



Lee's Pharmaceutical Holdings Limited

李氏大藥廠控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

(Stock Code 股份代號:950)

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ANNUAL
REPORT
2020

* For identification purpose only
僅供識別

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Ms. Lee Siu Fong (*Chairman*)
Ms. Leelalertsuphakun Wanee (*Managing Director*)
Dr. Li Xiaoyi (*Chief Executive Officer*)

Non-executive Director

Mr. Simon Miles Ball

Independent Non-executive Directors

Dr. Chan Yau Ching, Bob
Mr. Lam Yat Cheong
Dr. Tsim Wah Keung, Karl

COMPANY SECRETARY

Mr. Chow Yiu Ming

AUDIT COMMITTEE

Dr. Chan Yau Ching, Bob (*Chairman*)
Mr. Lam Yat Cheong
Dr. Tsim Wah Keung, Karl

REMUNERATION COMMITTEE

Dr. Tsim Wah Keung, Karl (*Chairman*)
Ms. Leelalertsuphakun Wanee
Dr. Chan Yau Ching, Bob

AUDITOR

HLM CPA LIMITED
Certified Public Accountants

LEGAL ADVISERS

King & Wood Mallesons (*Hong Kong law*)
Beijing Wuhuan Law Firm (*PRC law*)

REGISTERED OFFICE

P.O. Box 309 GT, Ugland House
South Church Street, George Town
Grand Cayman, Cayman Islands

董事會

執行董事

李小芳女士(主席)
李焯妮女士(董事總經理)
李小羿博士(行政總裁)

非執行董事

Simon Miles Ball先生

獨立非執行董事

陳友正博士
林日昌先生
詹華強博士

公司秘書

鄒耀明先生

審核委員會

陳友正博士(主席)
林日昌先生
詹華強博士

薪酬委員會

詹華強博士(主席)
李焯妮女士
陳友正博士

核數師

恒健會計師行有限公司
(香港執業會計師)

法律顧問

金杜律師事務所(香港法律)
北京市五環律師事務所(中國法律)

註冊辦事處

P.O. Box 309 GT, Ugland House
South Church Street, George Town
Grand Cayman, Cayman Islands

PLACE OF BUSINESS IN HONG KONG

1/F, Building 20E, Phase 3
Hong Kong Science Park, Shatin
Hong Kong

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

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

AUTHORISED REPRESENTATIVES

Ms. Lee Siu Fong
Dr. Li Xiaoyi

WEBSITE

www.leespharm.com

STOCK CODE

950

香港營業地點

香港
沙田香港科學園
第三期20E大樓一樓

香港股份過戶登記處

香港中央證券登記有限公司
香港
灣仔皇后大道東183號
合和中心17樓1712–1716舖

法定代表

李小芳女士
李小羿博士

網站

www.leespharm.com

股份代號

950

Corporate Profile

公司簡介

Lee's Pharmaceutical Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”, Hong Kong stock code: 950) is a research-driven and market-oriented biopharmaceutical company with more than 25 years of operation in the pharmaceutical industry in the People's Republic of China (the “**PRC**” or “**China**”).

The Group is fully integrated with solid infrastructures in drug development, clinical development, regulatory, manufacturing, sales and marketing based in Mainland China with global perspectives. The Group has established extensive partnerships with over 20 international companies and currently markets 24 proprietary, generic and licensed-in pharmaceutical products in Mainland China, Hong Kong, Macau and Taiwan.

The Group focuses on several key disease areas such as cardiovascular, woman health, paediatrics, rare diseases, oncology, dermatology, obstetrics and urology. It has more than 40 products under different development stages stemming from both internal research and development as well as from the licensing of development, commercialisation, and manufacturing rights from various United States, European and Japanese companies. The Group has also involved in the business in ophthalmology through its investment in Zhaoke Ophthalmology Limited, an associated company of the Group.

The Group carries out its sales and distribution activities in Hong Kong, Macau, Taiwan and Mainland China through Hong Kong and Taiwan offices and branch offices in Guangzhou, Shanghai and Beijing with direct and channel sales network covering most of the provinces and cities in Mainland China, marketing both domestic self-developed and generic products and overseas licensed-in products. Zhaoke Pharmaceutical (Hefei) Co. Limited, a subsidiary of the Group, is currently operating the manufacturing plant of the Group located in Hefei, Anhui Province of the PRC, comprising four GMP-compliant workshops for the production of topical gel, lyophilised powder for injection, small volume parenteral solutions and eye gel. Zhaoke Pharmaceutical (Guangzhou) Limited, a subsidiary of the Group, is currently operating the new manufacturing site in Nansha District, Guangzhou of the PRC which include a complete range of solid dosage production lines for the development and manufacturing of tablets and capsules.

The mission of the Group is to become a successful biopharmaceutical group in Asia providing innovative products to fight diseases and improve health and quality of life.

李氏大藥廠控股有限公司(「**本公司**」，連同其附屬公司統稱「**本集團**」，香港股份代號：950)是一間結合研究主導及市場導向的生物醫藥公司，已於中華人民共和國(「**中國**」)醫藥行業進行逾二十五年的經營活動。

本集團放眼國際並與在中國內地建立的藥品發展、臨床發展、規管、製造、銷售及市場推廣的穩固建設緊密結合。本集團已與逾二十家國際公司建立廣泛合作關係，且目前於中國內地、香港、澳門及台灣推廣二十四種專利、仿製及引進醫藥產品。

本集團致力於心血管、女性健康、兒科、罕見病、腫瘤科、皮膚科、產科及泌尿科等多個不同重要領域，處於不同開發階段產品有超過四十種，包括來自內部研究及開發及自美國、歐洲及日本公司引進的開發、商品化及生產權。本集團亦透過其於本集團聯營公司兆科眼科有限公司的投資涉足眼科領域。

本集團於香港、澳門、台灣及中國內地透過香港及台灣公司及廣州市、上海市及北京市分公司，覆蓋中國內地大部分省市的直銷及管道銷售網絡進行銷售及分銷活動，推廣國內自行研發和仿製的產品及海外引進的產品。本集團附屬公司兆科藥業(合肥)有限公司現時營運本集團位於中國安徽省合肥市的生產廠房，該生產廠房設有四間符合GMP的工場，負責生產外用凝膠劑、注射用凍乾粉針劑、小容量注射劑及眼凝膠。本集團附屬公司兆科藥業(廣州)有限公司現正在中國廣州市南沙區營運新藥廠(包括開發及生產藥片及膠囊的全套固體製劑生產線)。

本集團的使命乃成為亞洲一個成功的生物醫藥集團，提供創新產品以對抗疾病，改善健康及提高生活質素。

Corporate Profile

公司簡介

Currently, the Group has the following products in markets:

目前，本集團的下列產品已面市：

	Country of origin 來源地	Market 市場				Medical application 醫藥用途
		Mainland China 中國內地	Hong Kong 香港	Macau 澳門	Taiwan 台灣	
Proprietary products:						
專利產品：						
* Livaracine®	PRC	✓				Blood clots and deep vein thrombosis
* 《立邁青》®	中國					血凝及深部靜脈血栓
Yallaferon®	PRC	✓				Viral infection
《尤靖安》®	中國					病毒感染疾病
* Slounase®	PRC	✓				Hemostasis
* 《速樂涓》®	中國					減少出血
Eyprotor®	PRC	✓				Corneal ulcer
《睿保持》®	中國					角膜潰瘍
Licensed-in products:						
引進產品：						
* Carnitene®	Italy	✓	✓	✓		Carnitine deficiency
* 《可益能》®	意大利					卡尼汀缺乏症
Ferplex®	Spain	✓	✓	✓		Iron deficiency anemia
《菲普利》®	西班牙					缺鐵性貧血
Zanidip®	Italy		✓	✓		Hypertension
《再寧平》®	意大利					高血壓
Rasilez®	Italy	✓	✓	✓	✓	Hypertension
《銳思力》®	意大利					高血壓
Aloxi®	France		✓			Chemotherapy induced nausea and vomiting
《Aloxi》®	法國					化療所引起的噁心及嘔吐
Sancuso®	USA	✓				Chemotherapy induced nausea and vomiting
《善可舒》®	美國					化療所引起的噁心及嘔吐
Gaslon N®	Japan	✓				Gastric ulcer and gastritis
《蓋世龍》®	日本					胃潰瘍及胃炎
UNIDROX®	Italy	✓	✓	✓		Urinary tract infections and respiratory tract infections
《UNIDROX》®	意大利					泌尿道感染及呼吸道感染
Levocarnitine oral solution	Italy	✓	✓	✓		Primary and secondary carnitine deficiency
左卡尼汀口服溶液	意大利					原發性及繼發性卡尼汀缺乏症
Mictionorm®	Germany	✓				Urinary incontinence
《邁通諾》®	德國					尿失禁
Trittico®	Italy	✓	✓	✓		Insomnia/Depression
《曲特格》®	意大利					失眠／抑鬱症
Episil®	Sweden	✓				Oral mucositis pain
《益普舒》®	瑞典					口腔黏膜炎疼痛
Dicoflor®	Italy	✓	✓	✓		Probiotics
《Dicoflor》®	意大利					益生菌
VSL#3®	Italy	✓	✓	✓	✓	Probiotics
《VSL#3》®	意大利					益生菌

Corporate Profile

公司簡介

	Country of origin 來源地	Market 市場				Medical application 醫藥用途
		Mainland China 中國內地	Hong Kong 香港	Macau 澳門	Taiwan 台灣	
Zingo™	Hong Kong		✓	✓		Topical local analgesics
《Zingo》™	香港					局部鎮痛藥
Omacor®	Norway		✓			Omega-3-acid ethyl esters
《Omacor》®	挪威					Omega-3酸乙酯
Readyfusor™	Germany			✓		Post-operative pain management
《Readyfusor》™	德國					術後鎮痛管理
Intrarosa®	Canada		✓			Vulvovaginal atrophy
《Intrarosa》®	加拿大					外陰陰道萎縮
Generic products:						
仿製產品：						
Treprostinil Injection	PRC	✓				Pulmonary arterial hypertension
曲前列尼爾注射液	中國					肺動脈高壓
Fondaparinux Sodium Injection	PRC	✓				Deep vein thrombosis
磺達肝癆鈉注射液	中國					深部靜脈血栓

* In the National Drug Reimbursement List of the PRC

* 於中國國家醫保目錄內

Financial Highlights

財務概要

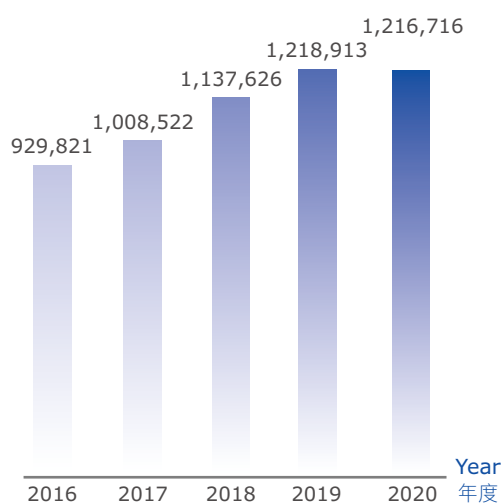
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	Change 變動
Revenue	收益	1,216,716	1,218,913	-0.2%
Gross profit	毛利	781,066	798,256	-2.2%
Profit attributable to the owners of the Company	本公司擁有人應佔溢利	129,316	125,553	+3.0%
Equity attributable to the owners of the Company	本公司擁有人應佔權益	2,149,795	2,295,900	-6.4%
		HK cents 港仙	HK cents 港仙	
Earnings per share	每股盈利			
Basic	基本	21.99	21.22	+3.6%
Diluted	攤薄	21.99	21.21	+3.7%
Dividend per share	每股股息			
Interim	中期	2.7	1.8	
Final	末期	3.1	3.8	
Total	總計	5.8	5.6	+3.6%
Dividend payout ratio	股息派付比率	26.4%	26.4%	

Financial Highlights

財務概要

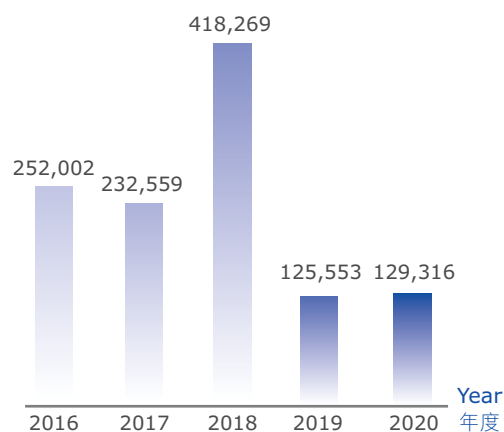
REVENUE (HK\$'000)

收益 (千港元)



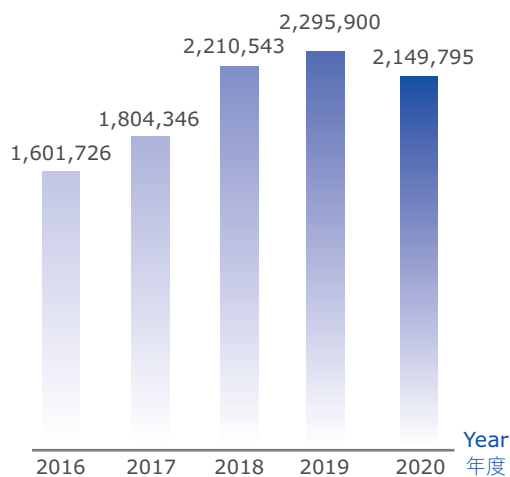
PROFIT ATTRIBUTABLE TO THE OWNERS OF THE COMPANY (HK\$'000)

本公司擁有人應佔溢利 (千港元)



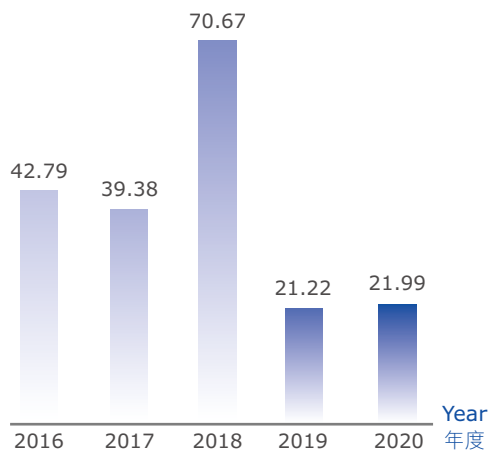
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY (HK\$'000)

本公司擁有人應佔權益 (千港元)



BASIC EARNINGS PER SHARE (HK CENTS)

每股基本盈利 (港仙)



Five-Year Financial Summary

五年財務摘要

RESULTS

業績

For the year ended 31 December

截至十二月三十一日止年度

		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
Revenue	收益	1,216,716	1,218,913	1,137,626	1,008,522	929,821
Cost of sales	銷售成本	(435,650)	(420,657)	(391,255)	(326,118)	(261,586)
Gross profit	毛利	781,066	798,256	746,371	682,404	668,235
Other income	其他收益	150,587	75,694	52,069	31,756	48,368
Other gains and losses, net	其他收益及虧損淨額	(57,588)	(91,680)	239,156	20,753	(26,771)
Selling and distribution expenses	銷售及分銷費用	(279,947)	(251,759)	(221,740)	(214,150)	(204,225)
Administrative expenses	行政費用	(237,721)	(239,088)	(188,926)	(157,186)	(119,071)
Provision for expected credit losses on financial assets, net	財務資產預期信貸虧損撥備淨額	(1,180)	(73)	(6,823)	(1,692)	(224)
Research and development expenses	研究及開發費用	(203,294)	(149,945)	(153,171)	(85,057)	(67,886)
Profit from operations	經營溢利	151,923	141,405	466,936	276,828	298,426
Finance costs	財務成本	(6,472)	(6,624)	(4,710)	(4,256)	(3,803)
Share of results of associates	分佔聯營公司業績	(11,414)	(11,895)	(15,842)	(14,944)	(12,019)
Profit before taxation	除稅前溢利	134,037	122,886	446,384	257,628	282,604
Taxation	稅項	(55,503)	(59,541)	(56,621)	(54,689)	(50,198)
Profit for the year	本年度溢利	78,534	63,345	389,763	202,939	232,406
Attributable to:	下列人士應佔：					
Owners of the Company	本公司擁有人	129,316	125,553	418,269	232,559	252,002
Non-controlling interests	非控股權益	(50,782)	(62,208)	(28,506)	(29,620)	(19,596)
		78,534	63,345	389,763	202,939	232,406

FINANCIAL POSITION

財務狀況

As at 31 December

於十二月三十一日

		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
Non-current assets	非流動資產	2,013,825	2,198,964	2,002,012	1,451,206	1,177,685
Current assets	流動資產	1,239,096	1,441,277	1,004,541	873,318	883,712
Current liabilities	流動負債	(944,049)	(908,493)	(676,825)	(431,085)	(358,375)
Net current assets	流動資產淨值	295,047	532,784	327,716	442,233	525,337
Non-current liabilities	非流動負債	(193,494)	(254,310)	(91,659)	(96,507)	(68,306)
Net assets	資產淨值	2,115,378	2,477,438	2,238,069	1,796,932	1,634,716
Equity attributable to the owners of the Company	本公司擁有人應佔權益	2,149,795	2,295,900	2,210,543	1,804,346	1,601,726
Non-controlling interests	非控股權益	(34,417)	181,538	27,526	(7,414)	32,990
Total equity	總權益	2,115,378	2,477,438	2,238,069	1,796,932	1,634,716

Chairman's Statement

主席報告

Dear shareholders,

On behalf of Lee's Pharmaceutical Holdings Limited (the "Company" or "Lee's Pharm", together with its subsidiaries, the "Group") and its board ("Board") of directors ("Directors"), I am pleased to present the annual report of the Company for the year ended 31 December 2020 (the "Reporting Year").

COVID-19 pandemic has brought the way to run business into a new era, such as the incorporation of new digital tools into the work processes to mitigate the paralysing effects of the pandemic, and the application of digital communication solutions to replace the traditional meetings and travels, etc. At Lee's Pharm, we work together again as one team to sail through the storm and delivered solid business results for our shareholders.

The Group's profit attributable to the Company's shareholders for the year ended 31 December 2020 amounted to HK\$129,316,000, compared to HK\$125,553,000 last year. Basic earnings per share were HK21.99 cents, compared to HK21.22 cents last year. The Board recommended the payment of a final dividend of HK3.1 cents per share for the year ended 31 December 2020. Together with the interim dividend of HK2.7 cents per share, the dividend for the full year will be HK5.8 cents per share, compared to HK5.6 cents last year. Subject to the approval by the Company's shareholders at the forthcoming annual general meeting, the final dividend will be paid on 18 June 2021.

The medical and healthcare reforms continued by the Chinese Government during the year under review. From the enhancement of the medical insurance system, the new reimbursement drug list, the Group Purchasing Organisation (GPO) programme implementation, to the extension of consistency evaluation of generic drugs from oral dose formulation products to injectable formulation products and e-hospitals. These changes have shifted the dynamic in the pharmaceutical industry towards innovation. Being a research-driven biopharmaceutical group and having embraced innovation early on, we firmly believed that the Group will benefit from these new laws and regulations in the long run and we are well positioned to capture the opportunities.

During the Reporting Year and up to date, we managed to obtain 5 new drug application and abbreviated new drug application approvals which provides the catalysts for future revenue growth. In order to support the pace of the new and upcoming products launch, we have made a major transformation in our sales force and established the Group Commercial Operation Centre, a dedicated unit to manage all aspects of the Group's commercial operations in China. By taking such measures, we shall expect further enhancement on the efficiency and effectiveness of our sales force and to enable us to respond to rapidly changing pharmaceutical market environment and business needs.

各位尊敬的股東：

本人謹代表李氏大藥廠控股有限公司(「本公司」或「李氏大藥廠」，連同其附屬公司，「本集團」)及其董事(「董事」)會(「董事會」)，欣然呈列本集團截至二零二零年十二月三十一日止年度(「報告年度」)的年度報告。

COVID-19大流行把業務經營方式推進新時代，例如將新數碼工具置入工作流程以減輕大流行令業務停擺的影響，以及應用數碼通信解決方案取代傳統的會議和出差等。李氏大藥廠團隊再次一起乘風破浪，為股東帶來穩健業績。

截至二零二零年十二月三十一日止年度，本集團的本公司股東應佔溢利為129,316,000港元，而去年為125,553,000港元。每股基本盈利為21.99港仙，去年為21.22港仙。董事會建議派發截至二零二零年十二月三十一日止年度末期股息每股3.1港仙。連同中期股息每股2.7港仙，全年股息為每股5.8港仙，去年則為5.6港仙。待本公司股東在即將舉行的股東週年大會上批准後，末期股息將於二零二一年六月十八日支付。

於回顧年度，中國政府繼續進行醫療和保健改革。從提升醫保制度、新醫保藥品目錄、集團採購組織(集採)計劃的實施，以及擴大從口服配方產品到注射配方產品和電子醫院的仿製藥一致性評價。該等變化將製藥業推向創新方向。作為一間由研究驅動並早已擁抱創新的生物製藥集團，我們堅信本集團將長遠將從這些新的法律法規中受益，並且有能力抓住機遇。

於報告年度及截至今日，我們已取得5項新藥申請及簡化新藥申請批准，為未來收入增長增添動力。為支持新產品和即將商業運營的各個方面，我們對銷售團隊進行了重大改革，並設立了集團營銷中心，專門負責管理本集團在中國商業運作的各個方面。通過採取此等措施，我們預計銷售團隊的效率和效能將進一步提高，使我們能應對急速轉變的醫藥市場環境和業務需求。

Chairman's Statement 主席報告

Drug development is the key process of bringing a new pharmaceutical product to the market. During the year under review, we invested over HK\$389 million in research and development (“**R&D**”), including expensed and capitalised parts, which represented 32.0% of our annual revenue in 2020. Such investments enable us to accelerate the clinical development programmes in various therapeutic areas, including the area of ophthalmology under Zhaoke Ophthalmology Limited (“**ZKO**”) which ended up successfully attracted strong interests from renowned investors to close its Series B fund raising of US\$145 million in November 2020. Following the financing, ZKO has submitted its listing application form to The Stock Exchange of Hong Kong Limited on 18 December 2020.

Looking ahead, with over 40 products in various stages of development currently in progress and several products launched in the year, we shall expect more of our pipeline products being moved towards the harvest stage which in turn continued to improve the Group's longer-term growth potential.

Finally, I would like to take this opportunity to thank to the Board, all our business partners, management and every member of staff for their continual contribution and support. We will spare no effort to seek new growth opportunities and to enhance our shareholders' value.

Lee Siu Fong
Chairman

Hong Kong, 30 March 2021

藥物開發是新醫藥產品推向市場的關鍵過程。於回顧年度，我們於研究及開發（「**研發**」）方面投入超過389百萬港元，包括費用化及資本化的部分，相當於我們二零二零年年度收益的32.0%。該等投資使我們能加快各個治療領域的臨床開發計劃，包括兆科眼科有限公司（「**兆科眼科**」）旗下的眼科領域。兆科眼科最終成功吸引了知名投資者的濃厚興趣，於二零二零年十一月完成1.45億美元的B系列集資。該次融資後，兆科眼科於二零二零年十二月十八日向香港聯合交易所有限公司提交了上市申請表格。

展望未來，憑藉我們目前擁有40多種處於不同開發階段的產品以及年內推出的數款產品，我們預計更多管道產品將進入收成階段，繼而能持續改善本集團的長期增長潛力。

最後，本人謹藉此機會逐一感謝董事會同仁、我們所有的業務合作夥伴、管理團隊及各位員工持續貢獻和支持。我們將竭盡全力尋找新的發展機會，並提高股東的價值。

李小芳
主席

香港，二零二一年三月三十日

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

COVID-19 pandemic is believed to be the most unforgettable part of the history in 2020 and the impact and effects thereof are being felt by the economy globally during the year ended 31 December 2020 (the "Reporting Year"). Nevertheless, after hard-fought battles since the beginning of 2020, China basically managed to contain the pandemic and gradually resumed business activities within the region starting from the third quarter of 2020. With the strong fundamentals of the Group, its businesses remained solid and improved progressively amid such unprecedented challenges and uncertainties.

Major regulatory and policy changes in the pharmaceutical industry during the Reporting Year and up to date mainly revolved around the enhancement of the medical insurance system, the new reimbursement drug list, the Group Purchasing Organisation (GPO) programme implementation, and the extension of consistency evaluation of generic drugs from oral dose formulation products to injectable formulation products. These major healthcare reform policies have undoubtedly created more challenges to the pharmaceutical industry. Nevertheless, the Group has prepared to adapt to this continual business environmental changes and there was no significant impact to the Group's business operations and financial performances during the Reporting Year.

Revenue and Profit

During the Reporting Year, the Group recorded revenue of HK\$1,216,716,000 (2019: HK\$1,218,913,000), representing a year-on-year decrease of 0.2%. Sales of licensed-in products was HK\$677,951,000 (2019: HK\$683,286,000) and accounted for 55.7% (2019: 56.1%) of the Group's revenue while sales of proprietary and generic products was HK\$538,765,000 (2019: HK\$535,627,000) and contributed 44.3% (2019: 43.9%) of the Group's revenue.

For the sales of licensed-in products, Carnitene® achieved a decent growth of 15.0% as the demand for chronic disease medications remains intact and the Group's other marketable products such as Gaslon N®, Miconorm® and Sancuso® also made contribution to the revenue growth during the Reporting Year which helped to alleviate the negative impact on the growth of Ferplex® which recorded a decrease of 4.6%, and Zandip® which recorded a decrease of 13.1% following its early termination of the license and supply agreement with effect from 30 June 2020. Overall, revenue of licensed-in products (excluding sales of Remodulin®) during the Reporting Year was HK\$677,951,000 (2019: HK\$642,368,000), represented a positive growth of 5.5% as compared to that of in 2019.

The Group's first generic product, Treprostinil Injection, was timely launched in March 2020 which instantly contributed the Group's revenue during the Reporting Year and fully compensated the loss of revenue following the termination of Remodulin® distribution by the end of 2019. Sales of generic Treprostinil Injection was HK\$42,868,000 during the Reporting Year, represented 4.8% growth as compared to the sales of Remodulin® of HK\$40,918,000 achieved in 2019.

業務回顧

COVID-19大流行相信已成為二零二零年最難忘的歷史事件，其於截至二零二零年十二月三十一日止年度（「報告年度」）對全球經濟的影響及打擊無遠弗屆。然而，經過自二零二零年初以來的奮戰，中國基本上成功控制大流行疫情，區內的商業活動亦由二零二零年第三季開始逐步恢復。憑藉穩健的基本因素，本集團的業務在空前挑戰與不明朗因素中仍能保持穩定並逐步改善。

醫藥行業於報告年度內及迄今出現的重大監管及政策變動主要圍繞提升醫保制度、新醫保藥品目錄、集團採購組織（集採）計劃的實施以及擴大從口服配方產品到注射配方產品的仿製藥一致性評價。此等重大醫療保健改革政策無疑對醫藥行業構成更多挑戰。然而，本集團已準備就緒，適應這種持續改變的業務環境，故本集團於報告年度的業務營運和財務表現並無受到顯著影響。

收益及溢利

於報告年度內，本集團錄得收益1,216,716,000港元（二零一九年：1,218,913,000港元），按年下跌0.2%。引進產品的銷售額為677,951,000港元（二零一九年：683,286,000港元），佔本集團收益的55.7%（二零一九年：56.1%），而專利及仿製產品的銷售額則為538,765,000港元（二零一九年：535,627,000港元），佔本集團收益的44.3%（二零一九年：43.9%）。

引進產品的銷售額方面，由於長期病患藥物需求不受影響，故《可益能》®錄得不錯的增長，為15.0%，而《蓋世龍》®、《邁通諾》®及《善可舒》®等本集團其他可供銷售產品亦於報告年度帶來收益增長貢獻，有助抵銷《菲普利》®下跌4.6%以及自二零二零年六月三十日起提早終止特許及供應協議後《再寧平》®下跌13.1%的負增長影響。整體而言，報告年度來自引進產品（《瑞莫杜林》®銷售除外）的收入為677,951,000港元（二零一九年：642,368,000港元），與二零一九年相比增長5.5%。

作為本集團首隻仿製產品，曲前列尼爾注射液在二零二零年三月及時面市，於報告年度立即為本集團貢獻收益，並全數抵銷二零一九年底終止分銷《瑞莫杜林》®所流失的收益。仿製曲前列尼爾注射液於報告年度的銷售額為42,868,000港元，與二零一九年《瑞莫杜林》®的銷售額40,918,000港元相比高4.8%。

Management Discussion and Analysis

管理層討論及分析

For the sales of proprietary products during the Reporting Year, Yallaferon® achieved sales growth of 8.9%, but sales of drugs for surgical use such as Livaracine® and Slounase® dropped 6.3 % and 22.5 %, respectively, which were affected by the COVID-19 pandemic when the hospitals postponed non-urgent surgeries during the first half of 2020, and only began to improve during the second half of 2020. Revenue of proprietary products during the Reporting Year was HK\$495,897,000 (2019: HK\$535,627,000), represented a decrease of 7.4% as compared to last year.

The Group achieved a gross profit of HK\$781,066,000 (2019: HK\$798,256,000). Despite the slow start to the year, the decrease has eventually narrowed considerably to 2.2% as compared to last year. The gross profit margin was 64.2% in 2020, declined by 1.3 percentage point from 65.5% in 2019.

The Group continued to increase its research and development (“R&D”) efforts in new drugs development and HK\$389,399,000 was spent in R&D activities during 2020 (2019: HK\$325,985,000), represented 32.0% (2019: 26.7%) to the corresponding yearly revenue, which was believed to be among the highest in domestic pharmaceutical companies. Among which HK\$203,294,000 (2019: HK\$149,945,000) has been recognised as expenses and HK\$186,105,000 (2019: HK\$176,040,000) has been capitalised as intangible assets. In additions, HK\$111,139,000 (2019: HK\$66,326,000) license fees for licensed-in products has been recognised as intangible assets during 2020.

In order to streamline the sales and marketing efficiency, the Group implemented some significant reforms in its sales team during the Reporting Year, including the reorganisation thereof into six business units and led by the newly established Group Commercial Operations Centre (“GCOC”). The GCOC is a dedicated unit to manage all aspects of the Group’s commercial operations in China, such as to enhance the efficiency and effectiveness thereof, to respond to the rapidly changing pharmaceutical market environment and business needs, to unleash the full potential of the launched products, to enhance the readiness for new product launch, and with a view to achieve steady and sustainable sales growth. During the Reporting Year, special focus had been placed on strengthening existing and exploring new distribution channels as well as on the preparation for the roll-out of new and upcoming products and adequate resources have been deployed thereto. Overall, the selling expenses to revenue ratio has increased to 23.0%, compared to 20.7% last year.

至於報告年度來自專利產品的銷售額，《尤靖安》®銷售額增長8.9%，惟《立邁青》®及《速樂涓》®等外科手術藥物的銷售額分別下跌6.3%及22.5%，乃受COVID-19大流行影響，各大醫院於二零二零年上半年紛紛押後非緊急手術，直至二零二零年下半年情況方見好轉。於報告年度，專利產品收益為495,897,000港元(二零一九年：535,627,000港元)，較去年下跌7.4%。

本集團錄得毛利781,066,000港元(二零一九年：798,256,000港元)。雖然本年度起步緩慢，惟後勁凌厲，按年跌幅最終顯著收窄至2.2%。二零二零年的毛利率為64.2%，較二零一九年的65.5%下跌1.3個百分點。

本集團繼續加大開發新藥的研究及開發(「研發」)力度，二零二零年的研發活動開支達389,399,000港元(二零一九年：325,985,000港元)，佔相應年度收入的32.0%(二零一九年：26.7%)，相信在國內醫藥公司之間傲視同儕。當中的203,294,000港元(二零一九年：149,945,000港元)已確認為開支，而186,105,000港元(二零一九年：176,040,000港元)則資本化為無形資產。此外，於二零二零年，111,139,000港元(二零一九年：66,326,000港元)的引進產品專利費已確認為無形資產。

為精簡銷售及營銷架構，提升效率，本集團於報告年度對銷售團隊作出若干重大改革，包括將該團隊重組為六個業務單位，並設立集團營銷中心統領各單位。集團營銷中心專責管理本集團中國商業運作的各個方面，例如提升效率和效益，以應對快速轉變的醫藥市場環境及業務需求，發揮已上市產品的最大潛能，更好地為新產品上市作準備，以期達致穩定的可持續銷售額增長。於報告年度，重點特別集中於強化現有分銷渠道，同時探索新營銷渠道，以及為新產品及即將面世的產品上市作準備，並投放足夠資源。整體而言，與去年的20.7%比較，銷售開支對收益的比率上升至23.0%。

Management Discussion and Analysis

管理層討論及分析

Hospital pharmacies were used to be the main retail channel for prescription drugs, but COVID-19 pandemic has accelerated the conversion to online. In addition, the China's Drug Administration Law which permits drug developers, manufacturers and sellers, as well as third-party e-commerce platforms, to sell prescription medicines online has been in effect in late 2019 has been elaborated further with the draft regulations in November 2020 which outlining clearer procedures for online consultation and sales of prescription drugs. Accordingly, the importance of online pharmacies has increased significantly. During the year under review, the Group has set up a new Retail Business Unit (零售事業部) and officially entered the e-commerce business with 2 OTC products, namely 30g Yallaferon® and 4-vial box Ferplex®, and is planned to put more resources toward the online sale channels.

Certain one-off items such as compensation income of HK\$41,208,000 from the early termination of the license and supply agreement of Zanidip®; and net negative impact of approximately HK\$23,296,000 which represented a gain on disposal of interest in Zhaoke Ophthalmology Limited ("ZKO"), the then 50.117% owned subsidiary of the Group, following the completion of the share repurchase under the license agreement dated 2 October 2020 which reducing the retained interest to 48.539% of approximately HK\$157,345,000, and a loss on reduction in equity interest in ZKO of approximately HK\$180,641,000 after ZKO conducted the Series B financing with its investors on 9 October 2020, were recognised during the Reporting Year. Taking into account the effect of the absence of considerable intangible assets impairment as compared to the non-recurring loss of approximately HK\$108,564,000 incurred by the Group's 65%-owned oncology R&D arm in relations to the discontinuation of Pexa-Vec global Phase III clinical trial for advanced liver cancer last year, net profit attributable to the owners of the Company for the year was HK\$129,316,000, compared to HK\$125,553,000 last year.

Manufacturing Facilities and Production Capability

During the Reporting Year and up to date, the Group achieved good progress in production capacity expansions and manufacturing facility upgrades of Yallaferon® and Livaracine® in Hefei site. In Nansha site, the manufacturing of Tecarfarin tablet and Nokxaban tablet for GMP applications and clinical trials are actively moving forward in good progress. The equipment installation and commission for the productions of oral cytotoxic drugs and continuous glucose monitor were completed, and both facilities are ready for making clinical samples and/or registration batch.

Drug Development

The Group's R&D pipeline covers major therapeutics areas such as cardiovascular, woman health, paediatrics, rare diseases, dermatology, obstetrics and urology. It also operates a separate R&D arm in the area of oncology. To date, the Group has over 40 projects from early- to late-stage development and measurable progress has been made during the Reporting Year and up to date.

醫院藥房曾經是處方藥物的主要零售渠道，惟COVID-19大流行加速其向網上轉移。此外，於二零一九年底生效的中國藥品管理法批准藥物開發商、製造商及銷售單位以至第三方電子商貿平台在網上銷售處方藥物，而於二零二零年十一月草擬的實施條例更進一步詳細闡述，列出網上診症和銷售處方藥的程序。因此，網上藥房的重要性大增。於回顧年度，本集團成立新的零售事業部，推出兩款非處方藥物，即30克《尤靖安》®和四瓶裝《菲普利》®，正式進軍電子商貿業務，並計劃向網上銷售渠道投放更多資源。

報告年度亦已確認若干一次性項目，例如提早終止《再寧平》®特許及供應協議的41,208,000港元補償收入；以及由於完成根據日期為二零二零年十月二日的特許協議購回股份（導致保留權益下降至48.539%）後，反映出出售兆科眼科有限公司（「兆科眼科」，本集團當時擁有50.117%權益的附屬公司）權益的收益約157,345,000港元，加上於二零二零年十月九日兆科眼科與其投資者進行B系列融資後，於兆科眼科的股權減少的虧損約180,641,000港元，產生淨負面影響約23,296,000港元。經計及並無巨大的無形資產減值，而去年本集團旗下擁有65%權益的腫瘤研發分支就Pexa-Vec全球第三期晚期肝癌臨床研究終止而產生約108,564,000港元的非經常性虧損的影響後，本年度的本公司擁有人應佔純利為129,316,000港元，而去年則為125,553,000港元。

生產設施及生產能力

於報告年度及截至目前為止，本集團合肥基地的《尤靖安》®及《立邁青》®產能提升及生產設施升級進度良好。南沙基地生產特卡法林藥片及諾克沙班藥片作GMP申請及臨床試驗的工作亦取得積極進展。生產口服細胞毒性藥物及進行連續血糖監測的設備已完成安裝及調試，兩者均已準備好生產臨床樣品及／或註冊批次。

藥物開發

本集團的研發渠道包括心血管、女性健康、兒科、罕見病、皮膚科、產科及泌尿科等各種主要治療領域，亦設有獨立的腫瘤科研發分支。於報告年度及截至目前為止，本集團有超過40個分別處於早期至後期開發階段的項目，並已取得顯著進展。

Management Discussion and Analysis

管理層討論及分析

Major therapeutic areas

INOmax®

On 20 February 2020, the New Drug Application (“NDA”) of INOmax® (nitric oxide) gas for inhalation (“INOmax”) has been granted priority review for paediatric orphan disease by China National Medical Products Administration (“NMPA”). INOmax® is an inhaled nitric oxide pharmaceutical for treating term and near-term neonates (>34 weeks) with hypoxic respiratory failure (HRF) associated with pulmonary hypertension.

Natulan®

On 28 April 2020, NDA of Natulan® for the treatment of advanced Hodgkin's lymphoma (“HL”) has been accepted for review by NMPA. Natulan® (Procarbazine Hydrochloride Capsule) in combination chemotherapy is suitable for the treatment of HL and certain brain cancers (such as glioblastoma multiforme). It is a member of a group of medicines called alkylating agents.

Adasuve®

In April 2020, the Group has commenced a pivotal Phase III study of Staccato® loxapine for inhalation system (Adasuve®) in China. Adasuve® is the first and only orally inhaled loxapine powder for the acute treatment of agitation associated with schizophrenia or bipolar I disorder in adults. This pivotal Phase III multicentre, randomised, double-blind, placebo-controlled, parallel group study (NCT04148963) is designed to evaluate the efficacy and safety of Adasuve® or placebo in treating acute agitation in patients with schizophrenia or bipolar disorder (manic or mixed episodes) as defined by The Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition (DSM-5) criteria. The study was conducted at 19 trial sites in China and the enrollment of 150 patients has been completed in July 2020. The analysis of unblinded topline data and the positive results thereof in August 2020 showed that this study has met its primary endpoint, a rapid onset of action was demonstrated by a statistically significant decrease ($p < 0.05$) from baseline in the Positive and Negative Syndrome Scale Excited Component (also known as PEC) score at 2 hours post dose. NDA has been filed to NMPA for review during the year.

主要治療領域

INOmax®

於二零二零年二月二十日，INOmax®(一氧化氮)吸入性氣體的新藥上市申請(「新藥申請」)已獲得中國國家藥品監督管理局(「國家藥監局」)就治療兒科罕見病授予的優先審評資格。INOmax®是一種用於治療患有低氧性呼吸衰竭(「HRF」)並伴隨肺動脈高壓的足月兒及34週以上的早產兒的吸入一氧化氮藥物。

Natulan®

於二零二零年四月二十八日，Natulan®新藥申請已獲國家藥監局受理，該藥物乃用於治療晚期霍奇金淋巴瘤(「HL」)。聯合化療中的Natulan®(鹽酸丙卡巴肼膠囊)適用於治療HL及部分腦癌(例如多形性膠質母細胞瘤)。其屬於其中一種烷化劑藥物。

Adasuve®

於二零二零年四月，本集團已開展有關用於吸入系統的Staccato®洛沙平(Adasuve®)於中國的關鍵第三期試驗。Adasuve®是第一種亦是唯一一種用於急性治療成人精神分裂症或雙相情感障礙I型相關激動的口服洛沙平吸入粉霧劑。該關鍵第三期多中心、隨機、雙盲、安慰劑對照、平行設計研究(NCT04148963)旨在評估Adasuve®或安慰劑治療精神分裂症或雙相情感障礙(躁狂或混合發作)(定義見《精神障礙診斷與統計手冊(第五版)》的標準)患者激越的急性控制的有效性與安全性。該項研究在中國19個試驗點進行，入組150名患者，且已於二零二零年七月完成。於二零二零年八月，揭盲和主要數據統計分析的良好結果表明該研究已達到主要終點指標，給藥後兩小時得出的陽性和陰性症狀量表興奮因子(亦稱PEC)評分與基線的下降變化有顯著統計差異($p < 0.05$)，證明Adasuve®能有效地快速起效。新藥申請已於年內提交國家藥監局審批。

Management Discussion and Analysis

管理層討論及分析

Staccato® fentanyl

On 2 November 2020, the Investigational New Drug (“IND”) application of Staccato® fentanyl for inhalation for the treatment of cancer breakthrough pain has been granted the approval by NMPA. Staccato® fentanyl for inhalation system is a combination drug-device delivery product designed for rapid, systemic delivery of aerosolised fentanyl via the lung. The product integrates the latest technology with a unique drug delivery technology, ensuring efficacy while deterring abuse and preventing overdose. The coming Phase I/IIa multicentre study in China is designed to evaluate the efficacy and safety of Staccato® fentanyl in treating breakthrough pain in patients with cancer. The study will be comprised of two stages: stage one study is designed to determine the recommended dosage; and stage two study will be a pharmacokinetic (PK) study based on the recommended dosage which can get the patients relieved from the pain in stage one. The Group is expected to commence this Phase I/IIa clinical trial of Staccato® fentanyl in early 2021.

Cetraxal® Plus

On 5 January 2021, the Group recruited its first patient dosed with Cetraxal® Plus an ear drops product licensed from Laboratorios Salvat S.A. targeting acute otitis externa (AOE), and acute otitis media with tympanostomy tubes (AOMT) in a Phase III clinical trial in China.

Intrarosa®

On 5 January 2021, the Group has been granted the clinical trial approval from the NMPA to initiate a Phase III, multicentre, randomised, double blinded, parallel group clinical trial of Intrarosa®, a product licensed from Endoceutics, Inc., in the treatment of vulvovaginal atrophy (“VVA”). This pivotal Phase III study is expected to initiate patient recruitment in the second quarter of 2021. Intrarosa® is the only U.S. Food and Drug Administration (“FDA”) approved, locally administered, daily non-estrogen steroid for the treatment of moderate to severe dyspareunia (pain during intercourse), a symptom of VVA, due to menopause. Intrarosa®’s product information does not have any boxed (safety) warnings, contrary to all other FDA approved drugs for the treatment of VVA, which have boxed warnings. Intrarosa® contains prasterone, also known as dehydroepiandrosterone (DHEA). Prasterone is an inactive endogenous steroid, which is converted locally into androgens and estrogens to help restore the vaginal tissue as indicated by improvements in the percentage of superficial and parabasal cells, and pH.

Staccato® 芬太尼

於二零二零年十一月二日，Staccato® 芬太尼吸入製劑用於治療爆發性癌痛的臨床試驗新藥申請獲得國家藥監局批准。Staccato® 芬太尼吸入製劑是一種複合型吸入式給藥裝置，其設計是透過肺部迅速及規律地吸入霧化芬太尼。此項產品結合具有獨特給藥技術的最新科技，於確保藥效的同時防止濫用及過量用藥。即將於中國進行的一／二a期多中心研究專門評估Staccato® 芬太尼在治療癌症病患的爆發性癌痛的藥效及安全程度。研究將分為兩個階段：第一階段研究專責釐定建議劑量；而第二階段研究將基於第一階段能夠舒緩病患痛楚的建議劑量，進行藥物代謝動力學研究。本集團預期於二零二一年初開展此項Staccato® 芬太尼的第一／二a期臨床試驗。

Cetraxal® Plus

於二零二一年一月五日，本集團於中國招募首名病人在三期臨床試驗中使用Cetraxal® Plus。Cetraxal® Plus為Laboratorios Salvat S.A.特許授權的滴耳液產品，治療急性外耳道炎及伴有鼓膜置管的急性中耳炎。

Intrarosa®

於二零二一年一月五日，本集團已獲國家藥監局批授開展Intrarosa®的多中心、隨機、雙盲、並行組別的三期臨床試驗的臨床試驗批准。Intrarosa®為Endoceutics, Inc.特許授權的產品，用於治療外陰陰道萎縮（「VVA」）。此關鍵的第三期研究預期於二零二一年第二季開始招募患者。Intrarosa®是唯一一種獲美國食物及藥物管理局（「FDA」）認證供日常局部使用的不含雌激素類固醇，用於治療因更年期而出現的中等至嚴重程度的性交疼痛（性交時產生的疼痛，為一種VVA徵狀）。Intrarosa®的產品資料並無任何包裝（安全）警告，有別於其他獲FDA認證用於治療VVA的藥物，全部均印有包裝警告。Intrarosa®含有普拉雄酮（又名脫氫表雄酮（DHEA））。普拉雄酮為一種非活性內源性類固醇，會內部轉化為雄激素及雌激素，幫助修復陰道纖維組織，從表層和副基底細胞的百分比以及酸鹼值改善可見一斑。

Management Discussion and Analysis

管理層討論及分析

Lutrate®

On 27 January 2021, the NDA of Lutrate® Depot (leuprolide acetate for depot suspension) 3.75 mg 1-month administration ("Lutrate®") for the palliative treatment of advanced prostate cancer has been accepted for review by NMPA. Lutrate® contains the active ingredient leuprolide acetate which belongs to a group of drugs called luteinising hormone-releasing hormone ("LHRH") agonists that reduce testosterone – the major androgen. Treatment with LHRH agonists is the predominant form of androgen deprivation therapy and has become the standard of care for metastatic prostatic cancer.

Adapalene-Clindamycin Combination Gel

Adapalene-Clindamycin Combination Gel ("ACCG") is a proprietary product of ZKO under development for the treatment of moderate acne vulgaris. Adapalene is a retinoic acid receptor ("RAR") agonist that stimulates skin growth and Clindamycin is an antibiotic that blocks bacterial protein synthesis. Combination of Adapalene and Clindamycin with different mechanisms of action is believed to be more efficacious than each alone in the treatment of acne vulgaris. The pivotal Phase III clinical trial of ACCG for the treatment of moderate acne vulgaris in China, administered by ZKO, was completed in June 2020. The top-line results from the pivotal Phase III trial show that the study has met its primary endpoint, demonstrating ACCG's superiority over either the Adapalene Gel or Clindamycin Phosphate Gel alone with a highly significant statistical difference ($p < 0.0001$). On 2 February 2021, ZKO had its NDA submission filed to the NMPA and marketing approval is expected in 2021.

On 2 October 2020, the Group has entered into a licensing agreement with ZKO pursuant to which exclusive license right have been granted by ZKO to the Group in relation to ACCG in the PRC, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan region. The Group disposed 1.578% indirect interest in ZKO for the settlement of US\$10,000,000 (equivalent to HK\$77,500,000 approximate) upfront payment for the license rights. By obtaining the license rights, the Group will be able to supplement its existing capabilities in the treatment of dermatology diseases and will be beneficial to the Group. Details of which have been disclosed in the announcement dated 4 October 2020.

GCC-4401C

On 1 March 2021, the Group has been granted the approval of the IND application of GCC-4401C from the NMPA to conduct clinical trials investigating GCC-4401C as a potential treatment for cirrhotic patients with non-tumoral portal vein thrombosis ("PVT"). GCC-4401C is a novel direct oral anticoagulant with structural similarity to rivaroxaban. It directly inhibits the activity of factor Xa, an important validated target in the blood coagulation pathway, to prevent thrombosis.

During the Reporting Year and up to date, the Group obtained 5 NDA and Abbreviated New Drug Application ("ANDA") approvals from NMPA.

Lutrate®

於二零二一年一月二十七日，Lutrate® Depot(醋酸亮丙瑞林長效懸浮液)3.75毫克1個月輸注(Lutrate®)的新藥申請已獲國家藥監局受理，該藥物乃用於晚期前列腺癌的舒緩治療。Lutrate®含有活性成份醋酸亮丙瑞林，屬於一組名為促黃體激素釋放激素(LHRH)促進劑的藥物，可減少主要雄激素睪酮。以LHRH促進劑進行治療為雄激素去除療法的主要方式，現已成為轉移性前列腺癌的護理標準。

阿達帕林－克林霉素複方凝膠

阿達帕林－克林霉素複方凝膠(ACCG)乃兆科眼科一種用於治療中度尋常性痤瘡之在研專有產品。阿達帕林為一種視黃酸受體(RAR)激動劑，可刺激皮膚生長，而克林霉素為一種可阻斷細菌蛋白質合成之抗生素。阿達帕林及克林霉素具有不同之作用機制，在尋常痤瘡治療中，相信將兩種藥物結合使用之療效會較單獨使用更佳。兆科眼科已於二零二零年六月完成於中國將ACCG用於治療中度尋常性痤瘡之的關鍵第三期臨床試驗。關鍵第三期試驗的主要數據表明該研究已達到主要終點指標，證明ACCG優於單獨使用阿達帕林凝膠或克林霉素凝膠，具有高度統計差異($p < 0.0001$)。於二零二一年二月二日，兆科眼科已向國家藥監局提交新藥申請，預期於二零二一年取得上市批准。

於二零二零年十月二日，本集團與兆科眼科訂立授權許可協議，據此，兆科眼科向本集團授出有關ACCG於中國、香港、中國澳門特別行政區及台灣地區的獨家許可權。本集團出售於兆科眼科的1.578%間接權益，以償付許可權之預付金10,000,000美元(相等於約77,500,000港元)。藉取得許可權，本集團將可補足本集團治療皮膚病的現有能能力，將對本集團有利。詳情於日期為二零二零年十月四日的公告中披露。

GCC-4401C

於二零二一年三月一日，本集團獲國家藥監局批准GCC-4401C的新藥臨床試驗申請，以對GCC-4401C作為可能治療非腫瘤性門靜脈血栓(PVT)的肝硬化患者進行臨床試驗。GCC-4401C為一種與rivaroxaban結構類似的新型直接口服抗凝血劑。凝血因子Xa為血液凝固途徑中的重要靶點，GCC-4401C直接抑制凝血因子Xa的活動，以防止血栓形成。

於報告年度及截至目前為止，本集團已取得國家藥監局發出5項新藥申請及簡化新藥申請批准。

Management Discussion and Analysis

管理層討論及分析

Treprostinil Injection

On 18 March 2020, Treprostinil Injection, a drug indicated for the treatment of pulmonary arterial hypertension ("PAH") obtained approval for manufacturing and marketing from the NMPA. Treprostinil Injection is a subcutaneously or intravenously administered prostacyclin analogue for the treatment of PAH in patients (PAH; WHO Group 1) to diminish symptoms associated with exercise and improve exercise capacity. The aforesaid approval by NMPA has made Treprostinil the first generic available in China.

Prulifloxacin

On 12 June 2020, Unidrox® (Prulifloxacin tablet), a drug indicated for the treatment of patients with acute uncomplicated lower urinary tract infections (simple cystitis), complicated lower urinary tract infections, acute exacerbation of chronic bronchitis, or acute bacterial rhinosinusitis, obtained the Imported Drug License from the NMPA. Prulifloxacin is an oral quinolone antibacterial agent.

Nadroparin Calcium

On 24 July 2020, Nadroparin Calcium for Injection (brand name: Livaracine®), a low molecular weight heparin ("LMWH") product, obtained drug registration approval from the NMPA. The classification of Livaracine® as Nadroparin is a validation and confirmation of Livaracine®'s quality, safety and efficacy profile and, significantly expanding its current indications. Nadroparin is an anticoagulant and is a specific class of LMWH. It is indicated to prevent deep vein thrombosis after surgery and treat the formation of deep vein thrombosis. It is also indicated in the treatment of ischemic complications in unstable angina and non-Q-wave myocardial infarction in combination with aspirin and prevention of clotting during hemodialysis.

Trittico®

On 2 December 2020, Trittico® (trazodone hydrochloride tablets), a drug indicated for the treatment of depression with or without anxiety, obtained the drug registration approval from the NMPA. Trazodone, a potent postsynaptic serotonin 5-HT_{2A} receptor antagonist and a moderate inhibitor of serotonin reuptake, is the original member of the SARIs (serotonin-2 antagonist/reuptake inhibitors) group of antidepressants and currently Trazodone is the only SARI marketed all around the world.

曲前列尼爾注射液

於二零二零年三月十八日，用於治療肺動脈高壓（「PAH」）的藥物—曲前列尼爾注射液已獲得國家藥監局的生產及上市批文。曲前列尼爾注射液為一種通過皮下或靜脈注射的前列腺環素類似物，用於治療世界衛生組織第1組PAH患者，以減少與運動相關的症狀並提高運動能力。上述國家藥監局批文使曲前列尼爾成為可於中國廣泛供應的首仿。

普盧利沙星

於二零二零年六月十二日，Unidrox®（普盧利沙星片）成功獲國家藥監局頒發進口藥品註冊證，該藥物乃用於治療急性無併發症下泌尿道感染（單純性膀胱炎）、併發症下泌尿道感染、慢性支氣管炎急性加重或急性細菌性鼻竇炎患者。普盧利沙星乃口服喹諾酮抗菌劑。

那屈肝素鈣

於二零二零年七月二十四日，國家藥監局核發那屈肝素鈣注射液（商品名：《立邁青》®）的藥品批准文號。那屈肝素鈣注射液為低分子量肝素（「LMWH」）產品。《立邁青》®歸類為那屈肝素不但標誌首立邁青的質量、安全性和功效獲得驗證和肯定，並且大幅擴展其當前的適應症。那屈肝素是一種抗凝劑，屬於一項特定類別的LMWH，適用於預防術後靜脈血栓及治療深層靜脈栓塞，亦適用於聯合阿司匹林用於不穩定性心絞痛和非Q波性心肌梗塞急性期缺血性併發症的治療及在血液透析中預防血凝塊形成。

《曲特格》®

於二零二零年十二月二日，用於治療伴有或沒有焦慮的抑鬱症的《曲特格》®（鹽酸曲唑酮藥片）取得國家藥監局發出的藥品註冊證書。曲唑酮乃一種強效的突觸後血清素5-HT_{2A}受體拮抗劑及一種溫和的血清素再攝取抑制劑，原屬抗抑鬱藥SARI（血清素-2拮抗劑／再攝取抑制劑）組別成員。目前曲唑酮乃唯一一種在全球出售的SARI。

Management Discussion and Analysis

管理層討論及分析

Fondaparinux Sodium Injection

On 2 February 2021, Fondaparinux Sodium Injection (0.5 ml: 2.5 mg), a drug indicated to prevent deep vein thrombosis (DVT; a blood clot, usually in the leg), which can lead to pulmonary embolism (PE; a blood clot in the lung), in people who are having hip surgery, hip or knee replacement, or abdominal surgery, obtained approval for manufacturing and marketing from the NMPA. Fondaparinux sodium is a synthetic and specific inhibitor of coagulation activated factor X (factor Xa) with high bioavailability, fast acting and longer half-life. It has no effect on factor IIa, and has low bleeding adverse event. It inhibits only free factor Xa but not factor Xa bound to the prothrombinase. Use of fondaparinux does not require monitoring of PT (prothrombin time) and aPTT (activated partial thromboplastin time). The short chain length of fondaparinux sodium results in devoid of immunogenicity. It does not interact with platelet and does not induce thrombocytopenia. It has no hepatotoxicity and has less allergic reactions.

Among other ANDA submissions, Sodium Phenylbutyrate Granule has been successfully passed the manufacturing audit conducted by the NMPA. Supplemental data for Sodium Phenylbutyrate Tablet has been requested by the CDE and will be submitted soon.

Oncology Pipeline Highlights

China Oncology Focus Limited ("COF"), a 65% owned subsidiary of the Group, is the Group's R&D arm in the area of oncology. To date, there are 10 oncology assets, including 5 innovative and 5 generic, in development for the treatment of a range of cancers.

Socazolimab in recurrent and metastatic cervical cancer

On 10 July 2020, COF submitted the application of breakthrough therapy designation ("BTD") to the NMPA for Socazolimab (anti-PD-L1 monoclonal antibody, formerly known as ZKAB001) in recurrent and metastatic cervical cancer. Socazolimab is a fully human anti-PD-L1 monoclonal antibody targeting tumor PD-L1 protein. It can release the "brake" causing by the tumor cell to the immune system. The BTD has been granted by the NMPA on 5 February 2021.

Socazolimab in osteosarcoma

On 21 August 2020, COF commenced the patient enrolment and the first patient has been dosed in an osteosarcoma Phase III clinical trial using Socazolimab.

磺達肝癸鈉注射液

於二零二一年二月二日，磺達肝癸鈉注射液(0.5毫升：2.5毫克)已獲國家藥監局的生產及上市批文。該藥物適用於預防正進行髖關節手術、髖關節或膝關節置換或下腹手術的人士出現可導致肺栓塞(PE：肺部血凝塊)的深靜脈血栓(DVT；一般見於腿部的血凝塊)。磺達肝癸鈉乃人工合成的活化凝血X因子(Xa因子)選擇性抑制劑，具有生物利用度高、起效快、半衰期長等優點。磺達肝癸鈉對IIa因子無作用，出血的不良反應少，僅抑制游離的Xa因子而不抑制與凝血酶原酶結合的Xa因子，不需監測PT(凝血酶原時間)及aPTT(活化部分凝血酶時間)。磺達肝癸鈉分子鏈短，不能誘導抗體反應，與血小板並無相互作用，不會引起血小板減少症，且對肝臟無毒害作用，過敏反應發生少。

在眾多簡化新藥申請中，苯丁酸鈉顆粒已成功通過國家藥監局所進行的生產審核。本集團即將提交藥品審評中心要求的苯丁酸鈉片劑補充數據。

腫瘤管道重點

本集團擁有65%權益的附屬公司中國腫瘤醫療有限公司("COF")為本集團在腫瘤科方面的研發分支。截至目前為止，10項腫瘤產品正在開發，包括5項創新及5項仿製藥，用於治療多種癌症。

使用Socazolimab的復發或轉移性宮頸癌治療

於二零二零年七月十日，COF已向國家藥監局提交申請，以認定Socazolimab(一種抗程式性死亡配體(PD-L1)單克隆抗體，前稱ZKAB001)為用於治療復發及轉移性宮頸癌的突破性治療藥物。Socazolimab是針對腫瘤PD-L1蛋白的完全人類抗PD-L1單克隆抗體，可以釋放由腫瘤細胞引起的免疫系統「剎車」。國家藥監局已於二零二一年二月五日認定其為突破性治療藥物。

使用Socazolimab的骨肉瘤治療

於二零二零年八月二十一日，COF就使用Socazolimab的骨肉瘤維持治療三期臨床試驗開展患者招募工作並完成首例患者給藥。

Management Discussion and Analysis

管理層討論及分析

Socazolimab combined with chemotherapy in small-cell lung cancer

On 1 March 2021, COF has been granted the clinical trial application approval from the NMPA to conduct a Phase III, multicentre, randomised, double blinded, parallel-group clinical trial of Socazolimab combined with chemotherapy in the first-line treatment of extensive-stage small-cell lung cancer. The approval is based on the results from an earlier Phase Ib trial in which Socazolimab combined with carboplatin and etoposide showed promising efficacy and safety profile in patients with extensive-stage small-cell lung cancer. This clinical trial will be led by Prof. Shun Lu (陸舜) from Shanghai Chest Hospital (上海市胸科醫院) and is expected to initiate patient recruitment in the second quarter of 2021.

Ophthalmology Pipeline Highlights

The Group has also involved in ophthalmology business through its investment in ZKO which includes over 20 proprietary products and difficult to manufacture generics (ranging from pre-clinical to registration stage) for the Chinese and ASEAN markets.

Cyclosporine A Ophthalmic Gel

On 27 November 2020, ZKO recruited its first patient dosed with Cyclosporine A ("CsA") Ophthalmic Gel, a drug for the treatment of keratoconjunctivitis sicca (dry eye) in a Phase III clinical trial in China. CsA Ophthalmic Gel is an innovative hydrogel formulation as opposed to the oil-based emulsion formulation in Restasis. Its Phase II clinical trial data of CsA Ophthalmic Gel was published in *Clinical Therapeutics*, an international peer-reviewed journal of drug therapy, in an article entitled "Efficacy, Safety, and Tolerability of a Novel Cyclosporine, a Formulation for Dry Eye Disease: a Multicenter Phase II Clinical Study" (<https://doi.org/10.1016/j.clinthera.2020.12.023>). The publication showed Phase II clinical trial data of CsA Ophthalmic Gel for the treatment of moderate to severe dry eye disease and that CsA Ophthalmic Gel exhibited excellent safety, tolerability, and efficacy profiles at different concentrations and dosing frequencies. CsA Ophthalmic Gel's one dose every night regimen is expected to significantly improve patients' quality of life and have better treatment compliance compared to Restasis' twice-daily dosing regimen by relieving the patients from having to experience potential drug-related transient discomfort in the eye during the day.

使用Socazolimab結合化療治療小細胞肺癌

於二零二一年三月一日，COF獲國家藥監局批准臨床試驗申請，以對結合化療一線治療擴散期小細胞肺癌的Socazolimab進行多中心、隨機、雙盲、並行組別的第三期臨床試驗。該批准的依據為先前第一b期試驗的結果，當中結合卡铂和依托泊苷的Socazolimab在擴散期小細胞肺癌患者中表現出良好的療效及安全性。此臨床試驗將由上海市胸科醫院陸舜教授牽頭，預期將於二零二一年第二季度開展患者招募。

眼科管道重點

本集團亦透過其於兆科眼科的投資從事眼科業務，包括20種以上專利產品以及高端仿製藥（從臨床前到註冊階段不等），面向中國和東盟市場。

環孢素A眼凝膠

於二零二零年十一月二十七日，兆科眼科於中國招募首名病人在第三期臨床試驗中使用環孢素A眼凝膠——一種治療乾燥性角膜結膜炎（乾眼症）的藥物。環孢素A眼凝膠為一項創新的水凝膠配方，而Restasis則為油性乳劑配方。環孢素A眼凝膠的第二期臨床試驗數據已刊登於經同行評審的國際性藥物治療期刊 *Clinical Therapeutics*，文章題為「新環孢素乾眼症配方的效能、安全性及耐受性：多中心第二期臨床研究 (Efficacy, Safety, and Tolerability of a Novel Cyclosporine, a Formulation for Dry Eye Disease: a Multicenter Phase II Clinical Study)」，目前可於網上瀏覽 (<https://doi.org/10.1016/j.clinthera.2020.12.023>)。有關文章公佈環孢素A眼凝膠治療中至嚴重程度乾眼症的第二期臨床試驗數據，環孢素A眼凝膠在不同劑量及用藥頻率下展現出優異的安全性、耐受性及效能。相比Restasis每日兩次的用法，環孢素A眼凝膠每晚一次的療程，避免病人於日間忍受因藥物而引起的短暫不適，預期可顯著改善病人的生活質素及讓病人更易依從。

Management Discussion and Analysis

管理層討論及分析

ZKY001

On 24 December 2020, ZKO recruited its first patient dosed with ZKY001 through anti-inflammatory effects plus stimulation of epithelial cell migration, in a Phase II clinical trial in China. ZKY001 is a potential first-in-class eye drop targeting CED, the partial or complete loss of the epithelial cells in the cornea. ZKY001 is a seven amino acid peptide, LKKTETQ, resembling part of thymosin β 4 that plays a central role in cell structure and movement. Through its regulation of actin, ZKY001 is able to accelerate corneal epithelial wound repair and enhance epithelial cell migration.

Business Partnership

The in-licensing approach is the Group's preferred mode of business development strategy. Nevertheless, the Group has remained selective in entering new in-licensing deals. During the Reporting Year and up to date, ZKO entered into three in-licensing deals with foreign business partners which involve four new ophthalmic products to enrich its R&D pipeline.

In addition, the Group has achieved a new breakthrough of business subsequent to the Reporting Year. On 2 March 2021, a distribution agreement with Kunming Baker Norton Pharmaceutical Sales Co., Ltd. ("KBNS"), a wholly-owned subsidiary of KPC Pharmaceuticals, Inc. ("KPC", stock code: 600422.SH), had become effective and pursuant to which exclusive promotion right of Fondaparinux Sodium Injection (磺達肝癸鈉注射液) (0.5 ml: 2.5 mg) in 18 provinces in China including Jiangsu, Zhejiang, Henan and Shandong, etc, has been granted to KBNS. The Group believed that the collaboration with KPC shall enable the Group to leverage on KPC's proven sales force on new products promotion.

Strategic Investments

One of the Group's strategic investments has reached a milestone during the Reporting Year. On 20 May 2020, Windtree Therapeutics, Inc. ("Windtree") has successfully uplisted its common shares from the OTC Markets to the Nasdaq Capital Market® after the completion of financing via public offering. The proceeds therefrom provided additional resources for Windtree to advance its clinical studies and create value.

ZKY001

於二零二零年十二月二十四日，兆科眼科於中國成功招募首名病人在第二期臨床試驗中使用ZKY001。ZKY001有可能成為針對角膜上皮缺損(角膜上皮細胞的部分或全部缺失)的首創同類滴眼液。ZKY001是一種由七個氨基酸組成的縮氨酸(LKKTETQ)，類似胸腺素 β 4的組成部分，在細胞結構及運動中起中樞作用。通過調節肌動蛋白，ZKY001能夠加速角膜上皮傷口修復並增強上皮細胞遷移。

業務夥伴

特許經營策略為本集團業務發展策略的首選模式。然而，本集團在訂立新的特許經營交易時，仍然堅持精挑細選。於報告年度內及截至目前為止，兆科眼科已經與海外商業夥伴訂立三項特許經營交易，涉及四款眼科新產品，務求充實其眼科研發管道。

此外，本集團於報告年度後取得新業務突破。於二零二一年三月二日，與昆藥集團股份有限公司("KPC"，股份代號：600422.SH)的全資附屬公司昆明貝克諾頓藥品銷售有限公司("KBNS")訂立的产品銷售服務協議已經生效，據此，KBNS獲授磺達肝癸鈉注射液(0.5毫升：2.5毫克)於中國18個省份(包括江蘇、浙江、河南及山東)的獨家推廣權。本集團相信，與KPC的合作將有助本集團利用KPC的實力銷售團隊推廣新產品。

策略性投資

於報告年度內，本集團一項策略投資進入新里程。於二零二零年五月二十日，Windtree Therapeutics, Inc. ("Windtree")透過公開發售完成融資後成功將其普通股由場外交易市場轉向納斯達克資本市場®上市。由此產生的所得款項可為Windtree提供額外資源推進其臨床研究並創造價值。

Management Discussion and Analysis

管理層討論及分析

Corporate Development

The Group upholds its commitment to separate its R&D arms and to incubate them into standalone biotech entities. Following its Series A fund raising in May 2019, ZKO closed its Series B fund raising during the fourth quarter of the Reporting Year which provided adequate resources for ZKO to conduct drug innovation and development in various ophthalmic indications and to help pave its path towards possible spin-off and a separate listing. This Series B financing round was jointly led by Hillhouse COFL and TPG Asia, and participated by Loyal Valley Capital and other private equity firms such as Orbimed and Aier Eye Hospital, as well as the majority of Series A investors, which are among the most recognised and respected players in the biotech industry, and raised US\$145,000,000 (approximately HK\$1,131,000,000 equivalent). Right before the completion of the Series B preferred shares subscription agreement (the “**Series B Completion**”), the Group owned 48.539% of the interest in ZKO. Immediately after the Series B Completion, the Group’s indirect interest in ZKO was reduced to 33.575% (on an enlarged basis by taking into account the issuance of the preferred shares on an as if converted basis). All conditions to the Series B preferred shares subscription agreement were fulfilled and the aggregate consideration of US\$145,000,000 was fully settled by the investors on 17 November 2020. Details of the Series B financing were disclosed in the Company’s announcements dated 11 October 2020 and 17 November 2020.

On 18 December 2020, ZKO submitted its listing application form to The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) for an application for the listing of, and permission to deal in, its ordinary shares on the main board of the Stock Exchange by way of global offering.

FINANCIAL REVIEW

Revenue and Net Profit Attributable to the Owners of the Company

The Group’s revenue decreased year-on-year by HK\$2,197,000 or 0.2%, from HK\$1,218,913,000 in 2019 to HK\$1,216,716,000 in 2020. During the year, the sales of proprietary and generic products increased by 3.1% and the sales of licensed-in products increased by 10.6%.

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	Change 變動
Revenue	收益			
Proprietary and generic products	專利及仿製產品	538,765	535,627	+0.6%
Licensed-in products	引進產品	677,951	683,286	-0.8%
Total	總計	1,216,716	1,218,913	-0.2%

Net profit attributable to owners of the Company increased by 3.0% from HK\$125,553,000 in 2019 to HK\$129,316,000 in 2020.

企業發展

本集團繼續實踐其分拆研發部門的承諾，將該等部門發展成為獨立的生物科技實體。兆科眼科繼二零一九年五月完成A系列融資後，於報告年度第四季完成其B系列融資，為兆科眼科提供足夠資源進行不同眼科適應症的藥物創新及開發，為可能分拆作獨立上市鋪路。是輪B系列融資由Hillhouse COFL及TPG Asia聯席牽頭，集資145,000,000美元（約1,131,000,000港元等值）參與者包括正心谷資本及其他私募股權公司（如奧博資本及愛爾眼科醫院）以及A系列大部分投資者，均為生物科技產業最具名望的業者。緊接B系列優先股認購協議完成（「**B系列完成**」）前，本集團擁有兆科眼科的48.539%權益。緊隨B系列完成後，本集團於兆科眼科的間接權益下降至33.575%（於計及發行優先股（假設轉換）後按經擴大基準計算）。B系列優先股認購協議所有條件已經達成，而總代價145,000,000美元已於二零二零年十一月十七日由投資者全數支付。B系列融資的詳情於本公司日期為二零二零年十月十一日及二零二零年十一月十七日的公告中披露。

於二零二零年十二月十八日，兆科眼科向香港聯合交易所有限公司（「**聯交所**」）呈交上市申請表格，以申請批准兆科眼科普通股以全球發售方式於聯交所主板上市及買賣。

財務回顧

收益及本公司擁有人應佔純利

本集團收益按年下跌2,197,000港元或0.2%，由二零一九年1,218,913,000港元減少至二零二零年1,216,716,000港元。於本年度內，專利產品及仿製產品的銷售增長3.1%，而引進產品的銷售則增長10.6%。

本公司擁有人應佔純利增加3.0%，由二零一九年的125,553,000港元，增至二零二零年的129,316,000港元。

Management Discussion and Analysis

管理層討論及分析

Gross Profit Margin

Gross profit margin for the financial year 2020 was 64.2%, decreased by 1.3 percentage point as compared with year 2019.

Other Income

Other income for the financial year 2020 recorded an increase of 98.9% as compared to corresponding period of last year and reached HK\$150,587,000. Other income during the year included certain one-off items such as compensation income for the early termination of the license and supply agreement of Zanidip®, development grants from local government, government grant in respect of COVID-19-related subsidies and research and development service income.

Other Gains and Losses, Net

Other gains and losses recorded a net loss of HK\$57,588,000 for the fiscal year 2020 which was mainly attributable to the HK\$21,465,000 net fair value decrease of financial instruments measured at fair value through profit or loss, and HK\$23,296,000 net loss from the reduced interest in ZKO.

Selling and Distribution Expenses

Selling and distribution expenses for the financial year 2020 recorded an increase of 11.2% as compared to the corresponding period of last year to HK\$279,947,000, representing 23.0% of the Group's revenue, increased by 2.3 percentage points as compared with 20.7% that of in the prior year. This is mainly attributable to the reform of the Group's sales team, including the establishment of the newly GCOC, as well as more resources had been placed on strengthening existing and exploring new distribution channels, and on the preparation for the roll-out of new products.

Administrative Expenses

Administrative expenses for the financial year 2020 slightly decreased HK\$1,367,000 to HK\$237,721,000 from the corresponding period of last year, and accounted for 19.5% of the Group's revenue during the year under review, decreased by 0.1 percentage point as compared with that of 2019.

毛利率

二零二零年財政年度之毛利率為64.2%，與二零一九年相比，減少1.3個百分點。

其他收益

二零二零年財政年度之其他收益較去年同期增加98.9%至150,587,000港元。本年度其他收益包括若干一次性項目，例如提早終止《再寧平》®特許及供應協議的補償收入、當地政府開發補助、涉及COVID-19相關補貼之政府補助以及研究及開發服務收入。

其他收益及虧損淨額

於二零二零年財政年度，其他收益及虧損錄得57,588,000港元淨虧損，主要由於按公平值透過損益列賬的財務工具之公平值下跌淨額21,465,000港元，以及於兆科眼科的權益減少造成的虧損淨額23,296,000港元所致。

銷售及分銷費用

二零二零年財政年度之銷售及分銷費用較去年同期增長11.2%至279,947,000港元，佔本集團收益23.0%，較去年同期的20.7%增加了2.3個百分點。這主要因本集團對銷售團隊作出改革，包括設立新的集團營銷中心，以及更多資源投入於強化現有分銷渠道，同時探索新營銷渠道，以及為新產品及即將面世的产品上市作準備。

行政費用

二零二零年財政年度之行政費用，較去年同期輕微下跌1,367,000港元至237,721,000港元，佔本集團回顧年度收益的19.5%，與二零一九年相比減少0.1個百分點。

Management Discussion and Analysis

管理層討論及分析

Research and Development Expenses

Research and development expenses for the year ended 31 December 2020 increased by HK\$53,349,000 as compared with the corresponding period of the prior year to HK\$203,294,000, and accounted for 16.7% of the Group's revenue, increased by 4.4 percentage points as compared with 12.3% that of in the prior year. Together with the capitalised research and development costs of HK\$186,105,000 (2019: HK\$176,040,000), the amount spent in research and development activities during the year was HK\$389,399,000, increased by HK\$63,414,000 or 19.5% as compared with the corresponding period of the prior year.

Taxation

The income tax expense for the year ended 31 December 2020 decreased by HK\$4,038,000 as compared with the corresponding period of prior year to HK\$55,503,000. The Group's effective tax rate was approximately 41.4% during the year under review, decreased by 7.1 percentage points as compared with 48.5% for the prior year. More tax losses were utilised by group companies and lowered the effective rate in current year.

Investments Held

As at 31 December 2020, the Group's investment portfolio amounted to approximately HK\$421,690,000 (31 December 2019: HK\$689,940,000) as recorded in the consolidated statement of financial position under various categories including:

- interests in associates which are accounted for by using equity method;
- financial assets at fair value through profit or loss ("FVTPL"); and
- financial assets at fair value through other comprehensive income ("FVTOCI").

Changes in respective items in the consolidated statement of financial position have been disclosed in the notes to the consolidated financial statements in this annual report.

研究及開發費用

二零二零年財政年度之研究及開發費用較去年同期增加53,349,000港元至203,294,000港元，佔本集團收益的16.7%，較去年的12.3%增加4.4個百分點。連同資本化的研究及開發成本186,105,000港元（二零一九年：176,040,000港元），年內用於研究及開發活動的金額為389,399,000港元，較去年同期增加63,414,000港元或19.5%。

稅項

截至二零二零年十二月三十一日止年度之利得稅費用，較去年同期減少4,038,000港元至55,503,000港元。於回顧年度，本集團實際稅率約為41.4%，較去年的48.5%減少7.1個百分點。於本年度，集團旗下公司動用更多稅項虧損，實際稅率降低。

持有投資

於二零二零年十二月三十一日，本集團的投資組合達約421,690,000港元（二零一九年十二月三十一日：689,940,000港元），記錄於綜合財務狀況表中的各類類別包括：

- 透過權益法入賬的於聯營公司之權益；
- 按公平值透過損益列賬（「按公平值透過損益列賬」）的財務資產；及
- 按公平值透過其他全面收益列賬（「按公平值透過其他全面收益列賬」）的財務資產。

綜合財務狀況表中的各項目變動已於本年報中綜合財務報表附註披露。

Management Discussion and Analysis

管理層討論及分析

Details of the significant investments in the portfolio under financial assets as at 31 December 2020 are as follows:

於二零二零年十二月三十一日的財務資產項下投資組合的重大投資詳情如下：

Description of investment	Approximate investment cost as at 31 December 2020	Fair value as at 31 December 2020	Approximate percentage to the Group's audited total assets as at 31 December 2020	Changes in fair value during the year 2020 (Decrease) Increase
投資詳情	於二零二零年十二月三十一日的概約投資成本 HK\$'000 千港元	於二零二零年十二月三十一日的公平值 HK\$'000 千港元	本集團 於二零二零年十二月三十一日 的經審核資產總額 概約百分比	二零二零年內的 公平值變動 (減少)增加 HK\$'000 千港元
Windtree Therapeutics Inc. (Note 1) Windtree Therapeutics Inc. (附註1)	446,258	187,114	5.8%	(280,934)
Other financial assets at FVTOCI (Note 2) 其他按公平值透過其他全面收益列賬的 財務資產(附註2)	192,227	190,470	5.8%	24,614
Total financial assets at FVTOCI 按公平值透過其他全面收益列賬的財務資產總額	638,485	377,584	11.6%	(256,320)
Financial assets at FVTPL (Note 2) 按公平值透過損益列賬的財務資產(附註2)	13,831	38,050	1.2%	(17,963)
Total financial assets 財務資產總額	652,316	415,634	12.8%	(274,283)

Note 1: Windtree Therapeutics Inc. is a clinical-stage, biopharmaceutical and medical device company and is principally engaged in the development of novel therapeutics intended to address significant unmet medical needs in important acute care markets, and the development programs are primarily focused in the treatment of acute cardiovascular and pulmonary diseases. The Group held 4,706,364 shares of common stock of Windtree Therapeutics Inc., representing approximately 27.8% of the total issued shares of Windtree Therapeutics Inc. as at 31 December 2020. During the year under review, the Group did not receive any dividend income from Windtree Therapeutics Inc. The Group takes a longer term view on this investment as there are clinical development programs in which the Group and Windtree Therapeutics Inc. are working together and in good progress.

附註1：Windtree Therapeutics Inc. 為一間臨床階段、生物製藥及醫療器械公司，其主要從事新療法的開發，旨在滿足重要急症護理市場中未得到滿足的重大醫療需求，開發項目主要集中在急性心血管及肺部疾病的治療。本集團於二零二零年十二月三十一日持有Windtree Therapeutics Inc. 的4,706,364股普通股，約佔Windtree Therapeutics Inc. 已發行股份總數的27.8%。於回顧年度，本集團並未收到任何來自Windtree Therapeutics Inc. 的股息收入。本集團從長遠的角度考慮該項投資，因為本集團與Windtree Therapeutics Inc. 正共同致力於臨床開發計劃並取得良好進展。

Note 2: None of the carrying amount of each of the financial assets therein constitutes 5% or more of the Group's total assets as at 31 December 2020.

附註2：於二零二零年十二月三十一日，其中各項財務資產的賬面值均不構成本集團總資產的5%或以上。

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管理層討論及分析

The Group will closely monitor the performance of its investment portfolio and will continue to invest strategically, and will explore opportunities in monetising some of the existing investments if appropriate opportunities in the market arise.

Save as disclosed above, the Group did not have any significant investment as at 31 December 2020.

Liquidity and Financial Resources

The Group's principal sources of working capital in the current year mainly included cash flow from operating activities and bank borrowings.

As at 31 December 2020, the Group's current ratio (current assets divided by current liabilities) was 1.31 (31 December 2019: 1.59). As at 31 December 2020, the Group had net cash position of HK\$297,183,000 (31 December 2019: net cash of HK\$670,641,000) which represented by below:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Net cash position	現金淨額狀況		
Cash and bank balances	現金及銀行結餘	375,199	364,994
Pledged bank deposits	已抵押銀行存款	24,025	40,345
Time deposits	定期存款	39,336	410,136
Less: Short term bank and other borrowings	減：短期銀行及其他借貸	(141,377)	(144,834)
		297,183	670,641

The calculation of Group's gearing ratio based on the net borrowings (after deducting cash and bank balances) to equity attributable to the owners of the Company was nil as at 31 December 2020 (31 December 2019: Nil).

Taking into consideration the existing financial resources available to the Group, it is believed that the Group should have adequate financial resources to meet its operation and development requirements in the future.

本集團將密切監察其投資組合的表現，繼續進行策略性投資，並會在市場出現適當時機時，尋求將部分現有投資貨幣化的機遇。

除上文所披露者外，本集團於二零二零年十二月三十一日概無任何重大投資。

流動資金及財務資源

本集團於本年度之主要營運資金來源包括來自經營業務之現金流量及銀行借貸。

於二零二零年十二月三十一日，本集團的流動比率（流動資產除以流動負債）為1.31倍（二零一九年十二月三十一日：1.59倍）。於二零二零年十二月三十一日，本集團的現金淨額狀況為297,183,000港元（二零一九年十二月三十一日：現金淨額670,641,000港元），其如下所示：

本集團以借貸淨額（扣除現金及銀行結餘）對本公司擁有人應佔權益計算的資產負債率於二零二零年十二月三十一日為零（二零一九年：零）。

在考慮可供本集團使用的現有財務資源後，相信本集團擁有充裕的財務資源以應付日後在營運及發展方面所需。

Management Discussion and Analysis

管理層討論及分析

Treasury Policies

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluations of the financial conditions of its customers. To manage liquidity risk, the board of directors of the Company closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

Foreign Exchange Exposure

Currently, the Group earns revenue and incurs costs mainly in Renminbi, Hong Kong dollars, European Union euro, Japanese Yen, New Taiwan dollars and United States dollars. The Directors believe that the Group does not have foreign exchange problems in meeting its foreign exchange requirements. The Group will continue to monitor closely its foreign currency exposure and to consider hedging significant foreign currency exposure when necessary.

Pledge of Assets

Details of the pledge of assets of the Group as at 31 December 2020 are set out in note 42 to the consolidated financial statements.

Contingent Liabilities

Details of the contingent liabilities of the Group as at 31 December 2020 are set out in note 43 to the consolidated financial statements.

Employee Information

As at 31 December 2020, the Group had 1,302 (31 December 2019: 1,308) employees working in Hong Kong, Mainland China and Taiwan.

The Group's emolument policies are formulated on the performance of individual employees and based on the trends of salaries in various regions, which will be reviewed regularly every year. Apart from mandatory provident fund scheme, retirement benefit scheme and medical insurance, employees share options may also award to employees according to the assessment of individual performance.

理財政策

本集團在理財方面採取較審慎的政策。本集團透過持續就其客戶的財務狀況進行信貸評估，致力將信貸風險降至最低。就控制流動資金風險而言，本公司董事會密切監控本集團的流動資金狀況，以確保本集團資產、負債及承擔的流動資金架構可應付本集團的資金需要。

外匯風險

目前，本集團所賺取的收益及所產生的成本主要以人民幣、港元、歐元、日圓、新台幣及美元計值。董事相信本集團在進行外幣匯兌時不會面對外匯問題。本集團將密切監察其外匯風險，並於有需要時考慮對沖重大外匯風險。

資產抵押

本集團於二零二零年十二月三十一日之資產抵押詳情載於綜合財務報表附註42。

或然負債

本集團於二零二零年十二月三十一日之或然負債詳情載於綜合財務報表附註43。

僱員資料

於二零二零年十二月三十一日，本集團於香港、中國內地及台灣的僱員人數為1,302人（二零一九年十二月三十一日：1,308人）。

本集團的酬金政策是按個別僱員的表現及基於不同地區的薪金趨勢而定，並會每年作定期檢討。除強制性公積金計劃、退休福利計劃及醫療保險外，本集團亦會根據個別表現評估向僱員授出僱員購股權。

Management Discussion and Analysis

管理層討論及分析

PROSPECT

While the Group remains of the view that the tough environment will be persisted in 2021, positive catalysts such as the containment of COVID-19 pandemic in China and the gradual re-opening of economy within the region, the five newly approved products in 2020, and the transformed sales force led by the newly established GCOC, are expected to drive the Group to tide over the challenges.

The enhancement and reform in the pharmaceutical industry in China continues to move forward, from the new national reimbursement drug list, the intensified and expanded Group Purchasing Organisation (GPO) programme following the increasing number of bioequivalence qualified generic drug being approved, as well as the recent China's Biosecurity Law and China Patent Law which have been passed on 17 October 2020 and will take effect in 2021. Being a research-driven biopharmaceutical group, it is believed that the Group will be eventually benefited from these new laws and regulations in the long run.

The Group will continue to stay focus on its new drug development and cost containment in order to differentiate itself from other pharmaceutical companies. Besides, the Group has made a big step forward in the path towards possible spinoff and a separate listing of ZKO after the completion of the Series B fundraising of ZKO and submitted its listing application form to the Stock Exchange. With over 40 projects in the R&D pipeline in various therapeutic areas, the Group believes that the spin-off and separate listing of selective R&D arms into standalone companies may in turn enhance the progress of the R&D programmes and drive the market to recognise the value thereof, and also allow the Group to reserve more resources to drive sales growth of marketable products and create value for the shareholders.

展望

雖然本集團依然相信，二零二一年的環境仍將荊棘滿途，惟在中國成功控制COVID-19疫情及區內經濟逐步重啟等有利因素推動，加上二零二零年內有五項產品獲審批，由新成立的集團營銷中心亦帶領銷售團隊轉型，預期本集團將能克服各種挑戰。

從年初實施的新國家醫保藥品目錄起，到集團採購組織(GPO)因獲批准的合資格生物等效仿製藥持續增加而日漸深化擴大，再到近期於二零二零年十月十七日通過並將於二零二一年施行的中國生物安全法和專利法，在在顯示中國醫藥行業一直不斷推進升級改革。作為以研究為導向的生物製藥集團，相信本集團長遠終將受惠於此等新法律及法規。

本集團將繼續專注開發新藥及控制成本，以期從眾多藥業公司中脫穎而出。此外，本集團完成兆科眼科的B系列融資行動後，在兆科眼科可能分拆及獨立上市的計劃上積極向前邁進，現已向聯交所提交上市申請表格。本集團的研發管道包括各種治療領域超過40個項目。本集團相信，將多個指定研發分支作為獨立公司分拆及獨立上市，或可加快研發計劃的進度，促進市場認識該等項目的價值，並讓本集團可保留更多資源提高可銷產品的銷售增長，為股東創造價值。

Directors and Key Personnel Profiles

董事及主要人員履歷

EXECUTIVE DIRECTORS

Lee Siu Fong

Chairman, aged 64

Ms. Lee Siu Fong joined the Group in April 1997 and has since been responsible for the Group's financial affairs. She is an entrepreneur and had since 1992 established and run several companies with primary responsibility in financial affairs. She is the sister of Ms. Leelalertsuphakun Wanee and Dr. Li Xiaoyi.

Leelalertsuphakun Wanee

Managing Director, Chief Marketing & Sales Officer & member of remuneration committee, aged 67

Ms. Leelalertsuphakun Wanee joined the Group in April 1997. She was appointed the Chief Marketing & Sales Officer in September 2003 and has been responsible for the Group's sales and marketing activities since then. She is the sister of Ms. Lee Siu Fong and Dr. Li Xiaoyi.

Li Xiaoyi

Chief Executive Officer & Chief Technical Officer, aged 58, PhD

Dr. Li Xiaoyi holds a PhD in Pharmacology from the University of Illinois at Chicago and was a postdoctoral fellow with Parke-Davis Research Division of Warner-Lambert company in the United States. He is an Honourary Fellow and Adjunct Professor at the Hong Kong University of Science and Technology. He was appointed as a member of the Chinese People's Political Consultative Conference of Anhui Province in China in January 2018. He is the founder of the Group and has been responsible for the daily operations and research and development of the Group since 1994. He is the brother of Ms. Lee Siu Fong and Ms. Leelalertsuphakun Wanee.

執行董事

李小芳

主席，64歲

李小芳女士於一九九七年四月加盟本集團，自此負責本集團的財務事宜。彼為企業家，而自一九九二年以來，已成立及經營多家公司並專責財務事宜。彼為李燁妮女士的胞妹及李小羿博士的胞姊。

李燁妮

董事總經理、市場推廣及銷售總監及薪酬委員會成員，67歲

李燁妮女士於一九九七年四月加盟本集團。於二零零三年九月，彼獲委任為市場推廣及銷售總監，負責本集團的銷售及市場推廣工作。彼為李小芳女士及李小羿博士的胞姊。

李小羿

行政總裁兼技術總監，58歲，PhD

李小羿博士持有芝加哥伊利諾大學藥物學博士學位，曾在美國公司Warner-Lambert的Parke-Davis研究部門從事博士後研究。彼為香港科技大學榮譽院士及兼任教授。彼於二零一八年一月獲委任為安徽省中國人民政治協商會議委員。彼乃本集團之創辦人，自一九九四年起負責本集團的日常業務及研發事務。彼為李小芳女士及李燁妮女士的胞弟。

Directors and Key Personnel Profiles

董事及主要人員履歷

NON-EXECUTIVE DIRECTOR

Simon Miles Ball

Aged 42

Mr. Simon Miles Ball joined the Board on 29 December 2017. He has more than 20 years of business and management experience within the pharmaceutical industry. He is currently the managing director of SMB Capital Limited, an advisory practice operating across the life science sectors. He also sits on the board of directors of Exelead Inc., a contract and development manufacturing business. Previously he served in a variety of operational and director positions at Leadiant Biosciences Ltd and prior to that held regional roles with broad transactional responsibility at several multinational pharmaceutical companies. In addition, he is also a consultant of Qualister SA, a substantial shareholder of the Company. He obtained his degree in physiology from the University of Leeds. Save as the above, he does not have any relationship with any Director, substantial shareholder or controlling shareholder of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Chan Yau Ching, Bob

Chairman of audit committee & member of remuneration committee, aged 58, PhD, MBA, BBA, CFA, MHKSI

Dr. Chan Yau Ching, Bob joined the independent Board on 14 January 2002. He has extensive experience in corporate development and financial management of high-growth companies. He had been a finance professor, researcher and consultant. He had also served directorship at various listed and privately held companies in Hong Kong and in the United States. He was appointed as the independent non-executive director of Hangzhou Huaxing Chuangye Communication Technology Co., Ltd., which is a listed company on the Shenzhen Stock Exchange, from December 2018 to November 2020. Currently, he is the managing director of KBR Capital Limited, a company engaged in advising clients on management and investment activities in China and Hong Kong. He is the independent non-executive director of China High Speed Transmission Equipment Group Co., Ltd. and Daisho Microline Holdings Limited, which are listed companies on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). He does not have any relationship with any Director, substantial shareholder or controlling shareholder of the Company.

非執行董事

Simon Miles Ball

42歲

Simon Miles Ball先生於二零一七年十二月二十九日加入董事會。彼於製藥行業擁有逾二十年的業務及管理經驗。彼目前為SMB Capital Limited(生命科學領域的一間諮詢公司)的董事總經理。彼亦擔任Exelead Inc.(從事合約及開發製造業務)的董事會成員。在此之前，彼曾於若干跨國製藥公司擔任區域性職位並承擔廣泛的交易責任，之後，彼亦曾於Leadiant Biosciences Ltd任職各種營運及董事職位。此外，彼亦為本公司一名主要股東Qualister SA的顧問。彼獲得University of Leeds的生理學學位。除上述者外，彼與本公司任何董事、主要股東或控股股東概無任何關係。

獨立非執行董事

陳友正

審核委員會主席及薪酬委員會成員，58歲，PhD, MBA, BBA, CFA, MHKSI

陳友正博士於二零零二年一月十四日加入獨立董事會。彼於高增長公司的企業發展及財務管理方面擁有豐富經驗。彼曾為財務系教授、研究員及顧問，亦曾擔任香港及美國多家上市及私人公司的董事職務。於二零一八年十二月至二零二零年十一月，彼亦為杭州華星創業通信技術股份有限公司(一間深圳證券交易所上市公司)之獨立非執行董事。現時，彼為KBR Capital Limited的董事總經理，該公司於中國及香港從事向客戶提供管理及投資活動建議之業務。彼為中國高速傳動設備集團有限公司及大昌微綫集團有限公司(均為香港聯合交易所有限公司(「聯交所」)主板上市公司)之獨立非執行董事。彼與本公司任何董事、主要股東或控股股東概無任何關係。

Directors and Key Personnel Profiles

董事及主要人員履歷

Lam Yat Cheong

Member of audit committee, aged 59, CPA (Practising), FCCA, BBA

Mr. Lam Yat Cheong joined the independent Board on 1 July 2004. He is a sole proprietor of an audit firm and has over 30 years of auditing and accounting experience. He is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He had also served directorship at various listed companies in Hong Kong. He does not have any relationship with any Director, substantial shareholder or controlling shareholder of the Company.

Tsim Wah Keung, Karl

Chairman of remuneration committee and member of audit committee, aged 62, PhD, MPhil, BSc

Dr. Tsim Wah Keung, Karl joined the independent Board on 20 September 2004. He currently serves as Chair Professor of Life Science at the Hong Kong University of Science and Technology. He holds a Bachelor of Science degree and a Master degree in Biochemistry from The Chinese University of Hong Kong, and a Doctorate in Molecular Neurobiology from the University of Cambridge. He has published numerous articles in biological sciences and traditional Chinese medicines. He also serves in several local committees in advising the development of traditional Chinese medicine as health food products. He does not have any relationship with any Director, substantial shareholder or controlling shareholder of the Company.

SENIOR MANAGEMENT

Chow Yiu Ming

Group Chief Financial Officer & Company Secretary, aged 47

Mr. Chow Yiu Ming joined the Company in October 2014 and is responsible for the accounting and corporate finance functions of the Group. He has over 24 years of experience in accounting, auditing, financial management and corporate finance. Prior to joining the Company, he had held several senior positions with listed and private companies in Hong Kong. He is a fellow member of the Association of Chartered Certified Accountants, a member of the Hong Kong Institute of Certified Public Accountants, and a fellow member of the Hong Kong Institute of Directors. He holds a Bachelor of Business Administration degree, majoring in Accounting and Finance, from the University of Hong Kong and a Master of Science in Professional Accountancy degree from the University of London. He is also an independent non-executive director of Fortune Sun (China) Holdings Limited which is a listed company on the main board of the Stock Exchange.

林日昌

審核委員會成員，59歲，CPA (Practising)，FCCA, BBA

林日昌先生於二零零四年七月一日加入獨立董事會。彼為一間核數公司的唯一東主，於審計及會計方面擁有逾三十年經驗。彼是英國特許公認會計師公會及香港會計師公會資深會員。彼亦曾於多家香港上市公司擔任董事職務。彼與本公司任何董事、主要股東或控股股東概無任何關係。

詹華強

薪酬委員會主席及審核委員會成員，62歲，PhD, MPhil, BSc

詹華強博士於二零零四年九月二十日加入獨立董事會。彼目前為香港科技大學生命科學部首席教授，擁有香港中文大學頒授的理學學士學位及生物化學碩士學位以及劍橋大學頒授的分子神經生物學博士學位。彼曾發表多篇有關生物科學及傳統中藥的論文，亦為本地多個有關發展傳統中藥作為保健食品的顧問委員會成員。彼與本公司任何董事、主要股東或控股股東概無任何關係。

高級管理人員

鄧耀明

集團財務總監及公司秘書，47歲

鄧耀明先生於二零一四年十月加盟本公司，負責本集團之會計及企業財務職能，於會計、審核、財務管理及企業融資方面擁有逾二十四年的經驗。在加盟本公司前，彼曾於香港多間上市及私人公司擔任要職。彼為英國特許公認會計師公會資深會員、香港會計師公會會員以及香港董事學會資深會員。彼持有香港大學頒授之工商管理學士學位，主修會計及財務，並持有倫敦大學專業會計學理學碩士學位。彼亦為富陽(中國)控股有限公司(一間聯交所主板上市公司)的獨立非執行董事。

Directors and Key Personnel Profiles

董事及主要人員履歷

Jiao Zhongyu

Chief Officer of Enterprise Development Department of the Group, aged 51

Mr. Jiao Zhongyu is responsible for the government affair and legal affairs of the Group in the PRC. He was appointed as the legal adviser of PRC investment by the Group in 1999 in his capacity as a practising lawyer in PRC. He has been appointed as the director of Zhaoke Pharmaceutical (Hefei) Co. Limited ("Zhaoke Hefei") since 2010 and has extensive experience in the government affair and legal affairs. In 2012, the Group established the Enterprise Development Department and he has been appointed as the Chief Officer thereof and responsible for the Group's strategic planning and development.

Tsui Victor Kailok

Chief Manufacturing Officer, Licensed Professional Engineer, aged 54, P.E. MSc

Mr. Victor Tsui graduated from The Hong Kong Polytechnics University and University of Wisconsin with a master degree in Engineering. Before joining the Group, he worked for various pharmaceuticals companies in the United States for over 25 years and was responsible for production management. He joined the Group in 2009 as Chief Operating Officer of Powder Pharmaceuticals Incorporated ("PPI", an associated company of the Group). He has been appointed as Chief Manufacturing Officer of the Group since 2012 to oversee the Group's manufacturing operations. He has also been appointed as director of PPI since 22 March 2013.

Yang Zhongqiang

Executive Deputy General Manager of Zhaoke Pharmaceutical (Hefei) Co. Limited, aged 46

Mr. Yang Zhongqiang holds a master's degree in Pharmaceutical Engineering from Shandong University and has a practicing pharmacist certification. He has been working for the Group for more than 20 years, and has been working in the Department of Research and Development of New Drugs and Quality Department of Zhaoke Hefei. He has extensive experience in the research and development of new drug, project management and quality management. He had served as the quality authorised person of Zhaoke Hefei since 2012 to oversee its drug quality management and protection works. In 2017, he has been appointed as the Executive Deputy General Manager of Zhaoke Hefei.

焦仲宇

集團企業發展部總監，51歲

焦仲宇先生負責本集團在中國的政府事務及法務。彼於一九九九年以中國執業律師身份作為本集團在中國投資企業的法律顧問。彼自二零一零年起獲委任為兆科藥業(合肥)有限公司(「兆科合肥」)董事，在政府事務及法律事務方面擁有豐富經驗。本集團於二零一二年成立企業發展部，彼出任總監並負責本集團戰略規劃及發展佈局等方面工作。

徐啟樂

生產總監，持牌專業工程師，54歲，P.E. MSc

徐啟樂先生畢業於香港理工大學及威斯康辛大學，擁有工程碩士學位。於加盟本集團前，彼曾任職於美國不同製藥公司逾二十五年，負責生產管理工作。彼於二零零九年加盟本集團，擔任普樂藥業有限公司(「普樂藥業」，本集團之聯營公司)之營運總監。彼自二零一二年已獲委任為本集團之生產總監，以監督本集團之生產業務。彼自二零一三年三月二十二日起亦已獲委任為普樂藥業之董事。

楊中強

兆科藥業(合肥)有限公司常務副總經理，46歲

楊中強先生持有山東大學製藥工程碩士學位和執業藥師資格證書，効力本集團已逾二十年，一直任職於兆科合肥新藥研究發展部及質量部，在新藥研發、項目管理及質量管理等方面擁有豐富的經驗，自二零一二年起出任兆科合肥質量授權人，以監督兆科合肥藥物的質量管理和保障工作。於二零一七年，彼獲委任為兆科合肥常務副總經理。

Directors and Key Personnel Profiles

董事及主要人員履歷

Dai Xiangrong

Group Deputy General Manager and President & Chief Operating Officer of China Oncology Focus Limited, aged 41

Mr. Dai Xiangrong holds a bachelor's degree of biochemistry and molecular biology, and a master's degree of biochemistry from Anhui Agricultural University. He is also a licensed pharmacist. He joined the Group in 2007 and is responsible for the research and development of new drugs. He has extensive experience in preclinical studies, clinical research and registration of new drugs. He was responsible for various new drug development programs and succeeded in bringing the programs to clinical research studies. He was appointed as Senior Director of Research and Development Centre of the Group in 2017 and was appointed as Group Deputy General Manager in March 2019. He was appointed as President and Chief Operating Officer of China Oncology Focus Limited in March 2018 and is fully responsible to the new drug development and registration. He has been appointed as executive director of Zhaoke Ophthalmology Limited in October 2020.

Sun Guorui

General manager of the Group Commercial Operations Centre, aged 49

Mr. Sun Guorui graduated from Sichuan University with a bachelor's degree in engineering and a master's degree in business administration from Peking University. Before joining the Group, he worked in a number of internationally renowned pharmaceutical companies, including Bayer Pharmaceuticals, Merck & Co., Ltd., Beijing Novartis Pharmaceutical Co., Ltd., etc. He has more than 20 years of sales management experience in the pharmaceutical industry and rich experience in handling national marketing business and leading a large-scale marketing team. He joined the Group since September 2020 as the general manager of the Group Commercial Operations Centre ("GCOC"), responsible for the development and management of the GCOC.

戴向榮

集團副總經理及中國腫瘤醫療有限公司總裁兼營運總監，41歲

戴向榮先生持有安徽農業大學生物化學及分子生物學學士學位以及生物化學碩士學位。彼亦為執業藥師。彼於二零零七年加盟本集團，負責研發新藥。彼在臨床前研究、臨床研究及註冊新藥方面累積廣泛經驗。彼曾負責多項新藥研究計劃，並成功將多項計劃帶進臨床研究。彼於二零一七年獲委任為本集團研發中心高級總監，並於二零一九年三月獲委任為集團副總經理。彼於二零一八年三月獲委任為中國腫瘤醫療有限公司之總裁及營運總監，全面負責藥物研發與註冊方面工作。於二零二零年十月，彼已獲委任為兆科眼科有限公司之執行董事。

孫國瑞

集團營銷中心總經理，49歲

孫國瑞先生畢業於四川大學，擁有工程學士學位，並擁有北京大學工商管理碩士學位。於加盟本集團前，彼曾任職於多家國際知名製藥企業，包括拜耳製藥、默沙東中國、北京諾華製藥有限公司等，擁有二十多年的製藥行業銷售管理經驗，擁有帶領較大規模營銷團隊、處理全國營銷業務的豐富經驗。彼自二零二零年九月起加盟本集團，擔任集團營銷中心總經理，負責集團營銷中心發展及管理工作。

Directors and Key Personnel Profiles

董事及主要人員履歷

Zhang Zeyun

Deputy General Manager of the Group Commercial Operations Centre and Executive Deputy General Manager of Guangzhou Zhaoke Lian Fa Pharmaceutical Limited, aged 40

Mr. Zhang joined the Group in October 2018 and is responsible for the business management of the Group's direct sales team in China. He graduated from Guangzhou University of Chinese Medicine with a bachelor degree in Chinese Medicine. Before joining the Group, he worked for several multinational pharmaceutical and healthcare companies in China for over 15 years and was responsible for sales and market access management. In March 2019, he was appointed as Commercial Operations Director of the Group and Executive Deputy General Manager of Guangzhou Zhaoke Lian Fa Pharmaceutical Limited ("Zhaoke Lian Fa"), and is responsible for the commercial operations of the Group and the daily operations management of Zhaoke Lian Fa, such as rationalise marketing format innovation, responsible for the Group market access department, establish non-medical market sales team, and responsible for overall operations management of the oncology products marketing team. He has been appointed as Deputy General Manager of the GCOC in October 2020.

Fang Ling

Corporate Culture and Public Relations Director of the Group, aged 52

Ms. Fang Ling graduated from Anhui College Of Traditional Chinese Medicine (currently known as Anhui University Of Traditional Chinese Medicine) with a major in traditional Chinese medicine in 1992, and received her Master of Business Administration in pharmaceutical management degree from Business School, Renmin University of China in 2004. Before she joined the Group in March 1999, she had served Anhui Province Shucheng County Chengguan Town Hospital Division during 1993 to 1998 as a Chinese medicine practitioner. She had been serving for the Group for over 20 years in various positions. She has been appointed Corporate Culture and Public Relations Director of the Group in April 2019 and also serves as the chief supervisor of the Beijing branch of Zhaoke Hefei and the special assistant of the Chairman, and is responsible for the external affairs such as brand building and public relations for the Group, and internal affairs such as corporate culture development, brand development plan, corporate promotion strategy formulation, preparation and organisation. She is also responsible for the management of Lee's Pharm internet-based official account for corporate promotion, official website, management and operation of the internal newsletter "Zhaoke Communication", as well as the management of the daily operations of the Beijing branch of Zhaoke Hefei.

張澤雲

集團營銷中心副總經理及廣州兆科聯發醫藥有限公司常務副總經理，40歲

張澤雲先生於二零一八年十月加盟本集團，負責本集團中國終端銷售團隊的商務管理。彼畢業於廣州中醫藥大學，擁有中藥學本科專業。在加盟本集團之前，彼曾任職於中國多間跨國醫藥及醫療公司超過十五年，負責銷售及市場准入的管理工作。於二零一九年三月，彼獲委任為本集團商務運營部總監及廣州兆科聯發醫藥有限公司（「兆科聯發」）常務副總經理，負責本集團商務運營部工作及兆科聯發的日常運作管理，包括整理新營銷業態，負責集團准入部門，成立非醫學市場銷售團隊，及負責腫瘤產品事業部的整體運營管理。於二零二零年十月，彼獲委任為集團營銷中心副總經理。

方玲

集團企業文化及公共關係部總監，52歲

方玲女士一九九二年畢業於安徽中醫學院（現稱為安徽中醫藥大學）中醫專業，並二零零四年取得中國人民大學商學院醫藥工商管理碩士學歷。一九九九年三月加盟本集團之前，彼於一九九三年至一九九八年任職於安徽省舒城縣城關鎮醫院分院中醫醫生。彼於本集團任職超過20年，擔任過多項職位。彼於二零一九年四月獲委任為本集團企業文化及公共關係部總監，並兼任兆科合肥北京分公司總監理及董事長特別事務助理，負責對外提升本集團品牌建設、公眾關係維護，對內打造企業文化價值觀、品牌發展計劃，組織、參與企業宣傳策略制定，方案撰寫與策劃。此外，彼負責李氏大藥廠企業宣傳視窗公眾號、官網、內刊《兆科通訊》的運營及管理，以及兆科合肥北京分公司的日常業務運營管理等。

Directors and Key Personnel Profiles

董事及主要人員履歷

Chen Yueshen

Director of Administration in China, aged 62

Mr. Chen Yueshen had been serving for the Group for more than 20 years in various positions such as the director and Deputy General Manager of Zhaoke Hefei, Chief Operating Officer of the Group and the Deputy General Manager of Zhaoke Pharmaceutical (Guangzhou) Limited ("Zhaoke Guangzhou"). He was responsible for the daily operations of Zhaoke Hefei, including being responsible for the production and quality management of Zhaoke Hefei. He has extensive experience in quality management systems and GMP production. In November 2018, he was appointed as the Director of Administration in China and is responsible for the Group's administrative matters in China.

Yin Lei

Associate Director, R&D of the Group and Deputy General Manager of Zhaoke Pharmaceutical (Guangzhou) Limited, aged 48

Mr. Yin Lei holds a bachelor's degree from the Anhui University of Chinese Medicine. He is also a licensed pharmacist. He joined the Group in 2014 and is responsible for the research and development of new drugs. He has been engaged in drug research and development for nearly 20 years and has led to many successful cases in the field of small molecule drugs, peptide drugs and biochemical drugs. In 2019, he was appointed as Associate Director, R&D of the Group and Deputy General Manager of Zhaoke Guangzhou and is fully responsible for the research and development of new drugs of the Group.

陳躍生

中國地區行政總監，62歲

陳躍生先生服務本集團已逾二十年，曾出任多個職位，如兆科合肥董事及副總經理、本集團之營運總監以及兆科藥業(廣州)有限公司(「兆科廣州」)之副總經理。彼負責兆科合肥的日常運作，包括負責兆科合肥生產及質量管理等方面的工作。彼對藥廠質量管理系統及GMP生產擁有豐富經驗。於二零一八年十一月，彼獲委任為中國地區行政總監，負責本集團在中國的行政事務。

殷雷

集團研發中心副總監及兆科藥業(廣州)有限公司副總經理，48歲

殷雷先生持有安徽中醫藥大學學士學位，彼亦為執業藥師，於二零一四年加盟本集團，負責研發新藥。彼一直從事藥物研發工作近二十年，在小分子藥物、多肽藥物、生化藥物領域領導多項成功案例。彼於二零一九年獲委任本集團研發中心副總監及兆科廣州副總經理，全面負責本集團新藥研究及開發。

Directors and Key Personnel Profiles

董事及主要人員履歷

Xia Hongling

Deputy General Manager of Zhaoke Pharmaceutical (Hefei) Co. Limited, aged 56

Ms. Xia Hongling holds a Bachelor's degree in Business Administration from the Renmin University of China and has the qualification of accountant in China. Before joining the Group, she had been responsible for the accounting and finance function with a large state-owned manufacturing enterprise for over 10 years. She joined the Group in 1997 and held various positions in accounting and supply chain department in Zhaoke Hefei for over 20 years. She has extensive experience in accounting, finance and logistics management in pharmaceutical industry. She has been appointed as Deputy General Manager of Zhaoke Hefei since 2017 and further as the General Manager of the Shanghai branch of Zhaoke Hefei since 2020.

Zhong Chengping

Quality director and quality authorised person of Zhaoke Pharmaceutical (Hefei) Co. Limited, aged 52

Ms. Zhong Chengping graduated from China Pharmaceutical University with a Bachelor of Science degree and a licensed pharmacist qualification certificate. Before joining the Group, she worked in many domestic pharmaceutical companies, including Shanghai Jinke Qianjiao Pharmaceutical Co., Ltd., Hong Kong Jiuhua Huayuan Pharmaceutical Co., Ltd., Hangzhou Puji Pharmaceutical Technology Development Co., Ltd., etc. She has nearly 30 years of experience in quality and project management and other aspects. She joined the Group since 2012 as a quality manager. In 2019, she was appointed as the quality director and quality attorney of Zhaoke Hefei.

夏泓凌

兆科藥業(合肥)有限公司副總經理，56歲

夏泓凌女士持有中國人民大學工商管理學士學位，並具有中國會計師資格。在加盟本集團前，彼曾於一間大型國有製造企業擔任會計及財務職位超過十年。彼於一九九七年加盟本集團，曾經在兆科合肥的會計及供應鏈部門擔任多個職位超過二十年。彼在製藥行業的會計、財務及物流管理方面擁有豐富的經驗。彼於二零一七年獲委任為兆科合肥副總經理，並於二零二零年再獲委任為兆科合肥上海分公司總經理。

鍾成萍

兆科藥業(合肥)有限公司質量總監及質量授權人，52歲

鍾成萍女士畢業於中國藥科大學，擁合理學學士學位和執業藥師資格證書。於加盟本集團前，彼曾任職於國內多家製藥企業，包括上海今科全椒製藥有限公司、香港九華華源製藥有限公司、杭州普濟醫藥技術開發有限公司等，在質量管理、項目管理等方面擁有近三十年豐富經驗。彼自二零一二年起加盟本集團，擔任質量經理，於二零一九年獲委任為兆科合肥質量總監及質量授權人。

Report of the Directors

董事會報告

The directors of the Company (“**Directors**”) submit their report with the audited consolidated financial statements of the Group for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES AND SEGMENTAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding and the principal activities of the Group are the developing, manufacturing and sale and marketing of pharmaceutical products.

An analysis of the Group’s performance for the year by business and geographical segments is set out in note 8 to the consolidated financial statements.

BUSINESS REVIEW

A fair review of the business of the Group and a discussion and analysis of the Group’s performance during the year and the material factors underlying its results and financial position, including a discussion of the principal risks and uncertainties facing the Group, as well as the outlook for the Group’s business, are provided in the “Chairman’s Statement” (pages 10 to 11) and the “Management Discussion and Analysis” (pages 12 to 28) sections. Particulars of significant events affecting the Group that have occurred since the end of the year ended 31 December 2020, if applicable, can also be found in the aforesaid sections and the notes to the consolidated financial statements (pages 84 to 224). Description of the principal risks and uncertainties faced by the Group can be found in the section headed “Key Risks and Uncertainties” below. Description of the Group’s relationships with its key stakeholders is included in the section headed “Relationships with Employees, Customers and Suppliers”. Furthermore, principal corporate governance practices adopted by the Group and details regarding the Group’s compliance with relevant laws and regulations which have a significant impact on the Group are provided in the “Corporate Governance Report” section (pages 57 to 65).

This discussion forms part of this report of the Directors.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2020 and the state of affairs of the Company and of the Group as at 31 December 2020 are set out in the financial statements on pages 75 to 224.

The Board has resolved to recommend a final dividend for the year ended 31 December 2020 (the “**Final Dividend**”) equivalent to HK\$0.031 per share in cash (2019: HK\$0.038 per share) to the shareholders whose names appear on the register of members of the Company as at the close of business on 3 June 2021. Together with the interim dividend of HK\$0.027 per share (2019: HK\$0.018 per share) paid on 30 September 2020, total distribution of dividend by the Company for the year ended 31 December 2020 will be HK\$0.058 per share (2019: HK\$0.056 per share).

本公司董事(「**董事**」)欣然提呈彼等的報告連同本集團截至二零二零年十二月三十一日止年度的經審核財務綜合報表。

主要業務及分部業務分析

本公司主要業務是投資控股，而本集團主要業務是開發、製造、銷售及推廣藥品。

本集團本年度按業務及地區分部進行之表現分析載於綜合財務報表附註8。

業務回顧

對本集團業務的中肯審視及就年內本集團表現的討論與分析、有關其業績及財務狀況的重大因素(包括對本集團面臨的主要風險及不明朗因素的討論)，以及本集團的業務前景，已載列於「主席報告」一節(第10至11頁)及「管理層討論及分析」一節(第12至28頁)。自截至二零二零年十二月三十一日止年度末起影響本集團的重大事件詳情(如適用)，可參見上述章節及綜合財務報表附註(第84至224頁)。有關本集團面臨的主要風險及不明朗因素的詳情，可參閱下文「主要風險及不明朗因素」一節。有關本集團與其主要持份者的關係詳情已載於「與僱員、客戶及供應商之關係」一節。此外，有關本集團採納的主要企業管治常規及本集團遵守對其具有重大影響的相關法律及法規的詳情，已載於「企業管治報告」一節(第57至65頁)。

此討論構成此董事會報告的一部分。

業績及分配

本集團截至二零二零年十二月三十一日止年度的業績以及本公司及本集團於二零二零年十二月三十一日的事務狀況已載於第75至224頁的財務報表。

董事會議決建議向於二零二一年六月三日營業時間結束時名列本公司股東名冊之股東派發截至二零二零年十二月三十一日止年度的現金末期股息(「**末期股息**」)每股0.031港元(二零一九年：每股0.038港元)。連同於二零二零年九月三十日派付的中期股息每股0.027港元(二零一九年：每股0.018港元)，截至二零二零年十二月三十一日止年度本公司派發的股息總額將為每股0.058港元(二零一九年：每股0.056港元)。

Report of the Directors

董事會報告

Subject to the passing of the relevant resolution at the forthcoming annual general meeting of the Company, it is expected that the Final Dividend will be paid on 18 June 2021.

SUBSIDIARIES

Particulars of the Company's principal subsidiaries are set out in note 47 to the consolidated financial statements.

ASSOCIATED COMPANIES

Particulars of the Group's principal associated companies are set out in note 22 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on pages 79 to 80. Details of movements in the reserves of the Company during the year are set out in note 48 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2020, the Company's reserve available for distribution, calculated in accordance with the Companies Law of the Cayman Islands, amounted to HK\$797,301,000 (31 December 2019: HK\$778,616,000). This includes the Company's share premium account in the amount of HK\$714,813,000 (31 December 2019: HK\$714,146,000) at 31 December 2020, which may be distributable provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

DONATIONS

During the year, the Group made charitable donations amounting to HK\$2,588,000 (2019: HK\$3,324,000).

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 19 to the consolidated financial statements.

待有關決議案於本公司即將舉行的股東週年大會上通過後，預計末期股息將於二零二一年六月十八日派付。

附屬公司

本公司主要附屬公司的詳情載於綜合財務報表附註47。

聯營公司

本集團主要聯營公司的詳情載於綜合財務報表附註22。

儲備

年內，本集團的儲備變動詳情載於第79至80頁的綜合權益變動表。年內，本公司的儲備變動詳情載於綜合財務報表附註48。

可供分派儲備

於二零二零年十二月三十一日，本公司按開曼群島公司法計算的可供分派儲備為797,301,000港元(二零一九年十二月三十一日：778,616,000港元)。該筆款項包括於二零二零年十二月三十一日的本公司股份溢價714,813,000港元(二零一九年十二月三十一日：714,146,000港元)，並將會在緊隨建議分派股息的日期後，本公司將有能力在日常業務過程中償還其到期的債務時，方可作出分派。

慈善捐贈

年內，本集團作出的慈善捐贈為2,588,000港元(二零一九年：3,324,000港元)。

物業、廠房及設備

年內，本集團的物業、廠房及設備之變動詳情載於綜合財務報表附註19。

SHARES ISSUED, REPURCHASED AND CANCELLED

During the year, as a result of the exercise of share options under the Company's share option scheme adopted on 26 June 2002 and the new share option scheme adopted on 10 May 2012, a total of 205,000 shares of the Company (the "**Shares**"), fully paid, were issued for a net consideration of HK\$446,000.

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

BANK LOANS AND OTHER BORROWINGS

Particulars of the bank loans and other borrowings of the Group are set out in note 32 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

Save for the 2002 Share Option Scheme and New Share Option Scheme disclosed in the section headed "Share Option Scheme" below and note 38 to the consolidated financial statements, no equity-linked agreements were entered into by the Group, or existed during the year.

PRE-EMPTIVE RIGHTS

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

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to the owners of the Company by reason of their holding of the Company's securities.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2020.

已發行、購回及註銷股份

年內，因本公司於二零零二年六月二十六日採納的購股權計劃及於二零一二年五月十日採納的新購股權計劃下的購股權獲行使，共計205,000股本公司股份（「股份」）（已繳足）獲發行，淨代價為446,000港元。

本公司年內股本變動詳情載於綜合財務報表附註36。

銀行貸款及其他借款

有關本集團銀行貸款及其他借款的詳情載於綜合財務報表附註32。

股票掛鈎協議

除下文「購股權計劃」一節及綜合財務報表附註38所披露的二零零二年購股權計劃及新購股權計劃外，本集團年內並無訂立或存在股票掛鈎協議。

優先購買權

本公司的組織章程細則或開曼群島法律並無優先購買權的條文，致使本公司有責任須按比例向現有股東發行新股份。

稅項寬減及豁免

本公司並不知悉其擁有人可因彼等持有本公司證券而獲任何稅項寬減及豁免。

購買、出售或贖回本公司上市證券

於截至二零二零年十二月三十一日止年度，本公司或其任何附屬公司並無購買、出售或贖回本公司任何上市證券。

Report of the Directors

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's sales and purchases attributable to the major customers and suppliers respectively during the financial year is as follows:

- Sales to the Group's five largest customers accounted for approximately 11.90% in aggregate for the Group's total revenue for the year (2019: 9.50%).
- Purchase from the Groups' five largest suppliers accounted for approximately 80.78% in aggregate for the Group's total purchases for the year (2019: 74.18%).
- The largest supplier of the Group accounted for approximately 27.34% of the Group's total purchases for the year (2019: 23.16%).

At no time during the year have the Directors, their associates (as defined in the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") or any shareholder of the Company (who, to the knowledge of the Directors, owns more than 5% of the number of issued shares of the Company) had any interest in the Group's five major customers and suppliers.

PERMITTED INDEMNITY PROVISIONS

A permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the financial year. The Company has also purchased and maintained directors' liability insurance throughout the year, which provides appropriate cover for the Directors.

DIRECTORS

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

Executive Directors

Lee Siu Fong, *Chairman*
Leelalertsuphakun Wanee, *Managing Director*
Li Xiaoyi, *Chief Executive Officer*

Non-executive Director

Simon Miles Ball

Independent Non-executive Directors

Chan Yau Ching, Bob
Lam Yat Cheong
Tsim Wah Keung, Karl

主要客戶及供應商

有關本集團於本財政年度應佔主要客戶及供應商的銷售及採購資料如下：

- 本集團五大客戶的銷售額佔本集團本年度的總收益共約11.90%(二零一九年：9.50%)。
- 本集團五大供應商的採購額佔本集團本年度的總採購額共約80.78%(二零一九年：74.18%)。
- 本集團最大供應商佔本集團本年度的總採購額約27.34%(二零一九年：23.16%)。

於年內任何時間，本公司的董事、彼等的聯繫人(定義見香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」))或任何股東(據董事所知擁有本公司已發行股份逾5%)於本集團的五大客戶及供應商中概無擁有任何權益。

獲准許彌償條文

惠及董事的獲准許彌償條文現正生效，並曾於整個財政年度生效。本公司亦已於整個年度內為董事購買及維持相關責任保險，為董事提供適當範圍的保障。

董事

年內及截至本報告日期的董事如下：

執行董事

李小芳，*主席*
李焯妮，*董事總經理*
李小羿，*行政總裁*

非執行董事

Simon Miles Ball

獨立非執行董事

陳友正
林日昌
詹華強

Report of the Directors

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In accordance with Article 112 of the Company's Articles of Association, Ms. Leelalertsuphakun Wanee, Dr. Chan Yau Ching, Bob, and Dr. Tsim Wah Keung, Karl will retire at the forthcoming annual general meeting and, being eligible, have agreed to offer themselves for re-election.

DIRECTORS' SERVICE CONTRACTS

No Director has a service contract which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

Each of Ms. Lee Siu Fong (**"Ms. Lee"**) and Ms. Leelalertsuphakun Wanee (**"Ms. Leelalertsuphakun"**) has entered into a service contract both dated 14 January 2002 with the Company under which each of them has been appointed to act as an executive Director on a continuous basis until terminated by either party by giving to the other party not less than three months' notice in writing. During the year, the monthly salaries and allowance for Ms. Lee and Ms. Leelalertsuphakun have been revised to HK\$405,536 and HK\$438,686 respectively.

Dr. Li Xiaoyi (**"Dr. Li"**) has a service contract with the Company since 1 September 2003 and after that the contract has been renewed. During the year, the monthly salaries and allowance has been revised to HK\$603,881. Both the Company and Dr. Li shall be entitled to terminate the contract by giving three months' prior written notice. If both of the substantial shareholders, namely Ms. Lee and Ms. Leelalertsuphakun, and Dr. Li together, holding less than 30% of the issued share capital of the Company, Dr. Li shall in his absolute discretion terminate the contract and shall be entitled to the payment equivalent to the aggregate of his monthly salary for the remaining term as compensation or damages for or in respect of such termination.

Ms. Lee, Ms. Leelalertsuphakun and Dr. Li are executive Directors. In accordance with supplementary agreement dated 16 April 2017 signed between the Company and each of the executive Directors, employment terms of executive Directors have been revised as follows:

1. Executive Directors are entitled to annual management bonus 1.5% to 3.0% (determined based on the growth in net profits of the Group) on the net profit of the Group for the preceding financial year. Such sum of the management bonus will be shared between all the executive Directors in such proportion with reference to their monthly salary in the final month of the complete financial year.
2. The annual salary increment shall be equal to official inflation rate if the growth in net profits of the Group is equal to or less than 15%, or should the growth exceed 15%, the sum of the official inflation rate and half of the positive difference between the growth in net profits and the 15% threshold.
3. Each of executive Directors will be entitled to lump sum payment upon retirement and monthly pension payment after retirement if he/she has engaged in continuous service with the Company for certain years.

根據本公司的組織章程細則第112條，李燁妮女士、陳友正博士及詹華強博士將於即將舉行的股東週年大會上退任，惟彼等將合資格並已同意接受重選。

董事的服務合約

概無董事訂有本公司不可於一年內在毋須給予賠償的情況下終止的服務合約(法定賠償除外)。

李小芳女士(**"李女士"**)及李燁妮女士(**"李燁妮女士"**)已分別於二零零二年一月十四日與本公司訂立服務合約，據此彼等各自獲委任持續以執行董事的身份行事，直至任何一方向另一方發出不少於三個月之書面通知以終止合約為止。年內，李女士及李燁妮女士之每月薪金及津貼已分別修訂為405,536港元及438,686港元。

李小羿博士(**"李博士"**)與本公司訂有服務合約，自二零零三年九月一日開始，其後該合約已經重續。年內，每月薪金及津貼已修訂為603,881港元。本公司及李博士均有權向對方發出三個月之書面通知以終止合約。如主要股東李女士及李燁妮女士連同李博士共同持有少於本公司已發行股本之30%權益，李博士將可絕對酌情終止合約，並有權獲支付相當於其剩餘任期之月薪的總數作為終止合約之補償或賠償金。

李女士、李燁妮女士及李博士為執行董事。根據本公司與各執行董事於二零一七年四月十六日訂立之補充協議，執行董事之聘任條款已修訂如下：

1. 執行董事有權收取本集團前個財政年度之純利1.5%至3.0%(根據本集團純利增長釐定)之年度管理層花紅。有關管理層花紅將由所有執行董事按有關比例分享，而有關比例乃參考彼等於完整財政年度之最後一個月之月薪釐定。
2. 倘若本集團純利之增長相等於或少於15%，則年度薪金增幅將相等於官方通貨膨脹率，或倘若本集團純利之增長超過15%，則年度薪金增幅將相等於官方通貨膨脹率加上純利增長率與15%下限間之正數差額之半。
3. 各執行董事倘若已持續服務本公司若干年，則將有權於退休時享有一次過款項及於退休後享有每月退休金。

Report of the Directors

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Each of Mr. Lam Yat Cheong (“**Mr. Lam**”) and Dr. Tsim Wah Keung, Karl (“**Dr. Tsim**”) has been appointed on 1 July 2004 and 20 September 2004 respectively as an independent non-executive Director. Contract with Mr. Lam and Dr. Tsim has been renewed for three years from 1 July 2019 and 20 September 2019 respectively. Director’s fees for both of Mr. Lam and Dr. Tsim are HK\$144,000 per annum and bonus will not be paid.

Dr. Chan Yau Ching, Bob has a three-year service contract with the Company from 12 October 2007. The contract has been renewed for three years from 12 October 2019. Director’s fee is HK\$144,000 per annum and bonus will not be paid.

Mr. Simon Miles Ball has a three-year service contract with the Company from 29 December 2017 and the contract has been renewed for three years from 29 December 2020. Director’s fee is HK\$144,000 per annum and bonus will not be paid.

DIRECTORS’ INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transactions, arrangements or contracts of significance in relation to the Group’s business to which the Company or any of its subsidiaries was a party, and in which the Directors had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

BIOGRAPHICAL DETAILS OF DIRECTORS AND KEY PERSONNEL

Brief biographical details of the Directors and the key personnel are set out on pages 29 to 36.

COMPETING INTERESTS

None of the Directors, the management shareholders or substantial shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, as defined in the Listing Rules, or has any other conflict of interests with the Group during the year ended 31 December 2020.

DIRECTORS’ RIGHTS TO ACQUIRE SHARES

Save as the interests disclosed in the section headed “Directors’ and Chief Executive’s Interests in Securities” below, at no time during the year under review was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or chief executive of the Company or their respective spouses or children under 18 years of age or their associates to acquire benefits by means of the acquisition of shares in the Company or any other body corporate.

林日昌先生(「**林先生**」)及詹華強博士(「**詹博士**」)分別於二零零四年七月一日及二零零四年九月二十日獲委任為獨立非執行董事。與林先生及詹博士之合約已分別自二零一九年七月一日及二零一九年九月二十日起重續三年。林先生及詹博士之董事袍金為每年144,000港元，但不會獲支付花紅。

陳友正博士已經與本公司訂立服務合約，其任期由二零零七年十月十二日開始，為期三年，而合約已由二零一九年十月十二日起重續三年。董事袍金為每年144,000港元，但不會獲支付花紅。

Simon Miles Ball先生已與本公司訂立由二零一七年十二月二十九日起計為期三年之服務合約，而合約已由二零二零年十二月二十九日起重續三年。董事袍金為每年144,000港元，但不會獲支付花紅。

董事於重大交易、安排或合約的權益

於本年度年底或年內任何時間，本公司或其任何附屬公司概無簽訂任何與本集團業務有關而董事於當中直接或間接擁有重大權益之重要交易、安排或合約，亦無有關交易、安排或合約存續。

董事及主要人員履歷詳情

董事及主要人員履歷詳情載於第29至第36頁。

競爭性權益

於截至二零二零年十二月三十一日止年度，本公司概無董事、管理層股東或主要股東或彼等各自的任何聯繫人從事(直接或間接)與或可能與本集團的業務構成競爭(定義見上市規則)的業務或擁有與本集團業務有任何其他利益衝突的業務。

董事購入股份之權利

除下文「董事及最高行政人員於證券的權益」一節所披露的權益以外，本公司及其任何附屬公司均無於回顧年度內任何時間作出安排，致使本公司董事或最高行政人員或彼等各自的配偶或未滿18歲的子女或彼等的聯繫人可藉購入本公司或任何其他法人團體的股份而得益。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at 31 December 2020, the directors and the chief executive of the Company and their associates had the following interests in the shares and underlying shares of the Company and 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 under 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") as set out in Appendix 10 of the Listing Rules:

董事及最高行政人員於證券的權益

於二零二零年十二月三十一日，本公司董事及最高行政人員及彼等的聯繫人於本公司及其相聯法團（定義見證券及期貨條例第XV部）的股份及相關股份中擁有已記錄於根據證券及期貨條例第352條須存置的登記冊，或根據上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）已另行知會本公司及聯交所的權益如下：

(a) Long position in Shares

(a) 股份好倉

Name of director 董事姓名	Nature of interest 權益性質	Number of ordinary shares held 所持普通股數目	Total 總計	Approximate percentage of shareholding 持股概約百分比
Lee Siu Fong 李小芳	Beneficial owner 實益擁有人 Interest held jointly with Leelalertsuphakun Wanee 與李燁妮共同持有之權益 Interest of a controlled corporation (Note 1) 一間受控制法團的權益(附註1)	875 1,600,000 114,000,625	 115,601,500	 19.66%
Leelalertsuphakun Wanee 李燁妮	Beneficial owner 實益擁有人 Interest held jointly with Lee Siu Fong 與李小芳共同持有之權益 Interest of a controlled corporation (Note 1) 一間受控制法團的權益(附註1)	3,305,000 1,600,000 114,000,625	 118,905,625	 20.22%
Li Xiaoyi 李小羿	Beneficial owner 實益擁有人 Family interest (Note 2) 家族權益(附註2) Others 其他	41,092,766 16,000,000 1,920,385	 59,013,151	 10.03%
Chan Yau Ching, Bob 陳友正	Beneficial owner 實益擁有人	520,000	520,000	0.09%
Lam Yat Cheong 林日昌	Beneficial owner 實益擁有人	300,000	300,000	0.05%
Tsim Wah Keung, Karl 詹華強	Beneficial owner 實益擁有人	300,000	300,000	0.05%
Simon Miles Ball Simon Miles Ball	Beneficial owner 實益擁有人	46,500	46,500	0.01%

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董事會報告

Notes:

- (1) 114,000,625 Shares are held through Huby Technology Limited ("Huby Technology"). Huby Technology is an investment holding company jointly owned by Ms. Lee Siu Fong and Ms. Leelalertsuphakun Wanee.
- (2) These Shares are held by High Knowledge Investments Limited which is wholly owned by Dr. Li Xiaoyi's spouse, Ms. Lue Shuk Ping, Vicky ("Ms. Lue"). The interest held by Ms. Lue is deemed to be part of the interest of Dr. Li Xiaoyi.

附註：

- (1) 114,000,625股股份是透過Huby Technology Limited(「Huby Technology」)持有。Huby Technology為投資控股公司，並由李小芳女士及李燁妮女士共同擁有。
- (2) 此等股份由 High Knowledge Investments Limited持有。該公司由李小羿博士的配偶呂淑冰女士(「呂女士」)全資擁有。呂女士持有的權益被視作李小羿博士的部分權益。

(b) Long position in underlying shares – share options of the Company

Under the share option schemes of the Company, the following Directors of the Company have personal interest in options to subscribe for the Shares. Details of the share options granted to them are as follows:

(b) 於相關股份的好倉—本公司購股權

根據本公司的購股權計劃，下列本公司董事於可認購股份的購股權中擁有個人權益。授予彼等的購股權詳情如下：

Name of director	Date of grant	Exercisable period	Balance as at 1 January 2020 於二零二零年一月一日的結餘	During the year 年內		Balance as at 31 December 2020 於二零二零年十二月三十一日的結餘	Exercise price per share
董事姓名	授出日期	行使期 (Notes) (附註)		Granted 授出	Exercised 行使		每股行使價 HK\$ 港元
Lee Siu Fong 李小芳	30 December 2013 二零一三年十二月三十日	(1)	538,000	-	-	538,000	7.300
	31 March 2015 二零一五年三月三十一日	(2)	446,000	-	-	446,000	11.200
	31 March 2016 二零一六年三月三十一日	(3)	587,000	-	-	587,000	5.754
	13 April 2017 二零一七年四月十三日	(4)	590,000	-	-	590,000	7.548
	13 April 2018 二零一八年四月十三日	(5)	456,000	-	-	456,000	11.216
	15 April 2019 二零一九年四月十五日	(6)	592,000	-	-	592,000	7.324
	15 April 2020 二零二零年四月十五日	(7)	-	588,000	-	588,000	3.648
			3,209,000	588,000	-	3,797,000	

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Name of director	Date of grant	Exercisable period	Balance as at 1 January 2020 於二零二零年一月一日的結餘	During the year 年內 Granted	Exercised	Balance as at 31 December 2020 於二零二零年十二月三十一日的結餘	Exercise price per share 每股行使價 HK\$ 港元
董事姓名	授出日期	行使期 (Notes) (附註)		授出	行使		
Leelalertsuphakun Wanee 李焯妮	30 December 2013 二零一三年十二月三十日	(1)	338,000	-	-	338,000	7.300
	31 March 2015 二零一五年三月三十一日	(2)	446,000	-	-	446,000	11.200
	31 March 2016 二零一六年三月三十一日	(3)	587,000	-	-	587,000	5.754
	13 April 2017 二零一七年四月十三日	(4)	590,000	-	-	590,000	7.548
	13 April 2018 二零一八年四月十三日	(5)	456,000	-	-	456,000	11.216
	15 April 2019 二零一九年四月十五日	(6)	592,000	-	-	592,000	7.324
	15 April 2020 二零二零年四月十五日	(7)	-	588,000	-	588,000	3.648
			3,009,000	588,000	-	3,597,000	
Li Xiaoyi 李小羿	31 March 2015 二零一五年三月三十一日	(2)	446,000	-	-	446,000	11.200
	31 March 2016 二零一六年三月三十一日	(3)	587,000	-	-	587,000	5.754
	13 April 2017 二零一七年四月十三日	(4)	590,000	-	-	590,000	7.548
	13 April 2018 二零一八年四月十三日	(5)	456,000	-	-	456,000	11.216
	15 April 2019 二零一九年四月十五日	(6)	592,000	-	-	592,000	7.324
	15 April 2020 二零二零年四月十五日	(7)	-	588,000	-	588,000	3.648
			2,671,000	588,000	-	3,259,000	

Notes:

附註：

- (1) Divided into 2 tranches exercisable from 30 June 2014 and 30 March 2015 respectively to 29 December 2023.
- (2) Divided into 2 tranches exercisable from 30 September 2015 and 30 June 2016 respectively to 30 March 2025.
- (3) Divided into 2 tranches exercisable from 30 September 2016 and 30 June 2017 respectively to 30 March 2026.

- (1) 分拆成2批，分別由二零一四年六月三十日及二零一五年三月三十日至二零二三年十二月二十九日可行使。
- (2) 分拆成2批，分別由二零一五年九月三十日及二零一六年六月三十日至二零二五年三月三十日可行使。
- (3) 分拆成2批，分別由二零一六年九月三十日及二零一七年六月三十日至二零二六年三月三十日可行使。

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- (4) Divided into 2 tranches exercisable from 13 October 2017 and 13 July 2018 respectively to 12 April 2027.
- (5) Divided into 2 tranches exercisable from 13 October 2018 and 13 July 2019 respectively to 12 April 2028.
- (6) Divided into 2 tranches exercisable from 15 October 2019 and 15 July 2020 respectively to 14 April 2029.
- (7) Divided into 2 tranches exercisable from 15 October 2020 and 15 July 2021 respectively to 14 April 2030.

- (4) 分拆成2批，分別由二零一七年十月十三日及二零一八年七月十三日至二零二七年四月十二日可行使。
- (5) 分拆成2批，分別由二零一八年十月十三日及二零一九年七月十三日至二零二八年四月十二日可行使。
- (6) 分拆成2批，分別由二零一九年十月十五日及二零二零年七月十五日至二零二九年四月十四日可行使。
- (7) 分拆成2批，分別由二零二零年十月十五日及二零二一年七月十五日至二零三零年四月十四日可行使。

(c) As at 31 December 2020, Dr. Li Xiaoyi had beneficial interest in (a) 12,740 ordinary shares in Powder Pharmaceuticals Incorporated; and (b) 830 share options which can be converted into 830 ordinary shares of Powder Pharmaceuticals Incorporated when exercised.

(c) 於二零二零年十二月三十一日，李小羿博士(a)於普樂藥業有限公司的12,740股普通股中；及(b)於在行使時可轉換為830股普樂藥業有限公司普通股的830份購股權中擁有實益權益。

(d) As at 31 December 2020, Dr. Li Xiaoyi had beneficial interest in 35,057 share options which can be converted into 35,057 ordinary shares of Zhaoke Ophthalmology Limited when exercised.

(d) 於二零二零年十二月三十一日，李小羿博士於在行使時可轉換為35,057股兆科眼科有限公司普通股的35,057份購股權中擁有實益權益。

(e) Save as disclosed above, no interests and short positions were held or deemed to be taken to be held under Part XV of the SFO by any director or chief executive of the Company or their respective associates in the shares and the underlying shares of the Company or any of its associated corporations which were required to be notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or pursuant to the Model Code which are required pursuant to Section 352 of the SFO to be entered in the register referred to therein.

(e) 除上文披露者外，本公司的任何董事或最高行政人員或彼等各自的聯繫人概無於本公司或其任何相聯法團的股份及相關股份中持有或根據證券及期貨條例第XV部被視為持有任何權益及淡倉，而須根據證券及期貨條例第XV部或標準守則知會本公司及聯交所或須根據證券及期貨條例第352條記入該條所指登記冊。

SHARE OPTION SCHEME

Pursuant to a written resolution passed by all shareholders of the Company on 26 June 2002, the Company adopted a share option scheme (the “**2002 Share Option Scheme**”). At the annual general meeting of the Company held on 10 May 2012, a new share option scheme of the Company (the “**New Share Option Scheme**”) was adopted upon expiry of the 2002 Share Option Scheme.

The total number of Shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme shall be subject to a maximum limit of 10% of the Shares in issue on 10 May 2012, the date on which the New Share Option Scheme is conditionally adopted and approved by the shareholders at the annual general meeting, which is 47,023,543 Shares. The total number of Shares available for issue under the New Share Option Scheme as at 31 December 2020 was 14,041,543 Shares.

As at 31 December 2020, the number of Shares in respect of which options had been granted and remained outstanding under the 2002 Share Option Scheme and New Share Option Scheme was 27,697,000 (31 December 2019: 17,123,000) Shares, representing 4.7% (31 December 2019: 2.9%) of the Shares in issue at that date.

Details of the Company’s share option schemes are set out in note 38 to the consolidated financial statements.

購股權計劃

根據本公司全體股東於二零零二年六月二十六日通過的書面決議案，本公司採納一項購股權計劃（「**二零零二年購股權計劃**」）。於二零一二年五月十日舉行之本公司股東週年大會上，本公司於二零零二年購股權計劃屆滿時採納一項新購股權計劃（「**新購股權計劃**」）。

於根據新購股權計劃授出的所有購股權獲行使後可予發行的股份總數受限於二零一二年五月十日（新購股權計劃獲有條件採納及經股東於股東週年大會上批准的日期）已發行股份的**10%**最高上限（**47,023,543**股股份）。於二零二零年十二月三十一日，根據新購股權計劃可予發行的股份總數為**14,041,543**股股份。

於二零二零年十二月三十一日，根據二零零二年購股權計劃及新購股權計劃已授出及尚未行使的購股權所涉及的股份數目為**27,697,000**股（二零一九年十二月三十一日：**17,123,000**股），佔該日期已發行股份數目的**4.7%**（二零一九年十二月三十一日：**2.9%**）。

本公司購股權計劃的詳情載於綜合財務報表附註38。

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SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 31 December 2020, the following parties (other than a director or chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company which are required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and required to be entered into the register maintained by the Company pursuant to Section 336 of the SFO:

(a) Long position in Shares

主要股東於證券的權益

於二零二零年十二月三十一日，下列人士(本公司董事或最高行政人員除外)於本公司的股份及相關股份中擁有根據證券及期貨條例第XV部第2及3分部須知會本公司，及根據證券及期貨條例第336條須紀錄在本公司所置存股東名冊的權益或淡倉：

(a) 股份好倉

Name 名稱／姓名	Capacity 身份	Number of ordinary shares held 所持普通股數目	Approximate percentage of shareholding 持股概約百分比
Huby Technology Limited	Beneficial owner	114,000,625	19.38%
Huby Technology Limited	實益擁有人		
Assicurazioni Generali S.p.A	Interest of a controlled corporation	81,405,000	13.84%
Assicurazioni Generali S.p.A	一間受控制法團的權益		
Li Zhenfu	Interest of a controlled corporation	81,405,000	13.84%
Li Zhenfu	一間受控制法團的權益		
Lion River I N.V.	Interest of a controlled corporation	81,405,000	13.84%
Lion River I N.V.	一間受控制法團的權益		
GL Partners Capital Management Limited	Interest of a controlled corporation	76,165,488	12.95%
GL Partners Capital Management Limited	一間受控制法團的權益		
Apta Finance S.A.	Interest of a controlled corporation	58,833,898	10.00%
Apta Finance S.A.	一間受控制法團的權益		
Cavazza Paolo	Interest of a controlled corporation	58,833,898	10.00%
Cavazza Paolo	一間受控制法團的權益		
Paponi Claudia	Family interest	58,833,898	10.00%
Paponi Claudia	家族權益		
Qualister SA	Beneficial owner	52,929,577	9.00%
Qualister SA	實益擁有人		
Golden Sand Capital Joy Corporation	Beneficial owner	34,566,935	5.88%
Golden Sand Capital Joy Corporation	實益擁有人		
Golden Sand Capital Ltd	Interest of a controlled corporation	34,566,935	5.88%
Golden Sand Capital Ltd	一間受控制法團的權益		
Wu Sonny	Interest of a controlled corporation	34,566,935	5.88%
Wu Sonny	一間受控制法團的權益		
High Knowledge Investments Limited	Beneficial owner (Note 1)	16,000,000	2.72%
High Knowledge Investments Limited	實益擁有人(附註1)		
Lue Shuk Ping, Vicky	Interest of a controlled corporation (Note 1)	16,000,000	2.72%
呂淑冰	一間受控制法團的權益(附註1)		
	Family interest (Note 2)	43,013,151	7.31%
	家族權益(附註2)		

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Notes:

- (1) These Shares are legally owned by High Knowledge Investments Limited, which is entirely and beneficially owned by Dr. Li Xiaoyi's spouse, Ms. Lue.
- (2) These Shares are owned by Ms. Lue's spouse, Dr. Li Xiaoyi.

附註：

- (1) 此等股份在法律上由 High Knowledge Investments Limited 擁有，該公司由李小羿博士的配偶呂女士全資及實益擁有。
- (2) 該等股份由呂女士的配偶李小羿博士擁有。

(b) Long position in underlying shares – share options of the Company

Name 姓名	Capacity 身份	Number of ordinary shares held 所持普通股數目	Approximate percentage of shareholding 持股概約百分比
Lue Shuk Ping, Vicky 呂淑冰	Family interest (Note 1) 家族權益(附註1)	3,259,000	0.55%

Note:

- (1) These share options are owned by Ms. Lue's spouse, Dr. Li Xiaoyi.

附註：

- (1) 該等購股權由呂女士的配偶李小羿博士擁有。

(c) Short position in Shares

No short positions of other persons and substantial shareholders in the shares or underlying shares of the Company and its associated corporations were recorded in the register.

Saved as disclosed above, as at 31 December 2020, the Directors are not aware of any other person or corporation having an interest or short position in shares and underlying shares of the Company which fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

SUFFICIENCY OF PUBLIC FLOAT

According to information that is available to the Company the percentage of the Company's shares which are in the hands of the public exceeds 25% of the Company's total number of issued shares during the year and up to the date of this annual report.

RELATED PARTY TRANSACTIONS

During the year ended 31 December 2020, the Group conducted certain transactions with parties deemed as "related parties" under applicable accounting standards. The details of these transactions are set out in note 44 to the consolidated financial statements. Save for the transactions mentioned in the section headed "Connected Transactions and Continuing Connected Transactions" which is subject to announcement and disclosure requirements under Chapter 14A of the Listing Rules, certain transactions mentioned in note 44 to the consolidated financial statements also constituted connected transactions or continuing connecting transactions as defined in Chapter 14A of the Listing Rules but are exempt from the disclosure requirements under Chapter 14A of the Listing Rules.

(b) 於相關股份的好倉－本公司的購股權

Name 姓名	Capacity 身份	Number of ordinary shares held 所持普通股數目	Approximate percentage of shareholding 持股概約百分比
Lue Shuk Ping, Vicky 呂淑冰	Family interest (Note 1) 家族權益(附註1)	3,259,000	0.55%

附註：

- (1) 該等購股權由呂女士的配偶李小羿博士擁有。

(c) 於股份之淡倉

登記冊中概無記錄其他人士及主要股東於本公司及其相聯法團的股份或相關股份中的淡倉。

除上文披露者外，於二零二零年十二月三十一日，董事概不知悉任何其他人士或法團於本公司股份及相關股份擁有須根據證券及期貨條例第XV部第2及3分部的條文披露的權益或淡倉。

充足公眾持股量

根據本公司可查閱的資料，於年內及直至本年報日期，公眾所持本公司股份的百分比超過本公司已發行股份總數的25%。

關聯方交易

於截至二零二零年十二月三十一日止年度，本集團曾與根據適用會計準則被視作「關聯方」進行若干交易。該等交易之詳情載於綜合財務報表附註44。除「關連交易及持續關連交易」一節所述交易須遵守上市規則第十四A章的公告及披露規定外，綜合財務報表附註44所述若干交易亦構成上市規則第十四A章所述之關連交易或持續關連交易，惟獲豁免遵守上市規則第十四A章的披露規定。

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CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the year, the Company and the Group had the following connected transactions and continuing connected transactions, and details of which have been disclosed in compliance with the requirements of Chapter 14A of the Listing Rules.

Connected Transactions

1. Advance of shareholder loans to Powder Pharmaceuticals Incorporated ("PPI"), an associate of the Group

During the year ended 31 December 2020, the following shareholder loans were provided by the Group to PPI:

Advance date 墊付日期	Term 年期	Interest rate per annum 年利率	Loan amount in original currency 原貨幣貸款額	Loan amount 貸款額
24 March 2020 二零二零年三月二十四日	Note 1 附註1	Note 2 附註2	HK\$8,000,000 8,000,000港元	HK\$8,000,000 8,000,000港元
14 June 2020 二零二零年六月十四日	Note 1 附註1	Note 2 附註2	HK\$3,000,000 3,000,000港元	HK\$3,000,000 3,000,000港元
19 July 2020 二零二零年七月十九日	Note 1 附註1	Note 2 附註2	HK\$39,056,000 39,056,000港元	HK\$39,056,000 39,056,000港元
27 September 2020 二零二零年九月二十七日	Note 1 附註1	4% 4厘	HK\$18,000,000 18,000,000港元	HK\$18,000,000 18,000,000港元
18 November 2020 二零二零年十一月十八日	1 year 一年	4% 4厘	HK\$8,000,000 8,000,000港元	HK\$8,000,000 8,000,000港元

Notes:

- (1) Original term is 1 year from advance date and it is further extended to 17 November 2021 on 18 November 2020.
- (2) Original interest rate is 5% per annum and it is revised to 4% from 18 November 2020.

Details of these transactions have been disclosed in the Company's announcement dated 24 March 2020, 12 June 2020, 17 July 2020, 25 September 2020 and 18 November 2020.

關連交易及持續關連交易

年內，本公司及本集團曾進行下列關連交易及持續關連交易，而有關詳情已遵照上市規則第十四A章之規定披露。

關連交易

1. 向本集團聯營公司普樂藥業有限公司（「普樂」）墊付股東貸款

於截至二零二零年十二月三十一日止年度，本集團向普樂提供之股東貸款如下：

附註：

- (1) 原有年期為由墊付日期起計一年，已於二零二零年十一月十八日再續期至二零二一年十一月十七日。
- (2) 原有年利率為5厘，已於二零二零年十一月十八日修訂為4厘。

該等交易詳情已於本公司日期為二零二零年三月二十四日、二零二零年六月十二日、二零二零年七月十七日、二零二零年九月二十五日及二零二零年十一月十八日之公告內披露。

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GL Partners Capital Management Limited ("GL Partners") is a substantial shareholder of the Company. The Company and GL Partners are both shareholders of PPI at the same time, while GL Partners, being a connected person of the Company, is entitled to exercise or control the exercise of 10% or more of the voting power at any general meeting of PPI. Therefore PPI is a commonly held entity under the Listing Rules. Therefore, advance of shareholder loans to PPI constitutes a connected transaction.

As at 31 December 2020, the Group had interest in 33.92% of issued share capital of PPI.

2. Advance of shareholder loans to China Oncology Focus Limited ("COF"), a subsidiary of the Group

During the year ended 31 December 2020, the following shareholder loans were provided by the Group to COF:

Advance date 墊付日期	Term 年期	Interest rate per annum 年利率	Loan amount in original currency 原貨幣貸款額	Loan amount 貸款額
27 March 2020 二零二零年三月二十七日	1 year 一年	5% 5厘	US\$2,000,000 2,000,000美元	HK\$15,500,000 15,500,000港元
18 May 2020 二零二零年五月十八日	1 year 一年	5% 5厘	US\$3,000,000 3,000,000美元	HK\$23,250,000 23,250,000港元
17 July 2020 二零二零年七月十七日	1 year 一年	5% 5厘	US\$5,000,000 5,000,000美元	HK\$38,750,000 38,750,000港元

Details of these transactions have been disclosed in the Company's announcement dated 27 March 2020, 18 May 2020 and 17 July 2020.

Ms. Leelalertsuphakun Wanee, Ms. Lee Siu Fong and Dr. Li Xiaoyi are the directors and substantial shareholders of the Company who are connected persons of the Company under the Listing Rules. They altogether held a total of approximately 62.85% of the issued ordinary and preferred shares in Perfect Concept Holdings Limited ("PCH") as at the dates of the transaction and therefore, PCH is the associate of Ms. Leelalertsuphakun Wanee, Ms. Lee Siu Fong and Dr. Li Xiaoyi, and is then a connected person of the Company under the Listing Rules. Lee's Pharmaceutical International Limited ("LPI") is a shareholder of COF and at the same time, PCH, is also a shareholder of COF. PCH, being a connected person of the Company, is holding 35% of the issued share capital of COF, and therefore, the shareholder loans made by LPI to COF under the shareholder loan agreements constitutes a connected transaction pursuant to Rule 14A.27 of the Listing Rules.

GL Partners Capital Management Limited ("GL Partners") 為本公司之主要股東。本公司及 GL Partners 同時均為普樂之股東，而 GL Partners (其為本公司之關連人士) 有權在普樂的任何股東大會上行使或操控行使 10% 或以上的投票權。因此，根據上市規則，普樂為一個共同持有的實體，因此，向普樂墊付股東貸款構成關連交易。

於二零二零年十二月三十一日，本集團持有普樂已發行股本之 33.92% 的權益。

2. 向本集團附屬公司中國腫瘤醫療有限公司 ("COF") 墊付股東貸款

於截至二零二零年十二月三十一日止年度，本集團向 COF 提供之股東貸款如下：

該等交易詳情已於本公司日期為二零二零年三月二十七日、二零二零年五月十八日及二零二零年七月十七日之公告內披露。

李燁妮女士、李小芳女士及李小羿博士為本公司董事兼主要股東，根據上市規則為本公司的關連人士。彼等合共持有美創集團有限公司 ("美創集團") 於交易日期的已發行普通股及優先股約 62.85%。因此，根據上市規則美創集團為李燁妮女士、李小芳女士及李小羿博士的聯繫人以及本公司的關連人士。Lee's Pharmaceutical International Limited ("LPI") 乃 COF 股東，同時，美創集團亦為 COF 股東。美創集團作為本公司之關連人士，現持有 COF 之 35% 已發行股本，因此，LPI 根據股東貸款協議向 COF 提供之股東貸款構成上市規則第 14A.27 條所指之關連交易。

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3. Issue of subsidiary's shares to LPI, a subsidiary of the Group

On 13 February 2020, each of LPI and PCH subscribed, on pro-rata basis, for 34,580 and 18,620 shares of COF at the consideration of US\$7,434,700 and US\$4,003,300, respectively. Details of the above transaction have been disclosed in the Company's announcement dated 13 February 2020.

Ms. Leelalertsuphakun Wanee, Ms. Lee Siu Fong and Dr. Li Xiaoyi are the directors and substantial shareholders of the Company who are connected persons of the Company under the Listing Rules. They altogether held a total of approximately 62.85% of the issued ordinary and preferred shares in PCH and therefore, PCH was an associate of Ms. Leelalertsuphakun Wanee, Ms. Lee Siu Fong and Dr. Li Xiaoyi, and was a connected person of the Company under the Listing Rules.

As at the date of the subscription of COF shares by LPI, COF was a non-wholly owned subsidiary of the Company which was owned as to 65% by LPI and 35% by PCH, which is a connected person of the Company. As PCH exercises and controls 10% or more of the voting power of COF, COF is a connected subsidiary of the Company under the Listing Rules. Accordingly, the subscriptions of COF shares by LPI constituted connected transaction of the Company under Chapter 14A of the Listing Rules.

3. 向本集團附屬公司LPI發行附屬公司股份

於二零二零年二月十三日，LPI及美創集團按比例分別以代價7,434,700美元及4,003,300美元認購合共34,580股及18,620股COF股份。有關上述交易之詳情已於本公司日期為二零二零年二月十三日之公告內披露。

李燁妮女士、李小芳女士及李小羿博士為本公司董事兼主要股東，根據上市規則為本公司的關連人士。彼等合共持有美創集團已發行普通股及優先股約62.85%，因此，根據上市規則美創集團為李燁妮女士、李小芳女士及李小羿博士的聯繫人以及本公司的關連人士。

於LPI認購COF股份之日期，COF為本公司之非全資附屬公司，由LPI及美創集團分別擁有其65%及35%權益，因此COF為本公司之關連人士。由於美創集團行使及控制COF 10%或以上的投票權，因此，根據上市規則，COF為本公司之關連附屬公司。因此，LPI認購COF股份事項構成本公司於上市規則第十四A章項下的關連交易。

Continuing Connected Transactions

1. Provision of financial guarantee to PPI, an associate of the Group

On 11 February 2020, the Company as guarantor provided a corporate guarantee in favour of a bank as a security for the provision of a revolving loan facility of up to HK\$13,000,000, a demand loan facility of up to HK\$40,000,000 and an overdraft facility of up to HK\$6,000,000, provided that the total outstanding balance of the overdraft facility and revolving loan facility shall not at any time exceed HK\$13,000,000, to PPI for the purpose of funding its normal commercial operation.

The above continuing connected transactions have been reviewed by the independent non-executive Directors and they have confirmed that the transactions:

- have been entered into in the usual and ordinary course of businesses of the Company and its subsidiaries.
- are conducted on normal commercial terms.
- are entered into in accordance with the terms of relevant agreements that are fair and reasonable and in the interests of Shareholders as a whole.

持續關連交易

1. 向本集團聯營公司普樂提供財務擔保

於二零二零年二月十一日，本公司以擔保人身份以某銀行為受益人向普樂提供企業擔保，作為獲提供一筆最多為13,000,000港元的循環貸款融資、一筆最多為40,000,000港元的活期貸款融資及一筆最多為6,000,000港元的透支融資的抵押，惟透支融資及循環貸款融資的未償還結餘總額於任何時間不可超過13,000,000港元，該融資乃用作撥資普樂的日常商業運作。

上述持續關連交易已獲獨立非執行董事審閱並確認該等交易乃：

- 在本公司及其附屬公司一般及日常業務過程中訂立。
- 以一般商業條款進行。
- 乃按照有關協議的條款訂立，公平合理，並符合股東整體利益。

Report of the Directors 董事會報告

- d. have not exceeded the cap disclosed in previous announcements.

The Company's auditor, HLM CPA Limited, also has confirmed that the above continuing connected transactions:

- a. have received the approval of the Company's Board of Directors;
- b. have been entered into in accordance with the relevant agreement governing the transactions; and
- c. have not exceeded the cap disclosed in previous announcements.

Save as disclosed above, there was no other transaction requiring disclosure of connected transactions and continuing connected transactions in accordance with the requirements of the Listing Rules.

CONFIRMATION OF INDEPENDENCE

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

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 9.

KEY RISKS AND UNCERTAINTIES

The Board acknowledges its responsibility for the effectiveness of the internal control and risk management systems of the Group, which are designed to manage the risk of failure to achieve business objectives and provide reasonable assurance against material misstatement or loss.

Business Risk

The Group's business risks include rapid change in the general market conditions, downturn pressure on the overall economy of China and price competition from other market players. The Board is responsible for the overall management of the business and review of material business decisions involving material risks exposures from time to time.

- d. 並無超過先前公告所披露之上限。

本公司核數師恒健會計師行有限公司亦已確認上述持續關連交易：

- a. 已獲本公司董事會批准；
- b. 乃根據規管該等交易之有關協議訂立；及
- c. 並無超過先前公告所披露之上限。

除上文所披露者外，概無其他交易須按照上市規則的規定披露為關連交易及持續關連交易。

獨立性的確認

本公司已接獲上市規則第3.13條所規定各獨立非執行董事的年度獨立性確認書，並認為全體獨立非執行董事均屬獨立人士。

五年財務摘要

本集團過去五個財政年度的業績以及資產及負債摘要載於第9頁。

主要風險及不明朗因素

董事會知悉其維持本集團內部控制及風險管理系統有效性的責任。該等系統旨在管理未能達成業務目標的風險，並針對重大失實陳述或損失提供合理的保證。

業務風險

本集團的業務風險包括整體市場狀況的急劇變化、中國整體經濟的下行壓力及其他市場對手的價格競爭。董事會負責業務的整體管理以及檢討涉及不時的重大風險披露的重大業務決策。

Report of the Directors

董事會報告

Financial Risk

The Group adopts financial risk management policies to manage its currency risk, interest rate risk, credit risk, and liquidity risk. The Board also reviews monthly management accounts, capital structure and key operating data of the Group.

Compliance Risk

The Board adopts procedures to ensure the Group is in compliance with the applicable laws, rules and regulations. The Group engages professional advisers and consultants to keep the Group abreast of the latest developments in the regulatory environment, including legal, financial, environmental and operational developments. The Group also adopts a strict policy in prohibiting any unauthorised use or dissemination of confidential or inside information.

Operational Risk

The Group adopts procedures to manage its operational risk such as inadequate management efficiency, inefficient raw material procurement and production facilities utilisation. The Board has reviewed the effectiveness of the Group's internal control and risk management systems covering business, financial, compliance and operational risks of the Group and is satisfied that such systems are effective and adequate.

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The sustainability of the Group's business relies on the growth of the Group's employees. Remuneration packages of the employees are generally structured with reference to prevailing market terms and individual qualifications. Salaries and wages are normally reviewed on an annual basis based on performance appraisals and other relevant factors.

Apart from salary payments, there are other staff benefits including mandatory provident fund, medical insurance and performance related bonus. Share options may also be granted to eligible employees of the Group.

Relationship is the fundamentals of business. The Group fully understands this principal and thus maintain good relationship with the customers to fulfil their immediate and long-term need.

The Group strives to maintain fair and co-operating relationship with the suppliers.

財務風險

本集團採納財務風險管理政策管理其貨幣風險、利率風險、信貸風險及流動資金風險。董事會亦每月檢討本集團的管理賬目、資本架構及主要營運數據。

合規風險

董事會亦採取程序確保本集團遵守適用法律、規則及法規。本集團委聘專業諮詢人員及顧問以讓本集團緊貼監管環境的最新發展，包括法律、財務、環境及營運發展。本集團亦採取嚴格政策，禁止任何未經授權使用或發佈機密資料或內幕消息。

營運風險

本集團採取多項程序管理其營運風險，如管理效率不足、原料採購效率低及生產設施的使用。董事會已就本集團內部控制及風險管理系統的有效性進行檢討，涵蓋本集團的業務、財務、合規及營運風險，且信納該等系統屬有效充足。

與僱員、客戶及供應商之關係

本集團業務的可持續發展依賴於本集團員工的成長。僱員薪酬待遇一般參考現行市場條款及個人資歷制定。薪金及工資通常會每年根據表現評估及其他相關因素檢討。

除薪金外，本集團另設有其他員工福利，包括強積金、醫療保險及與表現掛鈎之花紅。本集團亦會向合資格僱員授出購股權。

關係乃業務的根本。本集團深明此理，與客戶保持密切關係以滿足其目前及長期之需要。

本集團致力與供應商維持公平及合作之關係。

SOCIAL RESPONSIBILITIES AND SERVICES AND ENVIRONMENTAL POLICY

The Group is committed to the long-term sustainability of its businesses and the communities with which it engages. The Group pursues this business approach by managing its business prudently and executing management decisions with due care and attention. Over the years, the Group has been fully committed to environmental protection. Periodic internal control meetings are held to review environmental issues in the production plants to update environmental laws and regulations and to make valuable suggestions and recommendations for improvement.

COMPLIANCE WITH REGULATIONS

The Group is not aware of any instances of material breach of or non-compliance with the applicable laws and regulations such as the Hong Kong Companies Ordinance (Cap. 622), Listing Rules, and other applicable local laws and regulations in various jurisdictions during the year ended 31 December 2020 and up to the date of this annual report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Environmental, Social and Governance Report prepared in accordance with Appendix 27 of the Listing Rules will be published on the websites of the Company and the Stock Exchange within three months after the publication of this annual report.

STAFF RETIREMENT SCHEMES

The group companies operated in Hong Kong are required to participate in a defined contribution retirement scheme set up in accordance with the Mandatory Provident Fund Schemes Ordinance (Cap. 485). Under the scheme, the employees are required to contribute 5% of their monthly salaries up to a maximum of HK\$1,500 and they can choose to make additional contributions. The employer's monthly contributions are calculated at 5% of the employee's monthly salaries up to a maximum of HK\$1,500 (the "Mandatory Contributions"), and are charged to the profit or loss as they become payable in accordance with the rules of the scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The employees are entitled to 100% of the employer's Mandatory Contributions upon their retirement at the age of 65 years old, death or total incapacity.

社會責任與服務及環境政策

本集團致力於業務的長期可持續發展以及業務經營所在社區。本集團所追求的經營方針是審慎處理業務並以適切的關懷及照顧執行管理決策。多年以來，本集團一直全力實踐對環境保護的承諾。定期舉辦內部控制會議，以檢討生產廠房的環境事務，並回顧最新的環境法律及法規，以及就改善環境提出寶貴建議與意見。

遵守法規

於截至二零二零年十二月三十一日止年度及直至本年報日期，本集團並不知悉任何實例嚴重違反或不遵守適用之法律及法規，如香港公司條例(第622章)、上市規則以及於不同司法管轄區適用之其他當地法律及法規。

環境、社會及管治報告

根據上市規則附錄二十七編製的環境、社會及管治報告，將於本年報刊發後三個月內於本公司網站及聯交所網站刊發。

員工退休計劃

在香港營運的集團公司須根據強制性公積金計劃條例(第485章)參與定額供款退休計劃。根據計劃，僱員須每月按月薪5%供款(最多為1,500港元)，並可選擇作出額外供款。僱主每月供款為僱員月薪5%(最多為1,500港元)(「強制供款」)，並根據計劃的規則於支付時在損益中扣除。該計劃的資產與本集團的資產分開持有，並存放於獨立管理的基金內。僱員於65歲退休、身故或完全喪失工作能力時，可取回僱主全部強制供款。



Report of the Directors

董事會報告

In addition, pursuant to the government regulations in the PRC and Taiwan, the employees of the group companies operated in the PRC and Taiwan are members of a state-managed retirement benefit plan operated by the government of the PRC and Taiwan. Those group companies are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement is to make the specified contributions.

Executive Directors will be entitled to lump sum payment upon retirement and monthly pension payment after retirement if they have engaged in continuous service with the Company for certain years.

Particulars of the scheme of the Group are set out in note 39 to the consolidated financial statements.

AUDITOR

The consolidated financial statements for the year ended 31 December 2020 have been audited by HLM CPA Limited who will retire and, being eligible, will offer themselves for re-appointment at the forthcoming annual general meeting of the Company.

On behalf of the Board

Lee Siu Fong
Chairman

Hong Kong, 30 March 2021

此外，根據中國和台灣政府規定，本集團於中國和台灣營運公司之僱員為中國和台灣政府運作之國家管理退休福利計劃之成員。該等集團公司均須按工資成本之特定百分比向退休福利計劃供款，以便為福利提供資金。本集團就退休福利僅須承擔之責任為作出特定供款。

執行董事倘若已持續服務本公司指定年期，將有權於退休時享有一次過款項及於退休後享有每月退休金。

本集團計劃的詳情載於綜合財務報表附註39。

核數師

本公司截至二零二零年十二月三十一日止年度綜合財務報表已由恒健會計師行有限公司審核，其將退任，惟符合資格並將願意於應屆本公司股東週年大會上接受續聘。

代表董事會

李小芳
主席

香港，二零二一年三月三十日

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE REPORT

The Board believes that corporate governance is essential to the success of the Company and has adopted various measures to uphold good corporate governance to safeguard the interests of our shareholders, investors, customers and staff.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Code on Corporate Governance Practices (the “CG Code”) as set out in Appendix 14 of the Listing Rules throughout the year ended 31 December 2020, with deviation from provision A.5 of the CG Code.

Under provision A.5 of the CG Code, a nomination committee should be established to make recommendations to the Board on the appointment and reappointment of Directors. The Board as a whole is responsible for the appointment of its own members. The Board does not establish a nomination committee and is not considering to establish the same in view of the small size of the Board. The Chairman of the Board is responsible for identifying appropriate candidate and proposing qualified candidate to the Board for consideration. The Board will review profiles of the candidates recommended by the Chairman and make recommendation the appointment, re-election and retirement of the Directors. Candidates are appointed to the Board on the basis of their skill, competence, experience and diversity of perspectives that they can contribute to the Company.

Looking forward, the Board will continue to conduct reviews on the Company's corporate governance practices from time to time to ensure compliance with the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

During the year ended 31 December 2020, the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules. The Company has made specific enquiries of all the Directors and the Company was not aware of any non-compliance with such Model Code and required standard of dealing throughout the year ended 31 December 2020.

企業管治報告

董事會相信，企業管治對本公司的成功甚為重要，並已採納多項措施，以維持良好的企業管治，保障我們股東、投資者、客戶及員工的利益。

企業管治常規

除偏離上市規則附錄十四所載之企業管治常規守則（「企業管治守則」）條文A.5外，本公司於截至二零二零年十二月三十一日止年度一直遵守企業管治守則。

根據企業管治守則條文A.5，應設立提名委員會，以就董事委任及重新委任向董事會提出建議。董事會作為整體負責委任其本身成員。董事會並無成立提名委員會，且鑒於董事會規模小，不考慮成立提名委員會。董事會主席負責物色適當人選，並向董事會建議合資格人選以供考慮。董事會將審閱主席所建議的人選，並就董事的委任、重選及退任提出建議。候選人根據彼等可為本公司貢獻的技能、能力、經驗及觀點的多樣性獲委任加入董事會。

展望未來，董事會將會繼續不時檢討本公司企業管治常規，以確保符合企業管治守則。

遵守董事進行證券交易的標準守則

於截至二零二零年十二月三十一日止年度，本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則（「標準守則」）。本公司已向全體董事作出特定查詢，而於截至二零二零年十二月三十一日止整個年度內，本公司並不知悉有任何並無遵守該標準守則及必備交易標準的事項。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS

The non-executive Director provides the Group with a wide range of expertise and knowledge in the pharmaceutical sector. The independent non-executive Directors are persons of high calibre; with academic and professional qualifications in the areas of accounting, financial and pharmaceutical field. With their experience gained from senior positions held in other companies, they provide strong support towards the effective discharge of the duties and responsibilities of the Board.

The Company has a Board diversity policy whereby it recognizes and embraces the benefits of a diversity of Board members. It endeavors to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge.

The list of Directors and their roles and functions is posted on the websites of the Company and the Stock Exchange.

The Chairman and Chief Executive Officer of the Company is Ms. Lee Siu Fong and Dr. Li Xiaoyi, respectively.

The roles of the Chairman and Chief Executive Officer are segregated and are not exercised by the same individual.

The Board formulates overall strategic plans and key policies of the Group, monitors its financial performance, maintains effective oversight over the management, risks assessment, controls over business operations and ensures good corporate governance and compliance with legal and regulatory requirements. Responsibility in relation to daily operations and execution of the strategic business plans are delegated to each of the executive Directors and senior management.

董事會

非執行董事為本集團提供醫藥領域的廣泛專長及知識。獨立非執行董事為高素質人才；擁有會計、金融及醫藥領域的學術及專業資格。憑藉彼等在其他公司擔任高級職位所獲得的經驗，彼等為有效履行董事會職責及責任提供了強而有力的支持。

本公司已制定董事會成員多元化政策，以認可及包括多名董事會成員的利益，致力確保董事會具備適合本公司業務需求的技能、經驗及多元化觀點。所有董事會成員的委任將繼續按個別情況作出，並充分顧及董事會成員多元化的裨益。甄選人選將根據一系列多元化觀點進行，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能及知識。

董事名單及彼等的角色及職能登載於本公司網站及聯交所網站。

本公司的主席及行政總裁分別為李小芳女士及李小羿博士。

主席及行政總裁的角色分開，並非由同一人士擔當。

董事會制定本集團的總體策略規劃及重大政策、監管其財務表現、維持對管理、風險評估的有效監督、對業務經營控制，並確保良好的公司管治及遵守法律法規及監管規定。日常運作與執行策略業務計劃的責任委派予各執行董事及高級管理層。

Corporate Governance Report

企業管治報告

During the year ended 31 December 2020, 24 Board meetings and 1 shareholders meeting were held and the attendance of individual Director at these meetings is set out below:

截至二零二零年十二月三十一日止年度，本年度曾舉行二十四次董事會會議及一次股東大會，以下為各董事出席會議的記錄：

Attendees	Number of Board meeting attended/ Total 出席董事會會議 次數／總次數	Number of shareholders meeting attended/ Total 出席股東大會 次數／總次數
與會者		
Executive Directors		
執行董事		
Lee Siu Fong (<i>Chairman</i>) 李小芳(主席)	24/24	1/1
Leelalertsuphakun Wanee (<i>Managing Director</i>) 李焯妮(董事總經理)	24/24	1/1
Li Xiaoyi (<i>Chief Executive Officer</i>) 李小羿(行政總裁)	24/24	1/1
Non-executive Director		
非執行董事		
Simon Miles Ball	24/24	1/1
Simon Miles Ball		
Independent non-executive Directors		
獨立非執行董事		
Chan Yau Ching, Bob 陳友正	24/24	1/1
Lam Yat Cheong 林日昌	24/24	0/1
Tsim Wah Keung, Karl 詹華強	24/24	1/1

The Company's auditor, HLM CPA Limited, also attended the shareholders meeting.

本公司的核數師恒健會計師行有限公司亦出席股東大會。

During the year under review, a meeting was held between the Chairman and all independent non-executive Directors in accordance with provision A.2.7 of the CG Code.

於回顧年度，主席與所有獨立非執行董事根據企業管治守則第條文A.2.7舉行了一次會議。



Corporate Governance Report

企業管治報告

NON-EXECUTIVE DIRECTORS

All non-executive Directors are appointed for a specific term, subject to retirement by rotation at least once every three years.

All the independent non-executive Directors have confirmed in writing to the Company that they have met all the guidelines for assessing their independence as set out in Rule 3.13 of the Listing Rules. Notwithstanding that certain of the independent non-executive Directors have served on the Board for more than nine years, in view that they have demonstrated the attributes as independent non-executive Directors during their tenure in office and taking into account their written confirmation of independence as regards Rule 3.13 of the Listing Rules, the Company considers that all the independent non-executive Directors to be independent and believes that their continued service as independent non-executive Directors will be beneficial to the Company and the Shareholders.

非執行董事

所有非執行董事均獲委任一個固定年期，且須至少每三年輪值退任一次。

所有獨立非執行董事已向本公司書面確認，彼等已符合上市規則第3.13條所載評估彼等獨立性的所有指引。儘管若干獨立非執行董事於董事會服務超過9年，鑒於彼等於任期內已證明為獨立非執行董事之優點，並已考慮彼等就上市規則第3.13條之書面確認，本公司認為所有獨立非執行董事均屬獨立，並相信彼等作為獨立非執行董事之持續服務將對本公司及股東有利。

DIRECTORS' TRAINING AND PROFESSIONAL DEVELOPMENT

The Group regularly updates Directors on the latest development regarding the Listing Rules and other applicable legal and regulatory requirements regarding subjects necessary in the discharge of their duties. In addition, the Group has been encouraging Directors to attend training courses or via online aids or reading relevant materials on the latest development of applicable laws, rules and regulations so that they can continuously update and further enhance their knowledge and skills.

Records of the Directors' training during 2020 are as follows:

董事培訓及專業發展

本集團定期知會董事有關上市規則及與彼等履行職務時所需事項相關的其他適用法律及監管規定的最新發展。此外，本集團一直鼓勵董事出席有關適用法律、規則及規例最新發展的培訓課程或網上資源或閱讀相關資料，使彼等可持續進修及進一步提高其相關知識及技能。

董事於二零二零年的培訓記錄如下：

Directors	Type of continuous professional development training 持續專業發展培訓類別
Executive Directors	
執行董事	
Lee Siu Fong (<i>Chairman</i>)	(i) & (ii)
李小芳 (<i>主席</i>)	(i) 及 (ii)
Leelalertsuphakun Wanee (<i>Managing Director</i>)	(i) & (ii)
李煒妮 (<i>董事總經理</i>)	(i) 及 (ii)
Li Xiaoyi (<i>Chief Executive Officer</i>)	(i) & (ii)
李小羿 (<i>行政總裁</i>)	(i) 及 (ii)
Non-executive Director	
非執行董事	
Simon Miles Ball	(i) & (ii)
Simon Miles Ball	(i) 及 (ii)
Independent non-executive Directors	
獨立非執行董事	
Chan Yau Ching, Bob	(i) & (ii)
陳友正	(i) 及 (ii)
Lam Yat Cheong	(i) & (ii)
林日昌	(i) 及 (ii)
Tsim Wah Keung, Karl	(i) & (ii)
詹華強	(i) 及 (ii)

(i) Attending seminar(s) or training session(s).

(i) 出席座講會或培訓課程。

(ii) Reading newspapers, journals and updates relating to the Company's business or Directors' duties and responsibilities, the latest development of the Listing Rules and other applicable regulatory requirements, etc.

(ii) 閱讀有關本公司業務或董事職責、上市規則及其他適用監管規定的最新發展之報章、期刊及最新資料。

Corporate Governance Report

企業管治報告

AUDIT COMMITTEE AND ACCOUNTABILITY

The Board is responsible for presenting a balanced, clear and comprehensible assessment of the Group's performance and prospects. The Board is also responsible for preparing the accounts of the Group, which give a true and fair view of the financial position of the Group on a going concern basis.

The Company set up an audit committee with written terms of reference in compliance with Rules 3.21 and the CG Code as set out in Appendix 14 of the Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process, internal control and risks management system of the Group.

The audit committee is to serve as a focal point for communication between other Directors, the external auditors, the internal auditors (where an internal audit function exists) of the Company, and the management as regards their duties relating to financial and other reporting, risk management, internal controls, external and internal audits and such other financial and accounting matters as the Board determines from time to time. The audit committee is to assist the Board in providing an independent review of the effectiveness of the financial reporting process, internal control and risk management system of the Group, overseeing the audit process and performing other duties and responsibilities as may be assigned by the Board from time to time.

The audit committee comprises three members, Dr. Chan Yau Ching, Bob (chairman of the audit committee), Mr. Lam Yat Cheong and Dr. Tsim Wah Keung, Karl, who are the independent non-executive Directors of the Company. In the financial year ended 31 December 2020, four audit committee meetings were held to review and comment on the Group's draft annual, interim and quarterly financial reports, met with external auditor and provided advices and recommendations to the Board. The individual attendance record of each member is as follows:

審核委員會及問責

董事會負責呈列本集團表現及前景的客觀、清晰及全面評估。董事會亦負責以持續經營基準編製真實兼公平地反映本集團財務狀況的本集團賬目。

本公司設立了審核委員會，並以書面形式制定其職權範圍，以符合上市規則第3.21條以及附錄十四所載之企業管治守則。審核委員會的主要職責為檢討及監督本集團的財務申報程序、內部監控系統及風險管理。

審核委員會乃作為其他董事、外聘核數師、內部核數師（倘存在內部審核職能）及管理層之間的溝通橋樑，關乎彼等職責中相關的財務及其他報告、風險管理、內部監控、外部及內部審核以及董事會不時決定的其他財務及會計事宜。審核委員會乃為協助董事會獨立檢討本集團財務報告過程、內部監控及風險管理制度的成效、監管審核過程及履行董事會不時指派的其他職責及責任。

審核委員會由三名成員組成，即陳友正博士（審核委員會主席）、林日昌先生及詹華強博士，彼等均為本公司的獨立非執行董事。截至二零二零年十二月三十一日止財政年度，舉行了四次審核委員會會議，以審閱本集團的年度、半年度及季度財務報告草案並提供意見，與外聘核數師舉行會議，並向董事會提供意見及推薦意見。每名成員的個別出席記錄如下：

Attendees	Number of audit committee meeting attended/ Total 出席審核委員會會議次數／總次數	Attendance percentage
與會者		出席率
Chan Yau Ching, Bob 陳友正	4/4	100%
Lam Yat Cheong 林日昌	4/4	100%
Tsim Wah Keung, Karl 詹華強	4/4	100%

REMUNERATION COMMITTEE

A remuneration committee has been established in February 2012 in accordance with the requirement of Appendix 14 of the Listing Rules. The remuneration committee of the Company comprises two independent non-executive Directors and one executive Director.

Dr. Tsim Wah Keung, Karl is the chairman of the remuneration committee and Ms. Leelalertsuphakun Wanee and Dr. Chan Yau Ching, Bob are members of the remuneration committee. The Company has adopted the model to make recommendations to the Board to determine the remuneration packages of individual executive Director and senior management. The major roles and functions of the Company's remuneration committee are as follows:

- Establish and apply a formal and transparent procedure for setting policy on remuneration for executive Directors and senior management, and for fixing the remuneration packages for all Directors and senior management; and
- Ensure that procedures and principles for fixing packages of all Directors and senior management are proper so that the levels of remuneration of Directors commensurate with their qualifications and competencies, and that such remuneration is sufficient to attract and retain the Directors and senior management but not excessive.

The terms of reference of the remuneration committee are posted on the websites of the Company and the Stock Exchange. The remuneration committee meets at least once a year. During the year ended 31 December 2020, 1 meeting are held by the remuneration committee and all the committee member attended the meeting to approve the annual bonus payable to executive Directors for the financial year 2019 and the monthly salary of executive Directors during the year under review.

Pursuant to code provision B.1.5 of the CG Code, the Board has resolved that the senior management of the Company comprise only the Executive Directors of the Company. Please refer to note 14 to the consolidated financial statements for details of the remuneration payable to the Directors.

COMPANY SECRETARY

The company secretary's biography is set out in the section under "Directors and Key Personnel Profiles" of this annual report. During the year ended 31 December 2020, the company secretary has taken no less than 15 hours of professional training to update his skills and knowledge.

薪酬委員會

薪酬委員會於二零一二年二月根據上市規則附錄十四的規定成立。本公司的薪酬委員會包括兩名獨立非執行董事及一名執行董事。

詹華強博士乃該委員會的主席，而李煒妮女士及陳友正博士乃薪酬委員會的成員。本公司已採納向董事會提供建議之模式，以釐定個別執行董事及高級管理層的薪酬待遇。本公司的薪酬委員會的主要角色及職能如下：

- 建立及應用正式透明程序以設定有關執行董事及高級管理人員的酬金的政策，並釐定所有董事及高級管理人員的薪酬待遇；及
- 確保釐定所有董事及高級管理人員的程序及原則均為正確，以致董事酬金水平與彼等的資格及能力相稱，及有關薪酬足以吸引及挽留董事及高級管理人員，但不過多。

薪酬委員會的職權範圍登載於本公司網站及聯交所網站。薪酬委員會至少每年舉行一次會議。於截至二零二零年十二月三十一日止年度，薪酬委員會舉行一次會議，而所有委員會成員出席該會議，以批准二零一九年財政年度應付執行董事之年度獎金以及審核年度內執行董事之每月薪金。

根據企業管治守則之守則條文B.1.5，董事議決本公司高級管理層只包括本公司執行董事。有關應付董事酬金的詳情請參閱綜合財務報表附註14。

公司秘書

公司秘書履歷載於本年度「董事及主要人員履歷」一節。於截至二零二零年十二月三十一日止年度，公司秘書共接受不少於15小時更新其技能及知識的專業培訓。

Corporate Governance Report

企業管治報告

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for maintaining sound and effective internal control and risk management systems over the Group's asset and shareholders' interests, as well as for reviewing such systems' effectiveness. Such systems are designed to provide reasonable, but not absolute, assurance against misstatement or loss, and to manage risks of failure in the Group's operational systems. The systems include a well-established organisational structure with clearly defined lines of responsibility and authority, which is designed to safeguard assets from inappropriate use, maintain proper accounts, ensure compliance with regulations and regulate the handling and dissemination of inside information of the Group.

For the year ended 31 December 2020, the Board has, through the audit committee with the Group's internal audit team and the assistance of the management, conducted a review of the Group's internal control and risk management system, including without limitation to financial control, operational control, and compliance control. The Board assesses the effectiveness of internal controls by considering reviews performed by the audit committee, executive management and auditors.

The Board is of the view that the internal control and risk management systems are effective and there are no irregularities, improprieties, fraud or other deficiencies that suggest material deficiency in the effectiveness of the Group's internal control system.

AUDITOR'S REMUNERATION

Total auditor's remuneration for the fiscal year 2020 in relation to statutory audit work of the Group amounted to HK\$1,251,000 of which a sum of HK\$1,049,000 was paid to HLM CPA Limited.

DIVIDEND POLICY

The Company has adopted a dividend policy on payment of dividends. Depending on the financial conditions of the Company and the Group and the conditions and factors as set out in the dividend policy (including but not limited to the Group's financial results, cash flow position, business conditions and strategies, future operations and earnings, capital requirements and expenditure plans), dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to the shareholders' approval.

內部控制及風險管理

董事會負責維持本集團資產及股東權益的健全及有效內部監控及風險管理系統，以及檢討有關系統的有效性。設計有關系統旨在提供避免錯誤陳述或損失的合理（但並非絕對）保證，並管理本集團營運系統的失敗風險。系統包括建立已久、清晰界定責任及權限的組織架構，設計該架構旨在保護資產免受不適當使用、維持妥當賬目、確保遵守規例以及控制本集團內幕消息的處理與發佈。

於截至二零二零年十二月三十一日止年度，董事會已透過審核委員會在本集團內部審核團隊與管理層的協助下對本集團的內部監控及風險管理系統（包括（但不限於）財務監控、營運監控及合規監控）進行審閱。董事會經考慮審核委員會、行政管理人員及核數師所執行的審閱，評估內部監控的有效性。

董事會認為內部監控及風險管理系統有效，並無違規、不當行為、欺詐或其他不足之處以顯示本集團內部監控系統的有效性存在重大缺失。

核數師酬金

於二零二零財政年度，有關本集團法定核數服務的核數師總酬金為1,251,000港元，其中1,049,000港元乃支付予恒健會計師行有限公司。

股息政策

本公司已採納支付股息的股息政策。視乎本公司及本集團的財務狀況以及股息政策所載的條件及因素（包括但不限於本集團的財務業績、現金流量狀況、業務狀況及策略、未來營運及盈利、資本要求以及支出計劃），董事會可在財政年度內建議及／或宣派股息，而財政年度的任何末期股息將由股東批准。

CONVENING OF EXTRAORDINARY GENERAL MEETINGS ON REQUISITION BY SHAREHOLDERS

Shareholders shall have the right to request the Board to convene an extraordinary general meeting (“EGM”) of the Company. Two or more shareholders holding in aggregate of not less than one-tenth (10%) of the paid up capital of the Company which carries the right of voting at the general meeting of the Company may send a written request to the Board of the Company to request for an EGM. The written requisition, duly signed by the shareholders concerned, must state the purposes of the meeting and must be deposited at the registered office of the Company.

Shareholders who wish to move a resolution at general meetings may follow the procedures set out in the preceding paragraph.

PROCEDURES FOR DIRECTING SHAREHOLDERS’ ENQUIRIES TO THE BOARD

Shareholders may at any time send their enquiries and concerns to the Board in writing through the company secretary whose contact details are as follows:

Lee’s Pharmaceutical Holdings Limited
1/F, Building 20E, Phase 3
Hong Kong Science Park, Shatin, Hong Kong
Telephone: (852) 2314 1282
Fax: (852) 2314 1708
Email: investor@leespharm.com

Shareholders may also make enquiries with the Board at the general meetings of the Company.

CONSTITUTIONAL DOCUMENTS

During the year ended 31 December 2020, there was no significant change in the Company’s constitutional documents, and these documents are published on the websites of the Company and the Stock Exchange.

應股東請求召開股東特別大會

股東將有權要求董事會召開本公司的股東特別大會（「股東特別大會」）。合共持有本公司附帶本公司股東大會的投票權的繳足股本不少於十分之一（10%）的兩名或以上股東可以書面形式向本公司董事會發出請求召開股東特別大會。由有關股東正式簽署的書面請求必須陳述該大會的目的，且必須遞交至本公司的註冊辦事處。

欲於股東大會上動議一項決議案的股東可遵循上段所載的程序。

指導股東向董事會作出查詢的程序

股東可於任何時間以書面形式透過公司秘書向董事會作出查詢及提出關注，而公司秘書的聯繫方式詳情如下：

李氏大藥廠控股有限公司
香港沙田香港科學園
第三期20E大樓一樓
電話：(852) 2314 1282
傳真：(852) 2314 1708
電郵：investor@leespharm.com

股東亦可於本公司股東大會上向董事會作出查詢。

憲制文件

於截至二零二零年十二月三十一日止年度，本公司的組織章程憲制文件並無變動，而有關憲制文件已登載於本公司網站及聯交所網站。

Independent Auditor's Report

獨立核數師報告

恒健會計師行有限公司

HLM CPA LIMITED

Certified Public Accountants

Rooms 1501-8, 15th Floor, Tai Yau Building
181 Johnston Road, Wanchai, Hong Kong
香港灣仔莊士敦道181號
大有大廈15樓1501-8室
Tel 電話: (852) 3103 6980
Fax 傳真: (852) 3104 0170
E-mail 電郵: info@hlm.com.hk

TO THE MEMBERS OF LEE'S PHARMACEUTICAL HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

致李氏大藥廠控股有限公司各股東
(於開曼群島註冊成立的有限公司)

OPINION

We have audited the consolidated financial statements of Lee's Pharmaceutical Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as "**the Group**") set out on pages 75 to 224, which comprise the consolidated statement of financial position as at 31 December 2020, and consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 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.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("**the Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

意見

本核數師(以下簡稱「我們」)已審計列載於第75至第224頁李氏大藥廠控股有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)的綜合財務報表，此綜合財務報表包括於二零二零年十二月三十一日之綜合財務狀況表及截至該日止年度之綜合損益表、綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團在二零二零年十二月三十一日的綜合財務狀況以及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒布的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於貴集團，並已遵循守則履行其他道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS

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

Revenue recognition (refer to notes 7 and 8 to the consolidated financial statements)

The Group's revenue amounted to HK\$1,217 million for the year ended 31 December 2020. Sales of goods are recognised as revenue when goods are delivered and titles have been passed.

We identified the recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Group and therefore there is an inherent risk of manipulation of the timing of recognition of revenue.

Our response

Our main procedures in relation to revenue recognition included:

- Obtaining evidence regarding the transfer of effective control of ownership.
- Testing the key internal controls over revenue recognition, and assessing whether the accounting policy related to revenue recognition was applied appropriately and consistently throughout the year.
- On a sample basis, making selections from sales records and delivery records, and tracing to their contracts, delivery orders and customer's acknowledgement of receipts, and paying special attention to samples before and after the end of the reporting period to assess whether the relevant revenue was recognised in the correct period.

Based on our procedures described, we found that the amount and timing of the revenue recorded were supported by available evidence.

關鍵審計事項

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

收益確認 (參閱綜合財務報表附註7及8)

貴集團於截至二零二零年十二月三十一日止年度的收益為1,217百萬港元。銷售貨品於交付貨品及所有權已易手時予以確認。

我們將收益確認識別為關鍵審計事項，乃由於收益為貴集團關鍵業績指標之一，因此存在操縱收益確認時點的內在風險。

我們的回應

我們有關收益確認的主要程序包括：

- 取得有關擁有權的實際控制權轉移的憑證。
- 測試與收益確認相關的關鍵內部控制，並評估收益確認的相關會計政策在本年度是否適當且一貫地運用。
- 以抽查為基礎，從銷售記錄及交付記錄中作出甄選，追查與該筆銷售相關的合同、交付單及客戶確認收據，特別關注報告期完結前後的樣本，以評估相關收益是否在正確的期間確認。

根據上述程序，我們發現所記錄收益的金額及時間可以現有憑證佐證。

Independent Auditor's Report

獨立核數師報告

Valuation of retirement benefits on defined benefit plan (refer to note 39 to the consolidated financial statements)

The Group entered into service contracts with the executive directors to provide certain retirement benefits. There is judgement in determining valuation of the retirement benefits as recorded at the end of the reporting period. The valuation is based on a number of assumptions including discount rate, growth rate of salary and life expectancy.

Our response

Our main procedures in relation to the valuation of the retirement benefits on defined benefit plan included:

- Assessing the independence and competence of the independent external valuer appointed by the Group to calculate the fair value of the retirement benefits.
- Assessing the accuracy and relevance of the input data provided by management to the independent external valuer by challenging and corroborating the market data and information from similar transactions from independent sources.
- Evaluating appropriateness of the methodology and assumptions used by the independent external valuer.
- Testing mathematical accuracy of the underlying valuation.

We found the methodology and key assumptions to be reasonable.

Intangible assets recognition and impairment assessment (refer to note 20 to the consolidated financial statements)

As at 31 December 2020, the Group reported intangible assets of HK\$845 million, of which HK\$559 million were capitalised development expenditure and HK\$286 million were license fees.

Development expenditure mainly comprised of development of pharmaceutical products. The Group capitalised eligible product development costs upon meeting the criteria as described in Hong Kong Accounting Standard 38 "Intangible Assets" ("HKAS 38"). Capitalisation criteria assessment requires significant management judgement and there is measurement uncertainty at inception and throughout the lives of the individual projects.

對定額福利計劃之退休福利進行估值 (參閱綜合財務報表附註39)

貴集團與執行董事訂有服務合約以提供若干退休福利。在釐定退休福利於報告期完結時之估值時須作出判斷。有關估值乃以多項假設為基礎，包括貼現率、薪金增長率及預期壽命。

我們的回應

我們有關定額福利計劃之退休福利估值的主要程序包括：

- 評估 貴集團為計算退休福利公平值委聘的獨立外部估值師的獨立性及能力。
- 通過質疑及核實源自獨立來源之類似交易的市場數據及資料，評估管理層向獨立外部估值師提供的輸入數據是否準確及相關。
- 評估獨立外部估值師所採用方法與假設是否合適。
- 測試相關估值計算之算術準確性。

我們發現該等方法及主要假設屬合理。

無形資產確認及減值評估 (參閱綜合財務報表附註20)

於二零二零年十二月三十一日，貴集團錄得無形資產845百萬港元，當中559百萬港元為已撥充資本之開發支出及286百萬港元為專利費。

開發支出主要包括開發醫藥產品。貴集團在合資格產品開發成本符合《香港會計準則》第38號「無形資產」(「香港會計準則第38號」)所述條件時將之撥充資本。評定資本化條件須作出重大管理判斷，且個別項目開始及整個年期均涉及計量上的不明朗性。

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Management is required to assess at the end of each reporting period whether any indicator of impairment exists, which requires significant management judgement and assumptions with reference to the ability to use or sell the products, its future market or economic development.

Our response

Our main procedures in relation to the recognition of intangible assets included:

- Gaining an understanding of the business process undertaken by management to assess the appropriate accounting treatment for each project.
- Assessing the reasonableness of recognition and eligibility criteria for intangible assets by challenging the key assumptions used or estimates made in capitalising the cost.
- Testing on a sample basis the expenditure capitalised against source documents and signed contracts.
- Assessing the ownership of license fees.

Our main procedures in relation to the impairment assessment of intangible assets included:

- Assessing management's determination of the impairment based on our understanding of the nature of the Group's business.
- Assessing whether there are any indicators of impairment by understanding the business, rationale for the products under development.
- Discussing with and interviewing the responsible staff and managers on the progress and future prospects of respective development projects.
- Selecting products with significant development cost and request for independent valuation to be done to substantiate their carrying amounts.

Based on our procedures described, we found the recognition and impairment assessment on intangible assets to be reasonable.

管理層須在每個報告期完結時評估是否有任何減值跡像存在，而有關評估是需要按使用或銷售產品能力、未來市場或經濟發展作出重要管理判斷及假設。

我們的回應

我們有關確認無形資產的主要程序包括：

- 了解管理層所從事的業務程序，以評估各項目的合適會計處理方法。
- 通過質疑將成本撥充資本時所使用的主要假設或估計，評定無形資產確認的合理性及合格性準則。
- 以抽查為基礎，為撥充資本的開支追查文件及所簽署合約。
- 評定專利費的擁有權。

我們有關無形資產減值評估的主要程序包括：

- 根據我們對貴集團業務性質的認識，評定管理層所釐定的減值。
- 通過了解業務及發展中產品的基礎理論，評定是否出現任何減值跡像。
- 就相關發展項目的進展及未來前景與負責員工及經理進行討論及面談。
- 甄選開發成本重大的產品以及為求核實有關賬面值而要求進行獨立估值。

根據上述程序，我們發現無形資產的確認與減值評估屬合理。

Independent Auditor's Report

獨立核數師報告

Impairment assessment of goodwill (refer to note 21 to the consolidated financial statements)

Management is required to assess at the end of each reporting period whether there is any indicator that goodwill may be impaired. If any such indicator exists, the management shall estimate the recoverable amount of the asset. As at 31 December 2020, the Group has, in aggregate, goodwill of approximately HK\$4 million, net impairment of HK\$2 million.

Our response

Our main procedures in relation to the impairment assessment of goodwill included:

- Assessing management's determination of the Group's cash-generating units based on our understanding of the nature of the business and the economic environment in which the cash-generating units operate.
- Based on our knowledge of the business and industry, challenging the reasonableness of the underlying key assumptions and data used in the cash flow forecasts (including revenue growth rate, operating profit, and discount rate used).

Based on our procedures described, we found the estimations of management in relation to goodwill are supported by plausible evidence.

Fair value measurement of unlisted investments held as financial assets at fair value through other comprehensive income and through profit or loss (refer to notes 23 and 24 to the consolidated financial statements)

The Group held several unlisted investments on a combination of market observable inputs and valuation techniques. The Group's fair value measurement of the financial assets arising from the unobservable inputs used in determining the fair value of the unlisted investments was grouped under Level 3 of fair value hierarchy.

As at 31 December 2020, the Group held several unlisted investments which were measured at fair value amounted to HK\$175 million, which had significant unobservable inputs in the valuation, and hence were categorised within Level 3 of fair value hierarchy, representing 5.37% of the Group's total assets as at 31 December 2020.

商譽之減值評估 (參閱綜合財務報表附註21)

管理層須在每個報告期完結時評估商譽是否有任何減值跡象存在。倘若有任何跡象存在，管理層須估計有關資產的可收回金額。於二零二零年十二月三十一日，貴集團的商譽合共約為4百萬港元，扣除減值2百萬港元。

我們的回應

我們有關評估商譽減值的主要程序包括：

- 根據我們對貴集團現金產生單位經營所在業務性質與經濟環境的認識，評定管理層對現金產生單位的釐定。
- 根據我們對業務及行業的認識，質疑現金流量預測所用的相關主要假設及數據(包括所用之收益增長率、經營溢利及貼現率)之合理性。

根據上述程序，我們發現管理層對有關商譽的估計可以合理憑證佐證。

持作按公平值透過其他全面收益及透過損益列賬之財務資產之非上市投資之公平值計量 (參閱綜合財務報表附註23及24)

貴集團持有若干非上市投資，混用多種市場可觀測數據及估值技術。貴集團在釐定非上市投資公平值時使用不可觀測數據所產生財務資產公平值計量乃歸屬於第三級公平值等級的組別內。

於二零二零年十二月三十一日，貴集團持有若干以公平值計量之非上市投資175百萬港元，該等非上市投資的估值採用了重大不可觀測數據，故分類於第三級公平值等級的組別內，佔貴集團於二零二零年十二月三十一日資產總值之5.37%。

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The valuations of these unlisted investments are conducted by an independent qualified valuer. The appropriateness of the valuation is dependent on determination of different valuation techniques and certain key assumptions. With different valuation techniques and assumptions applied, the valuation result can vary significantly.

As the unlisted investments are considered significant due to the size of the balance and the inherent judgement involved in determining the fair value measurement, is considered as a key audit matter.

The fair value was determined using market approach, income approach and reference to the prices of underlying investment portfolio quoted by administrator. The determination of fair value measurement requires the management to exercise their judgement to ensure the appropriateness of the estimates and assumptions.

Our response

Our procedures in relation to management's fair value measurement of unlisted investments included:

- Evaluating the independent professional valuer's competence, capabilities and objectivity.
- Focusing on the valuation methodologies and assumptions of unlisted fund investments that were classified as level 3 in the fair value hierarchy and challenging valuation specialists in evaluating and assessing:
 - the valuation techniques through comparison with the valuation techniques that are commonly used in the market;
 - the validation of observable inputs using external market data; and
 - the reasonableness of management's assumptions.
- Checking the accuracy and reasonableness of the input data provided by management to the independent professional valuer.
- Review sensitivity analysis in consideration of the potential impact of reasonably possible upside or downside changes in these key assumptions.

Based on our procedures described, we found the impairment assessment on unlisted investments adopted by management to be reasonable.

該等非上市投資的估值由獨立合資格估值師進行。估值的合適性取決於不同估值技術的釐定與若干關鍵假設。視乎不同估值技術與所應用的假設，估值結果可能有很大差異。

由於計量非上市投資公平值所涉及的結餘規模與固有判斷被視為屬重大，故被視為關鍵審計事項。

公平值的計量採用市場法、收入法及參考基金管理人所報的相關投資組合價格。釐定所計量公平值須管理層在確保估計及假設的合適性上作出判斷。

我們的回應

我們有關管理層對非上市投資的公平值計量的程序包括：

- 評估獨立專業估值師的技能、能力及客觀性。
- 關注在公平值等級中被歸類為第三級的非上市基金投資的估值方法及假設，並於估值專家估值及評估以下各項時提出質疑：
 - 通過與市場上常用的估值技術比較估值技術；
 - 使用外部市場數據驗證可觀察輸入數據；及
 - 管理層假設的合理性。
- 檢查管理層向獨立專業估值師提供的輸入數據的準確性和合理性。
- 考慮到該等關鍵假設中合理可能的上行或下行變化的潛在影響，檢討敏感度分析。

根據上述程序，我們發現管理層就非上市投資所採納的減值評估屬合理。

Independent Auditor's Report

獨立核數師報告

OTHER INFORMATION

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

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

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

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

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

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

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

其他信息

貴公司董事需對其他信息負責。其他信息包括刊載於年報內的信息，但不包括綜合財務報表及我們發出之核數師報告。

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

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

董事及治理層就綜合財務報表須承擔的責任

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

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

治理層須負責監督 貴集團財務報告過程。

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

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

As part of an audit in accordance with HKSA's, we exercise professional 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.
- 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.

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下（作為整體）按照協定的委聘條款報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負有或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。

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- 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 identified 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

HLM CPA Limited
Certified Public Accountants

Chan Lap Chi
Practising Certificate number: P04084

Hong Kong, 30 March 2021

- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。

- 就 貴集團內各實體或業務活動的財務資料獲得充足、適當的審計憑證，以就綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與治理層溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向治理層提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及為消除對獨立性的威脅所採取的行動或防範措施(若適用)。

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

恒健會計師行有限公司
香港執業會計師

陳立志
執業證書編號：P04084

香港，二零二一年三月三十日

Consolidated Statement of Profit or Loss

綜合損益表

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

		Notes	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
		附註		
Revenue	收益	7	1,216,716	1,218,913
Cost of sales	銷售成本		(435,650)	(420,657)
Gross profit	毛利		781,066	798,256
Other income	其他收益	10	150,587	75,694
Other gain and losses, net	其他收益及虧損淨額	11	(57,588)	(91,680)
Selling and distribution expenses	銷售及分銷費用		(279,947)	(251,759)
Administrative expenses	行政費用		(237,721)	(239,088)
Provision for expected credit losses on financial assets	財務資產預期信貸虧損撥備		(1,180)	(73)
Research and development expenses	研究及開發費用		(203,294)	(149,945)
Profit from operations	經營溢利	12	151,923	141,405
Finance costs	財務成本	13	(6,472)	(6,624)
Share of results of associates	分佔聯營公司業績		(11,414)	(11,895)
Profit before taxation	除稅前溢利		134,037	122,886
Taxation	稅項	16	(55,503)	(59,541)
Profit for the year	本年度溢利		78,534	63,345
Attributable to:	下列人士應佔：			
Owners of the Company	本公司擁有人		129,316	125,553
Non-controlling interests	非控股權益		(50,782)	(62,208)
			78,534	63,345
			HK cents 港仙	HK cents 港仙
Earnings per share	每股盈利	18		
Basic	基本		21.99	21.22
Diluted	攤薄		21.99	21.21

The notes on pages 84 to 224 form an integral part of these consolidated financial statements.

第84頁至第224頁之附註構成此等綜合財務報表之一部分。

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Profit for the year	本年度溢利	78,534	63,345
Other comprehensive income (expense):	其他全面收益(開支):		
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益之項目:		
– Exchange differences on translation of financial statements of overseas subsidiaries	– 海外附屬公司財務報表換算之匯兌差額	89,829	(18,714)
– Reclassification of exchange reserve upon disposal of subsidiaries	– 於出售附屬公司時將匯兌儲備重新分類	(3,460)	–
– Reclassification of other reserves upon disposal of subsidiaries	– 於出售附屬公司時將其他儲備重新分類	(92,545)	–
– Share of other comprehensive income of associates	– 分佔聯營公司之其他全面收益	314	18
Item that will not be reclassified subsequently to profit or loss:	其後不會重新分類至損益之項目:		
– Fair value changes of financial assets at fair value through other comprehensive income	– 按公平值透過其他全面收益列賬之財務資產之公平值變動	(256,320)	(45,297)
Other comprehensive expense for the year, net of tax	本年度其他全面開支，扣除稅項	(262,182)	(63,993)
Total comprehensive expense for the year	本年度全面開支總額	(183,648)	(648)
Total comprehensive (expense) income for the year attributable to:	下列人士應佔本年度全面(開支)收益總額:		
Owners of the Company	本公司擁有人	(125,820)	65,988
Non-controlling interests	非控股權益	(57,828)	(66,636)
		(183,648)	(648)

The notes on pages 84 to 224 form an integral part of these consolidated financial statements.

第84頁至第224頁之附註構成此等綜合財務報表之一部分。

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2020
於二零二零年十二月三十一日

		Notes	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
		附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	19	724,552	796,309
Intangible assets	無形資產	20	844,954	694,617
Goodwill	商譽	21	3,900	3,900
Interests in associates	於聯營公司之權益	22	6,056	15,802
Financial assets at fair value through profit or loss	按公平值透過損益列賬之財務資產	23	38,050	59,217
Financial assets at fair value through other comprehensive income	按公平值透過其他全面收益列賬之財務資產	24	377,584	614,921
Deferred tax assets	遞延稅項資產	35	18,729	14,198
			2,013,825	2,198,964
Current assets	流動資產			
Inventories	存貨	25	414,377	255,585
Trade receivables	應收貿易賬款	26	159,574	153,039
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	27	149,081	174,440
Advance to associates	墊付予聯營公司之款項	28	77,504	42,738
Pledged bank deposits	已抵押銀行存款	29	24,025	40,345
Time deposits	定期存款	29	39,336	410,136
Cash and bank balances	現金及銀行結餘	29	375,199	364,994
			1,239,096	1,441,277
Current liabilities	流動負債			
Trade payables	應付貿易賬款	30	73,733	80,145
Other payables and accruals	其他應付款項及應計費用	31	691,195	605,187
Bank and other borrowings	銀行及其他借款	32	141,377	144,834
Lease liabilities	租賃負債	33	7,828	9,745
Tax payables	應付稅項		29,916	68,582
			944,049	908,493
Net current assets	流動資產淨值		295,047	532,784
Total assets less current liabilities	資產總值減流動負債		2,308,872	2,731,748

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2020

於二零二零年十二月三十一日

		Notes	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
		附註		
Capital and reserves	資本及儲備			
Share capital	股本	36	29,406	29,396
Reserves	儲備	37	2,120,389	2,266,504
Equity attributable to the owners of the Company	本公司擁有人應佔權益		2,149,795	2,295,900
Non-controlling interests	非控股權益		(34,417)	181,538
Total equity	總權益		2,115,378	2,477,438
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	35	81,992	71,631
Lease liabilities	租賃負債	33	7,502	13,364
Derivative financial liabilities	衍生財務負債	34	–	80,085
Retirement benefits	退休福利	39	104,000	89,230
			193,494	254,310
			2,308,872	2,731,748

The notes on pages 84 to 224 form an integral part of these consolidated financial statements.

第84頁至第224頁之附註構成此等綜合財務報表之一部分。

The consolidated financial statements on pages 75 to 224 were approved and authorised for issue by the board of directors on 30 March 2021 and are signed on its behalf by:

第75頁至第224頁所載綜合財務報表已於二零二一年三月三十日經董事會核准及授權公佈，並由下列董事代表簽署：

Lee Siu Fong
李小芳
DIRECTOR
董事

Leelalertsuphakun Wanee
李燁妮
DIRECTOR
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

		Attributable to the owners of the Company 本公司擁有人應佔										
										Attributable to non-controlling interests	Total	
		Share capital	Share premium	Merger difference	Share-based compensation reserve 以股份支付之酬金儲備	Other reserves	Investments revaluation reserve	Exchange reserve	Retained profits	Sub-total		
		股本 HK\$'000 千港元	股份溢價 HK\$'000 千港元	合併差額 HK\$'000 千港元	酬金儲備 HK\$'000 千港元	其他儲備 HK\$'000 千港元	投資重估儲備 HK\$'000 千港元	匯兌儲備 HK\$'000 千港元	保留溢利 HK\$'000 千港元	小計 HK\$'000 千港元	非控股權益應佔 HK\$'000 千港元	總計 HK\$'000 千港元
At 1 January 2020	於二零二零年一月一日	29,396	714,146	9,200	23,675	157,404	(8,386)	(97,707)	1,468,172	2,295,900	181,538	2,477,438
Employee share option benefits	僱員購股權福利	-	-	-	17,442	-	-	-	-	17,442	-	17,442
Exercise of share options	行使購股權	10	667	-	(231)	-	-	-	-	446	-	446
Share options lapsed	已失效購股權	-	-	-	(39)	-	-	-	39	-	-	-
Share of reserve of an associate	分佔一間聯營公司儲備	-	-	-	-	55	-	-	-	55	-	55
Capital contribution from non-controlling interests	非控股權益出資	-	-	-	-	-	-	-	-	-	31,226	31,226
Acquisition of a subsidiary (Note 45)	收購一間附屬公司(附註45)	-	-	-	-	-	-	-	-	-	(2,250)	(2,250)
Disposal of interests in subsidiaries (Note 46)	出售附屬公司權益(附註46)	-	-	-	-	-	-	-	-	-	(187,103)	(187,103)
Profit (loss) for the year	本年度溢利(虧損)	-	-	-	-	-	-	-	129,316	129,316	(50,782)	78,534
Other comprehensive income (expense) for the year	本年度其他全面收益(開支)											
- Exchange differences on translation of financial statements of overseas subsidiaries	- 海外附屬公司財務報表換算之匯兌差額	-	-	-	-	-	-	86,324	-	86,324	3,505	89,829
- Reclassification of exchange reserve upon disposal of subsidiaries (Note 46)	- 於出售附屬公司時將匯兌儲備重新分類(附註46)	-	-	-	-	-	-	(3,460)	-	(3,460)	-	(3,460)
- Reclassification of other reserves upon disposal of subsidiaries (Note 46)	- 於出售附屬公司時將其他儲備重新分類(附註46)	-	-	-	-	(92,545)	-	-	-	(92,545)	-	(92,545)
- Share of other comprehensive income of associates	- 分佔聯營公司之其他全面收益	-	-	-	-	314	-	-	-	314	-	314
- Fair value changes of financial assets at fair value through other comprehensive income	- 按公平值透過其他全面收益列賬之財務資產之公平值變動	-	-	-	-	-	(245,769)	-	-	(245,769)	(10,551)	(256,320)
Total comprehensive (expense) income for the year	本年度全面(開支)收益總額	-	-	-	-	(92,231)	(245,769)	82,864	129,316	(125,820)	(57,828)	(183,648)
2019 final dividend paid (Note 17)	已付二零一九年末期股息(附註17)	-	-	-	-	-	-	-	(22,349)	(22,349)	-	(22,349)
2020 interim dividend paid (Note 17)	已付二零二零年中期股息(附註17)	-	-	-	-	-	-	-	(15,879)	(15,879)	-	(15,879)
At 31 December 2020	於二零二零年十二月三十一日	29,406	714,813	9,200	40,847	65,228	(254,155)	(14,843)	1,559,299	2,149,795	(34,417)	2,115,378

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

		Attributable to the owners of the Company 本公司擁有人應佔								Attributable to non-controlling interests		Total
		Share capital	Share premium	Merger difference	Share-based compensation reserve	Other reserves	Investments revaluation reserve	Exchange reserve	Retained profits	Sub-total		
		股本	股份溢價	合併差額	以股份支付之酬金儲備	其他儲備	投資重估儲備	匯兌儲備	保留溢利	小計	非控股權益應佔	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 January 2019	於二零一九年一月一日	29,601	731,771	9,200	18,661	64,787	33,726	(80,236)	1,403,033	2,210,543	27,526	2,238,069
Employee share option benefits	僱員購股權福利	-	-	-	5,461	-	-	-	-	5,461	-	5,461
Exercise of share options	行使購股權	14	1,828	-	(447)	-	-	-	-	1,395	-	1,395
Share of reserve of an associate	分佔一間聯營公司之儲備	-	-	-	-	56	-	-	-	56	-	56
Share options lapsed in an associate	分佔一間聯營公司失效之購股權	-	-	-	-	(2)	-	-	2	-	-	-
Gain on deemed disposal of interests in subsidiaries	視為出售附屬公司權益之收益	-	-	-	-	92,545	-	-	-	92,545	218,412	310,957
Capital contribution from non-controlling interests	非控股權益出資	-	-	-	-	-	-	-	-	-	2,236	2,236
Repurchase and cancellation of ordinary shares	購回及註銷普通股	(219)	(19,453)	-	-	-	-	-	-	(19,672)	-	(19,672)
Profit (loss) for the year	本年度溢利(虧損)	-	-	-	-	-	-	-	125,553	125,553	(62,208)	63,345
Other comprehensive income (expense) for the year	本年度其他全面收益(開支)	-	-	-	-	-	-	-	-	-	-	-
- Exchange differences on translation of financial statements of overseas subsidiaries	- 海外附屬公司財務報表換算之匯兌差額	-	-	-	-	-	-	(17,471)	-	(17,471)	(1,243)	(18,714)
- Share of other comprehensive income of associates	- 分佔聯營公司之其他全面收益	-	-	-	-	18	-	-	-	18	-	18
- Fair value changes of financial assets at fair value through other comprehensive income	- 按公平值透過其他全面收益列賬之財務資產之公平值變動	-	-	-	-	-	(42,112)	-	-	(42,112)	(3,185)	(45,297)
Total comprehensive income (expense) for the year	本年度全面收益(開支)總額	-	-	-	-	18	(42,112)	(17,471)	125,553	65,988	(66,636)	(648)
2018 final dividend paid (Note 17)	已付二零一八年末期股息(附註17)	-	-	-	-	-	-	-	(49,754)	(49,754)	-	(49,754)
2019 interim dividend paid (Note 17)	已付二零一九年中期股息(附註17)	-	-	-	-	-	-	-	(10,662)	(10,662)	-	(10,662)
At 31 December 2019	於二零一九年十二月三十一日	29,396	714,146	9,200	23,675	157,404	(8,386)	(97,707)	1,468,172	2,295,900	181,538	2,477,438

The notes on pages 84 to 224 form an integral part of these consolidated financial statements.

第84頁至第224頁之附註構成此等綜合財務報表之一部分。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

			2020	2019
		Notes	二零二零年 HK\$'000 千港元	二零一九年 HK\$'000 千港元
		附註		
Operating activities	經營業務			
Profit before taxation	除稅前溢利		134,037	122,886
Adjustments for:	就下列項目作出調整：			
Amortisation of intangible assets	無形資產之攤銷	20	18,203	9,491
Depreciation of property, plant and equipment	物業、廠房及設備折舊	19	109,301	84,651
Fair value loss (gain) on derivative financial liabilities	衍生財務負債之公平值虧損(收益)	11	3,502	(6,551)
Fair value loss on financial assets at fair value through profit or loss, net	按公平值透過損益列賬之財務資產之公平值虧損淨額	11	17,963	4,705
Foreign exchange gain, net	外幣匯兌收益淨額	11	(214)	(2,071)
Loss on deemed disposal of interests in associates	視為出售聯營公司權益之虧損	22	180,923	-
Loss on derecognition of financial assets at fair value through profit or loss at expiration	於期滿時終止確認按公平值透過損益列賬之財務資產之虧損	11	4,584	-
Gain on disposal of subsidiaries, net	出售附屬公司之收益淨額	46	(155,625)	-
Gain on early termination of lease	提早終止租賃之收益	11	(2)	-
Gain on realisation of loan receivables	變現應收貸款之收益	11	-	(22,200)
Interest expenses	利息開支	13	5,385	5,759
Interest income	利息收入	10	(9,072)	(11,016)
Impairment loss on intangible assets	無形資產之減值虧損	20	3,840	117,652
Impairment loss on goodwill	商譽之減值虧損	21	2,342	-
Gain on disposal of plant and equipment, net	出售廠房及設備之收益淨額	11	(30)	(67)
Provision for expected credit losses on financial assets	財務資產之預期信貸虧損撥備	26	1,180	73
Provision for slow moving stock	滯銷存貨撥備		2,087	4,191
Provision for retirement benefits	退休福利撥備	39	14,770	26,248
Share-based payments	以股份支付之款項	38	17,442	5,461
Share of results of associates	分佔聯營公司業績		11,414	11,895
Write-off of expired stock	撇銷過期存貨		5,764	918
Write-off of property, plant and equipment	撇銷物業、廠房及設備	11	305	212

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

		Notes	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
		附註		
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量		368,099	352,237
Increase in inventories	存貨增加		(147,463)	(53,239)
Decrease (increase) in trade receivables	應收貿易賬款減少(增加)		5,648	(7,846)
Increase in other receivables, deposits and prepayments	其他應收款項、按金及預付款項增加		(33,036)	(77,498)
Decrease in pledged bank deposits	已抵押銀行存款減少		16,320	6,179
(Decrease) increase in trade payables	應付貿易賬款(減少)增加		(6,512)	14,105
Increase in other payables and accruals	其他應付款項及應計費用增加		93,762	163,843
Cash from operations	經營所產生之現金		296,818	397,781
Interest paid	已付利息	40	(4,715)	(4,592)
Income tax refund	退回所得稅		–	14,795
Income tax paid	已付所得稅		(73,192)	(8,031)
Net cash generated from operating activities	經營業務產生之現金淨額		218,911	399,953
Investing activities	投資活動			
Additions of development cost and license fee	開發成本及專利費增加	20	(219,744)	(242,366)
Advancement to associates	給予聯營公司之預付款項		(37,000)	(8,000)
Acquisition of financial assets at fair value through other comprehensive income	收購按公平值透過其他全面收益列賬之財務資產	24	(18,983)	(30,793)
Acquisition of financial assets at fair value through profit or loss	收購按公平值透過損益列賬之財務資產		(1,270)	(1,551)
Decrease in time deposits with initial terms of over three months	初期超過三個月之定期存款減少		45,040	123,606
Total interest received	已收利息總額		7,415	7,737
Increase in loans receivables	應收貸款增加		–	(7,800)
Purchase of plant and equipment	購入廠房及設備	19	(94,141)	(64,335)
Payment for construction in progress	在建工程付款	19	(44,254)	(53,877)
Proceeds from disposal of plant and equipment	出售廠房及設備之所得款項		63	126
Repayment from associates	由聯營公司償還		4,682	5,519
Repayment from loan receivables	應收貸款償還		–	12,723
Subscription of shares of an associate	認購一間聯營公司股份		(1,581)	–
Net cash inflow (outflow) from acquisition of a subsidiary	收購一間附屬公司產生之現金流入(流出)淨額	45	474	(2,400)
Net cash outflow from disposal of subsidiaries	出售附屬公司產生之現金流出淨額	46	(164,443)	–
Net cash used in investing activities	投資活動所用之現金淨額		(523,742)	(261,411)

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

		Notes	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
		附註		
Financing activities	融資活動			
Capital contribution from non-controlling interests	非控股權益出資		31,226	2,236
New loans raised	新增貸款	40	167,418	68,713
Repayment of loans	償還貸款	40	(160,428)	(53,677)
Repayment of lease liabilities	償還租賃負債	40	(10,238)	(12,380)
Net proceeds from issue of ordinary shares upon exercise of share options	購股權行使時發行普通股所得款項淨額	36	446	1,395
Net proceeds from deemed disposal of interests in subsidiaries without losing control	視為出售附屬公司權益(並無失去控制權)之所得款項淨額	47	—	397,593
Payment on repurchase and cancellation of ordinary shares	購回及註銷普通股之付款	36	—	(19,672)
Dividend paid	已付股息	17	(38,228)	(60,416)
Net cash (used in) generated from financing activities	融資活動(所用)產生之現金淨額		(9,804)	323,792
Net (decrease) increase in cash and cash equivalents	現金及現金等值(減少)增加淨額		(314,635)	462,334
Cash and cash equivalents at 1 January	於一月一日之現金及現金等值		693,516	222,296
Effect of foreign exchange rate changes	外幣匯率變動之影響		(3,682)	8,886
Cash and cash equivalents at 31 December	於十二月三十一日之現金及現金等值		375,199	693,516
Analysis of cash and cash equivalents	現金及現金等值分析			
Cash and bank balances	現金及銀行結餘		375,199	364,994
Time deposits	定期存款		39,336	410,136
			414,535	775,130
Less: Time deposits with maturity over three months	減：三個月後到期之定期存款		(39,336)	(81,614)
			375,199	693,516

The notes on pages 84 to 224 form an integral part of these consolidated financial statements.

第84頁至第224頁之附註構成此等綜合財務報表之一部分。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

1. GENERAL INFORMATION

Lee's Pharmaceutical Holdings Limited (the "Company") is a limited company incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the section headed "Corporate Information" in this annual report.

The principal activities of the Company and its subsidiaries (collectively referred to as the "Group") are the developing, manufacturing and sales and marketing of pharmaceutical products.

The consolidated financial statements are presented in Hong Kong Dollars (HK\$), which is also the functional currency of the Company.

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

Amendments to Hong Kong Accounting Standards ("HKASs") and HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the "Amendments to References to the Conceptual Framework in HKFRS Standards" and the following amendments to HKASs and HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

The application of the "Amendments to References to the Conceptual Framework in HKFRS Standards" and these amendments to HKASs and HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or disclosures set out in these consolidated financial statements.

1. 一般資料

李氏大藥廠控股有限公司(「本公司」)為於開曼群島註冊成立之有限公司，而其股份於香港聯合交易所有限公司(「聯交所」)主板上市。本公司之註冊辦事處及主要營業地點之地址於本年報「公司資料」一節內披露。

本公司及其附屬公司(統稱「本集團」)之主要業務為開發、製造、銷售及營銷藥品。

此等綜合財務報表乃以港元呈列，而港元亦為本公司之功能貨幣。

2. 應用新增香港財務報告準則及香港財務報告準則之修訂

於本年度強制生效之香港會計準則及香港財務報告準則之修訂

於本年度，本集團就編製綜合財務報表首次應用香港會計師公會頒佈於二零二零年一月一日或之後開始之年度期間強制生效之「於香港財務報告準則提述概念框架之修訂」以及下列香港會計準則及香港財務報告準則之修訂：

香港會計準則第1號及香港會計準則第8號之修訂	重大之定義
香港財務報告準則第3號之修訂	業務之定義
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號之修訂	利率基準改革

於本年度應用「於香港財務報告準則提述概念框架之修訂」以及該等香港會計準則及香港財務報告準則之修訂對本集團於本年度及過往年度之財務狀況及表現及／或本綜合財務報表所載之披露事項並無重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

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

New and amendments to HKASs and HKFRSs in issue but not yet effective

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

Accounting Guideline 5 (Revised) HKFRS 17	Merger Accounting for Common Control Combination ³
Amendments to HKAS 1	Insurance Contracts and the related Amendments ⁴
Amendments to HKAS 16	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ⁴
Amendments to HKAS 37	Property, Plant and Equipment – Proceeds before Intended Use ³
Amendments to HKFRS 3	Onerous Contracts – Cost of Fulfilling a Contract ³
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Reference to the Conceptual Framework ³
Amendments to HKFRS 10 and HKAS 28	Interest Rate Benchmark Reform – Phase 2 ²
Amendments to HKFRS 16	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁵
Amendments to HKFRSs	COVID-19-Related Rent Concessions ¹
	Annual Improvements to HKFRSs 2018–2020 ³

- ¹ Effective for annual periods beginning on or after 1 June 2020, earlier application is permitted
- ² Effective for annual periods beginning on or after 1 January 2021, earlier application is permitted
- ³ Effective for annual periods beginning on or after 1 January 2022, earlier application is permitted
- ⁴ Effective for annual periods beginning on or after 1 January 2023, earlier application is permitted
- ⁵ Effective date to be determined

Except for the amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKASs and HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

2. 應用新增香港財務報告準則及香港財務報告準則之修訂(續)

已頒佈但尚未生效之新增香港會計準則及香港財務報告準則以及香港會計準則及香港財務報告準則之修訂

本集團並無提早應用下列已頒佈但尚未生效之新增香港會計準則及香港財務報告準則以及香港會計準則及香港財務報告準則之修訂：

會計指引第5號(修訂)	共同控制下業務合併之合併會計處理 ³
香港財務報告準則第17號	保險合約及相關修訂 ⁴
香港會計準則第1號之修訂	流動或非流動負債之分類及香港詮釋第5號(二零二零年)之相關修訂 ⁴
香港會計準則第16號之修訂	物業、廠房及設備——作擬定用途前之所得款項 ³
香港會計準則第37號之修訂	虧損合約——履行合約之成本 ³
香港財務報告準則第3號之修訂	提述概念框架 ³
香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號之修訂	利率基準改革——第2階段 ²
香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合營企業之間之資產出售或注資 ⁵
香港財務報告準則第16號之修訂	COVID-19相關租金優惠 ¹
香港財務報告準則之修訂	香港財務報告準則二零一八年至二零二零年之年度改進 ³

- ¹ 於二零二零年六月一日或之後開始之年度期間生效，可提早應用
- ² 於二零二一年一月一日或之後開始之年度期間生效，可提早應用
- ³ 於二零二二年一月一日或之後開始之年度期間生效，可提早應用
- ⁴ 於二零二三年一月一日或之後開始之年度期間生效，可提早應用
- ⁵ 生效日期待定

除下述香港財務報告準則之修訂外，本公司董事預期應用所有其他新增香港會計準則及香港財務報告準則以及香港會計準則及香港財務報告準則之修訂於可見將來不會對綜合財務報表造成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

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

New and amendments to HKASs and HKFRSs in issue but not yet effective (Continued)

Amendments to HKFRS 16 “COVID-19-Related Rent Concessions”

The amendment is effective for annual periods beginning on or after 1 June 2020.

The amendment introduces a new practical expedient for lessees to elect not to assess whether a COVID-19-related rent concession is a lease modification. The practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 that meets all of the following conditions:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for the change in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 “Leases” (“**HKFRS 16**”) if the changes are not a lease modification. Forgiveness or waiver of lease payments are accounted for variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

The application is not expected to have impact on the Group’s financial positions and performance as the Group does not intend to apply the practical expedient.

2. 應用新增香港財務報告準則及香港財務報告準則之修訂(續)

已頒佈但尚未生效之新增香港會計準則及香港財務報告準則以及香港會計準則及香港財務報告準則之修訂(續)

香港財務報告準則第16號之修訂 「COVID-19相關租金優惠」

該修訂於二零二零年六月一日或之後開始之年度期間生效。

該修訂新增一項可行權宜方法，讓承租人可選擇不評估COVID-19相關租金優惠是否屬於租賃修改。該可行權宜方法僅適用於因COVID-19直接引致並符合以下所有條件之租金優惠：

- 租賃付款之變動使租賃代價有所修訂，而經修訂之代價與緊接變動前之租賃代價大致相同，或少於緊接變動前之租賃代價；
- 租賃付款之任何減幅僅影響原到期日為二零二一年六月三十日或之前之付款；及
- 租賃之其他條款及條件並無實質變動。

凡應用該可行權宜方法之承租人將以應用香港財務報告準則第16號「租賃」(「**香港財務報告準則第16號**」)所引致變動之相同方式，將租金優惠帶來之租賃付款變動按不屬於租賃修改的方法入賬。租賃付款之任何寬免或豁免均入賬列作可變租賃付款。相關租賃負債將予調整，以反映獲寬免或豁免之金額，而相應調整將於引發事件期間之損益內確認。

由於本集團無意應用該可行權宜方法，故預期應用該修訂不會對本集團之財務狀況及表現造成影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

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

Basis of preparation

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

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

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

3. 主要會計政策

合規聲明

此等綜合財務報表已根據香港會計師公會頒佈之香港財務報告準則編製。此外，此等綜合財務報表包括香港聯合交易所有限公司證券上市規則（「**上市規則**」）及香港公司條例（「**公司條例**」）規定之適用披露資料。

編製基準

此等綜合財務報表是根據歷史成本慣例而編製，惟誠如下述會計政策所解釋，於各報告期末，若干財務工具乃按公平值計量。

歷史成本一般基於為交換貨品及服務而給予之代價之公平值。

公平值指市場參與者之間在計量日進行之有序交易中出售一項資產所收取之價格或轉移一項負債所支付之價格，無論該價格乃直接觀察到之結果，或是採用其他估值技術作出之估計。在對資產或負債之公平值作出估計時，本集團考慮了市場參與者在計量日為該資產或負債進行定價時將會考慮之該等特徵。於此等綜合財務報表中計量及／或披露之公平值均按此基準予以釐定，惟香港財務報告準則第2號「以股份支付之款項」（「**香港財務報告準則第2號**」）範圍內之以股份為基礎之支付交易、按照香港財務報告準則第16號入賬之租賃交易及與公平值類似但並非公平值之計量（如香港會計準則第2號「存貨」中之可變現淨值或香港會計準則第36號「資產減值」（「**香港會計準則第36號**」）中之使用價值）除外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of preparation (Continued)

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

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

The principal accounting policies are set out below.

Basis of consolidation

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

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

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

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

3. 主要會計政策(續)

編製基準(續)

此外，就財務報告而言，公平值計量根據公平值計量之輸入數據可觀察程度及公平值計量之輸入數據對其整體之重要性分類為第一級、第二級或第三級，詳情如下：

- 第一級輸入數據乃實體於計量日可取得之相同資產或負債於活躍市場之報價(未經調整)；
- 第二級輸入數據乃就資產或負債直接或間接地可觀察之輸入數據(第一級內包括之報價除外)；及
- 第三級輸入數據乃資產或負債之不可觀察輸入數據。

主要會計政策載列如下。

綜合基準

本綜合財務報表包括本公司及本公司及其附屬公司控制之實體之財務報表。倘本公司同時符合以下標準，則本公司取得控制權：

- 對被投資方擁有權力；
- 面對或擁有自其參與被投資方產生之可變回報之風險或權利；及
- 有能力行使其權力以影響其回報時。

倘事實及情況表明上述控制之三要素之其中一項或多項出現變化，則本集團將重新評估其是否對投資對象擁有控制權。

對一間附屬公司之綜合入賬乃由本集團獲得對該附屬公司之控制權開始，並於本集團失去對該附屬公司之控制權時終止。具體而言，年內所收購或出售之附屬公司收益及開支乃由本集團獲得控制權日期起包含於綜合損益表內，直至本集團失去對該附屬公司之控制權日終止。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (Continued)

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

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

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

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

Changes in the Group's interests in existing subsidiaries

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

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

3. 主要會計政策(續)

綜合基準(續)

損益及其他全面收益之各項目乃歸屬於本公司擁有人及非控股權益。附屬公司之全面收益總額乃歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益擁有虧絀結餘。

倘有需要，會對附屬公司之財務報表作出調整，以使其會計政策與本集團之會計政策一致。

與本集團各成員公司間交易有關之所有集團內公司間資產及負債、權益、收益、開支及現金流量乃於綜合賬目時全面對銷。

附屬公司之非控股權益與本集團於當中之權益分開呈列，而該等權益指賦予持有人權利於清盤時按比例分佔相關附屬公司淨資產的權益。

本集團於現有附屬公司之權益之變動

本集團於現有附屬公司權益之變動並無導致本集團失去該等附屬公司之控制權，會作為權益交易入賬。本集團權益之相關部分及非控股權益之賬面值經調整以反映彼等於附屬公司之有關權益變動包括根據本集團與非控股權益之權益比例重新劃撥本集團與非控股權益之相關儲備。

獲調整之非控股權益金額與所支付或收取代價之公平值之間之任何差額直接於權益確認並歸屬於本公司擁有人。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (Continued)

Changes in the Group's interests in existing subsidiaries (Continued)

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

Business combinations

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

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

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 "Income Taxes" and HKAS 19 "Employee Benefits" respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 at the acquisition date;

3. 主要會計政策(續)

綜合基準(續)

本集團於現有附屬公司之權益之變動(續)

當本集團失去一間附屬公司之控制權時，該附屬公司之資產及負債以及非控股權益(如有)將終止確認。收益或虧損於損益內確認，並按：(i)已收代價公平值及任何保留權益公平值總額與(ii)本公司擁有人應佔附屬公司資產(包括商譽)及負債之賬面值之差額計算。所有先前於其他全面收益確認之有關該附屬公司之款項，將按猶如本集團已直接出售該附屬公司之相關資產或負債入賬(即按適用香港財務報告準則之規定／許可條文重新分類至損益或轉撥至另一類權益)。於失去控制權當日於前附屬公司保留之任何投資之公平值將根據香港財務報告準則第9號「財務工具」(「香港財務報告準則第9號」)，於其後入賬時被列作初步確認之公平值，或(如適用)於初步確認時於聯營公司之投資成本。

業務合併

業務收購乃採用收購法入賬。於業務合併轉撥之代價按公平值計量，而計算為本集團轉撥之資產及本集團產生之負債(至被收購公司之前擁有人及本集團為交換被收購公司之控制權而發行之股權)於收購日期之公平值總和。與收購事項有關之成本一般於產生時在損益中確認。

於收購日期，所收購之可識別資產與所承擔之負債按彼等之公平值確認，惟下列項目除外：

- 遞延稅項資產或負債及與僱員福利安排有關之資產或負債分別根據香港會計準則第12號「所得稅」及香港會計準則第19號「僱員福利」確認及計量；
- 與被收購公司之以股份支付之款項安排或本集團所訂立以取代被收購公司之以股份支付之款項安排有關之負債或股本工具乃於收購日期根據香港財務報告準則第2號計量；

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations (Continued)

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

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

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

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

3. 主要會計政策(續)

業務合併(續)

- 根據香港財務報告準則第5號「持作出售之非流動資產及已終止經營業務」劃分為持作出售之資產(或出售組合)根據該準則計量; 及
- 租賃負債按剩餘租賃付款額(定義見香港財務報告準則第16號)之現值確認及計量, 猶如所收購租賃為收購日期之新租賃一樣, 惟(a)租賃期於收購日期12個月內終止; 或(b)相關資產價值低之租賃除外。使用權資產按與相關租賃負債之相同金額確認及計量, 並進行調整以反映與市場條款相比之有利或不利租賃條款。

商譽按所轉讓代價、於被收購方任何非控股權益之金額及收購方過往所持有被收購方股本權益(如有)公平值之總和減所收購之可識別資產及所承擔負債於收購日期之淨額後, 所超出之差額計值。倘經過重估後, 所收購之可識別資產與所承擔負債之淨額高於轉讓代價、於被收購方任何非控股權益之金額及收購方過往所持有被收購方股本權益(如有)公平值之總和, 則差額即時於損益內確認為議價購買收益。

屬現時擁有之權益且於清盤時讓持有人有權按比例分佔相關附屬公司之淨資產之非控股權益, 初步按非控股權益應佔被收購方可識別資產淨值之已確認金額比例或按公平值計量。計量基準視乎每項交易而作出選擇。

倘本集團於業務合併中轉讓之代價包括或然代價安排, 或然代價按其收購日期公平值計量, 並視為於業務合併中所轉撥之代價一部分。或然代價之公平值變動(證實為計量期間調整)可回顧調整。計量期間調整乃於「計量期間」(其不可超過自收購日期起計一年)內所獲得之有關於收購日期存在之事實及情況之額外資料所產生之調整。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations (Continued)

The subsequent accounting for the contingent consideration that does not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under HKFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Investments in subsidiaries

Investments in subsidiaries are included in the Company's statement of financial position at cost less any identified impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

3. 主要會計政策(續)

業務合併(續)

或然代價之隨後入賬並無確認為計量期間調整，而取決於或然代價如何劃分。劃分為權益之或然代價並無於隨後申報日期重新計量，而其隨後結算於權益內入賬。劃分為資產或負債之或然代價於隨後申報日期重新計量公平值，而相應之收益或虧損於損益表中確認。

倘業務合併分階段達成，本集團先前於被收購方持有之股權重新計量至收購日期之公平值(即本集團取得控制權之日)，而所產生之收益或虧損(如有)在適當時計入損益或其他全面收益中。先前於其他全面收益中確認並根據香港財務報告準則第9號計量之收購日期前於被收購方權益產生之金額將以與本集團直接處置先前持有之權益所需之相同基準入賬。

倘業務合併之初步會計處理於合併發生之報告期間尚未完成，則本集團報告未能完成會計處理之項目臨時數額。該等臨時數額會於計量期間(見上文)予以追溯調整，以及確認額外資產或負債，以反映於收購日期已存在而據所知可能影響該日已確認款額之事實與情況所取得之新資訊。

於附屬公司之投資

於附屬公司之投資乃按成本值扣減任何已識別之減值虧損後計入本公司財務狀況表。附屬公司之業績乃由本公司按已收及應收股息基準予以入賬。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Goodwill

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

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

A CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indicator that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the CGU (or group of CGUs) is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of CGUs). Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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

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

3. 主要會計政策(續)

商譽

收購業務產生之商譽按於業務收購結束時確定之成本值(見上文會計政策)減累計減值虧損(如有)列賬。

為進行減值測試，商譽乃分配至預期將從合併所帶來之協同效益中受惠之本集團各個現金產生單位或現金產生單位組合，而該單位或單位組合指就內部管理目之監控商譽之最低水平且不過經營分部。

本集團會每年或更頻密地於現金產生單位可能出現減值跡象時對獲分配商譽之該單位或現金產生單位組合進行減值測試。至於報告期內進行收購產生之商譽，獲分配商譽之現金產生單位或現金產生單位組合於該報告期末前進行減值測試。倘現金產生單位或現金產生單位組合之可收回金額低於其賬面值，本集團會首先分配減值虧損以削減任何商譽之賬面值，然後根據單位或現金產生單位組合中每項資產之賬面值按比例削減其他資產之賬面值。商譽之任何減值虧損會直接於損益表內確認。商譽之減值虧損不會於其後期間撥回。

出售有關現金產生單位或現金產生單位組合中任何現金產生單位時，商譽應佔之金額乃於釐定出售之損益金額時入賬。倘本集團出售現金產生單位或現金產生單位組合中之現金產生單位之營運，所出售商譽金額按所出售營運(或現金產生單位)與所保留現金產生單位或現金產生單位組合部分之相對價值計量。

本集團有關收購聯營公司所產生商譽之政策闡述如下。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in associates

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

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

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

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

3. 主要會計政策(續)

於聯營公司之投資

聯營公司為本集團對其擁有重大影響力之實體。重大影響力為參與被投資方財務及經營政策決定但不控制或共同控制該等政策之權力。

聯營公司之業績及資產與負債乃採用權益會計法計入此等綜合財務報表。以權益會計法處理之聯營公司財務報表乃按與本集團就於類似情況下之交易及事件所採用者相同之會計政策編製。根據權益法，於聯營公司之投資初步按成本於綜合財務狀況表內確認，並於其後作出調整，以確認本集團分佔之聯營公司損益及其他全面收益。聯營公司淨資產(並非損益及其他全面收益)變動不會入賬，除非有關變動導致本集團所持擁有權益出現變動。當本集團分佔之聯營公司虧損超過本集團於該聯營公司之權益(其包括實質上構成本集團於該聯營公司之投資淨額一部分之任何長期權益)時，本集團不再繼續確認其分佔之進一步虧損。僅當本集團已產生法定或推定責任或代表該聯營公司作出付款時，方會確認額外虧損。

於聯營公司之投資乃自該被投資方成為聯營公司之日起採用權益法入賬。收購於聯營公司之投資時，該投資成本超出本集團分佔該被投資方之可識別資產及負債之公平淨值之任何部分乃確認為商譽，該商譽計入該投資之賬面值。本集團分佔可識別資產及負債之公平淨值超過該投資成本之任何部分經重新評估後即時於收購該投資期間之損益中確認。

本集團會評估是否在客觀證據顯示聯營公司之權益可能出現減值。如存在任何客觀證據，根據香港會計準則第36號作為單一資產對該投資(包括商譽)之全部賬面值進行減值測試，方法為比較其可收回金額(使用價值與公平值減出售成本兩者之較高者)與其賬面值。已確認之任何減值虧損不會分配至構成該投資賬面值之一部分之任何資產(包括商譽)。倘該投資之可收回金額其後增加，則根據香港會計準則第36號確認該投資虧損之任何撥回。

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截至二零二零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in associates (Continued)

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

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

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

3. 主要會計政策(續)

於聯營公司之投資(續)

倘本集團對聯營公司失去重大影響力，其入賬列作出售被投資方之全部權益，所產生之損益於損益確認。倘根據香港財務報告準則第9號之範圍，本集團保留於聯營公司之權益且該保留權益為財務資產，則本集團會於該日按公平值計量保留權益，而該公平值則被視為於初步確認時之公平值。聯營公司之賬面值於權益法終止當日與任何保留權益及出售聯營公司之相關權益之所得款項公平值間之差額。此外，本集團會將先前在其他全面收入就該聯營公司確認之所有金額入賬，基準與該聯營公司直接出售相關資產或負債所需基準相同。因此，倘該聯營公司先前已於其他全面收入確認之收益或虧損，會於出售相關資產或負債時重新分類至損益，則本集團會於出售／部分出售有關聯營公司時將收益或虧損由權益重新分類至損益(作為重新分類調整)。

倘本集團削減其於聯營公司之所有權權益而本集團繼續採用權益法，若有關收益或虧損會於出售相關資產或負債時重新分類至損益，則本集團會將先前已於其他全面收入確認與削減所有權權益有關之收益或虧損部分重新分類至損益。

倘集團實體與本集團之聯營公司進行交易，僅在聯營公司之權益與本集團無關之情況下，方會於本集團綜合財務報表中確認與聯營公司進行交易所產生之溢利及虧損。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from contracts with customers

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

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

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

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

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

3. 主要會計政策(續)

客戶合約之收益

本集團於達成履約責任時(即當特定履約責任相關之貨品或服務之「控制權」轉移至客戶時)確認收入。

履約責任指一項明確貨品及服務(或一批貨品或服務)或一系列大致相同之明確貨品或服務。

倘符合以下其中一項條件而控制權隨時間轉移，收入則可參考完成相關履約責任之進度而按時間確認：

- 客戶於本集團履約時同時收取及享用本集團履約所提供之利益；
- 本集團履約創建或增強客戶隨本集團履約而控制之資產；或
- 本集團履約未能創建對本集團具有替代用途之資產，而本集團有強制執行權收取至今已履約部分之款項。

除此之外，於客戶獲得明確貨品或服務控制權時確認收益。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from contracts with customers (Continued)

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

Manufacturing of proprietary and generic products and trading of licensed-in products

Revenue from manufacturing of proprietary and generic products and trading of licensed-in products are recognised at a point in time when control of the asset is transferred to the customer, generally on delivery of the product and accepted by the customers. No right of return by customers is allowed based on contractual terms. Revenue is thus recognised when the products are delivered to the customers and the customers accepted the products. There is generally only one performance obligation and the consideration include no variable amount.

Other income

Other income (i.e. compensation income, incentive from vendor and sundry income) is recognised at a point in time when control of the asset is transferred to the customer, generally on services have been rendered to customers.

Research and development service income is recognised when the Group renders the services and all the benefits are received and consumed simultaneously by customer throughout the contract period. Thus, the Group satisfies a performance obligation and recognises as over time.

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

Interest income is accrued on a time basis on the principal outstanding at the applicable interest rate, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3. 主要會計政策(續)

客戶合約之收益(續)

本集團收益及其他收入確認政策之進一步詳情如下：

製造專利及仿製產品及買賣引進產品

製造專利及仿製產品之收入及買賣引進產品乃於資產之控制權轉移到客戶時確認收益，一般乃指產品運付到客戶及獲客戶接納之時。根據合約條款，客戶並無退貨權。因此，收益會在產品付運到客戶並獲客戶接納產品時確認。一般而言，此僅為一次性履約責任，而代價並不包括可變金額。

其他收入

其他收入(即補償收入、供應商獎勵及雜項收入)會在資產控制權轉移至客戶之時間點確認，一般乃指向客戶提供服務時。

研究及開發服務收入於合約期內本集團提供服務而客戶同時收取並使用所有利益時確認。因此，本集團隨時間履行履約責任並進行確認。

租金及公共服務收入於租期內按時間比例確認。

利息收入就未償還本金根據適用利率按時間基準累計，而該利率為按財務資產之預計年期將估計未來現金收入準確貼現至該資產於初始確認時之賬面淨值之利率。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from contracts with customers (Continued)

Contract balances

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

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

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

Leasing

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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

3. 主要會計政策(續)

客戶合約之收益(續)

合約結餘

合約資產指本集團尚未擁有向客戶轉移貨品或服務而收取代價之無條件權利。其根據香港財務報告準則第9號評估減值。相反，應收款項指本集團收取代價之無條件權利，即代價付款僅需隨時間流逝到期收回。

合約負債指本集團向客戶轉移本集團已自客戶收取代價(或應收代價金額)之貨品或服務之責任。倘客戶於本集團向該客戶轉移貨物或服務前支付代價，合約負債於付款或款項到期時(以較早者為準)確認。合約負債於本集團根據合約履約時確認為收益。

與相同合約有關之合約資產及合約負債以淨額基準入賬及呈列。

租賃

租賃之定義

如果合同賦予在一段時期內控制一項已識別資產之使用之權利以代價換取，則該合同是一項租賃或包含一項租賃。

對於首次應用日期或之後訂立或修訂或業務合併產生之合同，本集團根據香港財務報告準則第16號項下之定義，於開始日、修訂日或收購日(如適用)評估合同是否是一項租賃或包含一項租賃。除非合同條款和條件在後續發生變更，否則不會對此類合同進行重新評估。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing (Continued)

The Group as a lessee

(a) Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

(b) Short-term leases and leases of low-value assets

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

(c) Right-of-use assets

The cost of right-of-use asset includes:

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

3. 主要會計政策(續)

租賃(續)

本集團作為承租人

(a) 將代價分攤至合同之各組成部分

倘合同包含一個租賃成分以及一個或多個額外之租賃或非租賃成分，則本集團應基於租賃成分之相關單獨價格及非租賃成分之單獨價格總和，將合同中之代價在各租賃成分之間進行分攤。

(b) 短期租賃及低價值資產租賃

本集團對從租賃日開始日租賃期為12個月或更短之租賃及不包含購買選擇權之租賃機器及設備以及物業應用短期租賃之確認豁免。本集團亦對低價值資產租賃應用該項豁免。短期租賃和低價值資產租賃之付款額在租賃期內採用直線法確認為費用。

(c) 使用權資產

使用權資產之成本包括：

- 租賃負債之初始計量金額；
- 在租賃期開始日或之前支付之任何租賃付款額，減去所取得之任何租賃獎勵金額；
- 本集團產生之任何初始直接成本；及
- 本集團拆卸及移除相關資產、復原相關資產所在地或將相關資產恢復至租賃條款和條件所規定之狀態所產生之預計成本。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing (Continued)

The Group as a lessee (Continued)

(c) Right-of-use assets (Continued)

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

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

When the Group obtains ownership of the underlying leased assets at the end of the lease term, upon exercising purchase options, the cost of the relevant right-of-use assets and the related accumulated depreciation and impairment loss are transferred to property, plant and equipment.

The Group presents right-of-use assets in “property, plant and equipment”, the same line item within which the corresponding underlying assets would be presented if they were owned.

(d) Refundable rental deposits

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

(e) Lease liabilities

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

3. 主要會計政策(續)

租賃(續)

本集團作為承租人(續)

(c) 使用權資產(續)

使用權資產按成本減去任何累計折舊和減值損失進行計量，並對租賃負債之任何重新計量作出調整。

對於本集團可合理確定在租賃期結束時取得相關租賃資產所有權之使用權資產，自租賃期開始日至使用壽命結束之期間內計提折舊。否則，使用權資產應按估計使用壽命和租賃期兩者中之較短者以直線法計提折舊。

當本集團於租賃期結束時獲得相關租賃資產之所有權時，於行使購股權後，相關使用權資產之成本以及相關之累計折舊及減值損失將轉移至物業、廠房及設備。

本集團於「物業、廠房及設備」呈列使用權資產，即於對應相關資產(倘擁有)所屬之相同項目內呈列。

(d) 可退回租賃按金

已支付之可退回租賃按金根據香港財務報告準則第9號入賬，並且按公平值進行初始計量。初始確認時之公平值調整視為額外租賃付款並計入使用權資產之成本。

(e) 租賃負債

於租賃期開始日，本集團應當按該日尚未支付之租賃付款額現值確認及計量租賃負債。在計算租賃付款額之現值時，如果不易於確定租賃之內含利率，本集團則使用租賃期開始日之增量借款利率。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing (Continued)

The Group as a lessee (Continued)

(e) Lease liabilities (Continued)

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

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

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

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

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

3. 主要會計政策(續)

租賃(續)

本集團作為承租人(續)

(e) 租賃負債(續)

租賃付款包括：

- 固定付款額(包括實質上之固定付款額)，減去應收之租賃獎勵措施金額；
- 取決於指數或費率之可變租賃付款額，初步計量時使用開始日期之指數或利率；
- 本集團根據剩餘價值擔保預期應付之金額；
- 倘在本集團合理確定將行使購買選擇權之情況下該選擇權之行使價；及
- 終止租賃之罰款金額，如果租賃期反映出本集團將行使終止租賃之選擇權。

租賃期開始日之後，租賃負債通過利息增加和租賃付款額進行調整。

如果符合下述情況，本集團對租賃負債進行重新計量(並對相關使用權資產進行相應調整)：

- 租賃期發生變化或對行使購買選擇權之評估發生變化，在此情況下，使用重新評估日修改後之折現率對修正後之租賃付款額進行折現重新計量相關之租賃負債。
- 租賃付款因市場租金審查後之市場租金變化／保證剩餘價值下之預期付款而變化，在此情況下，使用初始折現率對修正後之租賃付款額進行折現來重新計量相關之租賃負債。

本集團於綜合財務狀況表中將租賃負債作為單獨之項目呈列。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing (Continued)

The Group as a lessee (Continued)

(f) Lease modifications

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

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

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

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

3. 主要會計政策(續)

租賃(續)

本集團作為承租人(續)

(f) 租賃修改

如果符合以下條件，本集團將租賃修改作為一項單獨租賃進行會計處理：

- 該修改通過增加對一項或多項相關資產之使用權擴大了租賃範圍；及
- 租賃代價增加之金額與針對擴大租賃範圍之單獨價格及為反映特定合同之具體情況而對單獨價格作出之任何適當之調整相稱。

對於不作為一項單獨租賃進行會計處理之租賃修改，在租賃修改之生效日，本集團根據修改後租賃之租賃期，通過使用修改後之折現率對修改後之租賃付款額進行折現以重新計量租賃負債減任何應收租賃獎勵。

本集團通過對相關使用權資產進行相應調整，對租賃負債重新計量進行會計處理。當修改後之合同包含租賃組成部分和一個或多個其他租賃或非租賃組成部分時，本集團會根據租賃組成部分之相對獨立價格及非租賃組成部分之總獨立價格將修改後之合同中之代價分配至每個租賃組成部分。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing (Continued)

The Group as a lessor

Classification and measurement of leases

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

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

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 "Revenue from contracts with Customers" ("HKFRS 15") to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

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

Lease modification

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

3. 主要會計政策(續)

租賃(續)

本集團作為出租人

租賃之分類及計量

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

經營租賃之租金收入按相關租賃年期以直線法於損益確認。於協商及安排經營租賃時引致之初步直接成本加入租賃資產之賬面金額，而有關成本按租賃年期以直線法確認為開支。租金收入計入損益中之「其他收入」。

分配代價至各合約組成部分

如合約同時包括租賃及非租賃組成部分，本集團應用香港財務報告準則第15號「客戶合約收益」(「香港財務報告準則第15號」)將合約代價分配至租賃及非租賃組成部分。非租賃組成部分會根據相應獨立售價從租賃組成部分中分拆。

可退回租賃按金

已收可退回租賃按金根據香港財務報告準則第9號入賬，初始按公平值計量。對初始確認公平值之調整被視為從承租人額外收取之租賃付款。

租賃修改

租賃合約代價如出現不屬於原有條款及條件一部分之變動，則入賬列作租賃修改，包括透過租金寬免或寬減提供之租賃獎勵。

本集團自租賃修改生效日期起將經營租賃修改入賬列作新租賃，當中視原有租賃任何相關預付或應計租賃付款為新租賃之租賃付款一部分。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at 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 retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests in associates.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong Dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

3. 主要會計政策(續)

外幣

於編製各單獨集團實體之財務報表時，以該實體功能貨幣以外之貨幣(外幣)進行之交易初步按於交易日期之通行匯率記錄。於報告期末，以外幣計值之貨幣項目按該日適用之通行匯率重新換算。以外幣計值並按公平值列賬之非貨幣項目乃按已釐定公平值之日期之通行匯率重新換算。以外幣為單位之歷史成本計量之非貨幣項目並不予以重新換算。

因結算貨幣項目及重新換算貨幣項目而產生之匯兌差額，於其產生期間在損益內確認，惟應收或應付一項境外業務之貨幣項目匯兌差額，既無計劃結算，或發生結算之可能性亦不大，故為境外業務投資淨額之一部分，初始於其他全面收益確認，並於出售或部分出售本集團於聯營公司之權益時自權益重新分類至損益。

為呈列綜合財務報表，本集團海外業務之資產及負債乃按報告期末之適用匯率換算為本集團之呈列貨幣(即港元)。收入及支出項目按該期間之平均匯率換算，惟倘匯率於該年度內出現大幅波動則除外，在此情況下，採用交易日之匯率換算。所產生之匯兌差額(如有)乃於其他全面收益確認並根據匯兌儲備(歸屬於非控股權益(如適用))於權益累計。

於出售海外業務(即出售本集團於海外業務之全部權益，或部分出售涉及失去包含海外業務附屬公司之控制權或出售於聯營公司(包含海外業務)之權益，當中之保留權益成為財務資產時)時，就本公司擁有人應佔之業務於權益累計之所有匯兌差額重新分類至損益。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (Continued)

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

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

Borrowing costs

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

3. 主要會計政策(續)

外幣(續)

此外，對於不會導致本集團失去對附屬公司控制權之附屬公司之部分出售，累計匯兌差額之按比例份額會重新分配予非控股權益且不會於損益確認。對於所有其他部分出售，累計匯兌差額之按比例份額會重新分類至損益。

對收購海外業務產生之可識別收購資產所作之商譽及公平值調整作為該海外業務之資產及負債進行處理，並按各報告期末現行之匯率換算。所產生之匯兌差額於其他全面收益中確認。

借貸成本

直接歸屬於收購、建造或生產合資格資產(為需用較長期間才可供其擬定用途或出售之資產)之借貸成本計入該等資產之成本，直至資產大致可用於其擬定用途或出售時為止。

有待於合資格資產支銷之有關特定借貸暫時投資所賺取之投資收入，自合資格資本化之借貸成本中扣除。

所有其他借貸成本於其所產生期間於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government grants

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

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

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purposes of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are grouped under “other income” in profit or loss.

Retirement benefits

Defined contribution plan

Retirement benefits are provided to eligible staff of the Group. Hong Kong employees enjoy retirement benefits under the Mandatory Provident Fund Scheme. The employer's monthly contribution is 5% of each employee's monthly salary with maximum amount of HK\$1,500 per month for each employee.

The pension schemes covering all the Group's employees in the People's Republic of China (the “PRC”) and Taiwan are defined contribution schemes at various funding rates, and are in accordance with the local practices and regulations.

Payments to defined contribution retirement benefit plans (including 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.

3. 主要會計政策(續)

政府補助

政府補助直至合理保證本集團將遵守彼等所附帶之條件及該補助將獲接獲，方予以確認。

政府補助於本集團確認為有關成本為開支期間有系統地於損益內確認，該補助擬用於補償相關成本。具體而言，政府補助之主要條件指本集團購買、建設或收購非流動資產並確認於綜合財務狀況表中之相關資產之賬面值中扣除及按有關資產之使用期限有系統及理性地轉移至損益內。

作為已產生之開支或損失之補償而應收取或為了向本集團提供即時財務支持而無日後相關成本之與收入有關政府補助乃於彼等成為應收之期間內在損益中確認。該等補助歸入損益中之「其他收入」。

退休福利

定額供款計劃

本集團為其合資格之員工提供退休金福利。香港員工可獲得強制性公積金計劃之退休福利。僱主之每月供款是每位僱員月薪之5%，每位僱員每月最多獲供1,500港元。

本集團為所有中華人民共和國（「中國」）及台灣僱員而設之退休金計劃是按多個供款率定額供款之計劃，供款率按當地慣例及規定而制定。

用以支付界定之供款退休福利計劃（包括國家管理退休福利計劃及強制性公積金計劃）之款項於僱員已提供使彼等有權享受供款之服務時確認為開支。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Retirement benefits (Continued)

Defined benefit plan

For defined retirement benefits plan, the cost of providing benefits is determined by the valuation conducted by independent valuer at the end of the reporting period, amortised over the expected average remaining working lives of the participating directors.

The retirement benefits recognised in the consolidated statement of financial position represents the cost of providing benefits, based on the valuation.

Short-term employee benefits

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

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

Share-based payment arrangements

Equity-settled share-based payment transactions

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 38 to the consolidated financial statements.

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

3. 主要會計政策(續)

退休福利(續)

定額福利計劃

就定額退休福利計劃而言，提供福利之成本乃按獨立估值師於報告期末所進行之估值釐定，按參與董事之預期平均餘下工作年期予以攤銷。

於綜合財務狀況表內確認之退休福利指提供福利之成本(基於估值)。

短期僱員福利

短期僱員福利按預期就僱員提供服務所支付之福利之未折現金額確認。所有短期僱員福利確認為支出，惟另一項香港財務報告準則規定或允許將該其計入資產成本之情況則除外。

僱員福利(如工資及薪金、年假及病假)乃在扣除任何已付款額後確認為負債。

以股份支付之款項安排

以股權結算以股份支付之交易

向僱員及提供類似服務之其他人士作出以股權結算以股份支付之款項乃按授出日期股本工具之公平值計量。有關釐定以股權結算以股份支付之交易公平值之詳情載於綜合財務報表附註38。

不論所有非市場歸屬條件，以股權結算以股份支付之款項於授出日期所釐定之公平值乃根據本集團估計最終將會歸屬之股本工具，於歸屬期內按直線法撥作費用，而相應增加計入權益(以股份支付之酬金儲備)內。於各報告期末，本集團會按照所有非市場歸屬條件修訂預期可歸屬之股本工具數目之估計。修正原有估計之影響(如有)於損益確認以至累計開支反映經修訂之估計，並對以股份支付之酬金儲備作出相應調整。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Share-based payment arrangements (Continued)

Equity-settled share-based payment transactions (Continued)

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

Taxation

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

Current tax

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

3. 主要會計政策(續)

以股份支付之款項安排(續)

以股權結算以股份支付之交易(續)

當購股權獲行使時，之前已於以股份支付之酬金儲備內確認之金額將轉撥至股份溢價。當購股權於歸屬日期後失效或於屆滿日期仍未獲行使，之前已於以股份支付之酬金儲備內確認之金額將轉撥至保留溢利。

稅項

所得稅開支指現時應付之稅項及遞延稅項之總額。

現時稅項

現時應付之稅項根據本年度之應課稅溢利計算。應課稅溢利與除稅前溢利／虧損有所不同，是由於其他年度應課稅或可予扣減之收入或開支，及永遠毋須課稅或不可扣減之項目所致。本集團現時稅項之負債乃採用於報告期間結束前已實行或大致實行之稅率計算。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued)

Deferred tax

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

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. 主要會計政策(續)

稅項(續)

遞延稅項

遞延稅項按在綜合財務報表內資產與負債之賬面值與採用應課稅溢利計算之相應稅基之暫時差額確認。遞延稅項負債一般就所有應課稅暫時差額確認，而遞延稅項資產一般則會在預期應課稅溢利可供用作抵銷可予扣減暫時差額時就所有可扣減暫時差額確認。倘暫時差額是因一項交易涉及之資產及負債進行初步確認時(不包括業務合併)產生，而不會影響應課稅溢利或會計溢利，則不會確認該等遞延稅項資產及負債。此外，倘暫時差額是因商譽進行初步確認時產生，則不會確認遞延稅項負債。

遞延稅項負債將會就與於附屬公司及聯營公司之投資相關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除外。可扣減暫時差額產生之遞延稅項資產(與該等投資有關)可確認，惟僅以可能將有足夠應課稅溢利可動用暫時差額之利益，且彼等預期於可預見將來撥回為限。

遞延稅項資產之賬面值於各報告期末進行檢討，並於預期將不可能有充裕之應課稅溢利以收回所有或部分資產時調低。

遞延稅項資產及負債根據於報告期末已施行或大致施行之稅率(及稅法)於預期結算負債或變現資產期間內可應用之稅率為基準計量。

遞延稅項負債及資產之計量反映以本集團於報告期末預期之方式收回或結算其資產及負債之賬面值之稅務影響。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued)

Deferred tax (Continued)

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 "Income Taxes" requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease liabilities resulting in net deductible temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be used by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

3. 主要會計政策(續)

稅項(續)

遞延稅項(續)

就計量本集團確認使用權資產及相關租賃負債之租賃交易之遞延稅項而言，本集團首先釐定扣稅額源自使用權資產或租賃負債。

對於稅項扣減歸屬於租賃負債之租賃交易，本集團對整個租賃交易採用香港會計準則第12號「所得稅」規定。與使用權資產及租賃負債有關之暫時性差異按淨額基準評估。對於租賃負債之本金部分，使用權資產之折舊額超出租賃付款之部分導致可扣減暫時性差異淨額。

當有合法執行權利許可將現時稅項資產與現時稅項負債抵銷且其與由同一稅務機關向同一應稅實體徵收之所得稅有關時，遞延稅項資產及負債可互相對銷。

年內現時及遞延稅項

現時及遞延稅項於損益確認，惟當其與在其他全面收益中確認或直接在權益中確認之項目相關，則現時及遞延稅項亦分別於其他全面收益或直接在權益中確認。倘因業務合併之初步會計方法而產生現時或遞延稅項，有關稅務影響會計入業務合併之會計方法內。

於評估所得稅處理之任何不確定性時，本集團考慮相關稅務機關是否有可能接受個別集團實體於其所得稅申報中使用或擬使用之不確定稅務處理。如果可能，現時及遞延稅項之確定與所得稅申報中之稅務處理一致。如有關稅務機關不太可能接受不確定之稅務處理，則通過使用最可能之數額或預期值反映每項不確定性之影響。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress as described below), are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Some properties comprise a portion that is held to earn rentals and another portion is held for use in the supply of goods or services or for administrative purpose. If these portions could be sold separately (or leased out separately under a finance lease), these portions shall be accounted for separately, if the portions could not be sold separately, the property is classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of assets (other than construction in progress) less their residual values over their useful lives, using the straight-line method, at the following rates per annum:

Buildings	5%–20%
Leasehold improvement	7%–33%
Plant and machinery	10%–33%
Office and laboratory equipment and electronic equipment	10%–33%
Motor vehicles	10%–33%

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. 主要會計政策(續)

物業、廠房及設備

持有作生產或作提供貨品或服務之用，或用作行政用途之物業、廠房及設備(不包括下文所述之在建工程)乃有形資產，按成本值減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表列賬。

作生產、供應或行政用途之在建物業按成本值減任何已確認減值虧損列賬。成本包括直接歸因於將資產移至使其能夠以管理層預期之方式運作所必需之地點和條件之任何成本，以及(就合資格資產而言)根據本集團會計政策資本化之借貸成本。該等資產之折舊於資產可投入擬定用途時開始按與其他物業資產相同之基準計算。

部分物業包含一部分是為賺取租金而另一部分用作供應貨品或服務或作行政用途而持有。如該等部分可獨立出售或根據融資租賃單獨出租，則該等部分會分開記賬。如該等部分不可以獨立出售，則該物業會分類為物業、廠房及設備。

折舊予以確認，以按以下年率於估計可使用年期以直線法撇銷資產(在建工程除外)之成本減彼等之剩餘價值：

樓宇	5%–20%
租賃物業裝修	7%–33%
廠房及機器	10%–33%
辦公室及研究所設備及電子設備	10%–33%
汽車	10%–33%

估計可使用年期、剩餘價值及折舊方法於每個報告期末檢討，以使任何估計變動可按未來適用法基準列賬。

當出售時或預期不會從繼續使用該項資產中獲得未來經濟利益時，物業、廠房及設備項目乃終止確認。出售或報廢物業、廠房及設備項目所產生之收益或虧損按資產出售所得款項與賬面值之差額釐定並於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets

License fee (intangible assets acquired separately)

License fees are consideration paid for the license contracts and are carried at cost less accumulated amortisation and accumulated impairment losses. License fees with finite useful lives are amortised from the date they are ready for intended use over the remaining license period. The license period ranges from 3 to 10 years, with certain licenses contain renewal clause.

Both the period and method of amortisation are reviewed annually, with the effect of any changes in estimate being accounted for on a prospective basis.

License fees with indefinite useful lives are carried at cost less accumulated impairment losses, if any.

Development cost (internally-generated intangible assets – research and development expenditure)

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development of licensed-in products or from the development phase of internal projects is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

3. 主要會計政策(續)

無形資產

專利費(獨立收購之無形資產)

專利費乃就專利合約支付之代價，並按成本減累計攤銷及累計減值虧損列賬。具有限定可使用年期之專利費乃自可作擬定用途日期起根據餘下專利期予以攤銷。專利期介乎三至十年，若干專利含有重續條款。

每年對攤銷期及攤銷方法進行審閱，而任何估計變動之影響按未來適用基準入賬。

具不限定可使用年期之專利費乃按成本減累計減值虧損(如有)列賬。

開發成本(內部產生之無形資產－研發開支)

研究活動之開支在其產生之期間內確認為一項開支。

僅當所有下列事項已獲證實，則由開發引進產品或從內部項目之開發階段產生之內部生成無形資產予以確認：

- 在技術可行性上能完成無形資產以供使用或出售；
- 有意完成無形資產及使用或出售資產之能力；
- 使用或出售無形資產之能力；
- 無形資產日後可能產生經濟利益之方式；
- 可動用足夠科技、財務及其他資源完成開發及使用或出售無形資產；及
- 可於開發期間可靠計算無形資產應佔之開支時。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets (Continued)

Development cost (internally-generated intangible assets – research and development expenditure) (Continued)

The amount initially recognised for internally-generated intangible assets 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. Amortisation commences when the development of products completes. Amortisation of development cost of internal projects is over the estimated useful life of 5 years, while amortisation of development cost of licensed-in products is on the same basis as license fees.

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 acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3. 主要會計政策(續)

無形資產(續)

開發成本(內部產生之無形資產－研發開支)(續)

就內部產生之無形資產而初步確認之金額指從無形資產首次符合上文所列之確認條件日期起所發生之總開支金額。倘不能確認內部產生之無形資產，則開發開支會於發生期間內於損益確認。

初步確認之後，內部產生之無形資產乃按成本減累計攤銷及累計減值虧損呈報。攤銷於完成產品開發時開始。內部項目開發成本按估計可使用年期五年攤銷，而引進產品之開發成本乃按與專利費相同之基準予以攤銷。

於各報告期末審閱估計可使用年期及攤銷方法，而任何估計變動之影響根據未來適用法予以入賬。

業務合併所收購之無形資產

業務合併所收購及與商譽分開確認之無形資產初步按收購日期之公平值(視為彼等之成本)確認。

於初步確認後，業務合併中所收購之無形資產乃按成本減累計攤銷及累計減值虧損，按個別收購之無形資產之相同基準予以呈報。

終止確認無形資產

無形資產乃於出售時或當預期不會從使用或出售中獲得未來經濟利益時終止確認。終止確認無形資產所產生之收益及虧損(按出售所得款項淨額與資產賬面值間之差額計量)乃於資產終止確認時在損益中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, and intangible assets with finite useful lives to determine whether there is any indicator that those assets have suffered an impairment loss. If any such indicator exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the CGU to which the asset belongs.

In addition, the Group assesses whether there is indication that corporate assets may be impaired. If such indication exists, corporate assets are also allocated to individual CGUs, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

3. 主要會計政策(續)

物業、廠房及設備，使用權資產以及無形資產(商譽除外)之減值

於各報告期末，本集團對其具有有限使用期之物業、廠房及設備，使用權資產以及無形資產之賬面值進行審閱，以確定是否有任何跡象顯示該等資產已承受減值虧損。倘任何有關跡象表明出現減值，則估計資產之可收回金額，從而釐定減值虧損(如有)之程度。

物業、廠房及設備，使用權資產以及無形資產之可收回金額乃個別進行估計，倘無法估計個別資產之可收回金額，則本集團估計該資產所屬現金產生單位之可收回金額。

此外，本集團評估是否有跡象表明公司資產可能減值。倘有跡象表明減值，則當可識別合理一致分配基準時，公司資產亦分配至各個現金產生單位，否則，彼等會被分配至可識別合理一致分配基準之最小組別現金產生單位。

可收回金額乃公平值減出售成本與使用價值之較高者。在評估使用價值時，估計未來現金流量使用稅前貼現率貼現至其現值，該貼現率反映貨幣時間價值之當前市場估計及未來現金流量預期未經調整之資產(或現金產生單位)有關風險。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill (Continued)

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro-rata to the other assets of the unit or the group of CGUs. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU or a group of CGUs) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU or a group of CGUs) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on weighted average method. Cost of finished good and work in progress comprises research materials, raw materials, direct labour, other direct cost and related production overheads (based on normal operating capacity). Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3. 主要會計政策(續)

物業、廠房及設備，使用權資產以及無形資產(商譽除外)之減值(續)

倘估計資產(或現金產生單位)之可收回金額少於其賬面值，資產(或現金產生單位)之賬面值被削減至其可收回金額。對於無法按合理一致之基準分配至現金產生單位之公司資產或部分公司資產，本集團將一組現金產生單位之賬面值(包括分配至該組現金產生單位之公司資產或部分公司資產之賬面值)與該組現金產生單位之可收回金額進行比較。於分配減值虧損時，減值虧損首先用作撇減任何商譽之賬面值(如適用)，然後根據單位或現金產生單位組別中每項資產之賬面值按比例分配至其他資產。資產賬面值不得減少至低於其公平值減出售成本(如可計量)、其使用價值(如可確定)及零中之最高值。原應分配至該項資產之減值虧損數額按比例分配至該單位或現金產生單位組別其他資產中。減值虧損即時於損益內確認。

倘減值虧損其後撥回，則該資產(或現金產生單位或一組現金產生單位)之賬面值將增至重新估計之可收回金額，但經增加之賬面值不得超過資產(或現金產生單位或一組現金產生單位)於過去數年若未確認減值虧損所釐定之賬面值，而減值虧損撥回會即時於損益確認。

存貨

存貨是按成本及可變現淨值兩者之較低者列賬。存貨之成本乃按加權平均法予以釐定。製成品及在製品成本包括研究材料、原材料、直接人工費用、其他直接成本及相關的間接生產費用(按正常運營能力計)。可變現淨值指存貨之估計銷售價格減完成之所有估計成本及作出銷售之所需成本。

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For the year ended 31 December 2020

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

3. 主要會計政策(續)

撥備

若本集團須就過往事件而承擔現有責任(法律上或推定)，及本集團有可能須履行該責任並對責任之金額可作出可靠估計時，則會確認撥備。

確認為撥備之金額為於報告期末履行現時責任所需代價之最佳估計，而估計乃經考慮圍繞責任之風險及不確定性而作出。倘撥備以估計履行現時責任之現金流量計量時，其賬面值為該等現金流量之現值(倘貨幣時間價值之影響屬重大)。

當結算撥備所需之部分或全部經濟利益預期可自第三方收回時，倘大致確定將可獲償付及應收款項金額可作可靠估算，則將應收款項確認為資產。

倘需要流出經濟利益之機會不大，或責任金額無法可靠估計，則責任乃披露為或然負債，除非經濟利益流出之可能性極低則另作別論。可能出現之責任，即是否存在將取決於日後是否會發生一宗或多宗事件，除非經濟利益流出之可能性極低，否則這些負債亦披露為或然負債。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3. 主要會計政策(續)

財務工具

當集團實體成為工具合約條款之一方時，會確認財務資產及財務負債。所有一般性購買或銷售財務資產按交易日期基準確認及取消確認。一般性購買或銷售為按於市場規定或慣例確立之時間期限內交付資產之財務資產之購買或銷售。

財務資產及財務負債初步以公平值計量，惟客戶合約所產生之應收貿易賬款乃根據香港財務報告準則第15號作初步計量。直接歸屬於購置或發行財務資產及財務負債(按公平值透過損益列賬之財務資產或財務負債除外)之交易費用在初始確認時於各財務資產或財務負債(視何者適用而定)之公平值計入或扣除。直接歸屬於購置按公平值透過損益列賬之財務資產或財務負債之交易費用立即在損益中確認。

實際利率法為計算財務資產或財務負債之攤銷成本以及分配相關期間之利息收入及利息開支之方法。實際利率乃於初步確認時按財務資產或財務負債之預期可使用年期或適用之較短期間內確切貼現估計未來現金收入及款項(包括構成實際利率不可或缺部分之所有已付或已收費用及點數、交易成本及其他溢價或貼現)至賬面淨值之利率。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

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

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 "Business Combinations" applies.

3. 主要會計政策(續)

財務工具(續)

財務資產

財務資產之分類及其後計量

達成以下條件之財務資產其後以攤銷成本計量：

- 以收取合約現金流量為目的經營模式下持有之財務資產；及
- 合約條款於指定日期產生之現金流量純粹為支付本金及未償還本金之利息。

達成以下條件之財務資產其後按公平值透過其他全面收益計量：

- 以出售及收取合約現金流量為目的之經營模式下持有之財務資產；及
- 合約條款於指定日期產生之現金流量純粹為支付本金及未償還本金之利息。

所有其他財務資產隨後按公平值透過損益計量，惟倘非交易用途權益投資亦非於香港財務報告準則第3號「業務合併」適用之業務合併中收購方所確認之或然代價，於財務資產初始確認日期，本集團可不可撤銷地選擇在其他全面收益中呈列權益投資公平值之其後變動。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments/receivables subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

3. 主要會計政策(續)

財務工具(續)

財務資產(續)

財務資產之分類及其後計量(續)

財務資產被持作買賣，倘：

- 其購買主要用於在不久將來出售；或
- 於初步確認時其乃已識別財務工具組合之一部分，由本集團共同管理，並於近期顯示短期盈利實際模式；或
- 其乃衍生工具，既無被指定且實際上亦非對沖工具。

此外，本集團可不可撤回地指定一項須按攤銷成本或按公平價值透過其他全面收益計量之財務資產以按公平價值計入損益表計量，前提為有關指定可消除或大幅減少會計錯配。

(i) 攤銷成本及利息收入

其後按攤銷成本計量之財務資產及其後按公平價值透過其他全面收益計量之債務工具／應收款項乃使用實際利息法確認利息收入。利息收入乃對一項財務資產賬面總值應用實際利率予以計算，惟其後出現信貸減值之財務資產除外(見下文)。就其後出現信貸減值之財務資產而言，自下一報告期起，利息收入乃按財務資產攤銷成本應用實際利率予以確認。倘信貸減值財務工具之信貸風險好轉，使財務資產不再出現信貸減值，於釐定資產不再出現信貸減值後，自報告期開始起利息收入乃對財務資產賬面總值應用實際利率予以確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

- (ii) Equity instruments/partnership interests designated as at FVTOCI

Investments in equity instruments/partnership interest at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments/partnership interests, and will be transferred to retained profits.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in profit or loss.

- (iii) Financial assets as at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

This category contains investments in life insurance policies. The Group accounts for the investments at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

3. 主要會計政策(續)

財務工具(續)

財務資產(續)

財務資產之分類及其後計量(續)

- (ii) 指定為按公平值透過其他全面收益列賬之權益工具／合夥權益

按公平值透過其他全面收益列賬之權益工具／合夥權益之投資其後按公平值計量，其公平值變動產生之收益及虧損於其他全面收益確認及於投資重估儲備累積；無須作減值評估。累計損益將不重新分類至出售股本投資／合夥權益之損益，並將轉為保留溢利。

當本集團確認收取股息之權利時，該等權益工具投資之股息於損益中確認，除非股息明確表示收回部分投資成本。股息計入損益。

- (iii) 按公平值透過損益計量之財務資產

未符合按攤銷成本或按公平值透過其他全面收益或指定為按公平值透過其他全面收益計量之財務資產，均按公平值透過損益計量。

該類別包括於人壽保單之投資。本集團對該等投資按公平值透過損益入賬。

按公平值透過損益計量之財務資產按各報告期末之公平值計量，任何公平值收益或虧損於損益中確認。於損益中確認之淨收益或虧損不包括該財務資產所賺取之任何股息或利息，並計入「其他收益及虧損」項目。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade and other receivables (excluding prepayments and other items which were not financial instruments), deposits, loan receivables, advance to associates, pledged bank deposits, time deposits and cash and bank balances) which are subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables without significant financing component. The ECL on these assets are assessed collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

3. 主要會計政策(續)

財務工具(續)

財務資產(續)

財務資產減值

本集團根據香港財務報告準則第9號對發生減值之財務資產(包括應收貿易賬款及其他應收款項(不包括預付款及其他非財務工具項目)、存款、應收貸款、墊付予聯營公司之款項、已抵押銀行存款、定期存款以及現金及銀行結餘)按預期信貸虧損模型進行減值評估。預期信貸虧損之金額於各報告日期更新,以反映自初始確認以來信貸風險之變動。

全期預期信貸虧損指將相關工具之預期使用期內所有可能之違約事件產生之預期信貸虧損。相反,12個月預期信貸虧損將預期於報告日期後12個月內可能發生之違約事件導致之全期預期信貸虧損部分。評估乃根據本集團之歷史信貸虧損經驗進行,並根據債務人特有之因素、一般經濟狀況以及對報告日期當前狀況之評估以及對未來狀況之預測作出調整。

本集團一直就並無重大融資成分之應收貿易賬款確認全期預期信貸虧損。該等資產之預期信貸虧損對使用適宜組別之撥備矩陣進行集體評估。

對於所有其他工具,本集團計量之虧損撥備等於12個月預期信貸虧損,除非自初始確認後信貸風險顯著增加,本集團確認全期預期信貸虧損。是否應確認全期預期信貸虧損之評估乃基於自初始確認以來發生違約之可能性或風險之顯著增加。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

3. 主要會計政策(續)

財務工具(續)

財務資產(續)

財務資產減值(續)

(i) 信貸風險顯著增加

於評估自初始確認後信貸風險是否顯著增加時，本集團將於報告日期財務工具發生之違約風險與初始確認日起財務工具發生之違約風險進行比較。在進行該評估時，本集團會考慮合理且可支持之定量及定性資料，包括無需付出不必要之成本或努力而可得之歷史經驗及前瞻性資料。

特別是，在評估信貸風險是否顯著增加時，會考慮以下資料：

- 財務工具之外部(如有)或內部信貸評級之實際或預期顯著惡化；
- 外部市場信貸風險指標之顯著惡化，如信貸利差大幅增加，債務人之信貸違約掉期價格；
- 預計會導致債務人償還債務能力大幅下降之業務、財務或經濟狀況之現有或預測之不利變化；

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)

- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 365 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

3. 主要會計政策(續)

財務工具(續)

財務資產(續)

財務資產減值(續)

(i) 信貸風險顯著增加(續)

- 債務人經營業績之實際或預期顯著惡化；
- 導致債務人償還其債務能力大幅下降之債務人監管、經濟或技術環境之實際或預期之重大不利變化。

不論上述評估之結果如何，本集團認為，當合約付款逾期超過365天，則自初始確認以來信貸風險已顯著增加，除非本集團有合理且可支持之資料證明情況並非如此。

儘管上文所述，倘債務工具釐定為於報告日期具有較低信貸風險，則本集團假設債務工具之信貸風險自初始確認以來並無顯著增加。倘出現以下情況，則債務工具被釐定為具有較低信貸風險：(i)具有低違約風險；(ii)借款人擁有雄厚實力，可於短期內履行其合約現金流量責任；及(iii)經濟及業務狀況之長期不利變動可能但未必會削弱借款人履行其合約現金流量責任之能力。倘債務工具之內部或外部信貸評級為「投資級別」(根據國際通用釋義)，則本集團認為該債務工具存在較低信貸風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)

For loan commitments, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of a default occurring on the loan to which a loan commitment relates; for financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full.

Irrespective of the above, the Group considers default has occurred when a financial asset is more than 365 days pass due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. 主要會計政策(續)

財務工具(續)

財務資產(續)

財務資產減值(續)

(i) 信貸風險顯著增加(續)

就貸款承擔而言，本集團成為不可撤回承諾訂約方當日被視為就評估減值之初始確認日期。評估信貸風險是否自初始確認貸款承擔以來大幅增加時，本集團考慮與貸款承擔有關之貸款出現違約之風險變動；就財務擔保合約而言，本集團考慮指定債務人出現違約之風險變動。

本集團定期監控用以識別信貸風險有否顯著增加之標準之效益，且修訂標準(如適當)以確保標準能在金額逾期前識別信貸風險之顯著增加。

(ii) 違約定義

就內部信貸風險管理而言，本集團認為，違約事件在內部制訂或得自外界來源之資料顯示債務人不大可能悉數向債權人(包括本集團)還款時發生。

雖有上文所述，但本集團都認為，財務資產逾期超過365日則出現違約，除非本集團有合理及具理據資料來顯示更加滯後之違約標準更為恰當。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

3. 主要會計政策(續)

財務工具(續)

財務資產(續)

財務資產減值(續)

(iii) 信貸減值財務資產

財務資產在一項或以上違約事件(對該財務資產估計未來現金流量構成不利影響)發生時出現信貸減值。財務資產出現信貸減值之證據包括下列事件之可觀察數據:

- 發行人或借款人之重大財務困難;
- 違反合約(如違約或逾期事件);
- 借款人之放款人因與借款人出現財務困難有關之經濟或合約理由而給予借款人在一般情況下放款人不予考慮之優惠條件;
- 借款人將可能陷入破產或其他財務重組;或
- 該財務資產因出現財務困難而消失活躍市場。

(iv) 撇銷政策

資料顯示對手方處於嚴重財務困難及無實際收回可能時(例如對手方被清盤或已進入破產程序時,以較早發生者為準),本集團則撇銷財務資產。經考慮法律意見後(倘合適),遭撇銷之財務資產可能仍須按本集團收回程序進行強制執行活動。撇銷構成取消確認事項。任何其後收回在損益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the basis:

- Nature of financial instruments (i.e. the Group's trade receivables and other receivables (excluding prepayment and other items which were not financial instruments), deposits, advance to associates, pledged bank deposits, time deposits and cash and bank balances;
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

3. 主要會計政策(續)

財務工具(續)

財務資產(續)

財務資產減值(續)

(v) 預期信貸虧損之計量及確認

預期信貸虧損之計量為違約概率、違約虧損(即違約時虧損程度)及違約時風險之函數。違約概率及違約虧損之評估乃基於歷史數據按前瞻性資料作調整。預期信貸虧損之估計反映無偏頗及概率加權之數額，其乃根據加權之相應違約風險而確定。

一般而言，預期信貸虧損為根據合約應付本集團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(按初始確認時釐定之實際利率貼現)。

倘預期信貸虧損按集體基準計量或考慮個別工具水平證據尚無法獲得之情況，則財務工具按以下基準歸類：

- 財務工具性質(即本集團應收貿易賬款及其他應收款(不包括預付款及其他非財務工具項目)、按金、墊付予聯營公司款項、已抵押銀行存款、定期存款以及現金及銀行結餘；
- 逾期狀況；
- 債務人之性質、規模及行業；及
- 外部信貸評級(倘有)。

歸類工作經管理層定期檢討，以確保各組別成份繼續分擔類似信貸風險特性。

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綜合財務報表附註

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL (Continued)

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Except for financial assets at FVTOCI the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

3. 主要會計政策(續)

財務工具(續)

財務資產(續)

財務資產減值(續)

(v) 預期信貸虧損之計量及確認(續)

利息收入乃按財務資產之賬面總值計算，除非該財務資產出現信貸減值，在此情況下，利息收入按財務資產之攤銷成本計算。

除按公平值透過其他全面收益列賬之財務資產外，本集團透過調整其有關財務工具之賬面值而於損益確認所有財務工具之減值收益或虧損，惟應收貿易賬款例外，其透過虧損撥備賬確認相應調整。

終止確認財務資產

僅當從資產收取現金流之合約權利屆滿時，或當本集團轉讓財務資產及與資產所有權有關之全部風險及回報實質上已轉移至另一實體時，本集團才會終止確認財務資產。倘本集團既無轉移亦無保留所有權之大部分風險及報酬，並繼續控制已轉移之資產，則本集團確認其於該資產之保留權益，並確認其可能須支付之相關負債金額。倘本集團保留已轉移財務資產所有權之大部分風險及報酬，本集團繼續確認該財務資產，亦就已收取之所得款項確認有抵押借款。

於終止確認以攤銷成本計量之財務資產時，資產賬面值與已收及應收代價總和間之差額於損益確認。

於終止確認分類為按公平值透過其他全面收益之債務工具投資時，先前投資重估儲備內累計之累計收益或虧損乃重新分類至損益。

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綜合財務報表附註

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Derecognition of financial assets (Continued)

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI upon application of HKFRS 9, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained profits.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

3. 主要會計政策(續)

財務工具(續)

財務資產(續)

終止確認財務資產(續)

於應用香港財務報告準則第9號後終止確認本集團選擇於初始確認時按公平值透過其他全面收益計量之股本工具投資時，先前於投資重估儲備內累計之累計收益或虧損不會重新分類至損益，但會轉撥至保留溢利。

財務負債及股本工具

分類為債務或股本

集團實體發行之債務及股本工具根據所訂立之合約安排之實質內容以及財務負債及股本工具之定義歸類為財務負債或股本。

股本工具

股本工具乃證明於該實體之資產於扣除其所有負債後之剩餘權益之任何合約。本公司所發行之股本工具按已收取所得款項減直接發行成本確認。

購回本公司之自有權益工具直接於權益內確認及扣除。購買、出售、發行或註銷本公司自有權益工具之任何損益不於損益確認。

財務負債

所有財務負債其後均採用實際利率法按攤銷成本或按公平值透過損益列賬計量。

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綜合財務報表附註

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截至二零二零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL on initial recognition.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKFRS 9 permits the entire combined contract (asset or liability) to be designated as FVTPL.

3. 主要會計政策(續)

財務工具(續)

財務負債及股本工具(續)

按公平值透過損益列賬之財務負債

倘財務負債持作買賣或於初步確認時被指定為按公平值透過損益列賬，則財務負債分類為按公平值透過損益列賬。

財務負債被列為持作買賣，倘：

- 主要因在近期購回而產生；或
- 於初步確認時其乃財務工具可識別資產組合一部分，由本集團共同管理，並於近期顯示短期盈利實際模式；或
- 其乃衍生工具，既非被指定且實際上亦非對沖工具。

財務負債(除持作買賣之財務負債)於初始確認時，可被指定為按公平值透過損益列賬，倘：

- 有關指定撤銷或大幅減低原會出現之計量或確認不一致之情況；或
- 該財務負債構成一組財務資產或財務負債或兩者之一部分，並根據本集團既定風險管理或投資策略按公平值基準管理及評估其表現，而分類資料則按該基準由內部提供；或
- 該財務資產構成包含一種或以上內含衍生工具之合約之一部分，而香港財務報告準則第9號允許整份合併合約(資產或負債)指定為按公平值透過損益列賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities at FVTPL (Continued)

For financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. For financial liabilities that contain embedded derivatives, such as derivative financial liabilities, the changes in fair value of the embedded derivatives are excluded in determining the amount to be presented in other comprehensive income. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained profits upon derecognition of the financial liability.

Financial liabilities at amortised cost

Other financial liabilities (including trade payables, other payables (excluding contract liabilities and other tax payable) and accruals, obligations under license contracts, retirement benefits and bank and other borrowings) are subsequently measured at amortised cost using the effective interest method.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract issued by the Group is initially measured at their fair values and, if not designated as at FVTPL, is subsequently measured at the higher of:

- the amount of the obligation under the contract, as determined in accordance with HKFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

3. 主要會計政策(續)

財務工具(續)

財務負債及股本工具(續)

按公平值透過損益列賬之財務負債(續)

對於指定為按公平值透過損益列賬之財務負債而言，由財務負債之信貸風險變動引起之財務負債公平值變動金額於其他全面收益確認，除非於其他全面收益確認該項財務負債信貸風險變動之影響將會導致或擴大損益之會計錯配。至於內含衍生工具(比如衍生財務負債)之財務負債而言，內含衍生工具之公平值變動乃不計入釐定其他全面收益將呈列之金額。經已於其他全面收益確認之財務負債信貸風險應佔公平值變動，其後不會重新分類至損益；反而會於終止確認財務負債時轉撥至保留溢利。

以攤銷成本計量之財務負債

其他財務負債(包括應付貿易賬款、其他應付賬款(不包括合約負債及其他應付稅項)及應計費用、專利合約承擔、退休金以及銀行及其他借款)其後使用實際利率法按攤銷成本計量。

財務擔保合約

財務擔保合約為發行人因指定債務人未能按債務工具之條款如期付款而須向合約持有人支付指定款項以補償其所遭受虧損之合約。

本集團所發行之財務擔保合約按其公平值初步計量，且倘並非指定為按公平值透過損益列賬，則隨後按以下較高者計量：

- 根據香港財務報告準則第9號釐定之合約責任金額；及
- 初步確認之金額減(如適用)根據收入確認政策確認之累計攤銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Derecognition/modification of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the contractual terms of a financial liability are modified, the Group assess whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. Accordingly, such modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10%.

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

3. 主要會計政策(續)

財務工具(續)

財務負債及股本工具(續)

終止確認／修訂財務負債

當且僅當本集團之責任獲解除、取消或屆滿時，本集團方會終止確認財務負債。終止確認之財務負債之賬面值與已付及應付代價之間之差額會於損益確認。

倘財務負債之合約條款作出修訂，本集團會考慮所有相關事實及情況(包括定性因素)評估經修訂條款有否導致原有條款作出重大修訂。倘定性評估並無定論，而新條款下現金流量(包括任何已付費用扣除任何已收費用，並使用原有實際利率貼現)之經貼現現值與原有財務負債剩餘現金流量之經貼現現值相差至少10%，則本集團認為條款出現重大差異。因此，該條款修訂入帳為終止確認，任何已產生的成本或費用確認為終止確認的收益或虧損的一部分。當差別少於10%時，該交換或修訂被視為非重大修訂。

有關不造成終止確認之財務負債之非重大修訂，相關財務負債之賬面值以修訂合約現金流量之現值計算，按該財務負債之原始實際利率折現。產生之交易成本或費用按經修改財務負債之賬面值調整且於餘下期間攤銷。財務負債賬面值之任何調整於修改日期於損益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, and time deposits with banks and other financial institutions, having been within three months of maturity at acquisition.

Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group.

3. 主要會計政策(續)

財務工具(續)

財務負債及股本工具(續)

衍生財務工具

衍生工具於訂立衍生合同之日初步按公平值確認，之後於報告期結束時按公平值重新計量。所產生之收益或虧損於損益中確認。

抵銷財務資產及財務負債

於且僅於本集團當前有法定可執行權抵銷已確認金額，且擬以淨額基準結算或同時變現資產及清償負債時，方抵銷財務資產與財務負債及於財務狀況表呈列之淨額。

現金及現金等值

現金及現金等值包括銀行及手頭現金以及存放於銀行及其他金融機構於收購時到期日為三個月內之定期存款。

關聯方

- (a) 倘屬以下人士，即該人士或該人士之近親與本集團有關聯：
- (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團之主要管理層成員。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related parties (Continued)

(b) An entity is related to the Group if any of the following conditions applies:

- (i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) the entity is an associate or joint venture of the Group (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) the entity is a joint venture of a third entity and the Group is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

3. 主要會計政策(續)

關聯方(續)

(b) 倘符合下列任何條件，即實體與本集團有關聯：

- (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聯)；
- (ii) 該實體為本集團之聯營公司或合營企業(或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業)；
- (iii) 該實體及本集團均為同一第三方之合營企業；
- (iv) 該實體為第三方實體之合營企業，而本集團為該第三方實體之聯營公司；
- (v) 該實體為本集團或與本集團有關聯之實體就僱員利益設立之離職福利計劃。倘本集團本身為該計劃，則營辦僱主亦與本集團有關聯；
- (vi) 該實體受(a)所界定人士控制或受共同控制；
- (vii) 於(a)(i)所界定人士對實體有重大影響力或屬該實體(或該實體之母公司)主要管理層成員；或
- (viii) 該實體或該實體所屬集團之任何成員公司為本集團提供管理要員服務。

個體之近親家族成員為預期彼等與實體進行交易時，可能影響該個體(或受該個體影響)之該等家族成員。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3 to the consolidated statements, the directors of the Company 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 the historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimated impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the CGUs to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the CGUs and also to choose a suitable discount rate in order to calculate the present value of those cash flows. As at 31 December 2020, the carrying amount of goodwill is HK\$3,900,000 (net of impairment loss HK\$2,342,000) (31 December 2019: HK\$3,900,000, net of nil impairment loss). Details of the recoverable amount calculation are disclosed in note 21 to the consolidated financial statements.

4. 關鍵會計判斷及估計不明朗因素之主要來源

於應用綜合財務報表附註3所述之本集團會計政策時，本公司董事須作出有關不可自其他來源輕易獲得之資產及負債賬面值之判斷、估計及假設。估計及相關假設乃基於過往經驗及被視為相關之其他因素。實際結果可能與此等估計有所不同。

估計及相關假設乃按持續經營基準予以檢討。會計估計之修訂倘若僅影響估計作出修訂之期間，則於作出修訂之期間內確認，或倘若修訂影響本期間及未來期間，則於修訂期間及未來期間內確認。

估計不明朗因素之主要來源

以下為於報告期末對有關未來之主要假設及不明朗因素估計之其他主要來源，可能存在重大風險導致須對下一個財政年度之資產及負債賬面值作出重大調整。

商譽之估計減值

本集團至少每年進行商譽減值測試，當中須估計已獲分配商譽之現金產生單位之使用價值。於估計使用價值時，本集團須估計現金產生單位之預計未來現金流量，並選擇適當貼現率，以計算該等現金流量之現值。於二零二零年十二月三十一日，商譽之賬面值為3,900,000港元（扣除減值虧損2,342,000港元）（二零一九年十二月三十一日：3,900,000港元（扣除減值虧損零））。有關計算可收回金額之詳情於綜合財務報表附註21披露。

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綜合財務報表附註

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截至二零二零年十二月三十一日止年度

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (Continued)

Determination of impairment loss event and estimated impairment of trade and other receivables

The Group uses provision matrix to calculate ECL for the trade and other receivables. The provision rates are based on past-due status of debtors as groupings of various debtors on this basis demonstrate similar loss patterns with shared credit risk characteristics. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, trade and other receivables with significant balances and credit impaired are assessed for ECL individually.

The provision of ECL is sensitive to changes in estimates. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2020, the carrying amount of trade receivables is HK\$159,574,000, net of allowance for ECL of HK\$1,708,000 (31 December 2019: HK\$153,039,000, net of allowance for ECL of HK\$440,000).

Fair value measurements of financial instruments

As at 31 December 2020, certain of the Group's financial assets (including financial assets at FVTPL and financial assets at FVTOCI) and financial liabilities (including retirement benefits and derivative financial liabilities) are measured at fair value with fair value being determined based on significant unobservable inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could result in material adjustments to the fair value of these instruments. Details of the fair value measurement are disclosed in note 6 to the consolidated financial statements.

4. 關鍵會計判斷及估計不明朗因素之主要來源(續)

估計不明朗因素之主要來源(續)

釐定減值虧損事項及估計應收貿易賬款及其他應收款項之減值

本集團採用撥備矩陣計算應收貿易賬款及其他應收款項之預期信貸虧損。透過按照此基準將具有類似虧損模式且有共同信貸風險特性之不同債務人歸類，以債務人逾期狀況計算撥備率。撥備矩陣乃基於本集團之歷史違約率，並考慮合理且可支持之前瞻性資料，減少不必要之成本及努力。於各報告期末，可觀察之歷史違約率會重新評估，並考慮前瞻性資料之變動。此外，結餘重大或具有信用減值之應收貿易賬款及其他應收款項將個別評估預期信用虧損。

預期信貸虧損撥備對估計變動尤為敏感。倘實際未來現金流低於預期，則可能產生重大減值虧損。於二零二零年十二月三十一日，應收貿易賬款之賬面值為159,574,000港元，已扣除預期信貸虧損撥備1,708,000港元(二零一九年十二月三十一日：153,039,000港元，已扣除預期信貸虧損撥備440,000港元)。

財務工具之公平值計量

於二零二零年十二月三十一日，本集團若干財務資產(包括按公平值透過損益入賬之財務資產及按公平值透過其他全面收益入賬之財務資產)及財務負債(包括退休福利及衍生財務負債)按公平值計量，而該公平值乃根據使用估值技術之主要不可觀測輸入數據釐定。於確定相關估值技術及其相關輸入數據時須使用判斷及估計。倘有關該等因素之假設有所變動，則可能導致對該等工具之公平值作出重大調整。公平值計量之詳情披露於綜合財務報表附註6。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (Continued)

Estimated impairment of intangible assets, property, plant and equipment and right of use assets

Being part of the principal activities, the Group acquired certain license fees and capitalised development cost relating to the development of pharmaceutical products, since these costs meet the recognition criteria of HKAS 38. The Group reviews the carrying amount of all intangible assets held at the end of the reporting period and HK\$3,840,000 (2019: HK\$117,652,000) impairment was considered necessary for these assets.

As at 31 December 2020, in view of impairment indicators, the Group performed impairment assessment on property, plant and equipment approximately HK\$573,359,000 (31 December 2019: HK\$641,225,000) and right-of-use assets approximately HK\$151,193,000 (31 December 2019: 155,084,000) respectively. No impairment losses in respect of property, plant and equipment and right-of-use assets have been recognised for both years ended 31 December 2020 and 2019.

Depreciation

The Group's net carrying amount of property, plant and equipment (excluding right-of-use assets) as at 31 December 2020 was approximately HK\$573,359,000 (31 December 2019: approximately HK\$641,225,000). The Group depreciates the property, plant and equipment, using the straight-line method, at the rate 5% to 33% per annum, commencing from the date the assets is placed into productive use. The estimated useful lives and dates that the Group places the assets into productive use reflect the directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the assets.

4. 關鍵會計判斷及估計不明朗因素之主要來源(續)

估計不明朗因素之主要來源(續)

無形資產、物業、廠房及設備以及使用權資產之估計減值

作為主要業務一部分，本集團收取若干與開發藥品有關之專利費及資本化開發成本，因為該等成本符合香港會計準則第38號之確認條件。本集團於報告期末對所持有之全部無形資產之賬面值進行審閱，且認為須對該等資產減值3,840,000港元(二零一九年：117,652,000港元)。

於二零二零年十二月三十一日，就減值指標而言，本集團分別對物業、廠房及設備約573,359,000港元(二零一九年十二月三十一日：641,225,000港元)及使用權資產約151,193,000港元(二零一九年十二月三十一日：155,084,000港元)進行減值評估。截至二零二零年及二零一九年十二月三十一日止年度，物業、廠房及設備以及使用權資產並無確認減值虧損。

折舊

於二零二零年十二月三十一日，本集團物業、廠房及設備(不包括使用權資產)之賬面淨值約為573,359,000港元(二零一九年十二月三十一日：約641,225,000港元)。從資產投入生產使用之日起，本集團採用直線法按每年5%至33%之比例對物業、廠房及設備進行折舊。本集團將資產投入生產使用之估計可使用年期和日期反映了董事對本集團擬從資產使用中獲得未來經濟利益之期間之估計。

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綜合財務報表附註

For the year ended 31 December 2020
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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (Continued)

Share-based payments

The Group recognises share-based payments expense on options granted. Share-based payments expense is based on the estimated fair value of each option at its grant date, the estimation of which requires the directors to make assumptions about future volatility of the Group's stock price, future interest rates and the timing with respect to exercise of the options. The effects of a change in one or more of these variables could result in a materially different fair value. The fair value of the share options granted during the year was estimated at HK\$9,225,000 (2019: HK\$5,288,000) and the amount associated with share-based payments for the year ended 31 December 2020 is HK\$17,442,000 (2019: HK\$5,461,000).

Income taxes

The Group is subject to income taxes in a number of jurisdictions. Significant judgement is required in determining the provision for income taxes in various jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain. 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 current and deferred income tax assets and liabilities in the period in which such determination is made.

4. 關鍵會計判斷及估計不明朗因素之主要來源(續)

估計不明朗因素之主要來源(續)

以股份支付之款項

本集團就授出之購股權確認以股份支付之款項。以股份支付之款項乃根據各購股權於其授出日期之估計公平值計算，董事須就該估計對有關本集團股價之日後波幅、未來利率及有關行使購股權之時間作出假設。一項或以上該等變數之變動所帶來之影響可能令公平值出現重大差異。年內已授出之購股權之公平值估計為9,225,000港元(二零一九年：5,288,000港元)，而截至二零二零年十二月三十一日止年度與以股份支付之款項有關之金額為17,442,000港元(二零一九年：5,461,000港元)。

所得稅

本集團須於多個司法權區繳納所得稅。於釐定不同司法權區所得稅撥備時，須作出重大判斷。若干交易和計算所涉及之最終稅項釐定並不確定。本集團根據對是否須繳納額外稅項之估計就預期稅項審計項目確認負債。倘此等事項之最終稅項結果與最初記錄之金額不同，該等差額將影響作出此等釐定期間之當期及遞延所得稅資產及負債。

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5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to owners of the Company through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt (which includes borrowings and lease liabilities net of cash and cash equivalents) and equity attributable to the owners of the Company (comprising issued share capital, share premium, reserves and retained profits).

Gearing ratio

The gearing ratio at end of the reporting period was as follows:

5. 資本風險管理

本集團進行資本管理，以確保本集團之實體能夠持續經營，同時通過優化債務及權益結餘使本公司擁有人回報最大化。由去年至今，本集團之整體策略保持不變。

本集團之資本結構包括債務淨額(包括借貸及租賃負債扣除現金及現金等值)及本公司擁有人應佔之權益(包括已發行股本、股份溢價、儲備及保留溢利)。

資產負債比率

於報告期末之資產負債比率如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Debt (Note a)	債務(附註a)	156,707	167,943
Cash and cash equivalents	現金及現金等值	(375,199)	(693,516)
Net debt	債務淨額	(218,492)	(525,573)
Equity (Note b)	權益(附註b)	2,149,795	2,295,900
Net debt to equity ratio	淨負債與權益之比率	N/A 不適用	N/A 不適用

Notes:

- Debts are defined as bank and other borrowings and lease liabilities as described in notes 32 and 33 to the consolidated financial statements.
- Equity includes all capital and reserves attributable to the owners of the Company.

附註：

- 債務定義為綜合財務報表內附註32及33所述之銀行及其他借款以及租賃負債。
- 權益包括本公司擁有人應佔之所有資本及儲備。

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6. FINANCIAL RISK MANAGEMENT

Categories of financial instruments

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Financial assets	財務資產		
At FVTPL	按公平值透過損益列賬	38,050	59,217
At FVTOCI	按公平值透過其他全面收益列賬	377,584	614,921
At amortised cost	按攤銷成本列賬	716,231	1,057,059
		1,131,865	1,731,197
Financial liabilities	財務負債		
At amortised cost	按攤銷成本列賬	870,444	734,536
At FVTPL	按公平值透過損益列賬	–	80,085
		870,444	814,621

Financial risk management objectives

The Group's corporate treasury function provides services to the business units, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk, and other price risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of these risks and may use derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. The Group does not enter into or trade derivative financial instruments for speculative purposes.

There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

6. 財務風險管理

財務工具類別

	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Financial assets		
At FVTPL	38,050	59,217
At FVTOCI	377,584	614,921
At amortised cost	716,231	1,057,059
	1,131,865	1,731,197
Financial liabilities		
At amortised cost	870,444	734,536
At FVTPL	–	80,085
	870,444	814,621

財務風險管理目標

本集團企業理財職能為業務單位提供服務，協調進入國內及國際金融市場，透過內部風險報告（其按風險之程度及範圍分析風險）監察及管理與本集團營運有關之財務風險。此等風險包括市場風險（包括外幣風險、利率風險及其他價格風險）、信貸風險及流動資金風險。

本集團可透過使用衍生財務工具對沖風險，以尋求將此等風險之影響最小化。財務衍生工具之使用受經董事會批准之本集團政策所監管，該等政策提供外匯風險、利率風險、信貸風險、使用財務衍生工具與非衍生財務工具，以及投資多餘之流動資金之書面原則。本集團並無訂立或買賣衍生財務工具作投機用途。

本集團有關財務工具之風險之類型或本集團管理及計量有關風險之方法並無變動。

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6. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk management

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and other price. The Group may enter into foreign currency forward contracts to hedge the exchange rate risk arising on foreign currency purchase.

Market risk exposures are measured using sensitivity analysis.

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

6. 財務風險管理(續)

市場風險管理

本集團業務面臨之主要財務風險為外匯匯率、利率及其他價格之變動。本集團可訂立外匯遠期合約以對沖購買外幣所產生之匯率風險。

市場風險以敏感度分析計量。

本集團面對市場風險或管理及計量此等風險之方法並無變動。

外幣風險管理

本集團進行以外幣定值之交易；因此，匯率浮動風險產生。

本集團於報告期末以外幣定值之貨幣資產及貨幣負債之賬面值如下：

		Assets 資產		Liabilities 負債	
		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
Renminbi ("RMB")	人民幣	465,125	432,484	392,612	340,913
United States Dollars ("US\$")	美元	147,370	548,147	187,243	169,367
Euro ("EUR")	歐元	800	1,425	68,992	83,470
Pound Sterling ("GBP")	英鎊	3	3	—	—
New Taiwan Dollars ("NTD")	新台幣	1,502	2,287	1,022	1,410
Japanese Yen ("JPY")	日圓	—	438	—	2,531
		614,800	984,784	649,869	597,691

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6. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk management (Continued)

Foreign currency risk sensitivity analysis

The following table details the Group's sensitivity to a 5% (2019: 5%) increase in the relevant foreign currencies against HK\$. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusted their translation at the period end for a 5% change in foreign currency rates. A positive number indicates an increase in profit or equity whereas a number in bracket indicates a decrease in profit or equity. For a 5% (2019: 5%) decrease in the relevant foreign currencies against HK\$, there would be an equal and opposite impact on the profit or equity.

		Profit or loss 損益		Other comprehensive income 其他全面收益	
		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
RMB	人民幣	(4,665)	(5,926)	7,576	10,671
US\$	美元	(2,302)	16,948	309	-
EUR	歐元	(3,410)	(4,102)	-	-
NTD	新台幣	(1)	(2)	25	67
JPY	日圓	-	(105)	-	-
		(10,378)	6,813	7,910	10,738

In the management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

Interest rate risk management

The Group is exposed to interest rate risk because entities in the Group borrow funds at floating and fixed interest rates. The Group currently does not have any interest rate hedging policy. However, the management monitors interest rate exposure periodically.

6. 財務風險管理(續)

市場風險管理(續)

外幣風險敏感度分析

下表詳述本集團就相關外幣兌港元之匯率上升5%(二零一九年:5%)之敏感度分析。敏感度分析僅包括以外幣定值之尚未償還貨幣項目,並以外幣兌換率變動5%對其期末換算作調整。正數顯示溢利或權益之增加,而括號數則顯示溢利或權益減少。若相關外幣兌港元之匯率減少5%(二零一九年:5%),則將對溢利或權益產生相同數額但相反之影響。

管理層認為,敏感度分析並未能代表固有外匯風險,乃由於年終風險並不反映年內風險。

利率風險管理

由於本集團實體以浮動及固定利率借取資金,故本集團須面對利率風險。本集團現時並無制定任何利率對沖政策。然而,管理層會定期監察利率風險。

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6. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk management (Continued)

Interest rate risk sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis points (2019: 50 basis points) increase or decrease in variable-rate borrowings is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. Bank balances are excluded from sensitivity analysis as the directors of the Company consider that the exposure of cash flow rate risk from variable-rate bank balances is insignificant.

If interest rates had been 50 basis points (2019: 50 basis points) higher/lower and all other variables were held constant, the Group's pre-tax profit for the year ended 31 December 2020 would decrease/increase by HK\$707,000 (2019: decrease/increase by HK\$569,000). This is mainly attributable to the Group's exposure to interest rates on its variable-rate borrowings.

Other price risk

The Group is exposed to equity price risk mainly through its investment in financial assets measured at FVTPL and FVTOCI with the underlying assets are equity securities. The Group's equity price risk is mainly concentrated on entities operating in biopharmaceutical industry which are either listed in Nasdaq Capital Market®/OTC Stock Market or unlisted.

Other price risk sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risk at the end of the reporting period.

For the year ended 31 December 2020, if the price of the equity instruments had been 5% (2019: 5%) higher/lower, the Group's pre-tax profit would increase by HK\$1,593,000 (2019: HK\$3,044,000) or decrease by HK\$1,589,000 (2019: HK\$3,009,000) as a result of the changes in fair value of financial assets at FVTPL, while the other comprehensive income would increase/decrease by HK\$14,774,000 (2019: increase/decrease by HK\$26,949,000) as a result of the changes in fair value of financial assets at FVTOCI.

6. 財務風險管理(續)

市場風險管理(續)

利率風險敏感度分析

下文所載敏感度分析乃按於報告期末衍生工具及非衍生工具之利率風險釐定。就浮息負債而言，此項分析仍假設於報告期末未償還負債金額於整個年度均未償還而編製。向主要管理人員內部匯報利率風險時，利用可變利息借貸增減50個基點(二零一九年：50個基點)，代表管理層對利率之合理潛在變動作出之評估。銀行結餘乃撇除於敏感度分析，因本公司董事認為浮息銀行結餘引致之現金流風險甚微。

倘利率上調／下調50個基點(二零一九年：50個基點)，而所有其他變數維持不變，本集團於截至二零二零年十二月三十一日止年度之稅前溢利將減少／增加707,000港元(二零一九年：減少／增加569,000港元)，主要因為本集團就其變動息率借款承受利率風險。

其他價格風險

本集團主要通過其於按公平值透過損益及按公平值透過其他全面收益計量之財務資產(其中相關資產為股本證券)之投資而承受股本價格風險。本集團之股本價格風險主要集中於在生物製藥行業營運之實體，而該等實體在納斯達克資本市場®／場外交易股票市場上市或並無上市。

其他價格風險敏感度分析

以下敏感度分析乃根據於報告期間末之股本價格風險承擔而釐定。

截至二零二零年十二月三十一日止年度，倘若股本工具價格上升／下降5%(二零一九年：5%)，本集團之稅前溢利將增加1,593,000港元(二零一九年：3,044,000港元)或減少1,589,000港元(二零一九年：3,009,000港元)，此乃按公平值透過損益列賬之財務資產公平值之變動所致，而其他全面收益將增加／減少14,774,000港元(二零一九年：增加／減少26,949,000港元)，此乃按公平值透過其他全面收益列賬之財務資產公平值之變動所致。

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6. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk management

As at 31 December 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 counterparties is the carrying amount of each financial asset as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

The management of the Group makes periodic collective assessment as well as individual assessment on the recoverability of the outstanding balance (including trade receivables, other receivables, deposits and advances to associates) based on historical settlement records, past experience, and reasonable and supportive forward-looking information. The management of the Group considered there is no significant change in the credit risk inherent in the Group's outstanding balance and sufficient ECL allowance is provided as set out in respectively notes.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings.

The Group's credit risk exposure is spread over a number of counterparties and customers. Hence, it has no significant concentration of credit risk by single counterparty. Ongoing credit evaluation is performed on the financial condition of receivables.

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

6. 財務風險管理(續)

信貸風險管理

於二零二零年十二月三十一日，本集團所面對之最大信貸風險(其可能由於對方未能履行責任導致本集團產生財務虧損)乃來自各財務資產之賬面值(誠如綜合財務狀況表所呈列)。

為將信貸風險減至最低，管理層已委派一支團隊負責釐定信貸限額、信貸批准及其他監察程序，以確保可採取跟進措施以收回逾期債務。

本集團管理層根據過往償還記錄、過往經驗以及合理且有理據支持的前瞻性資料，就尚未收回之結餘(包括應收貿易賬款、其他應收款項、按金及墊付予聯營公司之款項)之可收回程度進行定期集體評估兼個別評估。本集團管理層認為，本集團之尚未收回之結餘並無任何既有之重大信貸風險變化，並且已提撥足夠的預期信貸虧損撥備，如相應附註中所述。

由於交易對手均為具有高信用評級之銀行，故流動資金之信貸風險有限。

本集團之信貸風險乃分散於多名交易對手及客戶。因此，信貸風險並非主要集中於單一交易對手。本集團會就應收賬款之財務狀況持續進行信貸評估。

本集團並無就與其財務資產有關之信貸風險持有任何抵押品或其他信用增級。

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6. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework to meet the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank borrowings with a Repayment on Demand Clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

		Interest rate	On demand or less than 1 year	More than 1 year	Total undiscounted cash flows	Carrying amount
		利率	按要求或 少於一年	超過一年	現金流量總額	賬面值
		%	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		%	千港元	千港元	千港元	千港元
At 31 December 2020	於二零二零年 十二月三十一日					
Non-derivative financial liabilities	非衍生財務負債					
Trade and other payables	應付貿易賬款及 其他應付款項	–	609,737	–	609,737	609,737
Leases liabilities	租賃負債	2.37–6.00	8,259	7,703	15,962	15,330
Bank and other borrowings	銀行及其他借款	1.75–3.85	145,113	–	145,113	141,377
Retirement benefits	退休福利	3.32–4.31	–	264,680	264,680	104,000
			763,109	272,383	1,035,492	870,444
At 31 December 2019	於二零一九年 十二月三十一日					
Non-derivative financial liabilities	非衍生財務負債					
Trade and other payables	應付貿易賬款及 其他應付款項	–	477,363	–	477,363	477,363
Leases liabilities	租賃負債	2.83–4.18	10,399	13,909	24,308	23,109
Bank and other borrowings	銀行及其他借款	2.88–4.33	153,111	–	153,111	144,834
Retirement benefits	退休福利	4.73–5.20	–	262,119	262,119	89,230
			640,873	276,028	916,901	734,536

6. 財務風險管理(續)

流動資金風險管理

流動資金風險管理之最終責任在於董事會，董事會已建立適當之流動資金風險管理框架，以切合本集團之短期、中期及長期資金供應及流動資金管理要求。本集團透過維持足夠儲備、銀行融資及儲備借貸融資，持續監察預測及實際之現金流量及配對財務資產及負債之到期日概況管理流動資金風險。

流動資金表

下表詳述本集團非衍生財務負債之餘下合約到期日。該等表格乃根據本集團可能須支付之最早日期之財務負債之非貼現現金流量編製。具體而言，附有應要求還款條款之銀行借款計入最早時段，而不論銀行選擇行使其權利之可能性。其他非衍生財務負債之到期日以協議還款日期為準。

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6. FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair value measurements of financial instruments

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

6. 財務風險管理(續)

財務工具之公平值計量

本集團若干財務資產及財務負債乃按各報告期末之公平值計量。下表提供如何釐定該等財務資產及財務負債公平值之資料(尤其是所採用之估值技術及輸入數據)。

Financial asset/ Financial liability 財務資產/財務負債	Fair value as at 公平值於		Fair value hierarchy 公平值等級	Valuation technique(s) and key input(s) 估值技術及主要輸入數據	Significant unobservable inputs 主要不可觀測輸入數據
	31.12.2020 二零二零年十二月三十一日	31.12.2019 二零一九年十二月三十一日			
Financial assets at fair value through profit or loss 按公平值透過損益列賬之財務資產	Investments in life insurance policies HK\$5,191,000 人壽保險保單投資 5,191,000港元	Investments in life insurance policies HK\$3,651,000 人壽保險保單投資 3,651,000港元	Level 2 第二級	Based on the lowest level of input and Cash Value. 基於輸入數據之最低水平及現金價值。	N/A 不適用
Financial assets at fair value through profit or loss 按公平值透過損益列賬之財務資產	Investments in club debenture policies HK\$3,200,000 會籍債券投資 3,200,000港元	Investments in club debenture policies HK\$3,800,000 會籍債券投資 3,800,000港元	Level 2 第二級	Based on the lowest level of input such as quoted price. 基於輸入數據之最低水平(如報價)。	N/A 不適用
Financial assets at fair value through profit or loss 按公平值透過損益列賬之財務資產	Unlisted warrants HK\$17,776,000 非上市認股權證 17,776,000港元	Unlisted warrants HK\$48,161,000 非上市認股權證 48,161,000港元	Level 2 第二級	Note a 附註a	N/A 不適用
Financial assets at fair value through profit or loss 按公平值透過損益列賬之財務資產	Convertible notes HK\$6,501,000 可換股票據 6,501,000港元	Convertible notes HK\$2,543,000 可換股票據 2,543,000港元	Level 2 第二級	Note b 附註b	N/A 不適用
Financial assets at fair value through profit or loss 按公平值透過損益列賬之財務資產	Convertible loan HK\$2,239,000 可換股貸款 2,239,000港元	N/A 不適用	Level 3 第三級	Note b 附註b	Long-term revenue growth rate ranging from 3% to 251% (Note c). Discount rate of 15.04% (Note d). 長期收益增長率介乎3%至251%(附註c)。 貼現率15.04%(附註d)。

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6. FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair value measurements of financial instruments (Continued)

6. 財務風險管理(續)

財務工具之公平值計量(續)

Financial asset/ Financial liability 財務資產/財務負債	Fair value as at 公平值於		Fair value hierarchy 公平值等級	Valuation technique(s) and key input(s) 估值技術及主要輸入數據	Significant unobservable inputs 主要不可觀測輸入數據
	31.12.2020 二零二零年十二月三十一日	31.12.2019 二零一九年十二月三十一日			
Financial assets at fair value through profit or loss	Unlisted warrants HK\$3,143,000	Unlisted warrants HK\$1,062,000	Level 3	Note a	Long-term revenue growth rate ranging from -80% to 263% (2019: 3% to 22%) (Note c).
按公平值透過損益列賬之財務資產	非上市認股權證 3,143,000港元	非上市認股權證 1,062,000港元	第三級	附註a	Discount rate of 14.62% (2019: 14.73%) (Note d). 長期收益增長率介乎-80%至263% (二零一九年: 3%至22%) (附註c)。 貼現率14.62% (二零一九年: 14.73%) (附註d)。
Financial assets at fair value through other comprehensive income	Listed overseas equity securities HK\$208,287,000	Listed overseas equity securities HK\$478,594,000	Level 1	Quoted bid prices in an active market.	N/A
按公平值透過其他全面收益列賬之財務資產	海外上市股本證券 208,287,000港元	海外上市股本證券 478,594,000港元	第一級	於活躍市場所報之買入價。	不適用
Financial assets at fair value through other comprehensive income	Unlisted partnership investment HK\$82,098,000	Unlisted partnership investment HK\$75,950,000	Level 3	Based on the net asset value with reference to the prices of underlying investment portfolio quoted by fund administrator.	The fair values estimated with reference to the latest private/market transaction.
按公平值透過其他全面收益列賬之財務資產	非上市合夥投資 82,098,000港元	非上市合夥投資 75,950,000港元	第三級	基於資產淨值(參考基金管理人所報之相關投資組合價格)。	公平值乃參考最近期私人/市場交易進行估計。
Financial assets at fair value through other comprehensive income	Unlisted equity securities HK\$87,199,000	Unlisted equity securities HK\$53,787,000	Level 3	Income approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of this investee, based on an appropriate discount rate.	Long-term revenue growth rate ranging from -80% to 263% (2019: 3% to 20%) (Note c).
按公平值透過其他全面收益列賬之財務資產	非上市股本證券 87,199,000港元	非上市股本證券 53,787,000港元	第三級	收入法—使用貼現現金流量法以根據適當之貼現率，計算從該被投資方之擁有權獲得之預期未來經濟利益之現值。	Discount rate ranging from 14.62% to 15.04% (2019: 14.73% to 15.57%) (Note d). 長期收益增長率介乎-80%至263% (二零一九年: 3%至20%) (附註c)。 貼現率介乎14.62%至15.04% (二零一九年: 14.73%至15.57%) (附註d)。

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6. FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair value measurements of financial instruments (Continued)

6. 財務風險管理(續)

財務工具之公平值計量(續)

Financial asset/ Financial liability 財務資產/財務負債	Fair value as at 公平值於		Fair value hierarchy 公平值等級	Valuation technique(s) and key input(s) 估值技術及主要輸入數據	Significant unobservable inputs 主要不可觀測輸入數據
	31.12.2020 二零二零年十二月三十一日	31.12.2019 二零一九年十二月三十一日			
Financial assets at fair value through other comprehensive income	Unlisted equity securities HK\$Nil (Note e)	Unlisted equity securities HK\$6,590,000	Level 3	Market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities, a group of asset and liabilities.	Price-To-Book ratio ("PB ratio") ranging from 0.81 to 14.80 (Note f). Discount of lack of marketability ("DLOM") of 20% (Note g).
按公平值透過其他全面收益列賬之財務資產	非上市股本證券 零港元(附註e)	非上市股本證券 6,590,000港元	第三級	市場法乃使用由涉及相同或可比資產、負債、一組資產及負債之市場交易所產生之價格及其他相關資料。	市賬率介乎0.81至14.80(附註f)。 缺乏市場流通性折讓為20%(附註g)。
Retirement benefits	Liabilities HK\$104,000,000	Liabilities HK\$89,230,000	Level 3	Discounted cash flows method was used to capture the present value of the expected future economic benefits that will flow out of the Group arising from the retirement benefits, period till the year of retirement.	Annualised historical growth rate of 4.7% (2019: 4.3%) (Note h). Discount rate ranging from 3.32% to 4.31% (2019: 4.73% to 5.20%) (Note i).
退休福利	負債 104,000,000港元	負債 89,230,000港元	第三級	貼現現金流量法乃用於得出於直至退休年度之前之退休福利期而流出本集團之預計未來經濟利益之現值。	年度化歷史增長率4.7%(二零一九年：4.3%)(附註h)。 貼現率介乎3.32%至4.31%(二零一九年：4.73%至5.20%)(附註i)。

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6. FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair value measurements of financial instruments (Continued)

Financial asset/ Financial liability 財務資產／財務負債	Fair value as at 公平值於		Fair value hierarchy 公平值等級	Valuation technique(s) and key input(s) 估值技術及主要輸入數據	Significant unobservable inputs 主要不可觀測輸入數據
	31.12.2020 二零二零年十二月三十一日	31.12.2019 二零一九年十二月三十一日			
Derivative financial liabilities	N/A	Liabilities HK\$80,085,000	Level 3	Income approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of the underlying entities, based on an appropriate discount rate.	Discount rate of 25.5% (Note d). DLOM of 20% (Note g). Success rate of drug development of 15.2% (Note j).
衍生財務負債	不適用	負債 80,085,000港元	第三級	Equity allocation model known as option-pricing method was used to obtain the values of liquidation preference and redemption right based on the equity value of the underlying entities obtained by discounted cash flow method. The option-pricing method treats common stock and preferred stock as call options on the equity value, with exercise prices based on the liquidation preference, redemption right and conversion prices of the preferred stock. 收入法—使用貼現現金流量法以根據適當之貼現率，計算從相關實體之所有權獲得之預期未來經濟利益之現值。 股權分配模式（稱為期權定價法）乃根據相關實體以貼現現金流量法取得之股權價值，以取得清算優先額及贖回權之價值。期權定價法將普通股及優先股視為對股權價值之看漲期權，行使價格乃基於優先股之清算優先額、贖回權及轉換價格釐定。	貼現率為25.5%（附註d）。 缺乏市場流通性折讓為20%（附註g）。 藥物開發之成功率為15.2%（附註j）。

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6. FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair value measurements of financial instruments (Continued)

Notes:

- a. Binomial Model was used by applying discrete timestep lattice model of the varying price over time of the underlying financial instruments which based on the exercise price, time to expiration, risk free rate and stock price as quoted in active market (for fair value measurement within Level 2) or as determined by Income approach (for fair value measurement within Level 3).
- b. Partial differential equation, especially the Crank-Nicolson finite-difference method, was used by applying discount rate, volatility level and underlying stock price as quoted in active market (for fair value measurement within Level 2) or as determined by Income approach (for fair value measurement within Level 3).
- c. Long-term revenue growth rate was determined by taking into account of management's experience and knowledge of market conditions of the specific industries. Increase in long-term revenue growth rate would result in an increase in fair value measurement, and vice versa.
- d. Discount rate was estimated by considering the weighted average cost of capital determined by using a Capital Asset Pricing Model. Decrease in discount rate would result in an increase in fair value measurement, and vice versa.
- e. The investment is under liquidation during year 2020 and no accounting records are available for fair value estimation. As a result, the management assessed the fair value is approximately HK\$Nil.
- f. PB ratio was determined by taking into account of comparing similar industrial's market. Decrease in PB ratio would result in an increase in fair value measurement, and vice versa.
- g. DLOM was determined by taking into account of discount between public market and market for privately held stock. Decrease in DLOM would result in an increase in fair value measurement, and vice versa.
- h. Increase in annualised historical growth rate would result in an increase in fair value measurement, and vice versa.
- i. Discount rate was determined by the Hong Kong Interest Rate Swap Curve and adjusted by country risk premium and option adjusted spread. Decrease in discount rate would result in an increase in fair value measurements, and vice versa.
- j. Success rate of drug development was determined with reference to published ophthalmology drug development. Increase in success rate of drug development would result in an increase in fair value measurement, and vice versa.

There were no transfers between Levels 1 and 2 in the current year.

6. 財務風險管理(續)

財務工具之公平值計量(續)

附註：

- a. 二項式模型透過應用相關財務工具價格隨時間而有所不同之離散時間點陣模型(以行使價、到期時間、無風險利率及按活躍市場所報(就第二級公平值計量而言)或按收入法釐定(就第三級公平值計量而言)之股價為基礎)。
- b. 偏微分方程式(特別是Crank-Nicolson有限差分法)應用貼現率、波幅水平及活躍市場所報(就第二級公平值計量而言)或按收入法釐定(就第三級公平值計量而言)之相關股價。
- c. 長期收益增長率經考慮管理層之特定行業市況經驗及知識釐定。長期收益增長率上升將導致公平值計量增加，反之亦然。
- d. 貼現率經考慮使用資本資產定價模型釐定的加權平均資本成本估計。貼現率下降將導致公平值計量增加，反之亦然。
- e. 該投資於二零二零年正在清算中，沒有會計記錄可用於估算其公平值。因此，管理層評定其公平值約為零港元。
- f. 市賬率經考慮對比類似行業市場釐定。市賬率下降將導致公平值計量增加，反之亦然。
- g. 缺乏市場流通性折讓經考慮公開市場與私人持股市場之差異釐定。缺乏市場流通性折讓下降將導致公平值計量增加，反之亦然。
- h. 年度化歷史增長率上升將導致公平值計量增加，反之亦然。
- i. 貼現率以香港利率掉期曲線釐定，並經國家風險溢價及期權調整價差調整。貼現率下降將導致公平值計量增加，反之亦然。
- j. 藥物開發成功率參考已公佈之眼科藥物開發率釐定。藥物開發成功率上升將導致公平值計量增加，反之亦然。

於本年度，第一級與第二級之間並無轉撥。

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6. FINANCIAL RISK MANAGEMENT (CONTINUED)

Reconciliation of Level 3 fair value measurements

6. 財務風險管理(續)

第三級公平值計量之對賬

		Financial assets (liabilities) 財務資產(負債)					
		At FVTPL – Unlisted warrants	At FVTPL – Convertible loan	At FVTOCI – Unlisted equity securities	At FVTOCI – Unlisted partnership investment	Retirement benefits	Derivative financial liabilities
		按公平值透過 損益列賬 – 非上市認股權證	按公平值透過 損益列賬 – 可換股貸款	按公平值透過 其他全面 收益列賬 – 非上市股本證券	按公平值透過 其他全面 收益列賬 – 非上市合夥投資	退休福利	衍生財務負債
		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
Year ended	截至二零二零年						
31 December 2020	十二月三十一日止年度						
Opening balance	期初結餘	1,062	–	60,377	75,950	(89,230)	(80,085)
Additions	增加	1	1,269	7,750	11,233	–	–
Total gains (losses):	總收益(虧損):						
– in profit or loss	– 於損益內	2,080	970	–	–	(14,770)	(3,502)
– in other comprehensive income	– 於其他全面收益內	–	–	19,072	(5,085)	–	–
Disposal of subsidiaries (Note 46)	出售附屬公司(附註46)	–	–	–	–	–	83,587
Closing balance	期終結餘	3,143	2,239	87,199	82,098	(104,000)	–
Year ended	截至二零一九年						
31 December 2019	十二月三十一日止年度						
Opening balance	期初結餘	–	–	44,491	71,272	(62,982)	–
Additions	增加	–	–	8,969	5,834	–	(86,636)
Total gains (losses):	總收益(虧損):						
– in profit or loss	– 於損益內	1,062	–	–	–	(26,248)	6,551
– in other comprehensive income	– 於其他全面收益內	–	–	6,917	(1,156)	–	–
Closing balance	期終結餘	1,062	–	60,377	75,950	(89,230)	(80,085)

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6. FINANCIAL RISK MANAGEMENT (CONTINUED)

Reconciliation of Level 3 fair value measurements (Continued)

Of the total gains or losses for the year included in profit or loss:

- there is HK\$14,770,000 loss (2019: HK\$26,248,000 loss) related to retirement benefits recognised under “administrative expense”; and
- there are HK\$3,050,000 gain (2019: HK\$1,062,000 gain) and HK\$3,502,000 loss (2019: HK\$6,551,000 gain) related to financial assets at FVTPL and derivative financial liabilities respectively recognised under “other gains and losses, net”.

Included in other comprehensive income is a net HK\$13,987,000 gain (2019: net HK\$5,761,000 gain) related to unlisted equity securities classified as financial assets at FVTOCI held at the end of the reporting period and is reported as changes of “investments revaluation reserve”.

7. REVENUE

Revenue represents the net amounts received and receivable for goods sold by the Group to outside customers during the year which is recognised at a point in time.

6. 財務風險管理(續)

第三級公平值計量之對賬(續)

計入損益之年內收益或虧損總額：

- 於「行政費用」項下確認有關退休福利 14,770,000 港元虧損(二零一九年：26,248,000 港元虧損)；及
- 於「其他收益及虧損淨額」中確認有關按公平值透過損益列賬之財務資產及衍生財務負債分別為 3,050,000 港元收益(二零一九年：1,062,000 港元收益)及 3,502,000 港元虧損(二零一九年：6,551,000 港元收益)。

計入其他全面收益內與於報告期末持有並以按公平值透過其他全面收益列賬之財務資產分類之非上市股本證券有關金額為 13,987,000 港元收益淨額(二零一九年：5,761,000 港元收益淨額)，並作為「投資重估儲備」變動呈報。

7. 收益

收益指於某個時間點確認之本年度內本集團向外部客戶出售貨品之已收及應收款項淨額。

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8. SEGMENT INFORMATION

Information reported to the Chairman of the Company, being the chief operating decision maker, for the purpose of resources allocation and assessment of segment performance focuses on the types of goods delivered.

During the year, the Group commenced the business in generic products after obtaining the approval for manufacturing and marketing the generic products from the relevant authority, and it has been aggregated into the proprietary segments for reporting.

Specifically, the Group's reportable segments under HKFRS 8 are as follows:

Proprietary and generic products	– Manufacturing and sales of self-developed and generic pharmaceutical products
Licensed-in products	– Trading of licensed-in pharmaceutical products

8. 分部資料

向本公司主席(即主要經營決策者)呈報以供作出資源分配及評估分部表現之資料側重於所交付貨品之類型。

於本年度內，本集團於獲得有關當局批准製造及營銷仿製產品後開展仿製產品業務，並就呈報目的將其匯入專利分部。

具體而言，根據香港財務報告準則第8號，本集團之可呈報分部如下：

專利及仿製產品	— 製造及銷售自行研發及仿製之藥品
引進產品	— 買賣引進之藥品

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8. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments:

8. 分部資料(續)

分部收益及業績

以下為按可呈報分部劃分之本集團收益及業績分析：

		Proprietary and generic products 專利及仿製產品		Licensed-in products 引進產品		Consolidated 綜合	
		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
Segment revenue	分部收益	538,765	535,627	677,951	683,286	1,216,716	1,218,913
Segment operating results	分部經營業績	241,651	251,376	194,475	195,821	436,126	447,197
Research and development expenses	研究及開發費用	(57,093)	(26,885)	(146,201)	(123,060)	(203,294)	(149,945)
Impairment of intangible assets	無形資產減值	—	—	(3,840)	(117,652)	(3,840)	(117,652)
Impairment of goodwill	商譽減值	—	—	(2,342)	—	(2,342)	—
Segment results	分部業績	184,558	224,491	42,092	(44,891)	226,650	179,600
Gain on disposal of subsidiaries, net (Note 46)	出售附屬公司之收益淨額(附註46)					155,625	—
Loss on deemed disposal of interest in associates	視為出售聯營公司權益之虧損					(180,923)	—
Unallocated income	未分配收入					12,717	19,262
Unallocated expenses	未分配費用					(62,146)	(57,457)
Profit from operations	經營溢利					151,923	141,405
Finance costs	財務成本					(6,472)	(6,624)
Profit before share of results of associates	分佔聯營公司業績前溢利					145,451	134,781
Share of results of associates	分佔聯營公司業績					(11,414)	(11,895)
Profit before taxation	除稅前溢利					134,037	122,886
Taxation	稅項					(55,503)	(59,541)
Profit for the period	本期間溢利					78,534	63,345

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8. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (Continued)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the year (2019: Nil).

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represents the profit earned by/loss from each segment without allocation of central administration costs including directors' emoluments, certain transactions with associates, gain or loss on disposal/deemed disposal of subsidiaries/associates, fair value changes of certain financial instruments at FVTPL, foreign exchange gain/loss, interest income, finance costs, share of results of associates, and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resources allocation and assessment of segment performance.

8. 分部資料(續)

分部收益及業績(續)

上文呈報之分部收益指來自外部客戶之收益。於本年度內並無分部間銷售(二零一九年：無)。

經營分部之會計政策與本集團之會計政策相同。分部業績乃指在未分配中央行政成本(包括董事酬金、與聯營公司之若干交易、出售／視為出售附屬公司／聯營公司之收益或虧損、按公平值透過損益列賬之若干財務工具之公平值變動、外幣匯兌收益／虧損、利息收入、財務成本、分佔聯營公司業績及所得稅開支)之情況下各分部所賺取之溢利／蒙受之虧損。此乃向主要經營決策者呈報以供分配資源及評估分部表現之方式。

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8. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

		Proprietary and generic products 專利及仿製產品		Licensed-in products 引進產品		Consolidated 綜合	
		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
Segment assets	分部資產	875,134	614,902	1,704,544	2,011,921	2,579,678	2,626,823
Unallocated assets	未分配資產					673,243	1,013,418
Total assets	資產總值					3,252,921	3,640,241
Segment liabilities	分部負債	263,839	286,811	516,420	421,630	780,259	708,441
Unallocated liabilities	未分配負債					357,284	454,362
Total liabilities	負債總額					1,137,543	1,162,803

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than interests in associates, deferred tax assets, certain right-of-use assets and financial assets at fair value through profit or loss, balances with associates, pledged bank deposits, time deposits and cash and bank balances. Goodwill is allocated to segment of proprietary and generic products; and
- all liabilities are allocated to operating segments other than bank and other borrowings, tax payables, deferred tax liabilities, derivative financial liabilities and retirement benefits.

8. 分部資料(續)

分部資產及負債

以下為按可呈報分部劃分之本集團資產及負債分析：

為監控分部表現及於分部間分配資源：

- 除聯營公司之權益、遞延稅項資產、若干使用權資產及按公平值透過損益列賬之財務資產、與聯營公司之結餘、已抵押銀行存款、定期存款以及現金及銀行結餘外，所有資產皆分配至經營分部。商譽乃分配至專利及仿製產品分部；及
- 除銀行及其他借款、應付稅項、遞延稅項負債、衍生財務負債及退休福利外，所有負債皆分配至經營分部。

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8. SEGMENT INFORMATION (CONTINUED)

Other segment information (included in the measure of segment profit or loss, segment assets and liabilities, or regularly provided to the chief operating decision maker)

8. 分部資料(續)

其他分部資料(用於計量分部損益、分部資產及負債或定期向主要經營決策者提供)

		Proprietary and generic products 專利及仿製產品		Licensed-in products 引進產品		Consolidated 綜合	
		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
Depreciation of property, plant and equipment (including right-of-use assets)	物業、廠房及設備 (包括使用權資產) 折舊	49,247	39,447	60,054	45,204	109,301	84,651
Amortisation of intangible assets	無形資產攤銷	2,898	-	15,305	9,491	18,203	9,491
Additions to non-current assets (Property, plant and equipment, and intangible assets) during the year	於本年度內新增非流動資產(物業、廠房及設備以及無形資產)	256,164	172,277	182,079	213,099	438,243	385,376
Impairment of intangible assets	無形資產減值	-	-	3,840	117,652	3,840	117,652

Geographical information

During the years ended 31 December 2020 and 2019, more than 90% of the Group's revenue was derived from activities conducted in the People's Republic of China (the "PRC"), no geographical information on revenue is presented.

The following is an analysis of the Group's assets and liabilities by geographical markets:

地區資料

於截至二零二零年及二零一九年十二月三十一日止年度，本集團逾90%收益源自於中華人民共和國(「中國」)進行之業務，因此並無呈列收益地區資料。

以下為按地區市場劃分之本集團資產及負債分析：

		The PRC 中國		Hong Kong and others 香港及其他		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
Total assets	資產總值	2,060,059	2,010,685	1,192,862	1,629,556	3,252,921	3,640,241
Total liabilities	負債總額	560,912	550,134	576,631	612,669	1,137,543	1,162,803

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9. INFORMATION ABOUT MAJOR CUSTOMERS

For both the years ended 31 December 2020 and 2019, no single customer accounted for 10% or more of the Group's total revenue.

9. 有關主要客戶之資料

於截至二零二零年及二零一九年十二月三十一日止兩個年度，概無單一客戶佔本集團總收益之10%或以上。

10. OTHER INCOME

10. 其他收益

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Interest income on:	利息收入：		
Bank and pledged bank deposits	銀行及已抵押銀行存款	6,624	8,529
Advance to associates	墊付予聯營公司之款項	2,448	1,544
Loan receivables	應收貸款	—	943
Total interest income	利息收入總額	9,072	11,016
Compensation income	補償收入	41,208	—
Government and development grants	政府及開發補助	30,958	29,564
Rental and utilities income	租金及公共服務收入	3,431	504
Incentives from vendor	供應商獎勵	2,860	2,116
Research and development service income	研究及開發服務收入	56,387	30,320
Sundry income	雜項收入	6,671	2,174
		150,587	75,694

The Group received the development grants from the local government as recognition of the Group's performance and development of high-technology pharmaceutical products.

本集團收到地方政府認可本集團表現及開發高新科技藥品而授予開發補助。

During the year, the Group recognised government grants of approximately HK\$6,344,000 in respect of COVID-19-related subsidies, of which approximately HK\$2,607,000 related to Employment Support Scheme provided by Hong Kong government.

年內，本集團確認約6,344,000港元COVID-19相關之政府補助，其中約2,607,000港元由香港政府就保就業計劃提供。

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11. OTHER GAINS AND LOSSES, NET

11. 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
Fair value (loss) gain in respect of	有關以下各項之公平值(虧損)收益		
– Financial assets at FVTPL, net	– 按公平值透過損益列賬之 財務資產之淨額	(17,963)	(4,705)
– Derivate financial liabilities	– 衍生財務負債	(3,502)	6,551
Gain on disposal of plant and equipment, net	出售廠房及設備之收益淨額	30	67
Gain on disposal of subsidiaries, net (Note 46)	出售附屬公司之收益淨額 (附註46)	155,625	–
Gain on early termination of lease	提早終止租賃之收益	2	–
Gain on realisation of loan receivables	變現應收貸款之收益	–	22,200
Impairment loss recognised in respect of	有關以下各項之已確認減值虧損		
– Intangible assets (Note 20)	– 無形資產(附註20)	(3,840)	(117,652)
– Goodwill (Note 21)	– 商譽(附註21)	(2,342)	–
Loss on deemed disposal of interests in associates (Note 22)	視為出售聯營公司權益之虧損 (附註22)	(180,923)	–
Loss on derecognition of financial assets at FVTPL at expiration (Note 23)	於期滿時終止確認按公平值透過損益列賬 之財務資產之虧損(附註23)	(4,584)	–
Write-off of property, plant and equipment	撤銷物業、廠房及設備	(305)	(212)
Foreign exchange gain, net	外幣匯兌收益淨額	214	2,071
		(57,588)	(91,680)

12. PROFIT FROM OPERATIONS

12. 經營溢利

Profit from operations has been arrived at after charging:

經營溢利已扣除下列各項：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Depreciation of property, plant and equipment (including right-of-use assets)	物業、廠房及設備 (包括使用權資產)之折舊	109,301	84,651
Amortisation of intangible assets (included in cost of sales)	無形資產之攤銷(計入銷售成本)	18,203	9,491
Total depreciation and amortisation	折舊及攤銷總額	127,504	94,142
Auditors' remuneration	核數師酬金	1,251	1,326
Staff costs	員工成本	298,471	287,514
Share-based payments	以股份支付之款項	17,442	5,461
Research and development costs	研究及開發費用	203,294	149,945
Cost of inventories charged to profit or loss	於損益扣除之存貨成本	405,308	397,244

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13. FINANCE COSTS

13. 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 expenses on:	利息開支：		
Bank and other borrowings	銀行及其他借貸	4,698	5,067
Lease liabilities	租賃負債	687	692
Total interest expenses for financial liabilities	並非分類為按公平值透過損益列賬之	5,385	5,759
not classified as FVTPL	財務負債之利息開支總額		
Bank charges	銀行費用	1,087	865
		6,472	6,624

14. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

14. 董事及主要行政人員酬金

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and CO is as follows:

根據適用上市規則及公司條例披露之董事及最高行政人員於本年度之酬金如下：

		Fees	Salaries, allowances, and other remuneration	Discretionary bonus	Employer's contributions to pension schemes	Sub-total	Retirement benefits	Equity-settled share option expense	2020 Total emoluments
		袍金	工資、津貼及其他酬金	酌情花紅	作出之僱主供款	小計	退休福利	以股權結算購股權開支	二零二零年酬金總額
		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
Executive Directors	執行董事								
Lee Siu Fong	李少芳	-	5,453	589	18	6,060	9,380	3,851	19,291
Leelalertsuphakun Wanee	李偉妮	-	5,915	637	-	6,552	(1,780)	3,740	8,512
Li Xiaoyi (CEO)	李小羿(行政總裁)	-	8,120	877	18	9,015	7,170	3,551	19,736
Non-executive Director	非執行董事								
Simon Miles Ball	Simon Miles Ball	144	-	-	-	144	-	-	144
Independent Non-executive Directors	獨立非執行董事								
Chan Yau Ching, Bob	陳友正	144	-	-	-	144	-	-	144
Lam Yat Cheong	林日昌	144	-	-	-	144	-	-	144
Tsim Wah Keung, Karl	詹華強	144	-	-	-	144	-	-	144
Total	總計	576	19,488	2,103	36	22,203	14,770	11,142	48,115

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14. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (CONTINUED)

14. 董事及最高行政人員酬金(續)

		Fees	Salaries, allowances, and other remuneration	Discretionary bonus	Employer's contributions to pension schemes	Sub-total	Retirement benefits	Equity-settled share option expense	2019 Total emoluments
		袍金	工資、津貼及其他酬金	酌情花紅	向退休金計劃作出之僱主供款	小計	退休福利	以股權結算購股權開支	二零一九年酬金總額
		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
Executive Directors	執行董事								
Lee Siu Fong	李少芳	-	5,625	-	18	5,643	9,838	1,091	16,572
Leelalertsuphakun Wanee	李焯妮	-	6,063	-	3	6,066	10,373	1,024	17,463
Li Xiaoyi (CEO)	李小羿(行政總裁)	-	8,376	-	18	8,394	6,037	910	15,341
Non-executive Director	非執行董事								
Simon Miles Ball	Simon Miles Ball	144	-	-	-	144	-	-	144
Independent Non-executive Directors	獨立非執行董事								
Chan Yau Ching, Bob	陳友正	144	-	-	-	144	-	-	144
Lam Yat Cheong	林日昌	144	-	-	-	144	-	-	144
Tsim Wah Keung, Karl	詹華強	144	-	-	-	144	-	-	144
Total	總計	576	20,064	-	39	20,679	26,248	3,025	49,952

The directors' and chief executive's emoluments shown above were for their service in connection with the management of the affairs of the Company and the Group.

上文顯示之董事及最高行政人員酬金乃彼等與本公司及本集團管理事務有關之服務酬金。

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year (2019: Nil).

於本年度內，並無董事或最高行政人員放棄或同意放棄任何酬金之安排(二零一九年：無)。

Certain executive directors of the Company are entitled to bonus payments which are determined based on a percentage of the Group's profit after tax for the year.

本公司若干執行董事有權收取按本集團本年度除稅後溢利百分比計算之花紅。

During the year, certain directors were granted share options, in respect of their services to the Group under the share option scheme of the Company. Details of the share options scheme are set out in note 38 to the consolidated financial statements.

於本年度內，若干董事就彼等向本集團提供之服務按本公司購股權計劃獲授予購股權。購股權計劃之詳情載於綜合財務報表附註38。

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14. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (CONTINUED)

Transactions, arrangements or contracts in which directors of the Company have material interests

No transactions, arrangements or contracts of significance to which the Company or its subsidiaries was a party and in which a director of the Company had material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2019: Nil).

Loans, quasi-loans and other dealings in favour of directors

No loans, quasi-loans and other dealings in favour of directors of the Company or body corporate controlled by such directors, or entities connected with such directors, subsisted at the end of the year or at any time during the year (2019: Nil).

14. 董事及主要行政人員酬金(續)

本公司董事擁有重大權益之交易、安排或合約

於本年度年末或本年度內任何時間，本公司或其附屬公司概無訂立任何本公司董事直接或間接於其中擁有重大權益之重大交易、安排或合約(二零一九年：無)。

貸款、準貸款及董事獲益之其他交易

於本年度年末或本年度內任何時間，概無以本公司董事、董事控制法人團體或董事關聯實體為受益人之貸款、準貸款以及其他交易(二零一九年：無)。

15. FIVE HIGHEST PAID INDIVIDUALS

The five highest paid individuals of the Group during the year included three (2019: three) directors, details of whose remuneration are set out in note 14 above. Details of the remuneration for the year of the remaining two (2019: two) highest paid individuals who are neither a director nor chief executive of the Company are as follows:

15. 五名最高薪人士

於本年度內，本集團五名最高薪酬人士當中，三名(二零一九年：三名)為本公司董事，其酬金已載於上文附註14。最高薪人士中其餘兩名人士(二零一九年：兩名)並非為本公司董事或主要行政人員，彼等之酬金如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	3,671	4,336
Employer's contributions to pension schemes	退休金計劃僱主供款	18	36
Equity-settled share option expense	以股權結算之購股權費用	2,124	844
		5,813	5,216

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15. FIVE HIGHEST PAID INDIVIDUALS (CONTINUED)

The number of the highest paid individuals who are not the directors of the Company whose remuneration fell within the following bands is as follows:

		2020 二零二零年 Number of individuals 人數	2019 二零一九年 Number of individuals 人數
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	1	1
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	–	1
HK\$3,000,001 to HK\$3,500,000	3,000,001港元至3,500,000港元	1	–
		2	2

During the year, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

最高薪人士(並非本公司董事)之薪酬介乎下列組別之人數如下：

於本年度內，本集團並無付予五名最高薪人士酬金作為招攬其加入本集團，或於加入時之獎勵或離職補償。

16. TAXATION

16. 稅項

		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 Profits Tax	香港利得稅	34,176	30,120
PRC Enterprise Income Tax	中國企業所得稅	163	3,569
		34,339	33,689
(Over) under provision in prior years	過往年度(超額撥備)撥備不足		
Hong Kong Profits Tax	香港利得稅	(19)	(1,688)
PRC Enterprise Income Tax	中國企業所得稅	190	(3,032)
		171	(4,720)
Deferred tax	遞延稅項		
Origination and reversal of temporary differences (Note 35)	產生及撥回暫時差額(附註35)	20,993	30,572
		55,503	59,541

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16. TAXATION (CONTINUED)

For a qualified entity, Hong Kong Profits Tax for the years ended 31 December 2020 and 2019 is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million according to the two-tiered profits tax rates regime. Hong Kong Profits Tax is calculated at 16.5% for both years ended 31 December 2020 and 2019 for all other entities.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rates of the PRC subsidiaries range from 15% to 25% (2019: 15% to 25%).

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The tax charge for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss as follows:

16. 稅項(續)

就合資格實體而言，按照利得稅兩級制，截至二零二零年及二零一九年十二月三十一日止年度之香港利得稅就首2百萬港元估計應課稅溢利按8.25%及就2百萬港元以上估計應課稅溢利按16.5%計算。就所有其他實體而言，截至二零二零及二零一九年十二月三十一日止兩個年度之香港利得稅均按16.5%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介乎15%至25%(二零一九年：15%至25%)。

於其他司法權區產生之稅項按有關司法權區之現行稅率計算。

本年度之稅項支出與綜合損益表內之除稅前溢利對賬如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Profit before taxation	除稅前溢利	134,037	122,886
Notional tax at the rates applicable to results in regions concern	按適用於相關地區業績之稅率計算之名義稅項	17,782	10,727
Tax effect of share of results of associates	分佔聯營公司業績之稅務影響	1,883	1,963
Tax effect of expenses not deductible for tax purpose	就稅項而言不可予扣減開支之稅項影響	60,574	34,864
Tax effect of income not taxable for tax purpose	就稅項而言毋須課稅收入之稅項影響	(31,044)	(3,951)
Under (over) provision in prior years	過往年度撥備不足(超額撥備)	171	(4,720)
Tax effect on temporary differences not recognised	未確認暫時差異之稅項影響	(324)	(268)
Tax effect of tax losses not recognised	未確認稅項虧損之稅項影響	36,531	47,914
Tax effect of preferential tax allowance	優惠稅寬免之稅項影響	(23,101)	(24,247)
Tax at other jurisdictions	其他司法權區之稅項	-	419
Utilisation of tax loss previously not recognised	動用先前未確認之稅項虧損	(6,969)	(3,160)
Tax charge for the year	本年度之稅項支出	55,503	59,541

As at 31 December 2020, the Group has estimated unused tax losses of approximately HK\$551 million (2019: HK\$562 million) available for offset against future profits. No deferred tax asset has been recognised in respect of the estimated tax losses due to the unpredictability of future profits streams.

於二零二零年十二月三十一日，本集團估計尚未動用之可供用作抵銷將來溢利之稅項虧損約為551百萬港元(二零一九年：562百萬港元)。由於未能預測將來溢利之來源，因此並無就估計稅項虧損確認遞延稅項資產。

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17. DIVIDENDS

17. 股息

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Dividends for ordinary shareholders of the Company recognised as distribution during the year:	於本年度內確認為分派之本公司普通股股東之股息：		
2020 interim – HK\$0.027 (2019: 2019 interim HK\$0.018) per share	二零二零年中期－每股0.027港元 (二零一九年：二零一九年中期0.018港元)	15,879	10,662
2019 final – HK\$0.038 (2019: 2018 final HK\$0.084) per share	二零一九年末期－每股0.038港元 (二零一九年：二零一八年末期0.084港元)	22,349	49,754
		38,228	60,416

Subsequent to the end of the reporting period, final dividend in respect of the year ended 31 December 2020 of HK3.1 cents per share (2019: final dividend in respect of the year ended 31 December 2019 of HK3.8 cents per share), in an aggregate amount of HK\$18,232,000 (2019: HK\$22,349,000) has been proposed by the directors and is subject to approval by shareholders at the forthcoming annual general meeting, and is not included as a dividend payable in the consolidated statement of financial position as at 31 December 2020.

於報告期結束後，董事建議派付截至二零二零年十二月三十一日止年度之末期股息每股3.1港仙(二零一九年：截至二零一九年十二月三十一日止年度末期股息每股3.8港仙)，總額約為18,232,000港元(二零一九年：22,349,000港元)，惟須待股東於應屆股東週年大會上批准方可作實。擬派股息不會入賬列作二零二零年十二月三十一日綜合財務狀況表內之應付股息。

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18. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to owners of the Company is based on the following data:

18. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃基於下列數據計算：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<i>Earnings:</i>	<i>盈利：</i>		
Net profit attributable to owners of the Company for the purpose of basic and diluted earnings per share	就計算每股基本及攤薄盈利而言之本公司擁有人應佔純利	129,316	125,553
		2020 二零二零年 Share(s) '000 千股	2019 二零一九年 Share(s) '000 千股
<i>Number of shares:</i>	<i>股份數目：</i>		
Weighted average number of ordinary shares for the purposes of basic earnings per share	就計算每股基本盈利而言之普通股加權平均數	588,120	591,573
Effect of dilutive potential ordinary shares: Options	潛在攤薄普通股之影響：購股權	43	313
Weighted average number of ordinary shares for the purposes of diluted earnings per share	就計算每股攤薄盈利而言之普通股加權平均數	588,163	591,886

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19. PROPERTY, PLANT AND EQUIPMENT

19. 物業、廠房及設備

		Buildings	Leasehold land	Leased premises	Leasehold improvement	Plant and machinery	Office and laboratory equipment and electronic equipment 辦公室及研究所設備及電子設備	Motor vehicles	Construction in progress	Total
		樓宇 HK\$'000 千港元	租賃土地 HK\$'000 千港元	租賃物業 HK\$'000 千港元	租賃物業裝修 HK\$'000 千港元	廠房及機器 HK\$'000 千港元	設備及電子設備 HK\$'000 千港元	汽車 HK\$'000 千港元	在建工程 HK\$'000 千港元	總計 HK\$'000 千港元
COST	成本									
At 1 January 2019	於二零一九年一月一日	271,925	145,666	9,659	25,242	160,010	104,664	13,637	210,582	941,385
Exchange rate adjustments	匯率調整	(4,576)	(2,700)	(312)	(692)	(4,256)	(2,156)	(136)	(3,739)	(18,567)
Reclassification	重新分類	(45,469)	-	-	4,634	40,802	33	-	-	-
Additions	添置	713	1,021	23,777	8,206	27,000	27,933	483	53,877	143,010
Transfer in (out)	轉入(出)	13,823	-	-	15,815	26,043	12,289	-	(67,970)	-
Disposals	出售	-	-	-	-	(63)	(191)	(460)	-	(714)
Write-off	撇銷	(50)	-	-	(626)	(1,689)	(3,798)	(814)	-	(6,977)
Modification of lease term	租賃期變更	-	-	(651)	-	-	-	-	-	(651)
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及二零二零年一月一日	236,366	143,987	32,473	52,579	247,847	138,774	12,710	192,750	1,057,486
Exchange rate adjustments	匯率調整	16,002	9,433	1,673	5,574	23,434	9,457	499	3,399	69,471
Reclassification	重新分類	1,033	-	-	(1,033)	-	-	-	-	-
Additions	添置	26	-	2,604	20,424	57,196	16,054	441	44,254	140,999
Transfer in (out)	轉入(出)	5,112	-	-	64,642	78,799	15,880	-	(164,433)	-
Disposals	出售	-	-	-	-	(201)	-	-	-	(201)
Write-off	撇銷	-	-	(1,573)	(12,848)	(635)	(1,693)	-	(271)	(17,020)
Modification of lease term	租賃期變更	-	-	(1,420)	-	-	-	-	-	(1,420)
Early termination of lease	提前終止租賃	-	-	(446)	-	-	-	-	-	(446)
Disposal of subsidiaries (Note 46)	出售附屬公司(附註46)	(44)	(976)	-	(63,431)	(48,318)	(27,923)	(457)	(23,515)	(164,664)
At 31 December 2020	於二零二零年十二月三十一日	258,495	152,444	33,311	65,907	358,122	150,549	13,193	52,184	1,084,205
DEPRECIATION	折舊									
At 1 January 2019	於二零一九年一月一日	51,973	10,729	-	12,551	60,003	44,625	8,269	-	188,150
Exchange rate adjustments	匯率調整	(863)	(239)	(52)	(249)	(1,788)	(899)	(114)	-	(4,204)
Reclassification	重新分類	(20,789)	-	-	232	20,531	26	-	-	-
Charge for the year	本年度撥備	14,095	2,901	8,505	6,808	29,358	21,738	1,246	-	84,651
Eliminated upon disposal	出售後對銷	-	-	-	-	(4)	(191)	(460)	-	(655)
Eliminated upon write-off	撇銷後對銷	(50)	-	-	(614)	(1,503)	(3,798)	(800)	-	(6,765)
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及二零二零年一月一日	44,366	13,391	8,453	18,728	106,597	61,501	8,141	-	261,177
Exchange rate adjustments	匯率調整	3,750	1,055	688	900	9,192	4,698	442	-	20,725
Reclassification	重新分類	6	-	-	(6)	-	-	-	-	-
Charge for the year	本年度撥備	13,891	2,880	9,761	15,391	38,425	27,734	1,219	-	109,301
Eliminated upon disposal	出售後對銷	-	-	-	-	(168)	-	-	-	(168)
Eliminated upon write-off	撇銷後對銷	-	-	(1,573)	(12,848)	(634)	(1,660)	-	-	(16,715)
Eliminated upon early termination of lease	提前終止租賃後對銷	-	-	(93)	-	-	-	-	-	(93)
Eliminated upon disposal of subsidiaries (Note 46)	出售附屬公司後對銷(附註46)	(5)	-	-	(5,103)	(3,748)	(5,661)	(57)	-	(14,574)
At 31 December 2020	於二零二零年十二月三十一日	62,008	17,326	17,236	17,062	149,664	86,612	9,745	-	359,653
CARRYING AMOUNTS	賬面值									
At 31 December 2020	於二零二零年十二月三十一日	196,487	135,118	16,075	48,845	208,458	63,937	3,448	52,184	724,552
At 31 December 2019	於二零一九年十二月三十一日	192,000	130,596	24,020	33,851	141,250	77,273	4,569	192,750	796,309

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19. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The leasehold land, which is held under medium-term lease, and the buildings are situated in the PRC.

The Group as lessee

Right-of-use assets (included in the property, plant and equipment)

The analysis of right-of-use assets by class of underlying asset is as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Leasehold land	租賃土地	135,118	130,596
Leased premises	租賃物業	16,075	24,020
Motor vehicles	汽車	—	468
		151,193	155,084

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Depreciation charge of right-of-use assets by class of underlying assets:	按相關資產類別劃分之使用權資產折舊費用：		
Leasehold land	租賃土地	2,880	2,901
Leased premises	租賃物業	9,761	8,505
Motor vehicles	汽車	58	234
		12,699	11,640
Expense relating to short-term leases and other leases with lease terms end within 12 months from date of initial application	與租賃期自首次應用之日起12個月內到期之短期租賃及其他租賃相關之費用	2,498	3,199

19. 物業、廠房及設備(續)

租賃土地(以中期租賃形式持有)及樓宇位於中國。

本集團作為承租人

使用權資產(包括於物業、廠房及設備)

按相關資產類別對使用權資產分析如下：

有關在損益確認之租賃之支出項目分析如下：

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19. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The Group as lessee (Continued)

Right-of-use assets (included in the property, plant and equipment) (Continued)

Total cash outflow for leases in 2020 was approximately HK\$12,736,000 (2019: approximately HK\$15,579,000).

Total additions to right-of-use assets in 2020 was approximately HK\$2,604,000 (2019: HK\$24,147,000).

For both years, the Group leases various offices, warehouses and motor vehicles for its operations. Lease contracts are entered into for fixed term of 2 years to 5 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

In addition, the Group owns several leasehold land where its manufacturing facilities and office buildings are primarily located. The Group is the registered owner of these leasehold land. Lump sum payments were made upfront to acquire these leasehold land.

The Group regularly entered into short-term leases for leased premises and equipment.

19. 物業、廠房及設備(續)

本集團作為承租人(續)

使用權資產(包括於物業、廠房及設備) (續)

二零二零年之租賃現金流出總額約為12,736,000港元(二零一九年：15,579,000港元)。

二零二零年之使用權資產添置總額約為2,604,000港元(二零一九年：24,147,000港元)。

於兩個年度，本集團租賃多項辦公室、倉庫及汽車作經營之用。租賃合約之固定期限為2年至5年。

租賃條款乃按個別基準協商確定，且包含各種不同之條款及條件。本集團於釐定租賃期及評估不可撤銷之期限時，採用合約之定義並確定合約可強制執行之期限。

此外，本集團擁有數塊租賃土地(其生產設施及辦公樓宇主要位於該等土地)。本集團為該等租賃土地之註冊擁有人。收購該等租賃土地已一次性支付一筆總價。

本集團定期訂立租賃物業及設備之短期租賃。

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20. INTANGIBLE ASSETS

20. 無形資產

		License fee 專利費 HK\$'000 千港元	Development cost 開發成本 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST	成本			
At 1 January 2019	於二零一九年一月一日	230,660	426,397	657,057
Exchange rate adjustments	匯率調整	(1,108)	(6,761)	(7,869)
Additions	添置	66,326	176,040	242,366
Impairment	減值	(24,112)	(116,876)	(140,988)
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及 二零二零年一月一日	271,766	478,800	750,566
Exchange rate adjustments	匯率調整	7,520	32,640	40,160
Additions	添置	111,139	186,105	297,244
Write-off	撇銷	(47,824)	-	(47,824)
Impairment	減值	(3,840)	-	(3,840)
Disposal of subsidiaries (Note 46)	出售附屬公司(附註46)	(39,921)	(124,145)	(164,066)
At 31 December 2020	於二零二零年十二月三十一日	298,840	573,400	872,240
AMORTISATION	攤銷			
At 1 January 2019	於二零一九年一月一日	59,436	10,572	70,008
Exchange rate adjustments	匯率調整	-	(214)	(214)
Charge for the year	本年度撥備	9,141	350	9,491
Eliminated upon impairment	減值後對銷	(23,336)	-	(23,336)
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及 二零二零年一月一日	45,241	10,708	55,949
Exchange rate adjustments	匯率調整	-	958	958
Charge for the year	本年度撥備	14,958	3,245	18,203
Eliminated upon write-off	撇銷後對銷	(47,824)	-	(47,824)
Eliminated upon impairment	減值後對銷	-	-	-
At 31 December 2020	於二零二零年十二月三十一日	12,375	14,911	27,286
CARRYING AMOUNTS	賬面值			
At 31 December 2020	於二零二零年十二月三十一日	286,465	558,489	844,954
At 31 December 2019	於二零一九年十二月三十一日	226,525	468,092	694,617

During the year 2020, acquisition cost of HK\$77,500,000 license fee (2019: Nil) was non-cash transaction. Details are further disclosed in note 46 to the consolidated financial statements.

於二零二零年，收購成本77,500,000港元專利費(二零一九年：無)為非現金交易。詳情於綜合財務報表附註46進一步披露。

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21. GOODWILL

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
COST	成本		
At beginning of the year	於年初	3,900	3,900
Recognised on acquisition of a subsidiary (Note 45)	收購一間附屬公司時確認(附註45)	2,342	-
At end of the year	於年終	6,242	3,900
IMPAIRMENT	減值		
At beginning of the year	於年初	-	-
Impairment loss recognised in the year	年內確認減值虧損	2,342	-
At end of the year	於年終	2,342	-
CARRYING AMOUNTS	賬面值		
At end of the year	於年終	3,900	3,900

Impairment testing on goodwill

Goodwill is assessed for impairment annually irrespective of whether there is any indication of impairment.

For the purpose of impairment testing, goodwill has been allocated to the following CGUs. At the end of the reporting period, the carrying amount of goodwill mainly represents goodwill arising from:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Licensed-in products CGU	引進產品現金產生單位	-	-
Proprietary products CGU	專利產品現金產生單位	3,900	3,900
At end of the year	於年終	3,900	3,900

For the purpose of impairment testing, the recoverable amounts of the CGUs are determined by value-in-use calculations by using cash flow projections based on financial budgets covering a five-year period. The discount rate applied to the cash flow projections is 10% per annum (2019: 10% per annum).

Based on assessment, the recoverable amount of Licensed-in products CGU will be less than its carrying amount and accordingly the Group recognised an impairment loss of HK\$2,342,000 on goodwill during the year ended 31 December 2020, which is grouped under "other gain and losses, net" in profit or loss.

Based on assessment, the recoverable amount of Proprietary products CGU is higher than its carrying amount and accordingly, management of the Group determined that there is no impairment of goodwill.

21. 商譽

商譽減值測試

商譽每年進行減值評估，不論有否出現減值跡象。

作減值測試之商譽乃分配至以下現金產生單位。於報告期末，商譽之賬面金額主要指因以下各項而產生之商譽：

為進行減值測試，現金產生單位之可收回金額使用價值計算法釐定，當中按照涵蓋五年期之財務預算進行現金流量預測計算。應用於現金流量預測之貼現率為每年10%(二零一九年：每年10%)。

按照評估結果，引進產品現金產生單位之可收回金額低於其賬面金額，故本集團於截至二零二零年十二月三十一日止年度確認商譽減值虧損2,342,000港元，計入損益中之「其他收益及虧損淨額」。

按照評估結果，專利產品現金產生單位之可收回金額高於其賬面金額，故本集團管理層釐定並無商譽減值。

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22. INTERESTS IN ASSOCIATES

The movements in the Group's interests in associates during the year 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 beginning of the year	於年初	15,802	27,623
Additions	添置	182,222	-
Share of post-acquisition loss	分佔收購後虧損	(11,414)	(11,895)
Share of exchange reserve	分佔匯兌儲備	314	18
Share of option reserve	分佔購股權儲備	55	56
Loss on deemed disposal of interests in associates	視為出售聯營公司權益之虧損	(180,923)	-
At end of the year	於年終	6,056	15,802

Details of the Group's associates at the end of the reporting period are as follow:

於報告期末，本集團聯營公司之詳情如下：

Name of associate 聯營公司名稱	Place of incorporation/ operations 註冊成立／經營地點	Proportion of ownership interest held by the Group 本集團所持有之所有權權益比例		Proportion of voting rights held by the Group 本集團持有投票權比例		Principal activities 主要業務
		2020 二零二零年	2019 二零一九年	2020 二零二零年	2019 二零一九年	
Powder Pharmaceuticals Incorporated ("PPI") (Note a)	British Virgin Islands/ Hong Kong	33.92%	33.92%	33.92%	33.92%	Development, manufacturing and sale of pharmaceutical products
普樂藥業有限公司(「普樂」)(附註a)	英屬處女群島／香港	33.92%	33.92%	33.92%	33.92%	開發、製造及銷售藥品
RIT Biotech (Holding) Company Limited ("RIT") (Note b)	British Virgin Islands/ Hong Kong	24.08%	24.12%	24.08%	24.12%	Operate a central pharmacy for compounding radiopharmaceuticals
RIT Biotech (Holding) Company Limited ("RIT") (附註b)	英屬處女群島／香港	24.08%	24.12%	24.08%	24.12%	經營複合放射性藥物之中央藥房
Zhaoke Ophthalmology Limited ("ZKO", formerly known as China Ophthalmology Focus Limited) (Note c)	British Virgin Islands*/ Hong Kong	33.58%	N/A	33.58%	N/A	Development, manufacturing and marketing of ophthalmic drugs
兆科眼科有限公司(「兆科眼科」，前稱China Ophthalmology Focus Limited)(附註c)	英屬處女群島*／香港	33.58%	不適用	33.58%	不適用	開發、製造及營銷眼科藥物

* Incorporated in British Virgin Islands and redomiciled to the Cayman Islands on 2 June 2020.

* 於英屬處女群島註冊成立並於二零二零年六月二日遷至開曼群島。

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22. INTERESTS IN ASSOCIATES (CONTINUED)

Notes:

- PPI has two wholly-owned subsidiaries, Powder Pharmaceuticals (HK) Co., Limited (incorporated in Hong Kong) and Powder (Guangzhou) Pharmaceuticals Co., Limited (incorporated in PRC), and are engaged in developing, manufacturing and trading of pharmaceutical products.
- RIT has a wholly-owned subsidiary, RIT Biotech Company Limited, which is incorporated in Hong Kong and engaged in operating a central pharmacy for compounding radiopharmaceuticals.
- ZKO has two wholly-owned subsidiaries, Zhaoke (Hong Kong) Ophthalmology Pharmaceutical Limited (incorporated in Hong Kong) and Zhaoke (Guangzhou) Ophthalmology Pharmaceutical Co., Limited (incorporated in PRC), and are engaged in development, manufacturing and marketing of ophthalmic drugs.

(i) Summarised financial information of associates

Summarised financial information in respect of the Group's associates is set out below. The summarised financial information below represents amounts shown in the associates' financial statements prepared in accordance with HKFRSs.

All of these associates are accounted for using the equity method in these consolidated financial statements.

22. 於聯營公司之權益(續)

附註：

- 普樂擁有兩間全資附屬公司，為香港普樂藥業有限公司(於香港註冊成立)及普樂(廣州)藥業有限公司(於中國註冊成立)，主要從事開發、製造及買賣藥品。
- RIT之全資附屬公司為RIT Biotech Company Limited，於香港註冊成立及從事經營複合放射性藥物之中央藥房。
- 兆科眼科擁有兩間全資附屬公司，為兆科(香港)眼科藥物有限公司(於香港註冊成立)及兆科(廣州)眼科藥物有限公司(於中國註冊成立)，該等公司從事開發、製造及營銷眼科藥物。

(i) 聯營公司之財務資料概要

有關本集團聯營公司之財務資料概要載列如下。以下財務資料概要為根據香港財務報告準則所編製之聯營公司財務報表所顯示之金額。

所有該等聯營公司均採用權益法於該等綜合財務報表中入賬。

		PPI 31 December 普樂 十二月三十一日		RIT 31 December RIT 十二月三十一日		ZKO 31 December 兆科眼科 十二月三十一日	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	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
Current assets	流動資產	23,638	23,461	5,911	4,959	1,089,039	N/A不適用
Non-current assets	非流動資產	42,420	32,420	9,833	17,380	373,053	N/A不適用
Current liabilities	流動負債	125,504	85,989	1,741	3,291	63,971	N/A不適用
Non-current liabilities	非流動負債	2,364	6,302	1,430	1,812	2,287,315	N/A不適用

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22. INTERESTS IN ASSOCIATES (CONTINUED)

(i) Summarised financial information of associates (Continued)

		PPI 普樂		RIT RIT		ZKO 兆科眼科	
		Year ended 2020	Year ended 2019	Year ended 2020	Year ended 2019	2 October 2020 to 31 December 2020	Year ended 2019
		截至 二零二零年 年度 HK\$'000 千港元	截至 二零一九年 年度 HK\$'000 千港元	截至 二零二零年 年度 HK\$'000 千港元	截至 二零一九年 年度 HK\$'000 千港元	二零二零年 十月二日至 二零二零年 十二月三十一日 HK\$'000 千港元	截至 二零一九年 年度 HK\$'000 千港元
Revenue	收益	8,243	-	15,457	7,768	74,668	N/A不適用
Loss from operations	經營虧損	(22,229)	(26,043)	(10,072)	(9,181)	(19,171)	N/A不適用
Loss for the year/period	本年度／期間虧損	(26,489)	(28,364)	(10,191)	(9,431)	(770,049)	N/A不適用
Other comprehensive income	其他全面收益	924	55	-	-	16,309	N/A不適用
Total comprehensive expense for the year/period	本年度／期間全面開支總額	(25,565)	(28,309)	(10,191)	(9,431)	(753,740)	N/A不適用
Dividend received during the year/period	本年度／期間收取之股息	-	-	-	-	-	N/A不適用

During the year ended 31 December 2020, the Group has unrecognised share of loss of associates of approximately HK\$83,771,000 (2019: Nil). As at 31 December 2020, the cumulative unrecognised share of loss of associates is approximately HK\$83,771,000 (31 December 2019: Nil).

於截至二零二零年十二月三十一日止年度，本集團之未確認應佔聯營公司之虧損約為83,771,000港元(二零一九年：無)。於二零二零年十二月三十一日，累計未確認應佔聯營公司之虧損約為83,771,000港元(二零一九年十二月三十一日：無)。

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22. INTERESTS IN ASSOCIATES (CONTINUED)

(i) Summarised financial information of associates (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interests in the associates in the consolidated financial statements:

		PPI 31 December 普樂 十二月三十一日		RIT 31 December RIT 十二月三十一日		ZKO 31 December 兆科眼科 十二月三十一日	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	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
Net (liabilities) assets	(負債)資產淨值	(61,810)	(36,410)	12,573	17,236	(889,194)	N/A不適用
Proportion of the Group's ownership interests	本集團所有權益比例	33.92%	33.92%	24.08%	24.12%	33.58%	N/A不適用
Goodwill	商譽	23,995	23,995	-	-	-	N/A不適用
Carrying amount of the Group's interests	本集團權益之賬面值	3,029	11,645	3,027	4,157	-	N/A不適用

(ii) Deemed disposal of interests in associates

During the year 2020, RIT issued certain ordinary shares to key staff in February 2020 and the Group subscribed certain new shares from RIT in September 2020, and the Group's equity interest in RIT is effectively diluted from 24.12% to 24.08%, and recognised a loss on deemed disposal of interest of approximately HK\$282,000.

Following the reduction of equity interest in ZKO from 50.117% to 48.539% as disclosed in note 46 to the consolidated financial statement, the Group's equity interest in ZKO was further diluted to 33.575% after the issue of series B preferred shares by ZKO, and the Group recognised a loss on deemed disposal of interest of approximately HK\$180,641,000.

In aggregate, the Group recognised a total loss on deemed disposal of interests in associate of approximately HK\$180,923,000 in profit or loss which is included in "other gains and losses, net".

22. 於聯營公司之權益(續)

(i) 聯營公司之財務資料概要(續)

上述財務資料概要與綜合財務報表內確認之聯營公司權益之賬面值對賬如下：

(ii) 視為出售於聯營公司之權益

於二零二零年，RIT於二零二零年二月向關鍵員工發行若干普通股，本集團亦於二零二零年九月認購若干新股份，本集團於RIT之股權實際由24.12%被攤薄至24.08%，並確認視為出售權益之虧損約282,000港元。

於兆科眼科之股權由50.117%減少至48.539%（於綜合財務報表附註46），本集團於兆科眼科之股權於兆科眼科發行B系列優先股後被進一步攤薄至33.575%，並確認視為出售權益之虧損約180,641,000港元。

綜合計算，本集團於損益確認視為出售權益之虧損總額約180,923,000港元，計入「其他收益及虧損淨額」。

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23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

23. 按公平值透過損益列賬之財務資產

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Investments in life insurance policies (Note a)	人壽保險保單投資(附註a)	5,191	3,651
Unlisted warrants (Note b)	非上市認股權證(附註b)	20,919	49,223
Club membership debenture	會所會籍債券	3,200	3,800
Convertible instruments (Note c)	可換股工具(附註c)	8,740	2,543
		38,050	59,217

The fair value measurement of these assets are disclosed in note 6 to the consolidated financial statements.

該等資產之公平值計量披露於綜合財務報表附註6。

Notes:

附註：

- a. These represent the life insurance policies with an insurance company to insure executive directors of the Company. Under the policy, the Company is both the beneficiary and the policy holder. The Group is required to pay an one-off premium payment. The Group can terminate the policy at any time and receive cash based on the cash value of the policy at the date of withdrawal ("Cash Value"), which is determined by the premium payment plus accumulated interest earned minus the accumulated insurance charges, policy expense charges and a specified amount of surrender charge if the withdrawal is made between 1st to 15th policy year.
- b. These represent the warrants issued by public and private pharmaceutical companies operated in the United States.

During the year ended 31 December 2020, the Group recognised a loss on derecognition upon expiry of certain warrants of approximately HK\$4,584,000 in profit or loss under "other gains and losses, net".

- c. These represents convertible notes/loan issued by both public and private pharmaceutical companies (the "Issuers") operated in the United States and Switzerland, and they could be convertible into equity instruments of the Issuers. Pursuant to the underlying agreements, the notes/loan carry interest at 5% to 6% per annum and will be matured in 2021 and 2024 respectively, subject to any renewal clause.

- a. 此乃本公司與一間保險公司訂立人壽保險保單，對本公司執行董事投保。根據保單，本公司同時為受益人及保單持有人。本集團須支付一次過保費。本集團可隨時終止保單，並基於保單於撤回日期之現金價值(「現金價值」)收回現金，有關現金價值乃按保費付款加上所賺取累計利息，再減累計保險費用、保單開支費用及特定金額之退保手續費(如於保單第1至15年撤回)釐定。

- b. 此乃由美國之公營及私營藥業公司發出之認股權證。

截至二零二零年十二月三十一日止年度，本集團於損益中之「其他收益及虧損淨額」確認於若干認股權證期滿後終止確認之虧損約4,584,000港元。

- c. 此乃在美國及瑞士營運之公眾及私營藥業公司(「發行人」)發行之可換股票據/貸款，可轉換為發行人之權益工具。根據相關協議，該等票據/貸款之年利率為5%至6%，分別將於二零二一年及二零二四年到期，並受續期條款規限。

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24. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

24. 按公平值透過其他全面收益列賬之財務資產

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Equity securities listed outside Hong Kong (Note b)	於香港以外地區上市之股本證券(附註b)	208,287	478,594
Unlisted equity securities (Notes a, b)	非上市股本證券(附註a、b)	87,199	60,377
Unlisted partnership investments (Note c)	非上市合夥投資(附註c)	82,098	75,950
		377,584	614,921

The fair value measurement of these assets are disclosed in note 6 to the consolidated financial statements.

Notes:

- These represent the Group's equity interests in private entities incorporated in Switzerland and the United States.
- These investments are not held for trading, instead, they are held for long-term strategic purposes. The directors of the Company have elected to designate these investments in financial assets at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.
- These represent partnership interests in private funds.

該等資產之公平值計量披露於綜合財務報表附註6。

附註：

- 此為本集團於瑞士及美國註冊成立之私人實體之股權。
- 該等投資並非持作買賣，相反，該等投資乃持有作長期策略目的。本公司董事已選擇指定該等投資為按公平值透過其他全面收益列賬之財務資產，原因為彼等相信於損益內確認該等投資之公平值之短期波動將與本集團持有該等投資作長期目的並從長遠角度實現其表現潛力之策略不一致。
- 此為於私人基金之合夥權益。

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24. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

The movement of financial assets at FVTOCI for both years ended 31 December 2020 and 2019 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 beginning of the year	於年初	614,921	606,415
Addition	添置	18,983	30,793
Converted from loan receivables	轉換自應收貸款	—	23,010
Fair value losses on revaluation recognised, net	已確認重估公平值虧損淨額	(256,320)	(45,297)
At end of the year	於年終	377,584	614,921

In December 2019, the Group subscribed the common stock from Windtree Therapeutics Inc. at US\$5,000,000 (equivalent to approximately HK\$39,000,000). Part of the consideration was settled by conversion of US\$2,950,000 (equivalent to approximately HK\$23,010,000) loan receivables.

截至二零二零年及二零一九年十二月三十一日止年度，按公平值透過其他全面收益列賬之財務資產變動如下：

於二零一九年十二月，本集團於Windtree Therapeutics Inc.認購普通股，按5,000,000美元（相當於約39,000,000港元）計值。部分代價已透過兌換2,950,000美元（相當於約23,010,000港元）之應收貸款結算。

25. INVENTORIES

Research materials	研究材料
Raw materials	原材料
Work-in-progress	在製品
Finished goods	製成品

No inventories are carried at net realisable value at both 31 December 2020 and 2019.

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
Research materials	研究材料	128,223	25,540
Raw materials	原材料	54,551	23,484
Work-in-progress	在製品	31,943	45,248
Finished goods	製成品	199,660	161,313
		414,377	255,585

於二零二零年及二零一九年十二月三十一日，無存貨以可變現淨值列賬。

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26. TRADE RECEIVABLES

Trade receivables	應收貿易賬款
Less: Allowances for ECL	減：預期信貸虧損撥備

26. 應收貿易賬款

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Trade receivables	應收貿易賬款	161,282	153,479
Less: Allowances for ECL	減：預期信貸虧損撥備	(1,708)	(440)
		159,574	153,039

The credit period on sales of goods is 30–120 days. The Group has recognised an allowance for ECL of 100% against all receivables over 365 days because historical experience has been that receivables that are past due beyond 365 days are not recoverable. Allowances for ECL are recognised against trade receivables over 180 days based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

The following is an analysis of trade receivables by age, presented based on the invoice date, which approximates the respective revenue recognition dates, and net of allowance for ECL at the end of the reporting period:

貨品銷售之信貸期為30至120日。本集團已就所有超過365日之應收款項確認100%預期信貸虧損撥備，原因為按過往經驗，逾期超過365日之應收款項乃無法收回。逾期超過180日之應收貿易賬款則根據估計不可收回金額確認預期信貸虧損撥備，而估計不可收回金額乃參考對手方之過往違約經驗及對其現時財務狀況所作之分析釐定。

以下為基於發票日期（與各收益確認日期相若）所呈列應收貿易賬款於報告期末之賬齡分析，當中已扣除預期信貸虧損撥備：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
0–30 days	0至30日	72,314	74,044
31–120 days	31至120日	68,058	67,541
121–180 days	121至180日	2,790	11,196
181–365 days	181至365日	16,412	222
Over 365 days and under 3 years	365日以上及三年以內	–	36
		159,574	153,039

Trade receivables disclosed above include amounts which are past due at the end of the reporting period for which the Group has not recognised an allowance for ECL because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

上文所披露之應收貿易賬款包括於報告期末已逾期但尚未獲本集團確認預期信貸虧損撥備之金額，原因為有關金額之信貸質素並無重大變動且認為仍可收回。本集團並無就此等結餘持有任何抵押品或其他信貸加強項目，亦無法律權利可以本集團結欠對手方之任何金額作抵銷。

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26. TRADE RECEIVABLES (CONTINUED)

Aging analysis of receivables that are past due but no allowance for ECL provided

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Overdue by:	逾期：		
1-180 days	1至180日	84,125	81,598
181-365 days	181至365日	858	48
		84,983	81,646

Movement in allowance for ECL

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Balance at beginning of the year	年初之結餘	440	381
Exchange rate adjustments	匯率調整	98	(8)
Write-off	撇銷	(10)	(6)
Provision for the year	本年度撥備	1,180	73
Balance at end of the year	年末之結餘	1,708	440

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated.

已逾期但尚未計提預期信貸虧損撥備之應收款項之賬齡分析

預期信貸虧損撥備變動

於釐定應收貿易賬款是否可收回時，本集團考慮應收貿易賬款自初步授出信貸日期起至報告期末為止信貸質素之任何變動。由於客戶基礎龐大且互無關連，故信貸集中風險有限。

Aging analysis of receivables that are past due and allowance for ECL provided

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Overdue by:	逾期：		
181-365 days	181至365日	858	48
Over 365 days and under 3 years	365日以上及三年以內	850	392
		1,708	440

已逾期及計提預期信貸虧損撥備之應收款項之賬齡分析

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27. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENT

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Utilities and rental deposits	公共服務及租金按金	3,504	3,142
Prepayment for acquisition of plant and equipment and services	收購廠房及設備以及服務之預付款項	75,597	100,851
Prepaid other tax	其他預付稅項	32,891	25,546
Others (Note)	其他(附註)	37,089	44,901
		149,081	174,440

Note: Others includes deposit for purchase and receivables from other debtors.

At 31 December 2020, included in other receivables, deposits and prepayment, there was HK\$1,194,000 (31 December 2019: Nil) receivables from associates. The amounts are unsecured, non-interest bearing and repayable within the coming twelve months.

There is no provision for impairment loss on other receivable recognised in profit or loss for both years ended 31 December 2020 and 2019.

28. ADVANCE TO ASSOCIATES

This represents the principal and interest receivables from loans to associates which carry interest rate of 4% (2019: 4%) per annum and are repayable within one year.

There is no provision for impairment loss on advance to associates for both years ended 31 December 2020 and 2019.

27. 其他應收款項、按金及預付款項

附註：其他包括購買按金及應收其他債務人之款項。

於二零二零年十二月三十一日，其他應收款項、按金及預付款項包括應收聯營公司款項1,194,000港元(二零一九年十二月三十一日：無)。該款項為無抵押、不計息且須於未來十二個月內償還。

於截至二零二零年及二零一九年十二月三十一日止兩個年度，概無於損益確認其他應收款項減值虧損撥備。

28. 墊付予聯營公司之款項

此指向聯營公司借出之貸款之本金及應收利息，利率為每年4厘(二零一九年：4厘)，須於一年內償還。

於截至二零二零年及二零一九年十二月三十一日止兩個年度，並無就墊付予聯營公司之款項計提減值虧損撥備。

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29. PLEDGED BANK DEPOSITS/TIME DEPOSITS/CASH AND BANK BALANCES

As at 31 December 2020 and 2019, pledged bank deposits represent the Group's security given to banks for facilities granted to the group entities and CVie Therapeutics Limited ("CVie Taiwan"), an indirect investee to the Group which ceased to be a subsidiary to the Group in year 2018.

The pledged bank deposits would be released within one year and therefore are classified as current assets.

Bank balances carry prevailing interest rates at both 31 December 2020 and 2019. Time deposits carry interest rates at 1.95% (31 December 2019: ranged from 1.95% to 2.76%) per annum. Pledged bank deposits carry interest rates ranged from 0.00% to 0.10% (31 December 2019: 1.35% to 2.20%) per annum.

30. TRADE PAYABLES

The following is an aging analysis of trade payables at 31 December 2020 and 2019:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
0-90 days	0至90日	73,060	79,948
91-180 days	91至180日	420	-
181-365 days	181至365日	72	-
Over 365 days	365日以上	181	197
		73,733	80,145

The average credit period on purchases of certain goods is 90 days. The Group has financial risk policies in place to ensure that all payables are paid within the credit timeframe.

29. 已抵押銀行存款／定期存款／現金及銀行結餘

於二零二零年及二零一九年十二月三十一日，已抵押銀行存款即本集團就集團實體及中生醫藥股份有限公司(「中生台灣」，本集團之間接投資對象，於二零一八年度不再為本集團之附屬公司)獲授之融資而向銀行提供之抵押品。

已抵押銀行存款可於一年內解除，故分類為流動資產。

於二零二零年及二零一九年十二月三十一日，銀行結餘按當前利率計息。定期存款按年利率1.95%(二零一九年十二月三十一日：介乎1.95%至2.76%)計息。已抵押銀行存款按年利率介乎0.00%至0.10%(二零一九年十二月三十一日：1.35%至2.20%)計息。

30. 應付貿易賬款

以下為於二零二零年及二零一九年十二月三十一日之應付貿易賬款之賬齡分析：

購買若干貨品之平均信貸期為90日。本集團訂有財務風險政策，確保所有應付款項能於信貸時間框架內結清。

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31. OTHER PAYABLES AND ACCRUALS

31. 其他應付款項及應計費用

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Contract liabilities	合約負債	135,125	192,509
Sales guarantee deposits	銷售保證按金	163,425	148,768
Other payables for plant and equipment and services	廠房及設備與服務之其他應付款項	205,082	82,533
Other tax payables	其他應付稅項	16,313	11,701
Obligations under license contract	專利合約承擔	571	524
Accrued staff salaries and welfare	累計僱員薪酬及福利	39,108	37,481
Others (Note)	其他(附註)	131,571	131,671
		691,195	605,187

Note: Others includes payable to other creditors and accrued expenses.

附註：其他包括應付其他債權人之款項及應計費用。

32. BANK AND OTHER BORROWINGS

32. 銀行及其他借款

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Secured bank borrowings classified as current liabilities (Note a)	分類為流動負債之有抵押銀行借款(附註a)	129,457	113,806
Unsecured bank borrowing classified as current liabilities (Note b)	分類為流動負債之無抵押銀行借款(附註b)	11,920	-
Unsecured other borrowings classified as current liabilities (Note c)	分類為流動負債之無抵押其他借款(附註c)	-	31,028
		141,377	144,834
Carrying amount of the borrowings are repayable (Note d):	應付借款之賬面值(附註d)：		
Within one year	於一年內	66,806	87,428
More than one year but not exceeding two years	超過一年但不超過兩年	54,571	21,406
More than two years but not exceeding five years	超過兩年但不超過五年	20,000	36,000
		141,377	144,834

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32. BANK AND OTHER BORROWINGS (CONTINUED)

Notes:

- As the bank borrowings include a clause that gives the lenders the unconditional right to call the borrowings at any time ("**Repayment on Demand Clause**"), according to Hong Kong Interpretation 5 which requires the classification of whole borrowings containing the Repayment on Demand Clause as current liabilities, the bank borrowings were classified as current liabilities.
- The bank loan was obtained by a Group's subsidiary in PRC which is subject to the fulfillment of covenant as is commonly found in lending arrangements with financial institutions. At 31 December 2020, the Group's subsidiary did not fulfill the covenant imposed by bank on the bank loan and the entire bank loan which was long-term borrowing was re-classified as current liabilities in the consolidated statement of financial position.
- The unsecured loan is borrowing from non-controlling interests of an indirect non-wholly owned subsidiary of the Company which bore interest rate of 4% per annum and are repayable within one year.
- The table is based on the agreed repayment schedule provided by banks and agreed terms with non-controlling interests.

As at 31 December 2020, Group's bank and other borrowings carry interest rates ranged from 1.75% to 3.85% (31 December 2019: 2.88% to 4.33%) per annum.

The Group's bank and other borrowings are denominated in the following currencies:

32. 銀行及其他借款(續)

附註：

- 由於銀行借款含有賦予放款人無條件權利可隨時要求償還借款之條款(「**按要求償還條款**」)，故根據香港詮釋－第5號(其規定含有按要求償還條款之全部借款分類為流動負債)，故銀行借款分類為流動負債。
- 銀行貸款由本集團一間中國附屬公司取得，須履行契諾，此乃與財務機構訂立借貸安排常見之舉。於二零二零年十二月三十一日，本集團之附屬公司並無履行銀行就銀行貸款施加之契諾，故原屬長期借貸之整筆銀行貸款於綜合財務狀況表重新分類為流動負債。
- 無抵押貸款乃從本公司一間間接非全資附屬公司之非控股權益借入，按年利率4厘計息，並須於一年內償還。
- 該表乃根據銀行提供之議定償還時間表及與非控股權益議定之條款編製。

於二零二零年十二月三十一日，本集團之銀行及其他借款年利率介乎1.75%至3.85%(二零一九年十二月三十一日：2.88%至4.33%)。

本集團銀行及其他借款以下列貨幣計值：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Hong Kong Dollars	港元	100,627	115,556
United States Dollars	美元	28,830	29,278
Renminbi	人民幣	11,920	-
		141,377	144,834

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33. LEASE LIABILITIES

33. 租賃負債

		2020 二零二零年		2019 二零一九年	
		Present value of the lease payments 租賃付款現值 HK\$'000 千港元	Total lease payments 租賃付款總額 HK\$'000 千港元	Present value of the lease payments 租賃付款現值 HK\$'000 千港元	Total lease payments 租賃付款總額 HK\$'000 千港元
Within 1 year	一年內	7,828	8,259	9,745	10,399
After 1 year but within 2 years	一年後但兩年內	6,338	6,499	6,822	7,189
After 2 years but within 5 years	兩年後但五年內	1,164	1,204	6,542	6,720
After 5 years	五年後	–	–	–	–
		7,502	7,703	13,364	13,909
		15,330	15,962	23,109	24,308
Less: Total future interest expenses	減：未來利息開支總額		(632)		(1,199)
Present value of lease liabilities	租賃負債現值		15,330		23,109

Lease obligations that are denominated in currencies of the functional currencies of the relevant group entities.

租賃承擔以相關集團實體之功能貨幣計值。

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34. DERIVATIVE FINANCIAL LIABILITIES

At 31 December 2019, the balance represents the carrying amounts of the derivative financial liabilities resulting from the redemption rights ("**Redemption Rights**") granted to the holders of series A preferred shares of ZKO, the then 50.117% own subsidiary of the Group, to require ZKO to redeem the series A preferred shares therefrom under certain conditions. The Redemption Rights were granted by ZKO in connection with an issue and sale of series A preferred shares in ZKO which was completed on 13 June 2019.

The redemption price for each series A preferred share shall be an amount in cash equal to the sum of (a) issue price of series A preferred share, (b) an amount which would result in each holder of a series A preferred share being deemed receiving an internal rate of return of 13% in respect of each series A preferred share, measured from the date of first issuance of the series A preferred shares until the date of closing of the redemption of any series A preferred share, plus (c) any declared but unpaid dividends on such series A preferred share.

The Redemption Rights shall terminate on the earlier to occur of (1) the 6th anniversary of the closing date which was 13 June 2019 or (2) one calendar day before the first submission of a listing application form with the Stock Exchange in respect of the equity securities of the ZKO (the "**First Filing**"), provided that if a qualified IPO (as defined in the subscription agreement dated 23 May 2019) has not been consummated on the Main Board of the Stock Exchange within 12 calendar months of the date of the First Filing (the "**Revival Date**"), the Redemption Rights shall automatically be restored in all respects as of such Revival Date.

Further details relating to the Redemption Rights were disclosed in the announcement of the Company dated 23 May 2019.

During the year ended 31 December 2020, the Group ceased to control over ZKO and the balance was eliminated upon disposal of ZKO as disclosed in note 46 to the consolidated financial statements.

34. 衍生財務負債

於二零一九年十二月三十一日，該結餘指本集團當時持有50.117%股權之附屬公司兆科眼科之A系列優先股持有人獲授贖回權（「贖回權」）而產生之衍生財務負債賬面值，要求兆科眼科根據若干條件贖回A系列優先股。兆科眼科因二零一九年六月十三日發行及銷售兆科眼科A系列優先股以致授出贖回權。

每股A系列優先股之贖回價為等於(a) A系列優先股發行價，(b)令A系列優先股之各持有人被視為就每股A系列優先股收到13%之內部回報率之金額（自A系列優先股首次發行日期至贖回任何A系列優先股之完成日期計量），加上(c)有關A系列優先股之任何已宣派但尚未支付之股息之總和之現金金額。

贖回權將於以下較早發生之情況終止：(1)完成日（二零一九年六月十三日）第6週年或(2)就兆科眼科之股本證券向聯交所提交首次上市申請表格（「首次申請」）前一個曆日，惟倘合資格首次公開發售（定義見日期為二零一九年五月二十三日之認購協議）並無於首次申請日期起計十二個曆月內（「恢復日期」）於聯交所主板完成，則贖回權須在所有方面自動恢復至恢復日期之狀況。

有關贖回權之詳情已於本公司日期為二零一九年五月二十三日之公告內披露。

於截至二零二零年十二月三十一日止年度內，如綜合財務報表附註46所披露，本集團不再控制兆科眼科並於出售兆科眼科後對銷結餘。

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35. DEFERRED TAXATION

The following is the major deferred tax balances recognised and movements thereon during the current and prior years:

Deferred tax (assets) liabilities

		Accelerated tax depreciation	Intangible assets	Tax on unrealised profit	Right- of-use assets	Lease liabilities	Total
		加速稅項折舊	無形資產	之稅項	使用權資產	租賃負債	總計
		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
At 1 January 2019	於二零一九年一月一日	1,061	46,865	(20,031)	-	-	27,895
Exchange difference	匯兌差額	-	(1,033)	-	(43)	42	(1,034)
(Credit) charge to profit or loss	(扣除)計入損益	(457)	25,026	5,850	3,724	(3,571)	30,572
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及 二零二零年一月一日	604	70,858	(14,181)	3,681	(3,529)	57,433
Exchange difference	匯兌差額	-	4,835	-	151	(144)	4,842
(Credit) charge to profit or loss	(計入)扣除損益	(319)	25,882	(4,530)	(1,373)	1,333	20,993
Disposal of subsidiaries (Note 46)	出售附屬公司(附註46)	-	(20,005)	-	-	-	(20,005)
At 31 December 2020	於二零二零年十二月三十一日	285	81,570	(18,711)	2,459	(2,340)	63,263

For the purpose of presentation in the consolidated statement of financial position, deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	(18,729)	(14,198)
Deferred tax liabilities	遞延稅項負債	81,992	71,631
		63,263	57,433

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits earned by the PRC subsidiaries amounting to HK\$599 million (2019: HK\$505 million) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

35. 遞延稅項

下列為於當前及過往年度確認之主要遞延稅項結餘及其變動：

遞延稅項(資產)負債

就於綜合財務狀況表呈列而言，遞延稅項資產及負債已經抵銷。下表為就財務申報目的而言之遞延稅項結餘分析：

根據中國企業所得稅法，自二零零八年一月一日起，中國附屬公司就所賺取溢利所宣派之股息須繳納預扣稅。由於本集團能夠控制撥回中國附屬公司所賺取累計溢利應佔之暫時差額599百萬港元(二零一九年：505百萬港元)之時間及該等暫時差額於可預見將來可能不會撥回，故於綜合財務報表內並無就該等暫時差額計提遞延稅項。

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For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

36. SHARE CAPITAL

36. 股本

		Number of shares 股份數目		Share capital 股本	
		2020 二零二零年	2019 二零一九年	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Authorised:	法定：				
Ordinary shares of HK\$0.05 each	每股面值0.05港元之普通股	1,000,000,000	1,000,000,000	50,000	50,000
Issued and fully paid:	已發行及已繳足：				
At beginning of the year	於年初	587,920,343	592,029,343	29,396	29,601
Exercise of share options (Note a)	行使購股權(附註a)	205,000	280,000	10	14
Repurchase and cancellation of ordinary shares (Note b)	購回及註銷普通股(附註b)	–	(4,389,000)	–	(219)
At end of the year	於年終	588,125,343	587,920,343	29,406	29,396

During the year ended 31 December 2020, the movement in the Company's share capital is as follows:

於截至二零二零年十二月三十一日止年度內，本公司股本之變動如下：

(a) A total of 205,000 (2019: 280,000) new shares were issued upon exercise of 205,000 (2019: 280,000) share options under the Company's share option schemes (note 38) at an aggregate consideration of HK\$446,000 (2019: HK\$1,395,000) (net of issuance cost) of which HK\$10,000 (2019: HK\$14,000) was credited to share capital and the remaining balance of HK\$436,000 (2019: HK\$1,381,000) was credited to the share premium account. In addition, an amount attributable to the related share options of HK\$231,000 (2019: HK\$447,000) has been transferred from share-based compensation reserve to the share premium account.

(a) 於根據本公司購股權計劃(附註38)行使205,000份(二零一九年：280,000份)購股權後已發行合共205,000股(二零一九年：280,000股)新股份，總代價為446,000港元(二零一九年：1,395,000港元)(扣除發行成本)，其中10,000港元(二零一九年：14,000港元)計入股本，其餘436,000港元(二零一九年：1,381,000港元)計入股份溢價賬。此外，相關購股權應佔款項231,000港元(二零一九年：447,000港元)已從以股份支付之酬金儲備轉撥至股份溢價賬。

(b) During 2019, the Company repurchased its own ordinary shares through Stock Exchange as follows:

(b) 於二零一九年內，本公司透過聯交所購回本身之普通股如下：

Month of purchase	購買月份	Number of ordinary shares 普通股股份數目	Highest purchase price per ordinary share 每股普通股最高購買價 HK\$ 港元	Lowest purchase price per ordinary share 每股普通股最低購買價 HK\$ 港元	Aggregate purchase price (including expenses) 總購買價(包括費用) HK\$'000 千港元
September 2019	二零一九年九月	1,931,000	4.58	4.18	8,655
October 2019	二零一九年十月	2,458,000	4.55	4.23	10,986
		4,389,000			19,641

The above ordinary shares were cancelled in November 2019 and the corresponding expense is HK\$31,000.

上述普通股於二零一九年十一月註銷，相關費用為31,000港元。

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during 2019.

於二零一九年內，概無本公司附屬公司購買、出售或贖回本公司任何上市證券。

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37. RESERVES

Share premium

Share premium represents the difference between the nominal value and the issuing value of the shares.

Merger difference

The merger difference represents the difference between the nominal value of the shares of the acquired subsidiaries and the nominal value of the Company's shares issued for the acquisition at the time of the Group's reorganisation prior to the listing of the Company's shares in 2002.

Share-based compensation reserve

The share-based compensation reserve comprises the fair value of share options granted which are not yet exercised.

Other reserves

Other reserves represent (i) the difference between the consideration and the carrying amount of the net assets attributable to the reduction of, or additions of, interests in subsidiaries being disposed to, or acquired from, non-controlling interests; and (ii) share of associates' reserve.

Investments revaluation reserve

Investments revaluation reserve represents the cumulative fair value changes, net of tax, of financial assets at FVTOCI until they are disposed or impaired.

Exchange reserve

Exchange reserve relating to the translation of the net assets of the Group's foreign subsidiaries from their functional currencies to the Group's presentation currency are recognised directly in other comprehensive income and accumulated in the exchange reserve. Such exchange differences accumulated in the exchange reserve are reclassified to profit or loss upon the disposal of the foreign subsidiaries.

37. 儲備

股份溢價

股份溢價指股份面值與發行價值之間之差異。

合併差額

合併差額乃指已收購附屬公司之股份面值與在二零零二年本公司股份上市前進行集團重組時因收購附屬公司而發行本公司股份面值之差額。

以股份支付之酬金儲備

以股份支付之酬金儲備包括已授出但尚未被行使之購股權之公平值。

其他儲備

其他儲備指(i)代價及向非控股權益出售或收購附屬公司所扣除或增加權益歸屬於淨資產賬面值之間之差異；及(ii)分佔聯營公司之儲備。

投資重估儲備

投資重估儲備指按公平值透過其他全面收益列賬之財務資產於出售或減值前之累計公平值變動(扣除稅項)。

匯兌儲備

有關將本集團海外附屬公司之資產淨值從其功能貨幣換算為本集團呈報貨幣之匯兌儲備直接於其他全面收益確認並於匯兌儲備累計。匯兌儲備中累計之有關匯兌差額於出售海外附屬公司時重新分類至損益。

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38. SHARE OPTION SCHEMES

The Company

The Company's share option scheme (the "2002 Share Option Scheme") and new share option scheme (the "New Share Option Scheme") were adopted on 26 June 2002, and 10 May 2012 respectively for the primary purpose of providing incentives to directors, eligible employees, advisers and consultants.

At 31 December 2020, the number of shares in respect of which options had been granted and remained outstanding under the 2002 Share Options Scheme and the New Share Option Scheme was 27,697,000 shares (2019: 17,123,000 shares) representing 4.7% (2019: 2.9%) of the shares of the Company in issue at that date.

For the 2002 Share Option Scheme, the total number of shares in respect of which options may be granted under the scheme is not permitted to exceed 10% of the shares of the Company ("Shares") in issue at the time of listing, without prior approval from the Company's shareholders. The number of Shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the Shares in issue, without prior approval from the Company's shareholders.

For the New Share Option Scheme, the total number of shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme shall be subject to a maximum limit of 10% of the Shares in issue on the date on which the New Share Option Scheme is conditionally adopted and approved by the shareholders at the AGM, unless the Company obtains an approval from the shareholders in general meeting to refresh such 10% in accordance with the Listing Rules. Options lapsed in accordance with the terms of the New Share Option Scheme will not be counted for the purpose of calculating such 10%. The overall limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes must not exceed 30% of the Shares in issue from time to time.

The exercise price is determined by the directors, and will not be less than the highest of (i) the closing price of the Shares on the date of grant; (ii) the average closing price of the Shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Shares.

38. 購股權計劃

本公司

本公司之購股權計劃(「二零零二年購股權計劃」)及新購股權計劃(「新購股權計劃」)分別於二零零二年六月二十六日及二零一二年五月十日採納，旨在向董事、合資格僱員、顧問及諮詢人士提供獎勵。

於二零二零年十二月三十一日，二零零二年購股權計劃及新購股權計劃項下已授出及仍未行使之購股權所涉及之股份數目為27,697,000股(二零一九年：17,123,000股)，相當於本公司於該日已發行股份之4.7%(二零一九年：2.9%)。

就二零零二年購股權計劃而言，若無獲得本公司股東事先批准，根據該計劃可授出之購股權所涉及之股份總數不准超過於上市時之本公司已發行股份(「股份」)之10%。若無事先獲得本公司股東批准，於任何一年內，就授予及可能授予任何人士之購股權而已發行及將予發行之股份數目不准超過本公司已發行股份之1%。

就新購股權計劃而言，於行使根據新購股權計劃將授出之所有購股權時可能發行之股份總數將受股東於股東週年大會上有條件採納及批准新購股權計劃日期之已發行股份之最高上限10%所規限，除非本公司根據上市規則於股東大會上獲得股東批准更新有關10%限額。就計算有關10%限額而言，根據新購股權計劃之條款失效之購股權將不會計算在內。根據新購股權計劃及任何其他購股權計劃已授出及仍未行使之所有發行在外購股權獲行使而可能發行之股份數目整體限額不得超過不時之已發行股份之30%。

行使價乃由董事釐定，並將不少於以下各項之最高者：(i)股份於授出日期之收市價；(ii)股份於緊接授出日期前五個營業日之平均收市價；及(iii)股份之面值。

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38. SHARE OPTION SCHEMES (CONTINUED)

The Company (Continued)

Details of the Company's share option schemes during the current year are summarised as follow:

38. 購股權計劃(續)

本公司(續)

於本年度，本公司之購股權計劃詳情概述如下：

Date of grant 授出日期	Vesting period 歸屬期間	No. of options 購股權數目					Exercise period 行使期間	Exercise price per share 每股行使價 HK\$ 港元	
		At	Granted during the year 年內已授出	Exercised during the year 年內已行使	Lapsed during the year 年內已失效	At			
		1 January 2020 於二零二零年 一月一日				31 December 2020 於二零二零年 十二月三十一日			
Category I: 第一類:									
Directors 董事									
30.12.2013 二零一三年十二月三十日	30.12.2013 to 29.06.2014 二零一三年十二月三十日至 二零一四年六月二十九日	338,000	-	-	-	338,000	30.06.2014 to 29.12.2023 二零一四年六月三十日至 二零二三年十二月二十九日	7.300	
	30.12.2013 to 29.03.2015 二零一三年十二月三十日至 二零一五年三月二十九日	538,000	-	-	-	538,000	30.03.2015 to 29.12.2023 二零一五年三月三十日至 二零二三年十二月二十九日	7.300	
31.03.2015 二零一五年三月三十一日	31.03.2015 to 29.09.2015 二零一五年三月三十一日至 二零一五年九月二十九日	669,000	-	-	-	669,000	30.09.2015 to 30.03.2025 二零一五年九月三十日至 二零二五年三月三十日	11.200	
	31.03.2015 to 29.06.2016 二零一五年三月三十一日至 二零一六年六月二十九日	669,000	-	-	-	669,000	30.06.2016 to 30.03.2025 二零一六年六月三十日至 二零二五年三月三十日	11.200	
31.03.2016 二零一六年三月三十一日	31.03.2016 to 29.09.2016 二零一六年三月三十一日至 二零一六年九月二十九日	880,500	-	-	-	880,500	30.09.2016 to 30.03.2026 二零一六年九月三十日至 二零二六年三月三十日	5.754	
	31.03.2016 to 29.06.2017 二零一六年三月三十一日至 二零一七年六月二十九日	880,500	-	-	-	880,500	30.06.2017 to 30.03.2026 二零一七年六月三十日至 二零二六年三月三十日	5.754	
13.04.2017 二零一七年四月十三日	13.04.2017 to 12.10.2017 二零一七年四月十三日至 二零一七年十月十二日	885,000	-	-	-	885,000	13.10.2017 to 12.04.2027 二零一七年十月十三日至 二零二七年四月十二日	7.548	
	13.04.2017 to 12.07.2018 二零一七年四月十三日至 二零一八年七月十二日	885,000	-	-	-	885,000	13.07.2018 to 12.04.2027 二零一八年七月十三日至 二零二七年四月十二日	7.548	
13.04.2018 二零一八年四月十三日	13.04.2018 to 12.10.2018 二零一八年四月十三日至 二零一八年十月十二日	684,000	-	-	-	684,000	13.10.2018 to 12.04.2028 二零一八年十月十三日至 二零二八年四月十二日	11.216	
	13.04.2018 to 12.07.2019 二零一八年四月十三日至 二零一九年七月十二日	684,000	-	-	-	684,000	13.07.2019 to 12.04.2028 二零一九年七月十三日至 二零二八年四月十二日	11.216	
15.04.2019 二零一九年四月十五日	15.04.2019 to 14.10.2019 二零一九年四月十五日至 二零一九年十月十四日	888,000	-	-	-	888,000	15.10.2019 to 14.04.2029 二零一九年十月十五日至 二零二九年四月十四日	7.324	
	15.04.2019 to 14.07.2020 二零一九年四月十五日至 二零二零年七月十四日	888,000	-	-	-	888,000	15.07.2020 to 14.04.2029 二零二零年七月十五日至 二零二九年四月十四日	7.324	
15.04.2020 二零二零年四月十五日	15.04.2020 to 14.10.2020 二零二零年四月十五日至 二零二零年十月十四日	-	882,000	-	-	882,000	15.10.2020 to 14.04.2030 二零二零年十月十五日至 二零三零年四月十四日	3.648	
	15.04.2020 to 14.07.2021 二零二零年四月十五日至 二零二一年七月十四日	-	882,000	-	-	882,000	15.07.2021 to 14.04.2030 二零二一年七月十五日至 二零三零年四月十四日	3.648	

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38. SHARE OPTION SCHEMES (CONTINUED)

The Company (Continued)

38. 購股權計劃(續)

本公司(續)

Date of grant 授出日期	Vesting period 歸屬期間	No. of options 購股權數目					At 31 December 2020 於二零二零年 十二月三十一日	Exercise period 行使期間	Exercise price per share 每股行使價 HK\$ 港元
		At 1 January 2020 於二零二零年 一月一日	Granted during the year 年內已授出	Exercised during the year 年內已行使	Lapsed during the year 年內已失效				
Category II: 第二類: Employees 僱員									
12.01.2010 二零一零年一月十二日	12.01.2010 to 11.07.2010 二零一零年一月十二日至 二零一零年七月十一日	120,000	-	(102,500)	(17,500)	-	12.07.2010 to 11.01.2020 二零一零年七月十二日至 二零二零年一月十一日	2.200	
	12.01.2010 to 11.04.2011 二零一零年一月十二日至 二零一一年四月十一日	120,000	-	(102,500)	(17,500)	-	12.04.2011 to 11.01.2020 二零一一年四月十二日至 二零二零年一月十一日	2.200	
08.10.2012 二零一二年十月八日	08.10.2012 to 07.10.2013 二零一二年十月八日至 二零一三年十月七日	400,000	-	-	-	400,000	08.10.2013 to 07.10.2022 二零一三年十月八日至 二零二二年十月七日	4.996	
	08.10.2012 to 07.10.2014 二零一二年十月八日至 二零一四年十月七日	880,000	-	-	-	880,000	08.10.2014 to 07.10.2022 二零一四年十月八日至 二零二二年十月七日	4.996	
	08.10.2012 to 07.10.2015 二零一二年十月八日至 二零一五年十月七日	1,940,000	-	-	-	1,940,000	08.10.2015 to 07.10.2022 二零一五年十月八日至 二零二二年十月七日	4.996	
05.04.2013 二零一三年四月五日	05.04.2013 to 04.10.2013 二零一三年四月五日至 二零一三年十月四日	150,000	-	-	-	150,000	05.10.2013 to 04.04.2023 二零一三年十月五日至 二零二三年四月四日	5.620	
	05.04.2013 to 04.07.2014 二零一三年四月五日至 二零一四年七月四日	150,000	-	-	-	150,000	05.07.2014 to 04.04.2023 二零一四年七月五日至 二零二三年四月四日	5.620	
30.12.2013 二零一三年十二月三十日	30.12.2013 to 29.12.2014 二零一三年十二月三十日至 二零一四年十二月二十九日	604,000	-	-	-	604,000	30.12.2014 to 29.12.2023 二零一四年十二月三十日至 二零二三年十二月二十九日	7.300	
	30.12.2013 to 29.12.2015 二零一三年十二月三十日至 二零一五年十二月二十九日	620,000	-	-	-	620,000	30.12.2015 to 29.12.2023 二零一五年十二月三十日至 二零二三年十二月二十九日	7.300	
	30.12.2013 to 29.12.2016 二零一三年十二月三十日至 二零一六年十二月二十九日	650,000	-	-	-	650,000	30.12.2016 to 29.12.2023 二零一六年十二月三十日至 二零二三年十二月二十九日	7.300	
07.10.2014 二零一四年十月七日	07.10.2014 to 29.06.2015 二零一四年十月七日至 二零一五年六月二十九日	300,000	-	-	-	300,000	30.06.2015 to 06.10.2024 二零一五年六月三十日至 二零二四年十月六日	10.340	
	07.10.2014 to 02.10.2015 二零一四年十月七日至 二零一五年十月二日	250,000	-	-	-	250,000	03.10.2015 to 06.10.2024 二零一五年十月三日至 二零二四年十月六日	10.340	
	07.10.2014 to 29.06.2016 二零一四年十月七日至 二零一六年六月二十九日	300,000	-	-	-	300,000	30.06.2016 to 06.10.2024 二零一六年六月三十日至 二零二四年十月六日	10.340	
	07.10.2014 to 02.10.2016 二零一四年十月七日至 二零一六年十月二日	250,000	-	-	-	250,000	03.10.2016 to 06.10.2024 二零一六年十月三日至 二零二四年十月六日	10.340	
	07.10.2014 to 02.10.2017 二零一四年十月七日至 二零一七年十月二日	250,000	-	-	-	250,000	03.10.2017 to 06.10.2024 二零一七年十月三日至 二零二四年十月六日	10.340	

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38. SHARE OPTION SCHEMES (CONTINUED)

The Company (Continued)

38. 購股權計劃(續)

本公司(續)

Date of grant 授出日期	Vesting period 歸屬期間	No. of options 購股權數目				At 31 December 2020 於二零二零年 十二月三十一日	Exercise period 行使期間	Exercise price per share 每股行使價 HK\$ 港元
		At 1 January 2020 於二零二零年 一月一日	Granted during the year 年內已授出	Exercised during the year 年內已行使	Lapsed during the year 年內已失效			
03.10.2017 二零一七年十月三日	03.10.2017 to 02.10.2018 二零一七年十月三日至 二零一八年十月二日	250,000	-	-	-	250,000	03.10.2018 to 02.10.2027 二零一八年十月三日至 二零二七年十月二日	6.190
	03.10.2017 to 02.10.2019 二零一七年十月三日至 二零一九年十月二日	250,000	-	-	-	250,000	03.10.2019 to 02.10.2027 二零一九年十月三日至 二零二七年十月二日	6.190
	03.10.2017 to 02.10.2020 二零一七年十月三日至 二零二零年十月二日	250,000	-	-	-	250,000	03.10.2020 to 02.10.2027 二零二零年十月三日至 二零二七年十月二日	6.190
	03.10.2017 to 02.10.2021 二零一七年十月三日至 二零二一年十月二日	500,000	-	-	-	500,000	03.10.2021 to 02.10.2027 二零二一年十月三日至 二零二七年十月二日	6.190
	15.04.2020 二零二零年四月十五日	-	3,525,000	-	-	3,525,000	15.10.2021 to 14.04.2030 二零二一年十月十五日至 二零三零年四月十四日	3.648
23.10.2020 二零二零年十月二十三日	15.04.2020 to 14.04.2023 二零二零年四月十五日至 二零二三年四月十四日	-	3,525,000	-	-	3,525,000	15.04.2023 to 14.04.2030 二零二三年四月十五日至 二零三零年四月十四日	3.648
	23.10.2020 to 22.10.2021 二零二零年十月二十三日至 二零二一年十月二十二日	-	500,000	-	-	500,000	23.10.2021 to 22.10.2030 二零二一年十月二十三日至 二零三零年十月二十二日	5.310
23.10.2020 二零二零年十月二十三日	23.10.2020 to 22.10.2022 二零二零年十月二十三日至 二零二二年十月二十二日	-	500,000	-	-	500,000	23.10.2022 to 22.10.2030 二零二二年十月二十三日至 二零三零年十月二十二日	5.310
	23.10.2020 to 22.10.2023 二零二零年十月二十三日至 二零二三年十月二十二日	-	500,000	-	-	500,000	23.10.2023 to 22.10.2030 二零二三年十月二十三日至 二零三零年十月二十二日	5.310
	23.10.2020 to 22.10.2024 二零二零年十月二十三日至 二零二四年十月二十二日	-	500,000	-	-	500,000	23.10.2024 to 22.10.2030 二零二四年十月二十三日至 二零三零年十月二十二日	5.310
		17,123,000	10,814,000	(205,000)	(35,000)	27,697,000		
Exercisable at the end of the year 於年終可行使						17,265,000		
Weighted average exercise price 加權平均行使價		HK\$7.411 7.411港元	HK\$3.955 3.955港元	HK\$2.200 2.200港元	HK\$2.200 2.200港元	HK\$6.107 6.107港元		

The weighted average share price on which the options were exercised in current year is HK\$4.58.

On 15 April 2020 and 23 October 2020, the Company has granted share options to subscribe for a total of 8,814,000 and 2,000,000 ordinary shares of the Company under the New Share Option Scheme, and the closing price of the shares of the Company immediately before the date of which the options were granted was HK\$3.53 and HK\$5.04 respectively.

本年度已行使購股權之加權平均股價為4.58港元。

於二零二零年四月十五日及二零二零年十月二十三日，本公司根據新購股權計劃已授出可認購合共8,814,000股及2,000,000股本公司的普通股的購股權。緊接購股權授出日期前的本公司股份收市價分別為3.53港元及5.04港元。

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38. SHARE OPTION SCHEMES (CONTINUED)

The Company (Continued)

Details of the Company's share option schemes during the prior year are summarised as follow:

38. 購股權計劃(續)

本公司(續)

於上年度，本公司之購股權計劃詳情概述如下：

Date of grant 授出日期	Vesting period 歸屬期間	No. of options 購股權數目				At 31 December 2019 於二零一九年 十二月三十一日	Exercise period 行使期間	Exercise price per share 每股行使價 HK\$ 港元
		At 1 January 2019 於二零一九年 一月一日	Granted during the year 年內已授出	Exercised during the year 年內已行使	Lapsed during the year 年內已失效			
Category I: 第一類：								
Directors 董事								
30.12.2013 二零一三年十二月三十日	30.12.2013 to 29.06.2014 二零一三年十二月三十日至 二零一四年六月二十九日	338,000	-	-	-	338,000	30.06.2014 to 29.12.2023 二零一四年六月三十日至 二零二三年十二月二十九日	7.300
	30.12.2013 to 29.03.2015 二零一三年十二月三十日至 二零一五年三月二十九日	538,000	-	-	-	538,000	30.03.2015 to 29.12.2023 二零一五年三月三十日至 二零二三年十二月二十九日	7.300
31.03.2015 二零一五年三月三十一日	31.03.2015 to 29.09.2015 二零一五年三月三十一日至 二零一五年九月二十九日	669,000	-	-	-	669,000	30.09.2015 to 30.03.2025 二零一五年九月三十日至 二零二五年三月三十日	11.200
	31.03.2015 to 29.06.2016 二零一五年三月三十一日至 二零一六年六月二十九日	669,000	-	-	-	669,000	30.06.2016 to 30.03.2025 二零一六年六月三十日至 二零二五年三月三十日	11.200
31.03.2016 二零一六年三月三十一日	31.03.2016 to 29.09.2016 二零一六年三月三十一日至 二零一六年九月二十九日	880,500	-	-	-	880,500	30.09.2016 to 30.03.2026 二零一六年九月三十日至 二零二六年三月三十日	5.754
	31.03.2016 to 29.06.2017 二零一六年三月三十一日至 二零一七年六月二十九日	880,500	-	-	-	880,500	30.06.2017 to 30.03.2026 二零一七年六月三十日至 二零二六年三月三十日	5.754
13.04.2017 二零一七年四月十三日	13.04.2017 to 12.10.2017 二零一七年四月十三日至 二零一七年十月十二日	885,000	-	-	-	885,000	13.10.2017 to 12.04.2027 二零一七年十月十三日至 二零二七年四月十二日	7.548
	13.04.2017 to 12.07.2018 二零一七年四月十三日至 二零一八年七月十二日	885,000	-	-	-	885,000	13.07.2018 to 12.04.2027 二零一八年七月十三日至 二零二七年四月十二日	7.548
13.04.2018 二零一八年四月十三日	13.04.2018 to 12.10.2018 二零一八年四月十三日至 二零一八年十月十二日	684,000	-	-	-	684,000	13.10.2018 to 12.04.2028 二零一八年十月十三日至 二零二八年四月十二日	11.216
	13.04.2018 to 12.07.2019 二零一八年四月十三日至 二零一九年七月十二日	684,000	-	-	-	684,000	13.07.2019 to 12.04.2028 二零一九年七月十三日至 二零二八年四月十二日	11.216
15.04.2019 二零一九年四月十五日	15.04.2019 to 14.10.2019 二零一九年四月十五日至 二零一九年十月十四日	-	888,000	-	-	888,000	15.10.2019 to 14.04.2029 二零一九年十月十五日至 二零二九年四月十四日	7.324
	15.04.2019 to 14.07.2020 二零一九年四月十五日至 二零二零年七月十四日	-	888,000	-	-	888,000	15.07.2020 to 14.04.2029 二零二零年七月十五日至 二零二九年四月十四日	7.324

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38. SHARE OPTION SCHEMES (CONTINUED)

The Company (Continued)

38. 購股權計劃(續)

本公司(續)

		No. of options 購股權數目							
		At 1 January 2019 於二零一九年 一月一日	Granted during the year 年內已授出	Exercised during the year 年內已行使	Lapsed during the year 年內已失效	At 31 December 2019 於二零一九年 十二月三十一日	Exercise period 行使期間	Exercise price per share 每股行使價 HK\$ 港元	
Category II:									
第二類：									
Employees									
僱員									
12.01.2010	12.01.2010 to 11.07.2010	120,000	-	-	-	120,000	12.07.2010 to 11.01.2020	2.200	
二零一零年一月十二日	二零一零年一月十二日至 二零一零年七月十一日						二零一零年七月十二日至 二零一零年一月十一日		
	12.01.2010 to 11.04.2011	120,000	-	-	-	120,000	12.04.2011 to 11.01.2020	2.200	
	二零一零年一月十二日至 二零一一年四月十一日						二零一一年四月十二日至 二零一零年一月十一日		
08.10.2012	08.10.2012 to 07.10.2013	400,000	-	-	-	400,000	08.10.2013 to 07.10.2022	4.996	
二零一二年十月八日	二零一二年十月八日至 二零一三年十月七日						二零一三年十月八日至 二零一二年十月七日		
	08.10.2012 to 07.10.2014	1,070,000	-	(190,000)	-	880,000	08.10.2014 to 07.10.2022	4.996	
	二零一二年十月八日至 二零一四年十月七日						二零一四年十月八日至 二零一二年十月七日		
	08.10.2012 to 07.10.2015	2,030,000	-	(90,000)	-	1,940,000	08.10.2015 to 07.10.2022	4.996	
	二零一二年十月八日至 二零一五年十月七日						二零一五年十月八日至 二零一二年十月七日		
05.04.2013	05.04.2013 to 04.10.2013	150,000	-	-	-	150,000	05.10.2013 to 04.04.2023	5.620	
二零一三年四月五日	二零一三年四月五日至 二零一三年十月四日						二零一三年十月五日至 二零一三年四月四日		
	05.04.2013 to 04.07.2014	150,000	-	-	-	150,000	05.07.2014 to 04.04.2023	5.620	
	二零一三年四月五日至 二零一四年七月四日						二零一四年七月五日至 二零一三年四月四日		
30.12.2013	30.12.2013 to 29.12.2014	604,000	-	-	-	604,000	30.12.2014 to 29.12.2023	7.300	
二零一三年十二月三十日	二零一三年十二月三十日至 二零一四年十二月二十九日						二零一四年十二月三十日至 二零一三年十二月二十九日		
	30.12.2013 to 29.12.2015	620,000	-	-	-	620,000	30.12.2015 to 29.12.2023	7.300	
	二零一三年十二月三十日至 二零一五年十二月二十九日						二零一五年十二月三十日至 二零一三年十二月二十九日		
	30.12.2013 to 29.12.2016	650,000	-	-	-	650,000	30.12.2016 to 29.12.2023	7.300	
	二零一三年十二月三十日至 二零一六年十二月二十九日						二零一六年十二月三十日至 二零一三年十二月二十九日		
07.10.2014	07.10.2014 to 29.06.2015	300,000	-	-	-	300,000	30.06.2015 to 06.10.2024	10.340	
二零一四年十月七日	二零一四年十月七日至 二零一五年六月二十九日						二零一五年六月三十日至 二零一四年十月六日		
	07.10.2014 to 02.10.2015	250,000	-	-	-	250,000	03.10.2015 to 06.10.2024	10.340	
	二零一四年十月七日至 二零一五年十月二日						二零一五年十月三日至 二零一四年十月六日		
	07.10.2014 to 29.06.2016	300,000	-	-	-	300,000	30.06.2016 to 06.10.2024	10.340	
	二零一四年十月七日至 二零一六年六月二十九日						二零一六年六月三十日至 二零一四年十月六日		
	07.10.2014 to 02.10.2016	250,000	-	-	-	250,000	03.10.2016 to 06.10.2024	10.340	
	二零一四年十月七日至 二零一六年十月二日						二零一六年十月三日至 二零一四年十月六日		
	07.10.2014 to 02.10.2017	250,000	-	-	-	250,000	03.10.2017 to 06.10.2024	10.340	
	二零一四年十月七日至 二零一七年十月二日						二零一七年十月三日至 二零一四年十月六日		

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38. SHARE OPTION SCHEMES (CONTINUED)

The Company (Continued)

Date of grant 授出日期	Vesting period 歸屬期間	No. of options 購股權數目				At 31 December 2019 於二零一九年 十二月三十一日	Exercise period 行使期間	Exercise price per share 每股行使價 HK\$ 港元
		At 1 January 2019 於二零一九年 一月一日	Granted during the year 年內已授出	Exercised during the year 年內已行使	Lapsed during the year 年內已失效			
03.10.2017 二零一七年十月三日	03.10.2017 to 02.10.2018 二零一七年十月三日至 二零一八年十月二日	250,000	-	-	-	250,000	03.10.2018 to 02.10.2027 二零一八年十月三日至 二零二七年十月二日	6.190
	03.10.2017 to 02.10.2019 二零一七年十月三日至 二零一九年十月二日	250,000	-	-	-	250,000	03.10.2019 to 02.10.2027 二零一九年十月三日至 二零二七年十月二日	6.190
	03.10.2017 to 02.10.2020 二零一七年十月三日至 二零二零年十月二日	250,000	-	-	-	250,000	03.10.2020 to 02.10.2027 二零二零年十月三日至 二零二七年十月二日	6.190
	03.10.2017 to 02.10.2021 二零一七年十月三日至 二零二一年十月二日	500,000	-	-	-	500,000	03.10.2021 to 02.10.2027 二零二一年十月三日至 二零二七年十月二日	6.190
		15,627,000	1,776,000	(280,000)	-	17,123,000		
Exercisable at the end of the year 於年終可行使						15,485,000		
Weighted average exercise price 加權平均行使價		HK\$7.378 7.378港元	HK\$7.324 7.324港元	HK\$4.996 4.996港元	-	HK\$7.411 7.411港元		

The weighted average share price on which the options were exercised in prior year was HK\$6.80.

On 15 April 2019, the Company has granted share options to subscribe for a total of 1,776,000 ordinary shares of the Company under the New Share Option Scheme, and the closing price of the shares of the Company immediately before the date of which the options were granted was HK\$7.30.

上一年度已行使購股權之加權平均股價為6.80港元。

於二零一九年四月十五日，本公司根據新購股權計劃已授出可認購合共1,776,000股本公司的普通股的購股權。緊接購股權授出日期前的本公司股份收市價為7.30港元。

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38. SHARE OPTION SCHEMES (CONTINUED)

The Company (Continued)

Particulars of share options:

38. 購股權計劃(續)

本公司(續)

購股權詳情如下：

Date of grant 授出日期	Exercise period 行使期間	Exercise price per share 每股行使價 HK\$ 港元
12.01.2010 二零一零年一月十二日	(i) 50% exercisable not less than 6 months from date of grant but not more than 10 years, i.e. 12.07.2010–11.01.2020 (i) 當中之50%可在不少於自授出日期起計六個月但不多於十年，即由二零一零年七月十二日至二零二零年一月十一日期間內行使 (ii) unexercised balance thereof be exercisable not less than 15 months from date of grant but not more than 10 years, i.e. 12.04.2011–11.01.2020 (ii) 尚未行使之餘額可在不少於自授出日期起計十五個月但不多於十年，即由二零一一年四月十二日至二零二零年一月十一日期間內行使	2.200
08.10.2012 二零一二年十月八日	(i) 259,500 options exercisable not less than 6 months from date of grant but not more than 10 years, i.e. 08.04.2013–07.10.2022 (i) 259,500份購股權可在不少於自授出日期起計六個月但不多於十年，即由二零一三年四月八日至二零二二年十月七日期間內行使 (ii) 259,500 options exercisable not less than 15 months from date of grant but not more than 10 years, i.e. 08.01.2014–07.10.2022 (ii) 259,500份購股權可在不少於自授出日期起計十五個月但不多於十年，即由二零一四年一月八日至二零二二年十月七日期間內行使 (iii) 1,160,000 options exercisable during the period from 08.10.2013–07.10.2022 (iii) 1,160,000份購股權可在二零一三年十月八日至二零二二年十月七日期間內行使 (iv) 2,230,000 options exercisable during the period from 08.10.2014–07.10.2022 (iv) 2,230,000份購股權可在二零一四年十月八日至二零二二年十月七日期間內行使 (v) 2,650,000 options exercisable during the period from 08.10.2015–07.10.2022 (v) 2,650,000份購股權可在二零一五年十月八日至二零二二年十月七日期間內行使	4.996
05.04.2013 二零一三年四月五日	(i) 50% exercisable not less than 6 months but not more than 10 years from the date of grant, i.e. 05.10.2013–04.04.2023 (i) 當中之50%可在不少於自授出日期起計六個月但不多於十年，即由二零一三年十月五日至二零二三年四月四日期間內行使 (ii) unexercised balance thereof be exercisable not less than 15 months from date of grant but not more than 10 years, i.e. 05.07.2014–04.04.2023 (ii) 尚未行使之餘額可在不少於自授出日期起計十五個月但不多於十年，即由二零一四年七月五日至二零二三年四月四日期間內行使	5.620

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38. SHARE OPTION SCHEMES (CONTINUED)

38. 購股權計劃(續)

The Company (Continued)

本公司(續)

Date of grant 授出日期	Exercise period 行使期間	Exercise price per share 每股行使價 HK\$ 港元
30.12.2013 二零一三年十二月三十日	(i) 1,614,000 options: 50% exercisable not less than 6 months but not more than 10 years from the date of grant, i.e. 30.06.2014–29.12.2023; and in respect of the unexercised balance thereof be exercisable not less than 15 months but not more than 10 years from the date of grant, i.e. 30.03.2015–29.12.2023 (i) 1,614,000份購股權：當中之50%可在不少於自授出日期起計六個月但不多於十年，即由二零一四年六月三十日至二零二三年十二月二十九日期間內行使；及就其尚未行使之餘額而言，可在不少於自授出日期起計十五個月但不多於十年，即由二零一五年三月三十日至二零二三年十二月二十九日期間內行使 (ii) 669,000 options will be exercisable during the period from 30.12.2014 to 29.12.2023 (ii) 669,000份購股權可於二零一四年十二月三十日至二零二三年十二月二十九日期間內行使 (iii) 669,000 options will be exercisable during the period from 30.12.2015 to 29.12.2023 (iii) 669,000份購股權可於二零一五年十二月三十日至二零二三年十二月二十九日期間內行使 (iv) 702,000 options will be exercisable during the period from 30.12.2016 to 29.12.2023. (iv) 702,000份購股權可於二零一六年十二月三十日至二零二三年十二月二十九日期間內行使	7.300
07.10.2014 二零一四年十月七日	(i) 600,000 options: 50% will be exercisable during the period from 30.06.2015 to 06.10.2024; and 50% will be exercisable during the period from 30.06.2016 to 06.10.2024 (i) 600,000份購股權：當中之50%可於二零一五年六月三十日起至二零二四年十月六日期間內行使；及50%可於二零一六年六月三十日至二零二四年十月六日期間內行使 (ii) 250,000 options will be exercisable during the period from 03.10.2015 to 06.10.2024 (ii) 250,000份購股權可於二零一五年十月三日至二零二四年十月六日期間內行使 (iii) 250,000 options will be exercisable during the period from 03.10.2016 to 06.10.2024 (iii) 250,000份購股權可於二零一六年十月三日至二零二四年十月六日期間內行使 (iv) 250,000 options will be exercisable during the period from 03.10.2017 to 06.10.2024 (iv) 250,000份購股權可於二零一七年十月三日至二零二四年十月六日期間內行使	10.340
31.03.2015 二零一五年三月三十一日	(i) 669,000 options will be exercisable during the period from 30.09.2015 to 30.03.2025 (i) 669,000份購股權可於二零一五年九月三十日至二零二五年三月三十日期間內行使 (ii) 669,000 options will be exercisable during the period from 30.06.2016 to 30.03.2025 (ii) 669,000份購股權可於二零一六年六月三十日至二零二五年三月三十日期間內行使	11.200

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38. SHARE OPTION SCHEMES (CONTINUED)

The Company (Continued)

38. 購股權計劃(續)

本公司(續)

Date of grant 授出日期	Exercise period 行使期間	Exercise price per share 每股行使價 HK\$ 港元
31.03.2016 二零一六年三月三十一日	(i) 880,500 options will be exercisable during the period from 30.09.2016 to 30.03.2026 (i) 880,500份購股權可於二零一六年九月三十日至二零二六年三月三十日期間內行使 (ii) 880,500 options will be exercisable during the period from 30.06.2017 to 30.03.2026 (ii) 880,500份購股權可於二零一七年六月三十日至二零二六年三月三十日期間內行使	5.754
13.04.2017 二零一七年四月十三日	(i) 885,000 options will be exercisable during the period from 13.10.2017 to 12.04.2027 (i) 885,000份購股權可於二零一七年十月十三日至二零二七年四月十二日期間內行使 (ii) 885,000 options will be exercisable during the period from 13.07.2018 to 12.04.2027 (ii) 885,000份購股權可於二零一八年七月十三日至二零二七年四月十二日期間內行使	7.548
03.10.2017 二零一七年十月三日	(i) 250,000 options will be exercisable during the period from 03.10.2018 to 02.10.2027 (i) 250,000份購股權可於二零一八年十月三日至二零二七年十月二日期間內行使 (ii) 250,000 options will be exercisable during the period from 03.10.2019 to 02.10.2027 (ii) 250,000份購股權可於二零一九年十月三日至二零二七年十月二日期間內行使 (iii) 250,000 options will be exercisable during the period from 03.10.2020 to 02.10.2027 (iii) 250,000份購股權可於二零二零年十月三日至二零二七年十月二日期間內行使 (iv) 500,000 options will be exercisable during the period from 03.10.2021 to 02.10.2027 (iv) 500,000份購股權可於二零二一年十月三日至二零二七年十月二日期間內行使	6.190
13.04.2018 二零一八年四月十三日	(i) 684,000 options will be exercisable during the period from 13.10.2018 to 12.04.2028 (i) 684,000份購股權可於二零一八年十月十三日至二零二八年四月十二日期間內行使 (ii) 684,000 options will be exercisable during the period from 13.07.2019 to 12.04.2028 (ii) 684,000份購股權可於二零一九年七月十三日至二零二八年四月十二日期間內行使	11.216
15.04.2019 二零一九年四月十五日	(i) 888,000 options will be exercisable during the period from 15.10.2019 to 14.04.2029 (i) 888,000份購股權可於二零一九年十月十五日至二零二九年四月十四日期間內行使 (ii) 888,000 options will be exercisable during the period from 15.07.2020 to 14.04.2029 (ii) 888,000份購股權可於二零二零年七月十五日至二零二九年四月十四日期間內行使	7.324

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38. SHARE OPTION SCHEMES (CONTINUED)

The Company (Continued)

38. 購股權計劃(續)

本公司(續)

Date of grant 授出日期	Exercise period 行使期間	Exercise price per share 每股行使價 HK\$ 港元
15.04.2020 二零二零年四月十五日	(i) 882,000 options will be exercisable during the period from 15.10.2020 to 14.04.2030 (i) 882,000份購股權可於二零二零年十月十五日至二零三零年四月十四日期間內行使 (ii) 882,000 options will be exercisable during the period from 15.07.2021 to 14.04.2030 (ii) 882,000份購股權可於二零二一年七月十五日至二零三零年四月十四日期間內行使 (iii) 3,525,000 options will be exercisable during the period from 15.10.2021 to 14.04.2030 (iii) 3,525,000份購股權可於二零二一年十月十五日至二零三零年四月十四日期間內行使 (iv) 3,525,000 options will be exercisable during the period from 15.04.2023 to 14.04.2030 (iv) 3,525,000份購股權可於二零二三年四月十五日至二零三零年四月十四日期間內行使	3.648
23.10.2020 二零二零年十月二十三日	(i) 500,000 options will be exercisable during the period from 23.10.2021 to 22.10.2030 (i) 500,000份購股權可於二零二一年十月二十三日至二零三零年十月二十二日期間內行使 (ii) 500,000 options will be exercisable during the period from 23.10.2022 to 22.10.2030 (ii) 500,000份購股權可於二零二二年十月二十三日至二零三零年十月二十二日期間內行使 (iii) 500,000 options will be exercisable during the period from 23.10.2023 to 22.10.2030 (iii) 500,000份購股權可於二零二三年十月二十三日至二零三零年十月二十二日期間內行使 (iv) 500,000 options will be exercisable during the period from 23.10.2024 to 22.10.2030 (iv) 500,000份購股權可於二零二四年十月二十三日至二零三零年十月二十二日期間內行使	5.310

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For the year ended 31 December 2020
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38. SHARE OPTION SCHEMES (CONTINUED)

The Company (Continued)

The following table summarised movements in the Company's share options during the year:

		Outstanding at 1 January 2020 於二零二零年 一月一日 尚未行使	During the year 於本年度內			Outstanding at 31 December 2020 於二零二零年 十二月三十一日 尚未行使
			Granted 已授出	Exercised 已行使	Lapsed 已失效	
<i>Directors</i>	<i>董事</i>					
Lee Siu Fong	李小芳	3,209,000	588,000	-	-	3,797,000
Leelalertsuphakun Wanee	李憐妮	3,009,000	588,000	-	-	3,597,000
Li Xiaoyi	李小羿	2,671,000	588,000	-	-	3,259,000
Total for directors	董事之總數	8,889,000	1,764,000	-	-	10,653,000
<i>Employees</i>	<i>僱員</i>	8,234,000	9,050,000	(205,000)	(35,000)	17,044,000
Grand total	總計	17,123,000	10,814,000	(205,000)	(35,000)	27,697,000

The Company issues equity-settled share options to certain employees and consultants. Equity-settled share options are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share options is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually become vested and adjusted for the effect of non-market-based vesting conditions.

During the year 2020, options were granted on 15 April 2020 and 23 October 2020, and the estimated fair values of the options granted on those dates are HK\$7,371,000 and HK\$1,854,000 respectively.

During the year 2019, options were granted on 15 April 2019 and the estimated fair values of the options on that date is HK\$5,288,000.

38. 購股權計劃(續)

本公司(續)

下表概述本公司購股權於本年度內之變動：

本公司向若干僱員及顧問發行以股權結算之購股權。以股權結算之購股權按授出當日之公平值計算(不包括非市場性歸屬條件之影響)。以股權結算之購股權於授出當日釐定之公平值，乃按照本集團所估計最終歸屬之股份，於歸屬期內以直線法支銷，並因非市場性歸屬條件之影響而作出調整。

於二零二零年，分別於二零二零年四月十五日及二零二零年十月二十三日授出購股權，而於該等日期授出之購股權之估計公平值分別為7,371,000港元及1,854,000港元。

於二零一九年，於二零一九年四月十五日授出購股權，而於該日授出之購股權之估計公平值為5,288,000港元。

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38. SHARE OPTION SCHEMES (CONTINUED)

The Company (Continued)

The following significant assumptions were used to derive the fair value:

1. exercise price HK\$3.648 and HK\$5.310 (2019: HK\$7.324);
2. expected volatility 43.264% and 43.641% (2019: 41.354%);
3. the options life is 10 years (2019: 10 years);
4. annualised dividend yield of 1.600% and 1.311% (2019: 1.634%); and
5. the risk free rate of 0.747% and 0.582% (2019: 1.677%).

The fair value of the share options granted during the year was valued by Peak Vision Appraisal Limited, independent professional valuers not connected to the Group. The valuation was derived by the Binomial Model taking into account the terms and conditions upon which the options were granted.

The Group has recognised an expense of HK\$17,442,000 for the year ended 31 December 2020 (2019: HK\$5,461,000) in relation to share options granted by the Company.

39. RETIREMENT BENEFITS

Defined contribution plan

The Group operates a Mandatory Provident Fund Scheme ("Scheme") for all qualifying employees in Hong Kong. The assets of the Scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the Scheme with maximum amount of HK\$1,500 (2019: HK\$1,500) per month for each employee, which contribution is matched by employees.

The total cost recognised in profit or loss of HK\$772,000 (2019: HK\$758,000) represents contributions payable to the Scheme by the Group in respect of the current year. As at 31 December 2020, contributions of HK\$4,000 (2019: HK\$4,000) due in respect of the reporting period had not been paid over to the Scheme.

38. 購股權計劃(續)

本公司(續)

下列為計算公平值之重要假設：

1. 行使價3.648港元及5.310港元(二零一九年：7.324港元)；
2. 預期波幅43.264%及43.641%(二零一九年：41.354%)；
3. 購股權有效期為十年(二零一九年：十年)；
4. 年化股息率1.600%及1.311%(二零一九年：1.634%)；及
5. 無風險利率0.747%及0.582%(二零一九年：1.677%)。

年內授出之購股權之公平值乃由滙鋒評估有限公司(與本集團並無關連之獨立專業估值師)評估。經考慮授出購股權之條款及條件以二項式模式得出估值。

於截至二零二零年十二月三十一日止年度，本集團確認與本公司授出之購股權相關開支17,442,000港元(二零一九年：5,461,000港元)。

39. 退休福利

定額供款計劃

本集團為香港所有合資格僱員營運強制性公積金計劃(「計劃」)。該等計劃之資產與本集團之資產分開持有，由受託人控制之基金持有。本集團向該計劃作出有關工資成本之5%之供款，就每名僱員而言，每月最高金額為1,500港元(二零一九年：1,500港元)，而僱員須作出相同金額之供款。

於損益內確認之772,000港元(二零一九年：758,000港元)之總成本為本集團於本年度應向計劃支付之供款。於二零二零年十二月三十一日，報告期間之已到期供款4,000港元(二零一九年：4,000港元)尚未向計劃支付。

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39. RETIREMENT BENEFITS (CONTINUED)

Defined contribution plan (Continued)

The employees of the Group's subsidiaries in the PRC and Taiwan are members of a state-managed retirement benefit plan operated by the government of the PRC and Taiwan. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits is to make the specified contributions.

Defined benefit plan

Retirement benefits scheme represents the retirement benefits provided to the executive directors of the Company.

Each of the executive directors will be entitled to lump sum payment upon retirement and monthly pension payment after retirement if he/she has engaged in continuous service with the Group for certain years.

The carrying value of the retirement benefits represents the cost of providing benefits determined by valuation conducted by independent valuer at the end of the reporting period, amortised over the expected average remaining working lives of the participating employees. The fair value of the retirement benefits at 31 December 2020 was valued by Peak Vision Appraisal Limited, an independent professional valuer not connected to the Group. The fair value of retirement benefits was accrued in the consolidated financial statements but the retirement benefits scheme was not established up to the date of this report. Thus, no actuarial gain or loss will be considered.

During the year, HK\$14,770,000 provision for retirement benefits (2019: HK\$26,248,000) was recognised in profit or loss.

39. 退休福利(續)

定額供款計劃(續)

本集團之中國及台灣附屬公司之僱員為中國及台灣政府運作之國家管理退休福利計劃之成員。附屬公司均須按工資成本之特定百分比向退休福利計劃供款，以便為福利提供資金。本集團就退休福利僅須承擔之責任為作出特定供款。

定額福利計劃

退休福利計劃為向本公司執行董事提供之退休福利。

各執行董事倘若已持續服務本集團若干年，則將有權於退休時享有一次過款項及於退休後享有每月退休金。

退休福利之賬面值為按獨立估值師於報告期末所進行之估值釐定並按參與僱員之預期平均餘下工作年期予以攤銷之成本。退休福利於二零二零年十二月三十一日之公平值乃由漂鋒評估有限公司(與本集團並無關連之獨立專業估值師)估值。退休福利之公平值於綜合財務報表內應計，但截至本報告日期，退休福利計劃並無設立，因此，將不會考慮實際收益或虧損。

於本年度，於損益內確認14,770,000港元(二零一九年：26,248,000港元)退休福利之撥備。

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40. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows are, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

40. 融資活動產生之負債之對賬

下表詳細列出本集團由融資活動產生之負債變動，包括現金及非現金變動。融資活動產生之負債是指現金流量或未來現金流量在本集團之綜合現金流量表內被分類為融資活動所得現金流量之負債。

		Bank and other borrowings 銀行及其他借款 HK\$'000 千港元 (Note 32) (附註32)	Lease liabilities 租賃負債 HK\$'000 千港元 (Note 33) (附註33)	Total 總額 HK\$'000 千港元
At 1 January 2019	於二零一九年一月一日	129,234	10,898	140,132
Changes from financing cash flows:	融資現金流變動：			
New loans raised	新增貸款	68,713	-	68,713
Repayment of loans	償還貸款	(53,677)	-	(53,677)
Repayment of lease liabilities	償還租賃負債	-	(12,380)	(12,380)
Other changes:	其他變動：			
Interest payable	應付利息	5,067	692	5,759
Interest paid	已付利息	(4,592)	-	(4,592)
New leases entered/lease modified	新訂租賃／修改租賃	-	24,147	24,147
Exchange rate adjustments	匯率調整	89	(248)	(159)
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及 二零二零年一月一日	144,834	23,109	167,943
Changes from financing cash flows:	融資現金流變動：			
New loans raised	新增貸款	167,418	-	167,418
Repayment of loans	償還貸款	(160,428)	-	(160,428)
Repayment of lease liabilities	償還租賃負債	-	(10,238)	(10,238)
Other changes:	其他變動：			
Interest payable	應付利息	4,698	687	5,385
Interest paid	已付利息	(4,715)	-	(4,715)
New leases entered/lease modified	新訂租賃／修改租賃	-	1,184	1,184
Termination of lease	終止租賃	-	(355)	(355)
Exchange rate adjustments	匯率調整	1,060	943	2,003
Disposal of subsidiaries (Note 46)	出售附屬公司(附註46)	(11,490)	-	(11,490)
At 31 December 2020	於二零二零年十二月三十一日	141,377	15,330	156,707

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41. CAPITAL COMMITMENTS

41. 資本承擔

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Capital commitments contracted for:	已訂約之資本承擔：		
Investment in financial assets at fair value through other comprehensive income	於按公平值透過其他全面收益列賬之財務資產之投資	10,750	29,892
Intangible assets – license fee and development cost	無形資產－專利費及開發成本	88,458	103,455
Property, plant and equipment	物業、廠房及設備	91,212	100,452
		190,420	233,799

42. PLEDGE OF ASSETS

42. 資產抵押

At 31 December 2020, the Group has pledged bank deposits security given to bank for facilities granted to the group entities and CVie Taiwan, amounting to HK\$3,875,000 (31 December 2019: HK\$1,345,000) and HK\$20,150,000 (31 December 2019: HK\$39,000,000) respectively.

In addition, the Group's motor vehicles (classified under right-of-use assets) amounting to HK\$468,000 which were secured by the lessor's title by 31 December 2019 is fully released during the year ended 31 December 2020.

於二零二零年十二月三十一日，本集團已就授予集團實體及中生台灣之融資向銀行抵押銀行存款，分別為3,875,000港元(二零一九年十二月三十一日：1,345,000港元)及20,150,000港元(二零一九年十二月三十一日：39,000,000港元)。

此外，於截至二零二零年十二月三十一日止年度，本集團於二零一九年十二月三十一日或之前以出租人的所有權擔保之468,000港元汽車(分類於使用權資產項下)已全數解除。

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43. CONTINGENT LIABILITIES

Financial guarantee to associates

As at 31 December 2020, the Group had contingent liabilities amounting to HK\$53,000,000 (2019: HK\$48,000,000) in respect of financial guarantees given to bank for the banking facilities granted to associate. Total HK\$7,582,000 (2019: HK\$12,134,000) has been remained unutilised by the associate.

Financial guarantee to CVie Taiwan

As at 31 December 2020, the Group had contingent liabilities amounting NTD150,000,000 which equivalent to approximately HK\$41,400,000 (31 December 2019: NTD180,000,000 which equivalent to approximately HK\$46,800,000) in respect of a one-off financial guarantees given to bank for the banking facilities granted to CVie Taiwan. NTD68,419,000 which equivalent to approximately HK\$18,884,000 (31 December 2019: NTD138,000,000 which equivalent to approximately HK\$35,880,000) has been utilised by CVie Taiwan.

The directors of the Company has considered the probability of default is remote. Accordingly, no provision has been made in the consolidated financial statements for these guarantees.

43. 或然負債

向聯營公司提供財務擔保

於二零二零年十二月三十一日，本集團有53,000,000港元(二零一九年：48,000,000港元)或然負債與就聯營公司獲授銀行融資向銀行作出財務擔保有關。總額7,582,000港元(二零一九年：12,134,000港元)仍未被聯營公司動用。

向中生台灣提供財務擔保

於二零二零年十二月三十一日，本集團有新台幣150,000,000元或然負債，相當於約41,400,000港元(二零一九年十二月三十一日：新台幣180,000,000元，相當於約46,800,000港元)，與就中生台灣獲授銀行融資向銀行作出一次性財務擔保有關。中生台灣已動用新台幣68,419,000元，相當於約18,884,000港元(二零一九年十二月三十一日：新台幣138,000,000元，相當於約35,880,000港元)。

本公司董事考慮到違約之可能性甚低。因此，並無就該等擔保於綜合財務報表內作出撥備。

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44. RELATED PARTIES TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

During the year, the Group entered into the following transactions with related parties. In the opinion of the directors, the following transactions arose in the ordinary course of the Group's business:

(a) Compensation of key management personnel

The remuneration of directors and other members of key management during the year 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
Short-term benefits	短期福利	22,167	20,640
Share-based payments	以股份支付之款項	11,142	3,025
Retirement benefits and other post-employment benefits	退休福利及其他離職後福利	14,806	26,287
- Defined contribution plan	- 定額供款計劃	36	39
- Retirement benefits	- 退休福利	14,770	26,248
		48,115	49,952

The remuneration of directors and key management is determined by the remuneration committee having regard to the performance of individuals and market trends.

44. 關聯方交易

本公司與其附屬公司(其為本公司之關聯方)間之結餘及交易於綜合賬目時對銷，並無披露於本附註。本集團與其他關聯方間之交易詳情於下文披露。

於本年度內，本集團已與關聯方進行以下交易。董事認為，下列交易是於本集團日常業務過程中產生：

(a) 主要管理人員薪酬

年內董事及其他主要管理人員之薪酬如下：

董事及主要管理層之薪酬乃由薪酬委員會考慮個人表現及市場趨勢而釐定。

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44. RELATED PARTIES TRANSACTIONS (CONTINUED)

(b) Transaction with associates

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Interest income	利息收入	2,448	1,544
Rental and utilities income	租金及公共服務收入	3,431	504
Purchase of consumables	採購消耗品	1,430	–
Purchase of goods	採購貨品	60	–
Research and development service income	研發服務收入	36,650	–
Acquisition of a license right (Note 46)	收購許可權(附註46)	77,500	–

(c) Donation to Lee's Pharmaceutical – Kanya Lee Scholarship Limited ("Kanya Lee Scholarship")

During the year, total HK\$1,475,000 (2019: HK\$3,244,000) was donated to Kanya Lee Scholarship. Dr. Li Xiaoyi, director of the Company, is also a member of key management of Kanya Lee Scholarship and Kanya Lee Scholarship is considered as a related party to the Group.

44. 關聯方交易(續)

(b) 與聯營公司之交易

(c) 對李氏大藥廠－李杜靜芳獎 學金有限公司(「李杜靜芳獎 學金」)作出捐獻

於本年度內共向李杜靜芳獎學金捐獻 1,475,000 港元(二零一九年：3,244,000 港元)。本公司董事李小羿博士亦為李杜靜芳獎學金之主要管理層成員之一，而李杜靜芳獎學金被視為是本集團之關聯方。

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44. RELATED PARTIES TRANSACTIONS (CONTINUED)

(d) Issue of subsidiary's shares to Perfect Concept Holdings Limited ("PCH")

China Oncology Focus Limited ("COF"), on a pro rata basis, issued 18,620 shares to PCH. Dr. Li Xiaoyi, Ms. Lee Siu Fong and Ms. Leelalertsuphakun Wanee, directors of the Company, are the majority of the beneficial owners of PCH and PCH is considered as a related party to the Group. Total consideration received for the issue of shares is US\$4,003,300 (equivalent to approximately HK\$31,226,000).

Ms. Leelalertsuphakun Wanee, Ms. Lee Siu Fong and Dr. Li Xiaoyi are the directors and substantial shareholders of the Company who are connected persons of the Company under the Listing Rules. They hold 90% of the equity interest in PCH and therefore, PCH is the associate of Ms. Leelalertsuphakun Wanee, Ms. Lee Siu Fong and Dr. Li Xiaoyi, and is then a connected person of the Company under the Listing Rules. Lee's International is a shareholder of COF and at the same time, PCH, is also a shareholder of COF. PCH, being a connected person of the Company, is holding 35% of the issued share capital of COF, and therefore, the issue of COF's shares to PCH constitutes a connected transaction pursuant to Rule 14A.27 of the Listing Rules.

(e) Shareholder loans from PCH

During the years ended 31 December 2020 and 2019, the Group borrowed certain shareholder's loans from PCH, which bear interest rate of 4% per annum and repayable within 1 year.

As disclosed in note 13 to the consolidated financial statements, interest expenses to loans from PCH for the year ended 31 December 2020 amounts to HK\$147,000 (2019: HK\$545,000).

44. 關聯方交易(續)

(d) 向美創集團有限公司(「美創集團」)發行附屬公司股份

中國腫瘤醫療有限公司(「COF」)按比例向美創集團發行18,620股股份。本公司董事李小羿博士、李小芳女士及李燁妮女士為美創集團大多數實益股東，故美創集團被視為本集團之關聯方。就發行股份收取之代價總額為4,003,300美元(相當於約31,226,000港元)。

李燁妮女士、李小芳女士及李小羿博士為本公司董事兼主要股東，根據上市規則為本公司之關連人士。彼等持有美創集團之90%股權，因此，根據上市規則，美創集團為李燁妮女士、李小芳女士及李小羿博士之聯繫人，因而為本公司之關連人士。Lee's International為COF之股東，同時，美創集團亦為COF之股東。美創集團為本公司之關連人士，持有COF已發行股本之35%，因此，根據上市規則第14A.27條，向美創集團發行COF股份構成一宗關連交易。

(e) 來自美創集團之股東貸款

截至二零二零年及二零一九年十二月三十一日止年度，本集團向美創集團借取若干股東貸款，該等貸款按年利率4%計息，並須於一年內償還。

誠如綜合財務報表附註13所披露，截至二零二零年十二月三十一日止年度來自美創集團貸款之利息開支為147,000港元(二零一九年：545,000港元)。

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45. ACQUISITION OF A SUBSIDIARY

In April 2020, the Group, through an indirect wholly-owned subsidiary Lee's Keno Pharmaceutical Limited, acquired 51% of the issued share capital of Beijing Keno Pharmaceutical Technology Limited* ("BJ Keno") from independent third parties. BJ Keno is engaging in marketing and selling of pharmaceutical device. Upon completion of the transaction, BJ Keno became a non-wholly owned subsidiary of the Group. The transaction has been accounted for by the acquisition method of accounting.

Consideration transferred

		HK\$'000 千港元
Cash consideration	現金代價	—

Assets acquired and liabilities recognised at the date of acquisition

		HK\$'000 千港元
Current assets	流動資產	
Deposits and prepayments	按金及預付款	227
Bank balances	銀行結餘	474
Current liability	流動負債	
Other payables and accruals	其他應付款項及應計費用	(5,293)
Net liabilities recognised	已確認負債淨額	(4,592)

Non-controlling interests

The non-controlling interests (49%) in BJ Keno recognised at the acquisition date was measured by reference to the proportionate share of amounts of net liabilities recognised and amounted to HK\$2,250,000.

45. 收購一間附屬公司

二零二零年四月，本集團透過間接全資附屬公司李氏可諾醫藥有限公司向獨立第三方收購北京可諾醫藥科技有限公司(「北京可諾」)51%已發行股本。北京可諾從事醫藥器材市場推廣及銷售。交易完成後，北京可諾成為本集團之非全資附屬公司。該交易以收購會計法入賬。

已轉讓代價

於收購日期之已收購資產及已確認負債

	HK\$'000 千港元
Current assets	
Deposits and prepayments	227
Bank balances	474
Current liability	
Other payables and accruals	(5,293)
Net liabilities recognised	(4,592)

非控股權益

於收購日期所確認於北京可諾之非控股權益(49%)乃參照按比例應佔已確認負債淨額金額計量，為數2,250,000港元。

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45. ACQUISITION OF A SUBSIDIARY (CONTINUED)

Goodwill arising on acquisition

		HK\$'000 千港元
Consideration transferred	已轉讓代價	-
Add: Non-controlling interests	加：非控股權益	(2,250)
Less: Net liabilities recognised	減：已確認負債淨額	4,592
Goodwill arising on acquisition	收購產生之商譽	2,342

None of the goodwill arising on acquisition is expected to be deductible or tax purposes.

45. 收購一間附屬公司(續)

收購產生之商譽

預期收購產生之商譽不得扣稅或作稅務用途。

Net cash outflow on acquisition

		HK\$'000 千港元
Cash consideration paid	已付現金代價	-
Less: Cash and cash equivalent acquired of	減：已收購之現金及現金等值	(474)
		(474)

收購之現金流出淨額

Impact of acquisition on the results of the Group

Included in the profit for the year is approximately HK\$476,000 loss attributable to the additional business generated by BJ Keno.

Had the acquisition been completed on 1 January 2020 in the opinion of the directors of the Company, the Group's revenue and profit for the year would not be materially impacted.

收購對本集團業績之影響

本年度溢利已計入北京可諾產生之歸屬額外業務之虧損約476,000港元。

倘該收購於二零二零年一月一日完成，本公司董事認為本集團於本年度之收益及溢利不會受到重大影響。

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46. DISPOSAL OF SUBSIDIARIES

In April 2020, the Group fully disposed of its 60% interest in Inner Mongolia Zhaoke Livestock Development Limited* (“**Zhaoke Livestock**”) to an independent third party at a cash consideration of RMB1,012,000 (equivalent to approximately HK\$1,097,000), and recorded a loss on disposal of approximately HK\$1,720,000.

In October 2020, the Group entered into a licensing agreement with ZKO and Zhaoke (Guangzhou) Ophthalmology Pharmaceutical Co., Limited, an indirect wholly-owned subsidiary of ZKO (together, the “**Licensors**”), pursuant to which an exclusive license right in relation to a licensed product has been granted by the Licensors to the Group. The Group settled the upfront payment for the licensing agreement by way of the repurchase of ZKO shares held by the Group by ZKO. Details of which were set out in the Company’s announcement dated 4 October 2020. Upon completion of the abovementioned share repurchase, the Group’s indirect interest in ZKO was reduced from 50.117% to 48.539% and the Group ceased to control ZKO and its subsidiaries (“**ZKO Group**”). The Group recorded a gain on disposal of ZKO Group of approximately HK\$157,345,000.

In aggregate, the Group recognised a net gain on disposal of subsidiaries of approximately HK\$155,625,000 in profit or loss which is included in “other gains and losses, net”.

Consideration received

Cash	現金
Intangible assets acquired	已收購無形資產

46. 出售附屬公司

於二零二零年四月，本集團以現金代價人民幣1,012,000元（相當於約1,097,000港元）將其於內蒙古兆科畜牧開發有限公司（「兆科畜牧」）之60%權益全數售予一名獨立第三方，錄得出售虧損約1,720,000港元。

於二零二零年十月，本集團與兆科眼科及兆科（廣州）眼科藥物有限公司（兆科眼科之間接全資附屬公司）（統稱「授權人」）訂立授權許可協議，據此，授權人向本集團授出有關授權產品之獨家許可權。本集團以由兆科眼科購回本集團所持兆科眼科股份之方式支付授權許可協議之預付金。詳情載於本公司日期為二零二零年十月四日之公告。於上述股份購回完成後，本集團於兆科眼科之間接權益由50.117%減少至48.539%，而本集團不再控制兆科眼科及其附屬公司（「兆科眼科集團」）。本集團錄得出售兆科眼科集團之收益約157,345,000港元。

綜合計算，本集團於損益確認出售附屬公司之收益淨額約155,625,000港元，歸入「其他收益及虧損淨額」項目。

已收代價

	ZKO Group 兆科眼科集團 HK\$'000 千港元	Zhaoke Livestock 兆科畜牧 HK\$'000 千港元
Cash	–	1,097
Intangible assets acquired	77,500	–
	77,500	1,097

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46. DISPOSAL OF SUBSIDIARIES (CONTINUED)

Analysis of assets and liabilities over which control was lost

46. 出售附屬公司(續)

失去控制權之資產及負債分析

		ZKO Group	Zhaoke Livestock
		兆科眼科集團	兆科畜牧
		HK\$'000	HK\$'000
		千港元	千港元
Property, plant and equipment (including right-of-use assets)	物業、廠房及設備(包括使用權資產)	148,365	1,725
Intangible assets	無形資產	164,066	-
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	62,085	2,168
Pledged deposits	已抵押存款	13,198	-
Time deposits	定期存款	74,414	-
Cash and bank balances	現金及銀行結餘	77,055	873
Other payables and accruals	其他應付款項及應計費用	(42,107)	(39)
Bank borrowings	銀行借款	(11,490)	-
Deferred tax liabilities	遞延稅項負債	(20,005)	-
Derivative financial liabilities	衍生財務負債	(83,587)	-
Net assets disposed of	已出售資產淨值	381,994	4,727

Gain (loss) on disposal of subsidiaries

出售附屬公司之收益(虧損)

		ZKO Group	Zhaoke Livestock
		兆科眼科集團	兆科畜牧
		HK\$'000	HK\$'000
		千港元	千港元
Consideration received	已收代價	77,500	1,097
Investment retained in the former subsidiaries at fair value	按公平值計量於前附屬公司之保留投資	180,641	-
Net assets disposed of	已出售資產淨值	(381,994)	(4,727)
Non-controlling interests	非控股權益	185,212	1,891
Reclassification of cumulative balances upon disposal of subsidiaries from equity to profit or loss	出售附屬公司時將累計結餘由權益重新分類至損益		
- Exchange reserve	- 匯兌儲備	3,441	19
- Other reserves	- 其他儲備	92,545	-
		157,345	(1,720)

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46. DISPOSAL OF SUBSIDIARIES (CONTINUED)

Net cash (outflow) inflow arising on disposal

		ZKO Group 兆科眼科集團 HK\$'000 千港元	Zhaoke Livestock 兆科畜牧 HK\$'000 千港元
Cash consideration received	已收現金代價	-	1,097
Less:	減：		
Pledged deposits	已抵押存款	(13,198)	-
Time deposits	定期存款	(74,414)	-
Cash and bank balances	現金及銀行結餘	(77,055)	(873)
		(164,667)	224

46. 出售附屬公司(續)

出售產生之現金(流出)流入淨額

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

1. General information of subsidiaries

Details of the Company's principal subsidiaries as at 31 December 2020 are set out as follows:

Name of subsidiary	Place of incorporation/ registration/ operations 註冊成立/ 登記/經營地點	Class of share 股份類別	Paid up issued/ registered capital 繳足已發行/ 註冊資本	Proportion ownership interest held by the Company 本公司所持有所有權權益比例		Principal activities 主要業務	
				Directly 直接	Indirectly 間接		
				2020 二零二零年	2019 二零一九年	2020 二零二零年	2019 二零一九年
Lee's Pharmaceutical International Limited	British Virgin Islands	Ordinary	US\$1	100%	100%	-	- Investment holding
Lee's Pharmaceutical International Limited	英屬處女群島	普通股	1美元	100%	100%	-	- 投資控股
LPH Investments Limited	Cayman Islands	Ordinary	US\$100	74%	74%	-	- Investment holding
LPH Investments Limited	開曼群島	普通股	100美元	74%	74%	-	- 投資控股
LPH II Investments Limited	Cayman Islands	Ordinary	US\$100	100%	100%	-	- Investment holding
LPH II Investments Limited	開曼群島	普通股	100美元	100%	100%	-	- 投資控股

47. 本公司主要附屬公司詳情

1. 附屬公司之一般資料

本公司之主要附屬公司於二零二零年十二月三十一日之詳情載列如下：

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47. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

47. 本公司主要附屬公司詳情(續)

1. General information of subsidiaries (Continued)

1. 附屬公司之一般資料(續)

Name of subsidiary	Place of incorporation/ registration/ operations	Class of share	Paid up issued/ registered capital	Proportion ownership interest held by the Company				Principal activities
附屬公司名稱	註冊成立／ 登記／經營地點	股份類別	繳足已發行／ 註冊資本	本公司所持有所有權權益比例				主要業務
				Directly 直接	Indirectly 間接			
				2020 二零二零年	2019 二零一九年	2020 二零二零年	2019 二零一九年	
China Cardiovascular Focus Limited	British Virgin Islands	Ordinary	US\$1	—	—	100%	100%	Investment holding
中國心血管醫療有限公司	英屬處女群島	普通股	1美元	—	—	100%	100%	投資控股
Guangzhou Zhao Kang Hospital Co. Ltd* (Note a)	PRC	Paid-up capital	US\$19,000,000	—	—	100%	100%	Hospital and medical care
廣州兆康醫院有限公司 (附註a)	中國	繳足股本	19,000,000美元	—	—	100%	100%	醫院及醫療護理
Lee’s Pharmaceutical (HK) Limited	Hong Kong	Ordinary	HK\$18,400,000	—	—	100%	100%	Investment holding and trading of pharmaceutical products
李氏大藥廠(香港)有限公司	香港	普通股	18,400,000港元	—	—	100%	100%	投資控股及買賣藥品
Zhaoke Pharmaceutical (HK) Limited	Hong Kong	Ordinary	HK\$1,000,000	—	—	100%	100%	Investment holding
兆科藥業(香港)有限公司	香港	普通股	1,000,000港元	—	—	100%	100%	投資控股
Zhaoke Pharmaceutical (Hefei) Co. Limited* (Note a)	PRC	Paid-up capital	US\$2,000,000	—	—	100%	100%	Manufactures and sale of pharmaceutical products
兆科藥業(合肥)有限公司 (附註a)	中國	繳足股本	2,000,000美元	—	—	100%	100%	製造及銷售藥品
Zhaoke Pharmaceutical (Guangzhou) Limited* (Note a)	PRC	Paid-up capital	US\$16,000,000	—	—	100%	100%	Trading of pharmaceutical products
兆科藥業(廣州)有限公司 (附註a)	中國	繳足股本	16,000,000美元	—	—	100%	100%	買賣藥品
Zhao Kang Medical Investment Limited	Cayman Islands	Ordinary	US\$1,000	—	—	100%	100%	Investment holding
兆康醫療投資有限公司	開曼群島	普通股	1,000美元	—	—	100%	100%	投資控股
Zhao Kang Medical HK Limited	Hong Kong	Ordinary	HK\$10,000	—	—	100%	100%	Not yet commenced business
兆康醫療香港有限公司	香港	普通股	10,000港元	—	—	100%	100%	尚未開展業務

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47. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

47. 本公司主要附屬公司詳情(續)

1. General information of subsidiaries (Continued)

1. 附屬公司之一般資料(續)

Name of subsidiary	Place of incorporation/ registration/ operations	Class of share	Paid up issued/ registered capital	Proportion ownership interest held by the Company				Principal activities
附屬公司名稱	註冊成立／ 登記／經營地點	股份類別	繳足已發行／ 註冊資本	本公司所持有所有權權益比例				主要業務
				Directly 直接		Indirectly 間接		
				2020 二零二零年	2019 二零一九年	2020 二零二零年	2019 二零一九年	
Guangzhou Zhaoke Lian Fa Pharmaceutical Limited* (Note a)	PRC	Paid-up capital	US\$1,000,000	—	—	100%	100%	Trading of pharmaceutical products
廣州兆科聯發醫藥有限公司 (附註a)	中國	繳足股本	1,000,000美元	—	—	100%	100%	買賣藥品
Zhaoke Lian Fa (Guangzhou) Biotechnology Limited* (Note a)	PRC	Paid-up capital	RMB700,000 (2019: RMB500,000)	—	—	100%	100%	Not yet commenced business
兆科聯發(廣州)生物科技有限公司 (附註a)	中國	繳足股本	人民幣700,000元 (二零一九年：人民幣500,000元)	—	—	100%	100%	尚未開展業務
Zhaoke Lian Fa (Guangzhou) Logistic Limited* (Note a)	PRC	Paid-up capital	RMB500,000	—	—	100%	100%	Not yet commenced business
兆科聯發(廣州)物流有限公司 (附註a)	中國	繳足股本	人民幣500,000元	—	—	100%	100%	尚未開展業務
Zhaoke Lian Fa (Guangzhou) Business Services Limited* (Note a)	PRC	Paid-up capital	RMB500,000	—	—	100%	100%	Not yet commenced business
兆科聯發(廣州)商務服務有限公司(附註a)	中國	繳足股本	人民幣500,000元	—	—	100%	100%	尚未開展業務
Lee's Pharmaceutical Taiwan Limited* (Note a)	Taiwan	Ordinary	NTD1,000,000	—	—	100%	100%	Trading of pharmaceutical products
台灣李氏藥業有限公司 (附註a)	台灣	普通股	新台幣1,000,000元	—	—	100%	100%	買賣藥品
Lee's Pharm Genomics Lab Limited	Hong Kong	Ordinary	HK\$1	—	—	100%	100%	Not yet commenced business
李氏大藥廠基因實驗室有限公司	香港	普通股	1港元	—	—	100%	100%	尚未開展業務

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47. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

47. 本公司主要附屬公司詳情(續)

1. General information of subsidiaries (Continued)

1. 附屬公司之一般資料(續)

Name of subsidiary	Place of incorporation/ registration/ operations	Class of share	Paid up issued/ registered capital	Proportion ownership interest held by the Company		Principal activities
附屬公司名稱	註冊成立/ 登記/經營地點	股份類別	繳足已發行/ 註冊資本	本公司所持有所有權權益比例		主要業務
				Directly 直接	Indirectly 間接	
				2020 二零二零年	2019 二零一九年	2020 二零二零年
Dreamboat Ventures Limited	British Virgin Islands	Ordinary	US\$1	-	-	100%
Dreamboat Ventures Limited	英屬處女群島	普通股	1美元	-	-	100%
Lee's Keno Pharmaceutical Limited	Hong Kong	Ordinary	HK\$1	-	-	100%
李氏可諾醫藥有限公司	香港	普通股	1港元	-	-	100%
Beijing Keno Pharmaceutical Technology Limited* (Note b)	PRC	Paid-up capital	Nil	-	-	51% (Note 45)
北京可諾醫藥科技有限公司 (附註b)	中國	繳足股本	零	-	-	51% (附註45)
Inner Mongolia Zhaoke Livestock Development Limited* (Note b)	PRC	Paid-up capital	2019: RMB5,000,000	-	-	- (Note 46)
內蒙古兆科畜牧開發有限公司 (附註b)	中國	繳足股本	二零一九年: 人民幣 5,000,000元	-	-	- (附註46)
CVie Therapeutics Company Limited	Cayman Islands	Ordinary	US\$135,000	-	-	56.26%
中國生命藥物治療有限公司	開曼群島	普通股	135,000美元	-	-	56.26%
CVie Therapeutics (HK) Limited	Hong Kong	Ordinary	HK\$500,000	-	-	56.26%
中國生命藥物治療(香港)有限公司	香港	普通股	500,000港元	-	-	56.26%
China Oncology Focus Limited	British Virgin Islands	Ordinary	US\$226,200 (2019: US\$173,000)	-	-	65%
中國腫瘤醫療有限公司	英屬處女群島	普通股	226,200美元 (二零一九年: 173,000美元)	-	-	65%
Zhaoke (Hong Kong) Oncology Pharmaceutical Limited	Hong Kong	Ordinary	HK\$10,000	-	-	65%
兆科(香港)腫瘤藥物有限公司	香港	普通股	10,000港元	-	-	65%

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47. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

47. 本公司主要附屬公司詳情(續)

1. General information of subsidiaries (Continued)

1. 附屬公司之一般資料(續)

Name of subsidiary	Place of incorporation/ registration/ operations	Class of share	Paid up issued/ registered capital	Proportion ownership interest held by the Company				Principal activities
附屬公司名稱	註冊成立／ 登記／經營地點	股份類別	繳足已發行／ 註冊資本	本公司所持有所有權權益比例				主要業務
				Directly 直接		Indirectly 間接		
				2020 二零二零年	2019 二零一九年	2020 二零二零年	2019 二零一九年	
Zhaoke (Guangzhou) Oncology Pharmaceutical Limited* (Note a)	PRC	Paid-up capital	US\$5,000,000 (2019: US\$4,000,000)	—	—	65%	65%	Development of oncology products
兆科(廣州)腫瘤藥物有限公司 (附註a)	中國	繳足股本	5,000,000美元 (二零一九年：4,000,000美元)	—	—	65%	65%	開發腫瘤產品
Zhaoke Ophthalmology Limited	British Virgin Islands ^c	Ordinary Series A preferred	2019: US\$40 2019: US\$33.43	—	—	N/A (Note 46)	50.12%	Investment holding
兆科眼科有限公司	英屬處女群島 [^]	普通股 A系列優先股	二零一九年：40美元 二零一九年：33.43美元	—	—	不適用 (附註46)	50.12%	投資控股
Zhaoke (Hong Kong) Ophthalmology Pharmaceutical Limited	Hong Kong	Ordinary	2019: HK\$10,000	—	—	N/A (Note 46)	50.12%	Development of ophthalmic drugs
兆科(香港)眼科藥物有限公司	香港	普通股	二零一九年：10,000港元	—	—	不適用 (附註46)	50.12%	開發眼科產品
Zhaoke (Guangzhou) Ophthalmology Pharmaceutical Co., Limited* (Note a)	PRC	Paid-up capital	2019: US\$16,000,000	—	—	N/A (Note 46)	50.12%	Development and manufacturing of ophthalmic drugs
兆科(廣州)眼科藥物有限公司 (附註a)	中國	繳足股本	二零一九年：16,000,000美元	—	—	不適用 (附註46)	50.12%	開發及製造眼科產品

* For identification purpose only

* 僅供識別

^ Incorporated in British Virgin Islands and redomiciled to the Cayman Islands on 2 June 2020.

^ 於英屬處女群島註冊成立並於二零二零年六月二日遷至開曼群島。

Notes:

附註:

a. These are wholly-foreign-owned enterprises.

a. 此為外商獨資企業。

b. These are sino-foreign equity joint enterprises.

b. 此為中外合資經營企業。

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47. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

2. Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below show details of non-wholly owned subsidiaries of the Group that has material non-controlling interests at the end of the current year:

Name of subsidiary 附屬公司名稱	Place of incorporation/ operations 註冊成立/經營地點	Proportion of ownership interest and voting rights held by non-controlling interests 非控股權益所持有之所有權權益及投票權比例		Loss allocated to non-controlling interests 分配予非控股權益之虧損		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 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
China Oncology Focus Limited ("COF") (Note)	British Virgin Islands	35.00%	35.00%	(25,988)	(46,474)	(9,347)	(16,486)
中國腫瘤醫療有限公司(「COF」)(附註)	英屬處女群島	35.00%	35.00%	(25,988)	(46,474)	(9,347)	(16,486)
Zhaoke Ophthalmology Limited ("ZKO") (Note)	British Virgin Islands*	N/A (Note 46)	49.88%	(24,209)	(10,954)	N/A (Note 46)	206,131
兆科眼科有限公司(「兆科眼科」)(附註)	英屬處女群島*	不適用 (附註46)	49.88%	(24,209)	(10,954)	不適用 (附註46)	206,131

Note: Include its wholly-owned subsidiaries.

* Incorporated in British Virgin Islands and redomiciled to the Cayman Islands on 2 June 2020.

Summarised financial information in respect of Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

47. 本公司主要附屬公司詳情(續)

2. 擁有重大非控股權益之非全資附屬公司之詳情

以下顯示本集團於本年度完結時擁有重大非控股權益之非全資附屬公司之詳情：

附註：包括其全資附屬公司。

* 於英屬處女群島註冊成立並於二零二零年六月二日遷至開曼群島。

有關擁有重大非控股權益之本集團附屬公司之財務資料概要載列如下。以下財務資料概要為於集團內公司間對銷前之金額。

		COF and its subsidiaries COF及其附屬公司		ZKO and its subsidiaries 兆科眼科及其附屬公司	
		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
Current assets	流動資產	127,215	40,452	N/A不適用	294,503
Non-current assets	非流動資產	110,091	72,117	N/A不適用	233,762
Current liabilities	流動負債	260,545	156,632	N/A不適用	21,490
Non-current liabilities	非流動負債	1,563	1,136	N/A不適用	92,683
Equity attributable to the owners of the Company	本公司擁有人應佔權益	(16,121)	(29,379)	N/A不適用	207,530
Non-controlling interests	非控股權益	(8,681)	(15,820)	N/A不適用	206,562

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47. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

2. Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued)

47. 本公司主要附屬公司詳情(續)

2. 擁有重大非控股權益之非全資附屬公司之詳情(續)

		COF and its subsidiaries COF及其附屬公司		ZKO and its subsidiaries 兆科眼科及其附屬公司	
		Year ended 2020 截至二零二零年止年度 HK\$'000 千港元	Year ended 2019 截至二零一九年止年度 HK\$'000 千港元	1 January 2020 to 2 October 2020 二零二零年一月一日至二零二零年十月二日 HK\$'000 千港元	Year ended 2019 截至二零一九年止年度 HK\$'000 千港元
Revenue	收益	2,894	4	2,421	10,023
Expenses	開支	(77,145)	(132,786)	(50,952)	(41,462)
Loss for the year	本年度虧損	(74,251)	(132,782)	(48,531)	(31,439)
Loss attributable to the owners of the Company	本公司擁有人應佔虧損	(48,263)	(86,308)	(24,322)	(15,756)
Loss attributable to the non-controlling interests	非控股權益應佔虧損	(25,988)	(46,474)	(24,209)	(15,683)
Loss for the year	本年度虧損	(74,251)	(132,782)	(48,531)	(31,439)
Other comprehensive income (expense) attributable to the owners of the Company	本公司擁有人應佔其他全面收益(開支)	3,531	506	3,306	(1,408)
Other comprehensive income (expense) attributable to non-controlling interests	非控股權益應佔其他全面收益(開支)	1,901	272	3,290	(1,402)
Other comprehensive income (expense) for the year	本年度其他全面收益(開支)	5,432	778	6,596	(2,810)
Total comprehensive expense attributable to the owners of the Company	本公司擁有人應佔全面開支總額	(44,732)	(85,802)	(21,016)	(17,164)
Total comprehensive expense attributable to non-controlling interests	非控股權益應佔全面開支總額	(24,087)	(46,202)	(20,919)	(17,085)
Total comprehensive expense for the year	本年度全面開支總額	(68,819)	(132,004)	(41,935)	(34,249)

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47. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

2. Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued)

47. 本公司主要附屬公司詳情(續)

2. 擁有重大非控股權益之非全資附屬公司之詳情(續)

		COF and its subsidiaries COF及其附屬公司		ZKO and its subsidiaries 兆科眼科及其附屬公司	
		Year ended 2020 截至二零二零年止年度 HK\$'000 千港元	Year ended 2019 截至二零一九年止年度 HK\$'000 千港元	1 January 2020 to 2 October 2020 二零二零年一月一日至二零二零年十月二日 HK\$'000 千港元	Year ended 2019 截至二零一九年止年度 HK\$'000 千港元
Dividend paid to non-controlling interests	已付非控股權益之股息	-	-	-	-
Net cash outflow from operating activities	經營活動現金流出淨額	(64,620)	(52,571)	(48,404)	(77,487)
Net cash outflow from investing activities	投資活動現金流出淨額	(30,792)	(23,077)	(73,133)	(55,723)
Net cash inflow from financing activities	融資活動現金流入淨額	89,033	77,730	7,415	393,031
Net cash (outflow) inflow	現金(流出)流入淨額	(6,379)	2,082	(114,122)	259,821

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47. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

3. *Change in ownership interests in subsidiaries*

Deemed disposal of interests in subsidiaries

In March 2019, ZKO, a wholly-owned subsidiary of the Company, issued 32,000 and 367,999 ordinary shares to an independent third party and Lee's Pharmaceutical International Limited, a wholly-owned subsidiary of the Company, for total consideration of approximately US\$20,000,000 (equivalent to approximately HK\$156,000,000) of which US\$1,600,000 (equivalent to approximately HK\$12,406,000) was contributed by minority shareholder, and the Group's shareholding in ZKO was diluted from 100% to 92%.

In June 2019, ZKO further issued 334,280 series A preferred shares to independent third parties for a total consideration of US\$50,000,000 (equivalent to approximately HK\$390,000,000), net of legal expense approximate to HK\$4,813,000. The Group's shareholding in ZKO was further diluted from 92% to 50.117%. Details of which were set out in the Company's announcement dated 23 May 2019.

As the Group retained control over ZKO after the above transactions, the Group recognised, in aggregate, a gain on deemed disposal of interests in ZKO of approximately HK\$92,545,000 under "other reserves" within equity, and an increase in non-controlling interests of approximately HK\$218,412,000 during the year ended 31 December 2019.

47. 本公司主要附屬公司詳情(續)

3. 於附屬公司所有權權益之變更

視為出售附屬公司之權益

於二零一九年三月，本公司的全資附屬公司兆科眼科向獨立第三方及 Lee's Pharmaceutical International Limited (本公司的一間全資附屬公司) 發行 32,000 股及 367,999 股普通股，總代價約為 20,000,000 美元 (相當於約 156,000,000 港元)，其中 1,600,000 美元 (相當於約 12,406,000 港元) 由少數股東出資，而本集團於兆科眼科的股權由 100% 攤薄至 92%。

於二零一九年六月，兆科眼科進一步向獨立第三方發行 334,280 股 A 系列優先股，總代價為 50,000,000 美元 (相當於約 390,000,000 港元)，扣除法律開支約 4,813,000 港元。本集團於兆科眼科的股權進一步從 92% 攤薄至 50.117%。有關詳情載於本公司日期為二零一九年五月二十三日之公告。

由於本集團在上述交易後保留對兆科眼科的控制權，本集團於截至二零一九年十二月三十一日止年度於權益內「其他儲備」下確認視為出售兆科眼科權益之收益合共約 92,545,000 港元及非控股權益之增加約 218,412,000 港元。

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48. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

48. 本公司財務狀況表及儲備

		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		
Interests in subsidiaries	於附屬公司權益	694,985	691,042
Investment in an associate	於一間聯營公司之投資	3,027	10,000
Financial assets at fair value through profit or loss	按公平值透過損益列賬之財務資產	17,824	8,355
Financial assets at fair value through other comprehensive income	按公平值透過其他全面收益列賬之財務資產	172,796	142,302
		888,632	851,699
Current assets	流動資產		
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	18,447	2,688
Pledged bank deposits	已抵押銀行存款	20,150	39,000
Cash and bank balances	現金及銀行結餘	9,763	4,335
		48,360	46,023
Current liabilities	流動負債		
Other payables	其他應付款項	5,878	480
Tax payables	應付稅款	407	–
		6,285	480
Net current assets	流動資產淨值	42,075	45,543
Total assets less current liabilities	資產總值減流動負債	930,707	897,242
Capital and reserves	資本及儲備		
Share capital	股本	29,406	29,396
Reserves	儲備	797,301	778,616
Total equity	總權益	826,707	808,012
Non-current liability	非流動負債		
Retirement benefits	退休福利	104,000	89,230
		930,707	897,242

The Company's statement of financial position was approved and authorised for issue by the board of directors on 30 March 2021 and are signed on its behalf by:

本公司財務狀況表已於二零二一年三月三十日經董事會核准及授權公佈，並由下列董事代表簽署：

Lee Siu Fong
李小芳
DIRECTOR
董事

Leelalertsuphakun Wanee
李燁妮
DIRECTOR
董事

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48. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

48. 本公司財務狀況表及儲備(續)

Movement in the Company's reserves

本公司之儲備變動

		Share premium 股份溢價 HK\$'000 千港元	Merger difference 合併差額 HK\$'000 千港元	Share-based compensation reserve 以股份支付之酬金儲備 HK\$'000 千港元	Investments revaluation reserve 投資重估儲備 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2020	於二零二零年一月一日	714,146	9,200	23,675	(38,915)	70,510	778,616
Employee share option benefits	僱員購股權福利	-	-	17,442	-	-	17,442
Exercise of share options	行使購股權	667	-	(231)	-	-	436
Share options lapsed	已失效購股權	-	-	(39)	-	39	-
Profit for the year	本年度溢利	-	-	-	-	19,775	19,775
Other comprehensive income for the year	本年度其他全面收入	-	-	-	-	-	-
- Fair value changes of financial assets at fair value through other comprehensive income	- 按公平值透過其他全面收益列賬財務資產之公平值變動	-	-	-	19,260	-	19,260
Total comprehensive income for the year	本年度全面收入總額	-	-	-	19,260	19,775	39,035
2019 final dividend paid	已付二零一九年末期股息	-	-	-	-	(22,349)	(22,349)
2020 interim dividend paid	已付二零二零年中期股息	-	-	-	-	(15,879)	(15,879)
At 31 December 2020	於二零二零年十二月三十一日	714,813	9,200	40,847	(19,655)	52,096	797,301
At 1 January 2019	於二零一九年一月一日	731,771	9,200	18,661	(46,853)	30,310	743,089
Employee share option benefits	僱員購股權福利	-	-	5,461	-	-	5,461
Exercise of share options	行使購股權	1,828	-	(447)	-	-	1,381
Repurchase and cancellation of ordinary shares	購回及註銷普通股	(19,453)	-	-	-	-	(19,453)
Profit for the year	本年度溢利	-	-	-	-	100,616	100,616
Other comprehensive income for the year	本年度其他全面開支	-	-	-	-	-	-
- Fair value changes of financial assets at fair value through other comprehensive income	- 按公平值透過其他全面收益列賬財務資產之公平值變動	-	-	-	7,938	-	7,938
Total comprehensive income for the year	本年度全面收入總額	-	-	-	7,938	100,616	108,554
2018 final dividend paid	已付二零一八年末期股息	-	-	-	-	(49,754)	(49,754)
2019 interim dividend paid	已付二零一九年中期股息	-	-	-	-	(10,662)	(10,662)
At 31 December 2019	於二零一九年十二月三十一日	714,146	9,200	23,675	(38,915)	70,510	778,616

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49. OPERATING LEASE ARRANGEMENTS

The Group as lessor

The Group usually, as a lessor, entered into leasing arrangements for a period of 1 to 3 years.

Undiscounted lease payments receivables by the Group in future periods under non-cancellable operating leases with its tenants are as follow:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Within one year	一年內	2,329	424
In the second year	第二年	—	—
In the third year	第三年	—	—
In the fourth year	第四年	—	—
In the fifth year	第五年	—	—
After five years	五年後	—	—
		2,329	424

50. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

49. 經營租賃安排

本集團作為出租人

本集團一般(作為出租人)訂立為期一至三年之租賃安排。

本集團於未來期間根據與其租戶訂立的不可撤銷經營租賃應收的未貼現租賃付款如下：

50. 比較數字

若干比較數字已重新分類，以符合本年度之列報方式。

