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# CORPORATE INFORMATION

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

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

#### Independent Non-executive Directors

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

### AUDIT COMMITTEE

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

### REMUNERATION COMMITTEE

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

### NOMINATION COMMITTEE

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

### JOINT COMPANY SECRETARIES

Mr. LIU Kwok Wah  
Ms. WONG Sau Kuen

### HONG KONG LEGAL ADVISERS

Chiu & Partners Solicitors

### INDEPENDENT AUDITOR

Elite Partners CPA Limited  
*Certified Public Accountants*

### 董事會

#### 執行董事

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

#### 獨立非執行董事

方林虎先生  
薛京倫先生  
金松女士

#### 審核委員會

方林虎先生 (*主席*)  
薛京倫先生  
金松女士

#### 薪酬委員會

方林虎先生 (*主席*)  
薛京倫先生  
金松女士  
謝毅博士

#### 提名委員會

謝毅博士 (*主席*)  
方林虎先生  
薛京倫先生  
金松女士

#### 聯席公司秘書

廖國華先生  
王秀娟女士

#### 香港法律顧問

趙不渝 • 馬國強律師事務所

#### 獨立核數師

開元信德會計師事務所有限公司  
*執業會計師*

# CORPORATE INFORMATION (CONTINUED)

## 公司資料(續)

### REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

### 註冊辦事處

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

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

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

### 總辦事處及香港主要營業地點

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

### PRINCIPAL BANKERS

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

### 主要往來銀行

中國工商銀行(亞洲)有限公司  
東亞銀行有限公司

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

### 股份過戶登記總處

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

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

### 香港股份過戶登記分處

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

### WEBSITE

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

### 網站

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

### STOCK CODE

The Stock Exchange of Hong Kong Limited: 00858

### 股份代號

香港聯合交易所有限公司：00858

# CHAIRMAN'S STATEMENT 主席報告

## Dear Shareholders 致各位股東：

On behalf of the board of directors (the “Board”) of Extrawell Pharmaceutical Holdings Limited (the “Company”) together with its subsidiaries (the “Group”), I am pleased to present the annual report of the Group for the year ended 31 March 2021 (“FY 2021”).

本人謹代表精優藥業控股有限公司（「本公司」）連同其附屬公司（「本集團」）董事會（「董事會」）欣然提呈本集團截至二零二一年三月三十一日止年度（「二零二一財年」）之年報。



# CHAIRMAN'S STATEMENT

## 主席報告

The outbreak of novel coronavirus pneumonia (COVID-19) since the early 2020 has posed unprecedented challenges worldwide. The ongoing COVID-19 situation has caused far-reaching economic consequences that have impacted on the global economy and ecosystems. With strict implementation of control and prevention measures and deployment of vaccines, across countries and territories around the world, the COVID-19 situation seems to have stabilised, and the global economy has gradually recovered albeit at a slow pace. In 2020, China's economy grew by 2.3%, the lowest pace in more than four decades, despite its picking up speed at 6.5% year-on-year in the fourth quarter of 2020, however, it is the only major economy to grow in 2020. China's economy has seen a strong rebound in the first quarter of 2021 to record growth of 18.3% year-on-year from a contraction of 6.8% of 2020, boosted by strengthening domestic and global demand, strict virus containment measures and the Chinese government's continued fiscal and monetary support.

Amid the uncertainties and challenges brought by the ongoing COVID-19 pandemic and the escalating tensions between China and the United States, the Chinese government has strived to build the new development pattern of "dual circulation" featuring domestic and international dual circulations that complement each other, placing emphasis on boosting domestic demand and further opening up the domestic market. The new development pattern is expected to facilitate China's achieving sustained and healthy economic development with a focus on higher quality growth for the years to come. In 2021, the adoption of the Fourteenth Five-Year Plan (2021-2025), with its focus on high-quality and innovation-led growth, and the new "dual circulation" development pattern, together with the Long-Range Objectives Through the Year 2035, shall create new strengths for China's economic and social development in an all-round way, while China is heading for its long-range objectives of building a great modern socialist country through year 2035.

自二零二零年初以來，新型冠狀病毒肺炎（「新冠病毒肺炎」）爆發為世界各地帶來前所未有之挑戰。新冠病毒肺炎疫情持續肆虐對經濟造成深遠影響，衝擊全球經濟及生態系統。隨著世界各國及地區嚴格執行防控措施及調配疫苗，新冠病毒肺炎疫情漸見穩定，而全球經濟亦逐步復甦，惟速度仍然緩慢。縱然中國經濟於二零二零年第四季度的增長步伐加快並錄得同比增長6.5%，惟中國於二零二零年的全年經濟增長2.3%，為逾四十年來的最低增速，儘管如此，中國為唯一於二零二零年錄得增長之主要經濟體。受國內及全球之需求增強、推行嚴格病毒控制措施以及中國政府持續給予財政及貨幣支持之推動下，中國經濟於二零二一年第一季度迎來強勁反彈，錄得同比增長18.3%而二零二零年則為收縮6.8%。

新冠病毒肺炎疫情持續延燒加上中美緊張局勢升級帶來不明朗因素及種種挑戰，中國政府已著手致力構建國內國際雙循環相互促進之「雙循環」新發展格局，聚焦提振內需及進一步開放國內市場。新發展格局預期可促進中國於未來幾年實現經濟持續穩健發展，並著重追求更高質量發展。於二零二一年，採納以高質量及創新引領發展為主調之第十四個五年規劃（二零二一年至二零二五年）及新「雙循環」發展格局，連同二零三五年遠景目標，將為中國經濟及社會全面發展創造新動力，而中國正朝著到二零三五年建設社會主義現代化強國之遠景目標邁進。

# CHAIRMAN'S STATEMENT (CONTINUED)

## 主席報告(續)

During FY2021, China's pharmaceutical industry demonstrated a significant recovery from the second half of 2020 along with the rebound of China's economy as activities in many sectors have gradually picked up and adapted to the normalisation of pandemic restrictions. In addition to the Chinese government's effective containment measures in avoiding new waves of infection to disrupt economic and social activities, the development of pharmaceutical online platforms emerged during the pandemic further facilitates patients to access services including online healthcare, consultation, e-prescription and drug purchase. Given that the outbreak of COVID-19 has posed major threats to large-scale populations, public awareness towards disease prevention and control is rising, leading to an increasing demand for health care in term of prevention and treatment. The sustained implementation of major healthcare reform policies, in particular, the extending centralised drug procurement program, the adjustments to the reimbursement drug list and the enhancement of the medical insurance system, continue to impact on the operating environment of pharmaceutical enterprises, while recent regulatory reforms in speeding up registrations of new drugs that are of high clinical value in addressing the urgent need for certain medications, including for cancer and rare diseases, encourage research and development of new drugs from domestic enterprises and accelerate the entry of new drugs from overseas. China's pharmaceutical industry is undergoing transformation towards high-quality and innovation-focused development with the support of national policies.

Under the highly complicated operating environment influenced by the COVID-19 pandemic, the Group has strategically kept reinforcing its fundamentals by enhancing its production capacity and operational efficiency of its manufacturing segment, and through years' continuous efforts in improving the performance of the manufacturing segment, the segment continued to deliver positive results in FY2021. Although the trading segment was loss-making due to the impacts of loss of sales contribution from the imported products which were suspended due to issues of manufacturing practices, there was a decrease in the segment loss, primarily attributable to management's efforts in recovery of impaired receivables and cost control. Overall, the operating results of the Group's business segments remained steady in FY2021.

於二零二一財年，隨著眾多行業活動逐漸回復及適應疫情限制常態化，中國經濟迎來反彈，中國醫藥行業自二零二零年下半年開始明顯復甦。除了中國政府推行有效控制措施，避免新一波感染擾亂經濟及社會活動外，醫藥線上平台於疫情期間出現之發展亦進一步方便患者獲得多種服務，包括線上醫療、諮詢、電子處方及藥物購買。鑑於爆發新冠病毒肺炎對大規模人口造成重大威脅，普羅大眾對疾病防控之意識正在提高，導致對預防及治療之醫療保健需求不斷增加。重大醫改政策持續實施（特別是擴大藥品集中採購計劃、調整醫保藥品目錄及完善醫保制度）繼續對醫藥企業之經營環境造成影響，而近期之監管改革有關加快新藥註冊（在解決若干藥物治療（包括癌症及罕見病）之迫切需要方面具有較高臨床價值），亦鼓勵國內企業研發新藥及加快海外新藥進入市場。在國家政策支持下，中國醫藥行業正在轉型，邁向著重高質量及創新之發展。

基於經營環境受新冠病毒肺炎疫情影響而變得十分複雜，本集團策略上透過提高其製造分類之生產能力及營運效率不斷鞏固其基礎，而通過多年來堅持不懈努力改善製造分類之表現，該分類於二零二一財年繼續取得正面成果。儘管受到進口產品因生產規範問題而遭中止，導致產生銷售貢獻損失之影響，使貿易分類處於虧損狀況，惟分類虧損已有所減少，此主要歸功於管理層努力收回已減值應收賬款及控制成本。總體而言，於二零二一財年，本集團旗下業務分類之經營業績保持平穩。

# CHAIRMAN'S STATEMENT (CONTINUED)

## 主席報告(續)

The Group's loss for the year attributable to owners of the Company amounted to about HK\$121.1 million as compared to a profit of about HK\$83.3 million of last year, representing a decrease of about HK\$204.4 million, primarily attributable to the loss from fair value change of the Group's investments in convertible bonds, which is a non-cash item.

While the world is struggling under the prolonged pandemic situation and, in the race to develop vaccines to combat coronavirus, China has demonstrated its resilience in economic recovery and forged ahead to enhance its health system which will reshape its domestic pharmaceutical market and spur innovation in the long term. China's pharmaceutical industry will continue to develop steadily, propelled by the huge and aging population, rising prevalence of chronic diseases and rare diseases, increasing health awareness and life expectancy coupled with improving living standards nationwide. In face of the intensifying efforts by the Chinese authorities in promoting the healthcare reforms, the Group will remain agile in responding to the changes in national policies, and will align its internal resources with the development direction of the pharmaceutical industry under the newly adopted Fourteenth Five-Year Plan. As the Group's long-term strategic direction, it will continue to stay focused on strengthening the core competitiveness of its manufacturing segment by advancing its production capability and developing its self-manufactured products, thereby fostering the sustainable development of the Group. In light of the ever-increasing diabetic population in China forced by its rapidly aging population and increasing life expectancy, the Group believes that market demand for quality diabetes drugs is enormous and the Group would justify its investments in Smart Ascent Limited and its subsidiaries as a minority shareholder, when the in-process research and development of the oral insulin product which the clinical trial is ongoing, would bear fruit in the future.

本公司擁有人應佔本集團之年度虧損為約121,100,000港元，較上一個年度之溢利約83,300,000港元減少約204,400,000港元，主要歸因於本集團可換股債券投資之公平值變動虧損(為非現金項目)。

當世界各地仍正在為疫情長時間持續而掙扎求存之際，於開發抗擊冠狀病毒之疫苗競賽中，中國於經濟復甦方面展現應變能力，並銳意加強其衛生系統，此舉將重塑其長遠的國內醫藥市場，鼓勵創新。於人口數目龐大及老齡化、慢性病及罕見病發病率上升、健康意識及預期壽命提高以及全國生活水平提升之推動下，中國醫藥行業將繼續穩步發展。面對中國當局加大力度推進醫療改革，本集團將保持靈活應對國家政策變化，並將其內部資源與新採納第十四個五年規劃中對醫藥行業之發展指導方針保持一致。作為本集團之長期策略性方針，其將繼續專注於通過提高生產能力及發展自製產品以增強其製造分類之核心競爭力，從而促進本集團之可持續發展。鑑於中國人口迅速老齡化及預期壽命提高促使糖尿病人口不斷增加，本集團深信優質糖尿病藥物之市場需求龐大，當目前正進行研發工作之口服胰島素產品(現正進行臨床試驗)於未來取得成果時，本集團將證明其作為少數股東於進生有限公司及其附屬公司之投資屬合理之舉。



# CHAIRMAN'S STATEMENT (CONTINUED)

## 主席報告(續)

The outbreak of COVID-19 is a global crisis that has devastating impact on the social and economic sectors globally beyond the life-threatening consequences, which highlights the importance of public health and arouses people's health consciousness. The Group believes that the macro business environment and operating conditions will gradually improve as mass vaccination programmes in many countries including China are underway. China's pharmaceutical industry will benefit from the continuing economic recovery and maintain a sustainable development trend in light of China's national plans to achieve Healthy China by year 2030 and socialist modernisation by 2035. The Group is cautiously optimistic on its future. Buttressed upon the Group's sound financial position, the Group will continue to navigate these extraordinary times brought by the COVID-19 pandemic, by optimising its internal management and resources allocation and timely responding to various challenges emerged from the complicated operating environment, in an effort to improve its operating performance and preserve financial flexibility, thus strengthening its fundamentals for sustainable development of the Group.

On behalf of the Board, I would like to express its appreciation to all those in the Group for their commitment to maintaining operations amidst the difficult pandemic situation, as well as their dedicated efforts and contribution to the Group during FY2021, and to the shareholders, business partners and other stakeholders for their continuous support.

**Dr. Xie Yi**  
Chairman  
Hong Kong, 29 June 2021

新冠病毒肺炎爆發屬全球性危機，除威脅生命外，亦對全球社會及經濟領域造成破壞性影響，當中突顯公共衛生重要性，並喚起大眾健康意識。本集團相信，隨著包括中國在內之眾多國家展開大規模疫苗接種計劃，宏觀商業環境及經營狀況將得以逐步改善。中國醫藥行業將受益於經濟持續復甦，而有見於中國於二零三零年前實現健康中國之國家政策並在二零三五年前實現社會主義現代化，行業之可持續發展勢頭得以維持。本集團對其未來前景抱持審慎樂觀態度。憑藉本集團之穩健財務狀況，本集團將繼續於新冠病毒肺炎疫情之非常時期迎難而上，優化其內部管理及資源配置，並及時應對複雜經營環境中湧現之種種挑戰，致力改善其經營業績及保持財務靈活性，從而為本集團之可持續發展夯實基礎。

本人謹代表董事會衷心感謝本集團全體員工於嚴峻疫情下致力維持營運，並於二零二一財年為本集團付出不懈努力及貢獻，同時亦對股東、業務夥伴及其他利益相關者一如既往之支持致以謝意。

主席  
**謝毅博士**  
香港，二零二一年六月二十九日

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### BUSINESS REVIEW

#### Overall Performance Review

Global economy in 2020 was severely impacted by the COVID-19 outbreak. The stringent lockdown measures and cross-border travel restrictions imposed by most countries in the first half of 2020 to contain and manage the widespread of COVID-19 delivered a heavy blow on economic activities, which contracted dramatically on a global scale. Although the stabilisation of pandemic situation and gradual easing of restrictive measures in the second half of 2020 improved the economic environments, global economy plunged into worst recession since the Great Depression of the 1930s. Despite the pandemic and global economic headwinds, China's economy has demonstrated its strong resilience to swiftly recover as a result of the Chinese government's proactive and decisive containment measures, including stringent lockdown at the outset of the pandemic, nationwide population testing, tracking campaigns to prevent further outbreaks. Backed by the government-led stimulus policies to stabilise employment and promote the orderly resumption of work and production, China's economy steadily recovered after the 6.8% historic contraction in the first quarter of 2020 and resumed positive growth in the remaining three quarters, reaching a peak of 6.5% in the fourth quarter and contributed to a full-year growth of 2.3% in 2020. The growth marks a successful conclusion of the Thirteenth Five-Year Plan in the establishment of China's healthcare system with more than 1.3 billion people covered by basic health insurance and the reform of the pharmaceutical industry to develop in an innovative and quality-oriented direction. Against the backdrop of effective pandemic control and the ongoing vaccination rollouts in the early 2021, China continued its robust recovery and recorded 18.3% growth in the first quarter of 2021, which marked a good beginning of the Fourteenth Five-Year Plan (2021–2025) towards the goal of building a modern socialist country. Although the outbreak of COVID-19 had brought upon unprecedented challenges and had a significant impact on China's economic development, the pharmaceutical industry maintained its growth momentum in the direction of high-quality and innovation-driven development.

### 業務回顧

#### 整體表現回顧

二零二零年全球經濟因新型冠狀病毒肺炎爆發而受到沉重打擊。為遏止及控制新型冠狀病毒肺炎廣泛傳播，大部分國家於二零二零年上半年實施嚴格封鎖措施及跨境出行限制，此舉重創經濟活動，使全球經濟急劇收縮。雖然二零二零年下半年疫情回穩及限制性措施逐步放寬令經濟環境有所改善，惟全球經濟已陷入自一九三零年代之經濟大蕭條以來最嚴重衰退。儘管疫情及全球經濟處於困境，惟中國經濟迅速回復，表現出強大應變能力，此乃由於中國政府採取積極果斷的遏制措施，包括在疫情初期實施嚴格封鎖、為全國人口進行檢測及實行追蹤工作以防止進一步爆發。有賴政府牽頭推行刺激政策以穩定就業及促進有序復工復產，中國經濟繼於二零二零年第一季度錄得6.8%歷史性收縮後穩步復甦，並於餘下三個季度恢復正增長，於第四季度達到6.5%峰值，以至二零二零年貢獻2.3%全年增長。該增長標誌著中國第十三個五年規劃的圓滿結束，其中在中國醫療體系建設方面，基本醫療保險覆蓋超過十三億人口，醫藥行業改革以創新及質量為導向發展。於有效控制疫情及在二零二一年初持續推出疫苗接種計劃的背景下，中國繼續強勁復甦，於二零二一年第一季度錄得18.3%增長，為第十四個五年規劃（二零二一年至二零二五年）帶來良好開局，向建設社會主義現代化國家的目標邁進。儘管新型冠狀病毒肺炎爆發帶來前所未有的挑戰，並對中國經濟發展造成重大影響，惟在追求高質量及創新驅動發展的指導方針下，醫藥行業得以保持增長勢頭。

# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

## 管理層討論及分析(續)

### BUSINESS REVIEW (Continued)

#### Overall Performance Review (Continued)

Notwithstanding the COVID-19 pandemic and the economic challenges, the Chinese government has accelerated its pace of healthcare reforms to drive the transformation of the industry. During the year, the continuous rollout of expanded scope of policies including the advancement of consistent quality and efficacy evaluation of generic drugs, speeding up the approval and launch of innovative products, inclusion of newly-approved innovative drugs in National Reimbursement Drug List, and extension to nationwide centralised drug procurement have led to industry concentration and encouraged product upgrading and innovation. With the support of the government's policies to broaden market access for high-quality generic and innovative products, competitors with strong research and development capabilities have caused the shift of market competitive dynamics and more intense competition in price, quality and innovation, which have a far-reaching impact on the industry and have posed tremendous pressure to the Group.

During the year, the Group's revenue and gross profit, which were contributed by the manufacturing segment, maintained at HK\$78.8 million (2020: HK\$77.6 million) and HK\$42.6 million (2020: HK\$42.9 million) respectively, representing an increase of about HK\$1.2 million or 1.6% in revenue and a decrease of about HK\$0.3 million in gross profit. Gross margin slightly dropped from 55.3% to 54.0%, primarily due to change in sales mix. Such stable performance reflects management's efforts and commitments in managing the Group's business amid challenging and complex operating environment.

The Group's operating performance remained steady, when excluding the fair value loss of about HK\$104.7 million (2020: gain of HK\$101.3 million) arising from the Group's investments in convertible bonds, which is a non-cash item, where loss recorded from operating segments reduced from HK\$8.6 million to HK\$0.5 million, and combined with a decrease in corporate expenses of about HK\$1.0 million largely offset the negative impact of respective decreases in bank interest income of about HK\$2.4 million and imputed interest income from an associate of about HK\$5.4 million and an increase in effective interest expense on convertible bonds of about HK\$1.7 million.

### 業務回顧(續)

#### 整體表現回顧(續)

儘管出現新型冠狀病毒肺炎疫情及經濟面臨種種挑戰，中國政府已加快醫療改革步伐，推動行業轉型。於年度內，經擴大範圍的政策不斷出台，包括推進仿製藥質量和療效一致性評價工作、加快創新產品上市審批、新批准的創新藥納入國家醫保藥品目錄，以及擴大全國藥品集中採購，藉此提高行業集中度，並鼓勵產品升級及創新。在政府擴大高質量的仿製產品及創新產品之市場準入政策的支持下，具備強大研發能力的競爭對手使市場競爭態勢有所轉變，在價格、質量及創新方面的競爭愈趨激烈，以致對行業造成深遠影響，亦對本集團構成巨大壓力。

於年度內，本集團由製造分類貢獻的收益及毛利分別維持於78,800,000港元(二零二零年：77,600,000港元)及42,600,000港元(二零二零年：42,900,000港元)，相當於收益增加約1,200,000港元或1.6%及毛利減少約300,000港元。毛利率由55.3%輕微下降至54.0%，主要由於銷售組合變動所致。該穩定表現反映管理層在充滿挑戰及複雜的經營環境下管理本集團業務付出的努力及承擔。

撇除本集團於可換股債券投資之公平值虧損(為非現金項目)約104,700,000港元(二零二零年：收益101,300,000港元)，本集團之經營表現保持平穩，當中經營分類錄得之虧損由8,600,000港元減少至500,000港元，加上企業開支減少約1,000,000港元，大部分抵銷銀行利息收入減少約2,400,000港元及來自一間聯營公司之估算利息收入減少約5,400,000港元，以及可換股債券之實際利息開支增加約1,700,000港元之負面影響。

# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

## 管理層討論及分析(續)

### BUSINESS REVIEW (Continued)

#### Overall Performance Review (Continued)

The Group's loss for the year attributable to owners of the Company was about HK\$121.1 million, representing a decrease of about HK\$204.4 million when compared to profit of about HK\$83.3 million of last year, primarily due to the non-cash item related to the loss from fair value change of the Group's investments in convertible bonds.

### REVENUE AND OPERATING RESULTS

#### Manufactured Pharmaceutical Sector

The COVID-19 outbreak in early 2020 had led to the temporary closure of the Group's plants in Changchun after the Lunar New Year holidays until mid-February 2020 in response to the nationwide containment measures. To restore the production to normalcy, management has been agile and promptly implemented all necessary precautionary and preventive measures to safeguard the health and safety of the staff in the workplace under the guidelines and announcements of the Chinese authorities; including but not limited to compulsory body temperature checking, mandatory wearing masks, encouraging and organising employees' vaccination. With intense management efforts, the production plants have been operating safely without any significant impact on productivity and cost efficiency.

During the year, management maintained a strong commitment to executing diligently the strategic initiatives adopted since the year 2018 to expand its market coverage through collaboration with distributors with extensive distribution networks with the aim of promoting the Group's product awareness in rural areas and communities. The improved performances delivered by the segment over the past years reflect the benefits of the strategic initiatives to strengthen the competitive position, secure market share, and capture new growth opportunities. Building on the solid foundation laid by these strategic initiatives, the segment though facing a tough operating environment under the influence of the COVID-19 pandemic and the advancement of further healthcare reform, achieved a similar level of revenue at about HK\$78.8 million (2020: HK\$77.6 million), representing an increase of about HK\$1.2 million or 1.6%. Such increase was primarily due to an increase in demand for the Group's product specialised in improving the immunity system of the human body against diseases. The gross margin, however, decreased slightly by 1.3% to about 54.0% when compared to last year, which was primarily due to change in sales mix.

### 業務回顧(續)

#### 整體表現回顧(續)

本公司擁有人應佔本集團之年度虧損約為121,100,000港元，較上一個年度之溢利約83,300,000港元減少約204,400,000港元，主要歸因於與本集團可換股債券投資之公平值變動虧損有關的非現金項目。

### 收益及經營業績

#### 自產藥品業務

二零二零年初新型冠狀病毒肺炎爆發導致本集團位於長春的廠房於春節假期之後暫時關閉直至二零二零年二月中旬，以響應全國性的遏制措施。為使生產恢復正常狀態，管理層已根據中國當局指引及公告，迅速靈活實施所有必要防範及預防措施，以保障員工於工作場所的健康及安全；包括但不限於強制測量體溫、強制佩戴口罩、鼓勵及組織員工接種疫苗。憑藉管理層不懈努力，生產廠房一直安全運作，對生產力及成本效益並無造成任何重大影響。

於年度內，管理層堅守承諾，毫不懈怠地執行自二零一八年度起採取的戰略舉措，透過與擁有廣泛分銷網絡的分銷商合作擴大其市場覆蓋範圍，力求提高本集團產品於農村地區及社區的知名度。該分類於過去數年的業績表現好轉，足以反映戰略舉措之好處，可鞏固競爭地位、確保市場份額及把握新增長機遇。憑藉該等戰略舉措奠定的堅實基礎，儘管在新型冠狀病毒肺炎疫情及在進一步推進醫療改革工作的影響下而面對著嚴峻的經營環境，但該分類仍取得水平相若的收益約78,800,000港元(二零二零年：77,600,000港元)，相當於增加約1,200,000港元或1.6%。該增加乃主要由於對本集團專門用於改善人體抵禦疾病的免疫系統的產品需求上升所致。然而，毛利率較去年輕微下跌1.3%至約54.0%，主要由於銷售組合變動所致。

# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

## 管理層討論及分析(續)

### REVENUE AND OPERATING RESULTS (Continued)

#### Manufactured Pharmaceutical Sector (Continued)

As a result of the positive contribution of stable revenue and gross profit, the segment recorded a profit of about HK\$4.0 million (2020: HK\$6.5 million), representing a reduction of about HK\$2.5 million. However, when taking into account the research and development expenses of about HK\$3.0 million (2020: HK\$0.6 million) incurred this year to enhance the competitiveness of the Group's products and the last year's write-back of provision for marketing and promotion expenses of about HK\$3.7 million, the segment results demonstrated further improvement.

#### Imported Pharmaceutical Sector

During the year, no revenue was generated by the trading segment as it continued to be adversely affected by the sales suspension of products arising from the manufacturing practice issues, in particular, the imported skin treatment product which was previously the segment's major revenue contributor. Although the Group and the manufacturer had been working vigorously, the work to rectify the issues was disrupted and delayed as authorities around the world implemented lockdown measures to fight the COVID-19 pandemic. Given the long-standing difficulties to resolve the issues, the manufacturer and the Group's business partners have opted to develop new products that can potentially overcome the entry barriers and capture the market opportunities in order for the Group to build up a new sales platform as soon as practicable.

Notwithstanding the above, the segment recorded a loss of about HK\$4.4 million (2020: HK\$14.9 million), representing a decrease in loss of about HK\$10.5 million or 70.5%, which is a better financial result when compared to that of last year. Such decrease was mainly attributable to a reduction of staff costs by about HK\$0.5 million and the write-back of impairment provision for trade and other receivables in aggregate of about HK\$3.9 million as compared to a provision of about HK\$6.0 million made in last year. Meanwhile, the Group will continue taking measures to rationalise its operations with the aim of further reducing the operating cost necessary to maintain its ongoing operations.

Given the above, the operating conditions will remain difficult under the pressure of operating cost and no revenue. However, the Group is convinced that through collaboration with its business partners to explore a new range of products, building up a new sales platform to capture market opportunities would help restore the performance of the segment in the future.

### 收益及經營業績(續)

#### 自產藥品業務(續)

由於穩定收益及毛利的正面貢獻，該分類錄得溢利約4,000,000港元(二零二零年：6,500,000港元)，相當於減少約2,500,000港元。然而，經計及本年度為提高本集團產品競爭力而產生的研究與開發開支約3,000,000港元(二零二零年：600,000港元)及去年撥回營銷及推廣費用撥備約3,700,000港元，分類業績表現進一步改善。

#### 進口藥品業務

於年度內，貿易分類並無產生任何收益，此乃由於繼續受到因生產規範問題導致產品暫停銷售的不利影響(尤其是先前乃該分類主要收益來源的進口皮膚治療產品)。儘管本集團及製造商一直努力，惟由於世界各地機關實施封鎖措施以對抗新型冠狀病毒肺炎疫情，導致糾正問題的工作受到干擾及延誤。鑒於長時間在解決該等問題上遇到困難，製造商及本集團的業務夥伴已選擇開發具潛力可克服進入門檻及把握市場機遇的新產品，以便本集團在切實可行的情況下盡快建立新銷售平台。

儘管存在上述情況，惟該分類錄得虧損約4,400,000港元(二零二零年：14,900,000港元)，相當於虧損減少約10,500,000港元或70.5%，財務業績與去年相比有所改善。該減少乃主要由於員工成本減少約500,000港元及撥回貿易及其他應收賬款減值撥備合共約3,900,000港元，而去年則計提撥備約6,000,000港元。同時，本集團將繼續採取措施理順其運營，務求進一步降低維持其持續經營所需的經營成本。

鑒於上文所述，在經營成本壓力及並無收益的情況下，經營狀況將仍然艱難。然而，本集團深信，透過與其業務夥伴合作探索新產品系列，建立新銷售平台以把握市場機遇，將有助該分類於未來恢復表現。

# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

## 管理層討論及分析(續)

### REVENUE AND OPERATING RESULTS (Continued)

#### Gene Development Sector

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

#### Interest in an Associate

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

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

### 收益及經營業績(續)

#### 基因開發業務

於年度內，基因開發業務仍未開展，故並無錄得任何收益。

#### 於一間聯營公司之權益

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

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

# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

## 管理層討論及分析(續)

### REVENUE AND OPERATING RESULTS (Continued)

#### Interest in an Associate (Continued)

As stated in the 2020 Annual Report, the COVID-19 pandemic since early 2020 had disrupted the normal operations of participating hospitals for the clinical trial of the Product, and to ensure the safety of patients and clinical researchers, the clinical trial in the process of selection and enrolment of patients was temporarily suspended pending improvement in the pandemic situation. As the COVID-19 pandemic situation in China has gradually improved, during the third quarter of 2020, the enrolment of patients has commenced, and currently the process of patient enrolment and selection is still ongoing. Based on the current information available to the Company, though the pandemic situation in China is largely under control, the preventive and control measures associated with the prolonged pandemic situation have been continuously implemented causing certain delay in patient enrolment and selection, thus the timeline for commercialisation of the Product has been reassessed by Smart Ascent Group and is currently expected to be in around mid of 2023.

During the year, the loss of Smart Ascent Group was about HK\$10.1 million (2020: HK\$13.1 million), for which the Group's share of loss amounted to about HK\$2.9 million (2020: HK\$3.2 million) representing a decrease of about HK\$0.3 million. Such decrease mainly related to decrease in research and development expenses for the Product.

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

### 收益及經營業績(續)

#### 於一間聯營公司之權益(續)

誠如二零二零年年報所述，自二零二零年初起新型冠狀病毒肺炎疫情已經擾亂該產品臨床測試參與醫院的正常運作，為確保患者及臨床研究人員的安全，甄選及招募患者階段的臨床測試已暫停進行，以待疫情形勢有所好轉。隨著於中國的新型冠狀病毒肺炎疫情逐漸改善，於二零二零年第三季度，患者招募工作已經開始，目前患者招募及甄選程序仍在進行中。根據本公司目前可得資料，儘管於中國的疫情形勢大致受控，惟與疫情長時間肆虐有關的防控措施一直持續實施，導致患者招募及甄選工作出現若干延誤，故此，進生集團已重新評估該產品的商品化時間表，目前預期為二零二三年中前後。

於年度內，進生集團的虧損約為10,100,000港元(二零二零年：13,100,000港元)，當中本集團分佔虧損約2,900,000港元(二零二零年：3,200,000港元)，相當於減少約300,000港元。該減少主要與該產品的研究與開發開支減少有關。

鑒於中國人口加速老齡化及預期壽命提高，以及糖尿病等慢性病的發展，預期優質糖尿病藥品的市場需求殷切。具口服胰島素特色的該產品有望為中國不斷增長的糖尿病患者提供有效治療以及更好的生活質量，該產品在中國有著龐大市場潛力。

# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

## 管理層討論及分析(續)

### REVENUE AND OPERATING RESULTS (Continued)

#### Interest in an Associate (Continued)

In making the assessment as to the recoverability of the In-process R&D and the fair value of the interest in the associate, the Group has engaged an independent qualified valuer, Roma Appraisals Limited (“Valuer”) in conducting a valuation. The asset-based valuation approach has been consistently adopted in the valuation and the recoverable amount of the In-process R&D was determined based on fair value calculation using cash flow projections, which the estimated cash inflows derived from budgeted sales and gross margin were based on the expectation for the market development, and which included the regulatory approvals from the relevant government bodies and launching of the Product in around mid of 2023. The recoverable amount of the interest in the associate was determined based on share of the estimated fair value of the In-process R&D after taking into account the lack of control discount.

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

Discount rate (post-tax)	貼現率(除稅後)	24.67%
Growth rate	增長率	2%
Gross profit ratio	毛利率	64.66%

In conducting the impairment assessment, the directors of the Company, having considered the prevailing market conditions, reasonableness of assumptions used for the cash flow projections and the valuation as prepared by the Valuer indicating its fair value in excess of the carrying amount, do not identify any indication on the carrying amount of the interest in the associate as at 31 March 2021 that may need to be impaired. Accordingly, no impairment is considered necessary as at 31 March 2021.

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

### 收益及經營業績(續)

#### 於一間聯營公司之權益(續)

就評估進行中之研發的可收回金額及於聯營公司之權益的公平值，本集團委聘了獨立合資格估值師羅馬國際評估有限公司(「估值師」)進行估值。在進行估值時一直採用資產基礎估值法，而進行中之研發的可收回金額乃使用現金流量預測根據公平值計算釐定，其中根據預算銷售額及毛利率計算之估計現金流入乃基於對市場發展之預期，及其包括於二零二三年中前後取得有關政府監管部門批准及推出該產品。於聯營公司之權益的可收回金額乃根據應佔進行中之研發的估計公平值並經計及無控制權之折讓後釐定。

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

在進行減值評估時，經考慮當前市況、各現金流量預測所使用假設的合理性及估值師進行之估值表明其公平值超出賬面值，本公司董事並無發現任何跡象顯示於聯營公司之權益於二零二一年三月三十一日之賬面值可能須作出減值，故認為於二零二一年三月三十一日毋須作出減值。

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



# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

## 管理層討論及分析(續)

### REVENUE AND OPERATING RESULTS (Continued)

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

Other income and gains and losses, net were in total a loss of about HK\$94.7 million (2020: gain of HK\$106.1 million), which decreased by about HK\$200.8 million. The decrease was mainly the result of (i) a decrease in a gain of a non-cash item by about HK\$206.0 million arising from fair value change of the Group's investments in convertible bonds, (ii) reversal of impairment provision for trade and other receivables of about HK\$2.7 million and HK\$1.1 million when compared to the respective provisions of about HK\$5.9 million and HK\$4.5 million made last year, (iii) net decrease in loan and imputed interest income from an associate of about HK\$5.2 million, (iv) decrease in bad debt recovery of about HK\$2.1 million, (v) decrease in bank interest income of about HK\$2.4 million, and (vi) increase in subsidies from governments of about HK\$0.9 million.

#### Change in fair value of investments in convertible bonds

As stated in the Company's profit alert announcement dated 11 June 2021, based on a preliminary assessment by the directors on the Group's consolidated management accounts for the year ended 31 March 2021, there was an increase in gain arising from the fair value change of the Group's investments in convertible bonds (issued by Innovative Pharm, "Innovative Pharm Bonds") of about HK\$71 million. The aforesaid increase in gain which is subject to audit and further review by the auditor, was based on the investments in convertible bonds being classified as current assets according to the Innovative Pharm Bonds' existing maturity term due to mature within one year.

However, in the course of finalising the annual results of the Group for the year ended 31 March 2021, when further discussing with the auditor and considered the factors, including but not limited to, the financial position of Innovative Pharm and the timing of the settlement of the Innovative Pharm Bonds under the circumstance that the Company and Innovative Pharm entered into the second deed of amendment ("Second Amendment Deed") to the Innovative Pharm Bonds on 12 May 2021, pursuant to which the Company and Innovative Pharm agreed to extend the maturity date of the Innovative Pharm Bonds for two years, the directors are of the view that it is more appropriate that the Group's investments in convertible bonds be classified as non-current assets, and as a result, the fair value of the Innovative Pharm Bonds as at 31 March 2021 with the assumption that the Innovative Pharm Bonds would be extended for two years, decreased by about HK\$104.7 million when compared to 31 March 2020.

### 收益及經營業績(續)

#### 其他收入及收益及虧損淨額

其他收入及收益及虧損淨額合計錄得虧損約94,700,000港元(二零二零年:收益106,100,000港元),減少約200,800,000港元。該減少乃主要由於(i)本集團可換股債券投資之公平值變動產生之非現金項目收益減少約206,000,000港元;(ii)撥回貿易及其他應收賬款減值撥備約2,700,000港元及1,100,000港元,而去年則分別計提撥備約5,900,000港元及4,500,000港元;(iii)來自一間聯營公司之貸款利息收入及估算利息收入的減少淨額約5,200,000港元;(iv)壞賬收回減少約2,100,000港元;(v)銀行利息收入減少約2,400,000港元,及(vi)政府補助增加約900,000港元。

#### 可換股債券投資之公平值變動

誠如本公司日期為二零二一年六月十一日之盈利預告公告所載,根據董事就本集團截至二零二一年三月三十一日止年度之綜合管理賬目之初步評估,本集團可換股債券(由領航醫藥發行,「領航醫藥債券」)投資之公平值變動產生之收益增加約71,000,000港元。上述收益增加須待核數師審核或進一步審閱,並根據將於一年內到期的領航醫藥債券按其現有到期期限而將可換股債券投資分類為流動資產。

然而,在落實本集團截至二零二一年三月三十一日止年度的全年業績過程中,本公司曾與核數師進一步討論並考慮各種因素(包括但不限於領航醫藥的財務狀況以及在本公司與領航醫藥於二零二一年五月十二日訂立領航醫藥債券的第二份修訂契據(「第二份修訂契據」)的情況下結算領航醫藥債券的時機,據此本公司與領航醫藥同意將領航醫藥債券的到期日延期兩年),董事認為將本集團的可換股債券投資歸類為非流動資產更為合適,因此,在假設領航醫藥債券將延期兩年的情況下,領航醫藥債券於二零二一年三月三十一日的公平值較二零二零年三月三十一日減少約104,700,000港元。

# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

## 管理層討論及分析(續)

### REVENUE AND OPERATING RESULTS (Continued)

#### Selling and Distribution Expenses

Selling and distribution expenses of the Group increased to about HK\$29.5 million (2020: HK\$24.6 million), representing an increase of about HK\$4.9 million or 20.3%. However, when excluding the last year's write-back of provision for marketing and promotion expenses of about HK\$3.7 million, there was only slight increase of about HK\$1.2 million. Such increase was mainly the results of decrease in expenses for selling, promotion and symposium activities of about HK\$1.0 million as a result of the pandemic, which was outweighed by an increase in research and development expenses of about HK\$2.4 million to enhance the quality and efficacy of the Group's self-manufactured products.

#### Administrative Expenses

Administrative expenses were at about HK\$23.9 million (2020: HK\$26.4 million), representing a decrease of about HK\$2.5 million or 9.7%. Excluding the foreign exchange gain of about HK\$0.3 million, the decrease was mainly due to reduction in staff costs of about HK\$1.1 million, which largely related to the retirement of an executive director of the Company and a senior management of the Group.

### OUTLOOK

As mass COVID-19 vaccination and vaccine production ramp up, the magnitude and extent of disruptions of global economic activities have generally decreased. However, the prospects of global recovery remain highly uncertain as new virus mutations have forced many countries to re-impose lockdowns and travel restrictions. Amid the COVID-19 pandemic and tensions between China and most western countries, the Chinese economy has shown a steady improvement after the robust recovery in the first quarter of 2021 as a result of continued supports by various government relief measures and strict virus containment policies. Although these challenges and uncertainties overshadow the overall growth of China's pharmaceutical industry in the near term, the Group believes that the industry will continue to benefit from the positive long-term trend of economic developments under the Fourteenth Five-Year Plan towards building a modern socialist country and a "Healthy China". Against this backdrop, the Chinese authorities have stepped up the healthcare reforms with policies focusing, *inter alia*, on the pursuit of innovation-driven development. It is anticipated that the industry will be facing significant changes as driven by these policies, which have far-reaching and cascading impacts on pharmaceutical companies, in which competition will be escalating to a new level of intensity to quality and innovation.

### 收益及經營業績(續)

#### 銷售及分銷費用

本集團銷售及分銷費用增加至約29,500,000港元(二零二零年: 24,600,000港元), 相當於增加約4,900,000港元或20.3%。然而, 倘撇除去年撥回營銷及推廣開支撥備約3,700,000港元, 則僅輕微增加約1,200,000港元。該增加乃主要由於疫情導致銷售、推廣及座談會活動開支減少約1,000,000港元, 惟被為提高本集團自製產品的質量及療效導致研究與開發開支增加約2,400,000港元所抵銷。

#### 行政費用

行政費用約為23,900,000港元(二零二零年: 26,400,000港元), 相當於減少約2,500,000港元或9.7%。撇除匯兌收益約300,000港元, 該減少乃主要由於員工成本減少約1,100,000港元, 主要與本公司一名執行董事及本集團一名高級管理層退任有關。

### 前景

隨著推行大規模新型冠狀病毒肺炎疫苗接種工作及疫苗生產有所增加, 全球經濟活動受到干擾的程度及範圍普遍下降。然而, 由於新病毒變異迫使許多國家重新實施封鎖及出行限制, 故全球復甦前景仍十分不明朗。面對著新型冠狀病毒肺炎疫情及中國與大部分西方國家之間的緊張局勢, 由於政府推行不同救濟措施及嚴格病毒遏制政策帶來持續支持, 中國經濟繼二零二一年第一季度強勁復甦後表現穩步改善。儘管該等挑戰及不明朗因素短期內會為中國醫藥行業的整體增長帶來陰霾, 惟本集團相信, 行業將繼續受益於第十四個五年規劃下長遠積極的經濟發展趨勢, 邁向建設社會主義現代化國家及「健康中國」。在此背景下, 中國當局已加大醫療改革力度, 推行聚焦於(其中包括)追求創新驅動發展的政策。在該等政策推動下, 預期行業將面臨重大變化, 對醫藥公司產生深遠及級聯影響, 其中對質量及創新的競爭深層攀升至新級度。

# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

## 管理層討論及分析(續)

### OUTLOOK (Continued)

In light of rapidly evolving market and competitive environment, the Group will continue its focus on the development of its manufacturing segment, through the execution of the strategic initiatives to enhance the distribution networks and to adjust flexibly the marketing strategy in response to the challenges, and in addition, leveraging its core competitiveness by investing in the development of its own products and enhancing its production capacity as well as operational efficiency in order to drive the sustainable growth and profitability of the segment. Taking into account the positive progress in recent years, the Group believes that the manufacturing segment is well-positioned to seize the growth opportunities under the Fourteenth Five-Year Plan, while the Group will continue deploying resources and collaborating with its business partners to capture market opportunities and restore the performance of its trading segment.

Although the operating conditions in the year ahead will continue to be complex and challenging, the Group believes that its sound financial position coupled with management's relentless efforts in improving the business performance of the Group and strengthening its core competitiveness will build a solid foundation for the Group's long term growth and profitability.

### FINANCIAL REVIEW

#### Liquidity and Financial Resources

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

As at 31 March 2021, the Group had total cash and bank balances (including pledged bank deposits) of about HK\$148.4 million (2020: HK\$147.9 million), representing an increase by about HK\$0.5 million or 0.3%. Such a slight increase in cash and bank balances reflects the Group's efforts on monitoring the business performance and working capital management.

### 前景(續)

鑒於市場及競爭環境瞬息萬變，本集團將繼續專注於發展其製造分類，透過執行戰略舉措完善分銷網絡及靈活調整營銷策略以應對種種挑戰，此外亦透過投資於開發其自有產品及提升其產能及營運效率以發揮其核心競爭力，從而推動該分類的可持續增長及盈利能力。考慮到近年來取得的正面進展，本集團相信，製造分類已準備就緒抓緊第十四個五年規劃下的增長機遇，而本集團亦將繼續調配資源及與其業務夥伴合作，以把握市場機遇及使其貿易分類回復表現。

儘管未來一年的經營狀況將仍然複雜及充滿挑戰，惟本集團相信，其財務狀況穩健加上管理層在改善本集團業務表現及加強其核心競爭力方面付出不懈努力，將為本集團的長遠增長及盈利能力奠下堅實基礎。

### 財務回顧

#### 流動資金及財務資源

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

於二零二一年三月三十一日，本集團有現金及銀行結餘總額(包括已抵押銀行存款)約148,400,000港元(二零二零年：147,900,000港元)，相當於增加約500,000港元或0.3%。現金及銀行結餘輕微增加反映本集團於監察業務表現及營運資金管理方面之努力。

# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

## 管理層討論及分析(續)

### FINANCIAL REVIEW (Continued)

#### Liquidity and Financial Resources (Continued)

##### *Accruals and Other Payables*

Accruals and other payables decreased by about HK\$3.3 million to HK\$28.9 million as of 31 March 2021 (2020: HK\$32.2 million). Such decrease was mainly due to settlement of payables of about HK\$2.6 million in relation to acquisition of property, plant and equipment.

The Group did not have bank borrowings during the year but had banking facilities on trade finance, which were supported by the pledge of the Group's fixed deposits of about HK\$21.7 million (2020: HK\$21.5 million) and corporate guarantees from the Company and certain subsidiaries of the Company. In general, there is no significant seasonality fluctuation on trade finance requirement of the Group.

The Group's total borrowing over total assets ratio as at 31 March 2021 was 0.063 (2020: 0.051), calculated based on the Group's total assets of about HK\$1,164.2 million (2020: HK\$1,265.7 million) and total debts of about HK\$73.9 million (2020: HK\$64.5 million), comprising convertible bonds of about HK\$70.0 million (2020: HK\$59.0 million) and lease liabilities of about HK\$3.9 million (2020: HK\$5.6 million).

#### Foreign Exchange Exposure

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

#### Material Acquisitions and Disposals

There is no material acquisition or disposal of subsidiaries, associates and investments in financial instruments during the year ended 31 March 2021.

### 財務回顧(續)

#### 流動資金及財務資源(續)

##### *預提費用及其他應付款項*

截至二零二一年三月三十一日，預提費用及其他應付款項減少約3,300,000港元至28,900,000港元(二零二零年：32,200,000港元)。有關減少主要由於就收購物業、廠房及設備結清應付款項約2,600,000港元。

本集團於年度內並無銀行借款，惟擁有貿易融資之銀行信貸融資，其乃以本集團之定期存款約21,700,000港元(二零二零年：21,500,000港元)以及本公司與其若干附屬公司提供之公司擔保作抵押。一般而言，本集團之貿易融資需求並無重大季節性波動。

於二零二一年三月三十一日，本集團總借款與總資產之比率為0.063(二零二零年：0.051)，乃按本集團總資產約1,164,200,000港元(二零二零年：1,265,700,000港元)及總債項約73,900,000港元(二零二零年：64,500,000港元)(包括可換股債券約70,000,000港元(二零二零年：59,000,000港元)及租賃負債約3,900,000港元(二零二零年：5,600,000港元))計算。

#### 外匯風險

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

#### 重大收購及出售事項

截至二零二一年三月三十一日止年度，並無附屬公司、聯營公司及金融工具投資的重大收購或出售事項。

# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

## 管理層討論及分析(續)

### FINANCIAL REVIEW (Continued)

#### Investments in Unlisted Funds

As at 31 March 2021, the Group held a total of 80,000 participating shares in KKC Capital SPC, a segregated portfolio company incorporated in the Cayman Islands at aggregate consideration of HK\$80 million (the "Investments"), and the fair value loss in aggregate of HK\$80 million made in previous years were recorded in the reserve for financial assets at fair value through other comprehensive income. Details are set out in note 21 to the consolidated financial statements.

Given the current market condition under the impact of the COVID-19 pandemic, the prospect to realise the Investments in the near future is subdued. However, management will continue exploring the possibilities to realise the Investments in order to mitigate the loss.

#### Employment and Remuneration Policy

As at 31 March 2021, the Group had 171 employees (2020: 169). Staff costs (including directors' emoluments) for the year ended 31 March 2021 amounted to approximately HK\$20.8 million (2020: approximately HK\$22.5 million), which was mainly due to government relief for social security contributions and the retirement of an executive director of the Company and a senior management of the Group.

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

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

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

From the effective date of the Scheme to 31 March 2021, no share option has been granted under the Scheme.

### 財務回顧(續)

#### 非上市基金投資

於二零二一年三月三十一日，本集團於 KKC Capital SPC (一間於開曼群島註冊成立之獨立投資組合公司) 合共持有 80,000 股參與股份，總代價為 80,000,000 港元 (「該等投資」)，而該等投資於過往年度之公平值虧損共 80,000,000 港元記入按公平值計入其他全面收益之金融資產之儲備內。詳情載於綜合財務報表附註 21。

鑑於新型冠狀病毒肺炎疫情之影響下，於不久將來可實現該等投資之前景暗淡。然而，管理層將繼續尋求可實現該等投資的可能性以減輕虧損。

#### 僱傭和薪酬政策

於二零二一年三月三十一日，本集團共聘用 171 名僱員 (二零二零年：169 名)。截至二零二一年三月三十一日止年度之員工成本 (包括董事薪酬) 為約 20,800,000 港元 (二零二零年：約 22,500,000 港元)，主要由於政府社會保障繳款救濟以及本公司一名執行董事及本集團一名高級管理層退任所致。

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

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

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

自該計劃的生效日期起至二零二一年三月三十一日止，概無根據該計劃授出購股權。

# DIRECTORS AND SENIOR MANAGEMENT PROFILE

## 董事及高層管理人員簡介

### BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

### 董事及高層管理人員簡介

#### Executive Directors

*Dr. Xie Yi Ph.D. (aged 58)*

*Chairman, Chief Executive Officer and Executive Director*

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

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

*Mr. Cheng Yong (aged 58)*

*Executive Director and Deputy Chief Executive Officer*

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

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

#### 執行董事

*謝毅博士(五十八歲)*

*主席、行政總裁及執行董事*

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

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

*程勇先生(五十八歲)*

*執行董事及副行政總裁*

程勇先生為一名中國執業藥劑師。程先生自中國第二軍醫大學取得藥理學碩士學位。彼從事藥理學及研究逾十年，並於研究及藥物開發方面擁有豐富經驗。自二零零一年起，彼於由謝毅博士及毛裕民博士(前任本公司主席兼執行董事)所擁有之多間公司擔任董事及總經理職務。程先生目前為於香港聯合交易所有限公司(「聯交所」)上市公司領航醫藥及生物科技有限公司(前稱為聯合基因科技集團有限公司)之一間中國附屬公司之董事。

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

## DIRECTORS AND SENIOR MANAGEMENT PROFILE (CONTINUED)

### 董事及高層管理人員簡介(續)

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

##### Executive Directors (Continued)

*Dr. Lou Yi Ph.D. (aged 63)*

##### *Executive Director*

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

*Ms. Wong Sau Kuen (aged 58)*

##### *Executive Director*

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

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

#### 董事及高層管理人員簡介(續)

##### 執行董事(續)

*樓屹博士(六十三歲)*

##### *執行董事*

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

*王秀娟女士(五十八歲)*

##### *執行董事*

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

自二零一四年一月八日起，王女士獲委任為本公司聯席公司秘書。

# DIRECTORS AND SENIOR MANAGEMENT PROFILE (CONTINUED)

## 董事及高層管理人員簡介(續)

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

#### Executive Directors (Continued)

*Mr. Liu Kwok Wah (aged 59)*

*Executive Director*

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

#### Independent Non-executive Directors

*Mr. Fang Lin Hu (aged 83)*

*Independent Non-executive Director*

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

### 董事及高層管理人員簡介(續)

#### 執行董事(續)

*廖國華先生(五十九歲)*

*執行董事*

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

#### 獨立非執行董事

*方林虎先生(八十三歲)*

*獨立非執行董事*

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



## DIRECTORS AND SENIOR MANAGEMENT PROFILE (CONTINUED)

### 董事及高層管理人員簡介(續)

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

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

*Mr. Xue Jing Lun (aged 87)*

*Independent Non-executive Director*

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

*Ms. Jin Song (aged 50)*

*Independent Non-executive Director*

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

#### 董事及高層管理人員簡介(續)

##### 獨立非執行董事(續)

*薛京倫先生(八十七歲)*

*獨立非執行董事*

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

*金松女士(五十歲)*

*獨立非執行董事*

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

# DIRECTORS AND SENIOR MANAGEMENT PROFILE (CONTINUED)

## 董事及高層管理人員簡介(續)

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

### 董事及高層管理人員簡介(續)

#### Senior Management

#### 高層管理人員

*Mr. Gong Youlu (aged 52)*

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

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

*龔有祿先生(五十二歲)*

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

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

*Ms. Wu Hong (aged 49)*

*Group Senior Finance Manager*

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

*吳紅女士(四十九歲)*

*集團高級財務經理*

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

*Mr. Huang Wenda (aged 44)*

*Financial Controller of CEP and JECP*

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

*黃文達先生(四十四歲)*

*長春精優及吉林精優財務總監*

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

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### A. CORPORATE GOVERNANCE PRACTICES

#### Corporate Governance

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

In the opinion of the directors, the Company has complied with the code provisions of the Corporate Governance Code and Corporate Governance Report (“Code Provisions”) as set out in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). During the year ended 31 March 2021, the Company had adopted and applied the Code Provisions, except for certain deviations as set out below.

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

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

### A. 企業管治常規

#### 企業管治

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

董事認為，本公司已遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載的企業管治守則及企業管治報告內之守則條文（「守則條文」）。於截至二零二一年三月三十一日止年度，本公司已採納及應用守則條文，惟下列若干偏離者除外。

守則條文第A.1.3及A.7.1條規定，須就每次董事會例會發出十四日通知，且須就例會（及只要所有其他情況切實可行時）適時向全體董事寄發全部議程及相關董事會文件，並至少在計劃舉行董事會或其轄下委員會會議日期的三日前（或其他協定時間內）送出。本公司同意須給予董事充足時間以作出適當決策。就此而言，本公司採用一個更靈活之方法（亦會給予充足時間）召開董事會會議，以確保管理層有效及快速作出決策。

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

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

## A. CORPORATE GOVERNANCE PRACTICES (Continued)

### Corporate Governance (Continued)

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

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

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

## A. 企業管治常規(續)

### 企業管治(續)

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

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

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

# CORPORATE GOVERNANCE REPORT (CONTINUED)

## 企業管治報告(續)

### A. CORPORATE GOVERNANCE PRACTICES (Continued)

#### Corporate Governance (Continued)

Code provision E.1.2 stipulates that the Chairman of the Board should attend the annual general meeting of the Company. Due to other important engagement, Dr. Xie Yi was unable to attend the annual general meeting of the Company held on 28 August 2020. Ms. Wong Sau Kuen, an executive director of the Company, was appointed to chair the annual general meeting in accordance with the provisions of the Company's bye-laws and answered questions from shareholders of the Company.

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

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

### B. DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the Company's code of conduct for dealings in securities of the Company by the directors. Based on specific enquiry of the directors, the directors have complied with the required standard set out in the Model Code throughout the year ended 31 March 2021.

### A. 企業管治常規(續)

#### 企業管治(續)

守則條文第E.1.2條規定，董事會主席應出席本公司股東週年大會。謝毅博士因其他重要事務未能出席本公司於二零二零年八月二十八日舉行的股東週年大會。根據本公司之公司細則條文，本公司執行董事王秀娟女士獲委任為股東週年大會主席，並回答本公司股東提問。

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

本公司將繼續審閱及監控上述情況，如情況需要，將會對有關常規作出改善。

### B. 董事進行之證券交易

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易的標準守則(「標準守則」)作為董事買賣本公司證券之操守守則。經向董事作出特定查詢後，董事於截至二零二一年三月三十一日止年度內均一直遵照標準守則所載之規定準則。

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

## C. BOARD OF DIRECTORS

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

### Executive Directors

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

### Independent Non-executive Directors

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

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

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

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

## C. 董事會

於本年報刊發日期，董事會（「董事會」）由五名執行董事及三名獨立非執董組成，成員如下：

### 執行董事

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

### 獨立非執行董事

方林虎先生  
薛京倫先生  
金松女士

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

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

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

# CORPORATE GOVERNANCE REPORT (CONTINUED)

## 企業管治報告(續)

### C. BOARD OF DIRECTORS (Continued)

During the year ended 31 March 2021, four Board meetings and an annual general meeting of the Company were held, and the attendance records of each director at the respective meetings are set out in the table below:

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

<sup>#</sup> In accordance with the Company's bye-laws, Mr. Lu Zhiqiang retired as director of the Company with effect from the conclusion of its annual general meeting held on 28 August 2020.

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

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

### C. 董事會(續)

截至二零二一年三月三十一日止年度，本公司曾舉行四次董事會會議及一次股東週年大會，而各董事於相關會議之出席率載列於下表：

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

<sup>#</sup> 根據本公司之公司細則，盧志強先生已退任本公司董事，自於二零二零年八月二十八日舉行之股東週年大會結束時起生效。

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

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

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

## D. CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

## E. NON-EXECUTIVE DIRECTORS

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

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

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

## D. 主席及行政總裁

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

## E. 非執行董事

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

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

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



# CORPORATE GOVERNANCE REPORT (CONTINUED)

## 企業管治報告(續)

### F. NOMINATION COMMITTEE

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

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

The Board has adopted a Board Diversity Policy and the Nomination Committee will help implement and monitor the policy. To enhance the effectiveness of the Board, selection of candidates will be based on a range of diversity perspectives, including but not limited to, gender, age, cultural and educational background, professional experience, skills and length of service. The Nomination Committee will review and discuss, on an annual basis, Board diversity with regard to the building and maintaining of the Board with a diversity of directors, without focusing on a single diversity aspect, and will make recommendation to the Board for its consideration and approval. Having reviewed the structure and composition of the Board and the business nature of the Group, the Nomination Committee considered that Board diversity has been achieved.

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

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

### F. 提名委員會

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

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

董事會已採納一套董事會成員多元化政策，提名委員會將協助實施並監督該政策。為提高董事會的效率，挑選人選時將基於一系列多元化觀點，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能及服務年期。提名委員會將每年審閱及討論董事會多元化，以建立及維持董事會成員多元化組合，而非專注於單一多元化方面，並將向董事會提出建議以供其考慮及批准。經審閱董事會架構及組成與本集團業務性質後，提名委員會認為董事會已達成多元化的目標。

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

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

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

## F. NOMINATION COMMITTEE (Continued)

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

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

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

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

The Nomination Committee held a meeting during the year ended 31 March 2021, and all members had attended the meeting to review the structure, size and composition including Board diversity, of the Board; consider and make recommendations to the Board on the re-appointment of retiring directors; and assess the independence of INEDs.

## F. 提名委員會(續)

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

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

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

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

提名委員會於截至二零二一年三月三十一日止年度曾舉行一次會議，全體成員均已出席該會議以檢討董事會之架構、人數及組成(包括董事會多元化)；考慮及建議董事會重新委任退任董事；及評核獨立非執董之獨立性。

# CORPORATE GOVERNANCE REPORT (CONTINUED)

## 企業管治報告(續)

### G. REMUNERATION COMMITTEE

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

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

During the year ended 31 March 2021, two meetings were held and attendance of each director is set out as follows:

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

The emoluments of the directors are reviewed and recommended by the Remuneration Committee and/or decided by the Board as authorised by the shareholders at the annual general meeting according to the directors' respective responsibilities, individual performance and prevailing market conditions. The Company has also adopted a share option scheme as an incentive to the directors and the senior management. The Remuneration Committee conducts regular review of the Company's remuneration policy and structure of the directors and senior management which takes into account the prevailing market conditions and the role and responsibility of individual members, for making recommendation to the Board. During the year ended 31 March 2021, the Remuneration Committee reviewed and approved the remuneration packages (including directors' fees) of the directors and made recommendation to the Board for consideration and approval.

### G. 薪酬委員會

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

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

截至二零二一年三月三十一日止年度，本公司曾舉行兩次會議，各董事之出席率載列如下：

根據董事各自的責任、個別表現及當時市況，董事薪酬由薪酬委員會檢討及建議及／或由董事會經股東於股東週年大會上之授權而作出決定。本公司亦已採納購股權計劃作為對董事及高層管理人員之獎勵。薪酬委員會會因應當時市況及個別成員之角色及職責，定期審閱本公司就董事及高層管理人員採納的薪酬政策以及架構，向董事會作出建議。截至二零二一年三月三十一日止年度，薪酬委員會已審閱及批准董事薪酬待遇(包括董事袍金)，並向董事會提供建議以供考慮及批准。

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

## G. REMUNERATION COMMITTEE (Continued)

Directors' emoluments and the five highest paid individuals for the year ended 31 March 2021 are disclosed in notes 11 and 12 respectively to the consolidated financial statements. Emoluments of senior management whose profiles are disclosed in the section "Directors and Senior Management Profile" but not included in the note as the five highest paid individuals, fell within the following band:

		Number of individuals 人數	
		2021 二零二一年	2020 二零二零年
Emolument band HK\$ Nil to HK\$1,000,000	酬金範圍 零港元至1,000,000港元	3	3

## H. AUDIT COMMITTEE

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

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

## H. 審核委員會

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

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

# CORPORATE GOVERNANCE REPORT (CONTINUED)

## 企業管治報告(續)

### H. AUDIT COMMITTEE (Continued)

The members of the Audit Committee are Mr. Fang Lin Hu (Chairman), Mr. Xue Jing Lun and Ms. Jin Song. During the year ended 31 March 2021, three meetings were held and attendance of each director is set out as follows:

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

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

### I. AUDITOR'S REMUNERATION

The remuneration paid/payable to the Company's auditor, Elite Partners CPA Limited in respect of audit services for the year ended 31 March 2021 amounted to HK\$760,000.

### H. 審核委員會(續)

審核委員會之成員為方林虎先生(主席)、薛京倫先生及金松女士。截至二零二一年三月三十一日止年度，本公司曾舉行三次會議，各董事之出席率載列如下：

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

### I. 核數師酬金

截至二零二一年三月三十一日止年度，就審核服務已付/應付本公司核數師開元信德會計師事務所有限公司之酬金為760,000港元。

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

## J. FINANCIAL REPORTING

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

A statement by the auditor of the Company about their reporting responsibilities is set out in the “Independent Auditor’s Report” on pages 73 to 80 of this annual report.

## K. RISK MANAGEMENT AND INTERNAL CONTROL

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

The Audit Committee is delegated with authorities to assist the Board to fulfill its oversight role over the systems by reviewing and evaluating on a regular basis the effectiveness and adequacy of the Company’s financial controls, risk management and internal control systems (the “Systems”). During the year ended 31 March 2021, the Audit Committee, after taking into consideration the size of the Group’s activities and operations, had adopted a risk-based approach in identifying the scope of review for its business units. The review was conducted by the Group’s risk management and internal audit function independent of the business unit, which covered appraisal of the Systems by conducting physical counts of assets, walkthroughs and tests on operating procedures. Audit findings and recommendations were reported to the Audit Committee and the senior management. The Audit Committee and the Board satisfied the result of the review and concluded that the key areas of the Systems are reasonably and adequately implemented to their satisfaction.

## J. 財務報告

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

本公司核數師就其報告責任所作聲明載於本年報第73至80頁之「獨立核數師報告」。

## K. 風險管理及內部監控

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

審核委員會獲授權力透過定期審閱及評估本公司之財務監控、風險管理及內部監控制度（「該等制度」）是否有效及足夠以協助董事會履行其對該等制度之監管角色。截至二零二一年三月三十一日止年度，經考慮本集團業務及營運之規模後，審核委員會已採納風險管理方法，以確定其業務單位的審閱範疇。有關審閱乃由本集團獨立於業務單位的風險管理及內部審核職能進行，其中涵蓋透過實地清點資產、對經營流程進行的走查及測試評估該等制度。審核發現及推薦建議向審核委員會及高層管理人員匯報。審核委員會及董事會信納審閱結果，並總結該等制度的主要領域獲合理及充分執行。

# CORPORATE GOVERNANCE REPORT (CONTINUED)

## 企業管治報告(續)

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

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

### L. DIRECTORS’ CONTINUOUS TRAINING AND DEVELOPMENT

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

### K. 風險管理及內部監控(續)

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

### L. 董事的持續培訓及發展

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

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

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

During the year ended 31 March 2021, the directors were briefed and updated with written materials on the latest development regarding the Listing Rules and other applicable legal and regulatory requirements from time to time, to ensure compliance and enhance their awareness of good corporate governance practices. In addition, the Company had organised an in-house training seminar for the directors, which was conducted by qualified professional covering topics related to the Listing Rules, with training materials provided. Directors are also encouraged to attend outside seminars and talks organised by professional bodies to enrich their knowledge in discharging their duties as a director. All directors have participated in continuous professional development by attending training courses and/or referring materials on the topics related to corporate governance and regulations:

### Executive Directors

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

\* retired on 28 August 2020

## L. 董事的持續培訓及發展(續)

截至二零二一年三月三十一日止年度，董事獲得有關上市規則及其他不時適用的法律及監管規定最新發展的簡報及最新書面資料，以確保合規及增加對良好企業管治常規的認識。此外，本公司亦為董事舉辦內部培訓研討會，該研討會由合資格專業人士進行，內容涵蓋上市規則相關議題，並向參加者提供培訓材料。本公司亦鼓勵董事參加由專業組織舉辦的外界研討會及講座，以增加彼等在履行董事職務方面的知識。所有董事已透過參加培訓課程及／或參考有關企業管治及法規的資料進行持續的專業進修：

### 執行董事

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

\* 於二零二零年八月二十八日退任



# CORPORATE GOVERNANCE REPORT (CONTINUED)

## 企業管治報告(續)

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

#### Independent Non-executive Directors

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

### M. JOINT COMPANY SECRETARIES

Mr. Liu Kwok Wah and Ms. Wong Sau Kuen are joint company secretaries of the Company and each has taken no less than 15 hours of relevant professional training during the year ended 31 March 2021.

### N. COMMUNICATION WITH SHAREHOLDERS

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

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

### L. 董事的持續培訓及發展(續)

#### 獨立非執行董事

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

### M. 聯席公司秘書

廖國華先生及王秀娟女士為本公司聯席公司秘書，各自已於截至二零二一年三月三十一日止年度參與不少於15小時的相關專業培訓。

### N. 與股東之溝通

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

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

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

## N. COMMUNICATION WITH SHAREHOLDERS (Continued)

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

## O. SHAREHOLDERS' RIGHTS

### Convening a Special General Meeting

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

### Putting forward Proposals at General Meetings

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

## N. 與股東之溝通(續)

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

## O. 股東權利

### 召開股東特別大會

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

### 於股東大會上提呈議案

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

# CORPORATE GOVERNANCE REPORT (CONTINUED)

## 企業管治報告(續)

### O. SHAREHOLDERS' RIGHTS (Continued)

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

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

#### Enquiries to the Board

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

### P. CONSTITUTIONAL DOCUMENTS

There were no changes in the Company's constitutional documents during the year ended 31 March 2021.

### O. 股東權利(續)

#### 於股東大會上提呈議案(續)

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

#### 向董事會提交查詢

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

### P. 組織章程文件

截至二零二一年三月三十一日止年度，本公司之組織章程文件概無任何變動。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### 1. INTRODUCTION

As a member of the global business community, the Group recognises the importance of sustainable development. This Environmental, Social and Governance (“ESG”) Report, covering the period from 1 April 2020 to 31 March 2021 (the “Period”), has been prepared in accordance with the “Environmental, Social and Governance Reporting Guide” under Appendix 27 of the Listing Rules. The Group observes the principles of materiality, quantitative, balance and consistency, and therefore focuses on reporting the practices and various works in environmental and social aspects of the Group’s major lines of business in manufacturing and trading activities as well as the operations of its Hong Kong headquarters. The selected Key Performance Indicators are summarised under Section 6 of this report. With respect to governance, it is separately reported on pages 26 to 42.

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

### 1. 緒言

作為全球商業界的一員，本集團認同可持續發展的重要性。本環境、社會及管治（「環境、社會及管治」）報告涵蓋二零二零年四月一日至二零二一年三月三十一日期間（「本期間」），乃根據上市規則附錄二十七項下的「環境、社會及管治報告指引」編製。本集團遵守重要性、量化、平衡及一致性原則，因而專注於報告本集團主要的製造及貿易活動業務領域以及香港總部營運在環境及社會方面的常規及各項工作。本報告第6部分概述了部分關鍵績效指標。相關管治則單獨呈報於第26至42頁。

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

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會及管治報告(續)

### 1. INTRODUCTION (Continued)

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

### 2. ENVIRONMENTAL ASPECTS

#### 2.1 Emissions

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

### 1. 緒言(續)

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

### 2. 環境層面

#### 2.1 排放

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

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會及管治報告(續)

## 2. ENVIRONMENTAL ASPECTS (Continued)

### 2.1 Emissions (Continued)

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

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

2.1.1 GHG emissions arising from the Group's trading activities and the Hong Kong headquarters mainly relate to indirect emissions of purchased electricity under Scope 2 and third-party distribution and logistics as well as business travels under Scope 3. During the Period, the respective Scope 2 and Scope 3 carbon dioxide ("CO<sub>2</sub>") emissions amounted to a total of about 17 tonnes (2020: 20 tonnes) and 0 tonne (2020: 7 tonnes) respectively. The reasons for zero Scope 3 emission were due to no purchases of pharmaceuticals from overseas as well as business travels by employees in light of the COVID-19 pandemic.

## 2. 環境層面(續)

### 2.1 排放(續)

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

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

2.1.1 本集團貿易活動及香港總部產生的溫室氣體排放主要與範圍2所購電力及範圍3第三方分銷及物流以及商務旅行的間接排放有關。於本期間內，範圍2及範圍3各自產生的二氧化碳(「二氧化碳」)排放總量分別約為17噸(二零二零年：20噸)及0噸(二零二零年：7噸)。範圍3零排放乃由於並無在海外購買藥品及鑑於新型冠狀病毒肺炎疫情，員工概無商務旅行所致。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會及管治報告(續)

### 2. ENVIRONMENTAL ASPECTS (Continued)

#### 2.1 Emissions (Continued)

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

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

The major source of waste gas emission comes from natural gas boilers. Air pollutants mainly include sulfur oxide ("SOx"), nitrogen oxide ("NOx"), and particle material ("PM"). The factory has installed a desulfurisation tower to ensure levels of emission are in compliance with the standards. The tower is functioning well and levels of emission are significantly lower than the lower limit of the national emission requirements. In the Period, SOx, NOx, and PM emissions amounted to about 10 kgs (2020: 738 kgs), 341 kgs (2020: 158 kgs) and 0 kg (2020: 0 kg) respectively. The results were monitored and measured by an independent third party in accordance with the prevailing requirements of the Technical Guidelines of Accounting Method for Pollution Source Intensity Basic Principles (《污染源源強核算技術指南—準則》).

CO<sub>2</sub> emissions arising from natural gas boilers and fuels for daily operations of vehicles (Scope 1), purchased electricity (Scope 2) and business travels (Scope 3) amounted to about 1,020 tonnes (2020: 965 tonnes), 1,430 tonnes (2020: 1,652 tonnes) and 3 tonnes (2020: 5 tonnes) respectively.

### 2. 環境層面(續)

#### 2.1 排放(續)

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

##### (a) 廢氣排放管理

廢氣排放的主要來自天然氣鍋爐。空氣污染物主要包括硫氧化物（「硫氧化物」）、氮氧化物（「氮氧化物」）及顆粒物（「顆粒物」）。工廠已安裝脫硫塔，以確保排放水平符合標準。該塔運行良好，排放水平遠低於國家排放要求的下限。本期間內，硫氧化物、氮氧化物及顆粒物的排放量分別約為10千克（二零二零年：738千克）、314千克（二零二零年：158千克）及0千克（二零二零年：0千克）。結果乃根據《污染源源強核算技術指南—準則》之現行規定，經由獨立第三方作監測及測量。

天然氣鍋爐以及汽車日常使用所用燃料（範圍1）、所購電力（範圍2）及商務旅行（範圍3）產生的二氧化碳排放量分別約為1,020噸（二零二零年：965噸）、1,430噸（二零二零年：1,652噸）及3噸（二零二零年：5噸）。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會及管治報告(續)

## 2. ENVIRONMENTAL ASPECTS (Continued)

### 2.1 Emissions (Continued)

#### 2.1.2 (Continued)

##### (b) *Wastewater management*

The factory has built its own waste water treatment facilities with daily capacity of 400 tonnes to treat the wastewater from its production processes before discharge, and about 41,330 tonnes (2020: 34,000 tonnes) of effluents were treated and discharged in the Period. The increase in discharge of wastewater was primarily due to shifts in production to meet changes in sales mix. To monitor and control the discharge, the factory has worked jointly with local environmental monitoring stations, and an on-line monitoring system has been installed to test and collect data on the quality of effluent. In addition, the factory has commissioned a third-party inspection unit to conduct regular surveillance on effluent discharge against the standards in order to ensure timely detection of its abnormality and implementation of corrective measures when in exceedances.

##### (c) *Solid waste management*

The storages and disposals of hazardous and non-hazardous wastes are handled in accordance with the requirements of relevant rules and regulations. During the Period, about 349 kgs (2020: 119 kgs) hazardous wastes generated from the production process were disposed of with waste management services provided by contractors as designated by Jilin Province Environmental Protection Office. The increase was primarily related to the increase in wastewater discharge. The non-hazardous wastes of about 135 tonnes (2020: 150 tonnes) were disposed of through wastes collection services provided by the local authorities.

## 2. 環境層面(續)

### 2.1 排放(續)

#### 2.1.2 (續)

##### (b) *廢水管理*

工廠已建立自身日處理量為400噸的廢水處理設施以於排放前處理其生產過程產生的廢水，而於本期間內，約有41,330噸(二零二零年：34,000噸)廢水經處理及排放。廢水排放增加乃主要由於生產轉移以滿足銷售組合變動。為監察及監控有關排放，工廠已與當地的環境監察站合作，並已安裝在線監測系統，以測試及收集污水的質量數據。此外，工廠委聘了第三方檢測單位，定期監測污水排放是否符合準則，以確保及時探測到異常情況，並於污水排放過量時採取糾正措施。

##### (c) *固體廢棄物管理*

有害及無害廢棄物乃根據相關規則及法規的規定儲存及處理。於本期間內，生產過程產生之約349千克(二零二零年：119千克)有害廢棄物已由吉林省環保廳指定的承包商提供的廢棄物管理服務進行處理。該增加主要與廢水排放增加有關。約135噸(二零二零年：150噸)無害廢棄物已通過地方當局提供的廢棄物收集服務進行處理。



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會及管治報告(續)

## 2. ENVIRONMENTAL ASPECTS (Continued)

### 2.2 Use of Resources

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

2.2.1 The major resources used by the Group's trading activities and Hong Kong headquarters are electricity, and paper (including own offices use and bulk printing of annual and interim reports and circulars distributed to the Company's shareholders through printing firms). In the Period, the electricity consumption was in aggregate of about 21,000 KWhs (2020: 24,000 KWhs) and paper used was in aggregate of about 1.5 tonnes (2020: 1.8 tonnes), of which about 1.5 tonnes (2020: 1.4 tonnes) were FSC certified paper.

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

## 2. 環境層面(續)

### 2.2 資源使用

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

2.2.1 本集團的貿易活動及香港總部使用的主要資源為電力及紙張(包括辦公室自用及透過印刷公司大量印刷向本公司股東分發之年報及中期報告以及通函)。於本期間內,耗電量合計約21,000千瓦時(二零二零年:24,000千瓦時)以及用紙量合計約1.5噸(二零二零年:1.8噸),當中約1.5噸(二零二零年:1.4噸)為FSC認證紙。

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

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會及管治報告(續)

### 2. ENVIRONMENTAL ASPECTS (Continued)

#### 2.2 Use of Resources (Continued)

2.2.2 The Group's manufacturing activities consume mainly water, electricity, natural gas, fuel for vehicles and packing material used for finished products. Paper consumption in its daily operations amounted to about 2 tonnes (2020: 28 tonnes) relates to paper used during the processes of procurement, invoicing, production, quality assurance, marketing and administration, of which the consumption in various departments is being monitored by the management. The significant reduction in paper consumption was the results of (i) management's efforts to promote paperless office within internal departments by better utilisation of the electronic network and digitalisation of files as far as practicable in the paper procurement process, (ii) less consumption in printed materials related to decrease in promotion and symposium activities as a result of the pandemic, and (iii) the shift from the centralised supply of paper stationeries back to the distributors to arrange and to bear on their own.

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

Type of resources consumed	所消耗資源類型	2021 二零二一年		2020 二零二零年	
		Amount 數量	Intensity* 密度*	Amount 數量	Intensity* 密度*
1. Water (tonne)	水(噸)	51,139	0.65	39,160	0.5
2. Electricity (KWh)	電力(千瓦時)	2,014,000	25.6	2,040,000	26.3
3. Natural gas (m <sup>3</sup> )	天然氣(立方米)	376,890	4.78	360,000	4.64
4. Fuel for vehicles (liter)	汽車燃料(升)	38,650	0.49	33,822	0.44
5. Packing material (tonne)	包裝物料(噸)	509	0.01	775	0.01

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

\* 每千港元收入所產生的數量。

### 2. 環境層面(續)

#### 2.2 資源使用(續)

2.2.2 本集團的生產活動主要消耗水、電力、天然氣、汽車燃料及製成品所用的包裝物料。其日常業務的紙張消耗約2噸(二零二零年: 28噸)涉及採購、開具發票、生產、質量控制、商務及管理過程中所使用的紙張, 管理層正監控各部門的紙張消耗情況。紙張消耗量大幅減少, 乃歸功於(i)管理層致力於內部部門推廣無紙辦公室, 於紙張採購過程中力盡所能, 更好地善用電子網絡及數碼化文件, (ii)由於疫情影響, 導致宣傳和研討會活動減少, 印刷材料的消耗量減少, 及(iii)將紙質文具集中供應轉回由經銷商自行安排和承擔。

本期間所消耗的主要資源載列如下:

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會及管治報告(續)

### 2. ENVIRONMENTAL ASPECTS (Continued)

#### 2.2 Use of Resources (Continued)

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

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

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

### 2. 環境層面(續)

#### 2.2 資源使用(續)

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

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

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

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會及管治報告(續)

## 2. ENVIRONMENTAL ASPECTS (Continued)

### 2.3 The Environment and Natural Resources

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

## 3. SOCIAL ASPECTS

### 3.1 Employment

The Group employs about 171 employees on a permanent basis, and the manufacturing segment accounts for more than 90% of the Group's workforce. The statistics of the Group's workforce and employee turnover rate of the manufacturing segment are set out as below:

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

Gender	性別	Age 年齡			Total 總計
		Below 30 30歲以下	Between 30-50 30至50歲	Over 50 50歲以上	
Male	男	3	33	29	65
Female	女	7	86	13	106
Total	總計	10	119	42	171

## 2. 環境層面(續)

### 2.3 環境及自然資源

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

## 3. 社會層面

### 3.1 僱傭

本集團聘有約171名長期僱員，而製造分類的僱員佔本集團員工總數超過90%。本集團員工總數及製造分類的僱員流失率統計載列如下：

*按性別及年齡層劃分之員工總數(本集團)*

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會及管治報告(續)

### 3. SOCIAL ASPECTS (Continued)

#### 3.1 Employment (Continued)

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

Gender	性別	Age			Total
		Below 30 30歲以下	Between 30-50 30至50歲	Over 50 50歲以上	
Male	男	0%	22%	4%	14%
Female#	女#	0%	6%	100%	13%
Total	總計	0%	11%	29%	13%

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

# Turnover rate for female employees with age over 50 was 100% as a result of retirement

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

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

### 3. 社會層面(續)

#### 3.1 僱傭(續)

按性別及年齡層劃分之僱員流失率(%)(僅製造分類\*)

Gender	性別	Age			Total
		Below 30 30歲以下	Between 30-50 30至50歲	Over 50 50歲以上	
Male	男	0%	22%	4%	14%
Female#	女#	0%	6%	100%	13%
Total	總計	0%	11%	29%	13%

\* 有關製造分類的資料作出披露，因為貿易分類及香港總部的僱員流失率微小。

# 年屆50歲以上的女性僱員流失率為100%，此乃由於退休所致。

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

於本期間內，本集團並無違反中國、香港及馬來西亞的任何僱傭法律及法規。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會及管治報告(續)

### 3. SOCIAL ASPECTS (Continued)

#### 3.2 Health and Safety

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

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

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

During the Period, the Group did not breach any laws and regulations in relation to occupational health and safety and there were no work-related fatalities in the Group's operations but 1 work injury case (2020: 8 cases) in the manufacturing segment resulting in 13 lost days (2020: 74 days). Measures have been taken to strengthen the production safety with the aim of minimising risk of injury through safety publicity and education in order to enhance consciousness of all employees.

### 3. 社會層面(續)

#### 3.2 健康與安全

本集團致力為其全體僱員提供及維持安全及健康的工作環境。

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

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

於本期間內，本集團並無違反任何有關職業健康及安全的法律法規，且本集團業務並未發生任何因工作關係而死亡事件，惟製造分類發生1宗工傷案例(二零二零年：8宗)，導致損失工作日數達13日(二零二零年：74日)。本集團已採取措施加強生產安全，以期透過安全宣傳及教育提高全體僱員安全意識，從而最大限度地降低受傷風險。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會及管治報告(續)

### 3. SOCIAL ASPECTS (Continued)

#### 3.2 Health and Safety (Continued)

##### *Measures and Actions in response to COVID-19*

As to the Group's manufacturing operation in China, the COVID-19 outbreak in early 2020 had led to the temporary closure of the Group's plants in Changchun after the Lunar New Year holidays until mid-February 2020 in response to the nationwide containment measures. To restore the production to normalcy, management has been agile and promptly implemented all necessary precautionary and preventive measures to safeguard the health and safety of the staff in the workplace under the guidelines and announcements of the Chinese authorities.

Precautionary measures such as restriction on travels and meetings, temperature screening before entering workplaces and provision of adequate disinfection supplies like face masks and hand sanitisers to employees have been maintained and followed through in all workplaces. A team of personnel is designated to monitor regular cleaning and disinfection of areas in the respective workplaces. Wider physical spacing is provided for workstations and seats in meeting rooms and rest areas, as far as practicable, while tele-conferencing is used in place of physical meetings and split team arrangements are enhanced, where possible. In addition, employees are educated the need to keep social distancing and hygiene practices and to comply with quarantine orders by the government agencies, where applicable. All these measures have facilitated infection control and will be reviewed and adjusted taking into account the public health measures imposed by the Chinese authorities. In addition, employees are encouraged to get COVID-19 vaccination and transport arrangements are provided by the Group to facilitate those employees who have scheduled for getting vaccination.

With intense management efforts, the production plants have been operating safely without any significant impact on productivity and cost efficiency, and no COVID-19 infection case was reported during the Period.

### 3. 社會層面(續)

#### 3.2 健康與安全(續)

##### *應對新型冠狀病毒肺炎的措施及行動*

關於本集團於中國的生產業務，隨著新型冠狀病毒肺炎於二零二零年初爆發，導致本集團位於長春的廠房於春節假期之後暫時關閉直至二零二零年二月中旬，以響應全國性的遏制措施。為恢復正常生產，根據中國相關部門的指引及公告，管理層已迅速且及時實施所有必要的預防及防範措施，以保障員工於工作場所的健康與安全。

所有工作場所均維持及實施預防措施，如限制旅遊及會議、進入工作場所前檢測體溫及向僱員提供足夠的消毒用品(如口罩及消毒洗手液)。指定一組人員監管各個工作場所的定期清潔及消毒工作。於切實可行的情況下，盡量擴寬工作間、會議室及休息區的座位距離，如有可能，則以遠程會議替代現場會議並安排團隊分散工作。此外，教導僱員，使其了解保持社交距離及衛生習慣的必要性，並在適當情況下遵守政府部門的檢疫令。所有該等措施加強了感染控制並將根據中國相關部門實施的公共衛生措施進行檢討及調整。除此，本集團鼓勵僱員接種新型冠狀病毒肺炎疫苗，並提供交通安排，務求為已預約接種疫苗的僱員提供方便。

在管理層的不懈努力下，生產廠房一直安全運行，並無對生產力及成本效率產生任何重大影響，而本集團於本期間並無錄得任何新型冠狀病毒肺炎感染病例。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會及管治報告(續)

### 3. SOCIAL ASPECTS (Continued)

#### 3.2 Health and Safety (Continued)

##### *Measures and Actions in response to COVID-19 (Continued)*

As to the Group's headquarters and trading operations, precautionary measures within office premises are also in place and adjusted in line with the guidance by the local government authorities, to minimise the risk of contracting and spreading COVID-19; including keeping social distancing and hygiene practices, wearing mask at all time, carrying out regular cleaning and disinfection for door grips and working areas, granting flexible work-from-home arrangements for pregnant employees and encouraging employees to get COVID-19 vaccination. During the Period, the COVID-19 has limited impact on the Group's headquarters and trading operations.

#### 3.3 Development and Training

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

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

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

### 3. 社會層面(續)

#### 3.2 健康與安全(續)

##### *應對新型冠狀病毒肺炎的措施及行動(續)*

對於本集團總部及貿易業務，本集團亦已於辦公場所施行預防措施，有關措施會視乎當地政府的指引而進行調整，以盡量減少感染及傳播新型冠狀病毒肺炎的風險，措施包括保持社交距離及良好衛生習慣、持續佩戴口罩、對門把及工作場地定期進行清潔及消毒、為懷孕僱員提供彈性在家工作安排，並鼓勵僱員接種新型冠狀病毒肺炎疫苗。於本期間內，新型冠狀病毒肺炎對本集團總部及貿易業務的影響有限。

#### 3.3 發展與培訓

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

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

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



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會及管治報告(續)

### 3. SOCIAL ASPECTS (Continued)

#### 3.4 Labour Standards

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

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

### 4. OPERATING PRACTICES

#### 4.1 Supply Chain Management

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

### 3. 社會層面(續)

#### 3.4 勞工準則

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

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

### 4. 營運慣例

#### 4.1 供應鏈管理

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

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會及管治報告(續)

### 4. OPERATING PRACTICES (Continued)

#### 4.1 Supply Chain Management (Continued)

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

As to the Group's trading segment for China market, all drugs were sourced from GMP manufacturers in Europe and Latin America, and the Group has committed to work closely with and provide supports to its customers for quality control in compliance with the stringent testing conducted by the PRC drug authorities. As stated in the 2020 ESG Report, the Group's major imported products, i.e. skin treatment products from Spain, have been suspended for sale since January 2019 due to certain issues on manufacturing practices identified in an overseas on-site inspection by the Chinese regulatory authorities. During the Period, there were no imports of pharmaceutical products from overseas.

#### 4.2 Product Responsibility

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

### 4. 營運慣例(續)

#### 4.1 供應鏈管理(續)

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

就本集團的中國市場貿易分類而言，所有藥品均採購自歐洲及拉丁美洲的GMP製造商，且本集團已承諾就質量控制與客戶密切協作並向其提供支持，以符合中國藥監當局主導的嚴格檢測。誠如二零二零年環境、社會及管治報告所述，本集團主要進口的產品，即西班牙的皮膚治療產品，已自二零一九年一月起由於中國監管當局進行海外現場視察時識別若干製造規範問題而停售。於本期間內，並無自海外進口藥品。

#### 4.2 產品責任

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

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會及管治報告(續)

### 4. OPERATING PRACTICES (Continued)

#### 4.2 Product Responsibility (Continued)

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

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

#### 4.3 Anti-corruption

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

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

### 5. COMMUNITY INVESTMENT

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

### 4. 營運慣例(續)

#### 4.2 產品責任(續)

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

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

#### 4.3 反貪污

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

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

### 5. 社區投資

作為一個具社會責任感的企業，本公司致力利用其資源促進社區發展並積極鼓勵員工參與「公益金便服日」及「愛心捐血」等志願及慈善活動。員工亦於指定收集點投放未經使用或完好無缺的利是封及月餅盒，以支持利是封回收重用大行動及月餅盒回收計劃。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會及管治報告(續)

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

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

### 6. 環境關鍵績效指標(「關鍵績效指標」)表

下表概述本報告內所載本集團主要關鍵績效指標資料：

KPIs	關鍵績效指標	2021 二零二一年	2020 二零二零年
<b>Environment</b>	<b>環境</b>		
<b>Air pollutants (Kg)</b>	<b>空氣污染物(千克)</b>		
SOx	硫氧化物	10	738
NOx	氮氧化物	341	158
PM	顆粒物	—	—
<b>Greenhouse gas (Tonne CO<sub>2</sub>)</b>	<b>溫室氣體(噸二氧化碳)</b>		
<b>Total emission:</b>	<b>總排放量：</b>	<b>2,470</b>	2,649
Direct emission (Scope 1)	直接排放(範圍1)	1,020	965
Indirect emission (Scope 2)	間接排放(範圍2)	1,447	1,672
Indirect emission (Scope 3)	間接排放(範圍3)	3	12
Intensity per employee	每名僱員強度	14	16
<b>Wastes (Tonne)</b>	<b>廢棄物(噸)</b>		
Total hazardous waste produced	所產生有害廢棄物總量	41,330	34,000
Intensity (Hazardous waste) per employee	每名僱員強度(有害廢棄物)	242	201
Total non-hazardous waste produced	所產生無害廢棄物總量	135	150
Intensity (Non-hazardous waste) per employee	每名僱員強度(無害廢棄物)	1	1
<b>Energy consumption</b>	<b>能源消耗</b>		
<b>Total energy consumption:</b>	<b>能源消耗總量：</b>		
Fuel consumed for vehicles (Liter)	汽車燃料消耗(升)	38,650	33,822
Intensity (Fuel) per employee	每名僱員強度(燃料)	226	200
Electricity (MWh)	電力(兆瓦時)	2,035	2,064
Intensity (Electricity) per employee	每名僱員強度(電力)	12	12
Natural gas (thousand m <sup>3</sup> )	天然氣(千立方米)	377	360
Intensity (Natural gas) per employee	每名僱員強度(天然氣)	2	2

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會及管治報告(續)

KPIs	關鍵績效指標	2021 二零二一年	2020 二零二零年
<b>Social</b>	<b>社會</b>		
<b>Total workforce (persons) – Group</b>	工作員工(人員)總數 – 本集團	171	169
<b>By gender:</b>	按性別劃分：		
Male	男	65	63
Female	女	106	106
<b>By age group:</b>	按年齡層劃分：		
<30	30歲以下	10	9
30–50	30至50歲	119	122
>50	50歲以上	42	38
<b>By employment type:</b>	按僱傭類型劃分：		
Permanent	全職	171	169
Part-time	兼職	—	—
<b>Employee turnover rate(%) – Manufacturing</b>	僱員流失率(%) – 製造分類		
<b>By gender:</b>	按性別劃分：		
Male	男	14%	22%
Female	女	13%	17%
<b>By age group:</b>	按年齡層劃分：		
<30	30歲以下	0%	44%
30–50	30至50歲	11%	16%
>50	50歲以上	29%	23%
<b>By employment type:</b>	按僱傭類型劃分：		
Permanent	全職	100%	100%
Part-time	兼職	—	—
<b>Health and safety</b>	<b>健康與安全</b>		
Number of work-related fatalities	因工作關係死亡人數	—	—
Lost days due to work injury (days)	因工傷損失的工作日數(日)	13	74

# REPORT OF THE DIRECTORS 董事會報告

The directors present their annual report and the audited consolidated financial statements of Extrawell Pharmaceutical Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2021.

董事會謹此提呈精優藥業控股有限公司（「本公司」）及其附屬公司（統稱「本集團」）截至二零二一年三月三十一日止年度之年報及經審核綜合財務報表。

## PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding and the activities of its principal subsidiaries and an associate are set out in notes 40 and 22 to the consolidated financial statements respectively.

## 主要業務及業務回顧

本公司之主要業務為投資控股，其主要附屬公司及一間聯營公司之業務分別載於綜合財務報表附註40及22。

The business review of the Group and the discussion and analysis of the Group’s performance for the year ended 31 March 2021 are set out in the sections “Chairman’s Statement” and “Management Discussion and Analysis” on pages 4 to 8 and pages 9 to 20 of this annual report respectively.

本集團截至二零二一年三月三十一日止年度之業務回顧及本集團表現之討論及分析分別載於本年報第4至8頁及第9至20頁之「主席報告」及「管理層討論及分析」各節。

A discussion on the Group’s environmental policies and performance, and information about laws and regulations affecting the businesses of the Group and their compliance are included in the Environmental, Social and Governance Report on pages 43 to 60 of this annual report. Furthermore, financial risk management and capital management of the Group are set out in notes 42 and 43 to the consolidated financial statement.

有關本集團環境政策及表現之討論以及有關影響本集團業務及其合規性之法律及法規之資料載於本年報第43至60頁之環境、社會及管治報告。此外，本集團之財務風險管理及資本管理載於綜合財務報表附註42及43。

The above discussions and information form part of this report.

上述討論及資料組成本報告之一部分。

## RESULTS AND DIVIDEND

The results of the Group for the year ended 31 March 2021 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 81 to 82.

## 業績及股息

本集團截至二零二一年三月三十一日止年度之業績載於第81至82頁之綜合損益及其他全面收益表。

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

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

# REPORT OF THE DIRECTORS (CONTINUED)

## 董事會報告(續)

### FIVE YEARS' FINANCIAL SUMMARY

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years is set out on page 192.

### INVESTMENT PROPERTIES

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

### PROPERTY, PLANT AND EQUIPMENT

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

### SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 35 to the consolidated financial statements.

### EQUITY-LINKED ARRANGEMENT

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

Details of the convertible bonds of the Company with principal amount of HK\$577,170,000 outstanding are disclosed in note 33 to the consolidated financial statements.

### 五年財務概要

本集團過去五個財政年度之業績、資產、負債及非控股權益概要載於第192頁。

### 投資物業

本集團之投資物業於年度內之變動詳情載於綜合財務報表附註16。

### 物業、廠房及設備

本集團之物業、廠房及設備於年度內之變動詳情載於綜合財務報表附註17。

### 股本

本公司股本於年度內之變動詳情載於綜合財務報表附註35。

### 股票掛鈎安排

於年度內並無訂立可能導致本公司發行股份之股票掛鈎協議。

有關本公司未償還本金額為577,170,000港元之可換股債券之詳情於綜合財務報表附註33內披露。

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

## SHARE OPTION SCHEME

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

## DISTRIBUTABLE RESERVES

As at 31 March 2021, the reserves of the Company available for cash distribution and/or distribution in specie amounted to HK\$115,034,000 which was computed in accordance with the Bermuda Companies Act. In addition, the Company’s share premium account with a balance of HK\$191,738,000 as at 31 March 2021 may be distributed in the form of fully paid bonus shares.

## RELATIONSHIP WITH EMPLOYEES

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

## MAJOR CUSTOMERS AND SUPPLIERS

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

For the year ended 31 March 2021, revenue attributable to the Group’s five largest customers accounted for approximately 24% of the Group’s revenue, and revenue attributable to the Group’s largest customer accounted for approximately 6% of the Group’s revenue.

## 購股權計劃

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

## 可供分派儲備

於二零二一年三月三十一日，依據百慕達公司法計算，本公司可供作現金分派及／或實物分派之儲備金額為115,034,000港元。此外，於二零二一年三月三十一日，本公司可供以繳足股本之紅股方式作分派之股份溢價賬餘額為191,738,000港元。

## 與僱員之關係

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

## 主要客戶及供應商

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

截至二零二一年三月三十一日止年度，本集團五大客戶應佔之收益額佔本集團收益額的約24%，而本集團最大客戶應佔之收益額佔本集團收益額的約6%。



# REPORT OF THE DIRECTORS (CONTINUED)

## 董事會報告(續)

### MAJOR CUSTOMERS AND SUPPLIERS (Continued)

For the year ended 31 March 2021, purchases attributable to the Group's five largest suppliers accounted for approximately 73% of the Group's purchases and purchases attributable to the Group's largest supplier accounted for approximately 26% of the Group's purchases.

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

### DIRECTORS

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

#### Executive directors:

Xie Yi  
Cheng Yong  
Lou Yi  
Wong Sau Kuen  
Liu Kwok Wah  
Lu Zhiqiang (*retired on 28 August 2020*)

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

#### Independent non-executive directors:

Fang Lin Hu  
Xue Jing Lun  
Jin Song

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

### 主要客戶及供應商(續)

截至二零二一年三月三十一日止年度，本集團五大供應商應佔之採購額佔本集團採購額的約73%，而本集團最大供應商應佔之採購額佔本集團採購額的約26%。

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

### 董事

於年度內及截至本報告日期在任之本公司董事如下：

#### 執行董事：

謝毅  
程勇  
樓屹  
王秀娟  
廖國華  
盧志強(於二零二零年八月二十八日退任)

謝毅博士、樓屹博士、王秀娟女士及廖國華先生亦為本公司若干附屬公司之董事。

#### 獨立非執行董事：

方林虎  
薛京倫  
金松

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

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

## DIRECTORS (Continued)

In accordance with the Company's bye-law 111, other than the Chairman, the directors of the Company, including the independent non-executive directors ("INEDs"), are subject to retirement by rotation and re-election at the annual general meeting of the Company. In accordance with the provisions of the Company's bye-laws, Ms. Wong Sau Kuen and Mr. Liu Kwok Wah will retire as directors by rotation at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election.

## DIRECTORS' SERVICE CONTRACTS

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

## DIRECTORS' REMUNERATION

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

## DIRECTORS' INTERESTS IN CONTRACTS

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

## DIRECTORS' INTERESTS IN COMPETING BUSINESS

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

## 董事(續)

根據本公司之公司細則第111條之規定，除主席外，本公司董事(包括獨立非執行董事(「獨立非執董」))須輪值退任，並於本公司之股東週年大會上重選連任。根據本公司之公司細則條文，王秀娟女士及廖國華先生將於本公司應屆股東週年大會上輪值退任董事，並符合資格並願意膺選連任。

## 董事之服務合約

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

## 董事薪酬

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

## 董事之合約利益

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

## 董事於競爭業務之權益

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

# REPORT OF THE DIRECTORS (CONTINUED)

## 董事會報告(續)

### PERMITTED INDEMNITY

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

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

At 31 March 2021, the interests and short positions of the directors in the shares, underlying shares or debentures of the Company or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

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

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

### 獲准許彌償

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

### 董事於股份、相關股份及債權證之權益及淡倉

於二零二一年三月三十一日，董事於本公司或其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份或債權證中，擁有登記於本公司根據證券及期貨條例第352條須存置之登記冊之權益及淡倉，或根據上市發行人董事進行證券交易之標準守則(「標準守則」)須知會本公司及聯交所之權益及淡倉如下：

#### 於本公司普通股之好倉

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

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

## 董事於股份、相關股份及債權證之權益及淡倉(續)

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

### 於本公司普通股之好倉(續)

Notes:

附註：

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

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

At 31 March 2021, there was a total of 2,390,000,000 shares issued by the Company, and assuming the exercise in full of the conversion rights attaching to the Company's convertible bonds, UG International will hold approximately 27.36% of the enlarged share capital of the Company.

於二零二一年三月三十一日，本公司已發行股份合共為2,390,000,000股。假設本公司可換股債券附帶之換股權獲悉數行使，UG International將持有本公司經擴大股本的約27.36%。

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

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

Save as disclosed above, as at 31 March 2021, none of the directors had registered an interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者外，於二零二一年三月三十一日，概無任何董事於本公司或其任何相聯法團之股份、相關股份及債權證中，擁有根據證券及期貨條例第352條須予登記之權益或淡倉，或根據標準守則須知會本公司及聯交所之權益或淡倉。

# REPORT OF THE DIRECTORS (CONTINUED)

## 董事會報告(續)

### DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

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

### 董事購入股份及債權證之權利

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

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

At 31 March 2021, the following interests and short positions of 5% or more of the shares and underlying shares of the Company were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

### 主要股東及其他人士於股份、相關股份及債權證之權益及淡倉

於二零二一年三月三十一日，根據本公司按照證券及期貨條例第336條須予保存之登記冊所記錄，登記擁有本公司股份及相關股份5%或以上權益及淡倉之人士如下。

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

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

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

## 主要股東及其他人士於股份、相關股份及債權證之權益及淡倉(續)

Note:

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

附註：

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

Save as disclosed above, as at 31 March 2021, no person, other than certain directors of the Company, whose interests are set out in the section "Directors' interests and short positions in shares, underlying shares and debentures" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

除上文所披露者外，於二零二一年三月三十一日，概無任何人士(不包括本公司若干董事，彼等之權益載於上文「董事於股份、相關股份及債權證之權益及淡倉」一節)於本公司之股份或相關股份中擁有根據證券及期貨條例第336條須予登記之權益或淡倉。

# REPORT OF THE DIRECTORS (CONTINUED)

## 董事會報告(續)

### CONNECTED AND RELATED PARTY TRANSACTIONS

There were no connected transactions entered into by the Group during the year. Details of the material related party transactions entered into by the Group which do not constitute connected transactions under the Listing Rules for the year are set out in note 38 to the consolidated financial statements.

### CONTRACTS OF SIGNIFICANCE

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

### EVENTS AFTER THE REPORTING PERIOD

On 12 May 2021, the Company as the bondholder and Innovative Pharmaceutical Biotech Limited (“Innovative Pharm”) as the issuer of the HK\$715,000,000 convertible bond due on 28 July 2021 (“Innovative Pharm Bonds”), entered into, the second deed of amendment (“Second Amendment Deed”) to further amend certain terms and conditions of the Innovative Pharm Bonds in respect of the extension on the maturity date and the payment of the interest of the Innovative Pharm Bonds (“Second Amendments”), and the second deed of waiver pursuant to which the Company granted to Innovative Pharm a waiver in respect of obligations of Innovative Pharm to the extent necessary and solely to effect the Second Amendments. The transaction contemplated under the Second Amendment Deed in respect of the Second Amendments constitutes a major transaction for the Company which is subject to the reporting, announcement and shareholders’ approval requirements under Chapter 14 of the Listing Rules. Please refer to the Company’s announcement dated 12 May 2021 for further details.

Save as disclosed above, there is no other material subsequent event occurred after 31 March 2021 and up to the date of this report.

### 關連及關聯方交易

於年度內本集團並無訂立關連交易。有關本集團於本年度訂立而根據上市規則並不構成關連交易之重大關聯方交易詳情載於綜合財務報表附註38。

### 重大合約

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

### 報告期後事項

於二零二一年五月十二日，本公司(作為債券持有人)與領航醫藥及生物科技有限公司(「領航醫藥」)(作為於二零二一年七月二十八日到期之715,000,000港元可換股債券(「領航醫藥債券」)之發行人)訂立第二份修訂契據(「第二份修訂契據」)以進一步修訂領航醫藥債券之若干條款及條件，涉及延長領航醫藥債券之到期日及利息付款(「第二次修訂」)，以及第二份豁免契據，據此本公司向領航醫藥授出豁免，在必要情況下僅為使第二次修訂生效而豁免有關領航醫藥之責任。第二份修訂契據項下擬進行有關第二次修訂之交易構成本公司之主要交易，須遵守上市規則第14章項下申報、公告及股東批准之規定。進一步詳情請參閱本公司日期為二零二一年五月十二日之公告。

除上文所披露者外，於二零二一年三月三十一日後及直至本報告日期，本集團並無發生其他重大期後事項。

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

## SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total issued share capital was held by the public during the year and up to the date of this report.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the Company's code of conduct for dealings in securities of the Company by the directors. Based on specific enquiry of the directors, the directors have complied with the required standard set out in the Model Code throughout the year ended 31 March 2021.

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

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

## PRE-EMPTIVE RIGHTS

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

## 充足公眾持股量

根據本公司於公開可得之資料及就董事所知，於年度內及截至本報告日期，公眾人士最少持有本公司已發行股本總數25%。

## 董事之證券交易標準守則

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易的標準守則(「標準守則」)作為董事買賣本公司證券之本公司操守守則。經向董事作出特定查詢後，董事於截至二零二一年三月三十一日止年度內均一直遵照標準守則所載之規定準則。

## 購買、出售或贖回本公司上市證券

本公司或其任何附屬公司於年度內概無購買、出售或贖回本公司任何上市證券。

## 優先購股權

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



# REPORT OF THE DIRECTORS (CONTINUED)

## 董事會報告(續)

### AUDIT COMMITTEE

The Company has established an Audit Committee (the “Committee”), with written terms of reference, in compliance with Rule 3.21 of the Listing Rules, for the purpose of reviewing and providing supervision over the financial reporting process and risk management and internal control systems of the Group. The Committee comprises three INEDs. The Group’s financial statements for the year ended 31 March 2021 have been reviewed by the Committee. The Committee is of the opinion that such financial statements comply with the applicable accounting standards, and Stock Exchange’s and legal requirements, and that adequate disclosures have been made.

### AUDITOR

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

On behalf of the Board

**Dr. Xie Yi**  
Chairman

Hong Kong, 29 June 2021

### 審核委員會

為檢討及監察本集團之財務匯報程序及風險管理及內部監控制度，本公司已遵照上市規則第3.21條成立審核委員會（「委員會」），並以書面列出其職權範圍。委員會由三名獨立非執董組成。本集團截至二零二一年三月三十一日止年度之財務報表已由委員會審閱。委員會認為該等財務報表已符合適用之會計準則及聯交所及法例規定，並已提供足夠披露。

### 核數師

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

代表董事會

主席  
謝毅博士

香港，二零二一年六月二十九日

# INDEPENDENT AUDITOR'S REPORT 獨立核數師報告



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

致精優藥業控股有限公司全體股東

*(於百慕達註冊成立之有限公司)*

## OPINION

We have audited the consolidated financial statements of Extrawell Pharmaceutical Holdings Limited (the “Company”) and its subsidiaries (together referred to as the “Group”) set out on pages 81 to 191, which comprise the consolidated statement of financial position as at 31 March 2021, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2021, 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

吾等已審核第81至第191頁所載精優藥業控股有限公司(「貴公司」)及其附屬公司(以下統稱「貴集團」)之綜合財務報表，包括於二零二一年三月三十一日之綜合財務狀況表、截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註(包括主要會計政策概要)。

吾等認為，綜合財務報表已遵照香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實公平地反映 貴集團於二零二一年三月三十一日的綜合財務狀況以及其於截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例披露要求妥為編製。

## 意見之基準

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

# INDEPENDENT AUDITOR'S REPORT (CONTINUED)

## 獨立核數師報告(續)

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the year ended 31 March 2021. 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.

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

##### Key audit matters 關鍵審核事項

As at 31 March 2021, the Group has interest in an associate of approximately HK\$324,018,000 representing 49% equity interests in Smart Ascent Limited.

於二零二一年三月三十一日，貴集團於一間聯營公司之權益約為324,018,000港元，乃指於進生有限公司之49%權益。

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

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

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

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

### 關鍵審核事項

關鍵審核事項為根據吾等之專業判斷，認為對截至二零二一年三月三十一日止年度綜合財務報表之審核最為重要的事項。該等事項為在吾等審核整體綜合財務報表及出具吾等之意見時進行處理，且吾等不會對該等事項提供單獨意見。

#### (1) 於一間聯營公司之減值評估

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

吾等處理該事項之主要審核程序包括如下：

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

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

## KEY AUDIT MATTERS (Continued)

## 關鍵審核事項(續)

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

### (2) 物業、廠房及設備之減值評估

#### Key audit matters

#### 關鍵審核事項

As at 31 March 2021, the Group has property, plant and equipment of approximately HK\$131,075,000.

於二零二一年三月三十一日，貴集團有物業、廠房及設備約131,075,000港元。

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

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

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

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

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

吾等處理該事項之主要審核程序包括如下：

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

# INDEPENDENT AUDITOR'S REPORT (CONTINUED)

## 獨立核數師報告(續)

### KEY AUDIT MATTERS (Continued)

#### (3) Valuation of convertible bonds under financial assets at fair value through profit and loss

##### Key audit matters

##### 關鍵審核事項

As at 31 March 2021, the Group's investment in convertible bonds classified as financial assets measured at fair value amounted to approximately HK\$466,322,000. Financial instruments which had significant unobservable inputs in the valuation, and hence were categorised within level 3 of the fair value hierarchy, involved a higher degree of uncertainty in their valuation.

於二零二一年三月三十一日，貴集團有分類為按公平值計量之金融資產之可換股債券投資約466,322,000港元。於估值時有重大不可觀察輸入數據之金融工具(因此分類於第三級公平值層級)，其估值涉及高度不確定性。

For the valuation, the Group appointed an independent external valuer to assess the valuation amount of convertible bonds under financial assets at fair value through profit and loss.

就估值而言，貴集團已委任獨立外部估值師評估按公平值計入損益之金融資產項下之可換股債券的估值金額。

The Group has applied valuation techniques to determine the fair value of financial instruments that are not quoted in active markets. These valuation techniques, in particular those that include significant unobservable inputs, involve management using subjective judgements and assumptions. With different valuation techniques and assumptions applied, the valuation results can vary significantly.

對於沒有活躍市場報價的金融工具，貴集團已採用估值技術來確定其公平值。該等估值技術涉及管理層之主觀判斷與假設，尤其包含重大不可觀察輸入數據之估值技術為甚。採用不同的估值技術及假設，可得出截然不同之估值結果。

### 關鍵審核事項(續)

#### (3) 按公平值計入損益之金融資產項下之可換股債券估值

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

吾等處理該事項之主要審核程序包括如下：

- Our audit procedures were designed to challenge the assumptions and critical judgements of the Group's valuation and accounting treatment for convertible bonds under financial assets at fair value through profit and loss;
- 吾等審計程序旨在質詢 貴集團對按公平值計入損益之金融資產項下之可換股債券估值及會計處理中的假設及關鍵判斷；
- We evaluated the appropriateness of the models used by management for the valuation of the convertible bonds;
- 吾等已評估管理層就可換股債券估值所使用之模式之合適性；
- We also evaluated the reasonableness and appropriateness of the unobservable and observable inputs used for the convertible bonds; and
- 吾等亦已評估就可換股債券所使用之不可觀察及可觀察輸入數據合理性及合適性；及
- We evaluated the competency of the independent external valuer taking account its experience and qualifications.
- 吾等已評估獨立外部估值師之能力，並考慮其經驗及資格。

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

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

The directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

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

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

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

## 綜合財務報表及核數師報告以外 之資料

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

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

## 董事及治理層就綜合財務報表須 承擔之責任

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

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

治理層負責監督 貴集團的財務報告流程。

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

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

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

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

## 核數師就審核綜合財務報表須承擔之責任

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

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

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

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

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

## 核數師就審核綜合財務報表須承 擔之責任(續)

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

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

吾等亦向治理層提交聲明，表明吾等已符合有關獨立性之相關道德要求，並與彼等溝通可能合理被認為會影響吾等獨立性之所有關係及其他事項，以及(倘適用)為消除威脅而採取的相關行動或所應用的防範措施。



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

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

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

The engagement partner on the audit resulting in the independent auditor's report is Mr. Leung Man Kin with Practising Certificate number P07174.

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

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

29 June 2021

## 核數師就審核綜合財務報表須承 擔之責任(續)

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

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

**開元信德會計師事務所有限公司**  
*執業會計師*

香港九龍  
尖沙咀  
天文臺道8號  
10樓

二零二一年六月二十九日

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## 綜合損益及其他全面收益表

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

		Notes 附註	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Revenue	收益	6	78,802	77,584
Cost of sales	銷售成本		(36,236)	(34,668)
Gross profit	毛利		42,566	42,916
Other income	其他收入	7	6,205	12,932
Other gains and losses, net	其他收益及虧損淨額	8	(100,879)	93,153
Selling and distribution expenses	銷售及分銷費用		(29,544)	(24,552)
Administrative expenses	行政費用		(23,890)	(26,445)
Share of results of an associate	應佔一間聯營公司業績		(2,879)	(3,165)
Finance costs	財務成本	10	(11,242)	(9,348)
(Loss)/Profit before income tax	除所得稅前(虧損)/溢利	9	(119,663)	85,491
Income tax credit	所得稅抵免	13	—	90
<b>(Loss)/Profit for the year</b>	<b>本年度(虧損)/溢利</b>		<b>(119,663)</b>	<b>85,581</b>
<b>Other comprehensive income/ (expense)</b>	<b>其他全面收益/(開支)</b>			
<i>Item that may be reclassified subsequently to profit or loss</i>	<i>其後可能重新分類至損益的 項目</i>			
Exchange differences on translation of foreign operations	換算海外業務之匯兌差額		9,109	(7,304)
Other comprehensive income/(expense) for the year	本年度其他全面收益/ (開支)		9,109	(7,304)
<b>Total comprehensive (expense)/ income for the year</b>	<b>本年度全面(開支)/收益 總額</b>		<b>(110,554)</b>	<b>78,277</b>

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

## 綜合損益及其他全面收益表(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

		Notes 附註	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
<b>(Loss)/Profit for the year attributable to:</b>	以下人士應佔本年度 (虧損)/溢利：			
Owners of the Company	本公司擁有人		<b>(121,098)</b>	83,280
Non-controlling interests	非控股權益		<b>1,435</b>	2,301
			<b>(119,663)</b>	85,581
<b>Total comprehensive (expense)/ income for the year attributable to:</b>	以下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		<b>(111,990)</b>	75,843
Non-controlling interests	非控股權益		<b>1,436</b>	2,434
			<b>(110,554)</b>	78,277
<b>(Loss)/Earnings per share for (loss)/ profit attributable to owners of the Company:</b>	本公司擁有人應佔(虧損)/ 溢利之每股(虧損)/盈利：		<b>HK cents</b> 港仙	HK cents 港仙
— Basic	— 基本	14	<b>(5.07)</b>	3.48
— Diluted	— 攤薄	14	<b>(5.07)</b>	2.81

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

As at 31 March 2021 於二零二一年三月三十一日

		Notes 附註	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Investment properties	投資物業	16	1,260	1,319
Property, plant and equipment	物業、廠房及設備	17	131,075	126,070
Right-of-use assets	使用權資產	18	12,488	14,005
Intangible assets	無形資產	19	1,807	1,807
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	20	466,322	571,065
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收益之金融資產	21	—	—
Interest in an associate	於一間聯營公司之權益	22	324,018	326,897
Loan to an associate	貸款予一間聯營公司	23	16,118	15,383
Deferred tax assets	遞延稅項資產	32	69	69
			<b>953,157</b>	1,056,615
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Inventories	存貨	24	7,558	5,865
Trade and bills receivables	貿易應收賬款及應收票據	25	9,130	10,484
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	26	2,263	4,787
Amount due from an associate	應收一間聯營公司款項	23	41,947	38,377
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	20	1,786	1,652
Pledged bank deposits	已抵押銀行存款	27	21,688	21,493
Cash and bank balances	現金及銀行結餘	28	126,710	126,437
			<b>211,082</b>	209,095
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Trade and bills payables	貿易應付賬款及應付票據	29	6,692	6,239
Accruals, other payables and contract liabilities	預提費用、其他應付款項及合約負債	30	33,893	36,052
Lease liabilities	租賃負債	31	1,771	1,692
Deferred income on government grants	政府補助之遞延收入	34	127	117
Tax payable	應付稅項		15,410	14,232
			<b>57,893</b>	58,332
<b>NET CURRENT ASSETS</b>	<b>流動資產淨值</b>		<b>153,189</b>	150,763

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

## 綜合財務狀況表(續)

As at 31 March 2021 於二零二一年三月三十一日

		Notes 附註	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>總資產減流動負債</b>		<b>1,106,346</b>	1,207,378
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>			
Convertible bonds	可換股債券	33	69,980	58,950
Lease liabilities	租賃負債	31	2,123	3,894
Deferred income on government grants	政府補助之遞延收入	34	4,949	4,686
			77,052	67,530
<b>NET ASSETS</b>	<b>資產淨值</b>		<b>1,029,294</b>	1,139,848
<b>EQUITY</b>	<b>權益</b>			
Share capital	股本	35	23,900	23,900
Reserves	儲備	37	1,006,605	1,118,595
<b>Equity attributable to owners of the Company</b>	<b>本公司擁有人應佔權益</b>		<b>1,030,505</b>	1,142,495
<b>Non-controlling interests</b>	<b>非控股權益</b>	40	(1,211)	(2,647)
<b>TOTAL EQUITY</b>	<b>權益總額</b>		<b>1,029,294</b>	1,139,848

On behalf of the Board

代表董事會

**Xie Yi**  
謝毅  
Director  
董事

**Wong Sau Kuen**  
王秀娟  
Director  
董事

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

		Share capital	Share premium	Capital reserve	Contribution surplus	Foreign currency translation reserve	Convertible bonds equity reserve	FVTOCI reserve	Retained earnings	Sub-total	Non-controlling interests	Total
		股本	股份溢價	資本儲備	繳入盈餘	匯兌儲備	可換股債券權益儲備	全面收益之儲備	保留盈利	小計	非控股權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2019	於二零一九年四月一日	23,900	191,738	6,542	4,839	27,945	512,359	(83,086)	382,415	1,066,652	(5,081)	1,061,571
Profit for the year	本年度溢利	-	-	-	-	-	-	-	83,280	83,280	2,301	85,581
Exchange differences on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	-	-	(7,437)	-	-	-	(7,437)	133	(7,304)
Total comprehensive income/(expense)	全面收益/(開支)總額	-	-	-	-	(7,437)	-	-	83,280	75,843	2,434	78,277
At 31 March 2020 and 1 April 2020	於二零二零年三月三十一日及二零二零年四月一日	23,900	191,738	6,542	4,839	20,508	512,359	(83,086)	465,695	1,142,495	(2,647)	1,139,848
Loss for the year	本年度虧損	-	-	-	-	-	-	-	(121,098)	(121,098)	1,435	(119,663)
Exchange differences on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	-	-	9,108	-	-	-	9,108	1	9,109
Total comprehensive (expense)/income	全面(開支)/收益總額	-	-	-	-	9,108	-	-	(121,098)	(111,990)	1,436	(110,554)
At 31 March 2021	於二零二一年三月三十一日	23,900	191,738	6,542	4,839	29,616	512,359	(83,086)	344,597	1,030,505	(1,211)	1,029,294

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
<b>Cash flows from operating activities</b>	<b>經營活動之現金流量</b>		
(Loss)/Profit before income tax	除所得稅前(虧損)/溢利	(119,663)	85,491
Adjustment for:	調整以下項目:		
Depreciation of right-of-use assets	使用權資產之折舊	2,159	467
Depreciation of investment properties	投資物業之折舊	59	59
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	5,906	5,835
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	—	(85)
(Reversal of)/Provision for impairment loss on trade receivables, net	貿易應收賬款減值虧損(撥回)/撥備淨額	(2,730)	5,921
(Reversal of)/Provision for impairment loss on inventories, net	存貨減值虧損(撥回)/撥備淨額	(60)	253
Change in fair value on financial assets at FVTPL — investments in convertible bonds	按公平值計入損益之金融資產公平值變動 — 可換股債券投資	104,743	(101,328)
Change in fair value on financial assets at FVTPL — bank structured product	按公平值計入損益之金融資產公平值變動 — 銀行結構性產品	(40)	(51)
Share of results of an associate	應佔一間聯營公司業績	2,879	3,165
Effective interest expense on convertible bonds	可換股債券之實際利息開支	11,030	9,315
Imputed interest income from amount due from an associate	應收一間聯營公司款項之估算利息收入	(3,570)	(8,989)
Interest income	利息收入	(860)	(3,264)
Amortisation of deferred income	遞延收入攤銷	(123)	(121)
Loan interest income from an associate	來自一間聯營公司之貸款利息收入	(735)	(556)
(Reversal of)/Provision for impairment loss on other receivables	其他應收款項減值虧損(撥回)/撥備	(1,094)	4,517
Interest expenses on lease liabilities	租賃負債之利息開支	212	33
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	(1,887)	662
Increase in inventories	存貨增加	(1,633)	(279)
Decrease in trade and bills receivables	貿易應收賬款及應收票據減少	823	6,342
Decrease in deposits, prepayments and other receivables	按金、預付款項及其他應收款項減少	3,595	1,989
Increase/(Decrease) in trade and bills payables	貿易應付賬款及應付票據增加/(減少)	453	(1,886)
Decrease in accruals, other payables and contract liabilities	預提費用、其他應付款項及合約負債減少	(2,159)	(20,149)
<b>Cash used in operations</b>	<b>營運所用之現金</b>	<b>(808)</b>	<b>(13,321)</b>
Income tax (paid)/refunded	(已付)/退還所得稅	(44)	70

# CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

## 綜合現金流量表(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
<b>Net cash used in operating activities</b>	經營活動所用之現金淨額	(852)	(13,251)
<b>Cash flows from investing activities</b>	投資活動所產生之現金流量		
Interest income received	已收利息收入	832	3,026
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項	—	85
Purchase of property, plant and equipment	購置物業、廠房及設備	(721)	(162)
Short term investment's return received	已收短期投資回報	40	51
Loan made to an associate	貸款予一間聯營公司	—	(9,800)
Increase in pledged bank deposits	已抵押銀行存款增加	(195)	(499)
<b>Net cash used in investing activities</b>	投資活動所用之現金淨額	(44)	(7,299)
<b>Cash flows from financing activities</b>	融資活動所產生之現金流量		
Repayment for lease liabilities	償還租賃負債	(1,692)	(208)
Interest paid	已付利息	(212)	(33)
<b>Net cash used in financing activities</b>	融資活動所用之現金淨額	(1,904)	(241)
<b>Net decrease in cash and cash equivalents</b>	現金及現金等值項目減少淨額	(2,800)	(20,791)
<b>Effect of foreign exchange rate change</b>	外幣匯率變動之影響	3,073	(1,674)
<b>Cash and cash equivalents at beginning of year</b>	年初之現金及現金等值項目	126,437	148,902
<b>Cash and cash equivalents at end of year</b>	年終之現金及現金等值項目	126,710	126,437
<b>Analysis of the balances of cash and cash equivalents</b>	現金及現金等值項目之結餘分析		
Cash and bank balances	現金及銀行結餘	126,710	126,437



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (1) GENERAL

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

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

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

#### (a) Adoption of new/revised HKFRSs — effective 1 April 2020

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

Amendments to HKFRS 3	Definition of a business
Amendments to HKAS 1 and HKAS 8	Definition of material
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest rate benchmark reform

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

### (1) 一般資料

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

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

### (2) 採納新訂及經修訂香港財務報告準則（「香港財務報告準則」）

#### (a) 採納新訂／經修訂香港財務報告準則一於二零二零年四月一日生效

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

香港財務報告準則第3號（修訂本）	業務之定義
香港會計準則第1號及香港會計準則第8號（修訂本）	重大之定義
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號（修訂本）	利率基準改革

本年度採納新訂／經修訂香港財務報告準則及香港財務報告準則之修訂對本集團的會計政策並無重大影響。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

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

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

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

Amendments to HKFRS 16	COVID-19 — Related Rent Concessions <sup>1</sup>
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2 <sup>2</sup>
Amendments to HKFRS 16	COVID-19 — Related Rent Concessions beyond 30 June 2021 <sup>3</sup>
Amendments to HKAS 37	Onerous contracts — Cost of fulfilling a contract <sup>4</sup>
Annual improvements to HKFRSs	Annual improvements to HKFRSs 2018–2020 cycle <sup>4</sup>
Amendments to HKAS 16	Property, plant and equipment: Proceeds before intended use <sup>4</sup>
Amendments to HKFRS 3	Reference to the conceptual framework <sup>4</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>5</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>6</sup>
HKFRS 17	Insurance Contracts and the related Amendments <sup>5</sup>
Amendment to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>5</sup>
Amendment to HKAS 8	Definition of Accounting Estimates <sup>5</sup>

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

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

<sup>3</sup> Effective for annual periods beginning on or after 30 June 2021.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2022.

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>6</sup> Effective for annual periods beginning date to be determined.

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

#### (b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則

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

香港財務報告準則第16號(修訂本)	新型冠狀病毒肺炎—有關租金優惠 <sup>1</sup>
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(修訂本)	利率基準改革—第二階段 <sup>2</sup>
香港財務報告準則第16號(修訂本)	二零二一年六月三十日後新型冠狀病毒肺炎—有關租金優惠 <sup>3</sup>
香港會計準則第37號(修訂本)	虧損性合約—履行合約之成本 <sup>4</sup>
香港財務報告準則的年度改進	香港財務報告準則二零一八年至二零二零年週期的年度改進 <sup>4</sup>
香港會計準則第16號(修訂本)	物業、廠房及設備：作擬定用途前之所得款項 <sup>4</sup>
香港財務報告準則第3號(修訂本)	提述概念框架 <sup>4</sup>
香港會計準則第1號(修訂本)	負債分類為流動或非流動及香港詮釋第5號的相關修訂(二零二零年) <sup>5</sup>
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合營企業間銷售或注入資產 <sup>6</sup>
香港財務報告準則第17號	保險合約及相關修訂 <sup>5</sup>
香港會計準則第1號及香港財務報告準則實務報告第2號(修訂本)	會計政策披露 <sup>5</sup>
香港會計準則第8號(修訂本)	會計估計之定義 <sup>5</sup>

<sup>1</sup> 於二零二零年六月一日或之後開始之年度期間生效。

<sup>2</sup> 於二零二一年一月一日或之後開始之年度期間生效。

<sup>3</sup> 於二零二一年六月三十日或之後開始之年度期間生效。

<sup>4</sup> 於二零二二年一月一日或之後開始之年度期間生效。

<sup>5</sup> 於二零二三年一月一日或之後開始之年度期間生效。

<sup>6</sup> 於開始日期待之年度期間生效。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (3) BASIS OF PREPARATION

#### 3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “HKFRSs”) and the provisions of the Hong Kong Companies Ordinance which concern the preparation of financial statements. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

#### 3.2 Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments, which are measured at fair values as explained in the accounting policies set out below.

#### 3.3 Functional and presentation currency

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Company. The amounts stated are rounded to the nearest HK\$1,000 unless otherwise stated.

### (3) 編製基準

#### 3.1 合規聲明

綜合財務報表乃根據所有適用香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋(以下統稱「香港財務報告準則」)以及香港公司條例有關編製財務報表之條文而編製。此外，綜合財務報表載有香港聯合交易所有限公司證券上市規則規定之適用披露。

#### 3.2 計量基準

如下文會計政策所述，除若干金融工具按公平值計量外，綜合財務報表乃根據歷史成本基準編製。

#### 3.3 功能及呈列貨幣

綜合財務報表乃以港元(「港元」)呈列，港元亦為本公司之功能貨幣。除另有所指外，所示金額約整至最接近千港元。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES

#### 4.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (the “Group”). Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the dates of acquisition or up to the dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

### (4) 重大會計政策

#### 4.1 綜合基準

綜合財務報表包括本公司及其附屬公司(「本集團」)之財務報表。集團各成員公司間之公司間交易與結餘連同未變現溢利乃於編製綜合財務報表時全數對銷。未變現虧損亦可對銷，惟於有關交易可提供所轉讓資產之減值證明則除外，在此情況下，虧損可於損益中確認。

於年度內收購或出售之附屬公司業績乃自收購日期起或截至出售日期止(如適用)計入綜合損益及其他全面收益表。為使附屬公司之會計政策與本集團其他成員公司採用之會計政策一致，必要時會對附屬公司之財務報表作出調整。

倘本集團喪失對附屬公司之控制權，則出售產生之損益乃根據(i)已收代價公平值與任何保留權益公平值之總額及(ii)該附屬公司之資產(包括商譽)及負債以及任何非控股權益之過往賬面值兩者間之差額計算。先前於其他全面收益內確認與該附屬公司有關之任何金額按猶如本集團已出售相關資產或負債之方式入賬。

收購後，代表目前於附屬公司擁有權益之非控股權益之賬面值為該等權益於初步確認時之金額另加有關非控股權益應佔之其後權益變動。即使會導致非控股權益出現虧絀結餘，全面收益總額仍歸屬於有關非控股權益。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.2 Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for the Company on the basis of dividend received and receivable.

#### 4.3 Associate

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

Associates are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amounts are adjusted for the Group's share of the post-acquisition change in the associates' net assets except that losses in excess of the Group's interest in the associates are not recognised unless there is an obligation to make good those losses.

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate. Where unrealised losses provide evidence of impairment of the asset transferred they are recognised immediately in profit or loss.

### (4) 重大會計政策(續)

#### 4.2 附屬公司

附屬公司指本公司有能力對其行使控制權之被投資公司。倘具備以下全部三項元素，本公司即對被投資公司擁有控制權：對被投資公司擁有權力、就被投資方可變回報承受風險或享有權利，及其行使權力影響有關可變回報之能力。倘有事實及情況顯示任何該等控制權元素可能有變，將會重新評估有關控制權。

於本公司財務狀況表內，於附屬公司之投資按成本扣除減值虧損(如有)列值。本公司按已收及應收股息基準將附屬公司業績入賬。

#### 4.3 聯營公司

聯營公司指本集團對其擁有重大影響力而非屬於附屬公司或合營安排之實體。重大影響力指有權參與被投資方之財務及營運決策，而非對該等政策擁有控制或共同控制權。

聯營公司採用權益法入賬，據此，聯營公司初步按成本確認，此後其賬面值會因應本集團所佔之聯營公司資產淨值收購後變動調整，惟超出本集團於聯營公司之權益之虧損不會被確認，除非有責任妥善處理該等虧損。

本集團與其聯營公司進行交易所產生之溢利及虧損，僅會就聯營公司之不相關投資者權益確認。該等交易產生之投資者所佔聯營公司之溢利及虧損，與聯營公司之賬面值對銷。如未變現虧損提供所轉讓資產減值證據，其即時於損益確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.3 Associate (Continued)

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

#### 4.4 Goodwill

Where the fair value of identifiable assets and liabilities exceed the aggregate of the fair value of consideration paid, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of the acquirer's previously held equity interest in the acquiree, the excess is recognised in profit or loss on the acquisition date, after re-assessment.

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units that are expected to benefit from the synergies of the acquisition. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, by comparing its carrying amount with its recoverable amount (see note 4.15), and whenever there is an indication that the unit may be impaired.

### (4) 重大會計政策(續)

#### 4.3 聯營公司(續)

就聯營公司已付之任何溢價超出本集團所佔已收購可識別資產、負債及或然負債之公平值之金額會撥充資本，並計入聯營公司之賬面值。如於聯營公司之投資出現已減值之客觀證據，投資之賬面值按其他非金融資產之相同方式測試減值。

#### 4.4 商譽

倘可識別資產及負債公平值超出已付代價之公平值、於被收購方之任何非控股權益金額及收購方過往於被收購方所持股權於收購日期之公平值之總額，則有關差額在重估後於收購日期於損益賬確認。

商譽以成本扣除減值虧損計量。就減值測試而言，收購產生之商譽會分配至預期受惠於收購所帶來協同效益之相關各現金產生單位。現金產生單位是最小可識別之資產組別，其產生之現金流入大致上獨立於其他資產或資產組別之現金流入。獲分配商譽之現金產生單位每年均透過其賬面值與其可收回金額作比較檢測減值(見附註4.15)，及凡有跡象顯示單位可能出現減值，則檢測減值。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.4 Goodwill (Continued)

For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro-rata on the basis of the carrying amount to each asset in the unit. However, the loss allocated to each asset will not reduce the individual asset's carrying amount to below its fair value less cost of disposal (if measurable) or its value in use (if determinable), whichever is the higher. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

#### 4.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as an expense in profit or loss during the financial period in which they are incurred.

### (4) 重大會計政策(續)

#### 4.4 商譽(續)

就於財政年度收購產生之商譽而言，獲分配商譽之現金產生單位於該財政年度結束之前測試減值。當現金產生單位之可收回金額少於其賬面值，則減值虧損首先分配以減少分配至單位之商譽賬面值，然後再根據有關單位各項資產之賬面值按比例分配至單位之其他資產。然而，分配至各資產之虧損將不會減少個別資產之賬面值至低於其公平值減出售成本(倘可計量)或其使用價值(倘可釐定)(以較高者為準)。商譽之任何減值虧損於損益賬確認且不會於其後期間撥回。

#### 4.5 物業、廠房及設備

物業、廠房及設備乃以成本減累計折舊及任何減值虧損呈列。物業、廠房及設備成本包括其購買價及收購該項目之直接應佔成本。

其後成本計入資產賬面值或於適當時確認為獨立資產，惟以有關該項目之日後經濟利益很可能流入本集團及該項目之成本能可靠計量為限。已取代部分之賬面值乃終止確認。所有其他維修及保養均於產生之財政期間於損益賬內確認為開支。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.5 Property, plant and equipment (Continued)

Property, plant and equipment are depreciated so as to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The annual rates/useful lives are as follows:

Buildings	Over the lease terms of the relevant leasehold land and 50 years if shorter
Plant and machinery	6.67%–20%
Furniture, fixtures and equipment	10%–30%
Motor vehicles	20%

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

#### 4.6 Investment property

Investment property is property held either to earn rentals or for capital appreciation or for both, but not held for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

The land component of leasehold investment property is accounted for as right-of-use assets.

### (4) 重大會計政策(續)

#### 4.5 物業、廠房及設備(續)

物業、廠房及設備予以折舊，以按物業、廠房及設備之估計可使用年期以直線法撇銷其成本值扣除預期剩餘價值。於各報告期末，會審閱可使用年期、剩餘價值及折舊方法，並在適當時作出調整。年率／可使用年期如下：

樓宇	有關租賃土地之租期及50年 (以較短者為準)
廠房及機器	6.67%至20%
傢俬、固定裝置及設備	10%至30%
汽車	20%

倘資產之賬面值高於其估計可收回金額，資產即時撇減至其可收回金額。

出售物業、廠房及設備項目之收益或虧損，為銷售所得款項淨額與其賬面值兩者間之差額，於出售時在損益賬中予以確認。

#### 4.6 投資物業

投資物業為持有作賺取租金或資本升值或作該兩種用途而非在日常業務過程中持作出售、用作生產或供應貨品或服務或作行政用途之物業。

租賃投資物業之土地部分按使用權資產入賬。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.6 Investment property (Continued)

The building component of investment property is measured at cost on initial recognition and subsequently carried at cost less accumulated depreciation and accumulated impairment (if any). Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives of 30.25 years.

The residual values and useful lives of investment property are reviewed, and adjusted as appropriate, at each financial year end. The effects of any revision are included in the statement of profit or loss when the changes arise.

#### 4.7 Leasing

##### *Accounting as a lessee*

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

### (4) 重大會計政策(續)

#### 4.6 投資物業(續)

投資物業之樓宇部分初始確認按成本計量，其後按成本減累計折舊及累計減值(如有)列賬。折舊使用直線法計算，於估計可使用年期30.25年內將可折舊金額分攤。

於各財政年度結算日就投資物業之剩餘價值及可使用年期檢討，並作出適當調整。任何修訂之影響於發生變動時計入損益表內。

#### 4.7 租賃

##### *作為承租人的會計處理*

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.7 Leasing (Continued)

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

##### *Right-of-use asset*

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

##### *Lease liability*

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

### (4) 重大會計政策(續)

#### 4.7 租賃(續)

##### *作為承租人的會計處理(續)*

##### *使用權資產*

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

##### *租賃負債*

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.7 Leasing (Continued)

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

##### *Lease liability (Continued)*

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

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

### (4) 重大會計政策(續)

#### 4.7 租賃(續)

##### *作為承租人的會計處理(續)*

##### *租賃負債(續)*

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.7 Leasing (Continued)

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

The total rentals payable under the operating leases are recognised in profit or loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integrated part of the total rental expense, over the term of the lease.

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

##### (i) *Intangible asset acquired separately*

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses (see note 4.8(iii)).

### (4) 重大會計政策(續)

#### 4.7 租賃(續)

##### *作為承租人的會計處理(續)*

經營租賃項下之應付租賃總額於租期內以直線法於損益內確認。已收到之租賃優惠於租期內確認為租金支出總額之組成部分。

#### 4.8 無形資產(商譽除外)

##### (i) *個別收購之無形資產*

個別收購且具有限可使用年期之無形資產乃按成本減累計攤銷及任何累計減值虧損列賬。具有限可使用年期之無形資產之攤銷乃按直線法於其估計可使用年期內確認。估計可使用年期及攤銷方法於各報告期末檢討，而估計之任何變動影響按預期基準入賬。

個別收購之具無限可使用年期之無形資產乃按成本減任何其後累計減值虧損列賬(見附註4.8(iii))。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.8 Intangible assets (other than goodwill) (Continued)

##### (ii) Internally generated intangible assets (research and development costs)

Expenditure on internally developed products is capitalised if it can be demonstrated that:

- it is technically feasible to develop the product for it to be sold;
- adequate resources are available to complete the development;
- there is an intention to complete and sell the product;
- the Group is able to sell the product;
- sale of the product will generate future economic benefits; and expenditure on the project can be measured reliably.

The amount initially recognised for internally generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

### (4) 重大會計政策(續)

#### 4.8 無形資產(商譽除外)(續)

##### (ii) 內部產生無形資產(研發成本)

內部開發產品支出在出現下列情況時可被撥充資本：

- 在技術上可開發產品以供銷售；
- 有足夠資源完成開發；
- 有意完成及銷售產品；
- 本集團有能力銷售產品；
- 銷售產品會產生未來經濟利益；及可靠計量項目支出。

就內部產生無形資產初始確認之金額為自無形資產首次符合上述確認標準當日起產生之開支總額。倘未能確認任何內部產生無形資產，則開發支出於其產生期間內在損益中確認。

於初始確認後，內部產生無形資產按與單獨收購之無形資產相同之基準，以成本減累計攤銷及累計減值虧損(如有)呈報。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.8 Intangible assets (other than goodwill) (Continued)

(ii) *Internally generated intangible assets (research and development costs) (Continued)*

Intangible assets, which comprise rights to commercially exploit certain gene inventions, are stated at cost less accumulated amortisation and impairment losses. The category of intangible asset is summarised as follows:

**Gene invention rights**

The cost of gene invention rights is amortised over the lives of the rights granted for the invention of a period up to a maximum of twenty years.

(iii) *Impairment*

Intangible assets with finite lives are tested for impairment when there is an indication that an asset may be impaired. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that they may be impaired. Intangible assets are tested for impairment by comparing their carrying amounts with their recoverable amounts (see note 4.15).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as revaluation decrease to the extent of its revaluation surplus.

### (4) 重大會計政策(續)

#### 4.8 無形資產(商譽除外)(續)

(ii) *內部產生無形資產(研發成本)(續)*

無形資產包括以商業形式利用若干基因發明之權利，乃按成本減累計攤銷及減值虧損列賬。無形資產之類別概述如下：

**基因發明權**

基因發明權之成本，乃自授出基因發明權起，最長分二十年攤銷。

(iii) *減值*

如有跡象顯示資產可能減值，則具有限使用年期之無形資產作減值測試。無限使用年期之無形資產及尚未能使用之無形資產每年進行減值測試，而不管有否任何跡象顯示其可能減值。無形資產按比較其賬面值與其可收回金額之方式進行減值測試(見附註4.15)。

當某資產之可收回金額估計低於其賬面值時，資產賬面值乃調低至其可收回金額。

減值虧損即時確認為開支，除非有關資產乃以重估金額列賬，在此情況下，減值虧損視為重估減值，減值以重估盈餘為限。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.9 Financial Instruments

##### (i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

### (4) 重大會計政策(續)

#### 4.9 金融工具

##### (i) 金融資產

金融資產(除並無重大融資組成部分之貿易應收賬款外)初步按公平值加(就並非按公平值計入損益(「按公平值計入損益」)之項目而言)其收購或發行直接應佔之交易成本計量。並無重大融資組成部分之貿易應收賬款初步按交易價格計量。

正常買賣之所有金融資產均於交易日確認，即本集團承諾收購或出售資產當日。正常買賣指一般由市場法規或慣例設定要求於指定期間內交付買賣金融資產。

於釐定具有嵌入衍生工具之金融資產之現金流量是否純粹為支付本金及利息時，應整體考慮該等金融資產。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.9 Financial Instruments (Continued)

(i) *Financial assets (Continued)*

*Debt instruments*

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

**Fair value through other comprehensive income ("FVTOCI"):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Debt investments at FVTOCI are subsequently measured at fair value. Interest income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

### (4) 重大會計政策(續)

#### 4.9 金融工具(續)

(i) *金融資產(續)*

*債務工具*

債務工具之其後計量取決於本集團管理資產之業務模式及資產之現金流量特點。本集團將其債務工具分為三種計量類別：

**攤銷成本：**就持作收取合約現金流量之資產而言，倘有關資產之現金流量純粹為支付本金及利息，則按攤銷成本計量。按攤銷成本計量之金融資產其後採用實際利率法計量。利息收入、匯兌收益及虧損以及減值於損益確認。終止確認之任何收益於損益確認。

**按公平值計入其他全面收益(「按公平值計入其他全面收益」)：**就持作收取合約現金流量及出售金融資產之資產而言，倘有關資產之現金流量純粹為支付本金及利息，則按公平值計入其他全面收益計量。按公平值計入其他全面收益之債務投資其後按公平值計量。採用實際利率法計算之利息收入、匯兌收益及虧損以及減值於損益確認。其他收益及虧損淨額於其他全面收益確認。於其他全面收益累計之收益及虧損在終止確認時重新分類至損益。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.9 Financial Instruments (Continued)

(i) *Financial assets (Continued)*  
*Debt instruments (Continued)*

Fair value through profit or loss (“FVTPL”): Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

### (4) 重大會計政策(續)

#### 4.9 金融工具(續)

(i) *金融資產(續)*  
*債務工具(續)*

按公平值計入損益(「按公平值計入損益」): 按公平值計入損益之金融資產包括持作買賣金融資產、於初步確認時指定為按公平值計入損益之金融資產, 或強制要求按公平值計量之金融資產。倘收購金融資產之目的為作短期出售或購回用途, 則該等金融資產分類為持作買賣。衍生工具(包括獨立嵌入式衍生工具)亦分類為持作買賣, 惟被指定為有效對沖工具則除外。現金流量並非純粹為支付本金及利息之金融資產均按公平值計入損益分類及計量(不論其業務模式)。儘管如上文所述債務工具可按攤銷成本或按公平值計入其他全面收益分類, 惟債務工具可於初步確認時指定為按公平值計入損益(倘此舉可消除或大幅減少會計錯配)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.9 Financial Instruments (Continued)

(i) *Financial assets (Continued)*  
*Equity instruments*

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Equity investments at fair value through other comprehensive income are measured at fair value. Dividend income are recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss. All other equity instruments are classified as FVTPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

(ii) *Impairment loss on financial assets*

The Group recognises loss allowances for expected credit loss ("ECL") on trade and bills receivables and financial assets measured at amortised cost. The ECLs are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

### (4) 重大會計政策(續)

#### 4.9 金融工具(續)

(i) *金融資產(續)*  
*股本工具*

於初步確認並非持作買賣股本投資時，本集團可不可撤回地選擇於其他全面收益中呈列投資公平值之其後變動。該選擇按每項投資基準作出。按公平值計入其他全面收益之股本投資按公平值計量。股息收入於損益內確認，除非股息收入明確列為收回部分投資成本。其他收益及虧損淨額於其他全面收益確認，而非重新分類至損益。所有其他股本工具乃分類為按公平值計入損益，其中公平值變動、股息及利息收入均於損益中確認。

(ii) *金融資產之減值虧損*

本集團就貿易應收賬款及應收票據以及按攤銷成本計量之金融資產之預期信貸損失(「預期信貸損失」)確認虧損撥備。預期信貸損失將採用以下基準計量：(1)12個月預期信貸損失：其為於報告日期後12個月內發生之可能違約事件導致之預期信貸損失；及(2)全期預期信貸損失：其為於金融工具之預計年期內所有可能發生之違約事件產生之預期信貸損失。於估計預期信貸損失時考慮之最長期間為本集團面臨信貸風險之最長合約期間。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.9 Financial Instruments (Continued)

(ii) *Impairment loss on financial assets (Continued)*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group has elected to measure loss allowances for trade and bills receivables using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are based on the 12-months ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

### (4) 重大會計政策(續)

#### 4.9 金融工具(續)

(ii) *金融資產之減值虧損(續)*

預期信貸損失為按概率加權估計之信貸損失。信貸損失以本集團按合約應收之所有合約現金流量與本集團預期收取之所有現金流量之間之差額計量。該差額其後按資產原有實際利率相近之利率貼現。

本集團已選擇採用香港財務報告準則第9號之簡化法計量貿易應收賬款及應收票據之虧損撥備，並已根據全期預期信貸損失計算預期信貸損失。本集團已根據其過往信貸虧損經驗制定撥備矩陣，並按債務人特定之前瞻性因素及經濟環境予以調整。

就其他債務金融資產而言，預期信貸損失以12個月預期信貸損失為基準。然而，當信貸風險自產生起顯著增加時，撥備將以全期預期信貸損失為基準。

當釐定金融資產之信貸風險自初步確認以來是否顯著增加及於估計預期信貸損失時，本集團會考慮相關及毋須付出過多成本或精力即可獲得之合理及有理據之資料。此包括根據本集團之過往經驗及已知信貸評估得出之定量及定性資料以及前瞻性資料分析。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.9 Financial Instruments (Continued)

(ii) *Impairment loss on financial assets (Continued)*

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be credit-impaired when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets interest income is calculated based on the gross carrying amount.

(iii) *Financial liabilities*

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at fair value through profit or loss are initially measured at fair value and financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

### (4) 重大會計政策(續)

#### 4.9 金融工具(續)

(ii) *金融資產之減值虧損(續)*

本集團假設，倘金融資產逾期超過30日，其信貸風險會顯著增加。

本集團認為金融資產於下列情況出現信貸減值：(1) 借款人不太可能在本集團無採取行動追索(例如：變現抵押品(如持有))之情況下向本集團悉數履行其信貸義務；或(2) 該金融資產逾期超過90日。

信貸減值金融資產之利息收入乃根據金融資產之攤銷成本(即賬面總值減虧損撥備)計算。非信貸減值金融資產之利息收入乃根據賬面總值計算。

(iii) *金融負債*

本集團視乎負債產生之目的將其金融負債分類。按公平值計入損益之金融負債初步按公平值計量，而按攤銷成本計量之金融負債初步按公平值減所產生之直接應佔成本計量。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.9 Financial Instruments (Continued)

##### (iii) *Financial liabilities (Continued)*

##### *Financial liabilities at amortised cost*

Financial liabilities at amortised cost including trade and other payables and the liability component of convertible bonds issued by the Company are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

##### (iv) *Convertible bonds*

Convertible bonds issued by the Group that contain both the liability and conversion option components are classified separately into their respective items on initial recognition. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the proceeds of the issue of the convertible bonds and the fair value assigned to the liability component, representing the conversion option for the holder to convert the bonds into equity, is included in equity (convertible bonds equity reserve).

### (4) 重大會計政策(續)

#### 4.9 金融工具(續)

##### (iii) 金融負債(續)

*按攤銷成本列賬之金融負債*  
按攤銷成本列賬之金融負債包括貿易應付賬款及其他應付款項以及本公司發行之可換股債券負債部分，其後使用實際利率法按攤銷成本計量。有關利息開支於損益內確認。

收益或虧損於終止確認負債時透過攤銷於損益確認。

##### (iv) 可換股債券

本集團所發行包含負債及換股權部分之可換股債券，乃於初步確認時獨立分類為其相關項目。將以固定金額現金或另一項金融資產交換本公司本身固定數目之股本工具方式結清之換股權乃分類為股本工具。

於初步確認時，負債部分之公平值乃按類似不可轉換債務之現行市場利率釐定。發行可換股債券之所得款項與撥往負債部分之公平值之差額(指讓持有人將債券轉換為權益之轉換權)列入權益(可換股債券權益儲備)內。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.9 Financial Instruments (Continued)

##### (iv) *Convertible bonds (Continued)*

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The equity component, represented by the option to convert the liability component into ordinary shares of the Company, will remain in convertible bonds equity reserve until the embedded option is exercised (in which case the balance stated in convertible bonds equity reserve will be transferred to share capital and share premium). Where the option remains unexercised at the expiry dates, the balance stated in convertible bonds equity reserve will be released to the retained earnings. No gain or loss is recognised upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible bonds using the effective interest method.

### (4) 重大會計政策(續)

#### 4.9 金融工具(續)

##### (iv) *可換股債券(續)*

於隨後期間，可換股債券負債部分乃按實際利率法以攤銷成本列賬。權益部分(指可將負債部分轉換為本公司普通股之換股權)將保留於可換股債券權益儲備內，直至該嵌入式換股權獲行使為止(於此情況下，可換股債券權益儲備之結餘將轉撥至股本及股份溢價)。倘換股權於到期日尚未行使，可換股債券權益儲備之結餘將解除至保留盈利。換股權獲轉換或到期後不會確認任何收益或虧損。

發行可換股債券有關之交易成本，按所得款項分配比例撥往負債及權益部分。與權益部分有關之交易成本於權益中直接扣除。與負債部分有關之交易成本計入負債部分之賬面值，並按實際利率法於已發行可換股債券期限內攤銷。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.9 Financial Instruments (Continued)

(v) *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(vi) *Equity instruments*

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(vii) *Derecognition*

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

### (4) 重大會計政策(續)

#### 4.9 金融工具(續)

(v) *實際利率法*

實際利率法為計算金融資產或金融負債攤銷成本及就有關期間分配利息收入或利息開支之方法。實際利率為透過金融資產或負債預計年期或(如適用)較短期間準確貼現估計未來現金收款或付款之利率。

(vi) *股本工具*

本公司發行之股本工具按收取之所得款項扣除直接發行成本入賬。

(vii) *終止確認*

本集團在與金融資產有關之未來現金流量合約權利屆滿，或金融資產已轉讓，且該轉讓根據香港財務報告準則第9號符合終止確認標準時，終止確認金融資產。

金融負債於有關合約所訂明責任解除、註銷或屆滿時終止確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.9 Financial Instruments (Continued)

##### (vii) Derecognition (Continued)

Where the Group issues its own equity instruments to a creditor to settle a financial liability in whole or in part as a result of renegotiating the terms of that liability, the equity instruments issued are the consideration paid and are recognised initially and measured at their fair value on the date the financial liability or part thereof is extinguished. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the year.

#### 4.10 Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### (4) 重大會計政策(續)

#### 4.9 金融工具(續)

##### (vii) 終止確認(續)

倘由於重新磋商金融負債條款，本集團向債權人發行自有股本工具，以全部或部分結清的金融負債，則已發行股本工具為已付代價，並於該金融負債或其一部分終止之日按公平值初步確認及計量。倘已發行股本工具的公平值無法可靠計量，則股本工具的計量應反映已終止金融負債的公平值。所終止金融負債或其中一部分的賬面值與已付代價之間的差額於年度內損益中確認。

#### 4.10 存貨

存貨初始按成本確認，其後按成本及可變現淨值之較低者確認。成本包括所有採購成本、轉換成本及將存貨達致其目前地點及狀況所產生之其他成本。成本按加權平均法計算。可變現淨值相當於一般業務過程中之估計售價減去達致完成之估計成本及作出銷售所需之估計成本。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.11 Revenue

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service.

### (4) 重大會計政策(續)

#### 4.11 收益

客戶合約收益於貨品或服務之控制權轉移至客戶時確認，有關金額反映本集團預期就交換該等貨品或服務而有權獲得之代價，不包括代表第三方收取之金額。收益不包括增值稅或其他銷售稅項，並扣除任何貿易折扣。

視乎合約條款及合約適用之法律，貨品或服務之控制權可在一段時間內或某一時間點轉移。倘本集團之履約符合下列條件，則貨品或服務之控制權會在一段時間內轉移：

- 提供了由客戶同步收取及消耗之所有利益；
- 隨著本集團履約，創建或改良客戶所控制之資產；或
- 並無創建對本集團而言具有其他用途之資產，而本集團有權強制收取迄今已完成之履約部分之款項。

倘貨品或服務之控制權在一段時間內轉移，收益將參考在完全履行該履約責任上之進度而於合約期間確認。否則，收益於客戶取得貨品或服務之控制權時於某一時間點確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.11 Revenue (Continued)

##### *Sales of pharmaceutical products*

Customers obtain control of the pharmaceutical products when the goods are delivered to and have been accepted. Revenue is thus recognised upon when the customers accepted the pharmaceutical products. There is generally only one performance obligation.

##### *Other income*

Interest income is accrued on a time basis on the principal outstanding at the applicable interest rate.

##### *Contract liabilities*

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

#### 4.12 Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

### (4) 重大會計政策(續)

#### 4.11 收益(續)

##### *銷售藥品*

當貨品交付及獲接收時，客戶方可獲得藥品的控制權。因此，收益於客戶接收藥品時確認。一般只有一項履約責任。

##### *其他收入*

利息收入根據未償還本金及適用利率按時間累計。

##### *合約負債*

合約負債指本集團將本集團已向客戶收取代價(或應收代價金額)的服務轉移予客戶的責任。

#### 4.12 所得稅

本年度之所得稅包括即期稅項及遞延稅項。

即期稅項乃日常業務所得損益(已就毋須繳納所得稅或不獲寬減所得稅之項目作出調整)，按於報告期末已頒佈或實質上已頒佈之稅率計算。

遞延稅項乃因就財務報告而言資產及負債之賬面值與就稅務而言之相關金額之暫時差額而確認。除商譽及不影響會計或應課稅溢利之已確認資產及負債之外，所有應課稅暫時差額均被確認為遞延稅項負債。尚可動用可扣稅之暫時差額抵銷應課稅溢利時，遞延稅項資產方會確認。遞延稅項乃按預期於有關資產之賬面值變現或有關負債之賬面值結算之期間適用之稅率，根據報告期末時已頒佈或實際已頒佈之稅率計算。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.12 Income taxes (Continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

#### 4.13 Foreign currency

Transactions entered into by the Company/group entities in currencies other than the currency of the primary economic environment in which it/they operate(s) (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

### (4) 重大會計政策(續)

#### 4.12 所得稅(續)

遞延稅項負債乃按於附屬公司、聯營公司及共同控制實體之投資而產生之應課稅暫時差額確認，惟倘本集團可控制暫時差額之撥回而該暫時差額有可能將不會在可見將來撥回者則除外。

所得稅乃於損益確認，除非該等稅項與於其他全面收益確認之項目有關，在此情況下該等稅項亦於其他全面收益內確認，或該等稅項與於權益直接確認之項目相關，在此情況下該等稅項亦於權益內直接確認。

#### 4.13 外幣

本公司／集團實體以其經營業務所在主要經濟環境貨幣（「功能貨幣」）以外之貨幣進行之交易，按交易發生時之適用匯率入賬。外幣貨幣資產及負債則以報告期末之適用匯率換算。按公平值入賬並以外幣計值之非貨幣項目重新按公平值釐定當日之現行匯率換算。以外幣歷史成本計量之非貨幣項目毋須重新換算。

結算與換算貨幣項目產生之匯兌差額於其產生期間於損益內確認。重新換算按公平值列賬之非貨幣項目產生之匯兌差額計入期內損益，惟重新換算有關收益及虧損於其他全面收益內確認之非貨幣項目產生之差額除外，在此情況下，匯兌差額亦於其他全面收益內確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.13 Foreign currency (Continued)

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve (attributed to non-controlling interests as appropriate). Exchange differences recognised in profit or loss of group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as foreign currency translation reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign currency translation reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of reporting period. Exchange differences arising are recognised in the foreign currency translation reserve.

### (4) 重大會計政策(續)

#### 4.13 外幣(續)

綜合賬目時，海外業務之收支項目以年度內平均匯率換算為本集團之呈報貨幣(即港元)，除非期內匯率大幅波動，則按進行該等交易時之相若匯率換算。所有海外業務之資產及負債均以報告期末之匯率換算。所產生之匯兌差額(如有)，於其他全面收益確認，並累計至權益入賬為匯兌儲備(歸屬於非控股權益(如適用))。於換算構成本集團所涉海外業務之部分投資淨額之長期貨幣項目時，在集團實體之獨立財務報表之損益內確認之匯兌差額則重新分類至其他全面收益，並累計至權益入賬為匯兌儲備。

出售海外業務時，匯兌儲備內確認該業務截至出售日期止之累計匯兌差額將重新分類至損益，作為出售溢利或虧損之一部分。

於二零零五年一月一日或以後，收購海外業務產生之有關所收購可識別資產之商譽及公平價值調整乃視為該海外業務之資產及負債，並按於報告期末之現行匯率進行換算。產生之匯兌差額乃於匯兌儲備內確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.14 Employee benefits

(i) *Short term employee benefits*

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related service.

(ii) *Retirement benefit costs*

Payments to state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

(iii) *Termination benefits*

Termination benefits are recognised on the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

#### 4.15 Impairment of assets (other than financial assets)

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment/investment property under cost model;
- right-of-use assets;
- intangible assets; and
- investments in subsidiaries and an associate

### (4) 重大會計政策(續)

#### 4.14 僱員福利

(i) *短期僱員福利*

短期僱員福利為預期於僱員提供相關服務之年度報告期末後十二個月之前悉數結清之僱員福利(終止福利除外)。短期僱員福利於僱員提供相關服務之年度內確認。

(ii) *退休福利成本*

於僱員提供服務且有權獲得供款時，向國家管理之退休福利計劃及強制性公積金計劃之供款被確認為開支。

(iii) *終止福利*

終止福利於本集團不能取消提供該等福利時及本集團確認重組成本(涉及支付終止福利)時(以較早日期為準)確認。

#### 4.15 資產減值(金融資產除外)

於各報告期末，本集團檢討下列資產之賬面值，以釐定是否有任何跡象顯示該等資產已出現減值虧損或過往確認之減值虧損不再存在或可能已經減少：

- 成本模式項下的物業、廠房及設備／投資物業；
- 使用權資產；
- 無形資產；及
- 於附屬公司及一間聯營公司之投資

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.15 Impairment of assets (other than financial assets) (Continued)

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the impairment loss is treated as a revaluation decrease under that HKFRS.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the reversal of the impairment loss is treated as a revaluation increase under that HKFRS.

Value in use is based on the estimated future cash flows expected to be derived from the asset, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

### (4) 重大會計政策(續)

#### 4.15 資產減值(金融資產除外) (續)

倘資產之可收回金額(即公平值減出售成本與使用價值之較大者)估計少於其賬面值,該資產之賬面值將減至其可收回金額。減值虧損即時確認為開支,除非相關資產根據另一條香港財務報告準則按重估金額入賬,在此情況下,減值虧損則根據該條香港財務報告準則被視為重估減值。

倘其後撥回減值虧損,則該項資產之賬面值回升至經修訂後之估計可收回金額,惟增加後之賬面值不能超過倘該資產於過往年度並無確認減值虧損而原應釐定之賬面值。減值虧損撥回即時確認為收入,除非相關資產根據另一條香港財務報告準則按重估金額入賬,在此情況下,減值虧損撥回則根據該條香港財務報告準則被視為重估增值。

使用價值乃根據預期自資產產生之估計日後現金流量,並使用反映當前市場對金錢時間價值之評估及該資產或現金產生單位獨有之風險之稅前折現率將其折現至現值。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.16 Borrowing cost

Borrowing costs that are directly attributable to the acquisition or production of a qualifying asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

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

#### 4.17 Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reliably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

### (4) 重大會計政策(續)

#### 4.16 借款成本

直接源於收購或生產合資格資產之借款成本乃資本化為資產成本之一部分，直至籌備資產作其擬定用途或銷售之絕大部分所需活動已完成為止，此後，有關開支於損益扣除。合資格資產為必須長時間準備方能用作擬定用途或銷售之資產。借款成本資本化於自主開發中斷之較長期間暫停。

合資格資本化之借款成本金額為期內就借款產生之實際借款成本減暫時投資借款之任何投資收入。

所有其他借款成本於其產生期間於損益內確認。

#### 4.17 撥備及或然負債

當本集團因過往事件須負上法律或推定責任而可能導致流出經濟利益，且該經濟利益能夠合理估計時，則會就未能確定時間或金額之負債確認撥備。

倘不太可能需要流出經濟利益，或該金額未能可靠估計，則該責任將披露為或然負債，惟流出經濟利益之機會極微則除外。僅以發生或無發生一項或多項日後事件方可確定是否存在之可能責任，亦會披露為或然負債，惟流出經濟利益之機會極微則除外。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.18 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statement of profit or loss and other comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred income on government grants and are credited to the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the expected lives of the related assets.

#### 4.19 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the year in which the dividends are approved by the Company's shareholders or directors, where appropriate.

#### 4.20 Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of key management personnel of the Group or the Company's parent.

### (4) 重大會計政策(續)

#### 4.18 政府補助

當能合理確定將收到政府之補助，而本集團將遵守所有附帶條件時，補助按其公平值確認。

有關成本之政府補助將被遞延，並於將有關補助與其擬定補償之成本配對所需之期間內在綜合損益及其他全面收益表予以確認。

有關物業、廠房及設備之政府補助被納入非流動負債列為有關政府補助之遞延收入，並於有關資產之預期年限內按直線基準計入綜合損益及其他全面收益表。

#### 4.19 股息分派

本公司股東之股息分派於本集團及本公司之年度內財務報表中被確認為負債，其中股息由本公司股東或董事(倘合適)批准。

#### 4.20 關聯方

- (a) 倘屬以下人士，則該人士或該人士之近親與本集團有關：
- (i) 控制或共同控制本集團；
  - (ii) 對本集團有重大影響；或
  - (iii) 為本集團或本公司母公司之主要管理層成員。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.20 Related parties (Continued)

- (b) An entity is related to the Group if any of the following conditions apply:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Company's parent.

### (4) 重大會計政策(續)

#### 4.20 關聯方(續)

- (b) 倘符合下列任何條件，則該實體與本集團有關：
- (i) 該實體與本集團屬同一集團之成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關)。
  - (ii) 一間實體為另一實體之聯營公司或合營企業(或另一實體為集團旗下成員公司之聯營公司或合營企業之成員公司)。
  - (iii) 兩間實體均為同一第三方之合營企業。
  - (iv) 一間實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司。
  - (v) 實體為本集團或與本集團有關之實體就僱員利益設立之離職福利計劃。
  - (vi) 實體受(a)內識別人士控制或共同控制。
  - (vii) (a)(i)內識別人士對實體有重大影響力或屬該實體(或該實體之母公司)之主要管理層成員。
  - (viii) 向本集團或向本公司之母公司提供主要管理人員服務之實體或其所屬集團之任何成員公司。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.20 Related parties (Continued)

(b) (Continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

### (4) 重大會計政策(續)

#### 4.20 關聯方(續)

(b) (續)

任何人士之近親是指與該實體交易時預期可影響該名人士或受該人士影響之家庭成員，包括：

- (i) 該人士之子女及配偶或同住伴侶；
- (ii) 該人士之配偶或同住伴侶之子女；及
- (iii) 該人士或該人士之配偶或同住伴侶之受養人。

### (5) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### (5) 重大會計判斷及估計不明朗因素之主要來源

在應用本集團會計政策時，董事須對未能輕易地從其他來源確定之資產及負債賬面值作出判斷、估計及假設。該等估計及相關假設是根據過往經驗及被認為相關之其他因素而作出。實際結果或會與該等估計有所不同。

該等估計及相關假設會持續地檢討。若估計修訂只影響作出修訂的期間，則會計估計之修訂會於該期內確認；或如該估計修訂影響本期及未來期間，則會計估計之修訂會於修訂期內及未來期間確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (5) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### Impairment of interest in an associate

The Group's interest in an associate represents interest in Smart Ascent Limited and its subsidiaries (the "Smart Ascent Group"). The major asset held by the Smart Ascent Group is an intangible asset in relation to an in-process research and development project (the "In-process R&D") involving an oral insulin product (the "Product"). As at 31 March 2021, the carrying amount of the Group's interest in an associate amounted to HK\$324,018,000 (2020: HK\$326,897,000). The directors of the Company have performed an impairment assessment on the Group's interest in an associate as at 31 March 2021, with reference to a valuation report prepared by an independent qualified valuer and are of the view that no impairment provision is required.

In making the assessment, key assumptions adopted by the management include that Smart Ascent Group would be successful in completing the clinical trials, obtaining the regulatory approvals from the relevant government bodies and launching the Product.

### (5) 重大會計判斷及估計不明朗因素之主要來源(續)

下文載列於報告期末所作出有關未來之主要假設及估計不確定因素之其他主要來源，該等假設及來源有相當風險導致須於下個財政年度內就資產及負債之賬面值作出重大調整。

#### 於一間聯營公司之權益減值

本集團於一間聯營公司之權益指於進生有限公司及其附屬公司(「進生集團」)之權益。進生集團所持之主要資產為有關進行之研究及開發項目(「進行之研發」)之無形資產，當中涉及口服胰島素產品(「產品」)。於二零二一年三月三十一日，本集團於一間聯營公司之權益賬面值為324,018,000港元(二零二零年：326,897,000港元)。本公司董事已經參考獨立合資格估值師編製之估值報告，就本集團於二零二一年三月三十一日於一間聯營公司之權益進行減值評估，並認為毋須作出減值撥備。

在進行評估時，管理層所應用之主要假設包括進生集團將成功完成臨床試驗、取得有關政府監管部門批准並推出產品。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (5) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

#### Impairment loss on trade receivables

The impairment loss on trade receivables of the Group is estimated based on the evaluation of collectability and aging analysis of individual trade debts performed by the management. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

#### Impairment of right-of-use assets and buildings

As at 31 March 2021, the right-of-use assets and buildings are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amounts have been determined based on value-in-use calculations or market valuations. These valuations require the use of judgements and estimates.

Management's judgement is required in the area of assets impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related assets value may not be recoverable; and (ii) whether the carrying amounts of assets can be supported by the recoverable amount, being the higher of fair value less costs of disposal or net present value of future cash flows derived from continuing use of the assets in the business. The management performed an impairment assessment on its right-of-use assets and buildings as at 31 March 2021, with reference to the valuation report prepared by an independent qualified valuer using the depreciate replacement cost approach. The fair values of these assets were higher than their carrying amounts. Accordingly, no impairment loss is recognised for right-of-use assets and buildings based on the impairment assessment performed by the management as at 31 March 2021 (2020: Nil).

### (5) 重大會計判斷及估計不明朗因素之主要來源(續)

#### 貿易應收賬款之減值虧損

本集團之貿易應收賬款之減值虧損乃基於管理層作出之個別貿易債務之可收回性評估及賬齡分析而估計。於評估該等應收款項最終變現價值時，須作出大量判斷，包括各客戶現時之信譽及過往還款記錄。倘本集團客戶之財務狀況惡化，導致其還款能力下降，則或須作出額外撥備。

#### 使用權資產及樓宇之減值

於二零二一年三月三十一日，使用權資產及樓宇於發生事件或環境出現改變，顯示該等資產之賬面值超過其可收回金額時，檢討是否有減值。可收回金額乃按使用價值計算或市場估值釐定。該等估值須使用判斷及估計。

管理層須於評估資產減值時作出判斷，尤其是評估：(i) 是否已出現任何事件顯示有關資產價值可能無法收回；及(ii) 資產可收回金額(即公平值減出售成本或繼續在業務中使用資產所帶來之未來現金流量現值淨額兩者中之較高者)是否足以支持其賬面值。於二零二一年三月三十一日，管理層經參考獨立合資格估值師使用折舊置換成本法編製之估值報告就其使用權資產及樓宇進行減值評估。該等資產之公平值高於其賬面值。因此，根據管理層於二零二一年三月三十一日進行之減值評估，概無就使用權資產及樓宇確認減值虧損(二零二零年：無)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (5) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

#### Impairment of right-of-use assets and buildings (Continued)

As at 31 March 2021, the carrying amounts of right-of-use-assets and buildings are approximately HK\$12,488,000 (2020: HK\$14,005,000) and HK\$112,258,000 (2020: HK\$106,323,000) respectively.

#### Impairment loss on slow-moving and obsolete inventories

Impairment loss on slow-moving and obsolete inventories is made based on the aging and estimated net realisable value of inventories. The assessment of the allowance amount involves judgement and estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/write-back in the period in which such estimate has been changed.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in market condition. The Group will reassess the estimates by the end of each reporting period.

### (5) 重大會計判斷及估計不明朗因素之主要來源(續)

#### 使用權資產及樓宇之減值(續)

於二零二一年三月三十一日，使用權資產及樓宇之賬面值分別約為12,488,000港元(二零二零年：14,005,000港元)及112,258,000港元(二零二零年：106,323,000港元)。

#### 滯銷及過期存貨減值虧損

滯銷及過期存貨乃根據存貨之賬齡及估計可變現淨值作出減值虧損。評估撥備數額涉及判斷及估計。倘日後實際結果與原先估計不同，則有關差額將影響在有關估計變動之期間存貨賬面值及撥備扣除/撥回。

可變現淨值乃存貨之估計售價減全部估計完成成本及進行出售所需成本。該等估計乃按照現行市況以及製造及銷售類似性質之產品之過往經驗作出。可變現淨值可因市況轉變而大幅變動。本集團將於各報告期末重新評估有關估計。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (5) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

#### Fair value of investments in convertible bonds

The fair value of convertible bonds invested by the Group is calculated using valuation techniques. Valuation techniques are certified by independent qualified valuers before being implemented for valuation and are calibrated to ensure that outputs reflect market conditions. Valuation models established by valuers make the maximum use of market inputs and rely as little as possible on the Group's specific data. The model involves estimates on time to expiration, risk free rate, share price, volatility, discount rate and others. As at 31 March 2021, the carrying amount of the convertible bonds as a whole invested by the Group is HK\$466,322,000 (2020: HK\$571,065,000).

#### Income taxes

The Group is subject to income taxes in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

### (5) 重大會計判斷及估計不明朗因素之主要來源(續)

#### 可換股債券投資之公平值

本集團投資之可換股債券之公平值乃採用估值法計算。估值法經獨立合資格估值師於估值前核實並予以調整，以確保得出之數據反映市況。估值師確定之估值模式會充分利用市場輸入數據而盡量少依賴本集團之特定數據。該模式涉及對到期時間、無風險利率、股價、波動、貼現率及其他因素之估計。於二零二一年三月三十一日，本集團投資之可換股債券之整體賬面值為466,322,000港元(二零二零年：571,065,000港元)。

#### 所得稅

本集團須繳納數個司法權區之所得稅。在釐定所得稅撥備時，需要作出重大估計。多項交易及計算之最終稅項釐定於日常業務過程中均屬不明確。本集團按照是否有應繳額外稅項之估計確認有關預計稅項審計事宜之負債。倘該等事宜之最終稅務結果有別於最初記賬之金額，有關差異將會影響作出有關釐定期間之所得稅及遞延稅項撥備。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (6) REVENUE AND SEGMENT INFORMATION

Revenue for the year represents the fair value of amounts received and receivable for goods sold to external customers, less discounts and sales-related taxes for the year, and is analysed as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Manufacturing of pharmaceutical products	製造藥品	78,802	77,584

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that makes strategic decisions.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products they provide. Each of the Group's operating segments represents a strategic business unit that offers products which are subject to risks and returns that are different from those of the other business segments. Summarised details of the reportable and operating segments are as follows:

- (a) the manufacturing segment engages in the development, manufacture and sales of pharmaceutical products ("Manufacturing");
- (b) the trading segment engages in the marketing and distribution of imported pharmaceutical products ("Trading"); and
- (c) the gene development segment engages in the commercial exploitation and development of genome-related technology ("Gene Development").

### (6) 收益及分類資料

年度內收益指向外間客戶出售貨品而已收及應收款項之公平值扣除年度內之折扣及銷售相關稅項，分析如下：

營運分類按照向首席營運決策者提供之內部報告貫徹一致之方式報告。負責分配資源及評估營運分類表現的首席營運決策者已被識別為作出戰略決策的董事會。

本集團之經營業務乃按照其業務性質及所提供之產品獨立分類及管理。本集團各經營分類乃提供產品之策略性業務單位，各業務分類之風險及回報不盡相同。可呈報及經營分類之概要詳情如下：

- (a) 製造分類從事開發、製造及銷售藥品(「製造」)；
- (b) 貿易分類從事推廣及分銷進口藥品(「貿易」)；及
- (c) 基因開發分類從事基因相關技術之商業開發及發展(「基因開發」)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (6) REVENUE AND SEGMENT INFORMATION (Continued)

### (6) 收益及分類資料(續)

#### Segment revenue and results

The following is the Group's revenue and results from operation by reportable and operating segment.

#### 分類收益及業績

以下為本集團按可呈報及經營分類劃分之經營收益及業績。

	Manufacturing 製造		Trading 貿易		Gene Development 基因開發		Total 總計		
	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	
Revenue Sales to external customers	收益 向外間客戶銷售	78,802	77,584	—	—	—	—	78,802	77,584
Segment results	分類業績	4,027	6,453	(4,416)	(14,919)	(96)	(86)	(485)	(8,552)
Unallocated other income	未分配之其他收入							6,205	12,932
Unallocated other gains and losses, net	未分配之其他收益及虧損淨額							(104,743)	101,328
Corporate expenses	企業開支							(6,731)	(7,737)
Effective interest expense on convertible bonds	可換股債券之實際利息開支							(11,030)	(9,315)
Share of results of an associate	應佔一間聯營公司業績							(2,879)	(3,165)
(Loss)/Profit before income tax	除所得稅前(虧損)/溢利							(119,663)	85,491
Income tax credit	所得稅抵免							—	90
(Loss)/Profit for the year	本年度(虧損)/溢利							(119,663)	85,581

Segment (loss)/profit represents the (loss from)/profit earned by each segment without allocation of other income, other gains and losses, net, corporate expenses, effective interest expense on convertible bonds and share of results of an associate. This is the measure reported to the chief operating decision maker, being the board of directors, for the purposes of resource allocation and performance assessment.

分類(虧損)/溢利指在並無分配其他收入、其他收益及虧損淨額、企業開支、可換股債券之實際利息開支及應佔一間聯營公司業績之情況下，各分類(產生之虧損)/賺取之溢利。此乃就資源分配及表現評估呈報予首席營運決策者(即董事會)的計量方式。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (6) REVENUE AND SEGMENT INFORMATION (Continued)

### (6) 收益及分類資料(續)

#### Segment assets and liabilities

The following is the Group's assets and liabilities by reportable and operating segment.

#### 分類資產及負債

以下為本集團按可呈報及經營分類劃分之資產及負債。

	Manufacturing 製造		Trading 貿易		Gene Development 基因開發		Total 總計	
	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
<b>Segment assets</b>	<b>分類資產</b>							
Segment assets	182,186	163,379	69,338	71,677	7	7	251,531	235,063
Financial assets at fair value through profit or loss – investments in convertible bonds							466,322	571,065
Interest in an associate							324,018	326,897
Corporate and other assets							122,368	132,685
<b>Total assets</b>							<b>1,164,239</b>	<b>1,265,710</b>
<b>Segment liabilities</b>	<b>分類負債</b>							
Segment liabilities	58,561	54,109	5,092	11,666	64	72	63,717	65,847
Convertible bonds							69,980	58,950
Corporate and other liabilities							1,248	1,065
<b>Total liabilities</b>							<b>134,945</b>	<b>125,862</b>

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than financial assets at fair value through profit or loss – investments in convertible bonds, interest in an associate and corporate and other assets; and
- all liabilities are allocated to operating segments other than convertible bonds and corporate and other liabilities

就監察分類表現及於分類間分配資源而言：

- 除按公平值計入損益之金融資產—可換股債券投資、於一間聯營公司之權益以及企業及其他資產外，所有資產均分配至經營分類；及
- 除可換股債券以及企業及其他負債外，所有負債均分配至經營分類

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (6) REVENUE AND SEGMENT INFORMATION (Continued)

### (6) 收益及分類資料(續)

## Other segment information

## 其他分類資料

	Manufacturing		Trading		Gene Development		Total		
	製造		貿易		基因開發		總計		
	2021	2020	2021	2020	2021	2020	2021	2020	
	二零二一年	二零二零年	二零二一年	二零二零年	二零二一年	二零二零年	二零二一年	二零二零年	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元		
Amounts included in the measure of segment profit or loss:	計入分類溢利或虧損計量之數額：								
Depreciation and amortisation	折舊及攤銷	5,982	5,910	2,010	320	—	—	7,992	6,230
Unallocated depreciation and amortisation	未分配折舊及攤銷							132	131
								8,124	6,361
Provision for/(Reversal of) impairment loss on trade receivables, net	貿易應收賬款減值虧損撥備/(撥回)淨額	241	1,567	(2,971)	4,354	—	—	(2,730)	5,921
Bad debts recovered from trade receivables previously written off	已收回先前已撇銷貿易應收賬款之壞賬	—	(2,127)	—	—	—	—	—	(2,127)
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	—	(85)	—	—	—	—	—	(85)
(Reversal of)/Provision for impairment loss on other receivables	其他應收款項減值虧損(撥回)/撥備	(151)	2,921	(943)	1,596	—	—	(1,094)	4,517
(Reversal of)/Provision for impairment loss on inventories, net	存貨減值虧損(撥回)/撥備淨額	(60)	253	—	—	—	—	(60)	253

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (6) REVENUE AND SEGMENT INFORMATION (Continued)

#### Geographical information

The Group's operations are located in the People's Republic of China (the "PRC"), Malaysia and Hong Kong.

Information about the Group's revenue from external customers is presented based on the location of the customers and distributors. Information about the Group's non-current assets is presented based on the geographical location of the assets.

### (6) 收益及分類資料(續)

#### 地理資料

本集團之業務位於中華人民共和國(「中國」)、馬來西亞及香港。

有關來自外間客戶之本集團收益之資料乃按客戶及經銷商所在地呈列。有關本集團非流動資產之資料乃按資產所在地呈列。

		Revenue from external customers 來自外間客戶之收益		Non-current assets 非流動資產	
		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Hong Kong	香港	—	—	3,862	5,873
The PRC	中國	78,802	77,584	482,904	479,608
		78,802	77,584	486,766	485,481

Note: Non-current assets exclude financial instruments and deferred tax assets.

附註：非流動資產不包括金融工具及遞延稅項資產。

#### Information about major customers

No individual customer accounted for over 10% of the Group's total revenue for both years.

#### 主要客戶資料

於該兩個年度內，概無客戶之收益佔本集團總收益超過10%。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

**(7) OTHER INCOME****(7) 其他收入**

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Bank interest income	銀行利息收入	860	3,264
Sundry income	雜項收入	—	2
Government grants	政府補助	1,040	121
Imputed interest income from amount due from an associate	應收一間聯營公司款項之 估算利息收入	3,570	8,989
Loan interest income from an associate	來自一間聯營公司之 貸款利息收入	735	556
		<b>6,205</b>	<b>12,932</b>

**(8) OTHER GAINS AND LOSSES, NET****(8) 其他收益及虧損淨額**

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	—	85
Change in fair value on financial assets at fair value through profit or loss — investments in convertible bonds	按公平值計入損益之金融資產 公平值變動—可換股債券投資	<b>(104,743)</b>	101,328
Change in fair value on financial assets at fair value through profit or loss — short term investment	按公平值計入損益之金融資產 公平值變動—短期投資	40	51
Reversal of/(Provision for) impairment loss on other receivables	其他應收款項減值虧損撥回/ (撥備)	1,094	(4,517)
Reversal of/(Provision for) impairment loss on trade receivables, net	貿易應收賬款減值虧損撥回/ (撥備)淨額	2,730	(5,921)
Bad debts recovered from trade receivables previously written off	已收回先前已撇銷貿易應收 賬款之壞賬	—	2,127
		<b>(100,879)</b>	<b>93,153</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (9) (LOSS)/PROFIT BEFORE INCOME TAX

### (9) 除所得稅前(虧損)/溢利

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
(Loss)/Profit before income tax is arrived at after charging/(crediting):			
除所得稅前(虧損)/溢利已扣除/(計入)下列各項:			
Auditor's remuneration	核數師酬金	760	730
Depreciation of right-of-use assets	使用權資產折舊	2,159	467
Depreciation of investment properties	投資物業折舊	59	59
Depreciation of property, plant and equipment	物業、廠房及設備折舊	5,906	5,835
Cost of inventories recognised as expenses	確認為費用之存貨成本	36,236	34,668
Expenses relating to short term lease payment	有關短期租賃付款之開支	—	1,601
(Reversal of)/Provision for impairment loss on inventories, net	存貨減值虧損(撥回)/撥備淨額	(60)	253
Staff costs (including directors' emoluments)	員工成本(包括董事薪酬)		
Salaries, bonus and allowances	薪金、花紅及津貼	19,549	20,395
Retirement benefits scheme contributions	退休福利計劃供款	1,221	2,056

### (10) FINANCE COST

### (10) 財務成本

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Interest on convertible bonds	可換股債券利息	11,030	9,315
Interest on lease liabilities	租賃負債利息	212	33
		11,242	9,348

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (11) DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Details of emoluments paid and payable to the directors of the Company, which include the Chief Executive Officer ("CEO") for the year are as follows:

### (11) 董事及最高行政人員酬金

本年度已付及應付予本公司董事(包括行政總裁(「行政總裁」))之酬金詳情如下：

Name of director	董事姓名	Fees		Salaries, and other allowance		Contributions to retirement benefits scheme		Total	
		袍金	薪金及其他津貼	退休福利計劃供款	總計				
		2021	2020	2021	2020	2021	2020	2021	2020
		二零二一年	二零二零年	二零二一年	二零二零年	二零二一年	二零二零年	二零二一年	二零二零年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Xie Yi	謝毅	70	70	1,316	1,316	—	—	1,386	1,386
Lou Yi	樓屹	70	70	487	487	—	—	557	557
Cheng Yong	程勇	70	70	643	643	—	—	713	713
Wong Sau Kuen	王秀娟	70	70	852	852	18	18	940	940
Liu Kwok Wah	廖國華	70	70	995	995	18	18	1,083	1,083
Lu Zhiqiang *	盧志強*	99	70	245	650	—	—	344	720
Fang Lin Hu	方林虎	70	70	—	—	—	—	70	70
Xue Jing Lun	薛京倫	70	70	—	—	—	—	70	70
Jin Song	金松	70	70	—	—	—	—	70	70
		659	630	4,538	4,943	36	36	5,233	5,609

\* Mr. Lu Zhiqiang retired on 28 August 2020, the amount of fees included payable for the period 1 April 2020 up to the date of his retirement.

\* 盧志強先生於二零二零年八月二十八日退任，該袍金金額包括由二零二零年四月一日至其退任日期之應付款項。

Xie Yi is also the CEO of the Company and his emoluments disclosed above include those for services rendered by him as the CEO.

謝毅亦為本公司行政總裁，其上述披露酬金包括其作為行政總裁所提供服務之酬金。

No emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office for both years. None of the directors has waived or agreed to waive any emoluments for both years.

於該兩個年度內，本集團並無向任何董事支付酬金，作為加入本集團或入職時之獎勵或作為離職補償。於該兩個年度內，概無任何董事放棄或同意放棄收取任何酬金。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (12) FIVE HIGHEST PAID INDIVIDUALS, MANAGEMENT'S EMOLUMENTS AND EMPLOYEES' BENEFITS

#### (a) The five highest paid individuals

Of the five individuals with the highest emoluments in the Group, four (2020: four) were directors of the Company whose emoluments are included in the disclosures in note 11 above. The emoluments of the remaining one (2020: one) individual was as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Salaries and allowance	薪金及津貼	603	730
Retirement benefit scheme contributions	退休福利計劃供款	18	6
		<b>621</b>	<b>736</b>

The emoluments of each of the above highest paid individuals (excluding the directors of the Company) were all within the following bands:

		2021 二零二一年	2020 二零二零年
Nil to HK\$1,000,000	零至1,000,000港元	1	1

During both years, no emoluments were paid by the Group to the five highest paid individuals and directors as an inducement to join or upon joining the Group or as compensation for loss of office, and no highest paid individual has waived or, agreed to waive any emoluments.

### (12) 五位最高薪酬人士、管理人員酬金及僱員福利

#### (a) 五位最高薪酬人士

本集團五位最高薪酬人士中四名(二零二零年:四名)為本公司董事,彼等之酬金載列於上文附註11內。其餘一名(二零二零年:一名)人士之酬金如下:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Salaries and allowance	薪金及津貼	603	730
Retirement benefit scheme contributions	退休福利計劃供款	18	6
		<b>621</b>	<b>736</b>

上述各最高薪酬人士(不包括本公司董事)之酬金介乎下列範圍內:

		2021 二零二一年	2020 二零二零年
Nil to HK\$1,000,000	零至1,000,000港元	1	1

於該兩個年度內,本集團並無向五位最高薪酬人士及董事支付酬金,作為加入本集團或入職時之獎勵或離職補償,及概無最高薪酬人士放棄或同意放棄任何酬金。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (12) FIVE HIGHEST PAID INDIVIDUALS, MANAGEMENT'S EMOLUMENTS AND EMPLOYEES' BENEFITS (Continued)

#### (b) Share option scheme

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

The Scheme provides incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the Company's directors (including independent non-executive directors), other employees of the Group, suppliers of goods or services to the Group, customers of the Group, and any non-controlling interests in the Company's subsidiaries.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

### (12) 五位最高薪酬人士、管理人員酬金及僱員福利(續)

#### (b) 購股權計劃

於二零一二年八月二十四日，本公司股東批准採納新購股權計劃（「該計劃」），原因為本公司於二零零二年八月八日採納之購股權計劃已於二零一二年八月十四日屆滿。該計劃在取得聯交所上市委員會批准後於二零一二年八月二十九日生效，除非以其他方式取消或修訂，否則該計劃將自該日起計十年內一直有效。

該計劃為對本集團營運成功作出貢獻之合資格參與者提供獎勵及回報。該計劃之合資格參與者包括本公司董事（包括獨立非執行董事）、本集團之其他僱員、本集團之貨品或服務供應商、本集團客戶及本公司附屬公司之任何非控股權益。

向本公司董事、最高行政人員或主要股東或彼等之任何聯繫人授出購股權，須事先取得獨立非執行董事批准。此外，倘於任何12個月期間向本公司主要股東或獨立非執行董事或彼等之任何聯繫人授出之任何購股權，涉及超過本公司於任何時間已發行股份之0.1%，或總值（按照本公司股份於授出日期之價格計算）超過5,000,000港元，則須事先於股東大會上獲股東批准。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (12) FIVE HIGHEST PAID INDIVIDUALS, MANAGEMENT'S EMOLUMENTS AND EMPLOYEES' BENEFITS (Continued)

#### (b) Share option scheme (Continued)

The offer of a grant of share options may be accepted in writing within 21 days from the date of the offer, upon payment of nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted shall be determined by the directors at their absolute discretion, but in any event shall not be more than 10 years from the date of the offer of the share options. The directors of the Company may at their absolute discretion impose any vesting period at the date of grant.

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheet on the date of grant; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's shares on the date of grant.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meeting.

From the effective date of the Scheme to 31 March 2021, no share options have been granted, exercised, cancelled or lapsed under the Scheme.

### (12) 五位最高薪酬人士、管理人員酬金及僱員福利(續)

#### (b) 購股權計劃(續)

承授人可於建議日期起計21日內，於支付合共1港元之象徵式代價後，以書面接納授出購股權之建議。所授出購股權之行使期由董事全權酌情決定，惟無論如何不得遲於購股權建議日期起計10年。本公司董事可於授出日期全權酌情規定任何歸屬期。

購股權之行使價可由董事釐定，惟不得低於以下三者中之最高者：(i)本公司股份於授出日期在聯交所每日報價表所報之收市價；(ii)本公司股份於緊接授出日期前五個營業日在聯交所每日報價表所報之平均收市價；及(iii)本公司股份於授出日期之面值。

購股權並不賦予持有人獲分派股息或於股東大會投票之權利。

自該計劃生效日期至二零二一年三月三十一日止期間，概無購股權根據該計劃獲授出、行使、註銷或失效。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (12) FIVE HIGHEST PAID INDIVIDUALS, MANAGEMENT'S EMOLUMENTS AND EMPLOYEES' BENEFITS (Continued)

#### (c) Retirement benefit schemes

The Group has joined a mandatory provident fund scheme (the "MPF Scheme") for all qualifying employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Scheme Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme.

The retirement benefits cost of the MPF Scheme charged to the consolidated statement of profit or loss and other comprehensive income represents contributions payable to the fund by the Group at rates specified in the rules of the scheme.

The employees of the Group's subsidiaries in the PRC are members of the state-sponsored retirement benefit scheme organised by the relevant local government authority in the PRC. The subsidiaries are required to contribute, based on a certain percentage of the salaries of its employees, to the retirement benefit scheme and have no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions.

### (12) 五位最高薪酬人士、管理人員酬金及僱員福利(續)

#### (c) 退休福利計劃

本集團已參加為所有香港合資格僱員而設之強制性公積金計劃(「強積金計劃」)。強積金計劃乃根據強制性公積金計劃條例於強制性公積金計劃管理局登記。強積金計劃之資產與本集團之資產分開持有，於基金之資產由獨立受託人控制。根據強積金計劃之規則，僱主及其僱員分別須向計劃作出按規則指定之比率計算之供款。本集團有關強積金計劃之唯一責任為根據計劃作出規定供款。

於綜合損益及其他全面收益表中扣除之強積金計劃退休福利成本指本集團按計劃規則指定比率應付基金之供款。

本集團之中國附屬公司僱員為由中國有關地方政府機關組織之國家管理退休福利計劃成員。附屬公司須按其僱員薪金之若干百分比向退休福利計劃供款，除每年供款外，並無任何實際支付退休金或退休後福利之進一步責任。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (13) INCOME TAX

The amount of income tax credit in the consolidated statement of profit or loss and other comprehensive income represents:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Overprovision in prior years	過往年度超額撥備		
— Hong Kong	— 香港	—	(50)
— Other jurisdictions	— 其他司法權區	—	(40)
		—	(90)
Income tax credit	所得稅抵免	—	(90)

Under the two-tiered profits tax rates regime, the first HK\$2 million of assessable profits of a qualifying corporation will be taxed at 8.25%, and assessable profits above HK\$2 million will continue to be taxed at 16.5%. For the years ended 31 March 2021 and 2020, Hong Kong Profits Tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% (2020: 25%).

### (13) 所得稅

綜合損益及其他全面收益表中之所得稅抵免款項指：

根據兩級利得稅稅率制度，合資格企業的應課稅溢利首2,000,000港元將按8.25%的稅率納稅，而超過2,000,000港元的應課稅溢利將繼續按16.5%的稅率納稅。截至二零二一年及二零二零年三月三十一日止年度，本集團合資格實體公司的香港利得稅乃根據兩級利得稅稅率制度計算。

根據中國企業所得稅法（「企業所得稅法」）及企業所得稅法實施條例，中國附屬公司之稅率為25%（二零二零年：25%）。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (13) INCOME TAX (Continued)

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

### (13) 所得稅(續)

於其他司法權區產生之稅項乃按有關司法權區現行稅率計算。

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
(Loss)/Profit before income tax expense 除所得稅支出前(虧損)/溢利	(119,663)	85,491
Tax calculated at domestic income tax rates applicable to profit or loss in the jurisdictions concerned 適用於有關司法權區損益之本地所得稅稅率計算之稅項	(19,343)	14,671
Tax effect of expenses not deductible 不可扣稅之開支之稅務影響	2,103	5,162
Tax effect of income not taxable 不應課稅之收入之稅務影響	(369)	(18,285)
Tax effect of tax losses recognised 已確認稅項虧損之稅務影響	14,111	(4,370)
Over provision in prior years 過往年度超額撥備	—	(90)
Tax effect of tax losses not recognised 未確認稅項虧損之稅務影響	3,498	2,822
Income tax (credit)/expense 所得稅(抵免)/支出	—	(90)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (14) (LOSS)/EARNINGS PER SHARES

The calculation of the basic and diluted (loss)/earnings per share attributable to owners of the Company is based on the following data:

### (14) 每股(虧損)/盈利

本公司擁有人應佔每股基本及攤薄(虧損)/盈利乃按下列數據計算：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
<b>(Loss)/Earnings</b>	<b>(虧損)/盈利</b>		
(Loss)/Earnings for the purpose of basic earnings per share ((Loss)/Profit for the year attributable to owners of the Company)	用於計算每股基本盈利之(虧損)/盈利(本公司擁有人應佔本年度(虧損)/溢利)	(121,098)	83,280
Effect of potential ordinary shares: Interest on convertible bonds	潛在普通股之影響： 可換股債券利息	—	9,315
(Loss)/Earnings for the purpose of diluted earnings per share	用於計算每股攤薄盈利之(虧損)/盈利	(121,098)	92,595
		2021 二零二一年 '000 千股	2020 二零二零年 '000 千股
<b>Number of shares</b>	<b>股份數目</b>		
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	用於計算每股基本(虧損)/盈利之普通股加權平均數	2,390,000	2,390,000
Effect of potential ordinary shares: Convertible bonds	潛在普通股之影響： 可換股債券	—	900,000
Weighted average number of ordinary shares for the purpose of diluted (loss)/earnings per share	用於計算每股攤薄(虧損)/盈利之普通股加權平均數	2,390,000	3,290,000

The computation of diluted loss per share for the year ended 31 March 2021 does not assume the conversion of the Company's outstanding convertible bonds since their assumed exercise would result in a decrease in loss per share.

計算截至二零二一年三月三十一日止年度的每股攤薄虧損時，並無假設轉換本公司尚未行使的可換股債券，原因是假設行使將導致每股虧損減少。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (15) DIVIDENDS

No dividend was paid or declared by the board of directors during the year ended 31 March 2021 (2020: nil), nor has any dividend been proposed since the end of reporting period.

### (15) 股息

截至二零二一年三月三十一日止年度，董事會並未派付或宣派任何股息（二零二零年：無），而自報告期末以來並無建議派付任何股息。

### (16) INVESTMENT PROPERTIES

### (16) 投資物業

HK\$'000  
千港元

<b>COST</b>	<b>成本</b>	
At 1 April 2019, 31 March 2020, 1 April 2020 and 31 March 2021	於二零一九年四月一日、 二零二零年三月三十一日、二零二零年四月一日 及二零二一年三月三十一日	8,057
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT</b>	<b>累計折舊及減值</b>	
At 1 April 2019	於二零一九年四月一日	6,679
Charge for the year	本年度列支	59
At 31 March 2020 and 1 April 2020	於二零二零年三月三十一日及二零二零年四月一日	6,738
Charge for the year	本年度列支	59
At 31 March 2021	於二零二一年三月三十一日	6,797
<b>NET CARRYING AMOUNT</b>	<b>賬面淨值</b>	
At 31 March 2021	於二零二一年三月三十一日	1,260
At 31 March 2020	於二零二零年三月三十一日	1,319

The above investment properties are depreciated using the straight-line method, after taking into account their estimated residual value, over the lease terms of the leasehold land.

上述投資物業經考慮其估計剩餘價值後，於租賃土地之租期內以直線法折舊。

The Group's investment properties are located on land in the PRC with land use period from 1992 to 2042.

本集團之投資物業位於中國，其土地使用期自一九九二年起至二零四二年為止。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (16) INVESTMENT PROPERTIES (Continued)

The fair value of the Group's investment properties at 31 March 2021 amounting to RMB3,400,000 (2020: RMB3,400,000) has been arrived at on the basis of valuation carried out for that date by Roma Appraisals Limited, an independent qualified valuer not connected with the Group. The valuation was arrived at by direct comparison approach with reference to market evidence of comparable transaction prices for similar properties as available in the relevant market.

The fair value of the Group's investment properties as at 31 March 2021 is a level 3 recurring fair value measurement and based on the properties highest and best use, which does not differ from their actual use. The following table presents the fair value hierarchy into which the fair value measurement of these properties are categorised (Level 3), based on the degree to which the inputs to the fair value is unobservable. The valuation takes account of the condition and location of the buildings in the valuation of the property.

### (16) 投資物業(續)

於二零二一年三月三十一日，本集團之投資物業公平值為人民幣3,400,000元(二零二零年：人民幣3,400,000元)，金額乃按與本集團並無關連之獨立合資格估值師羅馬國際評估有限公司於該日進行之估值基準達致。估值乃經參考相關市場中可得之類似物業可資比較交易價格之市場憑證後按直接比較法達致。

於二零二一年三月三十一日，本集團之投資物業之公平值按第三級經常性公平值計量並基於物業得到完全充分使用(與其實際用途相同)。下表呈列根據公平值計量輸入數據之不可觀察程度將該等物業之公平值計量分類之公平值層級(第三級)。在對物業進行估值時，該估值會計及樓宇之狀況及位置。

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
<b>Fair value hierarchy</b>	<b>公平值層級</b>		
Level 3	第三級	3,400	3,400

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

**(17) PROPERTY, PLANT AND EQUIPMENT****(17) 物業、廠房及設備**

		Buildings	Plant and equipment	Furniture, fixtures and equipment	Motor vehicles	Total
		樓宇	廠房及 設備	傢俬·固定 裝置及設備	汽車	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
<b>COST</b>	<b>成本</b>					
At 1 April 2019	於二零一九年四月一日	136,034	37,030	6,958	4,540	184,562
Additions	添置	—	125	37	—	162
Disposal	出售	—	—	—	(544)	(544)
Exchange realignment	匯兌調整	(8,577)	(2,441)	(165)	(226)	(11,409)
At 31 March 2020 and 1 April 2020	於二零二零年三月三十一日 及二零二零年四月一日	127,457	34,714	6,830	3,770	172,771
Additions	添置	—	456	265	—	721
Exchange realignment	匯兌調整	10,124	2,893	199	268	13,484
At 31 March 2021	於二零二一年三月三十一日	137,581	38,063	7,294	4,038	186,976
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT</b>	<b>累計折舊及減值</b>					
At 1 April 2019	於二零一九年四月一日	19,464	13,651	6,438	4,269	43,822
Charge for the year	本年度列支	2,716	2,883	133	103	5,835
Write-back	撥回	—	—	—	(544)	(544)
Exchange realignment	匯兌調整	(1,046)	(996)	(158)	(212)	(2,412)
At 31 March 2020 and 1 April 2020	於二零二零年三月三十一日 及二零二零年四月一日	21,134	15,538	6,413	3,616	46,701
Charge for the year	本年度列支	2,747	2,933	157	69	5,906
Exchange realignment	匯兌調整	1,442	1,400	193	259	3,294
At 31 March 2021	於二零二一年三月三十一日	25,323	19,871	6,763	3,944	55,901
<b>NET CARRYING AMOUNT</b>	<b>賬面淨值</b>					
At 31 March 2021	於二零二一年三月三十一日	112,258	18,192	531	94	131,075
At 31 March 2020	於二零二零年三月三十一日	106,323	19,176	417	154	126,070



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (17) PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation expenses of HK\$814,000 (2020: HK\$821,000) and HK\$5,092,000 (2020: HK\$5,014,000) have been charged in administrative expenses and cost of sales respectively.

The Group reported segmental profit HK\$4,027,000 (2020: HK\$6,453,000) for the Manufacturing segment during the year.

As set out in note 5, management has made reference to the independent valuation of the buildings for the estimation of the recoverable amount. In addition, management conducted an impairment assessment on the segment as a whole and the recoverable amount of the segment, which is determined on the basis of fair value calculation, is higher than the carrying value of the segment's non-current assets. The directors are of the opinion that no impairment provision is required.

### (17) 物業、廠房及設備(續)

折舊費用814,000港元(二零二零年: 821,000港元)及5,092,000港元(二零二零年: 5,014,000港元)已分別於行政費用及銷售成本中列支。

年度內,本集團報告製造分類之分類溢利為4,027,000港元(二零二零年: 6,453,000港元)。

如附註5所載,管理層已參考樓宇之獨立估值,以估計可收回金額。此外,管理層對整體分類進行減值評估,而分類之可收回金額(根據公平值計算釐定)高於分類之非流動資產之賬面值。董事認為毋須作出減值撥備。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

**(18) RIGHT-OF-USE ASSETS****(18) 使用權資產**

		Lease land 租賃土地 HK\$'000 千港元	Lease properties 租賃物業 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Cost</b>	<b>成本</b>			
At 1 April 2019	於二零一九年四月一日	14,162	—	14,162
Addition	添置	—	5,793	5,793
Exchange realignment	匯兌調整	(672)	—	(672)
At 31 March 2020 and 1 April 2020	於二零二零年三月三十一日 及二零二零年四月一日	13,490	5,793	19,283
Exchange realignment	匯兌調整	793	—	793
At 31 March 2021	於二零二一年三月三十一日	14,283	5,793	20,076
<b>Accumulated depreciation and impairment</b>	<b>累計折舊及減值</b>			
At 1 April 2019	於二零一九年四月一日	4,926	—	4,926
Charge for the year	本年度列支	226	241	467
Exchange realignment	匯兌調整	(115)	—	(115)
At 31 March 2020 and 1 April 2020	於二零二零年三月三十一日 及二零二零年四月一日	5,037	241	5,278
Charge for the year	本年度列支	227	1,932	2,159
Exchange realignment	匯兌調整	151	—	151
At 31 March 2021	於二零二一年三月三十一日	5,415	2,173	7,588
<b>NET CARRYING AMOUNT</b>	<b>賬面淨值</b>			
At 31 March 2021	於二零二一年三月三十一日	8,868	3,620	12,488
At 31 March 2020	於二零二零年三月三十一日	8,453	5,552	14,005

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (19) INTANGIBLE ASSETS

### (19) 無形資產

		Gene invention rights 基因發明權 HK\$'000 千港元	Goodwill 商譽 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>COST</b>	<b>成本</b>			
At 1 April 2019, 31 March 2020, 1 April 2020 and 31 March 2021	於二零一九年四月一日、二零二零年 三月三十一日、二零二零年四月一日 及二零二一年三月三十一日	95,000	1,807	96,807
<b>ACCUMULATED AMORTISATION AND IMPAIRMENT</b>	<b>累計攤銷及減值</b>			
At 1 April 2019, 31 March 2020, 1 April 2020 and 31 March 2021	於二零一九年四月一日、二零二零年 三月三十一日、二零二零年四月一日 及二零二一年三月三十一日	95,000	—	95,000
<b>NET CARRYING AMOUNT</b>	<b>賬面淨值</b>			
At 31 March 2021	於二零二一年三月三十一日	—	1,807	1,807
At 31 March 2020	於二零二零年三月三十一日	—	1,807	1,807

### (20) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

### (20) 按公平值計入損益之金融資產

#### (a) Investments in convertible bonds

On 28 July 2014, the Group completed the disposal of 51% equity interest in Smart Ascent Limited and received consideration with fair value of HK\$435,193,000 comprising (i) cash payment of HK\$65,000,000; and (ii) convertible bonds issued by Innovative Pharmaceutical Biotech Limited (“Innovative Pharm”) on 28 July 2014 with principal amount of HK\$715,000,000 (the “Innovative Pharm Bonds”) and fair value of HK\$370,193,000.

The Innovative Pharm Bonds bear interest at 3.5% per annum payable in arrears annually with maturity on the 7th anniversary of the date of issue of the Innovative Pharm Bonds i.e. 28 July 2021 (the “Original Maturity Date”). The Group has the right to convert the Innovative Pharm Bonds into shares of Innovative Pharm at any time from the date of issue to the Original Maturity Date at an initial conversion price of HK\$2.5 per share.

#### (a) 可換股債券投資

於二零一四年七月二十八日，本集團完成出售進生有限公司之51%股權，並收取公平值為435,193,000港元之代價，當中包括(i)現金付款65,000,000港元；及(ii)於二零一四年七月二十八日由領航醫藥及生物科技有限公司(「領航醫藥」)發行本金額為715,000,000港元之可換股債券(「領航醫藥債券」)，而公平值為370,193,000港元。

領航醫藥債券按年利率3.5%計息，須於每年到期支付，領航醫藥債券到期日為發行日期後第7個週年日，即二零二一年七月二十八日(「原到期日」)。本集團有權於發行日期至原到期日之任何時候將領航醫藥債券按初步換股價每股2.5港元轉換為領航醫藥股份。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (20) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

#### (a) Investments in convertible bonds (Continued)

The fair value of the Innovative Pharm Bonds as at 31 March 2021 with the assumption of two-year extension to 28 July 2023 (“New Maturity Date”), is determined based on the valuation conducted by an independent qualified valuer. The movements of the Innovative Pharm Bonds are set out as below:

		HK\$'000 千港元
At 1 April 2019	於二零一九年四月一日	469,737
Change in fair value	公平值變動	101,328
At 31 March 2020 and 1 April 2020	於二零二零年三月三十一日及 二零二零年四月一日	571,065
Change in fair value	公平值變動	(104,743)
<b>At 31 March 2021</b>	<b>於二零二一年三月三十一日</b>	<b>466,322</b>

On 26 July 2019, the Company and Innovative Pharm entered into a deed of amendments to amend the terms and conditions of the Innovative Pharm Bonds (the “First Amendment Deed”). Pursuant to the First Amendment Deed, (i) the interest payment dates for the interest of 3.5% originally due on 28 July 2019 and 2020 were extended to 28 July 2021; and (ii) the additional interest of HK\$11,261,250, representing 15% per annum on the annual interest multiply by three, was charged for the extension for payment of interests stated in (i) and shall be paid on 28 July 2021. The First Amendment Deed was effective on 28 October 2019. Details of the amendments of the terms and conditions of Innovative Pharm Bonds were set out in the Company’s circular dated 16 September 2019 and the Company’s announcement dated 28 October 2019. Accordingly, no interest was received for the year ended 31 March 2021 (2020: Nil) from the Innovative Pharm Bonds.

### (20) 按公平值計入損益之金融資產(續)

#### (a) 可換股債券投資(續)

領航醫藥債券於二零二一年三月三十一日(當中假設延期兩年至二零二三年七月二十八日(「新到期日」))之公平值乃基於獨立合資格估值師進行之估值而釐定。領航醫藥債券之變動載列如下：

於二零一九年七月二十六日，本公司與領航醫藥簽立修訂契據以修訂領航醫藥債券的條款及條件(「第一份修訂契據」)。根據第一份修訂契據，(i)利率為3.5%且原定於二零一九年及二零二零年七月二十八日到期的利息支付日期延期至二零二一年七月二十八日；及(ii)就(i)項所述利息支付延期額外收取利息11,261,250港元(即每年按年利率15%乘以三)並須於二零二一年七月二十八日支付利息。第一份修訂契據於二零一九年十月二十八日生效。領航醫藥債券的條款及條件之修訂詳情載於本公司日期為二零一九年九月十六日之通函及本公司日期為二零一九年十月二十八日之公告內。因此，截至二零二一年三月三十一日止年度並未收取領航醫藥債券之利息(二零二零年：無)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (20) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

#### (a) Investments in convertible bonds (Continued)

On 12 May 2021, the Company and Innovative Pharm entered into, amongst others, the deed of amendment to amend and vary certain terms and conditions in the Innovative Pharm Bonds (the "Second Amendment Deed"), whereby the Original Maturity Date will be extended for 2 years to the New Maturity Date and the Innovative Pharm Bonds will be amended to the date falling on the ninth anniversary of the date of issue of the Innovative Pharm Bonds.

Regardless of whether the Second Amendment Deed was approved by the shareholders of the Company, the Innovative Pharm Bonds were classified as non-current assets because, in the opinion of the directors of the Company, the Company expected the Innovative Pharm Bonds to be recovered or settled more than twelve months after the reporting period. In assessing the presentation of the Innovative Pharm Bonds as current and non-current, the directors of the Company have taken into account the financial position of Innovative Pharm and the reasonable timing of the settlement of the Innovative Pharm Bonds, which is generally in line with expected timeline for commercialisation of the Product, and Innovative Pharm is expected to improve its financial position through obtaining of loans from banks, and equity financing as the capital market is expected to be less volatile following the large scale of COVID-19 vaccination worldwide including Hong Kong.

### (20) 按公平值計入損益之金融資產(續)

#### (a) 可換股債券投資(續)

於二零二一年五月十二日，本公司與領航醫藥訂立(其中包括)修訂契據，以修訂及更改領航醫藥債券若干條款及條件(「第二份修訂契據」)，據此，原到期日將延期兩年至新到期日，及領航醫藥債券之到期日將修訂為領航醫藥債券發行日期後第9個週年日。

不論第二份修訂契據是否獲得本公司股東批准，領航醫藥債券被分類為非流動資產，此乃由於本公司董事認為，本公司預期領航醫藥債券將於報告期後十二個月之後收回或結算。在評估領航醫藥債券呈列為流動及非流動時，本公司董事已考慮領航醫藥的財務狀況及結算領航醫藥債券的合理時間，而此與產品商品化之預期時間表基本一致，而由於預期資本市場之波動程度將會隨著全球(包括香港在內)大規模接種新冠病毒肺炎疫苗而下降，預期領航醫藥將會透過從銀行獲得貸款及進行股本融資以改善其財務狀況。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (20) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

#### (a) Investments in convertible bonds (Continued)

At 31 March 2021, the fair value of the Innovative Pharm Bonds as a whole is calculated using the Binomial Model.

The inputs into the model at the respective dates are as follows:

### (20) 按公平值計入損益之金融資產(續)

#### (a) 可換股債券投資(續)

於二零二一年三月三十一日，領航醫藥債券之整體公平值以二項式模式計算。

該模式於各日期所用輸入數據如下：

		2021 二零二一年	2020 二零二零年
Stock price (HK\$)	股份價格(港元)	0.249	0.255
Conversion price (HK\$)	換股價(港元)	2.5	2.5
Discount rate	貼現率	25.881%	25.555%
Risk free rate (Note a)	無風險利率(附註a)	0.206%	0.586%
Expected volatility (Note b)	預期波幅(附註b)	26.285%	24.341%
Expected dividend yield (Note c)	預期股息率(附註c)	0%	0%
Option life (Years)	期權期限(年期)	2.326	1.3

Notes:

- (a) The rate was determined with reference to the yields of Hong Kong government bonds and treasury bills as at the date of valuation.
- (b) Based on the historical price volatility of Innovative Pharm for the period from 18 July 2008, the date on which its shares were resumed trading after suspension, up to the end of the reporting date.
- (c) Estimated with reference to the historical dividend payout of Innovative Pharm.

附註：

- (a) 該利率乃參考香港政府債券及庫券於估值日期之孳息率釐定。
- (b) 基於領航醫藥於二零零八年七月十八日(其股份於停牌後復牌之日期)直至報告日期結束止期間之過往價格波幅得出。
- (c) 參考領航醫藥之過往股息派付估計。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (20) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

#### (b) Bank structured product

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Bank structured product, at fair value (Note)	銀行結構性產品，按公平值 (附註)	1,786	1,652

Note: The amount represents short-term highly liquid investments placed in a PRC state-owned financial institution, which are readily convertible to cash. These investments are all denominated in Renminbi with non-determinable return rate. The fair value of these investments is based on estimated return of 2.3% (2020: 3.0%), and the credit quality of these investments can be assessed by reference to historical information or external credit ratings, if any. As at 31 March 2021, none of these investments is either past due or impaired and the Group's maximum exposure to credit risk as at that date is the carrying value of these investments.

The fair value of these investments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

### (20) 按公平值計入損益之金融資產(續)

#### (b) 銀行結構性產品

附註：該款項指存放於一間中國國有金融機構並可即時轉換為現金之短期高流通量投資。該等投資全部均以人民幣計值，而其回報率乃屬不可釐定。該等投資之公平值乃按2.3%（二零二零年：3.0%）之估計回報率得出，而該等投資之信貸質素可經參考過往資料或外部信貸評級（如有）予以評估。於二零二一年三月三十一日，該等投資未逾期亦未減值，而本集團於該日所面臨之最高信貸風險為該等投資之賬面值。

該等投資並非在活躍市場買賣，而其公平值乃使用估值方法釐定。於存在可觀察市場數據時，該等估值方法盡量運用有關數據，並盡可能減少依賴實體之特定估計。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (21) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

### (21) 按公平值計入其他全面收益之金融資產

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Unlisted investment fund (note a)	非上市投資基金(附註a)	—	—
Unlisted shares (note b)	非上市股份(附註b)	—	—
		—	—

Unlisted investment fund and shares were measured at fair value through other comprehensive income ("FVTOCI"). Under HKFRS 9, these investments are all classified as financial assets measured at FVTOCI. Subsequent changes in fair value of these investments are recognised in FVTOCI Reserve and the cumulative gains or loss on disposals are recognised in retained earnings.

The unlisted investment fund was denominated in HK\$ while the unlisted shares were denominated at Renminbi ("RMB").

Notes:

- (a) On 11 May and 2 June 2017, Extrawell Enterprises Limited (the "Subscriber"), an indirect wholly-owned subsidiary of the Company, entered into subscription agreements with KKC Capital SPC, a segregated portfolio company incorporated in the Cayman Islands (the "Fund"), and pursuant to which the Subscriber agreed to subscribe for 50,000 and 30,000 participating shares in the Fund attributable to the segregated portfolio at aggregate consideration of HK\$50,000,000 and HK\$30,000,000 respectively on the respective dates (the "Investments"). The total cost of the Investments of HK\$80,000,000 was funded by the internal resources of the Group.

During the years ended 31 March 2019 and 2018, the Group had recognised the fair value changes in other comprehensive income in accordance with the Group's accounting policy as there was a significant decline in the fair value of the Investments amounting to HK\$59,047,000 and HK\$20,953,000 respectively.

非上市投資基金及股份按公平值計入其他全面收益(「按公平值計入其他全面收益」)計量。根據香港財務報告準則第9號，該等投資均被分類為按公平值計入其他全面收益之金融資產。該等投資之公平值其後變動於按公平值計入其他全面收益儲備中確認，而出售產生之累計收益或虧損於保留盈利中確認。

非上市投資基金以港元計值，而非上市股份以人民幣(「人民幣」)計值。

附註：

- (a) 於二零一七年五月十一日及六月二日，精優企業有限公司(「認購方」)(本公司之間接全資附屬公司)與KKC Capital SPC(一間於開曼群島註冊成立之隔離投資組合公司)(「該基金」)訂立認購協議，據此，認購方已同意於各日期分別認購該基金之隔離投資組合之50,000股及30,000股參與股份，總代價分別為50,000,000港元及30,000,000港元(「該等投資」)。該等投資成本合共80,000,000港元，由本集團內部資源撥付。

截至二零一九年及二零一八年三月三十一日止年度，本集團已根據本集團之會計政策於其他全面收益內確認公平值變動，原因為該等投資之公平值大幅下跌，金額分別為59,047,000港元及20,953,000港元。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (21) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

Notes: (Continued)

- (b) On 13 January 2012, Jilin Extrawell Changbaishan Pharmaceutical Co., Ltd. ("JECP"), a wholly-owned subsidiary of the Company subscribed for RMB2,500,000 of the registered capital of 龍脈(上海)健康管理服務有限公司 ("Shanghai Longmark") by way of capital injection. Shanghai Longmark is a company incorporated in the PRC and engaged in provision of health care management services. The subscription was completed in April 2012, and the enlarged registered capital of RMB12,500,000 of Shanghai Longmark was owned as to 20% by JECP and 80% by United Gene HealthCare Limited, Shanghai ("Shanghai United Gene"), which subsequently transferred its 80% interest in Shanghai Longmark to 東龍脈(上海)健康管理服務有限公司 ("東龍脈") in December 2012. Both Shanghai United Gene and 東龍脈 are indirect wholly-owned subsidiaries of Innovative Pharm. Shanghai Longmark was accounted for as an associate of the Group upon the completion of subscription.

On 25 April 2013, JECP entered into a capital injection and subscription agreement with 東龍脈 and Xie Yi, a shareholder and director of the Company, in which Xie Yi agreed to subscribe for RMB7,490,000 (the "Subscription") of the registered capital of Shanghai Longmark. The Subscription was completed in August 2013, and the registered capital of Shanghai Longmark increased from RMB12,500,000 to RMB19,990,000. Accordingly, the Group's equity interest of Shanghai Longmark was diluted from 20% to 12.51%, and the respective shareholdings of 東龍脈 and Xie Yi in Shanghai Longmark was 50.02% and 37.47% respectively. As a result of dilution, the Group considered it was no longer in a position to exercise significant influence over Shanghai Longmark and Shanghai Longmark ceased to be an associate of the Group. Shanghai Longmark is accounted for as unlisted investments as the Group has the intention to hold the investment for a continuing strategic and long-term purpose and is measured at fair value. The investment cost was reduced to zero in prior years by share of loss of Shanghai Longmark.

### (21) 按公平值計入其他全面收益之金融資產(續)

附註：(續)

- (b) 於二零一二年一月十三日，本公司之全資附屬公司吉林精優長白山藥業有限公司(「吉林精優」)以注資方式認購人民幣2,500,000元之龍脈(上海)健康管理服務有限公司(「上海龍脈」)之註冊資本。上海龍脈為一家於中國註冊成立並從事提供健康管理服務之公司。該認購事項於二零一二年四月完成，而上海龍脈之經擴大註冊資本人民幣12,500,000元分別由吉林精優擁有20%及聯合基因(上海)健康管理服務有限公司(「上海聯合基因」)擁有80%，上海聯合基因其後於二零一二年十二月轉讓其於上海龍脈80%權益予東龍脈(上海)健康管理服務有限公司(「東龍脈」)。上海聯合基因及東龍脈均為領航醫藥之間接全資附屬公司。於認購事項完成後，上海龍脈作為本集團聯營公司入賬。

於二零一三年四月二十五日，吉林精優與東龍脈及本公司股東兼董事謝毅訂立注資及認購協議，據此，謝毅同意認購上海龍脈之註冊資本人民幣7,490,000元(「認購事項」)。認購事項已於二零一三年八月完成，故上海龍脈之註冊資本由人民幣12,500,000元增加至人民幣19,990,000元。因此，本集團於上海龍脈之股權由20%攤薄至12.51%，而東龍脈及謝毅於上海龍脈之各自股權分別為50.02%及37.47%。由於股權攤薄，本集團認為其對上海龍脈不再具有重大影響力，而上海龍脈不再為本集團聯營公司。上海龍脈入賬為非上市投資，原因是本集團擬以持續策略及長期目的而持有該投資，且該投資乃按公平值計量。投資成本因分攤上海龍脈之虧損而於過往年度調減至零。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (22) INTEREST IN AN ASSOCIATE

### (22) 於一間聯營公司之權益

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Cost of investment in an unlisted associate (Note)	於一間非上市聯營公司之投資成本(附註)	337,000	337,000
Share of post-acquisition losses and other comprehensive expense	應佔收購後虧損及其他全面開支	(12,982)	(10,103)
		<b>324,018</b>	326,897

Note: The amount represents the fair value as at 28 July 2014 of the 49% equity interest in Smart Ascent Limited as retained by the Group upon completion of the disposal of 51% equity interest in Smart Ascent Limited on 28 July 2014.

附註：此金額指於二零一四年七月二十八日出售進生有限公司51%股權完成後，本集團所保留進生有限公司49%股權於二零一四年七月二十八日之公平值。

The Group's associate, Smart Ascent Limited ("Smart Ascent") is a private company with no quoted market price available for its shares. The major asset held by Smart Ascent and its subsidiaries (the "Smart Ascent Group") is the intangible asset in relation to an in-process research and development project ("In-process R&D") involving an oral insulin product ("Product"). As at 31 March 2021, the Group has engaged an independent qualified valuer, Roma Appraisals Limited to conduct a valuation of the fair value of the interest in the associate for impairment assessment.

本集團之聯營公司進生有限公司(「進生」)為一間私營公司，其股份並無市場報價。進生及其附屬公司(「進生集團」)所持之主要資產為有關進行之研發項目(「進行之研發」)之無形資產，當中涉及口服胰島素產品(「產品」)。於二零二一年三月三十一日，本集團已委聘一名獨立合資格估值師羅馬國際評估有限公司就於聯營公司之權益之公平值進行估值，以評估是否減值。

The asset-based approach was adopted in the valuation of the fair value of the Group's interest in the associate. In doing so, various assumptions about the cash flow projections of the In-process R&D and the Product were adopted. These assumptions include the successful completion of the clinical trials, obtaining of the regulatory approvals from the relevant government bodies (in particular, the granting of the certificate of new medicine and pharmaceutical manufacturing permit for the Product by China Food and Drug Administration, now known as National Medical Products Administration of the PRC), and launching of the Product by mid of 2023. The recoverable amount of the interest in the associate is determined based on the Group's share of the estimated fair value of the In-process R&D after taking into account the lack of control discount.

就本集團於聯營公司之權益之公平值進行估值時採納資產法。在此過程中，應用進行之研發及產品之現金流量預測相關之各種假設。該等假設包括於二零二三年中前後成功完成臨床試驗、取得有關政府監管部門批准(尤其是中國食品藥品監督管理總局(現稱國家藥品監督管理局)就產品授出新藥證書及藥品生產許可證)及推出產品。於聯營公司之權益之可收回金額乃經計及並無控制權之折讓後根據本集團應佔進行之研發之估計公平值釐定。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (22) INTEREST IN AN ASSOCIATE (Continued)

### (22) 於一間聯營公司之權益(續)

Particulars of the Smart Ascent Group at the end of the reporting period are as follows:

進生集團於報告期末之詳情如下：

Name of associate 聯營公司名稱	Place of incorporation/ operations 註冊成立/ 營運地點	Class of shares held 所持股份 類別	Effective interest held by the Group/ Smart Ascent 本集團/進生所 持實際權益	Principal activities 主要業務	Measurement method 計量方式
Smart Ascent 進生	Hong Kong 香港	Ordinary 普通	49%	Investment holding 投資控股	Equity 股權
<b>Subsidiaries of Smart Ascent</b> 進生之附屬公司					
Fosse Bio-Engineering Development Limited 福仕生物工程(上海) 有限公司	Hong Kong/ China 香港/中國	Ordinary 普通	51%	Development and commercialisation of oral insulin products 開發及商品化口服 胰島素產品	Equity 股權
Welly Surplus Development Limited 瑞盈發展有限公司	Hong Kong 香港	Registered capital 註冊資本	51%	Inactive 暫無業務	Equity 股權
Nation Joy Industries Limited 國悅實業有限公司	British Virgin Islands ("BVI") 英屬處女群島 (「英屬處女 群島」)	Ordinary 普通	100%	Inactive 暫無業務	Equity 股權

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (22) INTEREST IN AN ASSOCIATE (Continued)

The summarised financial information of the associate, adjusted for any differences in accounting policies and a reconciliation to the carrying amount in the consolidated financial statements, are as follows:

### (22) 於一間聯營公司之權益(續)

聯營公司之財務資料概要(已就任何會計政策差異作出調整)及於綜合財務報表內與賬面值之對賬如下:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Non-current assets	非流動資產	284,445	284,260
Current assets	流動資產	5,083	7,938
Current liabilities	流動負債	(46,312)	(39,849)
Non-current liabilities	非流動負債	(47,575)	(31,394)
Non-controlling interests	非控股權益	(119,660)	(123,853)
Non-current assets include the following:	非流動資產包括以下項目:		
Intangible assets — In-process R&D	無形資產 — 進行中之研發	284,260	284,260
		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Revenue	收益	—	—
Loss and total comprehensive expense	虧損及全面開支總額	(10,068)	(13,130)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (22) INTEREST IN AN ASSOCIATE (Continued)

### (22) 於一間聯營公司之權益(續)

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Net assets of the Smart Ascent Group attributable to owners of Smart Ascent	進生擁有人應佔進生集團資產淨值	91,227	97,102
Proportion of the Group's ownership interest in Smart Ascent	本集團於進生之所有權權益比例	49%	49%
Carrying amount of the Group's interest in Smart Ascent as an associate	本集團於進生(作為一間聯營公司)之權益之賬面值	44,701	47,580
Adjustment for remeasurement to fair value of the assets of the Smart Ascent Group on initial recognition	進生集團資產公平值於初始確認時之重新計量調整	279,317	279,317
		<b>324,018</b>	<b>326,897</b>

### (23) AMOUNT DUE FROM AN ASSOCIATE/ LOAN TO AN ASSOCIATE

### (23) 應收一間聯營公司款項/貸款予一間聯營公司

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Amount due from an associate Smart Ascent (Note a)	應收一間聯營公司款項進生(附註a)	41,947	38,377
Loan to an associate Smart Ascent (Note b)	貸款予一間聯營公司進生(附註b)	16,118	15,383

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (23) AMOUNT DUE FROM AN ASSOCIATE/ LOAN TO AN ASSOCIATE (Continued)

Notes:

- (a) As at 31 March 2021, amount due from an associate is unsecured and interest-free. Principal amount of HK\$41,941,000 (2020: HK\$41,941,000) is expected to be repaid after 6 years from 28 July 2014. Thereafter, there is no fixed term of repayment. Such amount due from an associate is recognised at its fair value of HK\$8,455,000 upon the disposal of Smart Ascent at a discount rate of 26.99%. During the reporting period, imputed interest income of HK\$3,570,000 (2020: HK\$8,989,000) is credited to profit or loss.
- (b) On 27 July 2018, the Company and Innovative Pharm through their respective wholly-owned subsidiaries as lenders and Smart Ascent as borrower entered into a shareholders' loan agreement for a loan to Smart Ascent amounting to HK\$30 million in total (the "Loan"), to be contributed as to 49% i.e. HK\$14.7 million by the Group and as to 51% i.e. HK\$15.3 million by the wholly-owned subsidiary of Innovative Pharm, which would be used to finance the working capital requirements of Smart Ascent Group for the oral insulin project. The Loan is unsecured, interest bearing at 5% per annum and has a repayment term fixed at 60 months after each drawdown of the Loan.

As the provision of the Loan was made in proportion to the equity interest of the shareholders in Smart Ascent and on normal commercial terms, this connected transaction is fully exempted from the reporting, announcement and shareholders' approval requirements under Rule 14A.89 of the Listing Rules. Also, the applicable percentage ratios in respect of this connected transaction are less than 5%, it therefore does not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

As at 31 March 2021, Smart Ascent had drawn down HK\$30 million (2020: HK\$30 million) of the Loan, and the balance as at 31 March 2021 represented the Group's 49% (2020: 49%) contribution to the Loan and the interest receivables.

As at 31 March 2021, loan to an associate is unsecured, carried interest at 5% per annum, and repayable in 60 months after each drawdown. During the reporting period, interest income of HK\$735,000 (2020: HK\$556,000) is credited to profit or loss.

### (23) 應收一間聯營公司款項／貸 款予一間聯營公司(續)

附註：

- (a) 於二零二一年三月三十一日，應收一間聯營公司款項為無抵押及免息。本金額41,941,000港元(二零二零年：41,941,000港元)預期將於二零一四年七月二十八日起計六年後償還。此後，概無固定還款期。有關應收一間聯營公司之款項於出售進生時按其公平值8,455,000港元確認，貼現率為26.99%。於報告期內，估算利息收入3,570,000港元(二零二零年：8,989,000港元)已計入損益。
- (b) 於二零一八年七月二十七日，本公司及領航醫藥透過彼等各自之全資附屬公司(作為貸款方)及進生(作為借款方)訂立一份股東貸款協議，向進生提供總額為30,000,000港元之貸款(「該貸款」)，由本集團提供49%款項(即14,700,000港元)及由領航醫藥的全資附屬公司提供51%款項(即15,300,000港元)，以為進生集團就口服胰島素項目之營運資金需求提供融資。該貸款為無抵押、按年利率5%計息及須於每次提取該貸款後60個月內償還。

由於該貸款按股東於進生所持有之權益比例提供並按一般商業條款訂立，故此項關連交易獲全面豁免遵守上市規則第14A.89條項下申報、公告及股東批准之規定。另外，由於有關此項關連交易之適用百分比率低於5%，故不構成上市規則第14章項下之本公司須予披露交易。

於二零二一年三月三十一日，進生已提取該貸款30,000,000港元(二零二零年：30,000,000港元)之款項，而於二零二一年三月三十一日之結餘指本集團就該貸款所提供之49%(二零二零年：49%)出資及應收利息。

於二零二一年三月三十一日，貸款予一間聯營公司為無抵押、按年利率5%計息，並須於每次提取後60個月內償還。於報告期內，利息收入735,000港元(二零二零年：556,000港元)已計入損益。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (24) INVENTORIES

### (24) 存貨

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Raw material	原材料	3,850	2,033
Work-in-progress	在製品	1,421	1,056
Finished goods	製成品	2,287	2,776
		7,558	5,865

### (25) TRADE AND BILLS RECEIVABLES

### (25) 貿易應收賬款及應收票據

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Bills receivables	應收票據	1,127	827
Trade receivables	貿易應收賬款	50,538	53,063
Less: Provision for impairment loss on trade receivables	減：貿易應收賬款減值虧損撥備	(42,535)	(43,406)
		9,130	10,484

The Group's trading terms with its customers are mainly based on credit, except for new customers, where payment in advance is normally required. The customers are generally given credit period for 120-180 days, extending up to one year for some major customers.

本集團與其客戶之貿易條款主要為賒銷，惟新客戶一般需要預先付款。一般情況下，客戶可獲得為期120日至180日之信貸期，而若干主要客戶可延期至最多一年。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (25) TRADE AND BILLS RECEIVABLES (Continued)

### (25) 貿易應收賬款及應收票據 (續)

The ageing analysis of trade and bills receivables (net of provision of impairment loss on trade receivables), based on invoice dates are as follows:

貿易應收賬款及應收票據(扣除貿易應收賬款減值虧損撥備)基於發票日期之賬齡分析如下:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Within 90 days	90日內	6,134	3,707
91 to 180 days	91至180日	1,257	4,238
181 to 365 days	181至365日	1,739	2,539
		9,130	10,484

The ageing analysis of trade and bills receivables which are past due but not impaired are as follows:

已逾期但未減值之貿易應收賬款及應收票據之賬齡分析如下:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Neither past due nor impaired	未逾期亦未減值	7,391	7,945
Past due but not impaired — within 180 days	已逾期但未減值—180日內	1,739	2,539
		9,130	10,484

Trade receivables are assessed for impairment on individual basis as well as a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 120 to 180 days, observable changes in national or local economic conditions that correlate with default on receivables.

貿易應收賬款按個別及整體基準進行減值評估。應收款項組合之客觀減值證據可包括本集團之過往收款記錄、組合內延遲還款至超逾平均信貸期120至180日之次數增加，以及與應收款項逾期有關之全國或地方經濟狀況明顯改變。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (25) TRADE AND BILLS RECEIVABLES (Continued)

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK\$1,739,000 (2020: HK\$2,539,000) which are past due as at the reporting date for which the Group has not provided for impairment loss.

The movements in provision for impairment on trade receivables are as follows:

### (25) 貿易應收賬款及應收票據 (續)

未逾期亦未減值之貿易應收賬款為於本集團有良好付款記錄，具良好信用之應收賬款。

本集團貿易應收賬款結餘中賬面值合共1,739,000港元(二零二零年：2,539,000港元)之應收賬款於報告日期已逾期，而本集團尚未就此作出減值虧損撥備。

貿易應收賬款減值撥備變動如下：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
At 1 April	於四月一日	43,406	40,165
Provision for impairment on trade receivables, net	貿易應收賬款減值撥備淨額	1,268	5,921
Reversal of provision	撥回撥備	(3,998)	—
Amount written off as uncollectible	撇銷不可收回金額	(1,403)	—
Exchange realignment	匯兌調整	3,262	(2,680)
At 31 March	於三月三十一日	42,535	43,406

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (26) DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

### (26) 按金、預付款項及其他應收款項

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Deposits	按金	747	902
Other receivables	其他應收款項	61	495
Prepayments	預付款項	799	775
Trade deposit	貿易按金	656	2,615
		<b>2,263</b>	<b>4,787</b>

### (27) PLEDGED BANK DEPOSITS

### (27) 已抵押銀行存款

Pledged bank deposits represent deposits pledged to a bank to secure short-term banking facilities granted to the Group and are therefore classified as current assets. The pledged bank deposits carry variable interest rates ranging from 0.1% to 0.7% (2020: 1.45% to 2.5%) per annum.

已抵押銀行存款指抵押予銀行以作為本集團獲授之短期銀行授信額度之擔保之存款，故分類為流動資產。已抵押銀行存款按浮動利率介乎每年0.1%至0.7%（二零二零年：1.45%至2.5%）計息。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (28) CASH AND BANK BALANCES

Bank balances carry variable interest rates of 0.001% to 1.85% (2020: 0.001% to 2.6%) per annum. Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

The carrying amounts of cash and cash equivalents are denominated in the following currencies:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Euros ("Euro")	歐元(「歐元」)	2,910	3,780
Hong Kong dollars ("HK\$")	港元(「港元」)	36,217	50,922
RMB	人民幣	24,580	11,885
United States dollars ("US\$")	美元(「美元」)	63,003	59,850
		<b>126,710</b>	126,437

### (29) TRADE AND BILLS PAYABLES

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from two to three months from the date of invoice.

The ageing analysis of trade and bills payables, based on invoice dates are as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Within 90 days	90日內	4,290	3,255
91 to 180 days	91至180日	1,613	981
181 to 365 days	181至365日	26	3
1 to 2 years	1至2年	240	1,517
Over 2 years	2年以上	523	483
		<b>6,692</b>	6,239

### (28) 現金及銀行結餘

銀行結餘按浮動利率每年0.001%至1.85%(二零二零年:0.001%至2.6%)計息。人民幣兌換為外幣須遵守中國之外匯管理條例以及結匯、售匯及付匯管理規定。

現金及現金等值項目之賬面值乃按以下貨幣計值:

### (29) 貿易應付賬款及應付票據

貿易應付賬款為不計息，而本集團獲授之一般貿易信貸期介乎發票日期起計兩至三個月。

根據發票日期之貿易應付賬款及應付票據之賬齡分析如下:

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (30) ACCRUALS, OTHER PAYABLES AND CONTRACT LIABILITIES

### (30) 預提費用、其他應付款項及合約負債

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Accruals (note a)	預提費用(附註a)	12,514	13,117
Other payables (note b)	其他應付款項(附註b)	16,346	19,134
Contract liabilities	合約負債	5,033	3,801
		<b>33,893</b>	36,052

Notes:

- (a) Mainly included marketing and promotion expenses of about HK\$10,523,000 (2020: HK\$9,915,000).
- (b) Mainly included payables for acquisition of property, plant and equipment of about HK\$3,033,000 (2020: HK\$5,638,000), payables for marketing and promotion expenses of about HK\$5,071,000 (2020: HK\$4,480,000) and other tax payables of about HK\$4,160,000 (2020: HK\$4,473,000).

附註：

- (a) 主要包括營銷及推廣費用約10,523,000港元(二零二零年：9,915,000港元)。
- (b) 主要包括收購物業、廠房及設備的應付款項約3,033,000港元(二零二零年：5,638,000港元)、應付營銷及推廣費用約5,071,000港元(二零二零年：4,480,000港元)及其他應付稅款約4,160,000港元(二零二零年：4,473,000港元)。

The following table shows the amount of the revenue recognised for the year ended 31 March 2021 relates to carried-forward contract liabilities.

下表列示截至二零二一年三月三十一日止年度確認且與結轉合約負債有關的收益金額。

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Revenue recognised that was included in the contract liabilities balance at 1 April	於四月一日納入合約負債結餘之已確認收益		
— Sales of pharmaceutical products	— 銷售藥品	2,086	965

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (31) LEASE LIABILITIES

### (31) 租賃負債

		2021 二零二一年		2020 二零二零年	
		Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
		最低租賃付款	最低租賃付款現值	最低租賃付款	最低租賃付款現值
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Not later than one year	不遲於一年	1,904	1,771	1,904	1,692
Later than one year and not later than two years	遲於一年及不遲於兩年	2,174	2,123	1,904	1,846
Later than two years and not later than five years	遲於兩年及不遲於五年	—	—	2,174	2,048
		<b>4,078</b>	<b>3,894</b>	<b>5,982</b>	<b>5,586</b>
Future financial charges	未來財務開支	(184)		(396)	
Present value of lease liability	租賃負債現值	<b>3,894</b>		<b>5,586</b>	
Amount due for settlement within one year (shown under current liabilities)	於一年內到期結算之款項 (於流動負債項下呈列)		<b>1,771</b>		<b>1,692</b>
Amount due for settlement after one year	於一年後到期結算之款項		<b>2,123</b>		<b>3,984</b>

The Group leases office premises for operation and these lease liabilities were measured at the present value of the lease payment that are not yet paid. All leases are entered at fixed prices.

Lease obligations of the Company are denominated in Hong Kong dollars.

本集團租賃辦公場地進行營運，該等租賃負債按尚未支付的租賃付款現值計量。所有租約乃按固定價格訂立。

本公司租賃責任以港元計值。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (32) DEFERRED TAX ASSETS

Details of the deferred tax assets recognised and movements during the current and prior years are as follows:

### (32) 遞延稅項資產

本年度及過往年度確認之遞延稅項資產及變動詳情如下：

		<b>Decelerated tax depreciation</b>
		<b>減速稅項折舊</b>
		HK\$'000
		千港元
At 1 April 2019, 31 March 2020, 1 April 2020 and 31 March 2021	於二零一九年四月一日、二零二零年 三月三十一日、二零二零年四月一日 及二零二一年三月三十一日	69

As at 31 March 2021, the Group had unused tax losses arising in Hong Kong and the PRC of approximately HK\$6,223,000 (2020: HK\$6,223,000) and HK\$1,540,000 (2020: HK\$12,717,000) respectively available to offset against future taxable profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. Tax losses arising in Hong Kong may be carried forward indefinitely. Tax losses arising in the PRC will expire in 5 years from the year of origination since 2015.

於二零二一年三月三十一日，本集團於香港及中國產生並可供抵銷未來應課稅溢利之未動用稅務虧損分別為約6,223,000港元(二零二零年：6,223,000港元)及1,540,000港元(二零二零年：12,717,000港元)。由於未來溢利流不可預測並無確認遞延稅項資產。於香港產生之稅務虧損可無限期限結轉。自二零一五年起，於中國產生之稅務虧損將自產生之年計5年內到期。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (33) CONVERTIBLE BONDS

On 16 July 2013, the Company issued zero-coupon convertible bonds (the “Convertible Bonds”) with principal amount in aggregate of HK\$641,300,000 at the conversion price of HK\$0.6413 for each new share of the Company, which, if fully converted, is equivalent to 1,000,000,000 new shares of the Company to Mr. Ong Cheng Heang (“Mr. Ong”) and Dr. Mao Yumin (“Dr. Mao”), each of principal amount of HK\$320,650,000. Mr. Ong was the non-controlling shareholder and director of Smart Ascent prior to the completion of acquisition of the remaining 49% interest in Smart Ascent by the Group and Dr. Mao was a director of the Company until 5 December 2013, and is a shareholder of the Company.

The Convertible Bonds are convertible at the option of the bondholders into ordinary shares of the Company at a conversion price of HK\$0.6413 per ordinary share on or before the seventh business day prior to the maturity date of 16 July 2033, subject to anti-dilutive clauses.

The Convertible Bonds are issued in HK\$. The fair value of the liability component of the Convertible Bonds was HK\$20,712,000, which had been determined by the discounted cashflow approach using the prevailing market interest rate of similar non-convertible bonds and taking into account the credit risk of the Company. The effective interest rate is 18.72%. The fair value of the conversion option of HK\$569,288,000 classified as equity component for the Convertible Bonds was calculated using the Binomial Model. The inputs into the model were as follows:

### (33) 可換股債券

於二零一三年七月十六日，本公司發行本金總額641,300,000港元之零息可換股債券(「可換股債券」)，換股價為每股本公司新股份0.6413港元，於悉數兌換後相當於1,000,000,000股本公司新股份，可換股債券乃分別發行予 Ong Cheng Heang 先生(「Ong 先生」)及毛裕民博士(「毛博士」)，各人分別獲發行本金額320,650,000港元。於本集團完成收購進生之剩餘49%權益前，Ong 先生為進生之非控股股東及董事，而毛博士曾擔任本公司董事直至二零一三年十二月五日為止，並為本公司股東。

債券持有人可選擇於到期日二零一三年七月十六日前第七個營業日或之前按換股價每股普通股0.6413港元將可換股債券兌換為本公司之普通股，惟須受反攤薄條款規限。

可換股債券乃以港元發行。可換股債券負債部分之公平值為20,712,000港元，其乃採用類似非可換股債券之現行市場利率並經考慮本公司之信貸風險以貼現現金流量法釐定。實際利率為18.72%。分類為可換股債券權益部分之換股權之公平值569,288,000港元乃採用二項式模式計算。該模式之輸入數據如下：

#### Date of issuance

16 July 2013

發行日期

二零一三年七月十六日

Stock price (HK\$)	股價(港元)	0.59
Exercise price (HK\$)	行使價(港元)	0.6413
Discount rate	貼現率	18.72%
Risk free rate (Note a)	無風險利率(附註a)	2.63%
Expected volatility (Note b)	預期波幅(附註b)	66.55%
Expected dividend yield (Note c)	預期股息收益率(附註c)	0%
Option life (Years)	期權期限(年期)	20

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (33) CONVERTIBLE BONDS (Continued)

Notes:

- (a) The rate was determined with reference to the yields of Hong Kong government bonds and treasury bills as at the date of valuation.
- (b) Based on the historical price volatility of the Company for the period from 24 December 2009 up to the date of issuance of the Convertible Bonds.
- (c) Estimated with reference to the historical dividend payout of the Company.

Movements of the liability component of the Convertible Bonds are set out below:

### (33) 可換股債券(續)

附註：

- (a) 該利率乃參考香港政府債券及庫券於估值日期之孳息率釐定。
- (b) 基於本公司於二零零九年十二月二十四日至可換股債券發行日期期間之過往價格波幅得出。
- (c) 參考本公司的過往股息派付而估計。

可換股債券負債部分之變動載列如下：

		Principal amount (note) 本金額 (附註) HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
At 1 April 2019	於二零一九年四月一日	577,170	49,635
Interest charge	利息支出	—	9,315
At 31 March 2020 and 1 April 2020	於二零二零年三月三十一日 及二零二零年四月一日	577,170	58,950
Interest charge	利息支出	—	11,030
At 31 March 2021	於二零二一年三月三十一日	577,170	69,980

Note: At the date of issuance, the principal amount of the Convertible Bonds was HK\$641,300,000, and thereafter the following events have taken place:

On 5 August 2013, the Convertible Bonds with principal amount of HK\$64,130,000 was converted into 100,000,000 ordinary shares of the Company at the conversion price of HK\$0.6413 per ordinary share.

附註：於發行日期，可換股債券之本金額為641,300,000港元，而後發生下列事項：

於二零一三年八月五日，本金額為64,130,000港元之可換股債券轉換為100,000,000股本公司普通股，換股價為每股普通股0.6413港元。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (33) CONVERTIBLE BONDS (Continued)

Note: (Continued)

On 25 October 2013, 24 April 2014, 30 August 2014, 31 December 2014 and 30 April 2015, the Convertible Bonds with principal amount of HK\$320,650,000, HK\$64,130,000, HK\$64,130,000, HK\$64,130,000 and HK\$64,130,000 were acquired by Innovative Pharm from Dr. Mao respectively.

On 8 October 2019, Innovative Pharm disposed of the Convertible Bonds to Dr. Mao.

On 23 December 2019, Dr. Mao disposed of the Convertible Bonds to United Gene International Holdings Group Limited, in which each Dr. Mao and Dr. Xie Yi indirectly holds 33% of interests.

### (33) 可換股債券(續)

附註：(續)

於二零一三年十月二十五日、二零一四年四月二十四日、二零一四年八月三十日、二零一四年十二月三十一日及二零一五年四月三十日，本金額分別為320,650,000港元、64,130,000港元、64,130,000港元、64,130,000港元及64,130,000港元之可換股債券已由領航醫藥向毛博士購買。

於二零一九年十月八日，領航醫藥向毛博士出售可換股債券。

於二零一九年十二月二十三日，毛博士向United Gene International Holdings Group Limited出售可換股債券，而毛博士及謝毅博士分別間接擁有33%。

### (34) DEFERRED INCOME ON GOVERNMENT GRANT

The amount represented receipt of grants by a subsidiary from local government authority in the PRC. The movements in deferred income on government grants are as follows:

### (34) 政府補助之遞延收入

有關款項指一間附屬公司自中國當地政府部門獲取之補助。政府補助之遞延收入變動如下：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
At 1 April	於四月一日	4,803	5,267
Recognised in profit or loss (note)	於損益確認(附註)	(123)	(121)
Exchange realignment	匯兌調整	396	(343)
At 31 March	於三月三十一日	5,076	4,803
Analysed as:	分析為：		
Current liabilities	流動負債	127	117
Non-current liabilities	非流動負債	4,949	4,686
		5,076	4,803

Note: Government grants relating to property, plant and equipment are included in non-current liabilities as deferred income on government grants and are credited to the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the expected lives of the related assets.

附註：有關物業、廠房及設備之政府補助計入非流動負債列作政府補助之遞延收入並於有關資產之預期年內按直線法計入綜合損益及其他全面收益表。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

**(35) SHARE CAPITAL****(35) 股本**

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
<i>Authorised:</i> 20,000,000,000 ordinary shares of HK\$0.01 each	法定： 20,000,000,000股每股面值 0.01港元之普通股	200,000	200,000
<i>Issued and fully paid:</i> 2,390,000,000 ordinary shares of HK\$0.01 each	已發行及繳足： 2,390,000,000股每股面值 0.01港元之普通股	23,900	23,900

**(36) HOLDING COMPANY STATEMENT OF FINANCIAL POSITION****(36) 控股公司財務狀況表**

		Notes 附註	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
<b>Non-current assets</b>	<b>非流動資產</b>			
Interests in subsidiaries — unlisted	於附屬公司之權益 — 非上市	40	629,927	629,927
Amounts due from subsidiaries	應收附屬公司款項		368,832	300,419
			998,759	930,346
<b>Current assets</b>	<b>流動資產</b>			
Deposits, prepayments and other receivables	按金、預付款項及其他 應收款項		312	427
Cash and bank balances	現金及銀行結餘		58,814	73,197
			59,126	73,624
<b>Total assets</b>	<b>總資產</b>		1,057,885	1,003,970

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (36) HOLDING COMPANY STATEMENT OF FINANCIAL POSITION (Continued)

### (36) 控股公司財務狀況表(續)

		Notes 附註	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
<b>Current liabilities</b>	<b>流動負債</b>			
Accruals and other payables	預提費用及其他應付款項		932	753
Amounts due to subsidiaries	應付附屬公司款項		143,943	84,094
			144,875	84,847
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Convertible bonds	可換股債券	33	69,980	58,950
<b>Total liabilities</b>	<b>總負債</b>		<b>214,855</b>	143,797
<b>Equity</b>	<b>權益</b>			
Share capital	股本	35	23,900	23,900
Reserves	儲備	37	819,130	836,273
			843,030	860,173
<b>Total liabilities and equity</b>	<b>總負債及權益</b>		<b>1,057,885</b>	1,003,970

On behalf of the Board

代表董事會

**Xie Yi**  
謝毅  
Director  
董事

**Wong Sau Kuen**  
王秀娟  
Director  
董事

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (37) RESERVES

#### The Group

Details of the movements in the Group's reserves are as set out in the consolidated statement of changes in equity in these consolidated financial statements. The natures and purposes of reserves within equity are as follows:

- (a) The share premium account represents the amount subscribed for share capital in excess of nominal value.
- (b) In accordance with the relevant regulations in the PRC, all of the Company's subsidiaries registered in the PRC are required to transfer part of their profit after tax to the capital reserve. Subject to certain restrictions set out in the relevant PRC regulations and the articles of association of these PRC subsidiaries, the capital reserve may be used to offset losses or for capitalisation as paid-up capital.
- (c) The contributed surplus of the Group represents the difference between the nominal value of the share capital of the subsidiaries acquired pursuant to the group reorganisation in 1999, over the nominal value of the share capital of the Company issued in exchange thereof.
- (d) Foreign currency translation reserve represents gains/losses arising on retranslating the net assets/liabilities of foreign operations into presentation currency.
- (e) Convertible bonds equity reserve represents the amount allocated to the equity component of convertible bonds issued by the Company recognised in accordance with the accounting policy adopted for convertible bonds in note 4 to the consolidated financial statements.
- (f) FVTOCI reserve represents fair value reserve comprises the cumulative net change in the fair value of equity investments designated at FVTOCI under HKFRS 9 that are held at the end of the reporting period.

### (37) 儲備

#### 本集團

本集團儲備之變動詳情載列於該等綜合財務報表之綜合權益變動表內。權益內儲備之性質及目的如下：

- (a) 股份溢價賬指認購股本金額超出面值之款項。
- (b) 根據中國有關法例，本公司旗下所有於中國註冊之附屬公司須將其部分除稅後溢利轉撥至資本儲備。資本儲備可用作抵銷虧損或用作資本化為繳足股本，惟須受中國有關法例所載若干限制及該等中國附屬公司組織章程細則之規限。
- (c) 本集團之繳入盈餘為根據本集團於一九九九年進行重組而收購附屬公司股本之面值超過本公司作交換用途之已發行股本面值之差額。
- (d) 匯兌儲備指因海外業務之資產／負債淨值重新換算為呈列貨幣而產生之收益／虧損。
- (e) 可換股債券權益儲備指根據綜合財務報表附註4內就可換股債券所採納之會計政策確認之本公司發行可換股債券權益部分所獲分配之款項。
- (f) 按公平值計入其他全面收益儲備指包括於報告期末持有根據香港財務報告準則第9號指定為按公平值計入其他全面收益之股本投資公平值之累計變動淨額的公平值儲備。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (37) RESERVES (Continued)

The Company

### (37) 儲備(續)

本公司

		Share premium	Contributed surplus	Convertible bonds equity reserve	Retained earnings	Total
		股份溢價	繳入盈餘	可換股債券權益儲備	保留盈利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 1 April 2019	於二零一九年 四月一日	191,738	64,636	512,359	82,794	851,527
Loss for the year	本年度虧損	—	—	—	(15,254)	(15,254)
At 31 March 2020 and 1 April 2020	於二零二零年 三月三十一日 及二零二零年 四月一日	191,738	64,636	512,359	67,540	836,273
Loss for the year	本年度虧損	—	—	—	(17,142)	(17,142)
At 31 March 2021	於二零二一年 三月三十一日	191,738	64,636	512,359	50,398	819,131

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (38) RELATED PARTY TRANSACTIONS

- (a) Save as the transactions and balances detailed elsewhere in the consolidated financial statements, the Group has entered into the following transactions with related parties during the year:

### (38) 關聯方交易

- (a) 除綜合財務報表其他部分所詳述之交易及結餘外，本集團已於年度內訂立以下關聯方交易：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
(i) Consultancy fee expense paid to Dr. Mao Yumin ("Dr. Mao"), a shareholder of the Company (Note 33)	(i) 已付毛裕民博士(「毛博士」)(本公司股東)顧問費開支(附註33)	663	357
(ii) Loan interest income receivable from loan to an associate	(ii) 應收貸款予一間聯營公司之貸款利息收入	735	556
(iii) Imputed interest income from amount due from an associate	(iii) 應收一間聯營公司款項之估算利息收入	3,570	8,989

### (b) Compensation of key management

The remuneration of key management for the year are set out in note 11.

### (b) 主要管理層之報酬

本年度主要管理層人員之酬金載於附註11。

### (39) CONTINGENT LIABILITIES

As at 31 March 2021, the Group did not have any significant contingent liabilities (2020: Nil).

### (39) 或然負債

於二零二一年三月三十一日，本集團並無任何重大或然負債(二零二零年：無)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (40) INTEREST IN SUBSIDIARIES

### (40) 於附屬公司之權益

Name 名稱	Place of incorporation/ registration/ operation 註冊成立/登記/ 經營之地點	Registered/issued and fully paid share capital 註冊/已發行及 繳足股本	Effective interest held by the Company 本公司所持 實際權益		Principal activities 主要業務
			2021 二零二一年	2020 二零二零年	
<b>Directly held</b> 直接持有					
Extrawell (BVI) Limited	BVI 英屬處女群島	US\$10,000 ordinary shares 10,000美元普通股	100%	100%	Investment holding 投資控股
Jilin Extrawell Changbaishan Pharmaceutical Co., Ltd. ("JECF") (note a) 吉林精優長白山藥業有限公司 (「吉林精優」)(附註a)	China 中國	RMB33,000,000 registered capital 人民幣33,000,000元 註冊資本	100%	100%	Development, manufacture and sales of pharmaceutical products 開發、製造及銷售藥品
<b>Indirectly held</b> 間接持有					
Extrawell Enterprises Limited 精優企業有限公司	Hong Kong 香港	HK\$20 ordinary shares 20港元普通股 HK\$1,000,000 non-voting deferred shares 1,000,000港元 無投票權遞延股份	100%	100%	Investment holding and property investment 投資控股及物業投資
Extrawell Pharmaceutical (HK) Limited 精優藥業(香港)有限公司	Hong Kong 香港	HK\$2 ordinary shares 2港元普通股	100%	100%	Provision of agency services 提供代理服務
South Asia Pharmaceutical (China) Limited	Malaysia 馬來西亞	US\$1 ordinary share 1美元普通股	100%	100%	Marketing and distribution of pharmaceutical products 推廣及分銷藥品
Changchun Extrawell Pharmaceutical Co., Ltd. ("CEP") (note b) 長春精優藥業股份有限公司 (「長春精優」)(附註b)	China 中國	RMB50,000,000 registered capital 人民幣50,000,000元 註冊資本	73%	73%	Development, manufacture and sales of pharmaceutical products 開發、製造及銷售藥品
Best-Bio Developments Limited	BVI/China 英屬處女群島/ 中國	US\$1 ordinary share 1美元普通股	100%	100%	Investment holding 投資控股
Right & Rise Limited	BVI/China 英屬處女群島/ 中國	US\$50,000 ordinary share 50,000美元普通股	100%	100%	Holding of gene invention rights and investment holding 持有基因發明權及投資控股

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (40) INTEREST IN SUBSIDIARIES (Continued)

Notes:

- (a) JECP is a wholly foreign-owned enterprise established in the PRC with an operating period of 15 years commencing from 22 April 1999. JECP has renewed its operating period up to 22 April 2024.
- (b) CEP is a joint stock limited company established in the PRC.

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affect the financial results of the year or form a substantial portion of the net assets of the Group.

None of the subsidiaries had issued any debt securities at the end of the year or any time during the year.

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary 附屬公司名稱	Place/country of registration/ incorporation/ operations 登記/註冊成立/ 經營之地點/國家	Proportion of ownership interests/voting rights held by non-controlling interests 非控股權益所持之所有權權益/投票權比例		Profit allocated to non-controlling interests 分配至非控股權益之溢利		Accumulated non-controlling interests 累計非控股權益	
		2021 二零二一年	2020 二零二零年	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
		CEP 長春精優 Individually immaterial subsidiary with non-controlling interests 持有非控股權益之個別不重大附屬公司	PRC 中國	27%	27%	1,435	2,301
				—	—	(15)	(15)
				1,435	2,301	(1,211)	(2,647)

### (40) 於附屬公司之權益(續)

附註：

- (a) 吉林精優乃於中國成立之外商獨資企業，其經營期為自一九九九年四月二十二日起計15年。吉林精優已重續其經營期至二零二四年四月二十二日。
- (b) 長春精優乃於中國成立之股份有限公司。

上表所列之本公司附屬公司為本公司董事認為主要影響本年度財務業績或構成本集團資產淨值重大部分之附屬公司。

於年度末或年度內任何時間，概無附屬公司發行任何債務證券。

下表列示本集團擁有重大非控股權益之非全資附屬公司之詳情：



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (40) INTEREST IN SUBSIDIARIES (Continued)

Summarised financial information in respect of CEP is set out below. The summarised financial information below represents amounts before intragroup eliminations.

#### CEP

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Current assets	流動資產	39,981	26,837
Non-current assets	非流動資產	138,145	132,569
Current liabilities	流動負債	(165,277)	(152,647)
Non-current liabilities	非流動負債	(9,838)	(9,081)
Equity attributable to owners of the Company	本公司擁有人應佔權益	4,207	310
Non-controlling interests	非控股權益	(1,196)	(2,632)

### (40) 於附屬公司之權益(續)

有關長春精優之財務資料概要載列如下。下列財務資料概要為集團內公司間對銷前之金額。

#### 長春精優

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

**(40) INTEREST IN SUBSIDIARIES (Continued)****(40) 於附屬公司之權益(續)**

CEP (Continued)

長春精優(續)

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Revenue	收益	78,802	77,584
Expenses	開支	(73,466)	(69,028)
Profit for the year	本年度溢利	5,336	8,556
Other comprehensive (expense)/income for the year	本年度其他全面(開支)/收益	(2)	466
Total comprehensive income for the year	本年度全面收益總額	5,334	9,022
Profit for the year attributable to:	以下人士應佔本年度溢利：		
— owners of the Company	— 本公司擁有人	3,901	6,255
— non-controlling interests	— 非控股權益	1,435	2,301
		5,336	8,556
Total comprehensive income/(expense) for the year attributable to:	以下人士應佔本年度全面收益/(開支)總額：		
— owners of the Company	— 本公司擁有人	3,898	6,588
— non-controlling interests	— 非控股權益	1,436	2,434
		5,334	9,022
Net cash generated from operating activities	經營活動產生之現金淨額	9,347	4,509
Net cash generated from/(used in) investing activities	投資活動產生/(所用)之現金淨額	29	(140)



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (41) SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY (Continued)

#### (a) Financial instruments not measured at fair value

Due to short term nature, the carrying values of financial assets and financial liabilities measured at amortised cost, excluding loan to an associate and liability component of convertible bonds, are approximate fair value.

#### (b) Financial instruments measured at fair value

*Financial assets at fair value through other comprehensive income – Unlisted investment fund, at fair value*

The fair value hierarchy is level 2.

The market value, which approximates fair value, of this fund is primarily calculated based on the quoted prices of the underlying listed investments in active markets with certain adjustments made to reflect the interest of the fund holder.

*Financial assets at fair value through profit or loss – Bank structured product, at fair value*

The fair value hierarchy is level 2.

The fair value of the bank structured product is determined based on estimated return of 2.3% (2020: 3.0%) and the credit quality of these investments which can be assessed by reference to historical information or external credit ratings, if any, provided by the bank.

### (41) 按類別劃分之金融資產及金融負債概要(續)

#### (a) 並非按公平值計量之金融工具

由於短期性質，按攤銷成本計量之金融資產及金融負債(不包括貸款予一間聯營公司及可換股債券負債部分)之賬面值與公平值相若。

#### (b) 按公平值計量之金融工具

*按公平值計入其他全面收益之金融資產 – 非上市投資基金，按公平值*

公平值層級為第二級。

該基金之市值(與公平值相若)主要是根據活躍市場之相關上市投資之報價計算，並作出若干調整以反映基金持有人之權益。

*按公平值計入損益之金融資產 – 銀行結構性產品，按公平值*

公平值層級為第二級。

銀行結構性產品之公平值乃按2.3%(二零二零年:3.0%)之估計回報率釐定，而該等投資之信貸質素可經參考過往資料或銀行提供之外部信貸評級(如有)予以評估。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (41) SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

(Continued)

#### (b) Financial instruments measured at fair value (Continued)

##### *Financial assets at fair value through profit or loss – Investments in convertible bonds*

The fair value hierarchy is level 3.

The fair value of investments in convertible bonds is determined based on risk-free rate for the life of the option on the Innovative Pharm Bonds, the exercise price per conversion share, share price (from observable market data), expected volatility of the share price, and expected dividend yield, of Innovative Pharm, where the estimated contractual cash flow on the liability component over the remaining term of the Innovative Pharm Bonds is discounted at the interest rate appropriate to the riskiness of the Innovative Pharm Bonds.

##### *Significant unobservable inputs*

###### *Expected Volatility*

Expected volatility of the share price of Innovative Pharm was determined by reference to historical share price of Innovative Pharm.

In respect of the sensitivity relationship of the fair value measurement to changes in inputs, an increase/(decrease) in the expected volatility would result in increase/(decrease) in fair value measurement that the higher the volatility of the share price of Innovative Pharm the higher the fair value.

###### *Discount Rate*

The discount rate was the rate adopted to calculate the present value of the cash flow of the Innovative Pharm Bonds and was estimated having taken into account the specific terms and structure of the Innovative Pharm Bonds including their liquidity. Increase/(decrease) in the discount rate would result in (decrease)/increase in the fair value.

### (41) 按類別劃分之金融資產及金融負債概要(續)

#### (b) 按公平值計量之金融工具 (續)

按公平值計入損益之金融資產 – 可換股債券投資  
公平值層級為第三級。

可換股債券投資之公平值乃基於領航醫藥債券期權年期之無風險利率、領航醫藥之每股換股股份之行使價、股價(來自可觀察市場數據)、股價預期波幅及預期股息收益率釐定，而負債部分在領航醫藥債券剩餘期限內的估計合約現金流量則按切合領航醫藥債券風險水平的利率進行貼現。

##### *重大不可觀察輸入數據*

###### *預期波幅*

領航醫藥之股價預期波幅乃經參考領航醫藥過往股價釐定。

就公平值計量對輸入數據變動之敏感度關係而言，預期波幅增加/(減少)將導致公平值計量增加/(減少)，即領航醫藥的股價波幅越大，公平值越高。

###### *貼現率*

貼現率乃計算領航醫藥債券現金流量之現值時所採用的比率，其乃於計及領航醫藥債券的具體條款及結構(包括其流動性)後估計得出。貼現率增加/(減少)將導致公平值(減少)/增加。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (41) SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY (Continued)

#### (b) Financial instruments measured at fair value (Continued)

*Financial assets at fair value through profit or loss – Investments in convertible bonds (Continued)*  
*Significant unobservable inputs (Continued)*

Discount Rate (Continued)

Nevertheless, there would be counteracting effect among the inputs, and in certain extreme situation where the stock price of Innovative Pharm at 31 March 2021 and 2020 was significantly lower than that of the exercise price, the conversion option to convert the Innovative Pharm Bonds into shares of Innovative Pharm would be expected worthless and the expected volatility would have minimal effect on the fair value measurement.

There were no changes in valuation techniques for the years ended 31 March 2021 and 2020.

The following table provides an analysis of the Group's financial instruments measured at fair value, on a recurring basis, by level of fair value hierarchy:

Level 1:	Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2:	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3:	Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### (41) 按類別劃分之金融資產及金融負債概要(續)

#### (b) 按公平值計量之金融工具(續)

*按公平值計入損益之金融資產 – 可換股債券投資(續)*  
*重大不可觀察輸入數據(續)*

貼現率(續)

然而，輸入數據之間會有抵銷作用，在若干極端情況下（即領航醫藥於二零二一年及二零二零年三月三十一日的股價大大低於行使價），將領航醫藥債券轉換為領航醫藥股份的換股權預期將不具價值，則預期波幅對公平值計量的影響乃微不足道。

截至二零二一年及二零二零年三月三十一日止年度，估值法概無變動。

下表根據經常性基準按公平值層級提供本集團按公平值計量之金融工具之分析：

第一級：	活躍市場上相同資產或負債之報價（不作調整）；
第二級：	第一級所包括報價以外，就資產或負債可直接（即價格）或間接（即源自價格）觀察之輸入數據；及
第三級：	並非基於可觀察市場數據之資產或負債之輸入數據（不可觀察輸入數據）。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (41) SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

(Continued)

#### (b) Financial instruments measured at fair value (Continued)

There was no transfer between different levels of the fair value hierarchy during the year ended 31 March 2021, and there was no change in valuation techniques for the following Group's financial assets that are measured at fair value on a recurring basis at the end of the reporting period:

		2021 二零二一年			
		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Financial asset at fair value through other comprehensive income	按公平值計入其他全面收益之金融資產	—	—	—	—
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	—	1,786	466,322	468,108
		—	1,786	466,322	468,108

		2020 二零二零年			
		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Financial asset at fair value through other comprehensive income	按公平值計入其他全面收益之金融資產	—	—	—	—
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	—	1,652	571,065	572,717
		—	1,652	571,065	572,717

### (41) 按類別劃分之金融資產及金融負債概要(續)

#### (b) 按公平值計量之金融工具 (續)

截至二零二一年三月三十一日止年度，公平值層級內各層之間並無進行轉換，而於報告期末，下列根據經常性基準按公平值計量之本集團金融資產之估值方法並無變動：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (41) SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY (Continued)

#### (b) Financial instruments measured at fair value (Continued)

Reconciliation for financial instruments carried at fair value based on significant unobservable inputs (Level 3) are as follows:

### (41) 按類別劃分之金融資產及金融負債概要(續)

#### (b) 按公平值計量之金融工具(續)

根據重大不可觀察輸入數據(第三級)按公平值計量之金融工具之對賬如下:

#### Unlisted investments in convertible bonds

非上市可換股債券投資

HK\$'000

千港元

At 1 April 2019	於二零一九年四月一日	469,737
Change in fair value in profit or loss (included in other gains and losses)	損益內公平值變動 (計入其他收益及虧損)	101,328
At 31 March 2020 and 1 April 2020	於二零二零年三月三十一日及二零二零年四月一日	571,065
Change in fair value in profit or loss (included in other gains and losses)	損益內公平值變動 (計入其他收益及虧損)	(104,743)
At 31 March 2021	於二零二一年三月三十一日	466,322



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (42) FINANCIAL RISK MANAGEMENT

The Group's major financial instruments include investments in convertible bonds, trade and bills receivables, deposits and other receivables, pledged bank deposits, bank balances, trade and bills payables, accruals and other payables, loan to an associate, amount due from an associate and convertible bonds. Details of these financial instruments are disclosed in respective notes.

The Group's activities expose it to a variety of financial risks such as foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The management monitors and manages the financial risks through internal risk assessment which analyses exposures by degree and magnitude of risks.

#### (a) Foreign currency risk

Foreign exchange risk arises when commercial transactions, assets or liabilities are denominated in a currency that is not the functional currency of the group entities. The Group operates mainly in the PRC and Malaysia and is exposed to foreign currency exchange rate risk arising from various foreign currency exposures. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

### (42) 財務風險管理

本集團之主要金融工具包括可換股債券投資、貿易應收賬款及應收票據、按金及其他應收款項、已抵押銀行存款、銀行結餘、貿易應付賬款及應付票據、預提費用及其他應付款項、貸款予一間聯營公司、應收一間聯營公司款項及可換股債券。該等金融工具之詳情於相關附註披露。

本集團之活動令本集團面臨多種財務風險，如外幣風險、信貸風險、流動資金風險及利率風險。本集團之整體風險管理計劃集中在金融市場之不可預測性，並尋求盡量減低對本集團財務表現之潛在不利影響。管理層通過內部風險評估，分析風險程度及廣度，監控及管理財務風險。

#### (a) 外幣風險

外匯風險於集團實體以非功能貨幣之貨幣列值之商業交易、資產或負債而產生。本集團之業務主要於中國及馬來西亞經營，並面臨多種外幣產生之外幣匯率風險。本集團現時並無外幣對沖政策。然而，管理層會監察外匯風險，並將於必要時考慮對沖重大外幣風險。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (42) FINANCIAL RISK MANAGEMENT (Continued)

### (42) 財務風險管理(續)

#### (a) Foreign currency risk (Continued)

The carrying amounts of the foreign currency denominated monetary assets and liabilities in net position as at 31 March 2021 and 2020 are as follows:

#### (a) 外幣風險(續)

於二零二一年及二零二零年三月三十一日，按外幣計值之貨幣資產及負債淨值之賬面值如下：

		<b>Euro</b> 歐元 HK\$'000 千港元	<b>RMB</b> 人民幣 HK\$'000 千港元	<b>US\$</b> 美元 HK\$'000 千港元
<b>At 31 March 2021</b>	<b>於二零二一年三月三十一日</b>			
Pledged bank deposit	已抵押銀行存款	—	—	19,316
Cash and bank balances	現金及銀行結餘	2,910	1,532	63,003
Overall net exposure	全面風險淨額	2,910	1,532	82,319
<b>At 31 March 2020</b>	<b>於二零二零年三月三十一日</b>			
Pledged bank deposit	已抵押銀行存款	—	—	19,145
Cash and bank balances	現金及銀行結餘	3,780	1,338	59,851
Trade and bills payables	貿易應付賬款及應付票據	(1,352)	—	—
Overall net exposure	全面風險淨額	2,428	1,338	78,996

The cash and bank balances denominated in US\$ belong to the group entities in which the functional currency is HK\$. The directors are of the opinion that the HK\$ are reasonably stable with the US\$ under the Linked Exchange Rate System, and accordingly, no sensitivity analysis of US\$ with respect to HK\$ is performed.

以美元計值之現金及銀行結餘屬於功能貨幣為港元之集團實體。董事認為，由於在聯繫匯率制度下，港元與美元相當穩定，因此，並無進行美元對港元之敏感度分析。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (42) FINANCIAL RISK MANAGEMENT (Continued)

#### (a) Foreign currency risk (Continued)

The following table illustrates the approximate change in the Group's loss for the year and retained profits in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of each of the following years:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Euro appreciated by 5%	歐元升值5%	(146)	(182)
RMB appreciated by 5%	人民幣升值5%	(1,348)	(77)

The change in exchange rates do not affect the Group's other component of equity. The same percentage depreciation in the foreign currencies against the functional currency of the respective group companies would have the same magnitude on profit and retained profits but of opposite effect.

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of each of the reporting period and had been applied to each of the group entities; exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant. The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next reporting date.

### (42) 財務風險管理(續)

#### (a) 外幣風險(續)

下表說明本集團本年度虧損及保留溢利之概約變動以回應本集團於以下各年度末面對重大風險之匯率的合理可能變動：

匯率變動不會影響本集團其他權益部分。外幣兌各集團公司之功能貨幣之同一百分比貶值對溢利及保留溢利構成相同幅度但反面之影響。

敏感度分析乃假設匯率於各報告期末已發生變動而釐定，並應用於各集團實體，就金融工具所承受之貨幣風險於該日期已存在，以及所有其他變數(特別是利率)維持不變。所述變動代表管理層對匯率於直至下個報告日期前期間之合理可能變動之評估。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (42) FINANCIAL RISK MANAGEMENT (Continued)

#### (b) Interest rate risk

The Group's cash flow interest rate risk primarily relates to variable-rate pledged bank deposits and bank balances (see notes 27 and 28 respectively for details). The Group currently does not have interest rate hedging policy. However, the management of the Group will consider hedging significant interest rate exposure should the need arise. The management considers the Group's exposure to future cash flow interest rate risk is minimal taking into account the minimal fluctuation on market interest rate. Accordingly, no sensitivity analysis is presented.

#### (c) Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. The liquidity risk management strategy adopted by the Group is to measure and forecast its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the Group's activities.

### (42) 財務風險管理(續)

#### (b) 利率風險

本集團之現金流量利率風險主要與以浮動利率計息之已抵押銀行存款及銀行結餘(詳情分別見附註27及28)有關。本集團現時並無利率對沖政策。然而,本集團管理層將於必要時考慮對沖重大利率風險。鑒於市場利率之波動甚微,管理層認為本集團承受未來現金流量利率之風險甚微。因此,概無呈列敏感度分析。

#### (c) 流動資金風險

本集團積極管理其債務到期情況、經營現金流量及可動用資金,以確保可應付所有經營、投資及融資需要。本集團採納之流動資金風險管理策略為計量及預測其現金承擔及將現金及現金等值項目維持於被視為足以撥付本集團活動之水平。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (42) FINANCIAL RISK MANAGEMENT (Continued)

#### (c) Liquidity risk (Continued)

*Analysis of financial instruments by remaining contractual maturities.*

The table below summaries the maturity profile of the Group's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations (including interest payments computed using contractual rates, or if floating, based on rates current at the reporting date).

	Weighted average effective interest rate	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or repayable on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
	加權平均實際利率	賬面值	合約未貼現現金流量總額	一年內或按要求的償還	超過一年但少於兩年	超過兩年但少於五年	超過五年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>At 31 March 2021</b>							
Trade and bills payables		6,692	6,692	5,929	240	523	—
Accruals and other payables		28,860	28,860	28,860	—	—	—
Lease liabilities	4.54%	3,894	4,078	1,904	2,174	—	—
Convertible bonds	18.72%	69,980	577,170	—	—	—	577,170
		109,426	616,800	36,693	2,414	523	577,170
<b>At 31 March 2020</b>							
Trade and bills payables		6,239	6,239	4,239	1,517	483	—
Accruals and other payables		32,251	32,251	32,251	—	—	—
Lease liabilities	4.54%	5,586	5,982	1,904	4,078	—	—
Convertible bonds	18.72%	58,950	577,170	—	—	—	577,170
		103,026	621,642	38,394	5,595	483	577,170

#### (d) Credit risk

The Group's credit risk is primarily attributable to investments in convertible bonds, trade and other receivables, amount due from an associate, loan to an associate, pledged bank deposits and bank balances.

### (42) 財務風險管理(續)

#### (c) 流動資金風險(續)

按剩餘合約到期日劃分之金融工具分析。

下表根據合約未貼現償還責任(包括使用合約利率或倘屬浮動,則根據報告日期之當前利率計算的利息付款),概述本集團於報告期末負債之到期情況。

#### (d) 信貸風險

本集團之信貸風險主要來自可換股債券投資、貿易應收賬款及其他應收款項、應收一間聯營公司款項、貸款予一間聯營公司、已抵押銀行存款及銀行結餘。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (42) FINANCIAL RISK MANAGEMENT (Continued)

#### (d) Credit risk (Continued)

As at 31 March 2021, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is the carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position.

The investments in convertible bonds as at 31 March 2021 expose the Group to concentration of credit risk. At the end of the reporting period, the Group assessed the financial position and performance of the issuer of the convertible bonds of carrying amount HK\$466,322,000 (2020: HK\$571,065,000) and in view of the net assets of the issuer and its ongoing core operating segment related to the In-process R&D of the Product, the management considers the default risk on the investments in convertible bonds is not significant.

The Group also has concentration of credit risk as 18% (2020: 18%) of the total trade receivables were due from the Group's major customers, which are privately owned PRC companies engaged in trading of pharmaceutical products. The directors of the Company considered that the credit risk of trade receivables is insignificant after considering the credit quality and financial ability of these customers. In respect of trade receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. The Group has policies in place to ensure that sales are made to customers with an appropriate credit history. These credit evaluations focus on the customers' past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. The Group will make specific provision for those balances which cannot be recovered. Normally, the Group does not obtain collateral from customers. In the opinion of the directors, the default risk of the Group is considered to be low.

### (42) 財務風險管理(續)

#### (d) 信貸風險(續)

於二零二一年三月三十一日，本集團所面對之最大信貸風險(會因交易對手未能履行責任而令本集團承擔財政損失)為綜合財務狀況表列載之各項已確認金融資產之賬面值。

於二零二一年三月三十一日之可換股債券投資令本集團信貸風險集中。於報告期末，本集團評估賬面值為466,322,000港元(二零二零年：571,065,000港元)之可換股債券發行人之財務狀況及表現，鑒於發行人擁有之資產淨值以及其核心營運分類在進行有關產品的進行中之研發，管理層認為可換股債券投資之違約風險並不重大。

本集團信貸風險集中，因為貿易應收賬款總額中18%(二零二零年：18%)乃應收本集團之主要客戶款項，該等客戶為從事藥品貿易之中國私人公司。經考慮該等客戶之信貸質素及財政能力後，本公司董事認為貿易應收賬款之信貸風險並不重大。就貿易應收賬款而言，對所有要求超過若干金額信貸之客戶進行獨立信貸評估。本集團訂有適當政策可確保銷售對象為信貸記錄良好之客戶。該等信貸評估著重評核客戶支付到期款項之過往記錄，以及目前之支付能力，並考慮客戶特定資料及有關客戶經營所在經濟環境之資料。本集團將會為該等不能收回之結餘作出特定撥備。一般而言，本集團並無向客戶收取抵押品。董事認為，本集團面對之違約風險為低。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (42) FINANCIAL RISK MANAGEMENT (Continued)

#### (d) Credit risk (Continued)

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade and bills receivables:

		Current	Past due but not impaired – within 180 days	Total
		即期	已逾期但未減值 – 180日內	總計
At 31 March 2021	於二零二一年三月三十一日			
Expected credit loss (%)	預期信貸損失(%)	1.46	1.46	1.46
Gross carrying amount (HK\$'000)	賬面總值(千港元)	7,391	1,739	9,130
Loss allowance (HK\$'000)	虧損撥備(千港元)			(52)
At 31 March 2020	於二零二零年三月三十一日			
Expected credit loss (%)	預期信貸損失(%)	1.42	1.42	1.42
Gross carrying amount (HK\$'000)	賬面總值(千港元)	7,945	2,539	10,484
Loss allowance (HK\$'000)	虧損撥備(千港元)			(62)

Expected loss rates are based on actual loss experience over the past 1 year. These rates are adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

### (42) 財務風險管理(續)

#### (d) 信貸風險(續)

本集團使用撥備矩陣並按與全期預期信貸損失等額之方式計量貿易應收賬款之虧損撥備。由於本集團過往信貸損失經驗並無顯示不同客戶分類有重大不同損失模式，按逾期狀態之虧損撥備不會進一步於本集團不同客戶群之間區分。

下表載列本集團就貿易應收賬款及應收票據所面臨之信貸風險及預期信貸損失之資料：

	Current	Past due but not impaired – within 180 days	Total
	即期	已逾期但未減值 – 180日內	總計

At 31 March 2021	於二零二一年三月三十一日			
Expected credit loss (%)	預期信貸損失(%)	1.46	1.46	1.46
Gross carrying amount (HK\$'000)	賬面總值(千港元)	7,391	1,739	9,130
Loss allowance (HK\$'000)	虧損撥備(千港元)			(52)
At 31 March 2020	於二零二零年三月三十一日			
Expected credit loss (%)	預期信貸損失(%)	1.42	1.42	1.42
Gross carrying amount (HK\$'000)	賬面總值(千港元)	7,945	2,539	10,484
Loss allowance (HK\$'000)	虧損撥備(千港元)			(62)

預期虧損率乃根據過往一年之實際虧損經驗計算。該等比率乃經調整，以反映收集歷史數據期間之經濟狀況、現時狀況及本集團對應收款項之預計年期之經濟狀況看法之差異。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 March 2021 截至二零二一年三月三十一日止年度

### (43) CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders through optimisation of capital structure to reduce the cost of capital. The Group's overall strategy remains unchanged from prior year.

The Group regularly reviews and manages its capital structure, and makes adjustments to it taking into account the changes in economic conditions, risk characteristics of the underlying assets, the Group's investment strategy and opportunities, projected operating cash flows and capital expenditures. To maintain or adjust the capital structure, the Group may adjust the level of borrowings, dividend payment to shareholders, issue new shares, or buy back its own shares.

### (43) 資本管理

本集團管理資本之目標為保證本集團能夠持續經營，以便透過優化資本結構以減少資本成本，繼續為股東提供回報及為其他利益相關者帶來利益。本集團之整體策略與上一年度維持不變。

本集團定期審閱及管理其資本結構，並於考慮經濟狀況之變動、有關資產之風險特徵、本集團之投資策略及機遇、預測經營現金流量以及資本開支後作出調整。為維持或調整資本結構，本集團可能調整借貸水平、支付予股東之股息、發行新股份或購回自身股份。

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Debts	債務	73,874	64,536
Total equity	權益總額	1,029,294	1,139,848
Gearing ratio	資產負債比率	7.2%	5.7%

### (44) APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 29 June 2021.

### (44) 批准綜合財務報表

董事會於二零二一年六月二十九日批准及授權刊登綜合財務報表。



# FIVE YEARS' FINANCIAL SUMMARY

## 五年財務概要

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, is set out below:

本集團過去五個財政年度之業績，以及資產、負債及非控股權益概要如下：

		For the year ended 31 March 截至三月三十一日止年度				
		2021 二零二一年 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	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>RESULTS</b>	<b>業績</b>					
Revenue	收益	78,802	77,584	89,218	85,762	107,903
(Loss)/Profit before income tax	除所得稅前 (虧損)/溢利	(119,663)	85,491	63,374	29,186	18,927
Income tax credit/(expense)	所得稅抵免/ (支出)	—	90	(50)	86	(616)
(Loss)/Profit for the year	本年度(虧損)/ 溢利	(119,663)	85,581	63,324	29,272	18,311
Attributable to:	以下人士應佔：					
— Owners of the Company	— 本公司擁有人	(121,098)	83,280	64,030	29,930	20,796
— Non-controlling interests	— 非控股權益	1,435	2,301	(706)	(658)	(2,485)
		(119,663)	85,581	63,324	29,272	18,311

		As at 31 March 於三月三十一日				
		2021 二零二一年 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	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS</b>	<b>資產、負債及 非控股權益</b>					
Total assets	總資產	1,164,239	1,265,710	1,196,086	1,216,783	1,172,669
Total liabilities	總負債	(134,945)	(125,862)	(134,515)	(149,704)	(146,818)
Total equity	權益總額	1,029,294	1,139,848	1,061,571	1,067,079	1,025,851
Less: Non-controlling interests	減：非控股權益	(1,211)	(2,647)	(5,081)	(4,494)	(3,841)
Equity attributable to owners of the Company	本公司擁有人 應佔權益	1,030,505	1,142,495	1,066,652	1,071,573	1,029,692



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

(Incorporated in Bermuda with limited liability)  
(於百慕達註冊成立之有限公司)

Stock code 股份代號 : 858

