估減值。

倘其後撥回減值虧損,則該項資產之賬面值回升至經修訂後之估計可收回金額,惟增加後之賬面值不能超過倘該資產於過往年度並無確認減值虧損而原應釐定之賬面值。減值虧損撥回即時確認為收入,除非相關資產根據另一條香港財務報告準則按重估金額入賬,在此情況下,減值虧損撥回則根據該條香港財務報告準則被視為重估增值。

使用價值乃根據預期自資產產生之估計日後現金流量,並使用反映當前市場對金錢時間價值之評估及該資產或現金產生單位獨有之風險之稅前折現率將其折現至現值。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.16 Borrowing cost

Borrowing costs that are directly attributable to the acquisition or production of a qualifying asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

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

##### 4.17 Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reliably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

#### (4) 重大會計政策(續)

##### 4.16 借款成本

直接源於收購或生產合資格資產之借款成本乃資本化為資產成本之一部分，直至籌備資產作其擬定用途或銷售之絕大部分所需活動已完成為止，此後，有關開支於損益扣除。合資格資產為必須長時間準備方能用作擬定用途或銷售之資產。借款成本資本化於自主開發中斷之較長期間暫停。

合資格資本化之借款成本金額為期內就借款產生之實際借款成本減暫時投資借款之任何投資收入。

所有其他借款成本於其產生期間於損益內確認。

##### 4.17 撥備及或然負債

當本集團因過往事件須負上法律或推定責任而可能導致流出經濟利益，且該經濟利益能夠合理估計時，則會就未能確定時間或金額之負債確認撥備。

倘不太可能需要流出經濟利益，或該金額未能可靠估計，則該責任將披露為或然負債，惟流出經濟利益之機會極微則除外。僅以發生或無發生一項或多項日後事件方可確定是否存在之可能責任，亦會披露為或然負債，惟流出經濟利益之機會極微則除外。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.18 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statement of profit or loss and other comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred income on government grants and are credited to the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the expected lives of the related assets.

##### 4.19 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the year in which the dividends are approved by the Company's shareholders or directors, where appropriate.

##### 4.20 Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of key management personnel of the Group or the Company's parent.

#### (4) 重大會計政策(續)

##### 4.18 政府補助

當能合理確定將收到政府之補助，而本集團將遵守所有附帶條件時，補助按其公平值確認。

有關成本之政府補助將被遞延，並於將有關補助與其擬定補償之成本配對所需之期間內在綜合損益及其他全面收益表予以確認。

有關物業、廠房及設備之政府補助被納入非流動負債列為有關政府補助之遞延收入，並於有關資產之預期年限內按直線基準計入綜合損益及其他全面收益表。

##### 4.19 股息分派

本公司股東之股息分派於本集團及本公司之年內財務報表中被確認為負債，其中股息由本公司股東或董事(倘合適)批准。

##### 4.20 關聯方

- (a) 倘屬以下人士，則該人士或該人士之近親與本集團有關：
- (i) 控制或共同控制本集團；
  - (ii) 對本集團有重大影響；或
  - (iii) 為本集團或本公司母公司之主要管理層成員。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.20 Related parties (Continued)

- (b) An entity is related to the Group if any of the following conditions apply:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Company's parent.

#### (4) 重大會計政策(續)

##### 4.20 關聯方(續)

- (b) 倘符合下列任何條件，則該實體與本集團有關：
- (i) 該實體與本集團屬同一集團之成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關)。
  - (ii) 一間實體為另一實體之聯營公司或合營企業(或另一實體為集團旗下成員公司之聯營公司或合營企業之成員公司)。
  - (iii) 兩間實體均為同一第三方之合營企業。
  - (iv) 一間實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司。
  - (v) 實體為本集團或與本集團有關之實體就僱員利益設立之離職福利計劃。
  - (vi) 實體受(a)內識別人士控制或共同控制。
  - (vii) (a)(i)內識別人士對實體有重大影響力或屬該實體(或該實體之母公司)之主要管理層成員。
  - (viii) 向本集團或向本公司之母公司提供主要管理人員服務之實體或其所屬集團之任何成員公司。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.20 Related parties (Continued)

(b) (Continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

#### (5) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

#### (4) 重大會計政策(續)

##### 4.20 關聯方(續)

(b) (續)

任何人士之近親是指與該實體交易時預期可影響該名人士或受該人士影響之家庭成員，包括：

- (i) 該人士之子女及配偶或同住伴侶；
- (ii) 該人士之配偶或同住伴侶之子女；及
- (iii) 該人士或該人士之配偶或同住伴侶之受養人。

#### (5) 重大會計判斷及估計不明朗因素之主要來源

在應用本集團會計政策時，董事須對未能輕易地從其他來源確定之資產及負債賬面值作出判斷、估計及假設。該等估計及相關假設是根據過往經驗及被認為相關之其他因素而作出。實際結果或會與該等估計有所不同。

該等估計及相關假設會持續地檢討。若估計修訂只影響作出修訂的期間，則會計估計之修訂會於該期內確認；或如該估計修訂影響本期及未來期間，則會計估計之修訂會於修訂期內及未來期間確認。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (5) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### Impairment of interest in an associate

The Group's interest in an associate represents interest in Smart Ascent Limited and its subsidiaries (the "Smart Ascent Group"). The major asset held by the Smart Ascent Group is an intangible asset in relation to an in-process research and development project (the "In-process R&D") involving an oral insulin product (the "Product"). As at 31 March 2020, the carrying amount of the Group's interest in an associate amounted to HK\$326,897,000 (2019: HK\$330,062,000). The directors of the Company have performed an impairment assessment on the Group's interest in an associate as at 31 March 2020, with reference to a valuation report prepared by an independent qualified valuer and are of the view that no impairment provision is required.

In making the assessment, key assumptions adopted by the management include that Smart Ascent Group would be successful in completing the clinical trials, obtaining the regulatory approvals from the relevant government bodies and launching the Product.

#### (5) 重大會計判斷及估計不明朗因素之主要來源(續)

下文載列於報告期末所作出有關未來之主要假設及估計不確定因素之其他主要來源，該等假設及來源有相當風險導致須於下個財政年度內就資產及負債之賬面值作出重大調整。

##### 於一間聯營公司之權益減值

本集團於一間聯營公司之權益指於進生有限公司及其附屬公司(「進生集團」)之權益。進生集團所持之主要資產為有關進行之研究及開發項目(「進行之研發」)之無形資產，當中涉及口服胰島素產品(「產品」)。於二零二零年三月三十一日，本集團於一間聯營公司之權益賬面值為326,897,000港元(二零一九年：330,062,000港元)。本公司董事已經參考獨立合資格估值師編製之估值報告，就本集團於二零二零年三月三十一日於一間聯營公司之權益進行減值評估，並認為毋須作出減值撥備。

在進行評估時，管理層所應用之主要假設包括進生集團將成功完成臨床試驗、取得有關政府監管部門批准並推出產品。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

### (5) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

#### Impairment loss on trade receivables

The impairment loss on trade receivables of the Group is estimated based on the evaluation of collectability and aging analysis of individual trade debts performed by the management. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

#### Impairment of right-of-use assets and buildings

As at 31 March 2020, the right-of-use assets and buildings are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amounts have been determined based on value-in-use calculations or market valuations. These valuations require the use of judgements and estimates.

Management's judgement is required in the area of assets impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related assets value may not be recoverable; and (ii) whether the carrying amounts of assets can be supported by the recoverable amount, being the higher of fair value less costs of disposal or net present value of future cash flows derived from continuing use of the assets in the business. The management performed an impairment assessment on its right-of-use assets and buildings as at 31 March 2020, with reference to the valuation report prepared by an independent qualified valuer using the depreciate replacement cost approach. The fair values of these assets were higher than their carrying amounts. Accordingly, no impairment loss is recognised for right-of-use assets and buildings based on the impairment assessment performed by the management as at 31 March 2020 (2019: nil).

### (5) 重大會計判斷及估計不明朗因素之主要來源(續)

#### 貿易應收賬款之減值虧損

本集團之貿易應收賬款之減值虧損乃基於管理層作出之個別貿易債務之可收回性評估及賬齡分析而估計。於評估該等應收款項最終變現價值時，須作出大量判斷，包括各客戶現時之信譽及過往還款記錄。倘本集團客戶之財務狀況惡化，導致其還款能力下降，則或須作出額外撥備。

#### 使用權資產及樓宇之減值

於二零二零年三月三十一日，使用權資產及樓宇於發生事件或環境出現改變，顯示該等資產之賬面值超過其可收回金額時，檢討是否有減值。可收回金額乃按使用價值計算或市場估值釐定。該等估值須使用判斷及估計。

管理層須於評估資產減值時作出判斷，尤其是評估：(i) 是否已出現任何事件顯示有關資產價值可能無法收回；及(ii) 資產可收回金額(即公平值減出售成本或繼續在業務中使用資產所帶來之未來現金流量現值淨額兩者中之較高者)是否足以支持其賬面值。於二零二零年三月三十一日，管理層經參考獨立合資格估值師使用折舊置換成本法編製之估值報告就其使用權資產及樓宇進行減值評估。該等資產之公平值高於其賬面值。因此，根據管理層於二零二零年三月三十一日進行之減值評估，概無就使用權資產及樓宇確認減值虧損(二零一九年：無)。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (5) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

##### Impairment of right-of-use assets and buildings (Continued)

As at 31 March 2020, the carrying amounts of right-of-use-assets and buildings are approximately HK\$14,005,000 (2019: prepaid lease payments of HK\$9,236,000) and HK\$106,323,000 (2019: HK\$116,570,000) respectively.

##### Impairment loss on slow-moving and obsolete inventories

Impairment loss on slow-moving and obsolete inventories is made based on the aging and estimated net realisable value of inventories. The assessment of the allowance amount involves judgement and estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/write-back in the period in which such estimate has been changed.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in market condition. The Group will reassess the estimates by the end of each reporting period.

#### (5) 重大會計判斷及估計不明朗因素之主要來源(續)

##### 使用權資產及樓宇之減值(續)

於二零二零年三月三十一日，使用權資產及樓宇之賬面值分別約為14,005,000港元(二零一九年：預付租賃付款9,236,000港元)及106,323,000港元(二零一九年：116,570,000港元)。

##### 滯銷及過期存貨減值虧損

滯銷及過期存貨乃根據存貨之賬齡及估計可變現淨值作出減值虧損。評估撥備數額涉及判斷及估計。倘日後實際結果與原先估計不同，則有關差額將影響在有關估計變動之期間存貨賬面值及撥備扣除／撥回。

可變現淨值乃存貨之估計售價減全部估計完成成本及進行出售所需成本。該等估計乃按照現行市況以及製造及銷售類似性質之產品之過往經驗作出。可變現淨值可因市況轉變而大幅變動。本集團將於各報告期末重新評估有關估計。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (5) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

##### Fair value of investments in convertible bonds

The fair value of convertible bonds invested by the Group is calculated using valuation techniques. Valuation techniques are certified by independent qualified valuers before being implemented for valuation and are calibrated to ensure that outputs reflect market conditions. Valuation models established by valuers make the maximum use of market inputs and rely as little as possible on the Group's specific data. The model involves estimates on time to expiration, risk free rate, share price, volatility, discount rate and others. As at 31 March 2020, the carrying amount of the convertible bonds as a whole invested by the Group is HK\$571,065,000 (2019: HK\$469,737,000).

##### Income taxes

The Group is subject to income taxes in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

#### (5) 重大會計判斷及估計不明朗因素之主要來源(續)

##### 可換股債券投資之公平值

本集團投資之可換股債券之公平值乃採用估值法計算。估值法經獨立合資格估值師於估值前核實並予以調整，以確保得出之數據反映市況。估值師確定之估值模式會充分利用市場輸入數據而盡量少依賴本集團之特定數據。該模式涉及對到期時間、無風險利率、股價、波動、貼現率及其他因素之估計。於二零二零年三月三十一日，本集團投資之可換股債券之整體賬面值為571,065,000港元(二零一九年：469,737,000港元)。

##### 所得稅

本集團須繳納數個司法權區之所得稅。在釐定所得稅撥備時，需要作出重大估計。多項交易及計算之最終稅項釐定於日常業務過程中均屬不明確。本集團按照額外稅項是否將會到期之估計確認有關預計稅項審計事宜之責任。倘該等事宜之最終稅務結果有別於最初記賬之金額，有關差異將會影響作出有關釐定期間之所得稅及遞延稅項撥備。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (6) REVENUE AND SEGMENT INFORMATION

Revenue for the year represents the fair value of amounts received and receivable for goods sold to external customers, less discounts and sales-related taxes for the year, and is analysed as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Manufacturing of pharmaceutical products	製造藥品	77,584	75,821
Trading of pharmaceutical products	藥品貿易	—	13,397
		<b>77,584</b>	89,218

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that makes strategic decisions.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products they provide. Each of the Group's operating segments represents a strategic business unit that offers products which are subject to risks and returns that are different from those of the other business segments. Summarised details of the reportable and operating segments are as follows:

- (a) the manufacturing segment engages in the development, manufacture and sales of pharmaceutical products ("Manufacturing");
- (b) the trading segment engages in the marketing and distribution of imported pharmaceutical products ("Trading"); and
- (c) the gene development segment engages in the commercial exploitation and development of genome-related technology ("Gene Development").

#### (6) 收益及分類資料

年內收益指向外間客戶出售貨品而已收及應收款項之公平值扣除年內之折扣及銷售相關稅項，分析如下：

營運分類按照向首席營運決策者提供之內部報告貫徹一致之方式報告。負責分配資源及評估營運分類表現的首席營運決策者已被識別為作出戰略決策的董事會。

本集團之經營業務乃按照其業務性質及所提供之產品獨立分類及管理。本集團各經營分類乃提供產品之策略性業務單位，各業務分類之風險及回報不盡相同。可呈報及經營分類之概要詳情如下：

- (a) 製造分類從事開發、製造及銷售藥品(「製造」)；
- (b) 貿易分類從事推廣及分銷進口藥品(「貿易」)；及
- (c) 基因開發分類從事基因相關技術之商業開發及發展(「基因開發」)。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (6) REVENUE AND SEGMENT INFORMATION (Continued)

#### (6) 收益及分類資料(續)

##### Segment revenue and results

The following is the Group's revenue and results from operation by reportable and operating segment.

##### 分類收益及業績

以下為本集團按可呈報及經營分類劃分之經營收益及業績。

	Manufacturing 製造		Trading 貿易		Gene Development 基因開發		Total 總計		
	2020	2019	2020	2019	2020	2019	2020	2019	
	二零二零年 HK\$'000 千港元	二零一九年 HK\$'000 千港元	二零二零年 HK\$'000 千港元	二零一九年 HK\$'000 千港元	二零二零年 HK\$'000 千港元	二零一九年 HK\$'000 千港元	二零二零年 HK\$'000 千港元	二零一九年 HK\$'000 千港元	
Revenue Sales to external customers	收益 向外間客戶銷售	77,584	75,821	—	13,397	—	—	77,584	89,218
Segment results	分類業績	6,453	(3,633)	(14,919)	(6,624)	(86)	(85)	(8,552)	(10,342)
Unallocated other income	未分配之其他收入							12,932	10,214
Unallocated other gains and losses, net	未分配之其他收益及虧損淨額							101,328	79,789
Corporate expenses	企業開支							(7,737)	(7,556)
Effective interest expense on convertible bonds	可換股債券之實際利息開支							(9,315)	(7,823)
Share of results of an associate	應佔一間聯營公司業績							(3,165)	(908)
Profit before income tax	除所得稅前溢利							85,491	63,374
Income tax credit/(expense)	所得稅抵免/(支出)							90	(50)
Profit for the year	本年度溢利							85,581	63,324

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 4 to the consolidated financial statements. Segment profit/(loss) represents the profit earned by/(loss from) each segment without allocation of interest income, other gains and losses, net, corporate expenses, share of results of an associate and effective interest expense on convertible bonds. This is the measure reported to the chief operating decision maker, being the board of directors, for the purposes of resource allocation and performance assessment.

經營分類之會計政策與綜合財務報表附註4所述本集團之會計政策相同。分類溢利/(虧損)指在並無分配利息收入、其他收益及虧損淨額、企業開支、應佔一間聯營公司業績及可換股債券之實際利息開支之情況下，各分類賺取之溢利/(產生之虧損)。此計量為向首席營運決策者(即董事會)呈報以用作資源分配及表現評估。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (6) REVENUE AND SEGMENT INFORMATION (Continued)

#### (6) 收益及分類資料(續)

##### Segment assets and liabilities

The following is the Group's assets and liabilities by reportable and operating segment.

##### 分類資產及負債

以下為本集團按可呈報及經營分類劃分之資產及負債。

		Manufacturing		Trading		Gene Development		Total	
		製造		貿易		基因開發		總計	
		2020	2019	2020	2019	2020	2019	2020	2019
		二零二零年	二零一九年	二零二零年	二零一九年	二零二零年	二零一九年	二零二零年	二零一九年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
<b>Segment assets</b>	<b>分類資產</b>								
Segment assets	分類資產	163,379	184,818	71,677	86,162	7	6	235,063	270,986
Financial assets at fair value through profit or loss — investments in convertible bonds	按公平值計入損益之金融資產 — 可換股債券投資							571,065	469,737
Interest in an associate	於一間聯營公司之權益							326,897	330,062
Corporate and other assets	企業及其他資產							132,685	125,301
<b>Total assets</b>	<b>總資產</b>							<b>1,265,710</b>	<b>1,196,086</b>
<b>Segment liabilities</b>	<b>分類負債</b>								
Segment liabilities	分類負債	54,109	75,390	11,666	8,293	72	64	65,847	83,747
Convertible bonds	可換股債券							58,950	49,635
Corporate and other liabilities	企業及其他負債							1,065	1,133
<b>Total liabilities</b>	<b>負債總額</b>							<b>125,862</b>	<b>134,515</b>

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than financial assets at fair value through profit or loss — investments in convertible bonds, interest in an associate and corporate and other assets; and
- all liabilities are allocated to operating segments other than convertible bonds and corporate and other liabilities

就監察分類表現及於分類間分配資源而言：

- 除按公平值計入損益之金融資產 — 可換股債券投資、於一間聯營公司之權益以及企業及其他資產外，所有資產均分配至經營分類；及
- 除可換股債券以及企業及其他負債外，所有負債均分配至經營分類

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (6) REVENUE AND SEGMENT INFORMATION (Continued) (6) 收益及分類資料(續)

##### Other segment information

##### 其他分類資料

	Manufacturing		Trading		Gene Development		Total	
	製造		貿易		基因開發		總計	
	2020	2019	2020	2019	2020	2019	2020	2019
	二零二零年	二零一九年	二零二零年	二零一九年	二零二零年	二零一九年	二零二零年	二零一九年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Amounts included in the measure of segment profit or loss:	計入分類溢利或虧損計量之數額：							
Depreciation and amortisation	5,910	6,312	320	86	—	—	6,230	6,398
Unallocated depreciation and amortisation							131	132
							6,361	6,530
Provision for impairment loss on trade receivables, net	1,567	255	4,354	—	—	—	5,921	255
Bad debts recovered from trade receivables previously written off	(2,127)	—	—	—	—	—	(2,127)	—
(Gain)/Loss on disposal of property, plant and equipment	(85)	734	—	—	—	—	(85)	734
Provision for/(Reversal of) impairment loss on other receivables	2,921	(2)	1,596	—	—	—	4,517	(2)
Provision for/(Reversal of) impairment loss on inventories, net	253	(44)	—	—	—	—	253	(44)



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (6) REVENUE AND SEGMENT INFORMATION (Continued)

##### Geographical information

The Group's operations are located in the People's Republic of China (the "PRC"), Malaysia and Hong Kong.

Information about the Group's revenue from external customers is presented based on the location of the customers and distributors. Information about the Group's non-current assets is presented based on the geographical location of the assets.

#### (6) 收益及分類資料(續)

##### 地理資料

本集團之業務位於中華人民共和國(「中國」)、馬來西亞及香港。

有關來自外間客戶之本集團收益之資料乃按客戶及經銷商所在地呈列。有關本集團非流動資產之資料乃按資產所在地呈列。

		Revenue from external customers		Non-current assets	
		來自外間客戶之收益		非流動資產	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Hong Kong	香港	—	—	5,873	402
The PRC	中國	77,584	89,162	479,608	517,236
Macau	澳門	—	56	—	—
		<b>77,584</b>	89,218	<b>485,481</b>	517,638

Note: Non-current assets exclude financial instruments and deferred tax assets.

附註：非流動資產不包括金融工具及遞延稅項資產。

##### Information about major customers

Revenue from customers contributing over 10% of the total revenue are as follows:

##### 主要客戶資料

佔總收益超過10%之客戶之收益如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Customer A	客戶甲	(Note) (附註) N/A 不適用	13,341

Note: For the year ended 31 March 2020, there was no customer accounted for over 10% of the total revenue of the Group.

附註：截至二零二零年三月三十一日止年度，概無客戶之收益佔本集團總收益超過10%。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

### (7) OTHER INCOME

### (7) 其他收入

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Bank interest income	銀行利息收入	3,264	2,947
Sundry income	雜項收入	2	—
Government grants	政府補助	121	257
Imputed interest income from amount due from an associate (note 24)	應收一間聯營公司款項之估算利息收入(附註24)	8,989	6,883
Loan interest income from an associate (note 24)	來自一間聯營公司之貸款利息收入(附註24)	556	127
		<b>12,932</b>	10,214

### (8) OTHER GAINS AND LOSSES, NET

### (8) 其他收益及虧損淨額

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Gain/(Loss) on disposal of property, plant and equipment	出售物業、廠房及設備之(收益)/虧損	85	(734)
Change in fair value on financial assets at FVTPL — investments in convertible bonds	按公平值計入損益之金融資產公平值變動 — 可換股債券投資	101,328	79,789
Change in fair value on financial assets at FVTPL — short term investment	按公平值計入損益之金融資產公平值變動 — 短期投資	51	61
(Provision for)/Reversal of impairment loss on other receivables	其他應收款項減值虧損(撥備)/撥回	(4,517)	2
Provision for impairment loss on trade receivables, net (note 26)	貿易應收賬款減值虧損撥備淨額(附註26)	(5,921)	(255)
Bad debts recovered from trade receivables previously written off	已收回先前已撇銷貿易應收賬款之壞賬	2,127	—
		<b>93,153</b>	78,863

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (9) PROFIT BEFORE INCOME TAX

#### (9) 除所得稅前溢利

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Profit before income tax is arrived at after charging/(crediting):	除所得稅前溢利已扣除/(計入)下列各項:		
Auditor's remuneration	核數師酬金	730	700
Amortisation of prepaid lease payments	預付租賃付款攤銷	—	234
Depreciation of rights-of-use assets	使用權資產折舊	467	—
Depreciation of investment properties	投資物業折舊	59	59
Depreciation of property, plant and equipment	物業、廠房及設備折舊	5,835	6,237
Cost of inventories recognised as expenses	確認為費用之存貨成本	34,668	39,618
Operating lease charges in respect of land and buildings	有關土地及樓宇之經營租賃費用	1,601	1,826
Provision for/(Reversal of) impairment loss on inventories, net*	存貨減值虧損撥備/(撥回)淨額*	253	(44)
Staff costs (including directors' emoluments)	員工成本(包括董事薪酬)		
Salaries, bonus and allowances	薪金、花紅及津貼	20,395	21,038
Retirement benefits scheme contributions	退休福利計劃供款	2,056	2,705

\* included in cost of sales

\* 計入銷售成本

#### (10) FINANCE COST

#### (10) 財務成本

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Interest on convertible bonds	可換股債券利息	9,315	7,823
Interest on lease liabilities	租賃負債利息	33	—
		9,348	7,823

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (11) DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Details of emoluments paid and payable to the directors of the Company, which include the Chief Executive Officer ("CEO") for the year are as follows:

#### (11) 董事及最高行政人員酬金

本年度已付及應付予本公司董事(包括行政總裁(「行政總裁」))之酬金詳情如下：

Name of director 董事姓名	Fees 袍金		Salaries, and other allowance 薪金及其他津貼		Contributions to retirement benefits scheme 退休福利計劃供款		Total 總計	
	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
	Xie Yi 謝毅	70	70	1,316	1,316	—	—	1,386
Lou Yi 樓屹	70	70	487	487	—	—	557	557
Cheng Yong 程勇	70	70	643	487	—	—	713	557
Wong Sau Kuen 王秀娟	70	70	852	787	18	18	940	875
Liu Kwok Wah 廖國華	70	70	995	995	18	18	1,083	1,083
Lu Zhiqiang 盧志強	70	70	650	650	—	—	720	720
Fang Lin Hu 方林虎	70	70	—	—	—	—	70	70
Xue Jing Lun 薛京倫	70	70	—	—	—	—	70	70
Jin Song 金松	70	70	—	—	—	—	70	70
	<b>630</b>	630	<b>4,943</b>	4,722	<b>36</b>	36	<b>5,609</b>	5,388

Xie Yi is also the CEO of the Company and his emoluments disclosed above include those for services rendered by him as the CEO.

謝毅亦為本公司行政總裁，其上述披露酬金包括其作為行政總裁所提供服務之酬金。

No emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office for both years. None of the directors has waived or agreed to waive any emoluments for both years.

於該兩個年度內，本集團並無向任何董事支付酬金，作為加入本集團或入職時之獎勵或作為離職補償。於該兩個年度內，概無任何董事放棄或同意放棄收取任何酬金。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (12) FIVE HIGHEST PAID INDIVIDUALS, SENIOR MANAGEMENT'S EMOLUMENTS AND EMPLOYEES' BENEFITS

##### (a) The five highest paid individuals

Of the five individuals with the highest emoluments in the Group, four (2019: four) were directors of the Company whose emoluments are included in the disclosures in note 11 above. The emoluments of the remaining one (2019: one) individual was as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Salaries and allowance	薪金及津貼	730	758
Retirement benefit scheme contributions	退休福利計劃供款	6	8
		<b>736</b>	<b>766</b>

The emoluments of each of the above highest paid individuals (excluding the directors of the Company) were all within the following bands:

		2020 二零二零年	2019 二零一九年
Nil to HK\$1,000,000	零至1,000,000港元	1	1

During both years, no emoluments were paid by the Group to the five highest paid individuals and directors as an inducement to join or upon joining the Group or as compensation for loss of office, and no highest paid individual has waived or, agreed to waive any emoluments.

#### (12) 五位最高薪酬人士、高層管理人員酬金及僱員福利

##### (a) 五位最高薪酬人士

本集團五位最高薪酬人士中四名(二零一九年:四名)為本公司董事,彼等之酬金載列於上文附註11內。其餘一名(二零一九年:一名)人士之酬金如下:

上述各最高薪酬人士(不包括本公司董事)之酬金介乎下列範圍內:

於該兩個年度內,本集團並無向五位最高薪酬人士及董事支付酬金,作為加入本集團或入職時之獎勵或離職補償,及概無最高薪酬人士放棄或同意放棄任何酬金。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

### (12) FIVE HIGHEST PAID INDIVIDUALS, SENIOR MANAGEMENT'S EMOLUMENTS AND EMPLOYEES' BENEFITS (Continued)

#### (b) Share option scheme

On 24 August 2012, the shareholders of the Company approved the adoption of a new share option scheme (the "Scheme"), as the share option scheme adopted by the Company on 8 August 2002 expired on 14 August 2012. The Scheme became effective on 29 August 2012 after obtaining approval from the Listing Committee of the Stock Exchange and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The Scheme provides incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the Company's directors (including independent non-executive directors), other employees of the Group, suppliers of goods or services to the Group, customers of the Group, and any non-controlling interests in the Company's subsidiaries.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

### (12) 五位最高薪酬人士、高層管理人員酬金及僱員福利(續)

#### (b) 購股權計劃

於二零一二年八月二十四日，本公司股東批准採納新購股權計劃（「該計劃」），原因為本公司於二零零二年八月八日採納之購股權計劃已於二零一二年八月十四日屆滿。該計劃在取得聯交所上市委員會批准後於二零一二年八月二十九日生效，除非以其他方式取消或修訂，否則該計劃將自該日起計十年內一直有效。

該計劃為對本集團營運成功作出貢獻之合資格參與者提供獎勵及回報。該計劃之合資格參與者包括本公司董事（包括獨立非執行董事）、本集團之其他僱員、本集團之貨品或服務供應商、本集團客戶及本公司附屬公司之任何非控股權益。

向本公司董事、最高行政人員或主要股東或彼等之任何聯繫人授出購股權，須事先取得獨立非執行董事批准。此外，倘於任何12個月期間向本公司主要股東或獨立非執行董事或彼等之任何聯繫人授出之任何購股權，涉及超過本公司於任何時間已發行股份之0.1%，或總值（按照本公司股份於授出日期之價格計算）超過5,000,000港元，則須事先於股東大會上獲股東批准。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (12) FIVE HIGHEST PAID INDIVIDUALS, SENIOR MANAGEMENT'S EMOLUMENTS AND EMPLOYEES' BENEFITS (Continued)

##### (b) Share option scheme (Continued)

The offer of a grant of share options may be accepted in writing within 21 days from the date of the offer, upon payment of nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted shall be determined by the directors at their absolute discretion, but in any event shall not be more than 10 years from the date of the offer of the share options. The directors of the Company may at their absolute discretion impose any vesting period at the date of grant.

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheet on the date of grant; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's shares on the date of grant.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meeting.

From the effective date of the Scheme to 31 March 2020, no share options have been granted, exercised, cancelled or lapsed under the Scheme.

#### (12) 五位最高薪酬人士、高層管理人員酬金及僱員福利(續)

##### (b) 購股權計劃(續)

承授人可於建議日期起計21日內，於支付合共1港元之象徵式代價後，以書面接納授出購股權之建議。所授出購股權之行使期由董事全權酌情決定，惟無論如何不得遲於購股權建議日期起計10年。本公司董事可於授出日期全權酌情規定任何歸屬期。

購股權之行使價可由董事釐定，惟不得低於以下三者中之最高者：(i)本公司股份於授出日期在聯交所每日報價表所報之收市價；(ii)本公司股份於緊接授出日期前五個營業日在聯交所每日報價表所報之平均收市價；及(iii)本公司股份於授出日期之面值。

購股權並不賦予持有人獲分派股息或於股東大會投票之權利。

自該計劃生效日期至二零二零年三月三十一日止期間，概無購股權根據該計劃獲授出、行使、註銷或失效。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

### (12) FIVE HIGHEST PAID INDIVIDUALS, SENIOR MANAGEMENT'S EMOLUMENTS AND EMPLOYEES' BENEFITS (Continued)

#### (c) Retirement benefit schemes

The Group has joined a mandatory provident fund scheme (the "MPF Scheme") for all qualifying employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Scheme Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme.

The retirement benefits cost of the MPF Scheme charged to the consolidated statement of profit or loss and other comprehensive income represents contributions payable to the fund by the Group at rates specified in the rules of the scheme.

The employees of the Group's subsidiaries in the PRC are members of the state-sponsored retirement benefit scheme organised by the relevant local government authority in the PRC. The subsidiaries are required to contribute, based on a certain percentage of the salaries of its employees, to the retirement benefit scheme and have no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions.

### (12) 五位最高薪酬人士、高層管理人員酬金及僱員福利(續)

#### (c) 退休福利計劃

本集團已參加為所有香港合資格僱員而設之強制性公積金計劃(「強積金計劃」)。強積金計劃乃根據強制性公積金計劃條例於強制性公積金計劃管理局登記。強積金計劃之資產與本集團之資產分開持有，於基金之資產由獨立受託人控制。根據強積金計劃之規則，僱主及其僱員分別須向計劃作出按規則指定之比率計算之供款。本集團有關強積金計劃之唯一責任為根據計劃作出規定供款。

於綜合損益及其他全面收益表中扣除之強積金計劃退休福利成本指本集團按計劃規則指定比率應付基金之供款。

本集團之中國附屬公司僱員為由中國有關地方政府機關組織之國家管理退休福利計劃成員。附屬公司須按其僱員薪金之若干百分比向退休福利計劃供款，除每年供款外，並無任何實際支付退休金或退休後福利之進一步責任。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (13) INCOME TAX

The amount of income tax (credit)/expense in the consolidated statements of profit or loss and other comprehensive income represents:

#### (13) 所得稅

綜合損益及其他全面收益表中之所得稅(抵免)/支出款項指：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Current tax	即期稅項		
— Hong Kong	— 香港	—	12
— PRC Enterprise Income Tax	— 中國企業所得稅	—	—
— Other jurisdictions	— 其他司法權區	—	40
		—	52
Overprovision in prior years	過往年度超額撥備		
— Hong Kong	— 香港	<b>(50)</b>	—
— Other jurisdictions	— 其他司法權區	<b>(40)</b>	(2)
Income tax (credit)/expense	所得稅(抵免)/支出	<b>(90)</b>	50

Under the two-tiered profits tax rates regime, the first HK\$2 million of assessable profits of a qualifying corporation will be taxed at 8.25%, and assessable profits above HK\$2 million will continue to be taxed at 16.5%. For the years ended 31 March 2020 and 2019, Hong Kong Profits Tax of the qualified entity of the group company is calculated in accordance with the two-tiered profits tax rates regime.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% (2019: 25%).

根據兩級利得稅稅率制度，合資格企業的應課稅溢利首2,000,000港元將按8.25%的稅率納稅，而超過2,000,000港元的應課稅溢利將繼續按16.5%的稅率納稅。截至二零二零年及二零一九年三月三十一日止年度，合資格集團實體公司的香港利得稅乃根據兩級利得稅稅率制度計算。

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司之稅率為25%(二零一九年：25%)。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (13) INCOME TAX (Continued)

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

#### (13) 所得稅(續)

於其他司法權區產生之稅項乃按有關司法權區現行稅率計算。

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Profit before income tax expense	除所得稅支出前溢利	85,491	63,374
Tax calculated at domestic income tax rates applicable to profit or loss in the jurisdictions concerned	按適用於有關司法權區損益之本地所得稅稅率計算之稅項	14,671	9,190
Tax effect of expenses not deductible	不可扣稅之開支之稅務影響	5,162	1,242
Tax effect of income not taxable	不應課稅之收入之稅務影響	(18,285)	(13,652)
Tax effect of temporary differences not recognised	未確認暫時差額之稅務影響	—	(14)
Tax effect of tax losses recognised	已確認稅項虧損之稅務影響	(4,370)	—
Over provision in prior years	過往年度超額撥備	(90)	—
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	2,822	3,284
Income tax (credit)/expense	所得稅(抵免)/支出	(90)	50

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (14) EARNINGS PER SHARES

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

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<b>Earnings</b>	<b>盈利</b>		
Earnings for the purpose of basic earnings per share (Profit for the year attributable to owners of the Company)	用於計算每股基本盈利之盈利(本公司擁有人應佔本年度溢利)	<b>83,280</b>	64,030
Effect of potential ordinary shares: Interest on convertible bonds	潛在普通股之影響： 可換股債券利息	<b>9,315</b>	7,823
Earnings for the purpose of diluted earnings per share	用於計算每股攤薄盈利之盈利	<b>92,595</b>	71,853

#### (14) 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃按下列數據計算：

		2020 二零二零年 '000 千股	2019 二零一九年 '000 千股
<b>Number of shares</b>	<b>股份數目</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	用於計算每股基本盈利之普通股加權平均數	<b>2,390,000</b>	2,390,000
Effect of potential ordinary shares: Convertible bonds	潛在普通股之影響： 可換股債券	<b>900,000</b>	900,000
Weighted average number of ordinary shares for purpose of diluted earnings per share	用於計算每股攤薄盈利之普通股加權平均數	<b>3,290,000</b>	3,290,000

#### (15) DIVIDENDS

No dividend was paid or declared by the board of directors during the year ended 31 March 2020 (2019: nil), nor has any dividend been proposed since the end of reporting period.

#### (15) 股息

截至二零二零年三月三十一日止年度，董事會並未派付或宣派任何股息(二零一九年：無)，而自報告期末以來並無建議派付任何股息。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (16) INVESTMENT PROPERTIES

#### (16) 投資物業

		HK\$'000 千港元
<b>COST</b>	<b>成本</b>	
At 1 April 2018, 31 March 2019, 1 April 2019 and 31 March 2020	於二零一八年四月一日、二零一九年三月三十一日、 二零一九年四月一日及二零二零年三月三十一日	8,057
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT</b>	<b>累計折舊及減值</b>	
At 1 April 2018	於二零一八年四月一日	6,620
Charge for the year	本年度列支	59
At 31 March 2019 and 1 April 2019	於二零一九年三月三十一日及二零一九年四月一日	6,679
Charge for the year	本年度列支	59
At 31 March 2020	於二零二零年三月三十一日	6,738
<b>NET CARRYING AMOUNT</b>	<b>賬面淨值</b>	
At 31 March 2020	於二零二零年三月三十一日	1,319
At 31 March 2019	於二零一九年三月三十一日	1,378

The above investment properties are depreciated using the straight-line method, after taking into account their estimated residual value, over the lease terms of the leasehold land.

The Group's investment properties are located on land in the PRC with land use period from 1992 to 2042.

上述投資物業經考慮其估計剩餘價值後，於租賃土地之租期內以直線法折舊。

本集團之投資物業位於中國，其土地使用期自一九九二年起至二零四二年為止。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (16) INVESTMENT PROPERTIES (Continued)

The fair value of the Group's investment properties at 31 March 2020 amounting to RMB3,400,000 (2019: RMB3,200,000) has been arrived at on the basis of valuation carried out for that date by Roma Appraisals Limited, an independent qualified valuer not connected with the Group. The valuation was arrived at by direct comparison approach with reference to market evidence of comparable transaction prices for similar properties as available in the relevant market.

The fair value of the Group's investment properties as at 31 March 2020 is a level 3 recurring fair value measurement and based on the properties highest and best use, which does not differ from their actual use. The following table presents the fair value hierarchy into which the fair value measurement of these properties are categorised (Level 3), based on the degree to which the inputs to the fair value is unobservable. The valuation takes account of the condition and location of the buildings in the valuation of the property.

#### (16) 投資物業(續)

於二零二零年三月三十一日，本集團之投資物業公平值為人民幣3,400,000元（二零一九年：人民幣3,200,000元），金額乃按與本集團並無關連之獨立合資格估值師羅馬國際評估有限公司於該日進行之估值基準達致。估值乃經參考相關市場中可得之類似物業可資比較交易價格之市場憑證後按直接比較法達致。

於二零二零年三月三十一日，本集團之投資物業之公平值按第三級經常性公平值計量並基於物業得到完全充分使用（與其實際用途相同）。下表呈列根據公平值計量輸入數據之不可觀察程度將該等物業之公平值計量分類之公平值層級（第三級）。在對物業進行估值時，該估值會計及樓宇之狀況及位置。

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
<b>Fair value hierarchy</b>	<b>公平值層級</b>		
Level 3	第三級	<b>3,400</b>	3,200

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (17) PROPERTY, PLANT AND EQUIPMENT

#### (17) 物業、廠房及設備

		Buildings	Plant and equipment	Furniture, fixtures and equipment	Motor vehicles	Total
		樓宇	廠房及 設備	傢俬、固定裝 置及設備	汽車	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>COST</b>		<b>成本</b>				
At 1 April 2018	於二零一八年四月一日	144,162	39,356	7,088	4,841	195,447
Additions	添置	—	1,202	26	186	1,414
Disposal	出售	—	(1,212)	—	(235)	(1,447)
Exchange realignment	匯兌調整	(8,128)	(2,316)	(156)	(252)	(10,852)
At 31 March 2019 and 1 April 2019	於二零一九年三月三十一日 及二零一九年四月一日	136,034	37,030	6,958	4,540	184,562
Additions	添置	—	125	37	—	162
Disposals	出售	—	—	—	(544)	(544)
Exchange realignment	匯兌調整	(8,577)	(2,441)	(165)	(226)	(11,409)
At 31 March 2020	於二零二零年三月三十一日	127,457	34,714	6,830	3,770	172,771
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT</b>		<b>累計折舊及減值</b>				
At 1 April 2018	於二零一八年四月一日	17,386	11,772	6,282	4,538	39,978
Charge for the year	本年度列支	2,812	2,931	294	200	6,237
Write-back	撥回	—	(360)	—	(235)	(595)
Exchange realignment	匯兌調整	(734)	(692)	(138)	(234)	(1,798)
At 31 March 2019 and 1 April 2019	於二零一九年三月三十一日 及二零一九年四月一日	19,464	13,651	6,438	4,269	43,822
Charge for the year	本年度列支	2,716	2,883	133	103	5,835
Write-back	撥回	—	—	—	(544)	(544)
Exchange realignment	匯兌調整	(1,046)	(996)	(158)	(212)	(2,412)
At 31 March 2020	於二零二零年三月三十一日	21,134	15,538	6,413	3,616	46,701
<b>NET CARRYING AMOUNT</b>		<b>賬面淨值</b>				
At 31 March 2020	於二零二零年三月三十一日	106,323	19,176	417	154	126,070
At 31 March 2019	於二零一九年三月三十一日	116,570	23,379	520	271	140,740

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (17) PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation expenses of HK\$821,000 (2019: HK\$1,098,000) and HK\$5,014,000 (2019: HK\$5,139,000) have been charged in administrative expenses and cost of sales respectively.

The Group reported segmental profit HK\$6,453,000 (2019: loss of HK\$3,633,000) for the Manufacturing segment during the year.

As set out in note 5, management has made reference to the independent valuation of the buildings for the estimation of the recoverable amount. In addition, management conducted an impairment assessment on the segment as a whole and the recoverable amount of the segment, which is determined on the basis of fair value calculation, is higher than the carrying value of the segment's non-current assets. The directors are of the opinion that no impairment provision is required.

#### (17) 物業、廠房及設備(續)

折舊費用821,000港元(二零一九年: 1,098,000港元)及5,014,000港元(二零一九年: 5,139,000港元)已分別於行政費用及銷售成本中列支。

年內,本集團報告製造分類之分類溢利為6,453,000港元(二零一九年:虧損3,633,000港元)。

如附註5所載,管理層已參考樓宇之獨立估值,以估計可收回金額。此外,管理層對整體分類進行減值評估,而分類之可收回金額(根據公平值計算釐定)高於分類之非流動資產之賬面值。董事認為毋須作出減值撥備。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (18) PREPAID LEASE PAYMENTS

#### (18) 預付租賃付款

		HK\$'000 千港元
<b>COST</b>	<b>成本</b>	
At 1 April 2018	於二零一八年四月一日	14,798
Exchange realignment	匯兌調整	(636)
At 31 March 2019	於二零一九年三月三十一日	14,162
Impact of adopting HKFRS 16	採納香港財務報告準則第16號之影響	(14,162)
At 1 April 2019 and 31 March 2020	於二零一九年四月一日及二零二零年三月三十一日	—
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT</b>	<b>累計折舊及減值</b>	
At 1 April 2018	於二零一八年四月一日	4,781
Charge for the year	本年度列支	234
Exchange realignment	匯兌調整	(89)
At 31 March 2019	於二零一九年三月三十一日	4,926
Impact of adopting HKFRS 16	採納香港財務報告準則第16號之影響	(4,926)
At 1 April 2019 and 31 March 2020	於二零一九年四月一日及二零二零年三月三十一日	—
<b>NET CARRYING AMOUNT</b>	<b>賬面淨值</b>	
At 31 March 2020	於二零二零年三月三十一日	—
At 31 March 2019	於二零一九年三月三十一日	9,236

All land in the PRC is state-owned and no individual land ownership rights exist. The Group acquires the right to use certain land and the considerations paid for such right are recorded as prepaid lease payments, which are amortised over the lease terms of 40 to 50 years using the straight-line method.

Impairment assessment was conducted by management as mentioned in notes 5 and 17. Management concluded that no impairment is required after the assessment.

中國所有土地均為國有及不存在個人土地所有權。本集團收購若干土地使用權及支付有關權利之代價入賬列為預付租賃付款，按租期40至50年以直線法攤銷。

如附註5和17所述，由管理層進行減值評估。管理層評估後認為毋須作出減值。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (19) RIGHT-OF-USE ASSETS

#### (19) 使用權資產

		Lease land 租賃土地 HK\$'000 千港元	Lease properties 租賃物業 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Cost</b>	<b>成本</b>			
At 31 March 2019 (Reported)	於二零一九年三月三十一日 (已呈報)	—	—	—
Impact of adopting HKFRS 16	採納香港財務報告準則 第16號之影響	14,162	—	14,162
Restated opening balance under HKFRS 16 as at 1 April 2019	於二零一九年四月一日 香港財務報告準則第16號項 下之經重列期初結餘	14,162	—	14,162
Addition	添置	—	5,793	5,793
Exchange realignment	匯兌調整	(672)	—	(672)
At 31 March 2020	於二零二零年三月三十一日	13,490	5,793	19,283
<b>Accumulated depreciation and impairment</b>	<b>累計折舊及減值</b>			
At 31 March 2019 (Reported)	於二零一九年三月三十一日 (已呈報)	—	—	—
Impact of adopting HKFRS 16	採納香港財務報告準則 第16號之影響	4,926	—	4,926
Restated opening balance under HKFRS 16 as at 1 April 2019	於二零一九年四月一日 香港財務報告準則第16號 項下之經重列期初結餘	4,926	—	4,926
Charge for the year	本年度列支	226	241	467
Exchange realignment	匯兌調整	(115)	—	(115)
At 31 March 2020	於二零二零年三月三十一日	5,037	241	5,278
Carrying amount At 31 March 2020	賬面值 於二零二零年三月三十一日	8,453	5,552	14,005

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (20) INTANGIBLE ASSETS

#### (20) 無形資產

		Gene invention rights 基因發明權 HK\$'000 千港元	Goodwill 商譽 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>COST</b>	<b>成本</b>			
At 1 April 2018, 31 March 2019, 1 April 2019 and 31 March 2020	於二零一八年四月一日、二零一九年 三月三十一日、二零一九年四月一日 及二零二零年三月三十一日	95,000	1,807	96,807
<b>ACCUMULATED AMORTISATION AND IMPAIRMENT</b>	<b>累計攤銷及減值</b>			
At 1 April 2018, 31 March 2019, 1 April 2019 and 31 March 2020	於二零一八年四月一日、二零一九年三 月三十一日、二零一九年四月一日及 二零二零年三月三十一日	95,000	—	95,000
<b>NET CARRYING AMOUNT</b>	<b>賬面淨值</b>			
At 31 March 2020	於二零二零年三月三十一日	—	1,807	1,807
At 31 March 2019	於二零一九年三月三十一日	—	1,807	1,807

#### (21) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

#### (21) 按公平值計入損益之金融資產

##### (a) Investments in convertible bonds

On 28 July 2014, the Group completed the disposal of 51% equity interest in Smart Ascent Limited and received consideration with fair value of HK\$435,193,000 comprising (i) cash payment of HK\$65,000,000; and (ii) convertible bonds issued by Innovative Pharmaceutical Biotech Limited (“Innovative Pharm”) on 28 July 2014 with principal amount of HK\$715,000,000 (the “Innovative Pharm Bonds”) and fair value of HK\$370,193,000.

The Innovative Pharm Bonds bear interest at 3.5% per annum payable in arrears annually with maturity on the 7th anniversary of the date of issue of the Innovative Pharm Bonds (the “Maturity Date”). The Group has the right to convert the Innovative Pharm Bonds into shares of Innovative Pharm at any time from the date of issue to the Maturity Date at an initial conversion price of HK\$2.5 per share.

##### (a) 可換股債券投資

於二零一四年七月二十八日，本集團完成出售進生有限公司之51%股權，並收取公平值為435,193,000港元之代價，當中包括(i)現金付款65,000,000港元；及(ii)於二零一四年七月二十八日由領航醫藥及生物科技有限公司(「領航醫藥」)發行本金額為715,000,000港元之可換股債券(「領航醫藥債券」)，而公平值為370,193,000港元。

領航醫藥債券按年利率3.5%計息，須於每年到期支付，到期日為領航醫藥債券發行日期後第7個週年日(「到期日」)。本集團有權於發行日期至到期日之任何時候將領航醫藥債券按初步換股價每股2.5港元轉換為領航醫藥股份。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

**(21) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)****(a) Investments in convertible bonds (Continued)**

The fair values of the Innovative Pharm Bonds components on initial recognition and as at 31 March 2020 are determined based on the valuation conducted by an independent qualified valuer. The methods and assumptions applied for the valuation of the Innovative Pharm Bonds and its components are set out as below:

**(21) 按公平值計入損益之金融資產(續)****(a) 可換股債券投資(續)**

領航醫藥債券於初始確認時及於二零二零年三月三十一日之組成部分之公平值乃基於獨立合資格估值師進行之估值而釐定。對領航醫藥債券及其組成部分進行估值所應用之方法及假設載列如下：

		Debt component	Derivative component	Total
		債務部分	衍生工具部分	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At 31 March 2018 under HKAS 39	根據香港會計準則第39號於二零一八年三月三十一日	413,487	4,296	417,783
Effect on adoption of HKFRS 9 (Note)	採納香港財務報告準則第9號之影響(附註)			(2,810)
At 1 April 2018, as restated	於二零一八年四月一日，經重列			414,973
Interest received	已收利息			(25,025)
Change in fair value	公平值變動			79,789
At 31 March 2019 and 1 April 2019	於二零一九年三月三十一日及二零一九年四月一日			469,737
Change in fair value	公平值變動			101,328
<b>At 31 March 2020</b>	<b>於二零二零年三月三十一日</b>			<b>571,065</b>

Note: Investments in convertible bonds were previously split into two components — debt component and derivative component which were measured at amortised cost and at fair value through profit or loss ("FVTPL") respectively under HKAS 39.

Under HKFRS 9, investments in convertible bonds are classified in its entirety as financial assets measured at FVTPL. The difference between the carrying amount of these investments and its fair value as at 1 April 2018 amounting to about HK2.8 million is recognised in retained earnings. Subsequent changes in fair value of these investments are recognised in profit or loss.

附註：可換股債券投資先前被拆分為兩部分——債務部分及衍生工具部分，其根據香港會計準則第39號分別按攤銷成本及按公平值計入損益(「按公平值計入損益」)計量。

根據香港財務報告準則第9號，可換股債券投資整體分類為按公平值計入損益計量之金融資產。於二零一八年四月一日，該等投資之賬面值與其公平值之差額約2,800,000港元於保留盈利中確認。該等投資之公平值其後變動於損益中確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (21) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

##### (a) Investments in convertible bonds (Continued)

On 26 July 2019, the Company and Innovative Pharm entered into a deed of amendments to amend the terms and conditions of the Innovative Pharm Bonds (the “Deed of Amendment”). Pursuant to the Deed of Amendment, (i) the interest payment dates for the interest of 3.5% originally due on 28 July 2019 and 2020 were extended to 28 July 2021; and (ii) the additional interest of HK\$11,261,250, representing 15% per annum on the annual interest multiply by three, was charged for the extension for payment of interests stated in (i) and shall be paid on 28 July 2021. The Deed of Amendment was effective on 28 October 2019. Details of the amendments of the terms and conditions of Innovative Pharm Bonds were set out in the Company’s circular dated 19 September 2019 and the Company’s announcement dated 28 October 2019. Accordingly, no interest was received for the year ended 31 March 2020 (2019: HK\$25,025,000) from the Innovative Pharm Bonds.

At 31 March 2020, the fair value of the Innovative Pharm Bonds as a whole is calculated using the Binomial Model.

The inputs into the model at the respective dates are as follows:

#### (21) 按公平值計入損益之金融資產(續)

##### (a) 可換股債券投資(續)

於二零一九年七月二十六日，本公司與領航醫藥簽立修訂契約以修訂領航醫藥債券的條款及條件（「修訂契約」）。根據修訂契約，(i)利率為3.5%且原定於二零一九年及二零二零年七月二十八日到期的利息支付日期延期至二零二一年七月二十八日；及(ii)就(i)項所述利息支付延期額外收取利息11,261,250港元（即每年按年利率15%乘以三）並須於二零二一年七月二十八日支付利息。修訂契約於二零一九年十月二十八日生效。領航醫藥債券的條款及條件之修訂詳情載於本公司日期為二零一九年九月十九日之通函及本公司日期為二零一九年十月二十八日之公告內。因此，並未收取領航醫藥債券截至二零二零年三月三十一日止年度之利息（二零一九年：25,025,000港元）。

於二零二零年三月三十一日，領航醫藥債券之整體公平值以二項式模式計算。

該模式於各日期所用輸入數據如下：

		2020 二零二零年	2019 二零一九年
Stock price (HK\$)	股份價格(港元)	0.255	0.40
Conversion price (HK\$)	換股價(港元)	2.5	2.50
Discount rate	貼現率	25.555%	23.494%
Risk free rate (Note a)	無風險利率(附註a)	0.586%	1.367%
Expected volatility (Note b)	預期波幅(附註b)	24.341%	27.450%
Expected dividend yield (Note c)	預期股息率(附註c)	0%	0%
Option life (Years)	期權期限(年期)	1.3	2.3

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (21) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

##### (a) Investments in convertible bonds (Continued)

Notes:

- (a) The rate was determined with reference to the yields of Hong Kong government bonds and treasury bills as at the date of valuation.
- (b) Based on the historical price volatility of Innovative Pharm for the period from 18 July 2008, the date on which its shares were resumed trading after suspension, up to the end of the reporting date.
- (c) Estimated with reference to the historical dividend payout of Innovative Pharm.

##### (b) Bank structured product

#### (21) 按公平值計入損益之金融資產(續)

##### (a) 可換股債券投資(續)

附註：

- (a) 該利率乃參考香港政府債券及庫券於估值日期之孳息率釐定。
- (b) 基於領航醫藥於二零零八年七月十八日(其股份於停牌後復牌之日期)直至報告日期結束止期間之過往價格波幅得出。
- (c) 參考領航醫藥之過往股息派付估計。

##### (b) 銀行結構性產品

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Bank structured product, at fair value (Note)	銀行結構性產品，按公平值 (附註)	1,652	1,769

Note: The amount represents short-term highly liquid investments placed in a PRC state-owned financial institution, which are readily convertible to cash. These investments are all denominated in Renminbi with non-determinable return rate. The fair value of these investments is based on estimated return of 3.0% (2019: 2.6%), and the credit quality of these investments can be assessed by reference to historical information or external credit ratings, if any. As at 31 March 2020, none of these investments is either past due or impaired and the Group's maximum exposure to credit risk as at that date is the carrying value of these investments.

The fair value of these investments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

附註：該款項指存放於一間中國國有金融機構並可即時轉換為現金之短期高流通量投資。該等投資全部均以人民幣計值，而其回報率乃屬不可釐定。該等投資之公平值乃按3.0%(二零一九年：2.6%)之估計回報率得出，而該等投資之信貸質素可經參考過往資料或外部信貸評級(如有)予以評估。於二零二零年三月三十一日，該等投資未逾期亦未減值，而本集團於該日所面臨之最高信貸風險為該等投資之賬面值。

該等投資並非在活躍市場買賣，而其公平值乃使用估值方法釐定。於存在可觀察市場數據時，該等估值方法盡量運用有關數據，並盡可能減少依賴實體之特定估計。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (22) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

#### (22) 按公平值計入其他全面收益之金融資產

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Unlisted investment fund (note a)	非上市投資基金(附註a)	—	—
Unlisted shares (note b)	非上市股份(附註b)	—	—
		—	—

Unlisted investment fund and shares were measured at fair value through other comprehensive income ("FVTOCI"). Under HKFRS 9, these investments are all classified as financial assets measured at FVTOCI. Subsequent changes in fair value of these investments are recognised in FVTOCI Reserve and the cumulative gains or loss on disposals are recognised in retained earnings.

The unlisted investment fund was denominated in HK\$ while the unlisted shares were denominated at Renminbi ("RMB").

Notes:

- (a) On 11 May and 2 June 2017, Extrawell Enterprises Limited (the "Subscriber"), an indirect wholly-owned subsidiary of the Company, entered into subscription agreements with KKC Capital SPC, a segregated portfolio company incorporated in the Cayman Islands (the "Fund"), and pursuant to which the Subscriber agreed to subscribe for 30,000 and 50,000 participating shares in the Fund attributable to the segregated portfolio at aggregate consideration of HK\$30,000,000 and HK\$50,000,000 respectively on the respective dates (the "Investments"). The total cost of the Investments of HK\$80,000,000 was funded by the internal resources of the Group.

During the years ended 31 March 2020 and 2019, the Group had recognised the fair value changes in other comprehensive income in accordance with the Group's accounting policy. However, since there was a significant decline in the fair value of the Investments noted at 31 March 2019, a fair value loss of HK\$59,047,000 was recognised in the other comprehensive income for the year in accordance with the Group's policy.

非上市投資基金及股份按公平值計入其他全面收益(「按公平值計入其他全面收益」)計量。根據香港財務報告準則第9號，該等投資均被分類為按公平值計入其他全面收益之金融資產。該等投資之公平值其後變動於按公平值計入其他全面收益儲備中確認，而出售產生之累計收益或虧損於保留盈利中確認。

非上市投資基金以港元計值，而非上市股份以人民幣(「人民幣」)計值。

附註：

- (a) 於二零一七年五月十一日及六月二日，精優企業有限公司(「認購方」)(本公司之間接全資附屬公司)與KKC Capital SPC(一間於開曼群島註冊成立之隔離投資組合公司)(「該基金」)訂立認購協議，據此，認購方已同意於各日期分別認購該基金之隔離投資組合之30,000股及50,000股參與股份，總代價分別為30,000,000港元及50,000,000港元(「該等投資」)。該等投資成本合共80,000,000港元，由本集團內部資源撥付。

截至二零二零年及二零一九年三月三十一日止年度，本集團已根據本集團之會計政策於其他全面收益內確認公平值變動。然而，由於於二零一九年三月三十一日該等投資之公平值大幅下跌，故公平值虧損59,047,000港元根據本集團之政策於本年度於其他全面收益中確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (22) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

Notes: (Continued)

- (b) On 13 January 2012, Jilin Extrawell Changbaishan Pharmaceutical Co., Ltd. ("JECPC"), a wholly-owned subsidiary of the Company subscribed for RMB2,500,000 of the registered capital of 龍脈(上海)健康管理服務有限公司 ("Shanghai Longmark") by way of capital injection. Shanghai Longmark is a company incorporated in the PRC and engaged in provision of health care management services. The subscription was completed in April 2012, and the enlarged registered capital of RMB12,500,000 of Shanghai Longmark was owned as to 20% by JECPC and 80% by United Gene HealthCare Limited, Shanghai ("Shanghai United Gene"), which subsequently transferred its 80% interest in Shanghai Longmark to 東龍脈(上海)健康管理服務有限公司 ("東龍脈") in December 2012. Both Shanghai United Gene and 東龍脈 are indirect wholly-owned subsidiaries of Innovative Pharm. Shanghai Longmark was accounted for as an associate of the Group upon the completion of subscription.

On 25 April 2013, JECPC entered into a capital injection and subscription agreement with 東龍脈 and Xie Yi, a shareholder and director of the Company, in which Xie Yi agreed to subscribe for RMB7,490,000 (the "Subscription") of the registered capital of Shanghai Longmark. The Subscription was completed in August 2013, and the registered capital of Shanghai Longmark increased from RMB12,500,000 to RMB19,990,000. Accordingly, the Group's equity interest of Shanghai Longmark was diluted from 20% to 12.51%, and the respective shareholdings of 東龍脈 and Xie Yi in Shanghai Longmark was 50.02% and 37.47% respectively. As a result of dilution, the Group considered it was no longer in a position to exercise significant influence over Shanghai Longmark and Shanghai Longmark ceased to be an associate of the Group. Shanghai Longmark is accounted for as unlisted investments as the Group has the intention to hold the investment for a continuing strategic and long-term purpose and is measured at fair value. The investment cost was reduced to zero in prior years by share of loss of Shanghai Longmark.

#### (22) 按公平值計入其他全面收益之金融資產(續)

附註：(續)

- (b) 於二零一二年一月十三日，本公司之全資附屬公司吉林精優長白山藥業有限公司(「吉林精優」)以注資方式認購人民幣2,500,000元之龍脈(上海)健康管理服務有限公司(「上海龍脈」)之註冊資本。上海龍脈為一家於中國註冊成立並從事提供健康管理服務之公司。該認購事項於二零一二年四月完成，而上海龍脈之經擴大註冊資本人民幣12,500,000元分別由吉林精優擁有20%及聯合基因(上海)健康管理服務有限公司(「上海聯合基因」)擁有80%，上海聯合基因其後於二零一二年十二月轉讓其於上海龍脈80%權益予東龍脈(上海)健康管理服務有限公司(「東龍脈」)。上海聯合基因及東龍脈均為領航醫藥之間接全資附屬公司。於認購事項完成後，上海龍脈作為本集團聯營公司入賬。

於二零一三年四月二十五日，吉林精優與東龍脈及本公司股東兼董事謝毅訂立注資及認購協議，據此，謝毅同意認購上海龍脈之註冊資本人民幣7,490,000元(「認購事項」)。認購事項已於二零一三年八月完成，故上海龍脈之註冊資本由人民幣12,500,000元增加至人民幣19,990,000元。因此，本集團於上海龍脈之股權由20%攤薄至12.51%，而東龍脈及謝毅於上海龍脈之各自股權分別為50.02%及37.47%。由於股權攤薄，本集團認為其對上海龍脈不再具有重大影響力，而上海龍脈不再為本集團聯營公司。上海龍脈入賬為非上市投資，原因是本集團擬以持續策略及長期目的而持有該投資，且該投資乃按公平值計量。投資成本因分攤上海龍脈之虧損而於過往年度調減至零。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

### (23) INTEREST IN AN ASSOCIATE

### (23) 於一間聯營公司之權益

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Cost of investment in an unlisted associate (Note)	於一間非上市聯營公司之投資成本(附註)	337,000	337,000
Share of post-acquisition losses and other comprehensive expense	應佔收購後虧損及其他全面開支	(10,103)	(6,938)
		<b>326,897</b>	330,062

Note: The amount represents the fair value as at 28 July 2014 of the 49% equity interest in Smart Ascent Limited as retained by the Group upon completion of the disposal of 51% equity interest in Smart Ascent Limited on 28 July 2014.

附註：此金額指於二零一四年七月二十八日出售進生有限公司51%股權完成後，本集團所保留進生有限公司49%股權於二零一四年七月二十八日之公平值。

The Group's associate, Smart Ascent Limited ("Smart Ascent") is a private company with no quoted market price available for its shares. The major asset held by Smart Ascent and its subsidiaries (the "Smart Ascent Group") is the intangible asset in relation to an in-process research and development project ("In-process R&D") involving an oral insulin product ("Product"). As at 31 March 2020, the Group has engaged an independent qualified valuer, Roma Appraisals Limited to conduct a valuation of the fair value of the interest in the associate for impairment assessment.

本集團之聯營公司進生有限公司(「進生」)為一間私營公司，其股份並無市場報價。進生及其附屬公司(「進生集團」)所持之主要資產為有關進行中之研發項目(「進行中之研發」)之無形資產，當中涉及口服胰島素產品(「產品」)。於二零二零年三月三十一日，本集團已委聘一名獨立合資格估值師羅馬國際評估有限公司就於聯營公司之權益之公平值進行估值，以評估是否減值。

The asset-based approach was adopted in the valuation of the fair value of the Group's interest in the associate. In doing so, various assumptions about the cash flow projections of the In-process R&D and the Product were adopted. These assumptions include the successful completion of the clinical trials, obtaining of the regulatory approvals from the relevant government bodies (in particular, the granting of the certificate of new medicine and pharmaceutical manufacturing permit for the Product by China Food and Drug Administration, now known as National Medical Products Administration of the PRC), and launching of the Product by the fourth quarter of 2022. The recoverable amount of the interest in the associate is determined based on the Group's share of the estimated fair value of the In-process R&D after taking into account the lack of control discount.

就本集團於聯營公司之權益之公平值進行估值時採納資產法。在此過程中，應用進行中之研發及產品之現金流量預測相關之各種假設。該等假設包括於二零二二年第四季度前成功完成臨床試驗、取得有關政府監管部門批准(尤其是中國食品藥品監督管理總局(現稱國家藥品監督管理局)就產品授出新藥證書及藥品生產許可證)及推出產品。於聯營公司之權益之可收回金額乃經計及並無控制權之折讓後根據本集團應佔進行中之研發之估計公平值釐定。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (23) INTEREST IN AN ASSOCIATE (Continued)

Particulars of the Smart Ascent Group at the end of the reporting period are as follows:

#### (23) 於一間聯營公司之權益(續)

進生集團於報告期末之詳情如下：

Name of associate 聯營公司名稱	Place of incorporation/ operations 註冊成立/ 營運地點	Class of shares held 所持股份 類別	Effective interest held by the Group/ Smart Ascent 本集團/進生所 持實際權益	Principal activities 主要業務	Measurement method 計量方式
Smart Ascent 進生	Hong Kong 香港	Ordinary 普通	49%	Investment holding 投資控股	Equity 股權
<b>Subsidiaries of Smart Ascent</b> 進生之附屬公司					
Fosse Bio-Engineering Development Limited 福仕生物工程(上海)有限公司	Hong Kong/ China 香港/中國	Ordinary 普通	51%	Development and commercialisation of oral insulin products 開發及商品化口服胰島素產品	Equity 股權
福仕生物工程(上海)有限公司	China 中國	Registered capital 註冊資本	51%	Inactive 暫無業務	Equity 股權
Welly Surplus Development Limited 瑞盈發展有限公司	Hong Kong 香港	Ordinary 普通	51%	Inactive 暫無業務	Equity 股權
Nation Joy Industries Limited 國悅實業有限公司	British Virgin Islands ("BVI") 英屬處女群島 (「英屬處女群島」)	Ordinary 普通	100%	Inactive 暫無業務	Equity 股權

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (23) INTEREST IN AN ASSOCIATE (Continued)

The summarised financial information of the associate, adjusted for any differences in accounting policies and a reconciliation to the carrying amount in the consolidated financial statements, are as follows:

#### (23) 於一間聯營公司之權益(續)

聯營公司之財務資料概要(已就任何會計政策差異作出調整)及於綜合財務報表內與賬面值之對賬如下:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Non-current assets	非流動資產	284,260	298,967
Current assets	流動資產	7,938	4
Current liabilities	流動負債	(39,849)	(74,466)
Non-current liabilities	非流動負債	(31,394)	(9,116)
Non-controlling interests	非控股權益	(123,853)	(117,115)
Non-current assets include the following:	非流動資產包括以下項目:		
Intangible assets — In-process R&D	無形資產 — 進行中之研發	284,260	284,260
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Revenue	收益	—	—
Loss and total comprehensive expense	虧損及全面開支總額	(13,130)	(3,598)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (23) INTEREST IN AN ASSOCIATE (Continued)

#### (23) 於一間聯營公司之權益(續)

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Net assets of the Smart Ascent Group attributable to owners of Smart Ascent	進生擁有人應佔進生集團資產淨值	97,102	103,561
Proportion of the Group's ownership interest in Smart Ascent	本集團於進生之所有權權益比例	49%	49%
Carrying amount of the Group's interest in Smart Ascent as an associate	本集團於進生(作為一間聯營公司)之權益之賬面值	47,580	50,745
Adjustment for remeasurement to fair value of the assets of the Smart Ascent Group on initial recognition	進生集團資產公平值於初始確認時之重新計量調整	279,317	279,317
		<b>326,897</b>	330,062

#### (24) AMOUNT DUE FROM AN ASSOCIATE/ LOAN TO AN ASSOCIATE

#### (24) 應收一間聯營公司款項／ 貸予一間聯營公司

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Amount due from an associate Smart Ascent (Note a)	應收一間聯營公司款項進生(附註a)	38,377	29,388
Loan to an associate Smart Ascent (Note b)	貸予一間聯營公司進生(附註b)	15,383	5,027

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

### (24) AMOUNT DUE FROM AN ASSOCIATE/ LOAN TO AN ASSOCIATE (Continued)

Notes:

- (a) As at 31 March 2020, amount due from an associate is unsecured and interest-free. Principal amount of HK\$41,941,000 (2019: HK\$41,941,000) is expected to be repaid after 6 years from 28 July 2014. Such amount due from an associate is recognised at its fair value of HK\$8,455,000 upon the disposal of Smart Ascent at a discount rate of 26.99%. During the reporting period, imputed interest income of HK\$8,989,000 (2019: HK\$6,883,000) is credited to profit or loss.
- (b) On 27 July 2018, the Company and Innovative Pharm through their respective wholly-owned subsidiaries as lenders and Smart Ascent as borrower entered into a shareholders' loan agreement for a loan to Smart Ascent amounting to HK\$30 million in total (the "Loan"), to be contributed as to 49% i.e. HK\$14.7 million by the Group and as to 51% i.e. HK\$15.3 million by the wholly-owned subsidiary of Innovative Pharm, which would be used to finance the working capital requirements of Smart Ascent Group for the oral insulin project. The Loan is unsecured, interest bearing at 5% per annum and has a repayment term fixed at 60 months after each drawdown of the Loan.

As at 31 March 2020, Smart Ascent had drawn down HK\$30 million (2019: HK\$10 million) of the Loan, and the balance as at 31 March 2020 represented the Group's 49% (2019: 49%) contribution to the Loan and the interest receivables.

As the provision of the Loan was made in proportion to the equity interest of the shareholders in Smart Ascent and on normal commercial terms, this connected transaction is fully exempted from the reporting, announcement and shareholders' approval requirements under Rule 14A.89 of the Listing Rules. Also, the applicable percentage ratios in respect of this connected transaction are less than 5%, it therefore does not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

As at 31 March 2020, loan to an associate is unsecured, carried interest at 5% per annum, and repayable in 60 months after each drawdown. During the reporting period, interest income of HK\$556,000 (2019: HK\$127,000) is credited to profit or loss.

### (24) 應收一間聯營公司款項／貸 款予一間聯營公司(續)

附註：

- (a) 於二零二零年三月三十一日，應收一間聯營公司款項為無抵押及免息。本金額41,941,000港元(二零一九年：41,941,000港元)預期將於二零一四年七月二十八日起計六年後償還。有關應收一間聯營公司之款項於出售進生時按其公平值8,455,000港元確認，折扣率為26.99%。於報告期內，估算利息收入8,989,000港元(二零一九年：6,883,000港元)已計入損益。
- (b) 於二零一八年七月二十七日，本公司及領航醫藥透過彼等各自之全資附屬公司(作為貸款方)及進生(作為借款方)訂立一份股東貸款協議，向進生提供總額為30,000,000港元之貸款(「該貸款」)，由本集團提供49%款項(即14,700,000港元)及由領航醫藥的全資附屬公司提供51%款項(即15,300,000港元)，以為進生集團就口服胰島素項目之營運資金需求提供融資。該貸款為無抵押、按年利率5%計息及須於每次提取該貸款後60個月內償還。

於二零二零年三月三十一日，進生提取該貸款內30,000,000港元(二零一九年：10,000,000港元)之款項，而於二零二零年三月三十一日之結餘指本集團就該貸款所提供之49%(二零一九年：49%)出資及應收利息。

由於該貸款按股東於進生所持有之權益比例提供並按一般商業條款訂立，故此項關連交易獲全面豁免遵守上市規則第14A.89條項下申報、公告及股東批准之規定。另外，由於有關此項關連交易之適用百分比率低於5%，故不構成上市規則第14章項下之本公司須予披露交易。

於二零二零年三月三十一日，貸款予一間聯營公司為無抵押、按年利率5%計息，並須於每次提取後60個月內償還。於報告期內，利息收入556,000港元(二零一九年：127,000港元)已計入損益。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

## (25) INVENTORIES

## (25) 存貨

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Raw material	原材料	2,033	2,685
Work-in-progress	在製品	1,056	1,211
Finished goods	製成品	2,776	1,928
		<b>5,865</b>	5,824

## (26) TRADE AND BILL RECEIVABLES

## (26) 貿易應收賬款及應收票據

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Bills receivables	應收票據	827	1,490
Trade receivables	貿易應收賬款	53,063	58,722
Less: Provision for impairment loss on trade receivables	減：貿易應收賬款減值虧損撥備	(43,406)	(40,165)
		<b>10,484</b>	20,047

The Group's trading terms with its customers are mainly based on credit, except for new customers, where payment in advance is normally required. The credit period is generally ranging from 120 to 180 days, extending up to one year for some major customers.

本集團與其客戶之貿易條款主要為賒銷，惟新客戶一般需要預先付款。一般情況下，客戶可獲得為期120日至180日之信貸期，而若干主要客戶可延期至最多一年。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (26) TRADE AND BILL RECEIVABLES (Continued)

The ageing analysis of trade and bills receivables (net of provision of impairment loss on trade receivables), based on invoice dates are as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Within 90 days	90日內	3,707	10,932
91 to 180 days	91至180日	4,238	5,170
181 to 365 days	181至365日	2,539	3,945
		<b>10,484</b>	20,047

The ageing analysis of trade and bills receivables which are past due but not impaired are as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Neither past due nor impaired	未逾期亦未減值	7,945	16,102
Past due but not impaired – within 180 days	已逾期但未減值—180日內	2,539	3,945
		<b>10,484</b>	20,047

Trade receivables are assessed for impairment on individual basis as well as a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 120 to 180 days, observable changes in national or local economic conditions that correlate with default on receivables.

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

#### (26) 貿易應收賬款及應收票據(續)

貿易應收賬款及應收票據(扣除貿易應收賬款減值虧損撥備)基於發票日期之賬齡分析如下:

已逾期但未減值之貿易應收賬款及應收票據之賬齡分析如下:

貿易應收賬款按個別及整體基準進行減值評估。應收款項組合之客觀減值證據可包括本集團之過往收款記錄、組合內延遲還款至超逾平均信貸期120至180日之次數增加,以及與應收款項逾期有關之全國或地方經濟狀況明顯改變。

未逾期亦未減值之貿易應收賬款為可靠之應收賬款,於本集團有良好付款記錄。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (26) TRADE AND BILL RECEIVABLES (Continued)

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK\$2,539,000 (2019: HK\$3,945,000) which are past due as at the reporting date for which the Group has not provided for impairment loss.

The movements in provision for impairment on trade receivables are as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At 1 April	於四月一日	40,165	42,305
Increase in loss allowance upon the transition to HKFRS 9 on 1 April 2018	於二零一八年四月一日過渡至香港財務報告準則第9號後之虧損撥備增加	—	94
Provision for impairment on trade receivables, net	貿易應收賬款減值撥備淨額	5,921	255
Exchange realignment	匯兌調整	(2,680)	(2,489)
At 31 March	於三月三十一日	43,406	40,165

#### (26) 貿易應收賬款及應收票據(續)

本集團貿易應收賬款結餘中賬面值合共為2,539,000港元(二零一九年: 3,945,000港元)之應收賬款於報告日期已逾期,而本集團尚未就此作出減值虧損撥備。

貿易應收賬款減值撥備變動如下:

#### (27) DEPOSIT, PREPAYMENT AND OTHER RECEIVABLES

Deposits 按金  
Other receivables 其他應收款項  
Prepayments 預付款項  
Trade deposit 貿易按金

#### (27) 按金、預付款項及其他應收款項

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Deposits	按金	902	793
Other receivables	其他應收款項	495	6,186
Prepayments	預付款項	775	636
Trade deposit	貿易按金	2,615	3,491
		4,787	11,106

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (28) PLEDGED BANK DEPOSITS

Pledged bank deposits represent deposits pledged to a bank to secure short-term banking facilities granted to the Group and are therefore classified as current assets. The pledged bank deposits carry variable interest rates ranging from 1.45% to 2.5% (2019: 1.3% to 2.7%) per annum.

#### (29) CASH AND BANK BALANCES

Bank balances carry variable interest rates of 0.001% to 2.6% (2019: 0.001% to 3.25%) per annum. Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

The carrying amounts of cash and cash equivalents are denominated in the following currencies:

#### (28) 已抵押銀行存款

已抵押銀行存款指抵押予銀行以作為本集團獲授之短期銀行授信額度之擔保之存款，故分類為流動資產。已抵押銀行存款按浮動利率介乎每年1.45%至2.5%（二零一九年：1.3%至2.7%）計息。

#### (29) 現金及銀行結餘

銀行結餘按浮動利率每年0.001%至2.6%（二零一九年：0.001%至3.25%）計息。人民幣兌換為外幣須遵守中國之外匯管理條例以及結匯、售匯及付匯管理規定。

現金及現金等值項目之賬面值乃按以下貨幣計值：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Euros ("Euro")	歐元(「歐元」)	3,780	3,870
Hong Kong dollars ("HK\$")	港元(「港元」)	50,922	74,021
RMB	人民幣	11,885	9,238
United States dollars ("US\$")	美元(「美元」)	59,850	61,773
		<b>126,437</b>	148,902



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (30) TRADE AND BILLS PAYABLES

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from two to three months from the date of invoice.

The ageing analysis of trade and bills payables, based on invoice dates are as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Within 90 days	90日內	3,255	3,202
91 to 180 days	91至180日	981	4,186
181 to 365 days	181至365日	3	44
1 to 2 years	1至2年	1,517	176
Over 2 years	2年以上	483	517
		<b>6,239</b>	8,125

#### (30) 貿易應付賬款及應付票據

貿易應付賬款為不計息，而本集團獲授之一般貿易信貸期介乎發票日期起計兩至三個月。

根據發票日期之貿易應付賬款及應付票據之賬齡分析如下：

#### (31) ACCRUALS, OTHER PAYABLES AND CONTRACT LIABILITIES

Accruals (note a) 預提費用(附註a)  
Other payables (note b) 其他應付款項(附註b)  
Contract liabilities (note c) 合約負債(附註c)

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Accruals (note a)	預提費用(附註a)	13,117	19,650
Other payables (note b)	其他應付款項(附註b)	19,134	34,986
Contract liabilities (note c)	合約負債(附註c)	3,801	1,565
		<b>36,052</b>	56,201

#### (31) 預提費用、其他應付款項及合約負債

Notes:

(a) Mainly included marketing and promotion expenses of about HK\$9,915,000 (2019: HK\$16,341,000).

附註：

(a) 主要包括營銷及推廣費用約9,915,000港元(二零一九年：16,341,000港元)。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (31) ACCRUALS, OTHER PAYABLES AND CONTRACT LIABILITIES (Continued)

Notes: (Continued)

(b) Mainly included payables for acquisition of property, plant and equipment of about HK\$5,638,000 (2019: HK\$13,924,000), payables for marketing and promotion expenses of about HK\$4,480,000 (2019: HK\$8,064,000) and other tax payables of about HK\$4,473,000 (2019: HK\$4,286,000).

(c) As at 1 April 2018, contract liabilities amounted to HK\$2,856,000.

The Group receives payments from customers based on billing schedule as established in contracts. Contract liabilities represents payments that are usually received in advance under the contracts which are mainly from sales of pharmaceutical products.

The following table shows the amount of the revenue recognised for the year ended 31 March 2020 relates to carried-forward contract liabilities.

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Revenue recognised that was included in the contract liabilities balance at 1 April	於四月一日納入合約負債結餘之已確認收益		
— Sales of pharmaceutical products	— 銷售藥品	965	2,455

#### (31) 預提費用、其他應付款項及合約負債(續)

附註：(續)

(b) 主要包括收購物業、廠房及設備的應付款項約5,638,000港元(二零一九年：13,924,000港元)、應付營銷及推廣費用約4,480,000港元(二零一九年：8,064,000港元)及其他應付稅款約4,473,000港元(二零一九年：4,286,000港元)。

(c) 於二零一八年四月一日，合約負債為2,856,000港元。

本集團根據合約所確定的結算時間收取客戶付款。合約負債指合約項下通常提前收取的款項，主要來自銷售藥品。

下表列示截至二零二零年三月三十一日止年度確認且與結轉合約負債有關的收益金額。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (32) LEASE LIABILITIES

#### (32) 租賃負債

		2020 二零二零年	
		Minimum lease payments 最低租賃 付款 HK\$'000 千港元	Present value of minimum lease payments 最低租賃 付款現值 HK\$'000 千港元
Not later than one year	不遲於一年	1,904	1,692
Later than one year and not later than two years	遲於一年及不遲於兩年	1,904	1,846
Later than two years and not later than five years	遲於兩年及不遲於五年	2,174	2,048
Future financial charges	未來財務開支	5,982 (396)	5,586
Present value of lease liability	租賃負債現值	5,586	
Amount due for settlement within one year (shown under current liabilities)	於一年內到期結算之款項 (於流動負債項下呈列)		1,692
Amount due for settlement after one year	於一年後到期結算之款項		3,894

The Group leases office premises for operation and these lease liabilities were measured at the present value of the lease payment that are not yet paid. All leases are entered at fixed prices.

Lease obligations of the Company are denominated in Hong Kong dollars.

本集團租賃辦公場地進行營運，該等租賃負債按尚未支付的租賃付款現值計量。所有租約乃按固定價格訂立。

本公司租賃責任以港元計值。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (33) DEFERRED TAX ASSETS

Details of the deferred tax assets recognised and movements during the current and prior years are as follows:

		Decelerated/ (accelerated) tax depreciation 減速/(加速) 稅項折舊 HK\$'000 千港元
At 1 April 2018, 31 March 2019, 1 April 2019 and 31 March 2020	於二零一八年四月一日、二零一九年 三月三十一日、二零一九年四月一日及 二零二零年三月三十一日	69

As at 31 March 2020, the Group had unused tax losses arising in Hong Kong and the PRC of approximately HK\$6,223,000 (2019: HK\$6,223,000) and HK\$12,717,000 (2019: HK\$16,619,000) respectively available to offset against future taxable profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams, except for that of one subsidiary in Hong Kong of which management considered its deferred tax assets would be crystallised in the foreseeable future. Tax losses arising in Hong Kong may be carried forward indefinitely. Tax losses arising in the PRC will expire in 5 years from the year of origination since 2015.

本年度及過往年度確認之遞延稅項資產及變動詳情如下：

於二零二零年三月三十一日，本集團於香港及中國產生並可供抵銷未來應課稅溢利之未動用稅務虧損分別為約6,223,000港元(二零一九年：6,223,000港元)及12,717,000港元(二零一九年：16,619,000港元)。由於未來溢利流不可預測，因此除管理層認為其在香港之一間附屬公司於可預見之未來可能產生遞延稅項資產外，並無確認遞延稅項資產。於香港產生之稅務虧損可無限期結轉。自二零一五年起，於中國產生之稅務虧損將自產生之年起計5年內到期。

#### (34) CONVERTIBLE BONDS

On 16 July 2013, the Company issued zero-coupon convertible bonds (the "Convertible Bonds") with principal amount in aggregate of HK\$641,300,000 at the conversion price of HK\$0.6413 for each new share of the Company, which, if fully converted, is equivalent to 1,000,000,000 new shares of the Company to Mr. Ong Cheng Heang ("Mr. Ong") and Mr. Mao Yumin ("Mr. Mao"), each of principal amount of HK\$320,650,000. Mr. Ong was the non-controlling shareholder and director of Smart Ascent prior to the completion of acquisition of the remaining 49% interest in Smart Ascent by the Group and Mr. Mao was a director of the Company until 5 December 2013, and is a shareholder of the Company in the current year and the prior years.

#### (34) 可換股債券

於二零一三年七月十六日，本公司發行本金總額641,300,000港元之零息可換股債券(「可換股債券」)，換股價為每股本公司新股份0.6413港元，於悉數兌換後相當於1,000,000,000股本公司新股份，可換股債券乃分別發行予Ong Cheng Heang先生(「Ong先生」)及毛裕民先生(「毛先生」)，各人分別獲發行本金額320,650,000港元。於本集團完成收購進生之剩餘49%權益前，Ong先生為進生之非控股股東及董事，而毛先生曾擔任本公司董事直至二零一三年十二月五日為止，並於本年度及過往年度擔任本公司股東。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (34) CONVERTIBLE BONDS (Continued)

The Convertible Bonds are convertible at the option of the bondholders into ordinary shares of the Company at a conversion price of HK\$0.6413 per ordinary share on or before the seventh business day prior to the maturity date of 16 July 2033, subject to anti-dilutive clauses.

The Convertible Bonds are issued in HK\$. The fair value of the liability component of the Convertible Bonds was HK\$20,712,000, which has been determined by the discounted cashflow approach using the prevailing market interest rate of similar non-convertible bonds and taking into account the credit risk of the Company. The effective interest rate is 18.72%. The fair value of the conversion option of HK\$569,288,000 classified as equity component for the Convertible Bonds was calculated using the Binomial Model. The inputs into the model were as follows:

		Date of issuance 16 July 2013 發行日期 二零一三年 七月十六日
Stock price (HK\$)	股價(港元)	0.59
Exercise price (HK\$)	行使價(港元)	0.6413
Discount rate	貼現率	18.72%
Risk free rate (Note a)	無風險利率(附註a)	2.63%
Expected volatility (Note b)	預期波幅(附註b)	66.55%
Expected dividend yield (Note c)	預期股息收益率(附註c)	0%
Option life (Years)	期權期限(年期)	20

Notes:

- (a) The rate was determined with reference to the yields of Hong Kong government bonds and treasury bills as at the date of valuation.
- (b) Based on the historical price volatility of the Company for the period from 24 December 2009 up to the date of issuance of the Convertible Bonds.
- (c) Estimated with reference to the historical dividend payout of the Company.

#### (34) 可換股債券(續)

債券持有人可選擇於到期日二零三三年七月十六日前第七個營業日或之前按換股價每股普通股0.6413港元將可換股債券兌換為本公司之普通股，惟須受反攤薄條款規限。

可換股債券乃以港元發行。可換股債券負債部分之公平值為20,712,000港元，其乃採用類似非可換股債券之現行市場利率並經考慮本公司之信貸風險以貼現現金流量法釐定。實際利率為18.72%。分類為可換股債券權益部分之換股權之公平值569,288,000港元乃採用二項式模式計算。該模式之輸入數據如下：

附註：

- (a) 該利率乃參考香港政府債券及庫券於估值日期之孳息率釐定。
- (b) 基於本公司於二零零九年十二月二十四日至可換股債券發行日期期間之過往價格波幅得出。
- (c) 參考本公司的過往股息派付而估計。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (34) CONVERTIBLE BONDS (Continued)

Movements of the liability component of the Convertible Bonds are set out below:

#### (34) 可換股債券(續)

可換股債券負債部分之變動載列如下：

		Principal amount (note) 本金額 (附註) HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
At 1 April 2018	於二零一八年四月一日	577,170	41,812
Interest charge	利息支出	—	7,823
At 31 March 2019 and 1 April 2019	於二零一九年三月三十一日及 二零一九年四月一日	577,170	49,635
Interest charge	利息支出	—	9,315
At 31 March 2020	於二零二零年三月三十一日	577,170	58,950

Note: At the date of issuance, the principal amount of the Convertible Bonds was HK\$641,300,000, and thereafter the following events have taken place:

On 5 August 2013, the Convertible Bonds with principal amount of HK\$64,130,000 was converted into 100,000,000 ordinary shares of the Company at the conversion price of HK\$0.6413 per ordinary share.

On 25 October 2013, 24 April 2014, 30 August 2014, 31 December 2014 and 30 April 2015, the Convertible Bonds with principal amount of HK\$320,650,000, HK\$64,130,000, HK\$64,130,000, HK\$64,130,000 and HK\$64,130,000 were acquired by Innovative Pharm from Mr. Mao respectively.

On 8 October 2019, Innovative Pharm disposed of the Convertible Bonds to Mr. Mao.

附註：於發行日期，可換股債券之本金額為641,300,000港元，而其後發生下列事項：

於二零一三年八月五日，本金額為64,130,000港元之可換股債券轉換為100,000,000股本公司普通股，換股價為每股普通股0.6413港元。

於二零一三年十月二十五日、二零一四年四月二十四日、二零一四年八月三十日、二零一四年十二月三十一日及二零一五年四月三十日，本金額分別為320,650,000港元、64,130,000港元、64,130,000港元、64,130,000港元及64,130,000港元之可換股債券已由領航醫藥向毛先生購買。

於二零一九年十月八日，領航醫藥向毛先生出售可換股債券。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

**(35) DEFERRED INCOME ON GOVERNMENT GRANT**

The amount represented receipt of grants by a subsidiary from local government authority in the PRC. The movements in deferred income on government grants are as follows:

**(35) 政府補助之遞延收入**

有關款項指一間附屬公司自中國當地政府部門獲取之補助。政府補助之遞延收入變動如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At 1 April	於四月一日	5,267	4,220
Receipt of grants	已收補助	—	1,553
Recognised in profit or loss (note)	於損益確認(附註)	(121)	(257)
Exchange realignment	匯兌調整	(343)	(249)
At 31 March		4,803	5,267
Analysed as:	分析為：		
Current liabilities	流動負債	117	125
Non-current liabilities	非流動負債	4,686	5,142
		4,803	5,267

Note: Government grants relating to property, plant and equipment are included in non-current liabilities as deferred income on government grants and are credited to the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the expected lives of the related assets.

附註：有關物業、廠房及設備之政府補助計入非流動負債列作政府補助之遞延收入並於有關資產之預期年內按直線法計入綜合損益及其他全面收益表。

**(36) SHARE CAPITAL****(36) 股本**

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<i>Authorised:</i> 20,000,000,000 ordinary shares of HK\$0.01 each	法定： 20,000,000,000股每股 面值0.01港元之普通股	200,000	200,000
<i>Issued and fully paid:</i> 2,390,000,000 ordinary shares of HK\$0.01 each	已發行及繳足： 2,390,000,000股每股 面值0.01港元之普通股	23,900	23,900

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

(37) HOLDING COMPANY STATEMENT OF  
FINANCIAL POSITION

(37) 控股公司財務狀況表

		Notes 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<b>Non-current assets</b>	<b>非流動資產</b>			
Interests in subsidiaries — unlisted	於附屬公司之權益 — 非上市	42	629,927	629,927
Amounts due from subsidiaries	應收附屬公司款項		300,419	296,872
			<b>930,346</b>	926,799
<b>Current assets</b>	<b>流動資產</b>			
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項		427	222
Cash and bank balances	現金及銀行結餘		73,197	85,279
			<b>73,624</b>	85,501
<b>Total assets</b>	<b>總資產</b>		<b>1,003,970</b>	1,012,300
<b>Current liabilities</b>	<b>流動負債</b>			
Accruals and other payables	預提費用及其他應付款項		753	826
Amounts due to subsidiaries	應付附屬公司款項		84,094	86,412
			<b>84,847</b>	87,238
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Convertible bonds	可換股債券	34	58,950	49,635
<b>Total liabilities</b>	<b>總負債</b>		<b>143,797</b>	136,873
<b>Equity</b>	<b>權益</b>			
Share capital	股本	36	23,900	23,900
Reserves	儲備	38	836,273	851,527
			<b>860,173</b>	875,427
<b>Total liabilities and equity</b>	<b>總負債及權益</b>		<b>1,003,970</b>	1,012,300

On behalf of the Board

代表董事會

**Xie Yi**  
謝毅  
Director  
董事

**Wong Sau Kuen**  
王秀娟  
Director  
董事



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (38) RESERVES

##### The Group

Details of the movements in the Group's reserves are as set out in the consolidated statement of changes in equity in these consolidated financial statements. The natures and purposes of reserves within equity are as follows:

- (a) The share premium account represents the amount subscribed for share capital in excess of nominal value.
- (b) In accordance with the relevant regulations in the PRC, all of the Company's subsidiaries registered in the PRC are required to transfer part of their profit after tax to the capital reserve. Subject to certain restrictions set out in the relevant PRC regulations and the articles of association of these PRC subsidiaries, the capital reserve may be used to offset losses or for capitalisation as paid-up capital.
- (c) The contributed surplus of the Group represents the difference between the nominal value of the share capital of the subsidiaries acquired pursuant to the group reorganisation in 1999, over the nominal value of the share capital of the Company issued in exchange thereof.
- (d) Foreign currency translation reserve represents gains/losses arising on retranslating the net assets/liabilities of foreign operations into presentation currency.
- (e) Convertible bonds equity reserve represents the amount allocated to the equity component of convertible bonds issued by the Company recognised in accordance with the accounting policy adopted for convertible bonds in note 4 to the consolidated financial statements.
- (f) FVTOCI reserve represents fair value reserve comprises the cumulative net change in the fair value of equity investment designated at FVTOCI under HKFRS 9 that are held at the end of the reporting period.

#### (38) 儲備

##### 本集團

本集團儲備之變動詳情載列於該等綜合財務報表之綜合權益變動表內。權益內儲備之性質及目的如下：

- (a) 股份溢價賬指認購股本金額超出面值之款項。
- (b) 根據中國有關法例，本公司旗下所有於中國註冊之附屬公司須將其部分除稅後溢利轉撥至資本儲備。資本儲備可用作抵銷虧損或用作資本化為繳足股本，惟須受中國有關法例所載若干限制及該等中國附屬公司組織章程細則之規限。
- (c) 本集團之繳入盈餘為根據本集團於一九九九年進行重組而收購附屬公司股本之面值超過本公司作交換用途之已發行股本面值之差額。
- (d) 匯兌儲備指因海外業務之資產／負債淨值重新換算為呈列貨幣而產生之收益／虧損。
- (e) 可換股債券權益儲備指根據綜合財務報表附註4內就可換股債券所採納之會計政策確認之本公司發行可換股債券權益部分所獲分配之款項。
- (f) 按公平值計入其他全面收益儲備指包括於報告期末持有根據香港財務報告準則第9號指定為按公平值計入其他全面收益之股本投資公平值之累計變動淨額的公平值儲備。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (38) RESERVES (Continued)

##### The Company

		Share premium	Contributed surplus	Convertible bonds equity reserve	Retained earnings	Total
		股份溢價	繳入盈餘	可換股債券權益儲備	保留盈利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 1 April 2018	於二零一八年四月一日	191,738	64,636	512,359	96,635	865,368
Loss for the year	本年度虧損	—	—	—	(13,841)	(13,841)
At 31 March 2019 and 1 April 2019	於二零一九年三月三十一日及二零一九年四月一日	191,738	64,636	512,359	82,794	851,527
Loss for the year	本年度虧損	—	—	—	(15,254)	(15,254)
At 31 March 2020	於二零二零年三月三十一日	191,738	64,636	512,359	67,540	836,273

#### (38) 儲備(續)

##### 本公司

#### (39) OPERATING LEASES — LESSEE

The Group had operating lease commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2019 二零一九年 HK\$'000 千港元
Not later than one year	不遲於一年	1,601

As 31 March 2019, the Group's operating lease commitment represents rental of its office with initial period of three years. Rentals are fixed over the lease terms and none of the leases included contingent rentals.

From 1 April 2019, the Group has recognised right-of-use assets for these leases, except for short-term and low-value leases. Details can be referred to note 2(a).

#### (39) 經營租賃 — 承租人

本集團就不可撤銷經營租賃項下未來最低租賃付款具有經營租賃承擔，其到期情況如下：

於二零一九年三月三十一日，本集團之經營租賃承擔指其辦公室租金，最初期限為三年。租金於租約期內固定，且概無租金包括或然租金。

自二零一九年四月一日起，本集團已就該等租賃(短期及低價值租賃除外)確認使用權資產。有關詳情可參閱附註2(a)。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (40) RELATED PARTY TRANSACTIONS

- (a) Save as the transactions and balances detailed elsewhere in the consolidated financial statements, the Group has entered into the following transaction with related parties during the year:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
(i) Consultancy fee expense paid to Dr. Mao Yumin ("Dr. Mao"), a shareholder of the Company (Note)	(i) 已付毛裕民博士(「毛博士」)(本公司股東)顧問費開支(附註)	357	—
(ii) Loan interest income receivable from loan to an associate	(ii) 應收貸款予一間聯營公司之貸款利息收入	556	127

Note: Since 8 October 2019, Dr. Mao has been interested in the entire convertible bonds of the Company. Dr. Mao is a related person of the Company.

附註：自二零一九年十月八日起，毛博士於本公司全部可換股債券中擁有權益。毛博士為本公司之關聯人士。

#### (b) Compensation of key management

The remuneration of directors and other members of key management for the year are set out in notes 11 and 12.

#### (b) 主要管理層之報酬

本年度董事及其他主要管理層人員之酬金載於附註11及12。

#### (41) CONTINGENT LIABILITIES

As at 31 March 2020, the Group did not have any significant contingent liabilities (2019: Nil).

#### (41) 或然負債

於二零二零年三月三十一日，本集團並無任何重大或然負債(二零一九年：無)。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

### (42) INTEREST IN SUBSIDIARIES

### (42) 於附屬公司之權益

Name 名稱	Place of incorporation/ registration/ operation 註冊成立/登記/ 經營之地點	Registered/issued and fully paid share capital 註冊/已發行及 繳足股本	Effective interest held by the Company 本公司所持實際權益		Principal activities 主要業務
			2020 二零二零年	2019 二零一九年	
<b>Directly held</b> <b>直接持有</b>					
Extrawell (BVI) Limited	BVI 英屬處女群島	US\$10,000 ordinary shares 10,000美元普通股	100%	100%	Investment holding 投資控股
Jilin Extrawell Changbaishan Pharmaceutical Co., Ltd. ("JECBP") (note a) 吉林精優長白山藥業有限公司 (「吉林精優」)(附註a)	China 中國	RMB33,000,000 registered capital 人民幣33,000,000元 註冊資本	100%	100%	Development, manufacture and sales of pharmaceutical products 開發、製造及銷售藥品
<b>Indirectly held</b> <b>間接持有</b>					
Extrawell Enterprises Limited 精優企業有限公司	Hong Kong 香港	HK\$20 ordinary shares 20港元普通股 HK\$1,000,000 non-voting deferred shares 1,000,000港元 無投票權遞延股份	100%	100%	Investment holding and property investment 投資控股及物業投資
Extrawell Pharmaceutical (HK) Limited 精優藥業(香港)有限公司	Hong Kong 香港	HK\$2 ordinary shares 2港元普通股	100%	100%	Provision of agency services 提供代理服務
South Asia Pharmaceutical (China) Limited	Malaysia 馬來西亞	US\$1 ordinary share 1美元普通股	100%	100%	Marketing and distribution of pharmaceutical products 推廣及分銷藥品
Changchun Extrawell Pharmaceutical Co., Ltd. ("CEP") (note b) 長春精優藥業股份有限公司 (「長春精優」)(附註b)	China 中國	RMB50,000,000 registered capital 人民幣50,000,000元 註冊資本	73%	73%	Development, manufacture and sales of pharmaceutical products 開發、製造及銷售藥品
Best-Bio Developments Limited	BVI/China 英屬處女群島/ 中國	US\$1 ordinary share 1美元普通股	100%	100%	Investment holding 投資控股
Right & Rise Limited	BVI/China 英屬處女群島/ 中國	US\$50,000 ordinary share 50,000美元普通股	100%	100%	Holding of gene invention rights and investment holding 持有基因發明權及投資控股

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (42) INTEREST IN SUBSIDIARIES (Continued)

Notes:

- (a) JECP is a wholly foreign-owned enterprise established in the PRC with an operating period of 15 years commencing from 22 April 1999. JECP has renewed its operating period up to 22 April 2024.
- (b) CEP is a joint stock limited company established in the PRC.

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affect the financial results of the year or form a substantial portion of the net assets of the Group.

None of the subsidiaries had issued any debt securities at the end of the year or any time during the year.

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary 附屬公司名稱	Place/country of registration/ incorporation/ operations 登記/註冊成立/ 經營之地點/國家	Proportion of ownership interests/voting rights held by non-controlling interests 非控股權益所持之所有權 權益/投票權比例		Profit/(Loss) allocated to non-controlling interests 分配至非控股權益之 溢利/(虧損)		Accumulated non-controlling interests 累計非控股權益	
		2020 二零二零年	2019 二零一九年	2020 二零二零年	2019 二零一九年	2020 二零二零年	2019 二零一九年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
CEP 長春精優	PRC 中國	27%	27%	2,301	(706)	(2,632)	(5,066)
Individually immaterial subsidiary with non-controlling interests 持有非控股權益之個別不重大附屬 公司				—	—	(15)	(15)
				2,301	(706)	(2,647)	(5,081)

#### (42) 於附屬公司之權益(續)

附註：

- (a) 吉林精優乃於中國成立之外商獨資企業，其經營期為自一九九九年四月二十二日起計15年。吉林精優已重續其經營期至二零二四年四月二十二日。
- (b) 長春精優乃於中國成立之股份有限公司。

上表所列之本公司附屬公司為本公司董事認為主要影響本年度財務業績或構成本集團資產淨值重大部分之附屬公司。

於年末或年內任何時間，概無附屬公司發行任何債務證券。

下表列示本集團擁有重大非控股權益之非全資附屬公司之詳情：

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (42) INTEREST IN SUBSIDIARIES (Continued)

Summarised financial information in respect of CEP is set out below. The summarised financial information below represents amounts before intragroup eliminations.

##### CEP

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Current assets	流動資產	26,837	31,386
Non-current assets	非流動資產	132,569	147,867
Current liabilities	流動負債	(152,647)	(180,526)
Non-current liabilities	非流動負債	(9,081)	(9,972)
Equity attributable to owners of the Company	本公司擁有人應佔權益	310	(5,747)
Non-controlling interests	非控股權益	(2,632)	(5,498)

#### (42) 於附屬公司之權益(續)

有關長春精優之財務資料概要載列如下。下列財務資料概要為集團內公司間對銷前之金額。

##### 長春精優

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

## (42) INTEREST IN SUBSIDIARIES (Continued)

## (42) 於附屬公司之權益(續)

## CEP (Continued)

## 長春精優(續)

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Revenue	收益	77,584	75,820
Expenses	開支	(69,028)	(78,450)
Profit/(Loss) for the year	本年度溢利/(虧損)	8,556	(2,630)
Other comprehensive income for the year	本年度其他全面收益	466	538
Total comprehensive income/(expense) for the year	本年度全面收益/(開支)總額	9,022	(2,092)
Profit/(Loss) for the year attributable to:	以下人士應佔本年度溢利/(虧損):		
— owners of the Company	— 本公司擁有人	6,255	(1,924)
— non-controlling interests	— 非控股權益	2,301	(706)
		8,556	(2,630)
Total comprehensive income/(expense) for the year attributable to:	以下人士應佔本年度全面收益/(開支)總額:		
— owners of the Company	— 本公司擁有人	6,588	(1,531)
— non-controlling interests	— 非控股權益	2,434	(561)
		9,022	(2,092)
Net cash generated from operating activities	經營活動產生之現金淨額	4,509	386
Net cash (used in)/generated from investing activities	投資活動(所用)/產生之現金淨額	(140)	269
Net cash used in financing activities	融資活動所用之現金淨額	—	—

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

### (43) SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

### (43) 按類別劃分之金融資產及金融負債概要

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<b>Financial assets</b>	<b>金融資產</b>		
<i>Financial assets at FVTPL</i>	<i>按公平值計入損益之金融資產</i>		
Investments in convertible bonds as a whole	可換股債券投資之整個部分	<b>571,065</b>	469,737
Bank structured product	銀行結構性產品	<b>1,652</b>	1,769
<i>Financial assets at amortised cost</i>	<i>按攤銷成本計量之金融資產</i>		
Loan to an associate	貸款予一間聯營公司	<b>15,383</b>	5,027
Amount due from an associate	應收一間聯營公司款項	<b>38,377</b>	29,388
Trade and bills receivables	貿易應收賬款及應收票據	<b>10,484</b>	20,047
Deposits and other receivables	按金及其他應收款項	<b>4,012</b>	10,470
Pledged bank deposits	已抵押銀行存款	<b>21,493</b>	20,994
Cash and bank balances	現金及銀行結餘	<b>126,242</b>	148,902
		<b>788,708</b>	706,334
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<b>Financial liabilities</b>	<b>金融負債</b>		
<i>Financial liabilities measured at amortised cost</i>	<i>按攤銷成本計量之金融負債</i>		
Trade and bills payables	貿易應付賬款及應付票據	<b>6,239</b>	8,125
Accruals and other payables	預提費用及其他應付款項	<b>31,522</b>	43,886
Convertible bonds	可換股債券	<b>58,950</b>	49,635
		<b>96,711</b>	101,646



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (43) SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

(Continued)

##### (a) Financial instruments not measured at fair value

Due to short term nature, the carrying values of financial assets and financial liabilities measured at amortised cost, excluding loan to an associate and liability component of convertible bonds, are approximate fair value.

##### (b) Financial instruments measured at fair value

*Financial assets at fair value through other comprehensive income – Unlisted investment fund, at fair value*

The fair value hierarchy is level 2.

The market value, which approximates fair value, of this fund is primarily calculated based on the quoted prices of the underlying listed investments in active markets with certain adjustments made to reflect the interest of the fund holder.

*Financial assets at fair value through profit or loss – Bank structured product, at fair value*

The fair value hierarchy is level 2.

The fair value of the bank structured product is determined based on estimated return of 3.0% (2019: 2.6%) and the credit quality of these investments which can be assessed by reference to historical information or external credit ratings, if any, provided by the bank.

*Financial assets at fair value through profit or loss – Investments in convertible bonds*

The fair value hierarchy is level 3.

The fair value of investments in convertible bonds is determined based on the risk-free rate for the life of the option and share price (from observable market data), expected volatility of the share price of Innovative Pharm and expected dividend yield on the shares and exercise price.

#### (43) 按類別劃分之金融資產及金融負債概要(續)

##### (a) 並非按公平值計量之金融工具

由於短期性質，按攤銷成本計量之金融資產及金融負債(不包括貸款予一間聯營公司及可換股債券負債部分)之賬面值與公平值相若。

##### (b) 按公平值計量之金融工具

*按公平值計入其他全面收益之金融資產 – 非上市投資基金，按公平值*

公平值層級為第二級。

該基金之市值(與公平值相若)主要是根據活躍市場之相關上市投資之報價計算，並作出若干調整以反映基金持有人的權益。

*按公平值計入損益之金融資產 – 銀行結構性產品，按公平值*

公平值層級為第二級。

銀行結構性產品之公平值乃按3.0%(二零一九年: 2.6%)之估計回報率釐定，而該等投資之信貸質素可經參考過往資料或銀行提供之外部信貸評級(如有)予以評估。

*按公平值計入損益之金融資產 – 可換股債券投資*

公平值層級為第三級。

可換股債券投資之公平值乃基於期權年期之無風險利率及股價(來自可觀察市場數據)、領航醫藥股價預期波幅及股份預期股息收益率及行使價釐定。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

### (43) SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY (Continued)

#### (b) Financial instruments measured at fair value (Continued)

##### *Financial assets at fair value through profit or loss — Investments in convertible bonds (Continued) Significant unobservable inputs*

Expected volatility of the share price of Innovative Pharm, determined by reference to historical share price of Innovative Pharm. The higher the volatility of the share price of Innovative Pharm, the higher the fair value.

There were no changes in valuation techniques for the years ended 31 March 2020 and 2019.

The following table provides an analysis of the Group's financial instruments measured at fair value, on a recurring basis, by level of fair value hierarchy:

Level 1:	Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2:	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3:	Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### (43) 按類別劃分之金融資產及金融負債概要(續)

#### (b) 按公平值計量之金融工具 (續)

##### *按公平值計入損益之金融資產 — 可換股債券投資(續) 重大不可觀察輸入數據*

領航醫藥之股價預期波幅乃經參考領航醫藥過往股價釐定。領航醫藥股價波幅越大，公平值越高。

截至二零二零年及二零一九年三月三十一日止年度，估值方法並無變動。

下表根據經常性基準按公平值層級提供本集團按公平值計量之金融工具之分析：

第一級：	活躍市場上相同資產或負債之報價(不作調整)；
第二級：	第一級所包括報價以外，就資產或負債可直接(即價格)或間接(即源自價格)觀察之輸入數據；及
第三級：	並非基於可觀察市場數據之資產或負債之輸入數據(不可觀察輸入數據)。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

**(43) SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY**

(Continued)

**(b) Financial instruments measured at fair value**  
(Continued)

There was no transfer between different levels of the fair value hierarchy during the year ended 31 March 2020, and there was no change in valuation techniques for the following Group's financial assets that are measured at fair value on a recurring basis at the end of the reporting period:

		2020			
		二零二零年			
		Level 1	Level 2	Level 3	Total
		第一級	第二級	第三級	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Financial asset at fair value through other comprehensive income	按公平值計入其他全面收益之金融資產	—	—	—	—
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	—	1,652	571,065	572,717
		—	1,652	571,065	572,717

		2019			
		二零一九年			
		Level 1	Level 2	Level 3	Total
		第一級	第二級	第三級	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Financial asset at fair value through other comprehensive income	按公平值計入其他全面收益之金融資產	—	—	—	—
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	—	1,769	469,737	471,506
		—	1,769	469,737	471,506

**(43) 按類別劃分之金融資產及金融負債概要(續)****(b) 按公平值計量之金融工具**  
(續)

截至二零二零年三月三十一日止年度，公平值層級內各層之間並無進行轉換，而於報告期末，下列根據經常性基準按公平值計量之本集團金融資產之估值方法並無變動：

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (43) SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY (Continued)

##### (b) Financial instruments measured at fair value (Continued)

Reconciliation for financial instruments carried at fair value based on significant unobservable inputs (Level 3) are as follows:

#### (43) 按類別劃分之金融資產及金融負債概要(續)

##### (b) 按公平值計量之金融工具(續)

根據重大不可觀察輸入數據(第三級)按公平值計量之金融工具之對賬如下:

		Unlisted investments in convertible bonds	Derivative component of unlisted investments in convertible bonds
		非上市可換股債券投資 HK\$'000 千港元	非上市可換股債券投資的衍生工具部分 HK\$'000 千港元
At 31 March 2018	於二零一八年三月三十一日	—	4,296
Effect on adoption of HKFRS 9	採納香港財務報告準則第9號之影響	414,973	(4,296)
At 1 April 2018, restated	於二零一八年四月一日，經重列	414,973	—
Interest received	已收利息	(25,025)	—
Change in fair value in profit or loss (included in other gains and losses)	損益內公平值變動(計入其他收益及虧損)	79,789	—
At 31 March 2019 and 1 April 2019	於二零一九年三月三十一日及二零一九年四月一日	469,737	—
Change in fair value in profit or loss (included in other gains and losses)	損益內公平值變動(計入其他收益及虧損)	101,328	—
At 31 March 2020	於二零二零年三月三十一日	571,065	—

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (44) FINANCIAL RISK MANAGEMENT

The Group's major financial instruments include investments in convertible bonds, trade and bills receivables, deposits and other receivables, pledged bank deposits, bank balances, trade and bills payables, accruals and other payables, loan to an associate, amount due from an associate and convertible bonds. Details of these financial instruments are disclosed in respective notes.

The Group's activities expose it to a variety of financial risks such as foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The management monitors and manages the financial risks through internal risk assessment which analyses exposures by degree and magnitude of risks.

##### (a) Foreign currency risk

Foreign exchange risk arises when commercial transactions, assets or liabilities are denominated in a currency that is not the functional currency of the group entities. The Group operates mainly in the PRC and Malaysia and is exposed to foreign currency exchange rate risk arising from various foreign currency exposures. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

#### (44) 財務風險管理

本集團之主要金融工具包括可換股債券投資、貿易應收賬款及應收票據、按金及其他應收款項、已抵押銀行存款、銀行結餘、貿易應付賬款及應付票據、預提費用及其他應付款項、貸款予一間聯營公司、應收一間聯營公司款項及可換股債券。該等金融工具之詳情於相關附註披露。

本集團之活動令本集團面臨多種財務風險，如外幣風險、信貸風險、流動資金風險及利率風險。本集團之整體風險管理計劃集中在金融市場之不可預測性，並尋求盡量減低對本集團財務表現之潛在不利影響。管理層通過內部風險評估，分析風險程度及廣度，監控及管理財務風險。

##### (a) 外幣風險

外匯風險於非集團實體功能貨幣之貨幣列值之商業交易、資產或負債產生。本集團之業務主要於中國及馬來西亞經營，並面臨多種外幣產生之外幣匯率風險。本集團現時並無外幣對沖政策。然而，管理層會監察外匯風險，並將於必要時考慮對沖重大外幣風險。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (44) FINANCIAL RISK MANAGEMENT (Continued)

#### (44) 財務風險管理(續)

##### (a) Foreign currency risk (Continued)

The carrying amounts of the foreign currency denominated monetary assets and liabilities in net position as at 31 March 2020 and 2019 are as follows:

##### (a) 外幣風險(續)

於二零二零年及二零一九年三月三十一日，按外幣計值之貨幣資產及負債淨值之賬面值如下：

		Euro 歐元 HK\$'000 千港元	RMB 人民幣 HK\$'000 千港元	US\$ 美元 HK\$'000 千港元
<b>At 31 March 2020</b>	<b>於二零二零年 三月三十一日</b>			
Pledged bank deposit	已抵押銀行存款	—	—	19,145
Cash and bank balances	現金及銀行結餘	3,780	1,539	24,015
Trade and bills payables	貿易應付賬款及應付 票據	(150)	—	—
Overall net exposure	全面風險淨額	3,630	1,539	43,160
<b>At 31 March 2019</b>	<b>於二零一九年 三月三十一日</b>			
Pledged bank deposit	已抵押銀行存款	—	—	18,687
Cash and bank balances	現金及銀行結餘	3,870	1,876	13,065
Trade and bills payables	貿易應付賬款及應付 票據	(2,580)	—	—
Overall net exposure	全面風險淨額	1,290	1,876	31,752

The cash and bank balances denominated in US\$ belong to the group entities in which the functional currency is HK\$. The directors are of the opinion that the HK\$ are reasonably stable with the US\$ under the Linked Exchange Rate System, and accordingly, no sensitivity analysis of US\$ with respect to HK\$ is performed.

以美元計值之現金及銀行結餘屬於功能貨幣為港元之集團實體。董事認為，由於在聯繫匯率制度下，港元與美元相當穩定，因此，並無進行美元對港元之敏感度分析。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (44) FINANCIAL RISK MANAGEMENT (Continued)

##### (a) Foreign currency risk (Continued)

The following table illustrates the approximate change in the Group's profit for the year and retained profits in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of each of the following years:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Euro appreciated by 5%	歐元升值5%	<b>(182)</b>	(65)
RMB appreciated by 5%	人民幣升值5%	<b>(77)</b>	(94)

The change in exchange rates do not affect the Group's other component of equity. The same percentage depreciation in the foreign currencies against the functional currency of the respective group companies would have the same magnitude on profit and retained profits but of opposite effect.

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of each of the reporting period and had been applied to each of the group entities; exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant. The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next reporting date.

#### (44) 財務風險管理(續)

##### (a) 外幣風險(續)

下表說明本集團本年度溢利及保留溢利之概約變動以回應本集團於以下各年度末面對重大風險之匯率的合理可能變動：

匯率變動不會影響本集團其他權益部分。外幣兌各集團公司之功能貨幣之同一百分比貶值對溢利及保留溢利構成相同幅度但反面之影響。

敏感度分析乃假設匯率於各報告期末已發生變動而釐定，並應用於各集團實體，就金融工具所承受之貨幣風險於該日期已存在，以及所有其他變數(特別是利率)維持不變。所述變動代表管理層對匯率於直至下個報告日期前期間之合理可能變動之評估。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

### (44) FINANCIAL RISK MANAGEMENT (Continued)

#### (b) Interest rate risk

The Group's cash flow interest rate risk primarily relates to variable-rate pledged bank deposits and bank balances (see notes 28 and 29 respectively for details). The Group currently does not have interest rate hedging policy. However, the management of the Group will consider hedging significant interest rate exposure should the need arise. The management considers the Group's exposure to future cash flow interest rate risk is minimal taking into account the minimal fluctuation on market interest rate. Accordingly, no sensitivity analysis is presented.

#### (c) Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. The liquidity risk management strategy adopted by the Group is to measure and forecast its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the Group's activities.

#### *Analysis of financial instruments by remaining contractual maturities.*

The table below summaries the maturity profile of the Group's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations (including interest payments computed using contractual rates, or if floating, based on rates current at the reporting date).

### (44) 財務風險管理(續)

#### (b) 利率風險

本集團之現金流量利率風險主要與以浮動利率計息之已抵押銀行存款及銀行結餘(詳情分別見附註28及29)有關。本集團現時並無利率對沖政策。然而,本集團管理層將於必要時考慮對沖重大利率風險。鑒於市場利率之波動甚微,管理層認為本集團承受未來現金流量利率之風險甚微。因此,概無呈列敏感度分析。

#### (c) 流動資金風險

本集團積極管理其債務到期情況、經營現金流量及可動用資金,以確保可應付所有經營、投資及融資需要。本集團採納之流動資金風險管理策略為計量及預測其現金承擔及將現金及現金等值項目維持於被視為足以撥付本集團活動之水平。

#### *按剩餘合約到期日劃分之金融工具分析。*

下表根據合約未貼現償還責任(包括使用合約利率或倘屬浮動,則根據報告日期之當前利率計算的利息付款),概述本集團於報告期末負債之到期情況。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (44) FINANCIAL RISK MANAGEMENT (Continued)

#### (44) 財務風險管理(續)

##### (c) Liquidity risk (Continued)

##### (c) 流動資金風險(續)

		Weighted average effective interest rate	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or repayable on demand	More than 1 year but less than 2 years	2 years	
							More than than 5 years	More than 5 years
	加權平均 實際利率	賬面值 HK\$'000 千港元	合約未貼現 現金流量總額 HK\$'000 千港元	一年內或 按要求償還 HK\$'000 千港元	超過一年 但少於 兩年 HK\$'000 千港元	超過兩年 但少於 五年 HK\$'000 千港元	超過五年 HK\$'000 千港元	
<b>At 31 March 2020</b>	於二零二零年 三月三十一日							
Trade and bills payables	貿易應付賬款及應 付票據		6,239	6,239	6,239	—	—	—
Accruals and other payables	預提費用及其他應 付款項		32,251	32,251	32,251	—	—	—
Convertible bonds	可換股債券	18.72%	58,950	577,170	—	—	—	577,170
			97,440	615,660	38,490	—	—	577,170
<b>At 31 March 2019</b>	於二零一九年 三月三十一日							
Trade and bills payables	貿易應付賬款及應 付票據		8,125	8,125	8,125	—	—	—
Accruals and other payables	預提費用及其他應 付款項		54,636	54,636	54,636	—	—	—
Convertible bonds	可換股債券	18.72%	49,635	577,170	—	—	—	577,170
			112,396	639,931	62,761	—	—	577,170

##### (d) Credit risk

The Group's credit risk is primarily attributable to investments in convertible bonds, trade and other receivables, amount due from an associate, loan to an associate, pledged bank deposits and bank balances.

As at 31 March 2020, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is the carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position.

##### (d) 信貸風險

本集團之信貸風險主要來自可換股債券投資、貿易應收賬款及其他應收款項、應收一間聯營公司款項、貸款予一間聯營公司、已抵押銀行存款及銀行結餘。

於二零二零年三月三十一日，本集團所面對之最大信貸風險(會因交易對手未能履行責任而令本集團承擔財政損失)為綜合財務狀況表列載之各項已確認金融資產之賬面值。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

### (44) FINANCIAL RISK MANAGEMENT (Continued)

#### (d) Credit risk (Continued)

The investments in convertible bonds as at 31 March 2020 expose the Group to concentration of credit risk. At the end of the reporting period, the Group assessed the financial position and performance of the issuer of the convertible bonds of carrying amount HK\$571,065,000 (2019: HK\$469,737,000) and in view of the net assets of the issuer, the management considers the default risk on the investments in convertible bonds is not significant.

The Group also has concentration of credit risk as 18% (2019: 25%) of the total trade receivables were due from the Group's major customers, which are privately owned PRC and Macau companies engaged in trading of pharmaceutical products. The directors of the Company considered that the credit risk of trade receivables is insignificant after considering the credit quality and financial ability of these customers. In respect of trade receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. The Group has policies in place to ensure that sales are made to customers with an appropriate credit history. These credit evaluations focus on the customers' past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. The Group will make specific provision for those balances which cannot be recovered. Normally, the Group does not obtain collateral from customers. In the opinion of the directors, the default risk of the Group is considered to be low.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

### (44) 財務風險管理(續)

#### (d) 信貸風險(續)

於二零二零年三月三十一日之可換股債券投資令本集團信貸風險集中。於報告期末，本集團評估賬面值為571,065,000港元(二零一九年：469,737,000港元)之可換股債券發行人之財務狀況及表現，鑒於發行人擁有之資產淨值，管理層認為可換股債券投資之違約風險並不重大。

本集團信貸風險集中，因為貿易應收賬款總額中18%(二零一九年：25%)乃應收本集團之主要客戶款項，該等客戶為從事藥品貿易之中國及澳門私人公司。經考慮該等客戶之信貸質素及財政能力後，本公司董事認為貿易應收賬款之信貸風險並不重大。就貿易應收賬款而言，對所有要求超過若干金額信貸之客戶進行獨立信貸評估。本集團訂有適當政策可確保銷售對象為信貸記錄良好之客戶。該等信貸評估著重評核客戶支付到期款項之過往記錄，以及目前之支付能力，並考慮客戶特定資料及有關客戶經營所在經濟環境之資料。本集團將會為該等不能收回之結餘作出特定撥備。一般而言，本集團並無向客戶收取抵押品。董事認為，本集團面對之違約風險為低。

本集團使用撥備矩陣並按與全期預期信貸損失等額之方式計量貿易應收賬款之虧損撥備。由於本集團過往信貸損失經驗並無顯示不同客戶分類有重大不同損失模式，按逾期狀態之虧損撥備不會進一步於本集團不同客戶群之間區分。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (44) FINANCIAL RISK MANAGEMENT (Continued)

##### (d) Credit risk (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade and bills receivables:

		Current 即期	Past due but not impaired – within 180 days 已逾期但未減值—180日內	Total 總計
At 31 March 2020	於二零二零年三月三十一日			
Expected credit loss (%)	預期信貸損失(%)	1.42	1.42	1.42
Gross carrying amount (HK\$'000)	賬面總值(千港元)	7,945	2,539	10,484
Loss allowance (HK\$'000)	虧損撥備(千港元)			(62)
At 31 March 2019	於二零一九年三月三十一日			
Expected credit loss (%)	預期信貸損失(%)	1.34	1.34	1.34
Gross carrying amount (HK\$'000)	賬面總值(千港元)	16,102	3,945	20,047
Loss allowance (HK\$'000)	虧損撥備(千港元)			(97)

Expected loss rates are based on actual loss experience over the past 1 year. These rates are adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables

##### (d) 信貸風險(續)

下表載列本集團就貿易應收賬款及應收票據所面臨之信貸風險及預期信貸損失之資料：

預期虧損率乃根據過往一年之實際虧損經驗計算。該等比率乃經調整，以反映收集歷史數據期間之經濟狀況、現時狀況及本集團對應收款項之預計年期之經濟狀況看法之差異。

#### (45) CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders through optimisation of capital structure to reduce the cost of capital. The Group's overall strategy remains unchanged from prior year.

#### (45) 資本管理

本集團管理資本之目標為保證本集團能夠持續經營，以便透過優化資本結構以減少資本成本，繼續為股東提供回報及為其他利益相關者帶來利益。本集團之整體策略與上一年度維持不變。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

#### (45) CAPITAL MANAGEMENT (Continued)

The Group regularly reviews and manages its capital structure, and makes adjustments to it taking into account the changes in economic conditions, risk characteristics of the underlying assets, the Group's investment strategy and opportunities, projected operating cash flows and capital expenditures. To maintain or adjust the capital structure, the Group may adjust the level of borrowings, dividend payment to shareholders, issue new shares, or buy back its own shares.

#### (45) 資本管理(續)

本集團定期審閱及管理其資本結構，並於考慮經濟狀況之變動、有關資產之風險特徵、本集團之投資策略及機遇、預測經營現金流量以及資本開支後作出調整。為維持或調整資本結構，本集團可能調整借貸水平、支付予股東之股息、發行新股份或購回自身股份。

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Debts	債務	64,536	49,635
Total equity	權益總額	1,139,848	1,061,571
Gearing ratio	資產負債比率	5.7%	4.7%

#### (46) APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the directors on 29 June 2020.

#### (46) 批准綜合財務報表

董事於二零二零年六月二十九日批准及授權刊登綜合財務報表。

## FIVE YEARS' FINANCIAL SUMMARY

### 五年財務概要

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, is set out below:

本集團過去五個財政年度之業績，以及資產、負債及非控股權益概要如下：

		For the year ended 31 March 截至三月三十一日止年度				
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>RESULTS</b>	<b>業績</b>					
Revenue	收益	<b>77,584</b>	89,218	85,762	107,903	142,201
Profit before income tax	除所得稅前溢利	<b>85,491</b>	63,374	29,186	18,927	27,490
Income tax credit/(expense)	所得稅抵免/(支出)	<b>90</b>	(50)	86	(616)	(90)
Profit for the year	本年度溢利	<b>85,581</b>	63,324	29,272	18,311	27,400
Attributable to:	以下人士應佔：					
— Owners of the Company	— 本公司擁有人	<b>83,280</b>	64,030	29,930	20,796	32,781
— Non-controlling interests	— 非控股權益	<b>2,301</b>	(706)	(658)	(2,485)	(5,381)
		<b>85,581</b>	63,324	29,272	18,311	27,400
		As at 31 March 於三月三十一日				
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS</b>	<b>資產、負債及非控股權益</b>					
Total assets	總資產	<b>1,265,710</b>	1,196,086	1,216,783	1,172,669	1,160,853
Total liabilities	總負債	<b>(125,862)</b>	(134,515)	(149,704)	(146,818)	(144,954)
Total equity	權益總額	<b>1,139,848</b>	1,061,571	1,067,079	1,025,851	1,015,899
Non-controlling interests	非控股權益	<b>2,647</b>	5,081	4,494	3,841	1,350
Equity attributable to owners of the Company	本公司擁有人應佔權益	<b>1,142,495</b>	1,066,652	1,071,573	1,029,692	1,017,249



# Extrawell Pharmaceutical Holdings Limited 精優藥業控股有限公司

(Incorporated in Bermuda with limited liability)  
(於百慕達註冊成立之有限公司)

Stock code 股份代號 : 858

