



Sinco Pharmaceuticals Holdings Limited 兴科蓉医药控股有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

(根據開曼群島法例註冊成立的有限公司)

Stock Code 股份代號: 6833



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Corporate Information

公司資料

BOARD OF DIRECTOR

Executive Directors

Mr. Huang Xiangbin (*Chairman and Co-Chief Executive Officer*)
Ms. Zhang Zhijie (*resigned on 8 January 2021*)

Independent Non-executive Directors

Mr. Lau Ying Kit
Mr. Liu Wenfang
Mr. Wang Qing
Mr. Bai Zhizhong

AUDIT COMMITTEE

Mr. Lau Ying Kit (*Chairman*)
Mr. Liu Wenfang
Mr. Wang Qing
Mr. Bai Zhizhong

REMUNERATION COMMITTEE

Mr. Wang Qing (*Chairman*)
Mr. Liu Wenfang
Mr. Bai Zhizhong (*appointed on 8 January 2021*)
Ms. Zhang Zhijie (*resigned on 8 January 2021*)

NOMINATION COMMITTEE

Mr. Huang Xiangbin (*Chairman*)
Mr. Liu Wenfang
Mr. Lau Ying Kit

INTERNAL CONTROL AND CORPORATE GOVERNANCE COMMITTEE

Mr. Lau Ying Kit (*Chairman*)
Mr. Wang Qing
Mr. Liu Wenfang
Mr. Bai Zhizhong

AUTHORISED REPRESENTATIVES

Mr. Huang Xiangbin
Ms. Li Kin Wai (*appointed on 31 March 2021*)
Ms. Li Ching Yi (*resigned on 22 January 2021*)
Ms. Wong Yik Han (*appointed on 22 January 2021 and resigned on 31 March 2021*)

JOINT COMPANY SECRETARIES

Ms. Peng Yunlu
Mr. Li Kin Wai (*appointed on 31 March 2021*)
Ms. Li Ching Yi (*resigned on 22 January 2021*)
Ms. Wong Yik Han (*appointed on 22 January 2021 and resigned on 31 March 2021*)

REGISTERED OFFICE

PO Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands

董事會

執行董事

黃祥彬先生(*主席兼聯席行政總裁*)
張志傑女士(*於2021年1月8日辭任*)

獨立非執行董事

劉英傑先生
劉文芳先生
汪晴先生
白志中先生

審核委員會

劉英傑先生(*主席*)
劉文芳先生
汪晴先生
白志中先生

薪酬委員會

汪晴先生(*主席*)
劉文芳先生
白志中先生(*於2021年1月8日獲委任*)
張志傑女士(*於2021年1月8日辭任*)

提名委員會

黃祥彬先生(*主席*)
劉文芳先生
劉英傑先生

內部控制及企業管治委員會

劉英傑先生(*主席*)
汪晴先生
劉文芳先生
白志中先生

授權代表

黃祥彬先生
李健威先生(*於2021年3月31日獲委任*)
李菁怡女士(*於2021年1月22日辭任*)
黃譚嫻女士(*於2021年1月22日獲委任*
並於2021年3月31日辭任)

聯席公司秘書

彭雲璐女士
李健威先生(*於2021年3月31日獲委任*)
李菁怡女士(*於2021年1月22日辭任*)
黃譚嫻女士(*於2021年1月22日獲委任*
並於2021年3月31日辭任)

註冊辦事處

PO Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands

CORPORATE HEADQUARTERS

E5-1805, Global Centre
No. 1700, North Section of Tianfu Avenue
High-Tech Zone, Chengdu
Sichuan
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 2403, Wing On Centre
111 Connaught Road Central
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
P.O. Box 1093, Boundary Hall
Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

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

HONG KONG LEGAL ADVISER

Tian Yuan Law Firm LLP

AUDITOR

Ernst & Young
Certified Public Accountants

STOCK CODE ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

6833

COMPANY'S WEBSITE

www.sinco-pharm.com

LISTING DATE

10 March 2016

公司總部

中國
四川省
成都市高新區
天府大道北段1700號
環球中心E5-1805室

香港主要營業地點

香港
干諾道中111號
永安中心2403室

開曼群島證券登記總處及過戶代理

Maples Fund Services (Cayman) Limited
P.O. Box 1093, Boundary Hall
Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

香港證券登記分處

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

香港法律顧問

天元律師事務所(有限法律責任合夥)

核數師

安永會計師事務所
執業會計師

香港聯合交易所有限公司主板股份代號

6833

本公司網站

www.sinco-pharm.com

上市日期

2016年3月10日

Financial Highlights

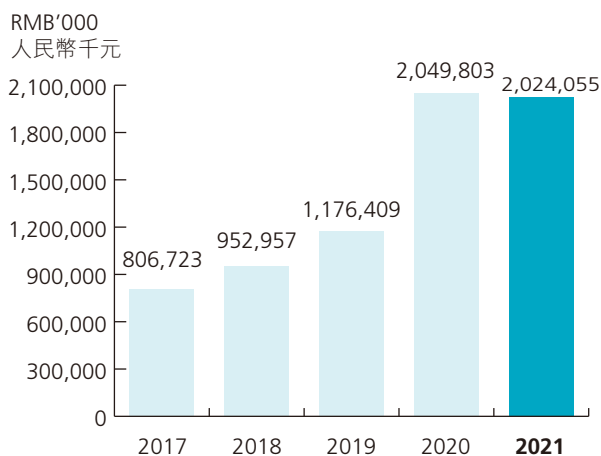
財務摘要

- Revenue of the Group decreased by 1.25% or RMB25.7 million to RMB2,024.1 million for the Reporting Period (2020: RMB2,049.8 million), among which revenue from sales of Human Albumin Solution increased by approximately RMB84.3 million, and offset by the decrease of revenue of antibiotics which amounted to RMB110.0 million.
- Gross profit of the Group increased by RMB91.2 million to RMB365.0 million for the Reporting Period (2020: RMB273.8 million), while gross profit margin increased from 13.4% in 2020 to 18.0% for the Reporting Period. The increase in gross profit margin was benefited from the higher selling price of Human Albumin compared with the last year.
- Net profit of the Group increased by 14.4% to RMB135.1 million for the Reporting Period (2020: RMB118.1 million), primarily benefited from the increase in gross profit of the Group.
- During the Reporting Period, net profit attributable to owners of the Company amounted to RMB135.1 million (2020: net profit RMB118.1 million), representing an increase in net profit of RMB17.0 million.
- Basic and diluted earnings per share amounted to RMB0.08 for the Reporting Period (2020: basic and diluted earnings per share RMB0.07).
- The Board resolved not to declare any final dividend for the Reporting Period (2020: Nil).
- 報告期內，本集團收益減少1.25%或人民幣25.7百萬元至人民幣2,024.1百萬元(2020年：人民幣2,049.8百萬元)，其中人血白蛋白注射液銷售收益增長人民幣約84.3百萬元，並被抗生素收益減少人民幣110.0百萬元所抵銷。
- 報告期內，本集團毛利增加人民幣91.2百萬元至人民幣365.0百萬元(2020年：人民幣273.8百萬元)，毛利率則由2020年的13.4%增加至報告期內的18.0%。毛利率的增加受益於人血白蛋白銷售價格比去年高。
- 於報告期內，本集團純利增加14.4%至人民幣135.1百萬元(2020年：人民幣118.1百萬元)，主要是由於本集團的銷售毛利增加。
- 報告期內，本公司擁有人應佔純利為人民幣135.1百萬元(2020年：純利人民幣118.1百萬元)，純利額增加人民幣17.0百萬元。
- 報告期內，每股基本及攤薄盈利為人民幣0.08元(2020年：每股基本及攤薄盈利人民幣0.07元)。
- 董事會決議不就報告期宣派任何末期股息(2020年：無)。

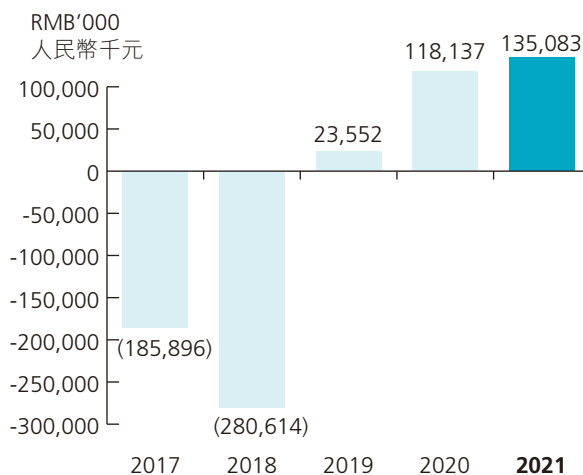
Financial Highlights 財務摘要

		2017	2018	2019	2020	2021
		2017年	2018年	2019年	2020年	2021年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Operating results	經營業績					
Revenue	收益	806,723	952,957	1,176,409	2,049,803	2,024,055
Gross profit	毛利	93,533	221,025	219,847	273,826	364,950
Profit/(loss) after tax	除稅後溢利／(虧損)	(194,868)	(272,015)	42,955	135,955	167,387
Profit/(loss) for the year	本年度溢利／(虧損)	(185,897)	(280,615)	23,550	118,137	135,083
Profit/(loss) attributable to owners of the Company	本公司擁有人應佔溢利／(虧損)	(185,896)	(280,614)	23,552	118,137	135,083
Profitability	盈利					
Gross margin	毛利率	11.6%	23.2%	18.7%	13.4%	18.0%
Net profit/(loss) margin	純利／(虧損)率	(23.0%)	(29.4%)	2%	5.8%	6.7%

Revenue
收益



Profit/(loss) Attributable to Owners of the Company
本公司擁有人應佔溢利／(虧損)



		2017	2018	2019	2020	2021
		2017年	2018年	2019年	2020年	2021年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Financial position	財務狀況					
Total assets	總資產	819,219	611,762	832,344	1,252,053	1,232,766
Total equity	總權益	272,730	22,723	46,292	164,429	374,886
Total liabilities	總負債	546,489	589,039	786,052	1,087,624	857,880
Equity attributable to owners of the Company	本公司擁有人應佔權益	273,635	23,629	47,200	165,337	374,886
Cash and cash equivalents*	現金及現金等價物*	75,651	80,343	224,756	143,765	381,067

Chairman's Statement

主席報告

Dear Shareholders,

On behalf of the Board, I would like to express my sincere gratitude to all Shareholders for their concern and support to the Company, and hereby present the report of the Group for the Reporting Period.

In 2021, the Novel Coronavirus ("COVID-19") pandemic continues to spread around the world, and various industries and fields in China are facing more severe challenges than in 2020. As far as the pharmaceutical industry is concerned, on the one hand, due to the pandemic, the demand for related pharmaceutical products has been amplified, and certain market segments have become popular. On the other hand, due to the fluctuation and continuation of the epidemic situation both domestically and abroad, it has caused huge pressure on the supplier and the whole supply chain of pharmaceutical products. "How to maintain a stable product supply in 2021 when the pandemic is normalized" has become a difficult problem faced by every pharmaceutical company.

During the Reporting Period, the annual batch release volume of human albumin is 63.67 million vials, a slight increase of 5.2% over last year. The proportions of imported albumin and domestic albumin are 65% and 35% respectively, almost the same as last year. Affected by the pandemic, although the total amount of imported albumin has shown certain growth, the growth rate has dropped in 2021. This is due to the continually worsening situation of COVID-19 epidemic in the United States, which led to a sharp decline in the plasma volume collected by major foreign fractionators, which was ultimately reflected in the sluggish growth in supply throughout the year.

During the Reporting Period, the Group's sales of human albumin injection amounted to RMB1,973.3 million, an increase of approximately RMB84.3 million compared to 2020, an increase of approximately 4.5%. The sales revenue of antibiotic products was approximately RMB50.8 million, a decrease of approximately 68.4%. During the Reporting Period, the gross profit achieved a total of RMB365.0 million, a year-on-year increase of RMB91.2 million compared to the gross profit of RMB273.8 million in 2020. The gross profit margin of the Group reached 18.0% during the Reporting Period, which increased by 4.6% as compared to the gross profit margin of 13.4% in 2020.

尊敬的各位股東：

本人謹代表董事會對各位股東對本公司的關注與支持表示衷心感謝，並在此呈報本集團於報告期之報告。

2021年新冠疫情持續在全球蔓延，國內各個行業和領域都面臨著相較2020年更加嚴峻的挑戰。就醫藥行業而言，一方面由於疫情的緣故，相關醫藥產品的需求被放大，某些細分市場受到熱捧。另一方面，由於境內外疫情的起伏和持續，給醫藥產品的供給端和供應鏈造成了巨大的壓力。如何在疫情常態化的2021年保持穩定的產品供給成為了每個醫藥企業所面臨的難題。

報告期內，人血白蛋白全年批發量為63.67百萬瓶，較去年略微增長了5.2%。進口白蛋白和國產白蛋白的佔比分別為65%和35%，與去年持平。受疫情影響，進口白蛋白的總量雖然保持了增長，但是在2021年增速有所下降。這是由於美國地區新冠疫情的持續惡化，導致各大進口企業的採漿量下滑，並最終體現了全年的供給量的增長乏力。

報告期內，本集團人血白蛋白注射液銷售額為人民幣1,973.3百萬元，相比2020年增長約人民幣84.3百萬元，增幅約4.5%。抗生素產品實現銷售收入約人民幣50.8百萬元，降幅約68.4%。報告期內實現毛利共計人民幣365.0百萬元，相較2020年毛利人民幣273.8百萬元同比增長人民幣91.2百萬元。報告期內本集團毛利率達到18.0%，比2020年毛利率13.4%增加4.6%。

Benefiting from the substantial increase in purchase volume in 2020 and a reasonable inventory level, the Company distributed approximately 7.1 million vials of human albumin during the Reporting Period. At the same time, due to the recovery of market demand and the stabilization of terminal prices, the supply price of the Company's human albumin products has also remained stable throughout the year. On the other hand, although the spread of the overseas COVID-19 epidemic at the beginning of 2021 led to a decline in annual purchases compared with 2020, with the steady recovery of plasma collection in the second half of the year 2021, the continued capacity expansion of overseas suppliers and the availability of the products from its new European factory approved in China, the Company expects that the purchase volume and sales volume of human albumin in 2022 will further increase significantly, and the sales revenue and market share of the products distributed by the Company will reach a new high.

In terms of marketing category, the Company further adjusted and optimized the sales channels for products to enter the terminal channels compared with the year 2020. In 2021, the marketing network of our products has covered large-scale key hospitals in major cities across the country, and has further penetrated into hospitals in prefectures and second- and third-tier cities with the cooperation of various distributors and promoters. During the Reporting Period, the proportion of the sales of our Company's products in terminal hospitals has grown significantly compared with the year 2020. In 2022, the Company will continue to implement the marketing strategy by focusing on the terminal hospital market, supplemented by retail pharmacies, and strive for greater market coverage and sales channel share.

In 2021, the Group's net profit maintained growth and achieved RMB135.1 million. The successful optimization of the business system has laid a solid foundation for the Company's operations in 2022.

得益於2020年採購量的大幅提升以及合理的庫存水平，報告期內本公司共計分銷人血白蛋白注射液約7.1百萬瓶。同時，在市場需求回暖以及終端價格趨穩的前提下，公司人血白蛋白產品的供應價格也在全年保持穩定。另一方面，雖然2021年初海外疫情的蔓延導致了全年採購量相較2020年有所下滑，但隨著2021下半年採漿量的穩步恢復以及境外供應商持續的產能擴充和新的歐洲工廠產品在中國獲批上市，公司預期2022年的人血白蛋白採購量和銷售量將進一步大幅提升，公司所代理產品的銷售規模和市場份額也會再創新高。

營銷業務方面，本公司較2020年進一步調整和優化了產品進入終端的銷售渠道。在2021年，我司產品的營銷網絡在覆蓋了全國主要城市的大型重點醫院基礎上，同時還在各經銷商和推廣商的協作下進一步滲透到了地市及二、三線城市的醫院。在報告期內，我公司產品在終端醫院的銷售佔比較2020年有了長足增長。在2022年，公司將持續貫徹以終端醫院市場為主，零售藥店為輔的營銷策略，並爭取更大的市場覆蓋和銷售渠道佔有率。

在2021年本集團純利保持增長，達到人民幣135.1百萬元。業務體系的成功優化為公司在2022年的運營奠定了良好的基礎。

In September 2021, the Group officially announced its entry into the aesthetic medicine industry and started related industry layouts. In recent years, China's aesthetic medicine industry has been showing a trend of rapid development. According to Frost & Sullivan, China has become the third largest aesthetic medicine market in the world. The market size is expected to increase from RMB143.6 billion in 2020 to RMB318.5 billion in 2024, with a compound growth rate of 17.3% in the next five years. There is no doubt that the aesthetic medicine industry is a golden track with great market potential.

In September 2021, the Group and a partner company started the development of the polycaprolactone microsphere facial filler for injection ("Girl Needle") project, with a planned investment of RMB88.5 million. This product is the latest non-surgical medical aesthetic product. It has an immediate filling effect, can promote collagen proliferation within a certain period of time, and achieve a long-term sustained repair function to maintain the youthful and refined status of the face and body. As the Group's first product in the medical aesthetics industry, the non-surgical medical aesthetics products represented by the Girl Needle are highly sought after by consumers both domestically and abroad due to its simple operation, quick recovery and low risk. According to data from Frost & Sullivan, the scale of China's non-surgical medical aesthetic market will increase from RMB54.5 billion in 2020 to RMB98 billion in 2022, with a compound annual growth rate of 34.1%. It is not difficult to see that non-surgical medical aesthetic products such as "Girl Needle" have a market of nearly RMB100 billion in China and have great room for growth. The Company will continue to develop a series of products "PCL+X" based on polycaprolactone raw materials, and derive a variety of medical aesthetic products.

於2021年9月，本集團正式宣佈進入醫美行業並啟動相關產業佈局。近幾年，中國的醫美行業一直呈現出快速發展的趨勢，據Frost & Sullivan數據顯示，我國已成為世界第三大醫療美容市場。市場規模預計將於2020年的1,436億元增至2024年3,185億元，未來五年的複合增長率為17.3%。毋庸置疑，醫美行業是一個市場潛力極大的黃金賽道。

本集團於2021年9月與合作企業啟動注射用聚己內酯微球面部填充劑(「少女針」)項目開發，擬投資人民幣88.5百萬元。該產品為一款最新的非手術類醫美產品，具有立即填充功效，能在一定時間內促進膠原蛋白增生，達到較長時間的持續性修復功能以保持面部及體部的年輕化和緊致。作為本集團在醫美行業佈局的第一款產品，少女針所代表的非手術類醫美產品憑藉其操作簡單、恢復快、風險小等優點深受國內外消費者追捧。據Frost & Sullivan數據顯示，我國非手術類醫美市場規模將由2020年545億元增至2022年980億元，複合年增長率高達34.1%。不難看出，像「少女針」這類非手術類醫美產品在我國擁有接近千億級別市場，具備極大的增長空間。本公司將持續依托聚己內酯原材料開發系列產品「PCL+X」，衍生出多種醫美產品。

In 2021, the COVID-19 pandemic continues, the Group continued to push forward the adjustment of sales strategies and further optimization measures, and continued to penetrate and access new terminal hospitals. With the stable development of the terminal market, the Company's adaptability to policy adjustments and market changes in the pharmaceutical industry has been greatly increased. While actively building the internal systems, the Company is also carrying out the management and training of talents. Through this series of measures, the sales team for the products of the Company has been continuously optimized. The Company will also continue to strengthen the construction of internal control and risk management system, pay close attention to corporate social responsibility, and practice corporate social responsibility in the Group's governance. Based on the good cooperation between the Group and its supplier Octapharma, at the beginning of 2022, the Group newly obtained the exclusive distribution rights in mainland China for the distribution of human albumin produced by its supplier Octapharma's manufacturing plant in Lingolsheim, France. At the same time, according to the forecast and production plan of Octapharma, the supply of human albumin products to the Chinese market will be significantly increased in 2022 and the marketing approval of the products produced by the new factory will soon be obtained. It is believed that the stable and continuous cooperation between the Group and suppliers will enable the Group's sales performance in 2022 to reach a new high. At the same time, the Group's projects in the medical aesthetics industry chain have also been launched in an orderly manner during the year. It is believed that medical aesthetics, a market with great potential, will contribute new profit growth to the Group in the near future.

Finally, on behalf of the Board of Directors, I would like to express my heartfelt thanks to all Shareholders, customers and partners for their full trust and support to the Group, as well as to all the employees of the Group for their efforts and contributions. The Group will seize the market opportunities arising from the upgrading and transformation of the pharmaceutical industry, continuously enhance its own competitiveness, and create maximum value for Shareholders, customers and stakeholders.

Huang Xiangbin
Chairman

30 March 2022

在2021年新冠疫情持續爆發，本集團繼續推進著銷售政策的調整和進一步的優化措施，持續滲透和開發新的終端醫院。隨著終端的穩定開發，大大增加了公司對於醫藥行業的政策調整和市場變化的適應性。在集團內部的制度積極建設的同時，也在開展對人才的管理和培養。通過這一系列舉措，不斷的優化公司產品的銷售團隊。本公司亦會繼續強化內部控制及風險管理體系建設，高度關注企業社會責任，並在集團管制中踐行企業的社會責任。基於本集團與供應商奧克特珐瑪的良好合作，於2022年初，本集團已新增獲得供應商奧克特珐瑪位於法國Lingolsheim製造工廠生產的人血白蛋白於中國內地獨家經銷權。同時，根據奧克特珐瑪的預測和生產計劃，2022年將大幅增加對中國市場人血白蛋白產品的供應並增加新工廠生產產品的上市許可，相信本集團與供應商的穩定持續合作將使本集團2022年的銷售業績再創新高。同時，本集團在醫美產業鏈的項目也已經在年內有序啟動，相信醫美這個極具潛力的市場將在不久的將來為集團貢獻新的利潤增長。

最後，本人謹代表董事會對各位股東、客戶及合作夥伴給予本集團的充分信賴和支持，以及對本集團全體僱員做出的努力和貢獻致以衷心的感謝。本集團將把握醫藥行業升級轉型的市場機遇，不斷提升自身競爭力，為股東、客戶及各種益人創造最大價值。

黃祥彬
主席

2022年3月30日

Management Discussion and Analysis

管理層討論及分析



FINANCIAL REVIEW

Revenue

The Group recorded revenue of RMB2,024.1 million for the Reporting Period, representing a decrease of RMB25.7 million, or 1.3% as compared to RMB2,049.8 million in 2020, which could be further analysed as follows:

財務回顧

收益

本集團於報告期內錄得收益人民幣2,024.1百萬元，較2020年的人民幣2,049.8百萬元減少人民幣25.7百萬元，減幅1.3%，可進一步分析如下：

			2021 2021年		2020 2020年	
			RMB million 人民幣百萬元	% of revenue 收益佔比	RMB million 人民幣百萬元	% Of revenue 收益佔比
Human Albumin Solution	人血白蛋白注射液	1)	1,973.3	97.5%	1,889.0	92.2
Antibiotics	抗生素	2)	50.8	2.5%	160.8	7.8
Total	合計		2,024.1	100.0	2,049.8	100.0

- 1) During the Reporting Period, revenue of human albumin solution stood at RMB1,973.3 million, representing an increase of approximately 4.5% or RMB84.3 million as compared with 2020. Such increase in revenue mainly benefited from the increase in the supply volume and the sales volume of human albumin.
- 2) During the Reporting Period, revenue from sales of antibiotics decreased by RMB110.0 million as compared with 2020. The decrease was mainly caused by the outbreak of the new coronavirus COVID-19 which caused the drop in the number of hospital inpatients and as a result, the usage of antibiotics decreased correspondingly, and with the implementation of the drug volume-based purchasing policy the sale volume in some provinces declined.

- 1) 報告期內，人血白蛋白注射液收益為人民幣1,973.3百萬元，相比2020年上升約4.5%或約人民幣84.3百萬元。收益增加主要源於人血白蛋白供應量和銷售量提升所致。
- 2) 報告期內，來自於抗生素的銷售收益較2020年減少人民幣110.0百萬元。減少主要是因為新型冠狀病毒COVID-19的爆發使醫院裡的病人減少，因而抗生素的用量相應減少，以及藥品帶量採購政策的實施導致部分省份的銷售量下降。

Cost of sales

The Group recorded cost of sales of RMB1,659.1 million for the Reporting Period, representing a decrease of RMB116.9 million, or 6.6% as compared with RMB1,776.0 million in 2020, in which the cost of sales of Human Albumin and antibiotics decreased by RMB49.1 million and RMB 67.8 million respectively.

Gross profit and gross profit margin

During the Reporting Period, the Group recorded gross profit of RMB365.0 million, representing an increase of RMB91.2 million as compared with RMB273.8 million in 2020, in which the gross profit of the human albumin increased by RMB133.3 million and was partially offset by the decrease of the gross profit of the antibiotics of RMB42.1 million. The gross profit margin increased from 13.4% in 2020 to 18.0% for the Reporting Period. The increase in profit margin was mainly due to the higher selling price of Human Albumin compared with the last year.

Other income and gains

During the Reporting Period, other income and gains of the Group amounted to RMB11.0 million, representing a decrease of RMB2.7 million as compared with 2020, which mainly includes the delivery service income amounted to RMB8.3 million.

Selling and distribution expenses

During the Reporting Period, the Group's selling and distribution expenses amounted to approximately RMB105.4 million, representing an increase of RMB15.6 million as compared with the same period of 2020. The increase was mainly due to the increase of marketing promotion expenses.

Administrative expenses

During the Reporting Period, the Group recorded administrative expenses of RMB66.0 million, representing an increase of RMB25.4 million as compared with the same period of 2020, which was primarily due to the extra R&D expenses of RMB25.5 million on the development of polycaprolactone microsphere facial filler and its materials for injection.

Other expenses

During the Reporting Period, the Group recorded other expenses of RMB7.1 million, representing a decrease of RMB5.6 million as compared with 2020, which was mainly due to the decrease in foreign exchange loss.

Finance costs

During the Reporting Period, the Group recorded finance costs of RMB29.2 million, representing an increase of RMB20.4 million as compared with 2020, which was mainly due to the corresponding increase in interest expenses as a result of the increase in other interest-bearing loans of the Group in 2021.

銷售成本

本集團於報告期內錄得銷售成本人民幣1,659.1百萬元，較2020年的人民幣1,776.0百萬元減少人民幣116.9百萬元，減幅6.6%，其中人血白蛋白和抗生素的銷售成本分別減少了人民幣49.1百萬元和人民幣67.8百萬元。

毛利及毛利率

於報告期內，本集團錄得毛利人民幣365.0百萬元，較2020年的人民幣273.8百萬元增加人民幣91.2百萬元，其中人血白蛋白毛利增加人民幣133.3百萬元，以及部分被抗生素毛利減少人民幣42.1百萬元所抵消。與2020年相比，報告期內毛利率則由13.4%增加至18.0%。毛利率增加主要是由於人血白蛋白銷售價格比去年高。

其他收入及收益

於報告期內，本集團的其他收入及收益為人民幣11.0百萬元，較2020年減少人民幣2.7百萬元，其主要包括運輸配送服務收入人民幣8.3百萬元。

銷售及經銷開支

於報告期內，本集團銷售及經銷開支約人民幣105.4百萬元，較2020年同期增加人民幣15.6百萬元。增加主要是由於市場推廣費用增加。

行政開支

報告期內，本集團錄得行政開支人民幣66.0百萬元，較2020年同期增加人民幣25.4百萬元，其主要是因為就開發注射用聚己內酯微球面部填充劑及其材料的研發費用增加人民幣25.5百萬元。

其他開支

於報告期內，本集團錄得其他開支人民幣7.1百萬元，較2020年減少人民幣5.6百萬元，主要由於外匯匯兌損失減少。

財務成本

於報告期內，本集團錄得財務成本人民幣29.2百萬元，較2020年增加人民幣20.4百萬元，主要由於本集團在2021年增加了其他計息貸款，因此對應的利息支出增加。

Income tax expense

During the Reporting Period, the income tax expenses increased by RMB14.5 million or 81.5% to RMB32.3 million as compared with 2020. The increase was mainly due to the increase of the Group's revenue and the gross profit.

Profit for the Reporting Period

As a result of the foregoing, the Group recorded the net profit of RMB135.1 million, which increased by RMB17.0 million as compared with the RMB118.1 million in 2020.

Inventories

Inventory balances amounted to RMB61.3 million as of 31 December 2021 (31 December 2020: RMB242.6 million), representing a decrease of RMB181.3 million as compared with the year-end balance of 2020. Such decrease was due to the decrease in the inventory balance of human albumin solution mainly as a result of the sales increase.

Due to the decrease in inventory balances, the Group's average inventory turnover days decreased by 19 days from 52 days in 2020 to 33 days for the Reporting Period.

Trade and bills receivables

The balance of trade receivables amounted to RMB213.6 million as of 31 December 2021 (31 December 2020: RMB578.7 million). The main reason for the decrease of RMB365.1 million as compared with the year-end balance of 2020 was that the Group enhanced the management of the credit term and maintained strict control over the settlements of the outstanding receivables.

The balance of bills receivables as of 31 December 2021 was RMB0.4 million (31 December 2020: nil) representing an increase of RMB0.4 million as compared to the year-end balance of 2020.

Prepayments, deposits, other receivables and other assets

As of 31 December 2021, the prepayments, deposits, other receivables and other asset amounted to RMB313.0 million (31 December 2020: RMB40.7 million), representing an increase of RMB272.3 million as compared with the year-end balance of 2020. The increase was mainly due to the increase of the prepayment of deposits for issuance of the letter of credit of RMB110.4 million, the increase of the prepayment of the refundable deposit for distribution right of RMB127.5 million and the increase of the prepayment of the other deposits of RMB34.4 million.

所得稅開支

報告期內，和2020年相比，本集團所得稅開支增加人民幣14.5百萬元或81.5%達到人民幣32.3百萬元。該增加主要是因為本集團的銷售和銷售毛利增加所致。

報告期內溢利

由於前述原因，本集團錄得純利人民幣135.1百萬元，與2020年純利人民幣118.1百萬元相比增加了人民幣17.0百萬元。

存貨

截至2021年12月31日，存貨餘額為人民幣61.3百萬元(2020年12月31日：人民幣242.6百萬元)，較2020年的年結日餘額減少人民幣181.3百萬元。該減少主要是由於人血白蛋白注射液庫存餘額減少，其主要是由於銷售增加所導致。

由於在存貨的減少，本集團於報告期內的平均存貨周轉天數，較2020年的52天減少19天至33天。

貿易應收款項及應收票據

截至2021年12月31日，貿易應收款項餘額為人民幣213.6百萬元(2020年12月31日：人民幣578.7百萬元)，較2020年的年結日餘額減少人民幣365.1百萬元，主要是因為本集團增強了對信用賬期的管理和對未支付應收賬款的支付維持嚴格控制。

截至2021年12月31日，應收票據餘額為人民幣0.4百萬元(2020年12月31日：零)，較2020年的年結日餘額增加人民幣0.4百萬元。

預付款項、按金、其他應收款項及其他資產

截至2021年12月31日，預付款項、按金、其他應收款項及其他資產為人民幣313.0百萬元(2020年12月31日：人民幣40.7百萬元)，較2020年的年結日餘額增加人民幣272.3百萬元。該增加主要是由於用於開立信用證的按金預付款增加人民幣110.4百萬元，預付的可退還的經銷權按金增加人民幣127.5百萬元，及其他預付的按金增加人民幣34.4百萬元。

Trade payables

As of 31 December 2021, trade payables amounted to RMB422.9 million (31 December 2020: RMB700.3 million), representing a decrease of RMB277.4 million as compared with the year-end balance of 2020, among which payables for the purchase of Human Albumin Solution decreased by RMB283.4 million, and offset by the increase of the payables for the purchase of antibiotics of RMB6.0 million.

Other payables

As of 31 December 2021, other payables and accruals amounted to RMB53.4 million (31 December 2020: RMB161.9 million), representing a decrease of RMB108.5 million as compared with the year-end balance of 2020. The decrease was mainly due to a decrease of payables in relation to the import agent services of RMB116.0 million.

Other payables (non-current portion)

As of 31 December 2021, non-current portion of other payables amounted to RMB nil (31 December 2020: RMB93.4 million), because it has been repaid in the Reporting Period.

貿易應付款項

截至2021年12月31日，貿易應付款項為人民幣422.9百萬元(2020年12月31日：人民幣700.3百萬元)，較2020年的年結日餘額減少人民幣277.4百萬元，其中應付人血白蛋白注射液採購款減少人民幣283.4百萬元，並由應付抗生素採購款增加人民幣6.0百萬元所抵銷。

其他應付款項

截至2021年12月31日，其他應付款項及應計款項為人民幣53.4百萬元(2020年12月31日：人民幣161.9百萬元)，較2020年的年結日餘額減少人民幣108.5百萬元。該減少主要是由於與進口代理服務相關的應付款項減少人民幣116.0百萬元。

其他應付款項(非流動部分)

截至2021年12月31日，其他應付款項的非流動部分為人民幣0元(2020年12月31日：人民幣93.4百萬元)，因為該項款項在報告期內已被償還。

Borrowings

As of 31 December 2021, the Group has borrowings of RMB340.6 million in total, with details set out below:

借款

截至2021年12月31日，本集團的借款合計人民幣340.6百萬元，詳情列示如下：

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Current:	流動：		
Interest-bearing bank loans	計息銀行貸款	80,806	77,986
Interest-bearing other borrowings	計息其他借款	127,514	-
Non-current:	非流動：		
Interest-bearing bank loans	計息銀行貸款	2,244	3,042
Interest-bearing other borrowings	計息其他借款	130,000	-
Total	合計	340,564	81,028

Gearing ratio

At the end of the Reporting Period, the Group's gearing ratio was calculated as follows:

負債比率

於報告期末，本集團的負債比率計算如下：

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Interest-bearing bank and other borrowings	計息銀行及其他借款	340,564	81,028
Trade payables	貿易應付款項	422,933	700,320
Other payables and accruals	其他應付款項及應計款項	53,424	255,368
Lease liabilities	租賃負債	384	1,103
Tax payables	應付稅項	12,826	21,999
Less: Cash and cash equivalents	減：現金及現金等價物	(326,052)	(143,765)
Less: Pledged bank balances	減：已抵押銀行結餘	(55,015)	-
Net debt ^(a)	負債淨額 ^(a)	449,064	916,053
Equity	權益	374,886	164,429
Equity and net debt ^(b)	權益及負債淨額 ^(b)	823,950	1,080,482
Gearing ratio ^(a/b)	負債比率 ^(a/b)	54.5%	84.8%

Liquidity and capital resources

The following table sets out a condensed summary of the Group's consolidated statement of cash flows during the Reporting Period:

流動資金及資本來源

下表為本集團於報告期內的綜合現金流量表簡明摘要：

		Notes	2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Net cash from operating activities	經營活動所得現金淨額	1)	305,712	137,300
Net cash used in investing activities	投資活動所用現金淨額	2)	(22,727)	(46,842)
Net cash used in financing activities	融資活動所用現金淨額	3)	(97,108)	(169,875)
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額		185,877	(79,417)
Effect of foreign exchange rate changes, net	外匯匯率變動影響·淨額		(3,590)	(1,574)
Cash and cash equivalents at beginning of the year	年初現金及現金等價物	4)	143,765	224,756
Cash and cash equivalents at end of the year	年末現金及現金等價物	4)	326,052	143,765

Notes:

1) Net cash from operating activities

During the Reporting Period, the Group's net cash inflow generated from operating activities amounted to approximately RMB305.7 million (for the year 2020: net cash inflow of RMB137.3 million), which was mainly due to the increase in cash from sales and decrease in trade and bills receivables during the Reporting Period as compared with prior year.

2) Net cash used in investing activities

During the Reporting Period, the Group's net cash used in investing activities amounted to approximately RMB22.7 million (for the year 2020: net cash outflow of RMB46.8 million), which was mainly due to the purchase of items of property, plant and equipment.

3) Net cash used in financing activities

During the Reporting Period, the Group's net cash outflow from financing activities amounted to approximately RMB97.1 million (for the year 2020: net cash outflow of RMB169.9 million), which mainly included (i) the net payment of the other payables and accruals of RMB116.0 million in relation to import agency contracts; (ii) the net payment of prepayments, other receivables and other assets of RMB110.4 million; (iii) payment in pledged deposits of RMB55.0 million and (iv) interest payment of RMB22.4 million. The cash outflow was partially offset by (i) the net proceeds from the bank and other borrowings of RMB132.1 million and (ii) the proceeds of issue of new shares of RMB75.4 million.

附註：

1) 經營活動所得現金淨額

於報告期內，本集團經營活動所得現金流入淨額約為人民幣305.7百萬元（2020年：現金流入淨額人民幣137.3百萬元），主要是相比於去年報告期內銷售所得現金增加以及貿易應收款及應收票據減少所致。

2) 投資活動所用現金淨額

於報告期內，本集團投資活動所用現金淨額約為人民幣22.7百萬元（2020年：現金流出淨額人民幣46.8百萬元），主要由於採購物業、廠房及設備項目所致。

3) 融資活動所用現金淨額

於報告期內，本集團融資活動所用現金流出淨額約為人民幣97.1百萬元（2020年：現金流出淨額人民幣169.9百萬元），主要包括(i)與進口代理合約相關的其他應付款項及應計款項淨額人民幣116.0百萬元；(ii)預付款項、其他應收款項及其他資產淨支付人民幣110.4百萬元；(iii)抵押保證金支付人民幣55.0百萬元以及(iv)利息支付人民幣22.4百萬元。現金流出部分由下列各項所抵銷：(i)銀行及其他貸款所得款項淨收入額人民幣132.1百萬元；及(ii)發行新股的所得款項人民幣75.4百萬元。

- 4) The following table sets out the Group's cash and cash equivalents at the end of the Reporting Period:
- 4) 下表載列本集團於報告期末的現金及現金等價物：

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Denominated in RMB	以人民幣計值	257,299	102,572
Denominated in US\$	以美元計值	74,138	37,263
Denominated in HK\$	以港元計值	47,887	3,835
Denominated in S\$	以新加坡元計值	1,704	55
Denominated in C\$	以加拿大元計值	39	40
		381,067	143,765

Treasury policies

The Group has adopted a prudent financial management approach towards its treasury policies. Substantial amounts of the Group's cash and cash equivalent are held in major financial institutions located in Mainland China. The Group seeks to maintain strict control over its outstanding receivables and the senior management of the Company reviews and assesses the creditworthiness of the Group's existing customers on an ongoing basis. To manage liquidity risk, the Group monitors its exposure to a shortage of funds by considering the maturity of both its financial liabilities and financial assets and projected cash flows from operations. Cash and cash equivalents of the Group is mainly denominated in RMB.

Foreign currency risk

Most of the Group's assets and liabilities are denominated in RMB, except for certain items below:

- Certain bank balances are denominated in US\$, HK\$, Singapore dollars and Canadian dollars; and
- Purchase of products from overseas suppliers and relevant trade payables are denominated in US\$.

The Group manages the potential fluctuation in foreign currencies by foreign currency forward and option contracts, and does not enter into any hedging transactions.

庫務政策

本集團在執行庫務政策上採取審慎的財務管理策略。本集團絕大部分現金及現金等價物存放於中國內地的主要金融機構。本集團致力於對尚未收回的應收款項維持嚴格控制，且本公司高級管理層持續檢討及評估本集團現有客戶的信譽。為管理流動資金風險，本集團透過考慮金融負債及金融資產的到期日以及預計經營現金流監控資金短缺風險。本集團的現金及現金等價物主要以人民幣計值。

外匯風險

本集團大部分資產及負債以人民幣計值，惟下列若干項目除外：

- 若干銀行結餘以美元、港元、新加坡元及加拿大元計值；及
- 向海外供應商購買產品及相關貿易應付款項以美元計值。

本集團通過外幣遠期及期權合約管理外匯潛在波動，並無訂立任何對沖交易。

Future Plans for Material Investments and Capital Assets

As the date of this report, the Group does not have any future plans for capital assets.

未來重大投資及資本資產計劃

於本報告日期，本集團並無有關重大資本資產的任何未來計劃。

Capital expenditure

The following table sets out the Group's capital expenditure for the periods indicated:

資本開支

下表載列本集團於所示期間的資本開支：

		2021	2020
		2021年	2020年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Purchase of property, plant and equipment	購買物業、廠房及設備	23,522	372
Addition of leasehold land	添置租賃土地	–	49,114
		23,522	49,486

Contingent liabilities

The Group had no material contingent liabilities as of 31 December 2021.

或然負債

截至2021年12月31日，本集團概無任何重大或然負債。

Pledge of assets

As of 31 December 2021, the carrying amounts of the Group's pledged assets were set out as follows:

資產抵押

截至2021年12月31日，本集團已抵押資產的賬面值載列如下：

		31 December	31 December
		2021	2020
		2021年	2020年
		12月31日	12月31日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
For obtaining bank and other borrowings	用於獲得銀行及其他借款		
– Buildings	– 樓宇	73,625	70,296
– Inventories	– 存貨	56,339	241,577
For issuance of letters of credit and billings	用於開立信用證及承兌匯票		
– Bank balances	– 銀行結餘	55,015	–

Dividend

The Directors resolved not to declare any final dividend for the Reporting Period (2020: Nil).

股息

董事會決議不會就報告期宣派任何末期股息(2020年：無)。

BUSINESS REVIEW

With extensive experience in the distribution of pharmaceutical imports, the Group provides comprehensive marketing, promotion and channel management (“MPCM”) services for small and medium-sized overseas pharmaceutical manufacturers. Meanwhile, the Group is the only MPCM services provider for imported blood products in the PRC, leveraging our quality product portfolio that focuses on blood products and nationwide marketing and promotion network. The Group’s existing product portfolio encompasses many quality products produced by small and medium-sized overseas pharmaceutical manufacturers, covering multiple therapeutic areas such as anti-infective drugs and blood products, digestive system, and cardiovascular system. Included in such products are blood products that are in short supply in the Chinese market and prescription drugs that can meet the high demand for high-quality drugs with excellent clinical results among medical institutions and patients.

1. Core Products

Human Albumin

Dating back to the early 1940s, blood products have undergone decades of fast development. Such products have grown from Human Albumin at the very beginning to the current 20-plus categories in three series, encompassing such sub-categories as Human Albumin, immune globulin and blood coagulation factors. Given the approval granted to new indications and an improved rate of diagnosis, the Plasma Protein Therapeutics Association (PPTA) predicts that the market demand for blood products will retain a high-speed growth around the globe. During the last two years, as many new plasma collection stations have been put into service, the amount of plasma collection increased every year and production capacity of domestic manufacturers also increased rapidly. As the largest sales category in the market of blood products in the PRC, Human Albumin is the only kind of blood product allowed to be imported at the present, and its lot release of imported and domestic categories maintains a rapid growth every year. In 2021, the annual batch release amounted to 63.67 million vials (2020: 60.54 million vials), among which the percentages of imported and domestic categories were 65% and 35% respectively. Manufactured by Octapharma, a global leading manufacturer of blood products, and included as a Category B product in the National Reimbursement Drug List (NRDL), the Human Albumin operated by the Group is used to remedy the shock caused by hypovolemia, remove edema and poisonous substances, and treat neonatal hyper-bilirubinemia. Based on the batch release of the Human Albumin in the PRC in 2021, the market share of the Human Albumin manufactured by Octapharma was approximately 10%.

業務回顧

本集團擁有進口醫藥分銷的豐富經驗，為海外中小型藥商提供綜合營銷、推廣及渠道管理服務。同時，本集團憑藉以血液製品為核心的優質產品組合和覆蓋全中國的營銷及推廣網絡，是中國進口血液製品唯一的營銷、推廣及渠道管理服務商。本集團現有產品組合主要包括由海外中小型製藥商生產的優質產品，涵蓋抗感染藥物和血液製品、消化系統、心血管系統等多個治療領域。該等產品既包括在中國市場上供不應求的血液製品，亦包括可滿足醫療機構、患者對於臨床效果卓越、品質優異的藥品的強烈需求的處方藥品。

1. 核心產品

人血白蛋白

血液製品起源於20世紀40年代初，經過幾十年的快速發展，產品品種已由最初的人血白蛋白發展到人血白蛋白、免疫球蛋白和凝血因子類等3大系列20多個品種。隨著新的適應症的獲批和診治率的提高，國際血漿蛋白治療協會(PPTA)預計未來全球血液製品市場需求仍將保持較高的增長速度。近兩年，隨著國內新批採漿站的投入使用，每年的採漿量得到了增長，國內生產廠家的生產產品能力也得到快速提升。人血白蛋白作為中國血液製品市場中最大的銷售品種，也是目前唯一可以允許進口的血液製品，其每年進口和國產品種的批簽發量都保持了快速的增長，2021年全年的批簽發量為63.67百萬瓶(2020年為60.54百萬瓶)，其中進口和國產的佔比分別為65%和35%。本集團經營的人血白蛋白是由全球血液製品巨頭之一的奧克特珞瑪公司生產，用於治療因血容量降低引起的休克、消除水腫和有毒物質、新生兒高膽紅素血症等，是國家醫保目錄乙類產品。以2021年中國人血白蛋白批簽發量統計，奧克特珞瑪人血白蛋白市場佔有率約為10%。

2. Marketing Network Development

The Group provides its marketing service through its internal teams and their cooperation with third-party promoters. Hence, one of the Group's key development strategies is to continuously expand the marketing network and enhance distributor and promoter management. During the Reporting Period, the Group took "Flexible, Professional and Efficient" as its objective, and strove to develop its marketing team in respect of the ability of quickly responding to market environment changes and executing operational plans with high efficiency. Furthermore, the Group sorted out its human resources in each division. The marketing team had its structure streamlined and its performance management further refined, with optimized allocation of sales resources that are invested in each product and higher efficiency of business operation.

At the same time, the implementation of "Two-Invoice System" took place at a faster pace in each province. To positively respond to such implementation, the existing structure of distributor network was comprehensively sorted out. Based on sufficient communication with its distributors, the Group has further extended its sales channels to end markets through the collaboration between its internal sales team and local distributors. Originally, promoters were allocated by region. Now, the promoters are matched with each hospital of the region concerned, which enables the Company's sales network to reach the end market. Besides, the coverage of the network has also been extended from large top Class-III hospitals to provincial, municipal and county hospitals, to keep improving market penetration, thereby establishing a precision management system that each hospital will have its respective promoters.

In addition, the Group has further improved the direct participation of its internal marketing team in product marketing activities. In this regard, approaches include regularly training third-party promoters on product knowledge, hosting or taking part in medical or pharmaceutical conferences, symposiums and product seminars to directly partake in the academic promotion activities of products, and extend the opinion leadership network for the main therapeutic areas of products. All the approaches serve to ensure accurate and timely delivery of product information to doctors. In addition to product promotion, the Group has taken the initiative to invite third party promoters from across the country to discuss and interpret the major impact of national policies, to increase the added value and attraction of the Group's training.

2. 營銷推廣網絡發展

本集團的營銷推廣服務通過內部團隊及與第三方推廣服務商合作而展開。因此，不斷拓展營銷推廣網絡，並持續強化對經銷商及推廣服務商的管理是本集團的重點發展戰略之一。於報告期內，本集團以「靈活應變」和「專業高效」為目標，著力打造營銷推廣隊伍快速應對市場環境變化以及高效執行運營方案兩方面的能力，對各部門進行人才盤點，精簡營銷推廣隊伍組織架構。同時，進一步細化營銷團隊績效管理，優化對各產品投入的銷售資源分配，提升營銷推廣隊伍業務運營效率。

與此同時，本集團積極應對在各省加速落地的「兩票制」，全面梳理現有經銷商網絡結構，在與經銷商進行充分交流的基礎上，採取內部銷售隊伍和與各地經銷商合作的方式，加速推動銷售渠道向終端市場延伸，由原有按照區域劃分轉型到按照各個區域內的醫院劃分對應的推廣服務商，使公司的銷售網絡直達終端市場，同時從大型的三級甲等醫院逐漸往下覆蓋到省地市以及縣一級醫院，不斷加深市場滲透率，以達到建立每家醫院均有對應推廣服務商的精細化管理體系。

另外，本集團進一步強化內部營銷團隊對產品市場推廣活動的直接參與，包括定期向第三方推廣服務商提供產品知識培訓，通過籌辦或參與醫療或醫藥會議、座談會及產品研討會等方式直接參與產品的學術推廣活動，拓展產品主要治療領域的意見領袖網絡等，以保證產品信息準確及時地傳達於醫生。除了產品推介外，本集團還主動邀請全國第三方推廣服務商一同探討解讀國家政策的重大影響，提高集團培訓的附加值及吸引力。

3. Cold Chain Storage Facility

Considering the future demand for business expansion and the significant demand for pharmaceutical cold chains in the storage and delivery of blood products and bio-products, the Group has constructed a cold chain storage facility in Shuangliu District, Chengdu, Sichuan Province. The Group has completed the first phase of its cold chain storage facility (15,000 square meters), which can satisfy the Group's storage demand and provide better control for the quality and safety of the blood products in our product portfolio. Additionally, we will be able to provide third parties with high quality pharmaceutical cold-chain storage services upon completing the second-phase construction (which includes 25,000 square meters of cold chain storage and 47,000 square meters of research and development base), which will be a new business unit of the Group.

Save as mentioned above, the Group did not hold any material investments, and there was no material acquisition or disposal of its subsidiaries, associates or joint ventures during the Reporting Period.

4. Research and Development

The Group entered into a collaboration agreement with the China Academy of Chinese Medical Sciences to develop "Sinco I", a new realgar-based chemical medicine for treating acute promyelocytic leukemia. The collaboration aims for the upstream extension of the Group's business and the future provision of a new medicine for patients in the therapeutic area. Currently it is in the pilot experiments. During the Reporting Period, the Group incurred RMB0.7 million as the research and development expenses for developing Sinco I.

The Group entered into the Master Cooperation Agreement and the Technological Development Agreements in relation to the development of polycaprolactone microsphere facial filler ("Girl Needle") and its materials for injection with Beijing Nuokangda Pharmaceuticals Technology Co., Ltd. ("Beijing Nuokangda"). The "Girl Needle" developed in cooperation with Beijing Nokangda, with Ellansé® as the control, uses PCL and CMC of biomedical material matrix from product formulation to preparation technology analysis, and develops semi-permanent injectable filling products. In the follow-up, the Group will develop a series of products "PCL+X" relying on polycaprolactone raw materials, and derive a variety of medical beauty products, which are suitable for various parts. The total R&D expenses will amount to RMB88.50 million. It is anticipated that the Technological Development Project will be completed within 49 months. During the Reporting Period, the Group incurred RMB25.5 million as the research and development expenses.

3. 冷鏈倉儲設施

考慮到本集團今後業務擴張需求以及關於血液製品、生物製品在倉儲、運輸環節對於醫藥冷鏈的巨大需求，本集團在四川省成都市雙流區建設了冷鏈倉儲設施。已完工的第一期冷鏈倉儲設施(15,000平方米)可滿足本集團自身的倉儲需求，能夠更好地控制產品組合中血液製品的質量安全，待第二期建設(包括25,000平方米的冷鏈倉儲及47,000平方米的研發基地)竣工時可向第三方提供高質量的醫藥冷鏈倉儲服務，形成本集團新的業務單元。

除上文所述者外，本集團並不持有任何重大投資，於報告期內亦無任何附屬公司、聯營公司及合營公司的重大收購或出售。

4. 研發

本集團與中國中醫科學院中藥研究所訂立合作協議，開發以雄黃為原料的化學藥物「Sinco I」，是以雄黃為原料的用於治療急性早幼粒細胞白血病的新型藥物，以期將集團業務向上游延伸的同時，未來將該治療領域的新藥提供給患者。目前處於中試試驗。於報告期內，本集團產生開發 Sinco I 的研發費用為人民幣0.7百萬元。

本集團與北京諾康達醫藥科技股份有限公司(「北京諾康達」)就開發注射用聚己內酯微球面部填充劑(「少女針」)及其材料訂立了主合作協議及技術開發協議。此次與北京諾康達合作開發的「少女針」，以Ellansé®為對照，從產品配方到製備技術分析上採用生物醫用材料基質的PCL和CMC，開發半永久性可注射填充產品。後續本集團將依托聚己內酯原材料開發系列產品「PCL+X」，衍生出多種醫美產品，適用於各種部位。研發總費用為人民幣88.50百萬元。預計技術開發項目將於49個月內完成。於報告期內，本集團產生的研發費用為人民幣25.5百萬元。

FUTURE AND OUTLOOK

In 2022, the COVID-19 epidemic may still continue to affect the global economy. Under a well control of the epidemic, the global economy is gradually recovering. It is expected that the volume of plasma collection in 2022 will recover to pre-epidemic level, and there will be an increase compared to the last year. As a result, the number of batches released of the Group will increase accordingly. Taking into consideration of that current demand for Human Albumin in China is far less than of developed countries, it reflects that the Chinese market has huge potential. Although the supply will increase, the price of Human Albumin in forthcoming year may still be stable compared to the 2021. In addition, considering the population base, the demand for Human Albumin will continue to increase in the future.

People's medical awareness has been influenced since the emergence of the COVID-19 epidemic. With the continuing epidemic in 2022, the medical needs of people will continuously increase. Because of the clinical necessity for Human Albumin and the fact that there is no corresponding substitute product in the short term, it is expected that the demand for Human Albumin will remain strong for the long-run. In addition, after the implementation of the "Two-Invoice System" policy in China, sales channels have become flatter, and manufacturers can directly reach end customers. The business minds of manufacturers are having fundamental changes from the original price-oriented thinking to a focus on academic promotion and brand improvement. In recent years, products represented by Human Albumin have shown a rapid recovery. Under these circumstances, the Group will continue with its sales and development strategies in optimizing the marketing network and the product portfolio, with plasma products being the core therapeutic area of the Group.

To leverage the Group's expertise and experience in the provision of imported pharmaceuticals products, in 2022, the Group will develop its medical aesthetic industry chain and gradually establish the dual business segments of pharmaceuticals products and medical aesthetic products as its business development direction. It is believed that such strategy could serve a foundation for the Group to develop its expertise and resources in the establishment of its own R&D center to develop, produce and sell medical aesthetic products gradually. Capitalizing on the Group's established pharmaceutical marketing and promotion pipeline could bring synergy effect to the marketing and sales of such new medical aesthetic products which could enable the Group to achieve sustainable development in the long run.

未來展望

2022年，2019冠狀病毒病(「新冠」)疫情仍可能繼續影響全球經濟。於對疫情的良好控制下，全球經濟正在逐步復甦。預計2022年採漿量將恢復至疫情前水平，較去年有所增加。因此，本集團發佈的批次數量將相應增加。考慮到目前中國對人血白蛋白的需求遠低於發達國家，此反映出中國市場擁有巨大的潛力。雖然供應會增加，但與2021年相比，未來一年人血白蛋白的價格仍可能保持穩定。此外，考慮到人口基數，未來對人血白蛋白的需求將繼續增加。

自新冠疫情出現以來，人們的醫療意識受到影響。隨著2022年疫情的持續，人們的醫療需求將不斷增加。由於人血白蛋白的臨床必要性，而且在短期內並無相應的替代產品，預計人血白蛋白的需求將長期保持旺盛。此外，中國實行「兩票制」政策後，銷售渠道變得更加扁平化，廠家可以直接接觸終端客戶。廠家的經營思路正在發生根本性的轉變，從原來的以價格為導向的思維轉向注重學術推廣及品牌提升。近年來，以人血白蛋白為代表的產品呈現快速復甦的趨勢。於此情況下，本集團將繼續推進銷售及發展戰略，優化營銷網絡及產品組合，以血漿製品作為本集團的核心治療領域。

憑藉本集團於進口藥品供應方面的專長及經驗，2022年本集團擬發展醫療美容產業鏈，逐步建立藥品及醫療美容產品兩個業務分部，作為其業務發展方向。我們相信，該策略可為本集團提供發展基礎，建立專長及資源設立自身研發中心，以逐步發展、生產及銷售醫療美容產品。利用本集團完善的醫藥營銷及推廣渠道，這將為該等新醫療美容產品的營銷及銷售帶來協同效應，讓本集團可實現長期可持續發展。

Furthermore, the Group will continue to enhance the development of its internal control and risk management system, pay more attention to and fulfill its corporate social responsibilities throughout the governance of the Group. A great platform for staff's career development will be offered by the Group; and the Group will continuously create a greater value for the shareholders and the stakeholders of the Group.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2021, the Group had a total of 120 employees. For the Reporting Period, the total staff costs of the Group were RMB17.6 million (2020: RMB11.7 million).

The Group's employee remuneration policy is determined by factors such as remuneration in respect of the local market, the overall remuneration standard in the industry, the inflation level, corporate operating efficiency and employee performance. The Group conducts performance appraisals once every year for its employees, the results of which are applied in annual salary reviews and promotional assessments. The Group's employees are considered for annual bonuses according to certain performance criteria and appraisals results. Social insurance contributions are made by the Group for its PRC employees in accordance with the relevant PRC regulations.

The Group also provides continuous learning and training programs to its employees to enhance their skills and knowledge, so as to maintain their competitiveness and improve customer service quality. The Group did not experience any major difficulties in recruitment, nor did it experience any material loss in manpower or suffer from any material labor dispute during the Reporting Period.

In addition, the Company adopted a share option scheme to recognize the contribution by certain employees of the Group, and to provide them with incentives in order to retain them for their continuing support in the operation and development of the Group.

此外，本集團將繼續加強建設企業內部控制及風險管理體系，亦高度關注企業社會責任，並在集團管治中踐行。本集團將為員工提供理想的職業發展平台，並將為給本集團股東及各方權益人創造更高價值而不懈努力。

僱員及薪酬政策

於2021年12月31日，本集團共有120名僱員。於報告期，本集團的員工成本總計人民幣17.6百萬元(2020年：人民幣11.7百萬元)。

本集團僱員薪酬政策乃考慮有關當地市場的薪酬、行業的整體薪酬標準、通脹水平、企業運營效率及僱員表現等因素而確定。本集團每年為僱員作一次表現評核，年度薪金檢討及晉升評估時會考慮有關評核結果。本集團僱員根據若干績效條件及評核結果考慮其年度花紅。本集團根據相關中國法規為其中國僱員做出社會保險供款。

本集團亦為僱員提供持續學習及培訓計劃，以提升彼等的技能及知識，藉此維持彼等的競爭力並提高客戶服務的質量。本集團於報告期內在招聘方面並無遇到任何重大困難，亦無出現任何嚴重人員流失或任何重大勞資糾紛。

此外，本公司採納購股權計劃以肯定本集團若干僱員的貢獻，及向彼等提供獎勵，以挽留彼等繼續協助本集團的營運及發展。

RISK MANAGEMENT

The principal risks and uncertainties identified by the Company which may have material and adverse impact on the Company's performance or operation are summarized below. There may be other principal risks and uncertainties in addition to those set out below which are not known to the Company or which may not be material now but could turn out to be material in the future.

- Failure to maintain relationships with existing suppliers – The Group currently sources all the products in portfolio from limited suppliers, either directly or indirectly through their sales agents.
- Exchange rate fluctuation – The Group's purchase of products from the overseas suppliers is denominated in US\$, and certain items of bank balances, other receivables, bank borrowings and bonds are mainly denominated in US\$ and HK\$.
- Decrease in profit margin due to increase in cost, decrease in selling prices and competition.
- Experience prolonged delays or significant disruptions to the supply of the products.

The Company believes that risk management is essential to the Group's efficient and effective operation. The Group's management assists the Board in evaluating material risk exposure existing in the Group's business, and participates in formulating appropriate risk management and internal control measures, and to ensure such measures are properly implemented in daily operational management.

RELATIONSHIP WITH KEY STAKEHOLDERS

Human resources is one of the most important assets of the Group. The Group strives to motivate its employees by providing them with a clear career path as well as comprehensive and professional training courses. In addition, the Group also offers competitive remuneration packages to its employees, including basic salary, certain benefits and other performance-based incentives.

The Group purchases imported pharmaceutical products from overseas suppliers, either directly or indirectly through their sales agents, and generates revenue by on-selling them to hospitals and pharmacies through distributors and deliverers. The Group's suppliers or their sales agents have granted the Group the exclusive rights to market, promote and manage sales channels for their products in China. We maintain a stable and long-term relationship with its suppliers by providing them access to the growing Chinese market with steady sales growth.

風險管理

以下概述本公司所識別的主要風險及不明朗因素，該等風險及不明朗因素可能會對我們的表現或營運造成重大不利影響。除下文所示者外，可能還有其他未為本公司未知或現時不重大但於未來可變為重大的主要風險及不明朗因素。

- 未能與現有供貨商維持關係 – 本集團現時向數目有限的供貨商直接或透過銷售代理簡介採購所有產品組合。
- 匯率波動 – 本集團向海外供貨商購買的產品以美元計值，且若干銀行結餘、其他應收款項、銀行借貸及債券項目主要以美元及港元計值。
- 成本增加，售價降低及競爭加劇導致利潤率下跌。
- 產品供應遭遇長時間延誤或重大中斷。

本公司相信，風險管理對本集團的運營效率及效益十分重要。本公司的管理層協助董事會評估本集團業務所面對的重大風險，並參與制定合適的風險管理及內部控制措施，以及確保在日常營運管理中妥善實施有關措施。

與主要權益人的關係

人力資源作為本集團的重要資產之一，本集團致力於以清晰的職業發展路徑以及完善專業的培訓課程激勵僱員。此外，本集團亦為僱員提供具有市場競爭力的薪酬待遇，包括基本薪金、若干福利及其他績效獎勵。

本集團從海外供應商直接或透過銷售代理間接採購進口藥品，然後通過經銷商或配送商轉售予醫院和藥房產生收益。供貨商或其銷售代理授予我們在中國營銷、推廣產品及管理銷售渠道的獨家經營權利，我們與供貨商維持穩定長遠關係，讓供應商可以進入不斷增長的中國市場，獲得穩定的銷售增長。

The Group sells pharmaceutical products to distributors, who on-sell the products to hospitals and pharmacies either directly or indirectly through their sub-distributors. The Group maintains stable and long-term relationship with its distributors by providing them guidance, training and support to carry out more targeted field marketing and promotion activities.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is primarily engaged in MPCM for imported pharmaceutical products, a line of business that does not have material impact on the environment. The key environmental impact from the Group's operation is related to electricity, water and paper consumption. The Group is fully aware of the importance of sustainable environmental development, and has implemented the following measures to encourage environmental protection and energy conservation:

- Promoting paperless office
- Encouraging low-carbon commuting
- Ensuring reasonable energy consumption

During the Reporting Period, the Group did not incur any material cost of compliance with relevant environmental laws and regulations.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group's business and operations are subject to related laws and regulations of the Cayman Islands, the British Virgin Islands, Hong Kong and the PRC. During the Reporting Period, the Group have complied with all related laws and regulations of the Cayman Islands, the British Virgin Islands, Hong Kong and the PRC, which would have significant impact on the Group.

本集團將藥品售予經銷商或配送商，再由其直接或間接售予醫院和藥房。本集團與經銷商或配送商維持穩定長遠關係，為經銷商提供指引、培訓和支持，以在目標領域開展更多營銷及推廣活動。

環境政策及表現

本集團主要從事進口藥品營銷、推廣及渠道管理，該類業務一般不會嚴重影響環境。本集團營運造成的重要環境影響與電、水及紙張消耗有關。本集團深明環境可持續發展的重要性，並已實施以下措施，以推動環保及節能：

- 推行無紙化辦公
- 鼓勵低碳出行
- 確保合理利用能源

於報告期內，本集團並無因遵守相關環境法律及法規而產生任何重大支出。

遵守法律法規

本集團的業務及營運須遵守開曼群島、英屬維而京群島、香港及中國相關法律及法規。於報告期內，本集團一直遵守對本集團有重大影響的開曼群島、英屬維而京群島、香港及中國所有相關法律及法規。

SIGNIFICANT FINANCING EVENTS AND USE OF PROCEEDS

Subscription of new shares under general mandate and use of proceeds

On 23 July 2021 (after trading hours of the Stock Exchange), the Company entered into subscription agreements with not less than six subscribers (the "Subscription Agreements"), pursuant to which the Company has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, an aggregate of 169,000,000 subscription shares at the subscription price of HK\$0.5 per subscription share. Subsequently, all conditions under the Subscription Agreements have been fulfilled and the completion took place on 28 September 2021. The aggregate gross proceeds from the subscription was approximately HK\$84.50 million and the aggregate net proceeds from the Subscription was approximately HK\$84.06 million (after deduction of commission and other expenses of the Subscription), representing a net issue price of approximately HK\$0.497 per subscription share. The Company intends to use the entire net proceeds arising from the Subscription of approximately HK\$84.06 million as to:

- (a) approximately 70% of the net proceeds, or approximately HK\$58.84 million, to be used for settlement of cost arising from procurement of pharmaceutical products; and
- (b) approximately 30% of the net proceeds, or approximately HK\$25.22 million, to be used for the deposit of issuance of the letter of credit for purchasing pharmaceutical products from the overseas suppliers by the Group.

For details, please refer to the announcement of the Company dated 23 July 2021, 27 July 2021 and 28 September 2021.

As at 31 December 2021, the gross proceeds from the subscription amounted to approximately HK\$84.06 million, and approximately HK\$66.37 million was used, of which (i) approximately HK\$58.84 million was used for settlement of cost arising from procurement of pharmaceutical products and (ii) approximately HK\$7.53 million was used for the deposit of issuance of the letter of credit for purchasing pharmaceutical products from the overseas suppliers by the Group, and the entire sum of approximately HK\$25.22 million was utilised for the said purpose as at the date of this report.

重大融資活動及所得款項用途

根據一般授權認購新股份及所得款項用途

於2021年7月23日(聯交所交易時段後)，本公司與不少於六名認購方訂立認購協議(「認購協議」)，據此，本公司有條件同意認購且本公司有條件同意配發及發行合共169,000,000股認購股份，認購價為每股認購股份0.5港元。其後，認購協議項下的全部條件已獲達成，完成已於2021年9月28日落實。認購事項所得款項總額合共約為84.50百萬港元，而認購事項所得款項淨額合共約為84.06百萬港元(經扣除認購事項的佣金及其他開支)，相當於淨發行價為每股認購股份約0.497港元。本公司擬將認購事項全部所得款項淨額約84.06百萬港元用作以下用途：

- (a) 所得款項淨額約70%或約58.84百萬港元將用於償付採購藥品產生的成本；及
- (b) 所得款項淨額約30%或約25.22百萬港元將用作本集團自海外供應商採購藥品開立信用證的按金。

有關詳情，請參閱本公司日期為2021年7月23日、2021年7月27日及2021年9月28日的公告。

於2021年12月31日，認購事項所得款項總額約為84.06百萬港元，約66.37百萬港元已使用，其中(i)約58.84百萬港元用於償付採購藥品產生的成本及(ii)約7.53百萬港元用作本集團自海外供應商採購藥品開立信用證的按金，而於本報告日期，全部金額約25.22百萬港元已用於上述用途。

Placing of new shares under general mandate and use of proceeds (the “Placing”)

On 7 December 2021 (after trading hours of the Stock Exchange), the Company entered into a conditional placing agreement with Silverbricks Securities Company Limited (the “Placing Agent”), pursuant to which the Company has conditionally agreed to issue an aggregate of 160,000,000 Shares (the “Placing Shares”), and the Placing Agent agreed to procure not less than six independent individual, institutional or other professional investors (the “Placees”) to subscribe for, on a best effort basis, an aggregate of 160,000,000 Placing Shares at the placing price of HK\$1.29 per Placing Share. The net proceeds from the Placing, after deduction of the commission for the Placing and other related expenses, amounted to approximately HK\$194.9 million. The Company intends that as to:

- (a) approximately 40% of the net proceeds of the Placing (approximately HK\$78.0 million) will be used for the development of polycaprolactone microsphere facial filler and its materials for injection; and
- (b) approximately 60% of the net proceeds of the Placing (approximately HK\$116.9 million) will be used for the strategic acquisition/development of new projects/products in the field of medical aesthetic including but not limited to acquisition of medical aesthetic organisations or investing in medical aesthetic projects and development of new medical aesthetic products.

For details, please refer to the announcement of the Company dated 7 December 2021, 30 December 2021. As at 31 December 2021, the Placing was not completed and no proceed was received by the Company.

根據一般授權配售新股份及所得款項用途 (「配售」)

於2021年12月7日(聯交所交易時段後)，本公司與元庫證券有限公司(「配售代理」)訂立有條件配售協議，據此，本公司有條件同意發行合共160,000,000股股份(「配售股份」)，而配售代理同意盡最大努力促使不少於六名獨立個人、機構或其他專業投資者(「承配人」)認購合共160,000,000股配售股份，配售價為每股配售股份1.29港元。經扣除配售事項佣金及其他相關開支後，配售事項所得款項淨額約為194.9百萬港元。本公司擬將：

- (a) 配售事項所得款項淨額約40%(約78.0百萬港元)用於開發注射用聚己內酯微球面部填充劑及其材料；及
- (b) 配售事項所得款項淨額約60%(約116.9百萬港元)用於策略性收購／開發醫療美容領域的新項目／產品，包括但不限於收購醫療美容機構或投資醫療美容項目及開發新醫療美容產品。

有關詳情，請參閱本公司日期為2021年12月7日、2021年12月30日的公告。於2021年12月31日，配售尚未完成且本公司並無收取任何所得款項。

SUBSEQUENT SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

The Placing

All the conditions precedent set out in the Placing Agreement (together with its supplemental agreement entered into between the Company and the Placing Agent on 30 December 2021) have been fulfilled and the completion under the Placing Agreement took place on 3 January 2022.

The acquisition of Demei Company (as defined below)

On 20 January 2022, the Company (or its designated affiliate) entered into a letter of intent with all beneficial owners of Deyang Demei Medical Aesthetic Clinic (General Partnership)* (“Demei Clinic”) in relation to potential acquisition of the equity interest in the target after Demei Clinic completes restructuring and conversion. On 22 March 2022, Sichuan Sinco Biotech Limited Company* (a wholly-owned subsidiary of the Company) and Mr. Huang Zhijian (a connected person of the Company, being the son of Mr. Huang, an executive Director, chairman of the Board and substantial shareholder of the Company) entered into (i) each of the respective equity transfer agreements between Deyang Demei Medical Beauty Hospital Limited Company* (“Demei Company”), being the target after Demei Clinic completes restructuring and conversion, and other parties, and (ii) a loan agreement (with a set of VIE contractual arrangements to be entered into upon the completion under the said equity transfer agreements) for purpose of acquiring the entire equity interest in Demei Company at an aggregate consideration of up to RMB95,000,000.

For details, please refer to the announcements of the Company dated 20 January 2022 and 22 March 2022.

Save as disclosed in this report, the Board is not aware of any material event requiring disclosure, that has taken place subsequent to 31 December 2021 and up to the date of this announcement.

報告期後的重大事項

配售

配售協議(連同其由本公司與配售代理於2021年12月30日訂立的補充協議)所載的全部先決條件已獲達成，配售協議項下完成已於2022年1月3日落實。

收購德美公司(定義見下文)

於2022年1月20日，本公司(或其指定聯屬人士)與德陽德美醫療美容門診部(普通合夥)(「德美醫療」)的全體實益擁有人就德美醫療完成重組及轉制後對目標公司股權的潛在收購事項訂立意向書。於2022年3月22日，四川興科蓉生物科技有限公司(本公司全資附屬公司)及黃智健先生(本公司關連人士，為本公司執行董事、董事會主席兼主要股東黃先生之子)(i)各自與德陽德美醫療美容醫院有限公司(「德美公司」)(德美醫療完成重組及轉制後作為目標公司)及其他各方訂立相關股權轉讓協議；及(ii)訂立借款協議(連同根據上述股權轉讓協議完成後將予訂立的一系列VIE合約安排)，以收購德美公司的全部股權，總代價最高為人民幣95,000,000元。

詳情請參閱本公司日期為2022年1月20日及2022年3月22日的公告。

除本報告所披露者外，於2021年12月31日後及直至本公告日期，董事會並不知悉任何須予披露的重大事項。

Environmental, Social and Governance Report

環境、社會及管治報告



Environmental, Social and Governance Report

環境、社會及管治報告

1. Basis of Preparation

The Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Guide”) of The Stock Exchange of Hong Kong (the “HKEx”) as set out in Appendix 27 to the Listing Rules and complies with the reporting principle of ‘comply or explain’ and compilation in relation to key performance indicators (“KPIs”) in the environmental area under ESG Guide.

The data and information cited in the Report are referenced from the archived questionnaires, records, statistics and research of the Company. The Report covers an information period that spans from 1 January 2021 to 31 December 2021, exactly the financial year covered by the 2021 annual report of the Company.

The Report encompasses the information of the Company and all its subsidiaries (collectively referred to as the ‘Group’).

2. Contact

Should you have any query or feedback on the Report, please contact us via the following methods:

- a. Address: E5-1805, Global Center, 1700 Tianfu Avenue North, Hi-tech Industrial Development Zone, Chengdu City, Sichuan Province
- b. Tel: +86 28 62912988
- c. Fax: +86 28 62912922
- d. Email: sinco-pharm@sinco-pharm.com
- e. Official website: <http://www.sinco-pharm.com>

3. Overview

With extensive experience in the distribution of pharmaceutical imports, the Group provides comprehensive MPCM services for small and medium-sized overseas pharmaceutical manufacturers. Meanwhile, the Group, leveraging its quality product portfolio that centers on blood products and nationwide marketing and promotion network, is the only MPCM service provider for imported blood products in the PRC. Currently, the Group’s product portfolio includes blood products, antibiotics, and other pharmaceutical imports that enjoy high-speed growth or a sizable market.

1. 報告編輯依據

本報告根據香港聯合交易所(「港交所」)上市規則附錄二十七所載《環境、社會及管治報告指引》(「環境、社會及管治指引」)編寫，並且符合「不遵守就解釋」的報告原則及環境、社會及管治報告指引中關於環境範疇關鍵績效指標的編輯。

本報告所引用的數據及資料源於本公司各項存檔問卷、記錄、統計和研究。本報告內容所刊載和統計的資訊期間為2021年1月1日至2021年12月31日。與本公司2021年年報涵蓋的財政年度一致。

本報告涵蓋本公司及其所有附屬公司(統稱「本集團」)之信息。

2. 聯繫方式

如對本報告及其內容有任何疑問或反饋意見，歡迎通過以下方式與我們聯繫：

- a. 地址：四川省成都市高新區天府大道北段1700號環球中心E5-1805
- b. 電話：+86 28 62912988
- c. 傳真：+86 28 62912922
- d. 電郵地址：sinco-pharm@sinco-pharm.com
- e. 官方網站：<http://www.sinco-pharm.com>

3. 概況

本集團擁有豐富的進口醫藥分銷經驗，為海外中小型藥商提供綜合營銷、推廣及渠道管理服務。同時，本集團憑藉以血液製品為核心的優質產品組合和覆蓋全中國的行銷及推廣網絡，是中國進口血液製品唯一的行銷、推廣及渠道管理服務供應商。本集團的現有產品組合包括血液製品、抗生素及其他高速增長或有相當市場規模的進口藥品。

4. Core Values

Constant in pursuing excellence of product quality and pharmaceutical technology services, the Group aspires to become a top partner for overseas pharmaceutical businesses who intends to enter the Chinese pharmaceutical market. Sticking to its core values 'Simplicity, Innovation, National, Collaboration, and Openness', the Group wishes to deliver good corporate governance and fulfill its environmental and social responsibilities, to realize sustainable development and safeguard the investors, staff, suppliers, distributors, governments, communities, financial institutions and other stakeholders.

5. Stakeholder Identification and Communications

The Group will continue to maintain close contact and communications with the stakeholders, and receives valuable opinion from them each year. In order to decide the content and direction of the Annual Report for the Year, the Group referred to the analysis results of material concern raised by the stakeholders last year and the relevant response.

4. 核心價值觀

本集團不斷追求品質卓越的醫藥產品和醫藥科技服務，目標成為海外藥商進入中國醫藥市場的首選合作夥伴。本集團秉承新型高效(Simplicity)、勇於創新(Innovation)、全國覆蓋(National)、合作雙贏(Collaboration)及開放包容(Openness)的核心價值觀，以優良的企業管治、對環境及社會責任的履行實現可持續發展，維護包括投資者、員工、供應商、經銷商、政府、社區及金融機構等在內的各方權益人。

5. 權益人識別與溝通

本集團將繼續與各方權益人保持緊密聯繫和溝通，每年度都會接收他們寶貴的意見。我們已以上年度的權益人重大關注議題與回應的分析結果作為基礎以擬定本年度報告的內容和方向。

Significant Subjects for Stakeholders and Response

權益人重大關注議題與回應

Type of Stakeholders 權益人類型	Focus 關注重點	Means of Communication 主要溝通方式	Response and Feedback 反應與反饋
Shareholders/Investors 股東／投資者	Continuous, stable investment returns Timely information disclosure Corporate operation in compliance with laws and regulations 持續穩定的投資回報 及時的信息披露 合規的企業運營	Annual reports, interim reports and announcements General meetings Roadshows/telephone conferences/meet-and-greets Media communication mechanism Press conferences Opinion monitoring Consultation via telephone/email/website Investor visits 年度報告、中期報告及公告 股東大會 路演／電話會議／見面會 媒體溝通機制 新聞發佈會 輿情監測 電話／電郵／網站諮詢 投資者來訪	Publishing AGM notices and resolutions according to regulations Timely disclosing corporate information Publishing disclosure announcements and regular reports according to regulations Responding to email/telephone inquiries and receiving on-site investigation from investors 按規定發佈股東週年大會通知和議案 按時披露公司信息 按規定披露公告和發佈定期報告 回復投資者郵件／電話詢問，及接待投資者現場調研

Type of Stakeholders 權益人類型	Focus 關注重點	Means of Communication 主要溝通方式	Response and Feedback 反應與反饋
Staff 員工	Training and career development Remuneration and benefits Health and safety 培訓與職業發展 薪酬與福利 健康與安全	Direct communication Performance appraisal Medical checkups Training programmes Staff opinion surveys Safety management 直接溝通 績效考核 體檢 培訓課程 員工意見徵詢 安全管理	Providing a healthy and safe work environment Establishing a fair mechanism for promotion Organizing staff activities 提供健康、安全的工作環境 建立公平的晉升機制 組織員工活動
Suppliers 供應商	Standard supplier management and purchase process Timely performance of contracts Corporate reputation 規範的供應商管理及採購流程 按時履行合同約定 企業信譽	Execution of orders/contracts Direct communication Supplier management system Supplier archives 訂單／合同執行 直接溝通 供應商管理制度 供應商檔案	Performing contracts as agreed Maintaining long-term collaboration with excellent suppliers Timely payment Ensuring pharmaceutical quality and safety Keeping complete supplier archives 按約履行合同 與優秀供應商保持長期合作 按時付款 確保藥品質量安全 齊全的供應商檔案
Distributors 經銷商	A robust process of customer service A complete mechanism of information communication A stable and safe supply of pharmaceutical products Timely response to requests 健全的客戶服務流程 完善的信息交流機制 穩定、安全的藥品供應 訴求的及時回應	Daily communication Aftersales service Customer satisfaction surveys Customer archives Corporate tours/visits 日常溝通 售後服務 客戶滿意度調查 客戶檔案 企業參觀／走訪	Enhancing quality management Performing contracts as agreed Providing distributors with pharmaceutical knowledge training and marketing support Sufficient communication 加強質量管理 按約履行合同 為經銷商提供藥品知識培訓和營銷推廣支持 充分溝通

Type of Stakeholders 權益人類型	Focus 關注重點	Means of Communication 主要溝通方式	Response and Feedback 反應與反饋
Governments/ Communities 政府/社區	Corporate operation in compliance with laws and regulations Contributing to community development 合規的企業運營 貢獻社區發展	Government visits Participation in government meetings and regular visits Government projects Community service 政府參觀指導 參與政府會議、定期拜訪 政府項目 社區服務	Strict complying with laws and regulations Enhancing safety management Actively assuming social responsibility 嚴格遵守法律法規 加強安全管理 積極承擔社會責任
Financial Institutions 金融機構	Good corporate credit, and stable capability of loan repayment Stable corporate development 良好的企業信用，穩定的償貸能力 穩定的企業發展	Financial reports and announcements Visits Direct communication 財務報告及公告 參觀指導 直接溝通	Timely repayment of loans Maintaining good cooperative relations 按時償還貸款 保持良好的合作關係

6. Social

To perform social responsibility, the Group always attaches great importance to the details of staff, product management and community benefit at work to provide a fair and equitable treatment to the related stakeholders of the Group and deeply believes that this management direction is a long-term investment for the Group.

a. Employment

The Group has been aware of a number of laws and regulations on the protection of the labor force established by the People's Republic of China and has strictly complied with their requirements to carry out all of the relevant laws and regulations when employing staff members. The relevant laws and regulations include: PRC Labor Law, Employment Promotion Law, Labor Contract Law, Tentative Provisions on Salary Payment, Regulations on the Management of Housing Provident Fund, Labor Dispute Mediation and Arbitration Law, Regulation on Work-related Injury Insurances, and local labor laws and regulations. The Group also ensures the entitlement to all statutory social insurance and statutory holidays of its staff members. Furthermore, to provide staff members with better welfare, the Group has formulated Remuneration Management System, Staff Fund Management System, and Staff Reward and Punishment Provisions, and also provides staff members with allowances for transport and lunch, staff activities and group tours, with an aim at achieving fair treatment for all staff members of the Group. In addition to the said welfare, the Group also attaches great importance to raise intrinsic value of the staff. Therefore, the Group provides staff members at all levels with targeted development and incentive schemes, and clear and fair promotion opportunities through performance appraisal according to the Group's Performance Management System.

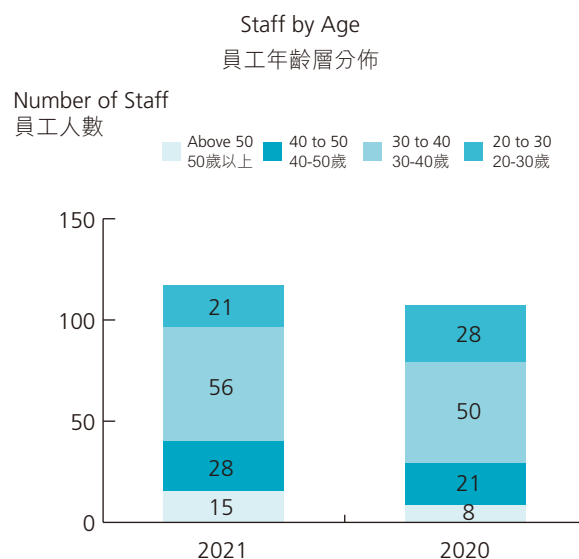
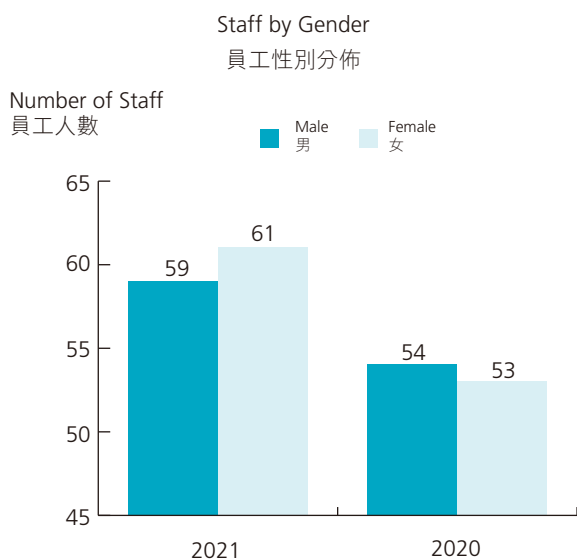
6. 社會

為履行企業社會責任，本集團一向非常重視工作上對員工、產品管理以及社區福利的細節，務求對本集團有關的權益人作出公平和公正的對待，並且深信此管理方針是為本集團長遠的投資。

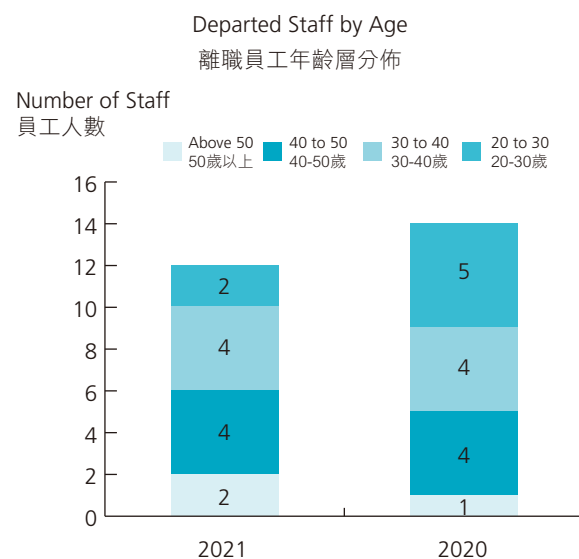
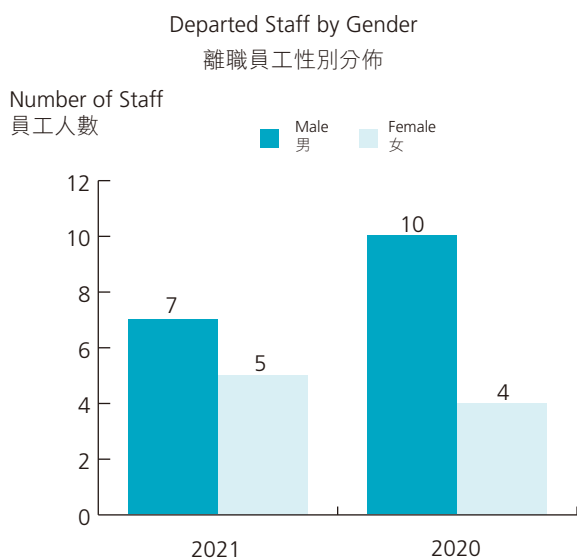
a. 僱傭

本集團清楚瞭解中華人民共和國設立的多項保護勞動人口法規，並嚴格按照其規定，執行所有有關法規僱傭員工，相關的法規包括：中華人民共和國《勞動法》、《就業促進法》、《勞動合同法》、《工資支付暫行規定》、《住房公積金管理條例》、《勞動爭議調解仲裁法》、《工傷保險條例》及各地區的勞動法律及條例。本集團亦確保向員工提供所有的法定社會保險及法定假期。本集團為了向員工提供更好的福利待遇，還制定了《薪酬管理制度》、《員工基金管理制度》及《員工獎懲條例》等政策，亦提供交通及午餐補貼、員工活動和團體旅遊等，以求達到公平對待本集團所有員工。除了相關福利之外，本集團亦重視提升員工的內在價值，所以在本集團訂立了一個針對性的專項培育及鼓勵計劃予不同級別的員工，而且根據本集團《績效管理制度》進行績效考核，為員工提供清晰、公平的晉升機會。

Employment Indicators 僱傭指標



During the Reporting Period, the Group recorded a staff outflow of 12, representing a turnover rate* of 9.1%.
於報告期內，本集團離職人員12人，流失率*為9.1%。



* Turnover rate = Number of staff departed during the Reporting Period / (Headcount during the Reporting Period + Number of staff departed during the Reporting Period)

* 流失率 = 報告期內離職員工人數 / (報告期內人數 + 報告期內離職員工數)

The Group recruits labourers in accordance with the law and fulfils the signing, modification, dissolution or termination of labour contracts with all employees in accordance with national laws and regulations and relevant internal company requirements. An employee's employment relationship cannot take effect until both parties have agreed and signed a labour contract voluntarily. The human resources management department of the Group ensures that employees are over 18 years old and can be legally hired by checking their valid IDs. The employment contract clearly requires that the personal information provided by the applicant must be authentic and reliable. If fraud is found, the Group can terminate its labour relationship with the employee in accordance with the rules and regulations of the Company. In addition, the Group clearly defines and explains the paid holidays, working hours and attendance system of employees. Employees' work hours and vacation policies are specified according to the detailed implementation rules of attendance management and local employment laws. Employees who work overtime during non-office hours may receive appropriate overtime pay or compensation holidays in accordance with labour regulations. During the Reporting Period, the Group strictly implemented measures including, but not limited to, the above measures to eliminate child labour and enforce related legal risks.

Under the premise of strict compliance with relevant national and local laws and regulations, the Group designated the Employee Management Manual of Sinco for all employees, covering employment, KPI, employee relations, salary and benefits, etc., to make employees rule-based and enhance employees a sense of responsibility and belonging.

In addition to the existing staff policies, the Group's strict recruitment system can ensure that it enjoys comprehensive human resources allocation. The Group has always been recruiting talents externally and keeping contact with recruitment agencies, universities and colleges to attract potential talents to join the Group. It has set up a "Staff Referral Award" to encourage its staff members to recommend capable talents to join the Group.

Moreover, the Group ensures all the job applicants and staff enjoy equal opportunities for employment, with zero tolerance of any discrimination over gender, age, ethnicity, nationality and disability. As at 31 December 2021, the Group had a staff of 120 in total (49% being male staff and 51% being female staff). During the Reporting Period, no employment discrimination has occurred within the Group.

本集團依法招聘勞工，按照國家法律法規和公司內部相關制度要求與所有員工履行勞動合同的簽訂、變更、解除或終止。員工的僱傭關係在雙方一致同意並自願簽訂勞動合同之後方可生效。本集團人力資源管理部通過核查員工有效身份證件確保員工年齡在十八周歲以上，可合法受聘。勞動合同中明確要求應聘者所提供的個人資料信息務必真實可靠。如發現造假情況，本集團可依照公司規章制度終止與其的勞動關係。另外，本集團對員工帶薪假期、工作時間及考勤制度進行明確界定和說明。根據考勤管理實施細則及地方就業法律規定僱員工作時數及假期政策。員工若在非辦公時間加班，可根據勞動法規收到適當的加班費或補償假。於報告期內，本集團嚴格執行包括但不限於以上措施以杜絕僱傭童工和強制相關法律風險。

在嚴格遵守國家和當地有關法律法規的前提下，本集團針對所有員工指定《興科醫藥員工管理手冊》，覆蓋僱傭、績效、員工關係及薪資福利等內容，使員工有章可循，增強員工責任感及歸屬感。

除了對現有員工的政策外，本集團嚴謹的招募制度能確保本集團擁有完善的人力資源配置。本集團一直採取對外招聘的形式，亦與人力招聘機構及高等院校保持聯繫，務求吸納有潛力的人才加入本集團。為了鼓勵員工推薦有能力的人才加入，本集團設有「內部推薦伯樂獎」。

再者，本集團為所有應徵者和員工提供平等的就業機會，絕不容許任何由於性別、年齡、民族、國籍、殘疾而歧視任何應聘者和員工的行為。於2021年12月31日，本集團員工總人數為120人，男女佔比分別為49%和51%。於報告期內，本集團未發生就業歧視事件。

b. Health and Safety

Staff health and safety are also areas that the Group attached great importance to. The Group, at all times, strictly complies with all requirements of relevant regulations, including the PRC Labor Law, Fire Prevention Law, Occupational Health and Safety Management System, Special Regulation on the Labor Protection of Female Staff, Measures for the Ascertainment of Work-related Injuries, and the Regulation on Work-related Injury Insurances.

The Group strives to offer its staff a safe work environment and minimize all potential risks on health and safety. We conduct ongoing risk assessment and inspection on work environment with certain high-risk to mitigate the risks. During the Reporting Period, the Group implemented a series of health management measures, so that its staff members can work in a safe environment free of occupational hazards:

- Staff medical examination
- Fire Drills
- Regular maintenance of electrical equipment
- Traffic safety study for drivers

During the Reporting Period, the Group incurred no work-related fatalities among its staff; nor did any staff lose any work days due to work-related injuries.



b. 健康與安全

員工健康及安全都是本集團非常重視的範疇，本集團一直嚴格遵守所有的有關的法規的要求，包括中華人民共和國《勞動法》、《消防法》、《職業健康安全管理體系》、《女職工勞動保護特別規定》、《工傷認定辦法》、《工傷保險條例》等。

本集團盡可能為員工提供一個安全的工作環境，減低各類潛在的健康與安全風險。本集團持續對有特定高風險的工作環境作風險評估及檢查，以減低風險。於報告期內，本集團實施了一系列健康管理措施，為員工提供安全的工作環境以及保障員工避免職業型危害：

- 員工體檢
- 消防演習
- 電力設備定期檢修
- 駕駛員交通安全學習

於報告期內，本集團並無任何員工因工作關係死亡，也無任何員工因工傷而損失工作日數。



Fire Drills in 2021
2021年消防演習

c. Development and Training

Improving the quality and techniques of staff members is a momentum for the Group's development. To ensure effective implementation of staff training schemes, the Group has formulated Management Measures for Staff Training, which expressly sets out an integrated system and implementation process that encompass induction, internal training and external training:

i. Induction

New recruits are introduced to the general knowledge of the Group, such as corporate culture, product knowledge, basic internal control system and process, the work process of the department concerned, and details of the work position.

ii. Internal Training

Based on the actual demands at work, the Group applies its internal training resources to the communications on professional knowledge and skills, to share experience. Such training takes place in the following forms: self-learning with shared training materials on the Group's online work platform, and discussions at regular departmental meetings, communication sessions for business teams and inter-departmental sharing sessions.

iii. External Training

The Group encourages its staff members to improve their professional techniques and, given their efficient work arrangement, attend training and policy seminars hosted by external institutions.

In order to share and inherit the Group's knowledge and experience with internal staff members, the Group has formulated its Internal Lecturer Management Measures to enhance the efficiency and effectiveness of training. At the beginning of each year, human resources department formulates annual training scheme according to feedback from the previous year, the Group's strategic planning and the actual demand of each department, and prepares training curricular and course content on a quarterly basis.

c. 發展與培訓

提升員工整體素質和技術水準是對本集團發展的動力，為了有效地實施員工的培訓計劃，本集團制定了《員工培訓管理辦法》，當中明確列明入職培訓、內部培訓和外派培訓的綜合體系及實施流程：

i. 入職培訓

向新入職員工介紹本集團的企業文化、產品知識、基本內部控制制度及流程等通用知識及所在部門的工作流程、所任崗位的說明等。

ii. 內部培訓

根據工作中的實際需求，利用本集團內部培訓資源對員工開展有關業務知識和崗位技能的交流與經驗分享。其形式包括通過集團在線辦公平台共享培訓資料進行的自主學習，召開部門例會、業務小組溝通會、跨部門分享會等形式進行的討論。

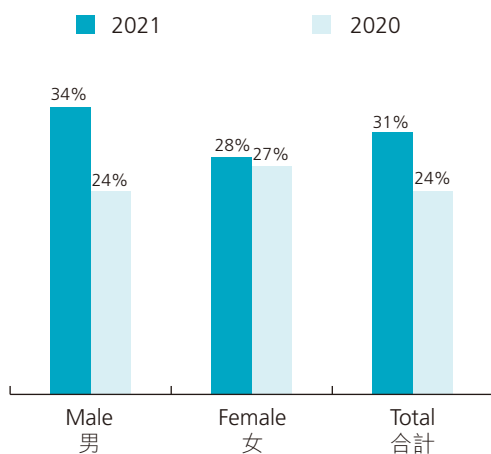
iii. 外派培訓

本集團鼓勵員工提升專業技術水準，在高效合理安排工作的前提下，參加外部機構舉辦的培訓及政策研討會。

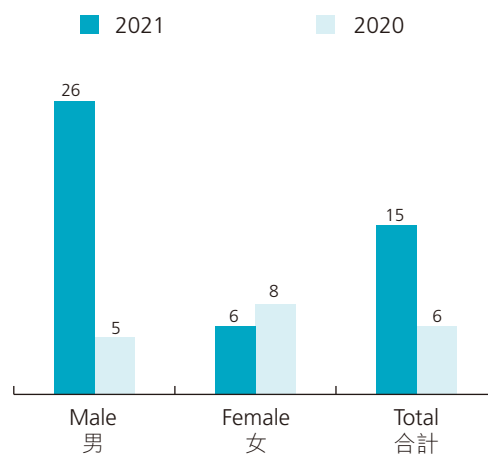
本集團還制定了《內部講師管理辦法》，實現知識與經驗在本集團內部的共享及傳承以提高培訓的效率及效果。人力資源部門每年年初會根據上年度的回饋、本集團的戰略規劃及各部門實際需求制定年度培訓計劃，按季度制定培訓大綱及課程資訊。

Training-related Indicators 培訓相關指標

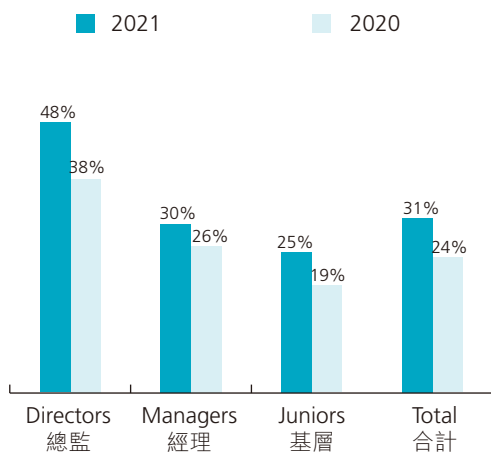
Staff Training Ratio by Gender
按性別劃分的受訓員工比例



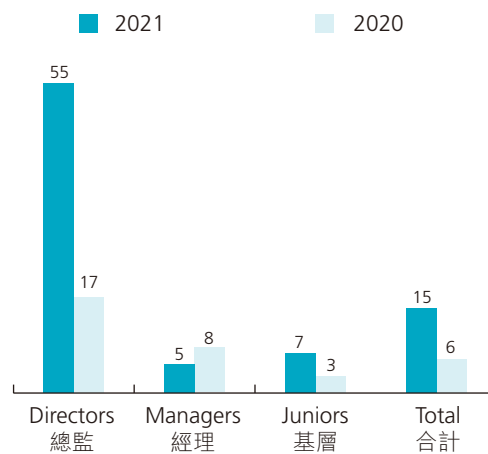
Staff Average Training Hours by Gender
按性別劃分員工平均受訓時數



Staff Training Ratio by Category
按類別劃分的受訓員工比例



Staff Average Training Hours by Category
按類別劃分員工平均受訓時數



d. Labor Standards

The Group's policies on staff recruitment and treatment are in strict compliance with relevant national and local regulations, including the PRC Labor Law, Law on the Protection of Minors, and Provisions on the Prohibition of Using Child Labor. The Staff Manual of the Group clearly states that child labor shall not be allowed. Relevant departments also regularly monitor employment-related information and data, to ensure there is no child labor or forced labor.

During the Reporting Period, the Group did not discover any use of child labor or forced labor.

e. Supply Chain Management

The Group is well aware that effective management of procurement is the most critical part to maintaining quality and safety of product and service. To systemize the complicated procurement process of pharmaceutical imports, the Group has formulated procurement business standardized documents for various pharmaceutical products. Such documents are based on the Management Regulation on the Procurement of Imported Products with reference to the regulations of special authorities such as the PRC General Administration of Customs, Entry-Exit Inspection and Quarantine Bureau, and China Food and Drug Administration (CFDA). In addition to the internal management system, the Group has established a good relationship with its suppliers and kept liaison, exchanging news on the market updates and sales data of products for coordinating and adjusting procurement and sales plans accordingly.

Prior to establishing any partnership with suppliers or its sales agents, the following factors are considered by the Group:

1. Product compliance
2. Brand influence
3. Strategic synergy with the Group's development
4. Prospects in the Chinese market
5. Other potential risks

d. 勞工準則

本集團在招聘員工和對待員工的政策都嚴格按照國家和地區的有關規定執行，包括中華人民共和國《勞動法》、《未成年人保護法》及《禁止使用童工規定》。本集團的《員工手冊》中已清楚列明嚴禁僱傭童工，有關部門亦會定期檢查僱傭相關資訊及數據，以確保不會僱傭童工或強制勞動。

於報告期內，本集團未發現有僱傭童工或強制勞動的情況。

e. 供應鏈管理

本集團深知採購環節的有效管理是保障各項產品與服務質量與安全的關鍵。為了將繁複的進口藥品採購流程系統化，本集團根據國家及海關總署、出入境檢驗檢疫局、食品藥品監督管理局等部門的規章制度，針對各種藥品制定了採購業務標準化文件，設立了《進口採購管理制度》。除了內部的管理體系，本集團都一直與供應商建立良好的關係並保持溝通，互相提供產品的最新市場情況及銷售數據，以便協調及調整採購及銷售計劃。

與供應商或其銷售代理建立任何合作關係前，本集團會考慮以下數個因素：

1. 產品合規性
2. 品牌影響力
3. 與本集團發展的戰略匹配度
4. 中國市場前景
5. 其他潛在風險

The Group appraises its existing suppliers according to the Appraisal Measures for Suppliers, by analyzing the current status and existing issues of suppliers, conduct a full investigation of the performance of suppliers in terms of equipment management, quality control, delivery agreements and service levels, etc., to ensure that suppliers cooperating with the Group can maintain quality and establish long-term stable cooperative supply relationship with the Group. Currently, the Group's suppliers are mainly small and medium-sized pharmaceutical manufacturers from overseas countries, including Austria, Sweden, Germany, Cyprus and France.

To protect information privacy of the suppliers, the Group continually enhances its information security, establishing targeted security principals for the business network, office network, servers, cyber computer room management and controlled visits. The staff members are required to sign an agreement to avoid any personal leakage of private information.

The Group also considers possible environmental and social risks, such as political incidents, terrorist events, crisis events, wars, public emergency events and other events that are difficult to predict and prevent. In response to these risks, a contingency team of the Group will formulate multi-plan contingency measures in advance for some occasional but highly disruptive incidents to be well-prepared for emergencies.

f. Product Responsibility

As the Group is a member of the pharmaceutical industry and the products are prescription drugs, the product quality is crucial and potential risks must be properly controlled. To ensure product quality and safety, the Group strictly complies with all national laws and regulations on product safety, including the PRC Pharmaceutical Administration Law and its Implementation Regulations, Good Supply Practice for Pharmaceutical Products and its Implementation Rules. Besides, the Group has a systematic system for managing pharmaceutical quality in place with active cooperation with the regulators in their inspections. The Group proactively provides internal training on the knowledge of safety and quality and promotes the policies, systems and concepts of quality management.

本集團會按照《供應商考核辦法》對現有的供應商進行考核，通過分析現有供應商的現狀、存在的問題，對供應商的業績、設備管理、質量控制、交貨協議、服務水平等方面進行充分的調查，以保障本集團合作的供應商都能保持質素，與集團建立長期穩定合作的供應關係。目前本集團的主要供應商為海外中小型的製藥企業，供應商來自於奧地利、瑞典、德國、塞浦路斯、法國等國家。

為了保護供應商的資訊私隱，本集團一直不斷強化資訊安全建設，在業務網絡、辦公網絡、服務器、資訊化機房管理、訪問控制等方面建立具有安全性原則，員工亦需簽訂協議書，以免發生任何人為私隱泄露。

本集團亦考慮可能面臨的環境和社會風險，如政治事變、恐怖事件、危機事件、戰爭、公共緊急事件等難以預測和防範的事件。針對這些風險，本集團的應變事件小組，將會對一些偶發性但破壞性大的事件，預先制定多方案的應變措施，以應對突發事件。

f. 產品責任

本集團為醫藥行業的其中一員，產品亦是處方藥品，因此產品質量是非常重要的，而潛在風險必須控制得宜。為確保產品質量及安全，本集團嚴格遵守所有關於國家產品安全的法律法規，包括《中華人民共和國藥品管理法》、《中華人民共和國藥品管理法實施條例》、《藥品經營質量管理規範》、《藥品經營質量管理規範實施細則》。除此之外，本集團亦擁有系統化的藥品質量管理制度體系，並積極配合監管部門進行各項檢查。本集團亦積極向員工提供內部安全質量知識培訓，並宣傳質量管理政策制度及理念。

In respect of hardware, the Group has always been storing pharmaceutical products with advanced technology and facilities and operates a product mix composed of quality pharmaceutical imports with an outstanding track record of safety. The Group also has been cooperating with creditworthy collaborating parties of long-term partnership on the provision of warehousing and logistics services. Apart from that, the Group has built its cold chain storage facility with advanced temperature-control technology and a precision system of quality control in Shuangliu District, Chengdu, Sichuan Province, which can ensure a more stable quality control for the Group.

The Group has a comprehensive system for process of quality inspection and product recall, establishes and strictly executes the policies on the Management Regulation on Pharmaceutical Product Procurement, the Management Regulation on Pharmaceutical Product Reception, the Management Regulation on Pharmaceutical Product Acceptance, and the Management Regulation on Pharmaceutical Product Return, ensuring that all product quality and safety operation programs have been taken place in standard processes. In addition to this, we have formulated relevant management document such as Distributor Management Measures, Sales Management System and the Code of Conduct on Customer Servicing to protect the security and privacy of its customer information.

The Group has no corresponding measures for advertising and labeling, because all of its products are prescription drugs which are prohibited from advertising according to national regulations, and because CFDA issues the permit on product packaging and specifications.

During the Reporting Period, the Group did not recall any product due to product quality issues, nor did it receive any complaints about its products and services. All products are examined by the Institute for Drug Control after their customs clearance, with an examination report of pharmaceutical imports issued.

在硬件上，本集團一向採用先進的技術和設備儲存藥品，而且所經營的產品組合均為擁有出色安全記錄的優質進口藥品。本集團亦一直選擇信譽良好、有長期合作關係的協力廠商提供倉儲及物流服務。同時，本集團在四川省成都市雙流區興建的冷鏈倉儲設施擁有先進的控溫技術及精密的質量控制系統，以保證本集團在質量控制上提供更穩定的監控。

本集團設有完善的質量檢測及產品回收系統，亦設立及嚴格執行《藥品採購管理制度》、《藥品收貨管理制度》、《藥品驗收管理制度》和《藥品退貨管理制度》等政策，確保所有產品質量及安全操作程式以既定的標準和規範進行。除此之外，我們亦設立《經銷商管理辦法》、《銷售管理制度》、《客服工作守則》等有關管理文件，保障客戶資料的安全和私隱。

由於本集團的銷售產品為處方藥物，國家規定不得進行廣告宣傳，同時產品的包裝及說明書均由國家食品藥品監督管理總局核發，故本集團在廣告、標的等方面無相應措施。

報告期內，本集團未出現因產品質量問題而召回產品的情況，亦未有收到任何關於產品和服務的投訴，所有產品均在清關後由藥檢所進行藥品檢驗並核發進口藥品檢驗報告書。

g. Anti-corruption

The Group has been advocating honesty, integrity and responsibility as its ethical concepts, opposes any form of corrupt behavior, such as bribery, extortion, fraud and money laundering. The Group has formulated its Anti-corruption and Anti-bribery Management Regulations and its Staff Code of Conduct against Corruption and Bribery, according to national, regulations and the actual industrial condition. The Group also requires its staff and partners to sign an Anti-corruption and Anti-bribery Letter of Undertaking on a mutual agreed basis, included anti-corruption into the staff induction system, and set up a comprehensive reporting procedure for reporting non-compliance behaviors and protecting whistleblower. The Group's internal audit department will also conduct audits to executives in sales who are departing.

During the Reporting Period, no case of corruption, extortion, fraud and money laundering occurred within the Group, with confirmation that it strictly complied with relevant laws and regulations such as the PRC Criminal Law and its Judicial Interpretation, Criminal Procedure law and its Judicial Interpretation, Interpretation on Several Issues Concerning the Applicable Laws to Handling Criminal Cases of Embezzlement and Bribery, and Anti-Money Laundering Law.

h. Community investment

Community charities and public welfare have always been one of the considerations for business development of the Group. The Group attaches great importance to each stakeholder who is affected by its business scope. In order to maintain good relationship, the Group keeps close liaison with them, which includes participating in community activities to ensure the business development of the Group has fully taken into account the interests of the community.

i. Operating charity funds

In March 2017, the Group has established Sinco Charitable Foundation (興科蓉慈善基金) named after the enterprise in Chengdu Charity Federation and continuing operation in 2021. The fund aims at providing assistance to the impoverished such that they can receive better medical treatment; improving the unhealthy living habit and health conditions of low income patients; enhancing publicity of health knowledge and changing outdated concept of getting medical treatment.

g. 反貪污

本集團的理念以誠實守信、盡職盡責為本，堅決反對任何形式的賄賂、勒索、欺詐及洗黑錢等腐敗行為。本集團設立了《反腐敗反賄賂管理制度》及《員工反腐敗反賄賂行為準則》，當中依照國家法規和行業實際情況而定立的。本集團亦要求員工及合作夥伴在雙方同意下簽訂《反腐敗反賄賂承諾書》，將反貪污內容納入員工培訓體系，設立完善的違規行為舉報程式及保障舉報人。本集團的內審部門亦會對即將離任的銷售主管人員進行離任審計。

報告期內，本集團未發生任何貪污、勒索、欺詐及洗黑錢案件，確認嚴格遵守《刑法》、《刑法司法解釋》、《刑事訴訟法》、《刑事訴訟法司法解釋》、《關於辦理貪污賄賂刑事案件適用法律若干問題解釋》、《反洗黑錢法》等相關法律法規。

h. 社區投資

社區慈善和公益為本集團業務發展考慮因素之一。本集團高度關注受業務範圍影響各個權益方，為了保持良好關係，本集團不斷與他們保持緊密聯繫，包括積極參與社區活動，以確保本集團的業務發展充分考慮社區的利益。

i. 經營慈善基金

本集團於2017年3月在成都市慈善總會設立了以企業冠名的興科蓉慈善基金，並在2021年持續經營。該項基金旨在援助廣大貧困患者，使其獲得更優的醫學治療；改善低收入患者的不良生活習慣和健康狀況；及加強健康知識宣傳、改善落後的就醫觀念。

ii. *Organizing staff activities*

While respecting and safeguarding the rights and interests of staff members, the Group is also attentive to their physical and mental health, and committed to creating a beneficial work environment and a harmonious work atmosphere for them. To do that, the Group has hosted diverse activities, such as annual gatherings, birthday parties, sports activities and annual travels, during which staff members can relax and balance work with life. This also makes the Group a more cohesive community.



Zoige Prairie Tour in 2021
2021年若爾蓋草原之旅

ii. *組織員工活動*

本集團在尊重和保障員工權益的同時，也關注員工的身心健康，致力於為員工營造良好的工作環境和和諧的工作氛圍，通過組織年會、生日會、體育鍛煉、年度旅遊等活動，幫助員工在工作間隙放鬆心情，以實現工作與生活的平衡，提高團體凝聚力。



Annual Gatherings in 2021
2021年年會

7. Environmental

a. Emissions

The Group operates all relevant business in strict compliance with the PRC Environmental Protection Law, Law on the Prevention and Control of Water Pollution, Law on the Prevention and Control of Atmospheric Pollution, and Law on the Prevention and Control of Pollution from Environmental Noise, as well as other laws and requirements on environmental protection to ensure that the Group did not cause any negative impact to the environment.

7. 環境

a. 排放物

本集團在經營各項業務都嚴格遵守《中華人民共和國環境保護法》、《中華人民共和國水污染防治法》、《中華人民共和國大氣污染防治法》、《中華人民共和國環境噪聲污染防治法》以及其他環境保護法和規章制度要求，確保本集團不會對環境造成任何負面影響。

However, as the Group is mainly engaged in the MPCM, it will not cause significant impact to the environment. The Group also consumes no direct combustion fuel other than transportation, therefore it does not produce any hazardous wastes. Instead, the emissions mainly comprise the exhaust of all vehicles of the Group, the greenhouse gases emitted during its operation, and such non-hazardous wastes as scrap paper, plastics and house refuse.

During the Reporting Period, the number of staff trips increased considerably due to the expansion and rapid development of the Group's business scope. In the context of COVID-19, the Group, in consideration of staff safety, advised employees to use fewer public transport with massive passenger flow to avoid the risk of infection. Therefore, vehicle exhaust emissions increased significantly by 42.31% during the Reporting Period.

In the future, on the premise of ensuring safety trips of its employees, the Group will formulate corresponding measures for trips to reduce the environmental pollution caused by vehicle emissions. For example, a vehicle shall take more than one staff member when traveling to reduce its vacancy rate. New energy vehicles are used whenever possible. For destinations within a short distance, employees may travel by sharing bikes or on foot with proper personal protection.

Starting from 2021, the cold chain warehouse of the Group which located at Chengdu Shuangliu Free Trade Zone was in full operation. Since the storage of the Group's core product human albumin requires strict temperature conditions, temperature control facilities are required in the cold chain warehouse to ensure human albumin stores in a compliant temperature condition. During the Reporting Period, electricity consumption of the Group increased slightly by approximately 1.59% compared with last year, which was controlled in a reasonable growth range.

然而，本集團的業務主要負責營銷、推廣及銷售管道管理，該類業務一般不會對環境構成嚴重的影響。本集團除了交通運輸外，亦沒有使用任何直接燃燒材料，因而沒有製造任何有害廢棄物。而主要排放物來源包括本集團所有車輛的廢氣排放，營運過程中產生的溫室氣體、廢紙、塑膠及生活垃圾等無害廢棄物。

報告期內，由於集團業務範圍的增加及快速發展，員工出行次數增長較多。在新冠疫情的背景，本集團考慮到員工的自身安全，建議員工外出減少乘坐人數較多的公共交通工具，避免傳染風險。因此在報告期內車輛廢氣排放大幅增長42.31%。

未來，在保障員工出行安全的前提下，本集團將制定相應的出行措施以減少因汽車排放而造成的環境污染。例如員工出行時應多成員乘坐，減少車輛的空乘率。盡可能使用新能源汽車。對於距離較近的目的地，員工可做好個人防護，選擇共享單車或步行。

自2021年開始，本集團位於成都雙流保稅區的冷鏈倉庫全面開放使用，由於集團的核心產品人血白蛋白的存儲需要嚴格的溫度條件，故需要冷鏈倉庫開啟溫控設施以確保人血白蛋白存儲在符合條件的溫度環境下。報告期內，本集團用電量與去年相比，有約1.59%的輕微增長，控制在合理增長範圍內。

During the Reporting Period, there was an increase of approximately 11.25% in the Group's emission of CO₂ which arose from flight travel. The main reason is that with the continuous growth of the Group's business and the effective control of the COVID-19, the marketing and sales staff increase the number of their business trips and the frequencies of flying. As a result, the CO₂ emissions from flying have increased.

During the Reporting Period, the CO₂ emissions from processing scrap papers decreased significantly. The Group continues to implement paperless office measures to encourage employees to greatly reduce the use of paper in workplace. Therefore, there was a significant decrease of 45.74% in the CO₂ emissions from processing scrap papers during the Reporting Period.

During the Reporting Period, the CO₂ emissions from processing sewage were nearly the same with last year. The Group has continued to implement water-saving and energy-saving measures and has received strong support from employees. During the Reporting Period, the CO₂ emissions from processing sewage increased by approximately 3.13%.

Major Emission Indicators

		Unit	Year	Increase/ (Decrease)	
		單位	年份	增/(減)	
Emissions of Vehicle Exhaust	車輛廢氣排放		2021	2020	%
NO _x Emissions	氮氧化物(NO _x)排放量	Kilogram 千克	114.39	80.38	42.31
SO ₂ Emissions	二氧化硫(SO ₂)排放量	Kilogram 千克	0.11	0.11	0.00
Particles Emissions	顆粒物(PM)排放量	Kilogram 千克	10.44	7.16	45.81

報告期內，本集團因乘坐飛機產生的二氧化碳排放量有約11.25%的增長。主要原因是隨著集團業務不斷增長及新冠疫情的有效控制，市場營銷人員出行次數及乘坐飛機的頻率有所增加。所以本集團因乘坐飛機產生的二氧化碳排放量有所上升。

報告期內，本集團因處理廢紙而產生的二氧化碳排放量下降明顯。本集團持續推行無紙化辦公措施，鼓勵員工大大減少工作環境中使用紙張。所以報告期內，因處理廢紙而產生的二氧化碳排放量大幅下降45.74%。

報告期內，因處理污水產生的二氧化碳排放量與去年大致持平。本集團持續推行節水節能措施，得到員工的大力支持。報告期內，處理污水產生的二氧化碳排放量增長約3.13%。

主要排放物指標

		Unit	Year	Increase/ (Decrease)	
		單位	年份	增/(減)	
CO₂ Emissions	二氧化碳(CO₂)排放量		2021	2020	%
From Electricity Consumption	用電產生	Tonne 噸	126.88	124.90	1.59
From Flights	乘坐飛機產生	Tonne 噸	74.55	67.01	11.25
From Processing Scrap Paper	處理廢紙產生	Tonne 噸	11.41	21.03	(45.74)
From Processing Sewage	處理污水產生	Tonne 噸	0.64	0.62	3.13
Total	合計	Tonne 噸	213.48	213.56	(0.04)

b. Resource Consumption

During the Reporting Period, the Group's energy and water consumption increased slightly compared with last year. The Group's electricity and water consumption increased compared with last year, primarily due to the development of the Company's business and the increase in the number of employees. In this regard, the Group will carry out various measures such as water, electricity and energy saving plans to support environmental protection.

Energy and Water Consumption Indicators

Energy consumption	能源消耗量	Unit 單位	Year 年份		Increase/ (Decrease) 增/(減) %
			2021	2020	
Total Electricity Consumption	總耗電量	Kilowatt Per Hour 千瓦時	131,120.00	129,423.00	1.31
Total Gasoline Consumption	汽油消耗總量	Kilogram 千克	7,658.70	7,485.70	2.31
Total Water Consumption	總耗水量	Cubic Meter 立方米	1,516.90	1,468.27	3.31

c. The Environment and Natural Resources

The business of the Group does not cause any material impact on the environment and natural resources.

d. Climate-related Issues

Due to the business nature of the Group, we do not expect physical risks associated with climate change to have a significant impact on the Group's operations. However, with the global trend of greenhouse gas reduction, the transition to cleaner electricity and more stringent environmental regulations are anticipated to result in certain operating costs, such as electricity tariff, to increase in the upcoming years. To mitigate this potential risk, the Group has developed strategies and targets to reduce our environmental footprint. The Group will stay alert on such issues and include any new observations in subsequent reports.

b. 資源運用

報告期內，本集團能源及水資源消耗與去年相比有輕微的上漲。主要原因是公司業務的發展及員工人數的增加，集團用電量和用水量較去年相比有所增加。對此，本集團將會推行節水、節電、節能計劃等措施以支持環保。

能源及水資源消耗指標

c. 環境及天然資源

本集團所經營的業務範圍不會對環境及天然資源造成重大影響。

d. 氣候相關事宜

因本集團的業務性質使然，我們預期與氣候變化有關的物理風險不會對本集團的營運造成重大影響。然而，由於全球溫室氣體減排趨勢、向更清潔電力及更嚴格環境法規的過渡，預期會導致若干經營成本(如電費)於未來幾年內有所增加。為減輕該潛在風險，本集團已制定策略及目標，以減少我們對環境的影響。本集團將對有關事宜保持警惕，並會將任何最新意見納入隨後的報告。

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	A1.4	Total non-hazardous waste produced and intensity	所產生無害廢棄物總量及密度	The Group did not produce non-hazardous wastes 本集團沒有產生無害廢棄物
	A1.5	Description of measures to mitigate emissions and results achieved	描述減低排放量的措施及所得成果	43-45
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果	The Group did not produce any waste 本集團沒有產生任何廢棄物

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	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	描述求取適用水源上可有任何問題，以及提升水效益計劃及所得成果	The Group did not have any issue in sourcing water that is fit for purpose 本集團沒有任何求取適用水源的問題
	A2.5	Total packaging material used for finished products	製成品所用包裝材料的總量	The Group did not use any packaging material 本集團沒有使用任何包裝材料
Aspect A3: The Environment and Natural Resources 層面A3：環境及天然資源				
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<i>Aspect A4: Climate Change</i> 層面A4：氣候變化				
General Disclosure 一般披露	A4	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	識別及應對已經及可能會對發行人產生影響的重大氣候相關事宜的政策。	46
KPI 關鍵績效指標	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	描述已經及可能對發行人產生影響的重大氣候相關事宜，及應對行動。	46
B. Social B.社會				
Employment and Labour Practices 僱傭及勞工常規				
<i>Aspect B1: Employment</i> 層面B1：僱傭				
General Disclosure 一般披露	B1	(a) The policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例	33-35

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		Description	描述	
KPI 關鍵績效指標	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	按性別、僱傭類型(例如全職或兼職)、年齡組別及地區劃分的僱員總數。	33-35
KPI 關鍵績效指標	B1.2	Employee turnover rate by gender, age group and geographical region.	按性別、年齡組別及地區劃分的僱員流失比率。	33-35
Aspect B2: Health and Safety 層面B2：健康與安全				
General Disclosure 一般披露	B2	(a) The policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	有關提供安全工作環境及保障僱員避免職業性危害的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例	36
KPI 關鍵績效指標	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	過去三年(包括報告年度)每年因工作關係而死亡的人數及比率。	36
KPI 關鍵績效指標	B2.2	Lost days due to work injury	因工傷損失工作日數	36
KPI 關鍵績效指標	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	描述所採納的職業健康與安全措施，以及相關執行及監察方法。	36

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<i>Aspect B3: Development and Training</i>				
<i>層面B3：發展與培訓</i>				
General Disclosure 一般披露	B3	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。	37-38
KPI 關鍵績效指標	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	按性別及僱員類別(如高級管理層、中間管理層)劃分的受訓僱員百分比。	37-38
KPI 關鍵績效指標	B3.2	The average training hours completed per employee by gender and employee category.	按性別及僱員類別劃分，每名僱員完成受訓的平均時數。	37-38
<i>Aspect B4: Labour Standards</i>				
<i>層面B4：勞工準則</i>				
General Disclosure 一般披露	B4	(a) The policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	有關防止童工或強制勞工的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例	39
KPI 關鍵績效指標	B4.1	Description of measures to review employment practices to avoid child and forced labour.	描述檢討招聘慣例的措施以避免童工及強制勞工。	39
KPI 關鍵績效指標	B4.2	Description of steps taken to eliminate such practices when discovered.	描述在發現違規情況時消除有關情況所採取的步驟。	39

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Operating Management 運營管理				
<i>Aspect B5: Supply Chain Management</i> 層面B5：供應鏈管理				
General Disclosure 一般披露	B5	Policies on managing environmental and social risks of the supply chain	管理供應鏈的環境及社會風險政策	39-40
KPI 關鍵績效指標	B5.1	Number of suppliers by geographical region.	按地區劃分的供應商數目。	39-40
KPI 關鍵績效指標	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目、以及相關執行及監察方法。	39-40
KPI 關鍵績效指標	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	描述有關識別供應鏈每個環節的環境及社會風險的慣例，以及相關執行及監察方法。	39-40
KPI 關鍵績效指標	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	描述在揀選供應商時促使多用環保產品及服務的慣例，以及相關執行及監察方法。	39-40

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Aspect B6: Product Responsibility 層面B6：產品責任					
General Disclosure 一般披露	B6	(a) The policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress	有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例	40-41	
KPI 關鍵績效指標	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	已售或已運送產品總數中因安全與健康理由而須回收的百分比。	40-41	
KPI 關鍵績效指標	B6.2	Number of products and service related complaints received and how they are dealt with.	接獲關於產品及服務的投訴數目以及應對方法。	40-41	
KPI 關鍵績效指標	B6.3	Description of practices relating to observing and protecting intellectual property rights.	描述與維護及保障知識產權有關的慣例。	40-41	
KPI 關鍵績效指標	B6.4	Description of quality assurance process and recall procedures.	描述質量檢定過程及產品回收程序。	40-41	
KPI 關鍵績效指標	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	描述消費者資料保障及私隱政策，以及相關執行及監察方法。	40-41	

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<i>Aspect B7: Anti-corruption</i> 層面B7：反貪污					
General Disclosure 一般披露	B7	(a) The policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	有關防止賄賂、勒索、欺詐及洗黑錢的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例	42	
KPI 關鍵績效指標	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。	42	
KPI 關鍵績效指標	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	描述防範措施及舉報程序，以及相關執行及監察方法。	42	
KPI 關鍵績效指標	B7.3	Description of anti-corruption training provided to directors and staff.	描述向董事及員工提供的反貪污培訓。	42	
<i>Aspect B8: Community Investment</i> 層面B8：社區投資					
General Disclosure 一般披露	B8	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	有關以社區參與來瞭解發行人營運所在社區需要和確保其業務活動會考慮社區利益的政策	42-43	
KPI 關鍵績效指標	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	專注貢獻範疇(如教育、環境事宜、勞工需求、健康、文化、體育)。	42-43	
KPI 關鍵績效指標	B8.2	Resources contributed (e.g. money or time) to the focus area	在專注範疇所動用資源(如金錢或時間)	42-43	

Directors and Senior Management

董事及高級管理層

Executive Director

Mr. Huang Xiangbin (黃祥彬) (“Mr. Huang”), aged 56, founder of the Group, has been the Chairman and executive Director of our Group since April 2011. He is also the Co-Chief Executive Officer of the Company, with Mr. Jin Min jointly in charge of overall strategic planning and operation management. Mr. Huang has served as the director of Risun, the controlling shareholder of the Company, and all the subsidiaries of the Company except for Chengdu Sinco Pharmaceutical Technology Co., Ltd., Chengdu Hengsheng Ziguang Pharmaceutical Technology Co., Ltd., Sichuan Sinco Biological Technology Co., Ltd., Qingdao Ruichi Pharmaceuticals Co., Ltd., Sinco Shanghai Trading Co., Ltd. and Chengdu Sinco Pharmaceuticals Co., Ltd.. Prior to joining the Group, Mr. Huang was the director and chairman of Vast Surplus since November 2004 up until now, mainly responsible for strategic planning and operation of Vast Surplus. After Vast Surplus transferred its exclusive distribution rights to service Taurilite, TAD and Esafosfina to Hong Kong Prosperous Group Holding Limited in March 2015, it has no other business operations. Since then, Mr. Huang has been devoting a majority of his time to the Group’s business. In addition, Mr. Huang was also a founder, chief executive officer and director of Chengdu Ruixin Biopharmaceutical Technology Co., Ltd (“Ruixin”) from February 2004 to April 2011. The principal business of Ruixin was consultation in pharmaceutical products, providing marketing and promotion services as well as assisting in obtaining regulatory approvals and registrations for pharmaceutical products. However, the pharmaceutical products serviced by Ruixin were mainly traditional Chinese medicine extracts, which are different from those of the pharmaceutical products serviced by the Group. Ruixin was not engaged in any business which competed or was likely to compete, either directly or indirectly, with the Group’s business. Furthermore, Ruixin was jointly owned as to 50% by Mr. Huang and 50% by Mr. Chen Xiangui (an independent third party who is not considered a connected person or associate of a connected person of the Company under the Listing Rules (“Independent Third Party”)) and was never a member of the Group which was readily disposable for corporate reorganization solely based on Mr. Huang’s decision. As the management of Ruixin began to focus on the business development of the Group since Mr. Huang incorporated Sichuan Pharmaceuticals in 2011, Ruixin did not have any business or operations, which subsequently led to the passing of the shareholders’ resolutions on 22 September 2015 to voluntarily dissolve Ruixin.

Mr. Huang worked in the Drug Inspection Institute of Guangyuan (廣元市藥品檢驗所) from July 1988 to July 2004 as a pharmacist in charge of drug quality research as well as collection and delivery of drug safety information.

執行董事

黃祥彬先生(「黃先生」)，56歲，本集團創始人，自2011年4月起一直為本集團主席兼執行董事。彼亦為本公司聯席行政總裁，與金敏先生共同負責整體戰略策劃及經營管理。黃先生亦擔任本公司控股股東Risun的董事，以及除成都興科蓉醫藥技術有限公司、成都恒盛紫光醫藥技術有限公司、四川興科蓉生物科技有限公司、青島瑞馳藥業有限公司、興科蓉(上海)貿易有限公司及成都興科蓉醫藥有限公司以外本公司所有附屬公司的董事。加入本集團前，黃先生自2004年11月至今擔任鵬盈董事兼主席，主要負責鵬盈的戰略規劃及公司運營。鵬盈於2015年3月將其滔羅特、泰特及愛賽福的獨家經銷權轉讓予香港恒盛集團控股有限公司後無其他業務運營。自此，黃先生將其大部分時間投入到本集團業務中。此外，黃先生自2004年2月至2011年4月，亦一直為成都瑞欣生物醫藥技術有限公司(「瑞欣」)的創始人、行政總裁兼董事。瑞欣的主要業務是醫藥行業顧問，提供營銷及推廣服務，和協助獲取監管批文及進行藥品註冊。然而，瑞欣提供的藥品主要為傳統中藥精華類，不同於本集團提供的藥品種類。瑞欣並無從事與本集團業務直接或間接競爭或可能競爭的任何業務。此外，瑞欣分別由黃先生及陳賢貴先生(根據上市規則並不視為本公司關聯人士或關聯人士之聯繫人士的獨立第三方(「獨立第三方」)共同擁有50%及50%權益，不曾為本集團成員公司，故不可因公司重組而由黃先生全權決定將其出售。由於黃先生於2011年註冊成立四川興科蓉藥業以來，瑞欣管理層開始注重本集團業務發展，而瑞欣本身並無任何業務或營運，隨後導致瑞欣股東於2015年9月22日通過股東決議案，自願解散瑞欣。

黃先生自1988年7月至2004年7月擔任廣元市藥品檢驗所的藥劑師，負責藥品質量研究、藥品安全信息收集和報送。

Directors and Senior Management 董事及高級管理層

Mr. Huang had been a director of Beijing Guangtong Shidai Medical Consulting Company Limited (北京廣通時代醫藥投資顧問有限公司) (“Beijing Guangtong”), a limited liability company established in the PRC in 2003, since its establishment up until 2004. Prior to the revocation of its business license, Beijing Guangtong was owned as to 50%, 40% and 10% by Mr. Huang, Mr. You Fei and Mr. You Hao, respectively. Both Mr. You Fei and Mr. You Hao are Independent Third Parties. Mr. Huang confirmed that at the time of the revocation of the business license of Beijing Guangtong, he was not involved in the daily operation of Beijing Guangtong as he was focusing on the development of Ruixin’s business. To the best of Mr. Huang’s knowledge, Beijing Guangtong had ceased attending annual inspection (年檢) as it had no business operation, resulting in its business license being revoked subsequently on 26 November 2004. Mr. Huang confirmed that there is no wrongful act on his part leading to the revocation and he is not aware of any actual or potential claim that has been or will be made against him as a result of the revocation.

Mr. Huang obtained a master’s degree in EMBA from Shanghai Jiao Tong University (上海交通大學) in December 2008 and obtained a certificate of completion from the MBA programme of Renmin University of China (中國人民大學) in August 2002. He also obtained a bachelor’s degree in botanical resources (野生植物資源) from Jilin Agriculture University (吉林農業大學) in July 1988. Mr. Huang has been studying in the Université Paris – Dauphine under the Executive Doctorate in Business Administration (EDBA) program since December 2013.

黃先生自北京廣通時代醫藥投資顧問有限公司(「北京廣通」)(一家於2003年在中國成立的有限公司)成立之時起至2004年為該公司董事。北京廣通被撤銷營業執照前，由黃先生、游飛先生及游浩先生均為分別持有其50%、40%及10%的股權。游飛先生及游浩先生均為獨立第三方。黃先生確認當北京廣通被撤銷營業執照時，彼因專注瑞欣業務發展而無參與北京廣通日常營運。就黃先生所深知，由於北京廣通並無業務營運，故不再參加年檢，因而於2004年11月26日被撤銷營業執照。黃先生確認本身並無不當行為導致該執照遭撤銷，據其所知本身亦無因執照遭撤銷而遭導致任何實際或潛在申索。

黃先生於2008年12月獲得上海交通大學高級管理人員工商管理碩士學位，並於2002年8月自中國人民大學獲得工商管理碩士課程結業證書。彼亦於1988年7月獲吉林農業大學頒發野生植物資源學士學位，並自2013年12月起攻讀巴黎第九大學高級工商管理博士學位。

Independent non-executive Directors

Mr. Lau Ying Kit (劉英杰) (“Mr. Lau”), aged 48, was appointed as an independent non-executive Director with effect from 8 November 2018. Mr. Lau is currently the finance and investor relations director, company secretary of Dalipal Holdings Limited (Stock Code: 1921). He is also an independent non-executive director of Kingdom Holdings Limited (Stock Code: 528), United Strength Power Holdings Limited (Stock Code: 2337) and Kongli International Holdings Limited (Stock Code: 6890). Mr. Lau was an independent non-executive director of China Wood Optimization (Holding) Limited (Stock Code: 1885) from December 2013 to February 2022, and from May 2012 to October 2020, he served as an independent non-executive director of Xiezhong International Holdings Limited, which was delisted on the main board of the Stock Exchange on 5 July 2021. Mr. Lau is a fellow member of the Hong Kong Institute of Certified Public Accountants and holds a master’s degree in finance from the City University of Hong Kong. He has extensive experience in finance and accounting in China and Hong Kong.

Mr. Wang Qing (汪晴) (“Mr. Wang”), aged 57, was appointed as an independent non-executive Director with effect from 1 February 2016, mainly responsible for supervising and providing independent judgment to the Board. Mr. Wang worked at Dalian University of Technology (大連理工大學) from April 2003 up until now. Mr. Wang served as an associate professor when he first joined Dalian University of Technology and was later promoted to professor in November 2010, responsible for research and development and teaching. Mr. Wang is currently the director of the Department of Pharmacy in the School of Pharmaceutical Sciences at Dalian University of Technology. From July 1986 to September 1997, Mr. Wang worked as a pharmacist supervisor at Liaoning Provincial Medical Company Limited (遼寧省藥材有限責任公司), where he was responsible for drugs inspection and evaluation and participated in research and technical renovation.

Mr. Wang obtained his Ph.D. in therapy system from Kyushu Institute of Technology (九州島工業大學) in Japan in March 2003 and a master’s degree in therapy system from Kyushu Institute of Technology in March 2000. Mr. Wang obtained his bachelor’s degree in medicinal plants from Jilin Agricultural University (吉林農業大學) in July 1986.

獨立非執行董事

劉英杰先生 (「劉先生」)，48歲，獲委任為獨立非執行董事，自2018年11月8日起生效。劉先生現為達力普控股有限公司(股份代號：1921)的財務及投資者關係總監、公司秘書。他同時為金達控股有限公司(股份代號：528)、眾誠能源控股有限公司(股份代號：2337)及康利國際控股有限公司(股份代號：6890)的獨立非執行董事。劉先生曾於2013年12月至2022年2月擔任中國優材(控股)有限公司(股份代號：1885)的獨立非執行董事及彼曾於2012年5月至2020年10月擔任協眾國際控股有限公司的獨立非執行董事(已於2021年7月5日撤銷於聯交所主版上市)。劉先生為香港會計師公會資深會員，並持有香港城市大學金融學碩士學位。彼於中國和香港有豐富的金融及會計經驗。

汪晴先生 (「汪先生」)，57歲，獲委任為獨立非執行董事，自2016年2月1日起生效，主要負責監督董事會並為其提供獨立意見。汪先生自2003年4月至今任職於大連理工大學，最初擔任副教授，隨後於2010年11月晉升為教授，負責研發及教學。目前汪先生擔任大連理工大學化學工程學院藥學系主任。自1986年7月至1997年9月，汪先生擔任遼寧省藥材有限責任公司的藥劑師監督員，負責藥品監督與評估，並參與研究及技術創新。

汪先生於2003年3月獲得日本九州島工業大學治療系統學博士學位，於2000年3月獲得九州島工業大學治療系統學碩士學位。汪先生於1986年7月獲得吉林農業大學藥用植物學學士學位。

Mr. Liu Wenfang (劉文芳) (“Mr. Liu”), aged 84, was appointed as an independent non-executive Director with effect from 1 February 2016, mainly responsible for supervising and providing independent judgment to the Board. Prior to joining our Group, from July 2017 to present, he serves as a senior technical consultant in Shanxi Kangbao Biological Product Co., Ltd (山西康寶生物製品股份有限公司). From July 2017 to September 2020, Mr. Liu Wenfang served as a senior technical consultant at China Biologic Products Inc. (泰邦生物製品有限公司), a company listed on NASDAQ (stock code: CBPO). From February 2011 to July 2017, he serves as an independent director of China Biologic Products Inc. From 2007 to 2011, Mr. Liu worked as a chief consultant at Sichuan Yuanda Shuyang Pharmaceuticals Co., Ltd. (四川遠大蜀陽藥業股份有限公司) where he was responsible for research and promoting new theories and applications in the medical field. From 2000 to 2007, he served as the chief engineer and director of Hualan Biological Engineering Inc. (華蘭生物工程股份有限公司) where he was responsible for supervising manufacturing process and quality management. From May 1998 to May 1999, Mr. Liu served as the chief engineer of Guiyang Qianfeng Biological Products Co., Ltd. (貴陽黔峰生物製品有限責任公司) where he was responsible for research and developing new products. From 1978 to 1988, Mr. Liu worked in the Institute of Blood Transfusion, Chinese Academy of Medical Sciences (中國醫學科學院輸血研究所) and was engaged in the segregation and purification of blood and protein and research, development and quality analysis of blood products.

Mr. Liu obtained a bachelor’s degree in biochemistry from the Shenyang Institute of Applied Ecology, Chinese Academy of Sciences (中國科學院瀋陽應用生態研究所) (formerly known as the Institute of Forestry and Soil Sciences) in August 1963.

Mr. Bai Zhizhong (白志中) (“Mr. Bai”), aged 64, was appointed as an independent non-executive Director with effect from 1 September 2020, mainly responsible for supervising and providing independent judgment to the Board. Mr. Bai has over 30 years of experience in the finance industry. Mr. Bai served as the chairman of Bank of China Investment Management Company Limited from January 2015 to June 2017. He worked with the Bank of China from July 1995 to January 2015, where he had previously served as the president of the Guangdong province branch, the Sichuan province branch, the Ningxia Hui Autonomous Region branch and the Guangxi Zhuang Autonomous Region branch of Bank of China, and he served as the head of comprehensive planning division of Bank of China, Shanxi Province branch.

Mr. Bai obtained a master degree in business administration from Shanghai Jiao Tong University, the PRC in 2007, and he was qualified as a senior economist of Bank of China Assessment Committee of Qualifications in Economic Professional Positions (中國銀行經濟專業技術職務資格評審委員會) in December 1994.

劉文芳先生(「劉文芳先生」)，84歲，獲委任為獨立非執行董事，自2016年2月1日起生效，主要負責監督董事會並為其提供獨立意見。加入本集團之前，自2017年7月至今，彼於山西康寶生物製品股份有限公司擔任公司高級技術顧問。自2017年7月至2020年9月，劉文芳先生於納斯達克上市公司泰邦生物製品有限公司(股份代號：CBPO)擔任高級技術顧問。自2011年2月至2017年7月，彼於泰邦生物製品有限公司擔任獨立董事。自2007年至2011年，劉先生擔任四川遠大蜀陽藥業股份有限公司首席顧問，負責研究及推廣醫藥領域的新理論及應用。自2000年至2007年，彼擔任華蘭生物工程股份有限公司首席工程師及董事，負責監督製造過程及質量管理。自1998年5月至1999年5月，劉先生擔任貴陽黔峰生物製品有限責任公司首席工程師，負責研發新產品。自1978年至1988年，劉先生於中國醫學科學院輸血研究所工作，從事血液及蛋白質分離純化及血製品研發與質量分析。

劉先生於1963年8月獲得中國科學院瀋陽應用生態研究所(前身為林業土壤研究所)生物化學學士學位。

白志中先生(「白先生」)，64歲，獲委任為獨立非執行董事，自2020年9月1日起生效，主要負責監督董事會並為其提供獨立意見。白先生於金融業擁有逾30年經驗。自2015年1月至2017年6月，白先生擔任中銀基金管理有限公司董事長。自1995年7月至2015年1月，彼於中國銀行任職，過往曾任中國銀行廣東省分行、四川省分行、寧夏回族自治區分行及廣西壯族自治區分行行長，並曾任中國銀行山西省分行綜合計劃處處長。

白先生於2007年取得中華人民共和國上海交通大學工商管理專業碩士學位，並於1994年12月獲得由中國銀行經濟專業技術職務資格評審委員會認可的高級經濟師。

Senior Management

Mr. Jin Min (金敏) (“Mr. Jin”), aged 44, joined our Group in February 2014 as the vice president of the Marketing department of Sichuan Sinco Pharmaceuticals Co., Ltd. and was appointed as a co-chief executive officer of the Company in November 2020, with Mr. Huang Xiangbin jointly in charge of the Group’s overall business development, operation and management. Mr. Jin has over 19 years of experience in the pharmaceutical industry. Before joining the Group, Mr. Jin worked with Guangzhou Pharmaceuticals Co., Ltd. (廣州醫藥股份有限公司) from August 2001 to January 2014, and last served as the director of the marketing department, responsible for product promotion and management. Mr. Jin obtained a bachelor’s degree in management in June 2001 and obtained a bachelor’s degree in science in June 2000, both from Sun Yat-sen University, the PRC.

Mr. Li Yifan (李一帆) (“Mr. Li”), aged 42, joined our Group in February 2015 and was appointed as the Chief Financial Officer of the Company in June 2015, mainly responsible for the overall financial strategic planning, internal control system management, and financing management of the Group. Mr. Li is also the director of Sichuan Sinco Pharmaceuticals Co., Ltd.. Mr. Li has over 10 years of experience in accounting and financial management. Before joining the Group, Mr. Li worked for China Polymetallic Mining Limited, a company listed on the HKSE (stock code: 2133) from March 2011 to January 2015, and last served as the deputy chief financial officer responsible for financial accounting and management. From February 2005 to February 2011, Mr. Li successively served as an auditor of the Shenzhen Branch and a senior auditor of the Chengdu branch of Ernst & Young Hua Ming LLP. Mr. Li obtained a Master of Science in Finance degree from the University of Stirling in January 2005 and graduated from Southwestern University of Finance and Economics (西南財經大學) in July 2002 with a bachelor’s degree in management. Mr. Li has been a Chinese certified public accountant since January 2012.

高級管理層

金敏先生(「金先生」)，44歲，於2014年2月加入本集團擔任四川興科蓉藥業有限責任公司的營銷副總裁。於2020年11月獲委任為本公司聯席行政總裁，與黃祥彬先生共同負責本集團整體業務發展、營運及管理。金先生於醫藥行業擁有逾19年經驗。加入本集團前，金先生自2001年8月至2014年1月任職廣州醫藥股份有限公司，離職前擔任營銷部總監，負責產品營銷及管理。金先生於2001年6月取得中華人民共和國中山大學管理學學士學位，於2000年6月取得中華人民共和國中山大學理學學士學位。

李一帆先生(「李先生」)，42歲，於2015年2月加入本集團，於2015年6月獲委任為本公司首席財務官，主要負責本集團的整體財務戰略策劃、內部控制系統管理及融資管理。李先生亦為四川興科蓉藥業有限責任公司的董事。李先生有逾10年會計及財務管理經驗。加入本集團前，李先生自2011年3月至2015年1月任職香港聯交所上市公司中國多金屬礦業有限公司(股份代號：2133)，離職前擔任財務副總監，負責財務會計及管理。自2005年2月至2011年2月，李先生先後擔任安永華明會計師事務所深圳分公司核算師及成都分公司高級核算師。李先生於2005年1月獲得斯德靈大學金融學理學碩士學位，於2002年7月畢業於西南財經大學並獲得管理學學士學位。李先生於2012年1月獲得中國註冊會計師資格。

Mr. Zhang Tao (“Mr. Zhang”), aged 38, joined our Group in November 2013 and was appointed as the general manager of Sichuan Sinco Pharmaceuticals Co., Ltd. in November 2020, mainly responsible for its overall operation and management. Mr. Zhang was successively the director of president office and deputy general manager of Sichuan Sinco Pharmaceuticals Co., Ltd.. Mr. Zhang is also the director of Chengdu Sinco Pharmaceutical Technology Co., Ltd., Sichuan Biological Technology Co., Ltd. and Chengdu Hengsheng Ziguang Pharmaceutical Technology Co., Ltd.. Mr. Zhang has over 10 years of experience in the pharmaceutical industry. Prior to joining the Group, Mr. Zhang worked for Chengdu Huide Pharmaceutical Co., Ltd. (成都慧德醫藥科技有限公司) from July 2010 to July 2012 as the project manager of the R&D department and product registration manager successively. Mr. Zhang obtained a Master of Science in Clinical Pharmacology from University of Glasgow in December 2013 and graduated from Chengdu University of TCM (成都中醫藥大學) in July 2007 with a bachelor’s degree in pharmaceutical preparation. Mr. Zhang has been a licensed pharmacist since December 2010.

張濤先生(「張先生」)，38歲，於2013年11月加入本集團，於2020年11月獲委任為四川興科蓉藥業有限責任公司總經理，主要負責其整體業務運營管理工作。張先生此前曾在四川興科蓉藥業有限責任公司先後任職總裁辦公室主任及常務副總經理。張先生亦為成都興科蓉醫藥技術有限責任公司、四川興科蓉生物技術有限公司及成都恒盛紫光醫藥技術有限責任公司的董事。張先生有逾10年醫藥行業從業經驗。加入本集團前，張先生曾在2010年7月至2012年7月期間在成都慧德醫藥科技有限公司先後任職研發項目經理及藥品註冊經理。張先生於2013年12月獲得格拉斯哥大學臨床藥理學碩士學位，於2007年7月畢業於成都中醫藥大學並獲得藥物製劑學士學位。於2010年12月獲得執業藥師資格。

Report of the Directors

董事會報告

The Board hereby presents its report together with the audited consolidated financial statements of the Group for the Reporting Period.

Principal Activities

The principal activity of the Company is investment holding and the Group is principally engaged in the provision of comprehensive marketing, promotion and channel management service for imported pharmaceutical products and medical devices in China. The analysis of the revenue of the principal activities of the Group during the Reporting Period is set out in the note 4 to the consolidated financial statements.

Business Review and Results

A review of the business of the Group during the Reporting Period is provided in "Management Discussion and Analysis" on pages 10 to 27. An analysis of the Group's performance during the Reporting Period using financial key performance indicators is provided in the Financial Highlights on pages 4 to 5 of this annual report.

The results of the Group for the Reporting Period are set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on page 98 of this annual report.

Final Dividends

The Directors do not recommend a final dividend for the Reporting Period.

Closure of the Register of Members

The register of members of the Company will be closed from Tuesday, 10 May 2022 to Friday, 13 May 2022, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the forthcoming AGM to be held on Friday, 13 May 2022. To be eligible for attending and voting at the AGM, all transfer documents, as well as relevant share certificates and transfer forms must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Friday, 6 May 2022.

Financial Summary

A summary of the Group's results, assets, liabilities for the last five financial years are set out on pages 4 to 5 of this annual report. This summary does not form part of the audited consolidated financial statements.

董事會謹此提呈其報告連同本集團於報告期的經審核綜合財務報表。

主要業務

本公司的主要業務為投資控股，而本集團主要於中國為進口藥品及醫療器械提供綜合性營銷、推廣及渠道管理服務。本集團於報告期內的主要業務收益分析載列於綜合財務報表附註4。

業務回顧及業績

本集團於報告期內的業務回顧載於第10至27頁的「管理層討論及分析」。運用財務關鍵表現指標對本集團於報告期內的表现進行的分析載於本年報第4至5頁的財務摘要。

本集團於報告期的業績載於本年報第98頁的綜合損益及其他全面收益表。

末期股息

董事並無建議派發報告期的末期股息。

暫停辦理股份過戶登記手續

為釐定有權出席於2022年5月13日(星期五)舉行的應屆股東週年大會的股東身份，本公司將於2022年5月10日(星期二)至2022年5月13日(星期五)(包括首尾兩日)暫停辦理股份過戶登記手續。為符合資格出席股東週年大會並於會上投票，所有過戶文件連同相關股票及過戶表格，須於2022年5月6日(星期五)下午四時三十分送交本公司香港證券登記分處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712至1716號舖。

財務概要

本集團過去5個財政年度的業績、資產、負債的概要載於本年報第4至5頁。本概要並不構成經審核綜合財務報表的一部分。

Major Customers and Suppliers

For the Reporting Period, the Group's products purchased from the largest supplier accounted for 96.8% (2020: 96.6%) of total products purchased, and products purchased from five largest suppliers accounted for 100% (2020: 100%) of our total products purchased.

For the Reporting Period, the Group's sales to largest customer accounted for 28.0% (2020: 33.1%) of our total revenue, and sales to the five largest customers accounted for 38.9% (2020: 56.8%) of our total revenue.

None of the Directors or any of their close associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any interest in the Group's five largest customers and suppliers.

Property, Plant and Equipment

Details of movements in the property, plant and equipment of the Group during the Reporting Period are set out in note 11 to the consolidated financial statements.

Subsidiaries

Details of the major subsidiaries of the Company as at 31 December 2021 are set out in note 1 to the consolidated financial statements.

Share Capital

Details of movements in the share capital of the Company during the Reporting Period are set out in note 24 to the consolidated financial statements.

Reserves

Details of movements in the reserves of the Group during the Reporting Period are set out on page 101 in the consolidated statement of changes in equity.

Distributable Reserves

As at 31 December 2021, the Company's reserves available for distribution, calculated in accordance with the provisions of Cayman Companies Law of the Cayman Islands and the Articles of Association, amounted to approximately RMB77.4 million (as at 31 December 2020: RMB8.6 million).

Bank and Other Borrowings

Particulars of bank and other borrowings of the Group as at 31 December 2021 are set out in note 23 to the consolidated financial statements.

主要客戶及供應商

報告期內，本集團向最大供應商採購的產品佔總採購產品的96.8%（2020年：96.6%），向五大供應商採購的產品則佔我們總採購產品的100%（2020年：100%）。

報告期內，本集團向最大客戶作出的銷售額佔我們總收益的28.0%（2020年：33.1%），向五大客戶作出的銷售額則佔我們總收益的38.9%（2020年：56.8%）。

概無董事或彼等的任何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）於本集團五大客戶及供應商中擁有任何權益。

物業、廠房及設備

於本集團報告期內的物業、廠房及設備變動詳情載於綜合財務報表附註11。

附屬公司

本公司於2021年12月31日的主要附屬公司詳情載於綜合財務報表附註1。

股本

本公司於報告期內的股本變動詳情載於綜合財務報表附註24。

儲備

本集團於報告期內的儲備變動詳情載於第101頁的綜合權益變動表。

可供分派儲備

於2021年12月31日，本公司根據開曼群島公司法條文及組織章程細則計算的可供分派儲備約為人民幣77.4百萬元（於2020年12月31日：人民幣8.6百萬元）。

銀行及其他借款

本集團於2021年12月31日的銀行及其他借款詳情載於綜合財務報表附註23。

Share Option Scheme

Pursuant to a resolution passed by the Shareholders, the Company had adopted the Share Option Scheme which became effective on 10 March 2016 (the "Listing Date").

1. Purpose

The purpose of the Share Option Scheme is to provide an incentive or reward for Eligible Participants (defined below) for their contribution or potential contribution to the Company and/or any of its subsidiaries.

2. Eligible participants

The Board may subject to and in accordance with the provisions of the Share Option Scheme and the Listing Rules, at its discretion grant options to any full-time or part-time employees, including executives, senior management or officers (including executive, non-executive and independent non-executive directors) of the Company, its subsidiaries or any entity in which the Group holds any equity interest, and to any company wholly owned by one or more persons belonging to any of the above classes of participants who, in the absolute discretion of the Board has contributed or will contribute to the Group (collectively, the "Eligible Participants").

3. Life of the Share Option Scheme

The Share Option Scheme shall be valid and effective for a period of ten years from 1 February 2016, after which time no further option will be granted.

4. Total number of Shares available for issue

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme shall not, in aggregate, exceed 160,000,000, representing 7.87% of the issued share capital of the Company as at the date of this report.

5. Maximum entitlement of each participant

Unless approved by Shareholders, the total number of Shares issued and to be issued upon exercise of options granted to any participant (including exercised and outstanding options) under the Share Option Scheme in any 12-month period up to the date of grant shall not exceed 1% of the total shares in issue.

購股權計劃

根據股東通過的一項決議案，本公司已採納購股權計劃，其已於2016年3月10日（「上市日期」）生效。

1. 目的

購股權計劃旨在向已經向本公司及／或其任何附屬公司作出貢獻或即將作出貢獻的合資格參與者（定義見下文）提供獎勵或回報。

2. 合資格參與者

董事會依循及遵照購股權計劃的條款及上市規則可全權酌情將購股權授予本公司、其附屬公司或本集團持有任何股權的任何實體的任何全職或兼職僱員（包括行政人員、高級管理人員或高級職員（包括執行董事、非執行董事及獨立非執行董事）），以及董事會全權酌情認為已向或向本集團作出貢獻的任何一名或多名上述類別參與者（統稱「合資格參與者」）全資擁有的任何公司。

3. 購股權計劃的期限

購股權計劃自2016年2月1日起計十年期間有效及生效，之後不會進一步授出購股權。

4. 可供發售股份總數

因行使根據購股權計劃所授全部購股權而可能發行的最高股份數目，合共不得超過160,000,000股股份，佔本公司於本報告日期已發行股份的7.87%。

5. 每位參與者可享有的最高股份數目

除非經股東批准，於截至授出日期的任何12個月期間內因行使根據購股權計劃已授予各參與者的購股權（包括已行使及尚未行使的購股權）而已發行及將發行的股份總數，不得超逾已發行股份總數的1%。

6. Offer period and amount payable for options

An option may be accepted by an Eligible Participant within 15 days from the date of the offer of grant of the option. A nominal consideration of HK\$1.00 is payable upon acceptance of the grant of option.

7. Minimum period for which an option must be held before it can be exercised

The period during which an option must be held before it can be exercised in accordance with the terms of the Share Option Scheme shall be one year after the date on which the option is granted. The Board may in its absolute discretion impose further restrictions on the exercise of the option.

8. Period within which the Share must be taken up

Subject to the discretion of the Board who may impose restrictions on the exercise of the option, any option may be exercised one year after the date on which the options is granted and shall expire on the earlier of the last day of (i) a six year period from the date of such grant and (ii) the expiration of the Share Option Scheme.

9. Basis of determining the subscription price

The price per Share at which a Grantee may subscribe for Shares upon exercise of an option (the "Exercise Price") shall be a price determined by the Board but in any event shall be at least the highest of:

- (i) The closing price of the Shares as stated in the HKSE's daily quotations sheets on the date on which the option is granted;
- (ii) The average closing price of the Shares as stated in the HKSE's daily quotations sheets for the five business days immediately preceding the date of grant of that option; and
- (iii) The nominal value of the Shares.

10. The remaining life of the Share Option Scheme

The Share Option Scheme will remain in force for a period of 10 years commencing on 10 March 2016. The remaining life of the Share Option Scheme is 3 years and 11 months.

6. 發售期及購股權應付金額

合資格參與者可於要約授出購股權日期起計15日內接納購股權。於接納獲授購股權時須支付名義代價1.00港元。

7. 可行使購股權前必須持有的最短期限

根據購股權計劃的條款，可行使購股權前必須持有的期限自授出購股權當日起計為期一年。董事會可全權酌情對行使購股權施加進一步限制。

8. 接納股份的期限

在董事會可酌情限制行使購股權的規限下，購股權可於授出購股權日期後一年行使，並於下列較早期限的最後一日屆滿：(i)授出日期起計六年期限；及(ii)購股權計劃期滿。

9. 釐定認購價的基準

承授人行使購股權時可能認購股份的每股股份價格(「行使價」)乃由董事會釐定，惟於任何情況下不得低於下列三者中的最高者：

- (i) 股份於授出購股權日期在香港聯交所日報表所載的收市價；
- (ii) 股份於緊接授出購股權日期前五個營業日在香港聯交所日報表所載的平均收市價；及
- (iii) 股份面值。

10. 購股權計劃的剩餘年期

購股權計劃自2016年3月10日起計10年期間有效。購股權計劃的剩餘年期為三年十一個月。

The summary of the options granted under the Share Option Scheme that were still outstanding as at 1 January 2021 and 31 December 2021 are as follows:

根據購股權計劃授出而於2021年1月1日及2021年12月31日仍尚未行使的購股權概述如下：

Grantee's name 承授人姓名	On 1 January 2021 於2021年 1月1日	Number of Options 購股權數目				On 31 December 2021 於2021年 12月31日	Exercise Price ⁽¹⁾ 行使價 ⁽¹⁾	Date of grant 授出日期	Exercise period ⁽²⁾ 行使期 ⁽²⁾
	Granted 授出	Exercised 行使	Cancelled 註銷	Forfeited ⁽³⁾ 沒收 ⁽³⁾					
Employees in aggregate 僱員合共	15,650,000	0	12,000,000	0	2,500,000	1,150,000	HK\$0.568 0.568港元	21 September 2016 2016年9月21日	21 September 2017– 20 September 2022 2017年9月21日至 2022年9月20日

Notes:

附註：

- (1) The exercise price represents not less than the highest of (i) the closing price of HK\$0.540 per Share as stated in the HKSE's daily quotation sheets on 21 September 2016, being the date of such grant; (ii) the average closing price of HK\$0.568 per Share as stated in the HKSE's daily quotation sheets for five business days immediately preceding the date of such grant; and (iii) the nominal value of the Share at HK\$0.0001 per Share.
 - (2) 40% of the options granted shall be vested and can be exercised upon one year commencing the date of such grant (i.e. 21 September 2017) and a continuous employment of one year. Another 30% of the options granted, shall be vested and can be exercised upon two years commencing the date of such grant (i.e. 21 September 2018) and a continuous employment of two years. The remaining 30% of the options granted, shall be vested and can be exercised upon three years commencing the date of such grant (i.e. 21 September 2019) and a continuous employment of three years.
 - (3) 2,500,000 share options granted to several employees were forfeited two months after their cessation of employment.
- (1) 行使價不低於以下三者中的最高者：(i)於2016年9月21日(即有關授出日期)在香港聯交所日報表所載的收市價每股0.540港元；(ii)股份於緊接有關授出日期前五個營業日在香港聯交所日報表所載的平均收市價每股0.568港元；及(iii)股價面值每股0.0001港元。
 - (2) 授出購股權的40%將自有關授出日期起計一年(即2017年9月21日)且持續受僱一年後可予歸屬及行使。授出購股權的另外30%將自有關授出日期起計兩年(即2018年9月21日)且持續受僱兩年後可予歸屬及行使。授出購股權的餘下30%將自有關授出日期起計三年(即2019年9月21日)且持續受僱三年後可予歸屬及行使。
 - (3) 授予若干僱員的2,500,000份購股權於彼等終止受聘之日起兩個月後被沒收。

Equity-linked Agreements

Other than the Share Option Scheme of the Company as disclosed above, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the Reporting Period or subsisted at the end of the Reporting Period.

Directors

The Directors during the Reporting Period and up to the date of this report were:

Executive Directors

Mr. Huang Xiangbin (*Chairman and Chief Executive Officer*)

Ms. Zhang Zhijie (*resigned on 8 January 2021*)

Independent Non-Executive Directors

Mr. Lau Ying Kit

Mr. Wang Qing

Mr. Liu Wenfang

Mr. Bai Zhizhong

In accordance with article 16.18 of the Articles of Association, Mr. Huang Xiangbin and Mr. Wang Qing will retire and being eligible, have offered themselves for re-election as Directors at the forthcoming AGM.

Details of the Directors to be re-elected at the forthcoming AGM are set out in the circular to the Shareholders.

股票掛鈎協議

除上文所披露的本公司購股權計劃，本公司於報告期內並無訂立或於報告期末存續任何股票掛鈎協議，而將會或可能導致本公司發行股份，或規定本公司訂立任何將會或可能導致本公司發行股份的協議。

董事

於報告期內及直至本報告日期，董事為：

執行董事

黃祥彬先生(*主席兼行政總裁*)

張志傑女士(*於2021年1月8日辭任*)

獨立非執行董事

劉英傑先生

汪晴先生

劉文芳先生

白志中先生

根據組織章程細則第16.18條，黃祥彬先生及汪晴先生將於應屆股東週年大會上退任，且合資格並願意重選連任董事。

將於應屆股東週年大會上重選的董事詳情載於寄發予股東的通函。

Directors' and Senior Management's Biographies

Biographical details of the Directors and senior management of the Group are set out on pages 51 to 56 of this annual report.

Confirmation of Independence of Independent Non-Executive Directors

The Company has received a confirmation of independence pursuant to rule 3.13 of the Listing Rules from each of the independent non-executive Directors and the Company considers such Directors to be independent in accordance with rule 3.13 of the Listing Rules.

Directors' Service Contracts and Letter of Appointments

The executive Director has entered into a service agreement with the Company for a term of three years commencing from the date of service agreement, which may be terminated by not less than three months' notice in writing served by either party to the other.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company for an initial term of three years commencing from the date of the letter of appointment, which may be terminated by not less than three months' notice in writing served by either part to the other.

None of the Directors proposed for re-election at the forthcoming AGM has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

Directors' Interests in Transactions, Arrangements or Contracts of Significance

Other than those transactions disclosed in note 29 to the consolidated financial statements, no transactions, arrangements or contracts of significance in relation to the business of the Group to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director had, directly or indirectly, a material interest subsisted during or at the end of the Reporting Period.

董事及高級管理層履歷

本集團董事及高級管理層的履歷詳情載於本年報第51至56頁。

獨立非執行董事的獨立性確認書

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出的獨立性確認書，本公司認為，該等董事均為根據上市規則第3.13條的獨立人士。

董事服務合約及委聘函

執行董事與本公司訂立服務協議，年期自服務協議日期起計為期三年，可由任何一方向另一方發出不少於三個月書面通知予以終止。

各獨立非執行董事與本公司訂立委聘函，初步任期自委聘函日期起計為期三年，可由任何一方向另一方發出不少於三個月書面通知予以終止。

概無擬於即將舉行的股東週年大會上膺選連任的董事訂立本集團不可於一年內免付賠償(法定補償除外)而終止的服務合約。

董事於重大交易、安排或合約的權益

除於綜合財務報表附註29所披露的該等交易外，於報告期內或期末，本公司或其任何附屬公司概無訂立對本集團業務而言屬重大，且董事或與董事相關的實體於當中直接或間接擁有重大權益的任何交易、安排或合約。

Directors' Interest in Competing Business

None of the Directors or their respective associates had engaged in or had any interest in any business which competes or may compete, either directly or indirectly, with the business of the Group during the Reporting Period.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Reporting Period.

Employees and Emolument Policy

As of 31 December 2021, the Group had an aggregate of 120 full-time employees. The remuneration committee of the Company (the "Remuneration Committee") was set up for reviewing the Group's emolument policy and structure for remuneration of all Directors and senior management of the Group, having regard to the Group's operating results, individual performance of the Directors and senior management and comparable market practices.

Remuneration of Directors and Five Individuals with Highest Emoluments

Details of the emoluments of the Directors and five highest paid individuals are set out in note 8 to the consolidated financial statements.

Changes to Information in Respect of Directors

Up to date of this report, there were no changes to information which are required to be disclosed and had been disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules.

Directors' Rights to Acquire Shares or Debentures

Save as otherwise disclosed in this report, no rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company were granted to any Director or their respective spouse or children under 18 years of age, nor were any such rights exercised by them. Neither the Company nor any of its subsidiaries was a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate during the Reporting Period.

董事於競爭業務的權益

於報告期內，董事或彼等各自的聯繫人概無從事對本集團業務構成或可能構成直接或間接競爭的任何業務或於當中擁有任何權益。

管理合約

於報告期內，概無訂立或存在有關管理及經營本公司所有或任何重大部分業務的合約。

僱員及薪酬政策

截至2021年12月31日，本集團共有120名全職僱員。本公司薪酬委員會（「薪酬委員會」）已告成立，以審閱本集團的薪酬政策及本集團全體董事及高級管理層的薪酬結構，當中已考慮本集團的經營業績、董事及高級管理層的個別表現以及可資比較市場慣例。

董事及五名最高薪人士的酬金

董事及五名最高薪人士的酬金詳情載於綜合財務報表附註8。

董事資料變更

截至本報告日期，根據上市規則第13.51(2)條第(a)至(e)段及(g)段董事須予披露且已披露的資料並無變更。

董事收購股份或債券的權利

除本報告另有披露者外，概無授予任何董事或彼等各自的配偶或未滿18歲子女任何以收購本公司股份或債券方式獲得利益的權利，彼等亦無行使任何有關權利。於報告期內，本公司及其任何附屬公司概無訂立任何令董事或彼等各自的配偶或未滿18歲子女獲得任何其他法人團體有關權利的安排。

Directors' and Chief Executive's Interests and Short Position in Shares, Underlying Shares and Debentures

As at 31 December 2021, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the HKSE pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which were taken or deemed to have under provisions of the SFO), or (ii) which were required, pursuant to section 352 of the SFO, to be entered into the register maintained by the Company, or (iii) which were required to be notified to the Company and the HKSE pursuant to Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules were as follows:

(i) Interest in Shares or Underlying Shares of the Company

董事及主要行政人員於股份、相關股份及債券中的權益及淡倉

於2021年12月31日，董事及本公司主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債券中，擁有(i)根據證券及期貨條例第XV部第7及8分部須知本公司及香港聯交所的權益及淡倉（包括根據證券及期貨條例有關條文，彼等被當作或被視為擁有的任何權益及淡倉），或(ii)根據證券及期貨條例第352條須記錄於本公司存置的登記冊內的權益及淡倉，或(iii)根據上市規則附錄十所載上市發行人董事進行證券交易的標準守則須知會本公司及香港聯交所的權益及淡倉如下：

(i) 於本公司股份或相關股份的權益

Name of Director and chief executive 董事及主要行政人員姓名	Nature of Interest 權益性質	Number of Shares or underlying Shares ⁽¹⁾ 股份或相關股份數目 ⁽¹⁾	Approximate percentage of shareholding interest ⁽³⁾ 股權概約百分比 ⁽³⁾
Mr. Huang ⁽²⁾ 黃先生 ⁽²⁾	Interest in controlled corporation 於受控法團的權益	1,050,000,000(L)	56.06%
Jin Min 金敏	Beneficial owner 實益擁有人	13,680,000(L)	0.73%

Notes:

- (1) The Letter "L" denotes the person's long position in the Shares.
- (2) Mr. Huang is the settlor of a trust in which Wickhams Cay Trust Company Limited is the trustee and holds the entire interest in Fullwealth Holdings Limited, which in turn holds the entire beneficial interest in Risun. Mr. Huang is deemed to be interested in the 1,050,000,000 Shares beneficially held by Risun.
- (3) The calculation is based on the total number of 1,872,890,585 Shares in issue as at 31 December 2021.

附註：

- (1) 字母「L」指該名人士於股份所持有的好倉。
- (2) 黃先生為一項信托的財產授予人，其中 Wickhams Cay Trust Company Limited 為該信托的受托人並持有 Fullwealth Holdings Limited 全部權益，而 Fullwealth Holdings Limited 持有 Risun 全部實益權益。黃先生被視為擁有 Risun 實益所持 1,050,000,000 股股份的權益。
- (3) 該百分比乃根據於 2021 年 12 月 31 日總數 1,872,890,585 股已發行股份而計算得出。

Saved as disclosed above, as at 31 December 2021, none of the Directors and the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded in the register of the Company required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the HKSE pursuant to the Model Code.

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 31 December 2021, to the best knowledge of the Directors, the following person/entities (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

(i) Interest in the Company

除上文所披露者外，於2021年12月31日，本公司董事及主要行政人員概無於本公司或其相關聯法團(定義見證券及期貨第XV部)的股份，相關股份或債券中擁有或被視為擁有須記錄於本公司根據證券及期貨條例第352條規定須存置的登記冊內的權益或淡倉，或根據標準守則須另行知會本公司及香港聯交所的任何權益或淡倉。

主要股東於股份及相關股份中的權益及淡倉

於2021年12月31日，就董事所深知，根據本公司按照證券及期貨條例第336條須予存置的登記冊內所記錄，以下人士／實體(董事或本公司主要行政人員除外)於股份或相關股份中擁有根據證券及期貨條例第XV部及第2及3分部的條文須向本公司披露的權益或淡倉：

(i) 於本公司的權益

Name 名稱	Nature of Interest 權益性質	Number of Shares ⁽¹⁾ 股份數目 ⁽¹⁾	Approximate percentage of shareholding interest ⁽⁵⁾ 股權概約百分比 ⁽⁵⁾
Risun ⁽²⁾	Beneficial owner	1,050,000,000 (L)	56.06%
Risun ⁽²⁾	實益擁有人		
Fullwealth Holdings Limited	Interest in controlled corporation	1,050,000,000 (L)	56.06%
Fullwealth Holdings Limited	於受控法團的權益		
Wickhams Cay Trust Company Limited ⁽²⁾	Trustee	1,050,000,000 (L)	56.06%
Wickhams Cay Trust Company Limited ⁽²⁾	受托人		

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) Mr. Huang is the settlor of a trust in which Wickhams Cay Trust Company Limited is the trustee and holds the entire interest in Fullwealth Holdings Limited, which in turn holds the entire beneficial interest in Risun. Fullwealth Holdings Limited, Wickhams Cay Trust Company Limited and Mr. Huang are deemed to be interested in the 1,050,000,000 Shares beneficially held by Risun.
- (3) The calculation is based on the total number of 1,872,890,585 Shares in issue as at 31 December 2021.

附註：

- (1) 字母「L」指該名人士於股份所持有的好倉。
- (2) 黃先生為一項信托的財產授予人，其中 Wickhams Cay Trust Company Limited 為該信托的受托人並持有 Fullwealth Holdings Limited 全部權益，而 Fullwealth Holdings Limited 持有 Risun 全部實益權益。Fullwealth Holdings Limited、Wickhams Cay Trust Company Limited 及黃先生均被視為擁有 Risun 實益所持有 1,050,000,000 股股份的權益。
- (3) 該百分比乃根據於 2021 年 12 月 31 日總數 1,872,890,585 股已發行股份而計算得出。

Purchase, Sale or Redemption of Listed Securities

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

Connected Transaction

Details of the related party transactions undertaken by the Group are set out in note 29 to the consolidated financial statements. Pursuant to Rule 14A.90 of the Listing Rules, the guarantee provided by Mr. Huang as disclosed in note 26 to the consolidated financial statements is a connected transaction exempted from announcement, reporting, annual review and independent shareholders' approval requirements under Rule 14A.90 of the Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the above connected transaction.

Material Transaction During the Reporting Period

On 9 September 2021, the Company and its wholly-owned subsidiary entered into a master cooperation agreement and technological development agreements with Beijing Nuokangda Pharmaceutical Technology Co., Ltd. in relation to the development of polycaprolactone microsphere facial filler and its materials for injection at an aggregate consideration of RMB88,500,000. Through the said transactions, the Group intends to develop its medical aesthetic industry chain and gradually establish the dual business segments of pharmaceutical products and medical aesthetic products as its business development direction, leveraging the Group's expertise and experience in the provision of imported pharmaceutical products. For details, please refer to the announcements of the Company dated 9 September 2021 and 21 October 2021.

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Articles of Association or the Cayman Companies Law where the Company was incorporated, which would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

Tax Relief and Exemption

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

購買、出售或贖回上市證券

於報告期內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

關連交易

本集團進行的關聯方交易詳情載於綜合財務報表附註29。根據上市規則第14A.90條，於綜合財務報表附註26所披露由黃先生提供的擔保為獲豁免遵守上市規則第14A.90條的公告、申報、年度審核及獨立股東批准規定的關連交易。本公司已就上述關連交易遵守上市規則第14A章的披露規定。

於報告期內的重重大交易

於2021年9月9日，本公司及其全資附屬公司與北京諾康達醫藥科技股份有限公司就開發注射用聚己內酯微球面部填充劑及其材料訂立主合作協議及技術開發協議，總代價為人民幣88,500,000元。通過上述交易，憑藉本集團於進口藥品供應方面的專長及經驗，本集團擬開發其醫療美容產業鏈，並逐步建立藥品及醫療美容產品兩個業務分部，作為其業務發展方向。詳情請參閱本公司日期為2021年9月9日及2021年10月21日的公告。

優先權

組織章程細則或本公司註冊成立所在地開曼群島公司法概無條文規定本公司須向現有股東按比例發售新股的優先認購權條文。

稅務減免

董事並不知悉因任何股東持有本公司證券而享有任何稅務減免。

Non-Competition Undertaking

On 1 February 2016, Mr. Huang and Risun, the Group's controlling shareholders entered into a deed of non-competition in favour of the Company (for itself and on behalf of all members of the Group), pursuant to which they have undertaken, subject to and excepts as mentioned in the Prospectus, that they, would not, and would procure that none of their associates (other than any member of our Group) will directly or indirectly, engage in any business which competes or is likely to compete, directly or indirectly, with our Group's business as described in the Prospectus in the PRC or any other places in which our Group carries on business.

The Company has received confirmations from the controlling shareholders confirming their compliance with the deed of non-competition during the Reporting Period.

Permitted Indemnity Provision

As at the date of this report, all Directors of the Company were covered under the liability insurance purchased by the Company for its Directors.

Charitable Donations

During the Reporting Period, the Group made charitable donations of nil (2020: Nil).

Disclosure Under Rule 13.20 of the Listing Rules

The Directors are not aware of any circumstances resulting in the responsibilities of disclosure under rule 13.20 of the Listing Rules regarding the provision of advance by the Company to an entity.

Disclosure under Rule 13.21 of the Listing Rules

The Directors are not aware of any circumstances resulting in the responsibilities of disclosure under rule 13.21 of the Listing Rules.

Code of Conduct Regarding Directors' Securities Transactions

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry with the Directors, all the Directors confirmed that they had complied with such code of conduct throughout the Reporting Period.

Corporate Governance

The Company is committed to maintaining the highest standard of corporate governance practices. Information on the corporate governance practice adopted by the Company is set out in the Corporate Governance Report on pages 74 to 95 of this annual report.

不競爭承諾

於2016年2月1日，本集團的控股股東黃先生及Risun以本公司(為其本身及代表本集團所有成員公司)為受益人訂立不競爭契約，據此，根據招股書所述限制及若干例外情況，彼等承諾自身不會亦將促使其聯繫人(本集團任何成員公司除外)不會在中國或本集團業務所在其他地區直接或間接從事與招股書所述本集團業務直接或間接構成競爭或可能構成競爭的任何業務。

本公司已收到控股股東就彼等於報告期內已遵守不競爭契約的確認書。

獲准許的彌償條文

於本報告日期，本公司全體董事均已投保本公司為其董事購買的責任保險。

慈善捐款

於報告期內，本集團無慈善捐款(2020年：無)。

根據上市規則第13.20條作出披露

董事並不知悉有任何有關本公司向實體提供墊款而導致根據上市規則第13.20條須予披露的責任的情況。

根據上市規則第13.21條作出披露

董事並不知悉任何導致上市規則第13.21條項下披露責任的情況。

董事進行證券交易的操守守則

本公司已採用標準守則作為其董事進行證券交易的操守守則。經向董事作出具體查詢後，全體董事確認彼等於報告期內一直遵守該等操守守則。

企業管治

本公司致力於維持最高水平的企業管治常規。有關本公司所採納企業管治常規的資料載於本年報第74至95頁的企業管治報告。

Sufficiency of Public Float

Based on information publicly available to the Company and to the knowledge of the Directors, at least 25% of the Company's total issued share capital, the prescribed minimum percentage of public float approved by the HKSE and permitted under the Listing Rules, are held by the public at all times as of the date of this report.

Audit Committee

The principal duties of the audit committee of the Company ("Audit Committee") include the review and supervision of the Group's financial reporting system, the preparation of financial statements and internal control procedures. It also acts as an important link between the Board and the external auditor in matters within the scope of the group audit.

The annual results for the Reporting Period of the Company have been reviewed by the Audit Committee.

Auditor

Ernst & Young was appointed as auditor of the Company ("Auditor") since 20 July 2020 and is the Auditor for the Reporting Period. Crowe (HK) CPA Limited ("Crowe") was the Auditor before Ernst & Young and its resignation took into account various factors, including the professional risk associated with the audit, the level of audit fees and the availability of its internal resources in light of its current work flows. After considering the facts and circumstances, the Audit Committee, having been delegated to power to oversee the effectiveness of the external auditor, was of the view that it would be in the best interest of the Company and the Shareholders as a whole to replace Crowe with Ernst & Young. The Company had received a letter from Crowe confirming that there are no matters in connection with its resignation that needs to be brought to the attention of the Shareholders or the creditors of the Company.

On behalf of the Board
Huang Xiangbin
Chairman

Sichuan, the PRC, 30 March 2022

足夠公眾持股量

根據本公司公開取得的資料及就董事所知，截至本報告日期，本公司已發行股本總額中至少25%（香港聯交所批准及根據上市規則所允許的規定最低公眾持股百分比）一直由公眾持有。

審核委員會

本公司審核委員會（「審核委員會」）主要職責包括檢討及監察本集團財務申報系統、編製財務報表及內部監控程序。其亦就集團審核範圍內的事宜作為董事會與外聘核數師之間的重要聯繫。

審核委員會已審閱本公司報告期內的年度業績。

核數師

自2020年7月20日起，安永會計師事務所獲委任為本公司核數師（「核數師」），並為報告期間的核數師。國富浩華（香港）會計師事務所有限公司（「國富浩華」）乃委任安永會計師事務所之前的核數師，其辭任經考慮多項因素後作出，包括與審計相關的專業風險、審計費用水平及現時工作流程下的內部資源可用情況等。經考慮有關事實和情況後，審核委員會（其已獲轉授權力監督外聘核數師的成效）認為，以安永會計師事務所取代國富浩華符合本公司及其股東的整體最佳利益。本公司已接獲國富浩華發出的函件，當中確認概無有關其辭任的事宜需提請股東或本公司債權人垂注。

代表董事會
主席
黃祥彬

中國四川，2022年3月30日

Corporate Governance Report

企業管治報告

Corporate Governance Practices

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Listing Rules as its own code of corporate governance. For the year ended 31 December 2021, the Company has complied with all applicable code provisions under the CG Code except for the deviation from code provision C.2.1 as mentioned in the paragraph headed “Chairman and Chief Executive Officer” of this report. The key corporate governance principles and practices of the Company are outlined later in this report. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

The Board Responsibilities

The Board is responsible for the overall leadership of the Group, oversees the Group’s strategic decisions and monitors business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company’s affairs, the Board has established four Board committees including the Audit Committee, the Remuneration Committee, the Nomination Committee (the “Nomination Committee”) and the Internal Control And Corporate Governance Committee (the “ICCG Committee”) (together, the “Board Committees”). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

All Directors have carried out duties in good faith and in compliance with applicable laws and regulations, and have acted in the interests of the Company and the Shareholders at all times.

The Company has arranged appropriate liability insurance in respect of legal action against the Directors. The insurance coverage will be reviewed on an annual basis.

企業管治常規

本集團致力於維持高水平的企業管治，以保障股東的利益並提高企業價值及問責性。本公司已採納上市規則附錄十四所載的企業管治守則（「企業管治守則」）作為其本身的企業管治守則。截至2021年12月31日止年度，除本報告「主席及行政總裁」一段所述偏離守則條文第C.2.1條外，本公司一直遵守企業管治守則的所有使用守則條文。本公司的主要企業管治原則及常規於本報告下文概述。本公司將繼續審閱及監察其企業管治常規，以確保遵守企業管治守則。

董事會職責

董事會負責全面領導本集團、監督本集團的策略決策及監察業務與表現。董事會已向本集團高級管理層授予有關本集團日常及經營方面的權利及職責。為監督本公司特定的事務，董事會已成立四個董事會委員會，即審核委員會、薪酬委員會、提名委員會（「提名委員會」）及內部控制及企業管治委員會（「內部控制及企業管治委員會」）（統稱「董事委員會」）。董事會已向董事委員會授予其各自職權範圍所載的職責。

全體董事已遵照適用法律及法規真誠履職，一直基於本公司及股東的利益行事。

本公司已就針對董事的法律訴訟安排適當的責任保險，並會每年審查承保範圍。

Board Composition

As at the date of this annual report, the Board comprises one executive Director and four independent non-executive Directors as follows:

Executive Director:

Mr. Huang Xiangbin

Independent Non-executive Directors:

Mr. Lau Ying Kit

Mr. Wang Qing

Mr. Liu Wenfang

Mr. Bai Zhizhong

The biographies of the Directors are set out under the section headed “Directors and Senior Management” of this annual report.

During the Reporting Period, the Company has been in compliance with the requirements under rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has also complied with rule 3.10A of the Listing Rules relating to the appointment of independent non-executive Directors representing at least one-third of the Board.

The Company believes that the diversity of Board members will be immensely beneficial for the enhancement of the Company’s performance. Therefore, the Company has adopted a Board diversity policy (the “Board Diversity Policy”) to ensure that the Company will, when determining the composition of the Board, consider Board diversity in terms of, among other things, age, cultural and educational background, professional experience, skills and knowledge. The Board Diversity Policy sets out the approach towards achieving diversity on the Board. Pursuant to the Board Diversity Policy, all Board appointments will be based on merits, and candidates will be considered against objective criteria, having due regard for the benefits of diversity of the Board.

董事會組成

於本年報日期，董事會由以下一名執行董事及四名獨立非執行董事組成：

執行董事：

黃祥彬先生

獨立非執行董事：

劉英傑先生

汪晴先生

劉文芳先生

白志中先生

該等董事的履歷載於本年報「董事及高級管理層」一節。

於報告期內，本公司一直遵守上市規則第3.10(1)及第3.10(2)條的規定，內容有關委任至少三名獨立非執行董事，且其中至少一名獨立非執行董事須擁有適當的專業資格或會計或相關的財務管理專長。

本公司亦遵守上市規則第3.10A條的規定，內容有關委任的獨立非執行董事須佔董事會成員人數至少三分之一。

本公司相信董事會成員多元化對提升本公司的表現益處良多。因此，本公司已採納董事會多元化政策（「董事會多元化政策」），確保本公司在釐定董事會組成時會從多方面考慮董事會多元化，其中包括年齡、文化及教育背景、專業經驗、技能及知識。董事會多元化政策載列實現董事會多元化的方法。根據董事會多元化政策，董事會所有委任均以用人唯才為原則，衡量人選時會考慮客觀條件及充分估計董事會多元化的益處。

As each of the independent non-executive Directors has confirmed his independence pursuant to rule 3.13 of the Listing Rules, the Company considers all of them to be independent parties.

Save as disclosed in the Directors' biographies set out in the section headed "Directors and Senior Management" in this annual report, none of the Directors has any personal relationship (including financial, business, family or other material or relevant relationship) with any other Director and chief executive.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee, the Nomination Committee and the ICCG Committee.

As regards the CG Code provision requiring directors to disclose the number and nature of offices held in public companies or organisations and other significant commitments as well as the identity and the time involved to the issuer, Directors have agreed to disclose their commitments and any subsequent change to the Company in a timely manner.

Dividend Policy

The Group adopted a dividend policy (the "Dividend Policy") on 21 December 2018. A summary of this policy is disclosed as below.

The Dividend Policy is to consider the payment of dividends, to allow shareholders of the Company to participate in the Company's profits whilst retaining adequate reserves for the Group's future growth.

根據上市規則第3.13條，各獨立非執行董事均已確認本身的獨立性，因此本公司認為彼等均為獨立人士。

除本年報「董事及高級管理層」一節所載董事履歷所披露者之外，概無董事與任何其他董事及主要行政人員有任何個人關係（包括財務、業務、家族或其他重大或相關關係）。

所有董事（包括獨立非執行董事）均為董事會貢獻各種不同的寶貴業務經驗、知識及專業技能，使其高效及有效運作。獨立非執行董事獲邀加入審核委員會、薪酬委員會、提名委員會及內部控制及企業管治委員會。

由於有關企業管治守則條文要求董事披露彼等在公眾公司或組織擔任職位的數目和性質及其他重要供職及彼等的身份及為發行人投入的時間，董事已同意及時向本公司披露彼等的供職及其後任何變更。

股息政策

本集團於2018年12月21日採納股息政策（「股息政策」）。該政策的概要披露如下。

股息政策目的在於考慮派發股息，以便股東能分享本公司利潤之餘，亦為本集團未來的發展保留足夠儲備。

The Board shall consider the following factors before declaring or recommending dividends:

- the Company's actual and expected financial performance;
- retained earnings and distributable reserves of the Company and each of the subsidiaries of the Group;
- the Group's liquidity position;
- general economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and
- other factors that the Board deems relevant.

The payment of dividend is also subject to certain restrictions under the Companies Law of the Cayman Islands and the Articles of Association. The Board will continually review the Dividend Policy from time to time and there can be no assurance that dividends will be paid in any particular amount for any given period.

Induction and Continuous Professional Development

Each newly appointed Director is provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under relevant statutes, laws, rules and regulations. The Company also arranges regular seminars to provide Directors with updates on latest development and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are also provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The company secretary of the Company has from time to time updated and provided written training materials relating to the roles, functions and duties of a Director.

董事會於宣派或建議派付股息前須考慮下列因素：

- 本公司的實際及預期財務表現；
- 本公司及本集團各附屬公司的保留盈利及可供分派儲備；
- 本集團的流動資金狀況；
- 一般經濟情況、本集團業務的業務周期及其他可能影響本公司業務或財務表現及狀況的內部或外部因素；及
- 董事會視為相關的其他因素。

股息的派付亦受開曼群島公司法例及組織章程細則的若干限制。董事會將持續不時檢討股息政策，惟概不保證將就任何既定期間派付任何特定金額的股息。

入職及持續專業發展

各新委任董事均獲提供所需的入職培訓及資料，以確保彼等充分瞭解本公司的營運及業務以及彼等根據相關法例、法律、規則及法規所承擔的責任。本公司亦為董事安排定期講座，內容有關上市規則及其他不時相關的法律及監管規定的最新發展及變更的最新消息。董事亦會定期提供有關本公司表現、狀況及前景的最新資料，以確保董事會整體及各董事履行其職責。

本公司鼓勵董事參與持續專業發展，以增進及更新知識及技能。本公司的公司秘書不時更新及提供有關董事的角色、職能及職責的書面培訓材料。

According to the information provided by the Directors, a summary of training received by the Directors throughout the year ended 31 December 2021 is as follows:

根據董事所提供的資料，董事於截至2021年12月31日止年度所接受的培訓概要如下：

Name of Director	董事名稱	Nature of Continuous Professional Development Programmes 持續專業發展計劃的性質
<i>Executive Directors</i>		
Mr. Huang Xiangbin	黃祥彬先生	A, C & D
Ms. Zhang Zhijie (resigned on 8 January 2021)	張志傑女士(於2021年1月8日辭任)	A & D
<i>Independent Non-executive Directors</i>		
Mr. Lau Ying Kit	劉英傑先生	A, C & D
Mr. Wang Qing	汪晴先生	A, B, C & D
Mr. Liu Wenfang	劉文芳先生	A, C & D
Mr. Bai Zhizhong	白志中先生	A, C & D

Notes:

- A. Attending seminars and/or meetings and/or forums and/or briefings
- B. Giving talks in the seminars and/or meetings and/or forums
- C. Attending training relevant to the Company's business conducted by lawyers
- D. Reading materials relevant to corporate governance, director's functions and duties, the Listing Rules and other relevant ordinances

附註：

- A. 出席講座及／或會議及／或論壇及／或簡報會
- B. 於講座及／或會議及／或論壇上演講
- C. 出席由律師舉辦與本公司業務相關的培訓
- D. 閱讀有關企業管治、董事職能及職責、上市規則及其他相關條例的材料

Chairman and Chief Executive Officer

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and performed by different individuals.

Under the organization structure of the Company, Mr. Huang was the Chairman of the Board. Further, Mr. Huang and Mr. Jin Min jointly serve as the co-chief executive officers of the Company, sharing the responsibility of the Group's overall business development, operation, and management work. With Mr. Huang's extensive experience in the pharmaceutical industry, the Board considered that vesting the roles of chairman and co-chief executive officer in the same person is beneficial to the business prospects and management of the Group. The check and balance of power and authority is ensured by the operation of the senior management and the Board, which comprises experienced and high calibre individuals. Accordingly, the Board believes that this arrangement will not impact on the balance of power and authorizations between the Board and the management of the Company.

主席及行政總裁

根據企業管治守則條文第C.2.1條，主席及行政總裁的角色應予以區分及由不同人士擔任。

根據本公司的組織架構，黃先生為董事會主席。此外，黃先生與金敏先生共同擔任本公司聯席行政總裁，共同負責本集團整體業務發展、營運及管理工作。憑藉黃先生於醫藥行業的豐富經驗，董事會認為由同一人兼任主席及聯席行政總裁職位，有利於本集團的業務前景及管理。在由富有經驗及卓越才幹的人士組成的高級管理層與董事會運作下，可確保權力與權限之間有所制衡。因此，董事會相信，該安排不會影響董事會與本公司管理層之間的權力與權限互相制衡。

Appointment and Re-election of Directors

Each of the executive Directors has signed a service contract with the Company for a term of three years commencing from their respective date of appointment subject to termination as provided in the service contract.

Each of the independent non-executive Directors has signed an appointment letter with the Company for a term of three years commencing from their respective date of appointment.

The appointments of executive Directors and independent non-executive Directors are subject to the provisions of retirement and rotation of Directors under the Articles of Association and the applicable Listing Rules.

None of the Directors has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition and making recommendations to the Board on the appointment or re-election of Directors and succession planning for Directors.

In accordance with the Articles of Association, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation and shall be eligible for re-election and re-appointment provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years and any new Director appointed to fill a causal vacancy or as an addition to the Board shall submit himself/herself for re-election by Shareholders at the next general meeting after appointment.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition and making recommendations to the Board on the appointment or re-election of Directors and succession planning for Directors.

委任及重選董事

各執行董事已與本公司簽訂各自各獲委任日期起計為其三年的服務合約，惟可根據服務合約的規定予以終止。

各獨立非執行董事已與本公司簽訂各自各獲委任日期起計為期三年的委任函。

委任執行董事及獨立非執行董事須遵守組織章程細則及適用上市規則有關董事輪流退任的條文。

概無董事訂有本集團於一年內不予賠償(法定賠償除外)則不可終止的服務合約。

董事委任、重選及罷免的程序及過程載於組織章程細則。提名委員會負責檢討董事會組成，並就董事的委任或重選及董事繼任計劃向董事會提出推薦意見。

根據組織章程細則，於每屆股東週年大會上，當時為數三分之一的董事(或如董事人數並非三或三的倍數，則須為最接近但不少於三分之一的董事人數)須輪流退任，並合資格接受重選及獲重新委任，惟各董事(包括以具有指定任期的方式獲委任的董事)須最少每三年輪流退任一次，且任何因填補臨時職位空缺而獲委任或董事會增補的新任董事須在獲委任後的下屆股東大會上由股東進行重選。

董事委任、重選及罷免的程序及過程載於組織章程細則。提名委員會負責檢討董事會的組成，並就董事的委任或重選及董事繼任計劃向董事會提出推薦意見。

Board Meetings

The Company intends to hold Board meetings regularly, at least four times a year, and at approximately quarterly intervals. Notices of not less than fourteen days will be given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting.

For other Board and Board Committee meetings, reasonable notice is generally given. The agenda and accompanying board papers will be dispatched to the Directors or Board Committee members at least three days before the meetings to ensure that they have sufficient time to review the papers and are adequately prepared for the meetings. When Directors or Board Committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the Chairman prior to the meeting. Minutes of meetings are kept by the joint company secretary with copies circulated to all Directors for information and records.

Minutes of the Board meetings and Board Committee meetings are recorded in sufficient detail about the matters considered by the Board and the Board Committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and Board Committee meeting are/will be sent to the Directors for comments within a reasonable time after the date on which the meeting is held. Minutes of the Board meetings are open for inspection by Directors.

During the Reporting Period, eight Board meetings and one general meeting were held and the attendance record of each Director is set out below:

董事會會議

本公司擬定期舉行董事會會議，每年至少四次，大致按季度舉行會議。所有董事會例行會議通知將於會議舉行前至少14日送呈全體董事，讓其有機會出席會議，會議通知亦載有例行會議議程內的事項。

就其他董事會及董事委員會會議而言，本公司一般會發出合理通知。議程及隨附董事會文件將於會議舉行前至少3日寄予董事或董事委員會成員，以確保彼等有充足時間審閱有關文件及為會議作出充分準備。倘董事或董事委員會成員未能出席會議，則彼等會議告知將予討論的事宜及於會議舉行前有機會讓主席獲悉彼等的意見。會議記錄由聯席公司秘書保存，副本將於全體董事間傳閱，以供參考及記錄。

董事會會議及董事委員會會議的會議記錄詳列董事會及董事委員會所考慮的事宜及達致的決定，包括董事提出的任何關注事項。各董事會會議及董事委員會會議的會議記錄草擬本於／將於會議舉行當日後在合理時間內寄送至各董事，以供彼等提出意見。董事會會議的會議記錄可供董事查閱。

於報告期內，共舉行八次董事會會議及一次股東大會，各董事的出席記錄載列如下：

Directors	董事	Attended/ Eligible to attend the Board meeting(s) 已出席／可出席 董事會會議次數	Attended/ Eligible to attend the general meeting(s) 已出席／可出席 股東大會次數
Mr. Huang Xiangbin	黃祥彬先生	8/8	1/1
Ms. Zhang Zhijie (resigned on 8 January 2021)	張志傑女士(於2021年1月8日辭任)	1/8	0/1
Mr. Lau Ying Kit	劉英傑先生	8/8	1/1
Mr. Wang Qing	汪晴先生	8/8	1/1
Mr. Liu Wenfang	劉文芳先生	8/8	1/1
Mr. Bai Zhizhong	白志中先生	8/8	1/1

Model Code for 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 its own code of conduct regarding Directors’ dealings in the Company’s securities.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code for the Reporting Period.

Delegation by the Board

The Board reserves for its decision on all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors could have recourse to seek independent professional advice in performing their duties at the Company’s expense and are encouraged to access and to consult with the Company’s senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

證券交易的標準守則

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」)作為其董事進行本公司證券交易的操守守則。

經向全體董事做出具體查詢後，董事確認彼等於報告期內一直遵守標準守則。

董事會的授權

董事會對本公司所有重大事宜保留決策權，包括：批准及監督一切政策事宜、整體策略及預算、內部控制及風險管理系統、重大交易(特別是可能牽涉利益衝突者)、財務資料、委任董事及其他主要財務及營運事宜。董事可尋求獨立專業意見以履行彼等的職責，費用由本公司承擔，本公司亦鼓勵董事個別聯絡及諮詢本公司高級管理層。

高級管理層獲授權負責本集團的日常管理、行政及營運。授權職能及職責由董事會定期檢討。管理層訂立任何重大交易前須取得董事會批准。

Corporate Governance Function and ICCG Committee

The ICCG Committee currently comprises four members, namely Mr. Lau Ying Kit (chairman), Mr. Liu Wenfang, Mr. Wang Qing and Mr. Bai Zhizhong, all of them are independent non-executive Directors.

The Board recognizes that corporate governance should be the collective responsibility of the Directors and delegated the corporate governance duties to the ICCG Committee which includes, without limitation:

- (a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- (b) to review and monitor the training and continuous professional development of the Directors and senior management of the Company;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors of the Company;
- (e) to review the Company's compliance with the code and disclosure in the corporate governance report of the Company (the "Corporate Governance Report"); and
- (f) to oversee the Company's risk management and internal control systems on an on-going basis and ensure that a review of the effectiveness of the risk management and internal control systems of the Company and its subsidiaries has been conducted at least annually and report to Shareholders that it has done so in its Corporate Governance Report. The review shall cover all material controls, including financial, operational and compliance controls.

The written terms of reference of the ICCG Committee are available on the websites of the HKSE and the Company.

企業管治職能與內部控制及企業管治委員會

內部控制及企業管治委員會目前有四名成員，包括劉英傑先生(主席)、劉文芳先生、汪晴先生及白志中先生，彼等均為獨立非執行董事。

董事會明白企業管治乃全體董事的共同責任，並將企業管治職責授權予內部控制及企業管治委員會，包括但不限於以下事項：

- (a) 制定及檢討本公司企業管治政策和常規，並向董事會提出推薦意見；
- (b) 檢討及監察本公司董事及高級管理層的培訓及持續專業發展；
- (c) 檢討及監察本公司遵照法律及監管規定的政策及常規；
- (d) 制定、檢討及監察適用於本公司僱員及董事的操守守則及合規手冊(如有)；
- (e) 檢討本公司遵守其企業管治報告(「企業管治報告」)所載守則及披露事項的狀況；及
- (f) 持續監督本公司的風險管理及內部控制系統，並確保最少每年檢討一次本公司及其附屬公司的風險管理及內部控制系統是否有效，且在企業管治報告中向股東彙報已經完成有關檢討。該檢討應涵蓋所有重要的監控範圍，包括財務監控、營運監控及合規監控。

內部控制及企業管治委員會的書面職權範圍已載於香港聯交所及本公司網站。

During the Reporting Period, one ICCG Committee meeting was held and the attendance records are set out below:

於報告期內，共舉行一次內部控制及企業管治委員會會議，出席記錄載列如下：

Directors	董事	Attendance/ Number of meeting(s) 出席次數／會議次數
Mr. Lau Ying Kit	劉英傑先生	1/1
Mr. Wang Qing	汪晴先生	1/1
Mr. Liu Wenfang	劉文芳先生	1/1
Mr. Bai Zhizhong	白志中先生	1/1

Audit Committee

The Audit Committee comprises four members, namely Mr. Lau Ying Kit (chairman), Mr. Liu Wenfang, Mr. Wang Qing and Mr. Bai Zhizhong, all of them are independent non-executive Directors.

審核委員會

審核委員會有四名成員，包括劉英傑先生(主席)、劉文芳先生、汪晴先生及白志中先生，彼等均為獨立非執行董事。

The principal duties of the Audit Committee include but not limited to the following:

審核委員會的主要職責包括但不限於以下事項：

- | | |
|---|---|
| <p>(a) to review the relationship with the Auditor by reference to the work performed by the Auditor, their fees and terms of engagement, and make recommendations to the Board on the appointment, reappointment and removal of the Auditor;</p> | <p>(a) 基於核數師的工作表現、收費與受聘條款檢討與核數師的關係，並向董事會做出有關聘任、續聘及解聘核數師的推廣意見；</p> |
| <p>(b) to review the financial statements and reports and consider any significant or unusual items raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or the Auditor before submission to the Board; and</p> | <p>(b) 檢討財務報表及報告，並且審議本公司負責會計及財務申報的人員、規章監察人員或核數師所提出任何重要或不尋常的事宜，然後向董事會呈報；及</p> |
| <p>(c) to review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures, including the adequacy of the resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function.</p> | <p>(c) 檢討本公司財務申報體系、內部控制體系、風險管理體系與相關程序是否足夠有效，包括資源是否足夠、員工資歷與經驗、本公司會計及財務申報人員的培訓計劃與預算等。</p> |

The written terms of reference of the Audit Committee are available on the websites of the HKSE and the Company.

審核委員會的書面職權範圍已載於相關聯交所及本公司網站。

During the Reporting Period, two Audit Committee meetings were held and the attendance records of the Audit Committee meeting are set out below:

於報告期內，共舉行兩次審核委員會會議，審核委員會會議的出席記錄載列如下：

Directors	董事	Attendance/ Number of meeting(s) 出席次數／會議次數
Mr. Lau Ying Kit	劉英傑先生	2/2
Mr. Wang Qing	汪晴先生	2/2
Mr. Liu Wenfang	劉文芳先生	2/2
Mr. Bai Zhizhong	白志中先生	2/2

Remuneration Committee

The Remuneration Committee currently comprises three members, namely Mr. Wang Qing (chairman), Mr. Liu Wenfang and Mr. Bai Zhizhong, all of them are independent non-executive Directors.

薪酬委員會

薪酬委員會目前有三名成員，包括汪晴先生(主席)及劉文芳先生以及白志中先生，彼等均為獨立非執行董事。

The principal duties of the Remuneration Committee include but not limited to the following:

薪酬委員會的主要職責包括但不限於以下事項：

- to make recommendations to the Board on the Company's policy and structure for all remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
 - to review and approve performance-based remuneration with reference to corporate goals and objectives resolved by the Board;
 - to determine the remuneration packages of individual executive Directors and senior management. These include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
 - to make recommendations to the Board on the remuneration of non-executive Directors;
- 就本公司董事及高級管理層的整體薪酬政策與結構及制定正式且透明的薪酬決策程序向董事會提供推廣意見；
 - 基於董事會議定公司目標與宗旨檢討及批准績效薪酬；
 - 釐定個別執行董事及高級管理層的薪酬待遇，包括實物福利、退休金權力及賠償數額，即包括任何離職或終止職務或取消委任應付的賠償；
 - 就非執行董事的薪酬向董事會提供推廣意見；

- | | |
|---|---|
| <p>5. to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;</p> <p>6. to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;</p> <p>7. to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and</p> <p>8. to ensure that no Director or any of his/her associates (as defined in the Listing Rules) is involved in deciding his/her own remuneration.</p> | <p>5. 考慮可資比較公司支付的薪金、投入的時間與承擔的責任，以及本集團其他方面的聘用條件；</p> <p>6. 檢討即批准向執行董事及高級管理層就其離職或終止職務或取消委任應付的賠償，以確保賠償與合約條款一致；若賠償與合約條款並不一直，賠償亦須公平而不致過多；</p> <p>7. 檢討及批准董事因行為失當而遭解僱或罷免所涉及的賠償安排，以確保賠償與合約條款一致；若賠償與合約條款並不一致，賠償亦須合理恰當；及</p> <p>8. 確保並無董事或其任何聯繫人(定義見上市規則)參與釐定其本身的薪酬。</p> |
|---|---|

The written terms of reference of the Remuneration Committee are available on the websites of the HKSE and the Company.

薪酬委員會的書面職權範圍已載於香港聯交所及本公司網站。

During the Reporting Period, two Remuneration Committee meetings were held and the attendance records are set out below:

於報告期內，共舉行兩次薪酬委員會會議，出席記錄載列如下：

Directors	董事	Attendance/ Number of meeting 出席次數/會議次數
Mr. Wang Qing	汪晴先生	2/2
Mr. Liu Wenfang	劉文芳先生	2/2
Mr. Bai Zhizhong (appointed on 8 January 2021)	白志中先生(於2021年1月8日獲委任)	2/2
Ms. Zhang Zhijie (resigned on 8 January 2021)	張志傑女士(於2021年1月8日辭任)	0/2

Nomination Committee

The Nomination Committee currently comprises three members, including one executive Director namely Mr. Huang Xiangbin (chairman), and two independent non-executive Directors namely Mr. Liu Wenfang and Mr. Lau Ying Kit.

The principal duties of the Nomination Committee include the following:

1. to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
2. to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
3. to assess the independence of independent non-executive Directors;
4. to make recommendations to the Board on the appointment or re-appointment of Directors and the succession planning for Directors, in particular the chairman and the chief executive officer; and
5. to review the Board diversity policy.

The Nomination Committee assesses the candidate or incumbent on criteria such as integrity, experience, skill and ability to commit time and effort to carry out the duties and responsibilities. The recommendations of the Nomination Committee will then be put to the Board for decision. The written terms of reference of the Nomination Committee are available on the websites of the HKSE and the Company.

During the Reporting Period, two Nomination Committee meetings were held and the attendance records are set out below:

提名委員會

提名委員會目前有三名成員，包括一名執行董事黃祥彬先生(主席)及兩名獨立非執行董事劉文芳先生及劉英傑先生。

提名委員會的主要職責包括以下事項：

1. 每年至少檢討一次董事會的結構、人數及組成(包括技能、知識及經驗)，並就配合本公司的企業策略所擬做出的任何變更向董事會提供推廣意見；
2. 物色具備合適資格的人士出任董事會成員，並就獲提名出任董事的人選進行甄選或向董事會提供推廣意見；
3. 評估獨立非執行董事的獨立性；
4. 就委任或重新委任董事及董事(尤其使主席及行政總裁)的繼任計劃向董事會提供推廣意見；及
5. 檢討董事會多元化政策。

提名委員會基於多項準則衡量候選人或在任者，包括品格、經驗、技能及為履行職務及職責所能投入的時間及努力，隨後將其推廣意見提呈董事會決議。提名委員會的書面職權範圍已載於香港聯交所及本公司網站。

於報告期內，已舉行兩次提名委員會會議，出席記錄載列如下：

Directors	董事	Attendance/ Number of meeting 出席次數/會議次數
Mr. Huang Xiangbin	黃祥彬先生	2/2
Mr. Lau Ying Kit	劉英傑先生	2/2
Mr. Liu Wenfang	劉文芳先生	2/2

Nomination Policy

1. Objective

- 1.1 The Nomination Committee shall review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy.
- 1.2 The Nomination Committee shall nominate suitable candidates to the Board for it to consider and make recommendations to Shareholders for election as Director at general meetings or appoint him/her to fill causal vacancies.
- 1.3 The nomination policy of the Company (the "Nomination Policy") helps the Nomination Committee and the Board to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Group's business.

2. Selection Criteria

- 2.1 The factors listed below would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate:
 - (1) Reputation for integrity;
 - (2) Commitment in respect of available time and relevant interest; and
 - (3) Diversity of the Board in all its aspects, including but not limited to gender, age (above 18), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

These factors are for reference only, and are not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

提名政策

1. 目的

- 1.1 提名委員會須至少每年檢討董事會架構、人數及組成(包括技能、知識及經驗方面)，並就任何為配合本公司企業策略而擬對董事會作出的變動提出推推薦建議。
- 1.2 提名委員會須向董事會提名合適人選以供董事會考慮，並向股東推薦於股東大會上選為董事，或委任其為董事以填補臨時空缺。
- 1.3 本公司的提名政策(「提名政策」)有助提名委員會及董事會確保董事會具備均衡且切合本集團業務需要的適合技能、經驗及多元化觀點。

2. 甄選準則

- 2.1 在評估擬提名人選時，提名委員會將參考下文所列因素：
 - (1) 誠信聲譽；
 - (2) 可投入時間及相關事物關注的承諾；及
 - (3) 董事會各方面的多元化，包括但不限於性別、年齡(18歲以上)、文化及教育背景、種族、專業經驗、技能、知識和服務年期等方面。

上述因素僅供參考，並非羅列所有因素，亦不具決定性作用。提名委員會可酌情決定提名其認為適當的任何人士。

3. Nomination Procedures

3.1 Appointment of Directors

- (1) The Nomination Committee identifies individual(s) suitably qualified to become Board members, having due regard to the Nomination Policy and the Board Diversity Policy, and assesses the independence of the proposed independent non-executive Director(s) as appropriate.
- (2) The Nomination Committee makes recommendation(s) to the Board.
- (3) The Board considers the individual(s) recommended by the Nomination Committee, having due regard to the Nomination Policy and the Board Diversity Policy.
- (4) The Board confirms the appointment of the individual(s) as Director(s) or recommends the individual(s) to stand for election at a general meeting. Individual(s) appointed by the Board either to fill a casual vacancy or as an addition to the Board will be subject to re-election by Shareholders at the next general meeting, in accordance with the Articles of Association.
- (5) The Shareholders approve the election of individual(s), who stand(s) for election at a general meeting, as Director(s).

3.2 Re-appointment of Directors

- (1) The Nomination Committee considers each retiring Director, having due regard to the Nomination Policy and the Board Diversity Policy, and assesses the independence of each retiring independent non-executive Director.
- (2) The Nomination Committee makes recommendation(s) to the Board.
- (3) The Board considers each retiring Director recommended by the Nomination Committee, having due regard to the Nomination Policy and the Board Diversity Policy.
- (4) The Board recommends the retiring Directors to stand for re-election at the annual general meeting in accordance with the Articles of Association.
- (5) The Shareholders approve the re-election of Directors at the annual general meeting.

3.3 The Board shall have the ultimate responsibility for all matters relating to the selection and appointment of Directors.

3. 提名程序

3.1 委任董事

- (1) 提名委員會經審慎考慮提名政策及董事會多元化政策後，物色合資格成為董事會成員的人士，並評估擬提名的獨立非執行董事的獨立型（視試用情況而定）。
- (2) 提名委員會向董事會提出推薦建議。
- (3) 董事會經審慎考慮提名政策及董事會多元化政策後，考慮提名委員會推薦的人士。
- (4) 董事會確認委任有關人士為董事或推薦其於股東大會上參選。根據組織章程細則，獲董事會委任以填補臨時空缺的人士或獲董事會委任加入董事會成員的人士亦須於下屆股東大會上經股東重選。
- (5) 股東批准在股東大會上參選的人士選舉為董事。

3.2 重新委任董事

- (1) 提名委員會經審慎考慮提名政策及董事會多元化政策後，考慮各退任董事，並評估每名退任獨立非執行董事的獨立型。
- (2) 提名委員會向董事會提出推薦建議。
- (3) 董事會經審慎考慮提名政策及董事會多元化政策後，考慮提名委員會推薦的各退任董事。
- (4) 董事會根據組織章程細則推薦退任董事於股東週年大會上重選連任。
- (5) 股東於股東週年大會上批准重選董事。

3.3 董事會對有關甄選及委任董事的所有事宜負有最終責任。

4. Review of the Nomination Policy

4.1 The Nomination Committee will review the Nomination Policy, as appropriate, to ensure the effectiveness of the Nomination Policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

4. 檢討提名政策

4.1 提名委員會將檢討提名政策(視適用情況而定)，以確保提名政策行之有效。提名委員會將會討論任何可能須作出的修訂，再向董事會提出修訂的推薦建議，以供董事會考慮及批准。

Remuneration of Directors and Senior Management

Details of the Directors' remuneration are set out in note 8 to the consolidated financial statements in this annual report. The remuneration of senior management, whose biographies are set out on pages 153 to 155 of this annual report, for the Reporting Period are set out below:

董事及高級管理層的薪酬

董事薪酬詳情載於本年報綜合財務報表附註8。高級管理層(彼等的履歷載於本年報第153至155頁)於報告期內的薪酬載列如下：

Remuneration band (RMB)	薪酬範圍(人民幣)	Number of individual 人數
Below 1,000,000	1,000,000以下	4

Directors' Responsibilities for Financial Reporting in Respect of Financial Statements

The Directors acknowledge their responsibility for preparing the financial statements for the year ended 31 December 2021 which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows.

董事對財務報表的財務申報責任

董事明白彼等有責任編撰截至2021年12月31日止年度的財務報表，以真實公平地反映本公司及本集團的狀況以及本集團的業務與現金流量。

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company provides all members of the Board with monthly updates on Company's performance, positions and prospects.

管理層已向董事會提供必要的說明及資料，以便董事會可以就提呈董事會批准的本公司的財務報表進行知情的評估。本公司每月向董事會全體成員提供有關本公司表現、狀況及前景的最新資料。

The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

董事並不知悉與事件或狀況有關的任何重大不明朗因素，以致可能令本集團的持續經營能力嚴重成疑。

The statement by the Auditor regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report on pages 92 to 97 of this Annual Report.

核數師有關本公司綜合財務報表申報責任的聲明，載於本年報第92至97頁的獨立核數師報告。

Risk Management and Internal Control

The Board acknowledges that it is the responsibility of the Board for maintaining an adequate risk management and internal control systems to safeguard Shareholder investments and Company assets and reviewing the effectiveness of such system on an annual basis.

風險管理和內部控制

董事會明白其有責任設立恰當的風險管理和內部控制體系，以保障股東的投資及本公司的資產，並且每年檢討該體系的效用。

The Group's internal audit department plays a major role in monitoring the internal governance of the Company. The major tasks of the internal audit department are reviewing the financial condition and internal control of the Company and conducting comprehensive audits of all branches and subsidiaries of the Company on a regular basis.

The Board has conducted a review of the effectiveness of the risk management and internal control systems of the Group and considered the risk management and internal control system to be effective and adequate.

Main Characteristics of the Risk Management and Internal Control Systems

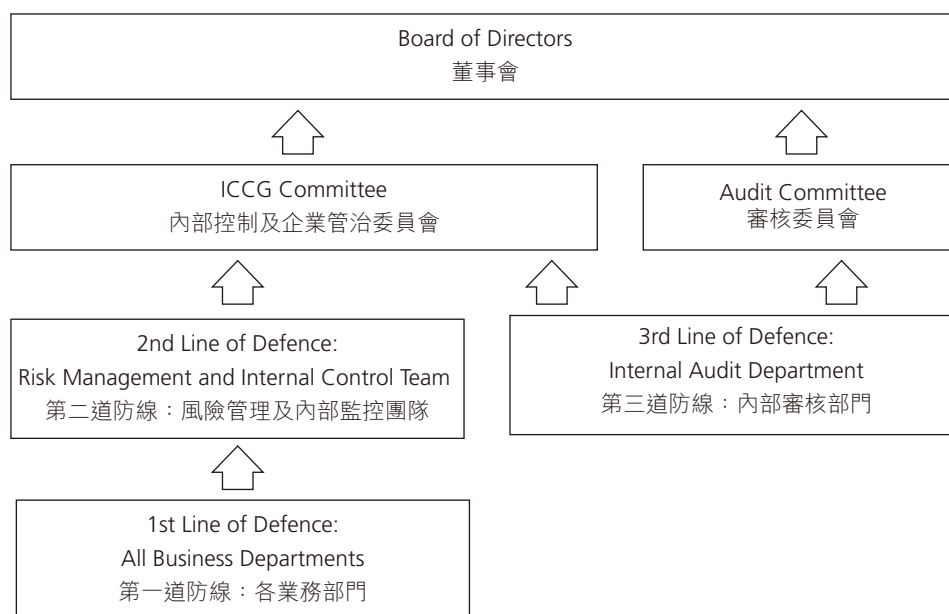
The Group's risk management framework is structured in the following "Three Lines of Defense" model as a guide:

本集團的內部審核部門在監察本公司內部管治方面擔任重要角色。內部審核部門的主要職責是檢討本公司的財務狀況及內部控制，並且定期全面審核本公司所有分支機構及附屬公司。

董事會已檢討本集團風險管理和內部控制體系的效用，認為該風險管理和內部控制體系有效並且恰當。

風險管理及內部控制系統的主要特點

本集團的風險管理框架以下圖列示的「三道防線」模式作為指引：



The Board acknowledges its responsibility of overseeing the Group's risk management and internal control systems and reviewing their effectiveness at least annually through the ICCG Committee and the Audit Committee. Such review encompasses all major control aspects, including finance, operation and compliance. Such risk management and internal control systems can only provide reasonable but not absolute assurance against material misstatement or loss, as they are designed to manage, rather than eliminate the risk of failure to achieve business objectives.

董事會確認其有責任督察本集團風險管理及內部控制系統，並透過內部控制及企業管治委員會及審核委員會至少每年審閱一次其成效，有關審閱涵蓋所有重要的控制方面，包括財務控制、運作控制及合規控制。有關風險管理及內部控制系統只能對防範重大失實陳述或損失作出合理而非絕對的保證，原因為其旨在管理而非消除未能達致業務目標的風險。

The Board has completed its annual review of the internal control and risk management systems of the Company for the year ended 31 December 2021, with all the above major control aspects covered. The Board has considered the operation of risk management and internal control systems to be generally adequate and effective, with no significant areas brought to its attention during the year.

The ICCG Committee and the Audit Committee assist the Board to fulfill its responsibilities of risk management and internal control, ensuring adequate resources, staff qualifications and experience, staff training courses and related budgets for the Group in executing its accounting, internal audit and financial reporting functions. The committees also consider the important investigation results concerning the matters of risk management and internal control, report to and raise suggestions to the Board.

1st Line of Defense

By preparing a risk list with risk control responsibility allocated to departments, the Group is able to deliver risk management across all the business departments. These departments continuously review and assess the risks that may have a potential impact on corporate operation, and effectively execute the process control for business according to the respective functions and departmental regulations, all in a bid to raise the efficiency in risk management.

2nd Line of Defense

Composed of nominated department managers and senior management, the Risk Management and Internal Control Team (the "Team") organizes business departments to identify, assess and manage the risks that may have a potential impact on corporate operation, and ensures the implementation of proper measures and internal control regulations to address major risks. In the meantime, the Team monitors risks and takes measures to reduce the risks in daily operation, provides timely response to and follow up of the investigation results of internal control from the Internal Audit Department (the "Internal Audit Department"), and confirms to the Board as to the effectiveness of such risk management and internal control systems.

3rd Line of Defense

The Internal Audit Department executes the actual review procedure, to collect the evidence on the adequacy and effectiveness of the Group's risk management and internal control systems, and report the review results to the ICCG Committee.

In addition, the Internal Audit Department raises suggestions to the Board and the management, to address major institutional inadequacies or any control loopholes spotted.

董事會已就截至2021年12月31日止年度完成對本公司內部控制及風險管理系統的年度檢討，涵蓋上述所有重要的控制方面。董事會認為風險管理及內部控制系統運作整體上充足且有效，於本年度並無重大範疇值得關注。

內部控制及企業管治委員會及審核委員會協助董事會執行其風險管理及內部控制的職責，確保本集團在履行會計、內部審核及財務申報職能方面有足夠的資源、員工資歷與經驗、員工培訓課程以及有關預算。委員會亦考慮有關風險管理及內部控制事宜的重要調查結果，並向董事會呈報及作出建議。

第一道防線

通過建立落實風險控制責任部門的風險清單，本集團將風險管理貫穿至各業務部門。各業務部門持續地審閱及評估可能對企業經營構成潛在影響的風險，並按照各自職能分工及部門各項規章制度有效執行業務層面的流程控制，以加強風險管理效率。

第二道防線

風險管理及內部控制團隊(「團隊」)由獲提名的部門經理及高級管理層組成，負責組織業務部門識別、評估及管理可能對企業經營構成潛在影響的風險，確保就主要風險落實恰當的應對措施及內部控制規定。同時，團隊監察風險並採取措施降低日常營運風險，針對內部審核部門(「內部審核部門」)提出的內部控制調查結果作出及時的回應及跟進，以及向董事會提供有關風險管理及內部控制系統是否有效的確認。

第三道防線

內部審核部門負責執行實際的審閱程序，以收集本集團風險管理及內部控制系統是否足夠及有效的證據，並向內部審核及企業管治委員會呈報審閱結果。

此外，內部審核部門向董事會及管理層作出建議，以改善制度的重大不足之處或所發現的任何監控缺失。

Procedures for Identifying, Assessing and Managing Major Risks

- Determining the scope: preparing uniform risk terms and risk assessment standards for the Group
- Risk identification: identifying the risks that may have a potential impact on corporate operation
- Risk assessment: considering risks in respect of the degree of importance of their impact on business and their occurrence, and assessing the risks identified
- Risk management: establishing risk management policies and internal control procedures, to avert or reduce risks
- Risk monitoring and reporting: continuously monitoring relevant risks, ensuring proper procedures of internal control, and regularly reporting to the management and the Board on the results of risk monitoring

Function of Internal Audit

The Group's Internal Audit Department plays a major role in monitoring the internal governance of the Company. The Internal Audit Department's main responsibilities are to review the financial conditions and internal control of the Company and all its subsidiaries, communicate with department managers and senior management on the identified problems, non-compliance issues and inadequacies, and jointly prepare rectification and improvement solutions. The Internal Audit Department also follows such rectification results, and reports to the ICCG Committee and the Audit Committee.

Information Disclosure System

The Group has formulated its information disclosure system, to ensure the identification and confidentiality of potential inside information until it is disclosed according to the Listing Rules in a consistent and timely manner. The procedures for publishing and processing inside information include:

- Business department managers as the people in charge of information reporting;
- Senior management as the people in charge of the information confidentiality of their respective business segments;
- The Board as the party in charge of information disclosure; and
- The Investor Relations Department and the Board Secretary as the parties responsible for managing information disclosure, the reporting, audit and disclosure of information which needs public announcement, and archiving and keeping such information disclosure documents and announcements.

用於識別、評估及管理重大風險的程序

- 確立範圍：為本集團制定統一的風險用語及風險評估標準
- 風險識別：識別可能對企業經營構成潛在影響的風險
- 風險評估：考慮風險對業務影響的重要程度及發生的可能性，並評估已識別的風險
- 風險管理：確立風險管理政策及內部控制程序，以防止或降低風險
- 風險監督呈報：持續監督有關風險，確保設有恰當的內部控制程序，並向管理層及董事會定期呈報風險監督的結果。

內部審核職能

本集團的內部審核部門在監察本公司內部管治方面擔任重要角色。內部審核部門的主要職責是審閱本公司及所有附屬公司的財務狀況及內部控制，就發現的問題、違規事項或不足之處與各部門經理及高級管理層溝通，共同確立改正及完善方案。內部審核部門亦跟進整改結果，向內部控制及企業管治委員會以及審核委員會呈報。

信息披露制度

本集團訂有信息披露制度，確保能識別潛在內幕消息並加以保密，直至按照上市規則作出一致且適時的披露為止。發佈及處理內部消息的程序包括：

- 業務部門經理作為信息報告負責人；
- 高級管理層作為分管業務板塊信息保密責任人；
- 董事會作為信息披露責任人；及
- 投資者關係部及董事會秘書負責信息披露管理，需公開信息的報送、審核及披露事項，並對信息披露文件及公告進行掃描保存。

Auditor's Remuneration

The remuneration for the audit services provided by the Auditor to the Group during the year ended 31 December 2021 was approximately RMB2,850 thousand. There is no remuneration paid to the Auditor in respect of non-audit services.

Joint Company Secretary

Ms. Peng Yunlu ("Ms. Peng"), one of our joint company secretaries of the Company, is responsible for advising the Board on corporate governance matters and ensuring that the Board policies and procedures, as well as the applicable laws, rules and regulations are followed.

In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, the Company has also appointed Mr. Li Kin Wai ("Mr. Li"), a manager of Tricor Services Limited, as another joint company secretary to assist Ms. Peng to discharge her duties as company secretary of the Company. The primary corporate contact person at the Company is Mr. Li, one of the joint company secretaries of the Company.

For the year ended 31 December 2021, Ms. Peng and Mr. Li have undertaken not less than 15 hours of relevant professional training respectively in compliance with rule 3.29 of the Listing Rules.

Communication with Shareholders and Investor Relations

The Company considers that effective communication with the Shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information, which will enable Shareholders and investors to make the informed investment decisions.

The AGM provides opportunity for the Shareholders to communicate directly with the Directors. The Chairman of the Company and the chairmen of the Board Committees will attend the AGM to answer Shareholders' questions. The Auditor will also attend the AGM to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

To promote effective communication, the Company adopts a shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and the Shareholders and maintains a website of the Company at www.sinco-pharm.com, where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access.

核數師酬金

核數師截至2021年12月31日止年度為本集團提供有關審核服務而收取的酬金約為人民幣2,850千元。核數師並無就提供非審核服務獲取任何酬金。

聯席公司秘書

報告期內，彭雲璐女士（「彭女士」）是本公司其中一位聯席公司秘書，負責為董事會提供有關企業管治事宜的意見，及確保符合董事會的政策及程序及適用的法例、規則及條例。

報告期內，為維持良好的企業管治及確保遵守上市規則與適用的香港法例，本公司亦聘請卓佳專業商務有限公司的李健威先生（「李先生」）擔任另一位聯席公司秘書，以協助彭女士履行本公司的公司秘書職務。本公司的主要公司聯絡人為李先生，即本公司其中一位聯席公司秘書。

截至2021年12月31日止年度，彭女士及李先生各自已遵守上市規則第3.29條的規定，接受不少於15小時的相關專業培訓。

與股東溝通及投資者關係

本公司認為，與股東有效溝通對加強投資者關係及讓投資者瞭解本集團業務、表現及策略十分重要。本公司亦明白及時全面披露諮詢以便股東及投資者作出知情投資決定的重要性。

股東週年大會提供機會讓股東可與董事直接對話。本公司主席及各董事委員會主席將出席股東週年大會，回應股東的疑問。核數師亦會出席股東週年大會，解答有關審核工作、核數師報告的編撰過程與內容、會計政策及核數師獨立性等疑問。

為促進有效溝通，本公司所採取的股東溝通政策，旨在建立本公司與股東之間的雙向關係與交流，並且設立公司網站www.sinco-pharm.com，刊載本公司業務營運與發展、財務資料、企業管治慣例及其他方面的最新資訊，以供公眾查閱。

Shareholders' Rights

To safeguard Shareholders' interests and rights, a separate resolution will be proposed for each issue at general meetings, including the election of individual Directors.

All resolutions put forward at general meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the HKSE in a timely manner after each general meeting.

Convening of extraordinary general meeting and putting forward proposals

Shareholders may put forward proposals for consideration at a general meeting of the Company according to the Articles of Association. Any one or more members holding as at date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or any one of the joint company secretaries of the Company, to require an extraordinary general meeting of the Company to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

As regards proposing a person for election as a Director, the procedures are available on the website of the Company.

Enquiries to the Board

Shareholders who intend to put forward their enquiries about the Company to the Board could send their enquiries to the headquarters of the Company at E5-1805, Global Centre, No. 1700, North section of Tianfu Avenue, High-Tech Zone, Chengdu, Sichuan, PRC. (Email address: sinco-pharm@sinco-pharm.com).

股東權利

為保障股東的權益與權力，在股東大會上商討的各項事宜(包括選舉個別董事)須以獨立決議案的方式提呈。

在股東大會上提呈的所有決議案將根據上市規則以投票方式表決，而投票結果將在各股東大會結束後適時在本公司及香港聯交所網站公佈。

召開股東特別大會及提呈議案

股東可根據組織章程細則提呈議案以在本公司股東大會上進行審議。在提出要求當日持有不少於本公司十分之一繳足股本且附有權力於本公司股東大會上投票的任何一名或多名股東，隨時有權向董事會或本公司的公司秘書提出書面要求，要求董事會召開本公司股東特別大會，以處理該項要求指明的任何事宜，而該會議須在提出要求後兩個月內舉行。倘若董事會未能於提出要求後21天內召開會議，則提出要求的人士本身可以相同的方式召開會議，而本公司須向提出要求的人士就其因董事會未能召開會議所承擔的一切合理開支作出補償。

有關提名人士出選董事的手續，可在本公司網站查閱。

向董事會查詢

股東如欲向董事會查詢有關本公司的事宜，可將查詢發至本公司的總部，地址為中國四川省成都市高新區天府大道北段1700號環球中心E5-1805室(電郵地址：sinco-pharm@sinco-pharm.com)。

Change in Constitutional Documents

The amended and restated Memorandum and Articles of Association have been adopted on 1 February 2016 and with effect from the Listing Date. And there were no significant changes in the Memorandum and Articles of Association of the Company during the year ended 31 December 2021.

On 30 March 2022, the Board proposes to amend the existing Memorandum and Articles of Association (the “Existing M&A”) for, among other things, (i) bringing the Existing M&A up to date and in line with the applicable laws of the Cayman Islands and the applicable amendments made to the Listing Rules and (ii) supplementing procedures required for confirming the voting methods used in general meetings. The Board proposes to seek the approval of the Shareholders by way of special resolution at the AGM to adopt the second amended and restated memorandum and articles of association (the “New M&A”), in substitution for, and to the exclusion of, the Existing M&A. The proposed adoption of the New M&A is subject to the approval of the Shareholders by way of special resolution at the AGM. Prior to the passing of the special resolution at the AGM, the Existing M&A shall remain valid.

A circular containing, inter alia, details of the proposed amendments to the Existing M&A and the adoption of the New M&A, together with the notice of the AGM and the related proxy form, will be despatched to the Shareholders in due course.

更改組織章程文件

經修訂及重訂的組織章程大綱及細則已於2016年2月1日採納並自上市日期起生效，且本公司組織章程大綱及細則於截至2021年12月31日止年度內概無重大變動。

於2022年3月30日，董事會建議修訂現有組織章程大綱及細則（「現有大綱及細則」）以（其中包括）(i)更新現有大綱及細則以及遵守開曼群島適用法律及上市規則的適用修訂本；及(ii)補充確認股東大會所用投票方法所需的程序。董事會建議於股東週年大會上以特別決議案方式尋求股東批准，以採納第二次修訂及重訂的組織章程大綱及細則（「新大綱及細則」），以取代並廢除現有大綱及細則。建議採納新大綱及細則須於股東週年大會上以特別決議案方式經股東批准。於股東週年大會上通過特別決議案之前，現有大綱及細則將維持有效。

一份載有（其中包括）對現有大綱及細則的建議修訂及採納新大綱及細則詳情的通函，連同股東週年大會通告及相關代表委任表格將適時寄發予股東。

Independent Auditor's Report

獨立核數師報告

For the year ended 31 December 2021 截至2021年12月31日止年度



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To the shareholders of Sinco Pharmaceuticals Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

致興科蓉醫藥控股有限公司股東
(於開曼群島註冊成立的有限公司)

Opinion

We have audited the consolidated financial statements of Sinco Pharmaceuticals Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 102 to 205, which comprise the consolidated statement of financial position as at 31 December 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.

意見

吾等已審計載於第102至205頁的興科蓉醫藥控股有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表，當中載有於2021年12月31日的綜合財務狀況表、截至該日止年度的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)。

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

吾等認為，綜合財務報表已根據國際會計準則理事會(「國際會計準則理事會」)頒佈的國際財務報告準則(「國際財務報告準則」)真實公平地反映 貴集團於2021年12月31日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露規定妥為編製。

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the Hong Kong Institute of Certified Public Accountants ("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.

意見基礎

吾等根據香港會計師公會(「香港會計師公會」)頒佈的香港審計準則(「香港審計準則」)進行審計。吾等就該等準則承擔的責任在本報告「核數師就審計綜合財務報表須承擔的責任」一節中進一步闡述。根據香港會計師公會的職業會計師道德守則(「守則」)，吾等獨立於 貴集團，並已根據守則履行其他道德責任。吾等相信，吾等所獲得的審計憑證能充分且適當地為吾等的意見提供基礎。

Key audit matters

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

關鍵審計事項

關鍵審計事項乃根據吾等的專業判斷，認為對吾等審計當期綜合財務報表最為重要的事項。該等事項乃於吾等審計整體綜合財務報表及吾等就其作出意見時進行處理，而吾等不會就該等事項提供單獨的意見。就以下各事項而言，關於吾等的審計如何處理有關事項的表述均於各有關事項提供。

Key audit matters (Continued)

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

關鍵審計事項(續)

吾等已履行本報告「核數師就審計綜合財務報表須承擔的責任」一節所述的責任，包括與此等事項相關的責任。據此，吾等的審計範圍包括執行旨在回應吾等對綜合財務報表進行重大錯誤陳述風險評估的程序。審計程序(包括為處理下列事項而進行的程序)的結果為吾等就隨附綜合財務報表發表審計意見提供基礎。

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 吾等的審計如何處理關鍵審計事項
<p><i>Revenue recognition</i> 確認收益的時間</p> <p>The Group recognises revenue when the amount can be reliably estimated, when it is probable that future economic benefits will flow to the entity and the control of the goods is transferred to the buyer. For the year ended 31 December 2021, the Group recognised revenue of RMB2,024 million. Some terms of sales arrangements with customers including the timing of transfer of control of goods, delivery specifications, generate complexity and judgement in determining sales revenues and revenue cut-off. The risk is, therefore, that revenue is not recognised in the correct period or that revenue and the associated profit is misstated.</p> <p>The Group's disclosures about revenue is included in notes 2.4, 3 and 4 to the financial statements.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> understanding the revenue recognition policy and performing tests of controls on revenue recognition; reviewing sales contracts and supplementary agreements to check the relevant key terms of revenue recognition; performing analytical procedures by comparing the unit selling price, the sales volumes and gross margin to that in prior years by products and by month; obtaining confirmation from key customers and reviewing the reconciliation of any material difference by checking to related documents; performing the cut-off test for revenue recognised before and subsequent to the end of reporting period so as to check whether revenue is accounted for in the appropriate period; and assessing the disclosures regarding the revenue recognition.
<p>貴集團於收益金額能可靠估計，當可能有未來經濟利益流向實體，及貨品的控制權轉移至買方時確認收益。截至2021年12月31日止年度，貴集團確認收益人民幣2,024百萬元。客戶銷售安排的若干條款(包括貨品控制權轉移的時間、交貨規格)，在釐定銷售收益及收益結算時產生複雜性和判斷。因此，存在未於正確期間確認收益或錯報收益及相關溢利的風險。</p> <p>貴集團有關收益的披露載於財務報表附註2.4、3及4。</p>	<p>審計程序包括：</p> <ul style="list-style-type: none"> 瞭解收益確認政策及就收益確認執行控制權測試； 審閱銷售合約及補充協議，以核對收益確認的相關關鍵條款； 通過將單位售價、銷量及毛利率按產品及按月份與過往年度比較，執行分析程序； 取得關鍵客戶確認，並透過檢查相關文件審閱有任何重大差異的對賬； 就於報告期末前後確認的收益執行結算測試，以核實收益是否於適當期間入賬；及 評估有關收益確認的披露情況。

Independent Auditor's Report 獨立核數師報告

For the year ended 31 December 2021 截至2021年12月31日止年度

Other information included in the Annual Report

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

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

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

Responsibilities of the directors for the consolidated financial statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

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

年報所載的其他資料

貴公司董事須對其他資料負責。其他資料包括年報所載的所有資料，但不包括綜合財務報表及吾等就此發出的核數師報告。

吾等對綜合財務報表發表的意見並不涵蓋其他資料，吾等亦不對其他資料發表任何形式的鑒證結論。

就審計綜合財務報表而言，吾等的責任為閱覽其他資料，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計過程中所瞭解的情況有重大抵觸，或似乎存在重大錯誤陳述。根據吾等執行的工作，倘吾等認為其他資料存在重大錯誤陳述，則吾等須報告有關事實。於此方面，吾等並無任何報告。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據國際會計準則理事會頒佈的國際財務報告準則及香港公司條例的披露規定編製真實公平的綜合財務報表，以及落實董事認為必要的內部控制，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的重大錯誤陳述。

於編製綜合財務報表時，貴公司董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營會計基礎，除非貴公司董事有意將貴集團清盤或停業，或別無其他實際的替代方案惟如此行事，則另當別論。

貴公司董事在審核委員會的協助下履行監督貴集團財務報告過程的責任。

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. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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.

核數師就審計綜合財務報表須承擔的責任

吾等的目標為就綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並發出包括吾等意見的核數師報告。本報告僅向閣下（作為整體）作出，除此之外，本報告並無其他用途。吾等不會就本報告的內容向任何其他人士負責或承擔責任。

合理保證屬高度保證，但並非關於根據香港審計準則進行的審計總能發現某一存在的重大錯誤陳述的擔保。錯誤陳述可由欺詐或錯誤引起，倘個別或整體合理預期情況下可影響使用者根據該等綜合財務報表作出的經濟決定，則有關錯誤陳述可被視作重大。

作為根據香港審計準則進行的審計工作的一部分，吾等於整個審計過程中行使專業判斷並抱持專業懷疑態度。吾等亦：

- 識別及評估綜合財務報表由於欺詐或錯誤而導致的重大錯誤陳述風險，設計及執行審計程序以應對該等風險，以及獲取充分及適當審計憑證為吾等的意見提供基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或僭越內部控制，故因未能發現欺詐而導致的重大錯誤陳述風險高於因未能發現錯誤而導致的重大錯誤陳述風險。
- 瞭解有關審計的內部控制，以設計在各類情況下適當的審計程序，但並非旨在對貴集團內部控制的成效發表意見。
- 評估董事所用會計政策的恰當性及所作會計估計及相關披露的合理性。

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

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

核數師就審計綜合財務報表須承擔的責任 (續)

- 總結董事採用持續經營會計基礎是否恰當，並根據已獲得的審計憑證，總結是否存在與事件或情況有關的重大不明朗因素，以致可能令 貴集團的持續經營能力嚴重成疑。倘吾等得出結論認為存在重大不明朗因素，吾等須於核數師報告中提請使用者注意綜合財務報表內的相關披露，或倘相關披露不足，則修訂吾等的意見。吾等的結論以截至核數師報告日期所獲得的審計憑證為基礎。然而，未來事件或情況可能導致 貴集團不再持續經營。
- 評估綜合財務報表的整體列報方式、架構及內容（包括披露），以及綜合財務報表是否已公允反映相關交易及事件。
- 就 貴集團內實體或業務活動的財務資料獲得充足及適當的審計憑證，以就綜合財務報表發表意見。吾等負責指導、監督及執行集團的審計工作。吾等為吾等的審計意見承擔全部責任。

吾等與審核委員會溝通(其中包括)審計工作的計劃範圍、時間及重大審計發現，該等發現包括吾等於審計期間識別出內部控制的任何重大缺陷。

吾等亦向審核委員會提交聲明，說明吾等已遵守有關獨立性的相關道德要求，並與彼等溝通可能被合理認為會影響吾等獨立性的所有關係及其他事宜以及相關防範措施(倘適用)。

Independent Auditor's Report 獨立核數師報告

For the year ended 31 December 2021 截至2021年12月31日止年度

Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

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

The engagement partner on the audit resulting in this independent auditor's report is Siu Fung Terence Ho.

Ernst & Young

Certified Public Accountants
Hong Kong

30 March 2022

核數師就審計綜合財務報表須承擔的責任 (續)

從與審核委員會溝通的事項中，吾等決定對本期綜合財務報表審計最為重要的該等事項，因而構成關鍵審計事項。吾等在核數師報告中描述該等事項，除非法律或法規不允許公開披露該事項，或於極端罕見情況下，倘合理預期在報告中溝通某事項造成的負面後果超過其產生的公眾利益，則吾等決定不應在報告中溝通該事項。

出具本獨立核數師報告的審核項目合夥人是何兆烽。

安永會計師事務所

執業會計師
香港

2022年3月30日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

Year ended 31 December 2021 截至2021年12月31日止年度

		Notes	2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
		附註		
REVENUE	收益	4	2,024,055	2,049,803
Cost of sales	銷售成本		(1,659,105)	(1,775,977)
Gross profit	毛利		364,950	273,826
Other income and gains	其他收入及收益	5	10,951	13,669
Selling and distribution expenses	銷售及經銷開支		(105,375)	(89,836)
Administrative expenses	行政開支		(66,001)	(40,552)
Reversal of/(provision for) impairment loss on trade receivables	貿易應收款項減值虧損撥回/(撥備)	7	(1,020)	350
Reversal of/(provision for) impairment loss on financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及其他資產的金融資產減值虧損撥回/(撥備)	7	164	(48)
Other expenses	其他開支		(7,118)	(12,657)
Finance costs	財務成本	6	(29,164)	(8,797)
PROFIT BEFORE TAX	除稅前溢利	7	167,387	135,955
Income tax expense	所得稅開支	9	(32,304)	(17,818)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR	年內溢利及全面收益總額		135,083	118,137
Attributable to:	以下人士應佔：			
Owners of the parent	母公司擁有人		135,083	118,137
Non-controlling interests	非控股權益		-	-
			135,083	118,137
Earnings per share attributable to ordinary equity holders of the parent:	母公司普通權益持有人應佔每股盈利：			
Basic	基本			
- For profit for the year (RMB)	- 年內溢利(人民幣)	10	0.078	0.070
Diluted	攤薄			
- For profit for the year (RMB)	- 年內溢利(人民幣)	10	0.078	0.070

Consolidated Statement of Financial Position

綜合財務狀況表

31 December 2021 2021年12月31日

		Notes	2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
		附註		
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	11	207,867	188,249
Investment property	投資物業	12	6,499	6,679
Right-of-use assets	使用權資產	13(a)	48,394	49,934
Intangible assets	無形資產	14	–	22
Payments in advance	預先支付款項		169	796
Deferred tax assets	遞延稅項資產	15	860	646
Total non-current assets	非流動資產總值		263,789	246,326
CURRENT ASSETS	流動資產			
Inventories	存貨	16	61,270	242,561
Trade and bills receivables	貿易應收款項及應收票據	17	213,601	578,687
Prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產	18	313,039	40,714
Pledged deposits	已抵押存款	19	55,015	–
Cash and cash equivalents	現金及現金等價物	19	326,052	143,765
Total current assets	流動資產總值		968,977	1,005,727
CURRENT LIABILITIES	流動負債			
Trade payables	貿易應付款項	20	422,933	700,320
Contract liabilities	合約負債	21	27,749	27,806
Other payables and accruals	其他應付款項及應計款項	22	53,424	161,946
Interest-bearing bank and other borrowings	計息銀行及其他借款	23	208,320	77,986
Tax payable	應付稅項		12,826	21,999
Lease liabilities	租賃負債	13(b)	384	736
Total current liabilities	流動負債總額		725,636	990,793
NET CURRENT ASSETS	流動資產淨值		243,341	14,934
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		507,130	261,260

Consolidated Statement of Financial Position 綜合財務狀況表

31 December 2021 2021年12月31日

		Notes	2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
		附註		
NON-CURRENT LIABILITIES	非流動負債			
Interest-bearing bank loans	計息銀行貸款	23	132,244	3,042
Other payables and accruals	其他應付款項及應計款項	22	–	93,422
Lease liabilities	租賃負債	13(b)	–	367
			132,244	
Total non-current liabilities	非流動負債總額		132,244	96,831
Net assets	資產淨值		374,886	164,429
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Issued capital	已發行股本	26	151	136
Reserves	儲備	26	374,735	165,201
			374,886	165,337
Non-controlling interests	非控股權益		–	(908)
			374,886	164,429
Total equity	權益總額		374,886	164,429

Huang Xiangbin

黃祥彬

Director

董事

Liu Wenfang

劉文芳

Director

董事

Consolidated Statement of Changes in Equity

綜合權益變動表

Year ended 31 December 2021 截至2021年12月31日止年度

		Attributable to owners of the parent 母公司擁有人應佔									
		Changes in									
		Share Issued capital	Share premium account	Contributed surplus	Statutory reserve	Share option reserve	non- controlling interests	Accumulated losses	Total	Non- controlling interests	Total equity
		已發行 股本	溢價賬 股份	實繳盈餘	法定儲備	購股權 儲備	非控股 權益變動	累計虧損	總計	非控股 權益	權益總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(note 24)	(note 26(a))	(note 26(b))	(note 26(c))	(note 26(d))					
		(附註24)	(附註26(a))	(附註26(b))	(附註26(c))	(附註26(d))					
At 1 January 2020	於2020年1月1日	136	289,113	4,250	16,715	2,906	4,014	(270,588)	46,546	(908)	45,638
Correction of prior year errors	更正上一年度錯誤	-	-	-	-	-	-	654	654	-	654
At 1 January 2020 (restated)	於2020年1月1日(經重列)	136	289,113	4,250	16,715	2,906	4,014	(269,934)	47,200	(908)	46,292
Profit and total comprehensive income for the year	年內溢利及全面收益總額	-	-	-	-	-	-	118,137	118,137	-	118,137
Transfer to statutory reserve	轉發至法定儲備	-	-	-	3,839	-	-	(3,839)	-	-	-
At 31 December 2020	於2020年12月31日	136	289,113*	4,250*	20,554*	2,906*	4,014*	(155,636)*	165,337	(908)	164,429
At 1 January 2021	於2021年1月1日	136	289,113	4,250	20,554	2,906	4,014	(155,636)	165,337	(908)	164,429
Profit and total comprehensive income for the year	年內溢利及全面收益總額	-	-	-	-	-	-	135,083	135,083	-	135,083
Issue of new shares	發行新股	14	70,161	-	-	-	-	-	70,175	-	70,175
Share issue expenses	股份發行開支	-	(369)	-	-	-	-	-	(369)	-	(369)
Acquisition of non-controlling interests	收購非控股權益	-	(908)	-	-	-	-	-	(908)	908	-
Equity-settled share option arrangements (note 25)	以權益結算的購股權安排(附註25)	1	7,777	-	-	(2,210)	-	-	5,568	-	5,568
Transfer of share option reserve upon the forfeiture of share options (note 25)	於購股權沒收時轉發購股權儲備(附註25)	-	-	-	-	(477)	-	477	-	-	-
Transfer to statutory reserve	轉發至法定儲備	-	-	-	5,863	-	-	(5,863)	-	-	-
At 31 December 2021	於2021年12月31日	151	365,774*	4,250*	26,417*	219*	4,014*	(25,939)*	374,886	-	374,886

* These reserve accounts comprise the consolidated reserves of RMB374,735,000 (31 December 2020: RMB165,201,000) in the consolidated statement of financial position.

* 該等儲備賬包括綜合財務狀況表內的綜合儲備人民幣374,735,000元(2020年12月31日:人民幣165,201,000元)。

Consolidated Statement of Cash Flows

綜合現金流量表

Year ended 31 December 2021 截至2021年12月31日止年度

	Notes 附註	2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動所得現金流量		
Profit before tax	除稅前溢利	167,387	135,955
Adjustments for:	就以下各項調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	4,957	7,804
Depreciation of investment property	投資物業折舊	180	454
Depreciation of right-of-use assets	使用權資產折舊	1,540	1,138
Amortisation of intangible assets	無形資產攤銷	22	23
Unrealised foreign exchange gains	未變現匯兌收益	3,549	1,100
Imputed discount on deposits received	已收按金的估算貼現	–	(8,510)
Interest income from financial assets at fair value through profit or loss	按公平值計入損益的金融資產 利息收入	(795)	(615)
Interest income from financial assets measured at amortised cost	按攤銷成本計量的金融資產 利息收入	–	(39)
Finance costs	財務成本	29,164	8,797
Bank interest income	銀行利息收入	(518)	(1,295)
Other income attributable to the receipt of donation of a vehicle	收取車輛捐贈的其他收入	(30)	–
Write-down of inventories to net realisable value	存貨撇減至可變現淨值	–	3,248
Provision for/(reversal of) impairment losses on trade receivables	貿易應收款項減值虧損 撥備/(撥回)	1,020	(350)
Provision for/(reversal of) impairment losses on financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項 及其他資產的金融資產減值 虧損撥備/(撥回)	(164)	48
		206,312	147,758
Decrease/(increase) in trade and bills receivables	貿易應收款項及應收票據 減少/(增加)	364,066	(547,627)
Decrease/(increase) in prepayments, other receivables and other assets	預付款項、其他應收款項及其他 資產減少/(增加)	(34,259)	25,852
Decrease in inventories	存貨減少	181,291	13,457
Decrease/(increase) in payments in advance	預付款項減少/(增加)	627	(288)
Increase/(decrease) in trade payables	貿易應付款項增加/(減少)	(277,387)	399,854
Increase in amounts due from related parties	應收關聯方款項增加	(11)	–
Increase/(decrease) in other payables and accruals	其他應付款項及應計款項增加/ (減少)	(93,697)	114,880
Decrease in contract liabilities	合約負債減少	(57)	(10,776)
Cash generated from operations	營運所得現金	346,885	143,110
Interest received	已收利息	518	1,295
Tax paid	已付稅項	(41,691)	(7,105)
Net cash flows from operating activities	經營活動所得現金流量	305,712	137,300

Consolidated Statement of Cash Flows 綜合現金流量表

Year ended 31 December 2021 截至2021年12月31日止年度

	Notes 附註	2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動所得現金流量		
Purchase of items of property, plant and equipment	購買物業、廠房及設備項目	(23,522)	(372)
Addition of leasehold land	添置租賃土地	–	(49,114)
Purchase of wealth management products classified as financial assets at fair value through profit or loss	購買分類為按公平值計入損益的金融資產的理財產品	(366,136)	(164,000)
Redemption of wealth management products classified as financial assets at fair value through profit or loss	贖回分類為按公平值計入損益的金融資產的理財產品	366,136	164,000
Interest income from financial assets at fair value through profit or loss	按公平值計入損益的金融資產的利息收入	795	615
Interest income from financial assets measured at amortised cost	按攤銷成本計量的金融資產的利息收入	–	39
Redemption of financial assets measured at amortised cost	贖回按攤銷成本計量的金融資產	–	1,990
Net cash flows used in investing activities	投資活動所用現金流量淨額	(22,727)	(46,842)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動所得現金流量		
Principal portion of lease payments	租賃付款的本金部分	(719)	(990)
Interest portion of lease payments	租賃付款的利息部分	(55)	(95)
Interest paid	已付利息	(22,417)	(6,770)
Proceeds from bank and other borrowings	銀行及其他借款所得款項	210,000	120,330
Repayment of bank and other borrowings	償還銀行及其他借款	(77,937)	(226,312)
Decrease in other payables and accruals	其他應付款項及應計款項減少	(115,962)	(98,605)
Issue of new shares	發行新股	69,806	–
Exercise of share options	行使購股權	5,568	–
Increase in pledged time deposits	已抵押定期存款增加	(55,015)	–
Decrease in prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產減少	(110,377)	42,567
Net cash flows used in financing activities	融資活動所用現金流量淨額	(97,108)	(169,875)

Consolidated Statement of Cash Flows 綜合現金流量表

Year ended 31 December 2021 截至2021年12月31日止年度

	Notes 附註	2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加／(減少)淨額	185,877	(79,417)
Effect of foreign exchange rate changes, net	外匯匯率變動影響淨額	(3,590)	(1,574)
Cash and cash equivalents at beginning of year	年初現金及現金等價物	143,765	224,756
CASH AND CASH EQUIVALENTS AT END OF YEAR	年末現金及現金等價物	326,052	143,765
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析		
Cash and cash equivalents as stated in the statement of financial position	財務狀況表所列現金及現金等價物	326,052	143,765
Cash and cash equivalents as stated in the statement of cash flows	現金流量表所列現金及現金等價物	326,052	143,765

Notes to Financial Statements

財務報表附註

31 December 2021 2021年12月31日

1. Corporate and Group Information

Sinco Pharmaceuticals Holdings Limited (the “Company”) is a limited liability company incorporated in the Cayman Islands on 16 March 2015. The registered office address of the Company is P.O. Box 309, Uglund House, Grand Cayman, KY1-1104, Cayman Islands. The Company’s principal place of business in Hong Kong is located at Room 2403, Wing On Centre, 111 Connaught Road Central, Hong Kong with effect from 20 November 2020.

During the year, the Company and its subsidiaries (collectively referred to as the “Group”) were principally engaged in marketing, promotion and channel management services for improved human plasma-based pharmaceuticals, antibiotics and other pharmaceuticals focused on therapeutic areas and complementary to human plasma-based products and other fast-growing categories in Mainland China. There were no significant changes in the nature of the Group’s principal activities during the year.

In the opinion of directors of the Company (the “Directors”), Risun Investments Limited (“Risun”), a company incorporated in the British Virgin Islands (“BVI”), is the parent and the ultimate holding company of the Company.

1. 公司及集團資料

興科蓉醫藥控股有限公司(「本公司」)為於2015年3月16日在開曼群島註冊成立的有限公司。本公司的註冊辦事處地址為P.O. Box 309, Uglund House, Grand Cayman, KY1-1104, Cayman Islands。本公司香港主要營業地點位於香港干諾道中111號永安中心2403室，自2020年11月20日起生效。

於本年度，本公司及其附屬公司(統稱「本集團」)主要於中國內地從事改善人體血漿藥品、抗生素及專注於治療領域與人體血漿製品及其他快速增長類別互補的其他藥品的市場營銷、推廣及渠道管理服務。本集團主要業務的性質於本年度並無重大變動。

本公司董事(「董事」)認為，Risun Investments Limited (「Risun」)(在英屬維爾京群島(「英屬維爾京群島」)註冊成立的公司)為本公司的母公司及最終控股公司。

1. Corporate and Group Information (Continued)

Information about subsidiaries

Particulars of the Company's subsidiaries are as follows:

1. 公司及集團資料(續)

附屬公司資料

本公司附屬公司詳情如下：

Name 名稱	Place and date of incorporation/ registration and place of business 註冊成立/註冊地點及 日期與營業地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務
			Direct 直接 %	Indirect 間接 %	
Starwell Group Holding Limited 興豪集團控股有限公司	26 November 2013 BVI 2013年11月26日 英屬維爾京群島	US\$50,000 50,000美元	100	–	Investment holding 投資控股
Bright Ritzy Limited 晨晔有限公司	5 August 2016 BVI 2016年8月5日 英屬維爾京群島	US\$1 1美元	100	–	Investment holding 投資控股
Chengdu Sinco Pharmaceuticals Co., Ltd. ^(a) 成都興科蓉醫藥有限公司 ^(a)	17 February 2011 PRC/Mainland China 2011年2月17日 中國/中國內地	US\$10,000,000 10,000,000美元	100	–	Sale of pharmaceutical products 銷售藥品
Hong Kong Prosperous Group Holding Limited 香港恒盛集團控股有限公司	20 December 2013 Hong Kong 2013年12月20日 香港	HK\$100 100港元	–	100	Sale of pharmaceutical products 銷售藥品
Glorious Empire Limited 曄煜有限公司	26 August 2016 Hong Kong 2016年8月26日 香港	HK\$1 1港元	–	100	Investment holding 投資控股

1. Corporate and Group Information (Continued)

Information about subsidiaries (Continued)

1. 公司及集團資料(續)

附屬公司資料(續)

Name 名稱	Place and date of incorporation/ registration and place of business 註冊成立/註冊地點及 日期與營業地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務
			Direct 直接 %	Indirect 間接 %	
Sichuan Sinco Pharmaceuticals Co., Ltd. ^(a) 四川興科蓉藥業有限責任公司 ^(a)	1 April 2011 PRC/Mainland China 2011年4月1日 中國/中國內地	RMB100,000,000 人民幣100,000,000元	-	100	Sale of pharmaceutical products 銷售藥品
Sichuan Sinco Biological Technology Co., Ltd. ^(a) 四川興科蓉生物科技有限公司 ^(a)	25 November 2013 PRC/Mainland China 2013年11月25日 中國/中國內地	RMB1,000,000 人民幣1,000,000元	-	100	Research and development on pharmaceutical products 藥品研發
Chengdu Sinco Pharmaceutical Technology Co., Ltd. ^(a) 成都興科蓉醫藥技術有限責任公司 ^(a)	26 February 2014 PRC/Mainland China 2014年2月26日 中國/中國內地	RMB22,000,000 人民幣22,000,000元	-	100	Providing warehouse facilities for pharmaceutical products 提供藥品倉庫設施
Chengdu Hengsheng Ziguang Pharmaceutical Technology Co., Ltd. ("Chengdu Hengsheng") ^(a) 成都恒盛紫光醫藥技術有限責任公司 (「成都恒盛」) ^(a)	4 March 2015 PRC/Mainland China 2015年3月4日 中國/中國內地	RMB100,000 人民幣100,000元	-	100	Consultation on medical and biological technology 醫療及生物技術諮詢

1. Corporate and Group Information (Continued)

Information about subsidiaries (Continued)

1. 公司及集團資料(續)

附屬公司資料(續)

Name 名稱	Place and date of incorporation/ registration and place of business 註冊成立/註冊地點及 日期與營業地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務
			Direct 直接 %	Indirect 間接 %	
Xizang Linzhi Ziguang pharmaceutical Co., Ltd. ("Linzhi Ziguang") ^(iv) 西藏林芝紫光藥業有限責任公司 (「林芝紫光」) ^(iv)	17 November 2014 PRC/Mainland China 2014年11月17日 中國/中國內地	RMB10,000,000 人民幣10,000,000元	–	100	Sale of Pharmaceutical products 銷售藥品
Sinco Shanghai Trading Co., Ltd. ^(v) 興科蓉(上海)貿易有限公司 ^(v)	25 August 2016 PRC/Mainland China 2016年8月25日 中國/中國內地	RMB5,000,000 人民幣5,000,000元	–	100	Sale of pharmaceutical products 銷售藥品
Qingdao Yusheng Hengying Trading Co., Ltd. ^(v) 青島煜盛恒盈貿易有限公司 ^(v)	15 November 2016 PRC/Mainland China 2016年11月15日 中國/中國內地	RMB30,000,000 人民幣30,000,000元	–	100	Investment holding 投資控股
Qingdao Ruichi Pharmaceuticals Co., Ltd. ^(vi) 青島瑞馳藥業有限公司 ^(vi)	15 May 2007 PRC/Mainland China 2007年5月15日 中國/中國內地	RMB10,000,000 人民幣10,000,000元	–	100	Sale of pharmaceutical products 銷售藥品
XKR Prosperous Holding PTE. Ltd. ^(vii) 新加坡恒盛集團控股有限公司 ^(vii)	6 August 2020 Singapore 2020年8月6日 新加坡	SGD10,000 10,000新加坡元	–	100	Sale of pharmaceutical products 銷售藥品
Macao Sinco Limited. ^(iv) 澳門興科榮一人有限公司 ^(iv)	1 February 2021 Macao 2021年2月1日 澳門	MOP25,000 澳門幣25,000元	–	100	International trade 國際貿易

1. Corporate and Group Information (Continued) Information about subsidiaries (Continued)

1. 公司及集團資料(續) 附屬公司資料(續)

Name 名稱	Place and date of incorporation/ registration and place of business 註冊成立/註冊地點及 日期與營業地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務
			Direct 直接 %	Indirect 間接 %	
Beijing Sinco Biological Medical Technology Co., Ltd. ⁽ⁱ⁾ 北京興科榮生物醫療科技有限公司 ⁽ⁱ⁾	9 August 2021 PRC/Mainland China 2021年8月9日 中國/中國內地	RMB2,000,000 人民幣2,000,000元	-	100	Market promotion 市場推廣
Haikou Sinco Biological Medical Technology Co., Ltd. ⁽ⁱ⁾ 海口興科榮生物醫療科技有限公司 ⁽ⁱ⁾	29 August 2021 PRC/Mainland China 2021年8月29日 中國/中國內地	RMB10,000,000 人民幣10,000,000元	-	100	Market promotion 市場推廣
Sheenos Limited	30 November 2021 BVI 2021年11月30日 英屬維爾京群島	US\$50,000 50,000美元	100	-	Investment holding 投資控股
(i) Sichuan Sinco Pharmaceuticals Co., Ltd. ("Sichuan Sinco Pharmaceuticals"), Sinco Shanghai Trading Co., Ltd. ("Sinco Shanghai"), Qingdao Yusheng Hengying Trading Co., Ltd. ("Qingdao Yusheng") and Chengdu Sinco Pharmaceuticals Co., Ltd. ("Chengdu Sinco Pharmaceuticals") are registered as wholly-foreign-owned enterprises under the law of the People's Republic of China ("the PRC").			(i)		四川興科蓉藥業有限責任公司(「四川興科蓉藥業」)、興科蓉(上海)貿易有限公司(「興科蓉上海」)、青島煜盛恒盈貿易有限公司(「青島煜盛」)及成都興科蓉藥業有限公司(「成都興科蓉」)根據中華人民共和國(「中國」)法律註冊為外商獨資企業。
(ii) These subsidiaries are registered as domestic enterprises under PRC law.			(ii)		該等附屬公司根據中國法律註冊為內資企業。
(iii) The subsidiary is registered as a wholly-foreign-owned enterprise under the law of the Republic of Singapore.			(iii)		該附屬公司根據新加坡共和國法律註冊為外商獨資企業。
(iv) The subsidiary is registered as a one-person limited liability company under the law of Macau.			(iv)		該附屬公司根據澳門法律註冊為一人有限公司。

2.1 Basis of Preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”), which comprise standards and interpretations approved by the International Accounting Standards Board (the “IASB”), and International Accounting Standards (“IASs”) and Standing Interpretations Committee Interpretations approved by the International Accounting Standards Committee that remain in effect, and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain wealth management products which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2021. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.1 編製基準

該等財務報表按照國際財務報告準則(「國際財務報告準則」, 包括仍然生效的國際會計準則理事會(「國際會計準則理事會」)批准的準則及詮釋以及國際會計準則委員會批准的國際會計準則(「國際會計準則」)及常務詮釋委員會詮釋)及香港公司條例的披露規定編製。除若干理財產品按公平價值計量外, 該等財務報表按歷史成本慣例編製。除另有指明者外, 該等財務報表以人民幣(「人民幣」)呈列, 而所有價值均約整至最接近千元。

綜合基準

綜合財務報表包括本公司及其附屬公司截至2021年12月31日止年度的財務報表。附屬公司指本公司直接或間接控制的實體。當本集團通過參與投資對象的相關活動而承擔可變回報的風險或有權享有可變回報, 並有能力運用對投資對象的權力(即賦予本集團現有以主導投資對象相關活動的既存權利)影響該等回報時, 即取得控制權。

倘本公司直接或間接擁有少於投資對象大部分的投票或類似權利, 則本集團於評估其是否擁有對投資對象的權力時會考慮所有相關事實和情況, 包括:

- (a) 與投資對象其他投票持有人的合約安排;
- (b) 其他合約安排所產生的權利; 及
- (c) 本集團的投票權及潛在投票權。

附屬公司的財務報表按與本公司相同的報告期編製, 並採用貫徹一致的會計政策。附屬公司的業績自本集團取得控制權當日起綜合計算, 並持續至該控制權終止之日為止。

2.1 Basis of Preparation (Continued)

Basis of consolidation (Continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interests and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained, and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 Changes in Accounting Policies and Disclosures

The Group has adopted the following revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	<i>Interest Rate Benchmark Reform – Phase 2</i>
Amendment to IFRS 16	<i>COVID-19-Related Rent Concessions</i>
Amendment to IFRS 16	<i>COVID-19-Related Rent Concessions beyond 30 June 2021 (early adopted)</i>

2.1 編製基準(續)

綜合基準(續)

即使會導致非控股權益產生虧絀結餘，損益及其他全面收益的各個組成部分仍歸屬於本集團母公司擁有人及非控股權益。與本集團成員公司交易有關的所有集團內公司間資產及負債、股權、收入、開支及現金流量均於綜合時悉數對銷。

倘事實及情況反映上述三項控制權因素的其中一項或多項有所變動，則本集團會重估是否仍然控制投資對象。並無失去控制權的附屬公司所有權益變動會入賬為股本交易。

倘本集團失去附屬公司的控制權，則終止確認(i)該附屬公司的資產(包括商譽)及負債、(ii)任何非控股權益的賬面值及(iii)於權益內記錄的累計匯兌差額；及在損益確認(i)所收代價的公平值；(ii)所保留任何投資的公平值；及(iii)因此產生的盈虧。先前已於其他全面收益確認的本集團應佔部分重新分類至損益或保留溢利(如適用)，基準與本集團直接出售相關資產或負債所需使用者相同。

2.2 會計政策及披露變動

本集團已於本年度財務報表中首次採納下列經修訂國際財務報告準則。

國際財務報告準則第9號、 國際會計準則第39號、 國際財務報告準則第7 號、國際財務報告準則 第4號及國際財務報告 準則第16號(修訂本)	<i>利率基準改革 – 第2階段</i>
國際財務報告準則第16號 (修訂本)	<i>與COVID-19相關的 租金優惠</i>
國際財務報告準則第16號 (修訂本)	<i>2021年6月30日後 與COVID-19相關的 租金優惠 (提早採納)</i>

2.2 Changes in Accounting Policies and Disclosures (Continued)

The nature and the impact of the revised IFRSs are described below:

- (a) Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate (“RFR”). The amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of IFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity’s financial instruments and risk management strategy.

The Group had certain interest-bearing bank loans denominated in RMB based on the China Loan Prime Rate as at 31 December 2021. If the interest rates of these borrowings are replaced by RFRs in a future period, the Group will apply the above-mentioned practical expedient upon the modification of these borrowings provided that the “economically equivalent” criterion is met and expects that no significant modification gain or loss will arise as a result of applying the amendments to these changes.

2.2 會計政策及披露變動(續)

經修訂國際財務報告準則的性質和影響如下：

- (a) 國際財務報告準則第9號、國際會計準則第39號、國際財務報告準則第7號、國際財務報告準則第4號及國際財務報告準則第16號(修訂本)解決了先前修訂本中未處理有關在現行利率基準被其他無風險利率(「無風險利率」)取代時影響財務報告的問題。該修訂本提供實際可行權宜方法，允許在對釐定金融資產及負債的合約現金流量的基準變動進行會計處理時，在不調整金融資產及負債賬面值的情況下更新實際利率(倘有關變動為利率基準改革的直接後果，且釐定合約現金流量的新基準經濟上相當於緊接變動前的先前基準)。此外，修訂本允許在對沖關係並無終止的情況下，進行利率基準改革規定對對沖指定項目及對沖文件作出的變動。於過渡時可能產生的任何收益或虧損透過國際財務報告準則第9號的一般規定處理，以計量及確認對沖無效性。修訂本亦為實體提供臨時寬免，不用於無風險利率被指定為風險部分時符合獨立可識別規定。該寬免允許實體於指定對沖後假設符合獨立可識別規定，前提是實體合理預期無風險利率風險部分將於未來24個月內獨立可識別。此外，修訂本規定實體披露額外資料，以使財務報表使用者瞭解利率基準改革對實體金融工具及風險管理策略的影響。

於2021年12月31日，本集團有若干按中國貸款市場報價利率以人民幣計值的計息銀行貸款。倘該等借款的利率於未來期間被無風險利率取代，則本集團將於符合「經濟等值」標準時經修改該等借款後應用上述實際可行權宜方法，並預期將不會因對有關變動應用修訂本而產生重大修改收益或虧損。

2.2 Changes in Accounting Policies and Disclosures (Continued)

- (b) Amendment to IFRS 16 issued in March 2021 extends the availability of the practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic by 12 months. Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. Earlier application is permitted.

The Group has early adopted the amendment on 1 January 2021. However, the Group has not received COVID-19-related rent concessions and plans to apply the practical expedient when it becomes applicable within the allowed period of application.

2.2 會計政策及披露變動(續)

- (b) 於2021年3月頒佈的國際財務報告準則第16號(修訂本)，將承租人選擇不就新冠疫情直接產生的租金優惠應用租賃修訂會計處理的實際可行權宜方法的可用期限延長12個月。因此，實際可行權宜方法適用於任何租金付款減免僅影響原定於2022年6月30日或之前到期的付款的租金優惠，惟須滿足應用實際可行權宜方法的其他條件。修訂本於2021年4月1日或之後開始的年度期間追溯生效，首次應用該修訂本的任何累計影響確認為本會計期間開始時保留溢利的期初結餘調整。該修訂本允許提早應用。

本集團於2021年1月1日提早採納該修訂本。然而，本集團尚未獲得與COVID-19相關的租金優惠，並計劃於允許應用期間在適用時應用實際可行權宜方法。

2.3 Issued But Not Yet Effective IFRSs

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to IFRS 3	<i>Reference to the Conceptual Framework¹</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³</i>
IFRS 17	<i>Insurance Contracts²</i>
Amendments to IFRS 17	<i>Insurance Contracts^{2,4}</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current²</i>
Amendments to IAS 1 and IFRS Practice Statement 2	<i>Disclosure of Accounting Policies²</i>
Amendments to IAS 8	<i>Definition of Accounting Estimates²</i>
Amendments to IAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction²</i>
Amendments to IAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use¹</i>
Amendments to IAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract¹</i>
Annual Improvements to IFRS Standards 2018-2020	<i>Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41¹</i>

¹ Effective for annual periods beginning on or after 1 January 2022

² Effective for annual periods beginning on or after 1 January 2023

³ No mandatory effective date yet determined but available for adoption

⁴ As a consequence of the amendments to IFRS 17 issued in June 2020, IFRS 4 was amended to extend the temporary exemption that permits insurers to apply IAS 39 rather than IFRS 9 for annual periods beginning before 1 January 2023

2.3 已頒佈但尚未生效的國際財務報告準則

本集團並未於該等財務報表中應用以下已頒佈惟未生效的新訂及經修訂國際財務報告準則。

國際財務報告準則第3號 (修訂本)	引用概念框架 ¹
國際財務報告準則第10號及 國際會計準則第28號 (修訂本)	投資者與其聯營公司 或合營公司之間的 資產出售或注資 ³
國際財務報告準則第17號	保險合約 ²
國際財務報告準則第17號 (修訂本)	保險合約 ^{2,4}
國際會計準則第1號(修訂本)	將負債分類為流動或 非流動 ²
國際會計準則第1號及國際 財務報告準則實務公告 第2號(修訂本)	會計政策披露 ²
國際會計準則第8號(修訂本)	會計估計的定義 ²
國際會計準則第12號(修訂本)	與單一交易產生資產 及負債有關的遞延 稅項 ²
國際會計準則第16號 (修訂本)	物業、廠房及設備： 於作擬定用途前的 所得款項 ¹
國際會計準則第37號 (修訂本)	虧損合約—履行合約 的成本 ¹
國際財務報告準則2018年至 2020年年度改進	國際財務報告準則第1 號、國際財務報告 準則第9號、國際 財務報告準則第16 號隨附闡述範例及 國際會計準則第41 號(修訂本) ¹

¹ 於2022年1月1日或之後開始的年度期間生效

² 於2023年1月1日或之後開始的年度期間生效

³ 尚未確定強制生效日期但可供採納

⁴ 由於2020年6月頒佈的國際財務報告準則第17號(修訂本)，國際財務報告準則第4號獲修訂以延長允許保險公司於2023年1月1日前開始的年度期間應用國際會計準則第39號而非國際財務報告準則第9號的暫時豁免

2.3 Issued But Not Yet Effective IFRSs (Continued)

Further information about those IFRSs that are expected to be applicable to the Group is described below.

Amendments to IFRS 3 are intended to replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* issued in March 2018 without significantly changing its requirements. The amendments also add to IFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should refer to IAS 37 or IFRIC 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group expects to adopt the amendments prospectively from 1 January 2022. Since the amendments apply prospectively to business combination for which the acquisition date is on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB in December 2015 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

2.3 已頒佈但尚未生效的國際財務報告準則(續)

有關預期適用於本集團的國際財務報告準則的進一步資料概述如下。

國際財務報告準則第3號(修訂本)旨在引用2018年3月頒佈的*財務報告概念框架*，以取代引用先前的*財務報表編製及呈列框架*，而不會大幅更改其規定。修訂本亦對國際財務報告準則第3號增加其確認原則的例外情況，以供實體引用概念框架以釐定構成資產或負債的內容。該例外情況規定，就國際會計準則第37號或國際財務報告詮釋委員會第21號範圍內的負債及或然負債而言，倘該等負債及或然負債單獨產生而非於業務合併中承擔，則應用國際財務報告準則第3號的實體應分別參閱國際會計準則第37號或國際財務報告詮釋委員會第21號，而非概念框架。此外，修訂本釐清或然資產不合資格於收購日期確認。本集團預期自2022年1月1日起提前採納該等修訂本。由於修訂本將提前應用於收購日期為首次應用日期或之後的業務合併，故本集團於過渡日期將不會受修訂本影響。

國際財務報告準則第10號及國際會計準則第28號(修訂本)針對國際財務報告準則第10號與國際會計準則第28號有關投資者與其聯營公司或合營企業之間的資產出售或注資兩者規定的不一致性。修訂本規定，當投資者與其聯營公司或合營企業之間的資產出售或注資構成一項業務時，須確認下游交易產生的全數收益或虧損。當交易涉及不構成一項業務的資產時，由該交易產生的收益或虧損於該投資者的損益內確認，惟僅以不相關投資者於該聯營公司或合營企業的權益為限。修訂本即將提前應用。國際會計準則理事會已於2015年12月剔除國際財務報告準則第10號及國際會計準則第28號(修訂本)先前的強制生效日期，而新的強制生效日期將於對聯營公司及合營公司的會計處理完成更廣泛的檢討後釐定。然而，修訂本現時可供採用。

2.3 Issued But Not Yet Effective IFRSs (Continued)

Amendments to IAS 1 *Classification of Liabilities as Current or Non-current* clarify the requirements for classifying liabilities as current or non-current. The amendments specify that if an entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective for annual periods beginning on or after 1 January 2023 and shall be applied retrospectively. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 1 *Disclosure of Accounting Policies* require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to IFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. Amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023 and earlier application is permitted. Since the guidance provided in the amendments to IFRS Practice Statement 2 is non-mandatory, an effective date for these amendments is not necessary. The Group is currently assessing the impact of the amendments on the Group's accounting policy disclosures.

Amendments to IAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效的國際財務報告準則(續)

國際會計準則第1號(修訂本)將負債分類為流動或非流動釐清將負債分類為流動或非流動的規定。修訂本訂明，倘實體遞延償還負債的權利須待實體符合特定條件，而實體於報告期結束日符合該等條件，則其於該日有權遞延償還負債。負債的分類不受實體將行使其權利遞延清償負債的可能性所影響。修訂本亦釐清被視為清償負債的情況。修訂本於2023年1月1日或之後開始的年度期間生效，並須追溯應用，亦可提早應用。預期修訂本對本集團的財務報表並無任何重大影響。

國際會計準則第1號(修訂本)會計政策披露要求實體披露其重大會計政策資料而非主要會計政策。倘會計政策資料與實體財務報表所載其他資料一併考慮，會計政策資料可以合理預期會影響通用財務報表的主要使用者根據該等財務報表所作出的決定，則該會計政策資料屬重大。國際財務報告準則實務公告第2號(修訂本)就如何將重大概念應用於會計政策披露提供非強制性指引。國際會計準則第1號(修訂本)於2023年1月1日或之後開始的年度期間生效，及可提早應用。由於國際財務報告準則實務公告第2號(修訂本)所提供指引為非強制性，該等修訂本無需生效日期。本集團現時正評估修訂本對本集團會計政策披露的影響。

國際會計準則第8號(修訂本)澄清會計估計變動與會計政策變動之間的區別。會計估計定義為在計量不明朗因素的財務報表之貨幣金額。修訂本亦闡明實體如何使用計量技術及輸入數據以制定會計估計。修訂本於2023年1月1日或之後開始的年度報告期間生效，及適用於該期間開始或之後發生的會計政策變動及會計估計變動，亦可提早應用。預期修訂本對本集團的財務報表並無任何重大影響。

2.3 Issued But Not Yet Effective IFRSs (Continued)

Amendments to IAS 12 narrow the scope of the initial recognition exception so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset and a deferred tax liability for temporary differences arising from these transactions. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and shall be applied to transactions related to leases and decommissioning obligations at the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to the opening balance of retained profits or other component of equity as appropriate at that date. In addition, the amendments shall be applied prospectively to transactions other than leases and decommissioning obligations. Earlier application is permitted.

The Group has applied the initial recognition exception and did not recognise a deferred tax asset and a deferred tax liability for temporary differences for transactions related to leases. Upon initial application of these amendments, the Group will recognise a deferred tax asset and a deferred tax liability for deductible and taxable temporary differences associated with right-of-use assets and lease liabilities, and recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained profits at the beginning of the earliest comparative period presented.

2.3 已頒佈但尚未生效的國際財務報告準則(續)

國際會計準則第12號(修訂本)縮小了初始確認豁免的範圍，規定該豁免不得適用於產生金額相等的應課稅及可扣減暫時差額的交易，如租賃及棄置義務相關交易。因此，實體須就該等交易所產生的暫時差額確認遞延稅項資產及遞延稅項負債。修訂本於2023年1月1日或之後開始的年度報告期間生效，並須適用於所呈列的最早可比期間期初的租賃及棄置義務相關交易，任何累計影響確認為該日期保留溢利或權益的其他部分(如適用)期初結餘的調整。此外，修訂本將前瞻性適用於租賃及棄置義務以外的交易，亦可提早應用。

本集團已應用初始確認豁免，且並無就租賃相關交易的暫時差額確認遞延稅項資產及遞延稅項負債。於首次應用該等修訂本後，本集團將就與使用權資產及租賃負債相關的可扣稅及應課稅暫時差額確認遞延稅項資產及遞延稅項負債，並將首次應用修訂本的累計影響確認為對於所呈列最早可比期間期初保留溢利的期初結餘調整。

2.3 Issued But Not Yet Effective IFRSs (Continued)

Amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied retrospectively only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 37 clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied to contracts for which an entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. Earlier application is permitted. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening equity at the date of initial application without restating the comparative information. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效的國際財務報告準則(續)

國際會計準則第16號(修訂本)禁止實體於將資產達致其能夠以管理層擬定的方式運作所需的地點及狀況時，從物業、廠房及設備項目的成本中扣除出售所生產項目的任何所得款項。相反，實體於損益確認出售任何該等項目的所得款項及該等項目的成本。修訂本於2022年1月1日或之後開始的年度期間生效，且僅可追溯應用於實體首次應用修訂本的財務報表所呈列的最早期間開始時或之後可供使用的物業、廠房及設備項目，亦可提早應用。預期修訂本對本集團的財務報表並無任何重大影響。

國際會計準則第37號(修訂本)澄清，就根據國際會計準則第37號評估合約是否屬虧損性而言，履行合約的成本包括與合約直接相關的成本。與合約直接相關的成本包括履行該合約的增量成本(如直接勞工及材料)及與履行該合約直接相關的其他成本分配(如分配履行合約所用物業、廠房及設備項目的折舊費用以及合約管理及監督成本)。一般及行政成本與合約並無直接關係，除非根據合約可明確向對手方收取，否則不予計入。修訂本於2022年1月1日或之後開始的年度期間生效，並適用於實體於其首次應用修訂本的年度報告期初尚未履行其所有責任的合約，亦可提早應用。首次應用修訂本的任何累計影響須於首次應用日期確認為對期初權益的調整，而毋須重列比較資料。預期修訂本對本集團的財務報表並無任何重大影響。

2.3 Issued But Not Yet Effective IFRSs (Continued)

Annual improvements to IFRS Standards 2018-2020 sets out amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022. Earlier application is permitted. The amendment is not expected to have a significant impact on the Group's financial statements.
- IFRS 16 *Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

2.3 已頒佈但尚未生效的國際財務報告準則(續)

國際財務報告準則2018年至2020年的年度改進 載列國際財務報告準則第1號、國際財務報告準則第9號、國際財務報告準則第16號隨附闡釋範例及國際會計準則第41號(修訂本)。預期適用於本集團的修訂本詳情如下：

- 國際財務報告準則第9號*金融工具*：釐清實體於評估一項新訂或經修訂金融負債的條款是否與原有金融負債的條款存在重大差異時包括的費用。該等費用僅包括借款人與貸款人之間支付或收取的費用，包括借款人或貸款人代表另一方支付或收取的費用。實體將修訂本應用於實體首次應用修訂本的年度報告期初或之後修訂或交換的金融負債。修訂本於2022年1月1日或之後開始的年度期間生效，亦可提早應用。預期修訂本對本集團的財務報表並無重大影響。
- 國際財務報告準則第16號*租賃*：移除國際財務報告準則第16號隨附闡釋範例13中有關租賃物業裝修的出租人付款說明。此舉消除了應用國際財務報告準則第16號時有關租賃優惠處理方面可能出現的混淆情況。

2.4 Summary of Significant Accounting Policies

Fair value measurement

The Group measures its certain wealth management products at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.4 主要會計政策概要

公平值計量

本集團於各報告期末按公平值計量其若干理財產品。公平值為市場參與者於計量日期在有序交易中出售資產時收取或轉讓負債時支付的價格。公平值計量乃基於假設出售資產或轉讓負債的交易於資產或負債的主要市場中進行，倘無主要市場，則於資產或負債的最有利市場進行。主要或最有利市場必須為本集團可進入的市場。資產或負債的公平值採用對資產或負債定價時市場參與者採用的假設計量，並假設市場參與者以彼等最佳經濟利益行事。

非金融資產的公平值計量計及市場參與者透過使用資產的最高及最佳使用價值，或透過將其出售予另一名將使用資產的最高及最佳使用價值的市場參與者而產生經濟利益的能力。

本集團採用有關情況下屬適當且有足夠數據的估值技術計量公平值，盡量使用有關可觀察輸入數據及盡量避免使用不可觀察輸入數據。

2.4 Summary of Significant Accounting Policies (Continued)

Fair value measurement (Continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 主要會計政策概要(續)

公平值計量(續)

於財務報表中計量或披露公平值的所有資產及負債在公平值層級(如下所述)中，根據對整體公平值計量而言屬重大的最低層級輸入數據進行分類：

- 第一級 – 根據相同資產或負債於活躍市場的報價(未經調整)
- 第二級 – 根據對公平值計量而言屬重大的最低層級輸入數據為可觀察(不論直接或間接)輸入數據的估值技術
- 第三級 – 根據對公平值計量而言屬重大的最低層級輸入數據為不可觀察輸入數據的估值技術

就按經常基準於財務報表中確認的資產及負債而言，本集團於各報告期末會重新評估分類(根據對整體公平值計量而言屬重大的最低層級輸入數據)，以釐定轉撥是否已於各層級之間發生。

2.4 Summary of Significant Accounting Policies (Continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets, and investment properties), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

2.4 主要會計政策概要(續)

非金融資產減值

倘資產存在減值跡象，或須對資產進行年度減值測試(不包括存貨、遞延稅項資產、金融資產及投資物業)，則會估計資產的可收回金額。資產的可收回金額按資產或現金產生單位的使用價值與其公平值減出售成本兩者的較高者計算，並就個別資產釐定，除非有關資產並不產生很大程度上獨立於其他資產或資產組別的現金流入，在此情況下，則就有關資產所屬的現金產生單位釐定可收回金額。對現金產生單位進行減值測試時，如能按合理一致基準進行分配，企業資產(如總部大樓)的部分賬面值會分配予個別現金產生單位，否則分配予最小的現金產生單位組別。

僅當資產的賬面值超過其可收回金額時，方會確認減值虧損。評估使用價值時，使用稅前貼現率將估計未來現金流量貼現至其現值，而該貼現率反映市場當時所評估的貨幣時間價值及該資產的特定風險。減值虧損在其產生期間於與減值資產功能一致的開支分類內自損益扣除。

於各報告期末均會評估是否有任何跡象顯示過往確認的減值虧損可能不復存在或有所減少。如有任何該等跡象，則估計可收回金額。先前就資產(不包括商譽)確認的減值虧損，僅於用以釐定該資產可收回金額的估計有變時予以撥回，但撥回金額不得高於假設過往年度並無就該資產確認減值虧損而應釐定的賬面值(扣除任何折舊/攤銷)。減值虧損的撥回在其產生期間計入損益。

2.4 Summary of Significant Accounting Policies (Continued)

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group 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 employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (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 parent of the Group.

2.4 主要會計政策概要(續)

關連方

在下列情況下，該人士將被認為與本集團有關連：

- (a) 該人士屬以下人士或其關係密切的家庭成員
 - (i) 對本集團具有控制權或共同控制權；
 - (ii) 對本集團具有重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理人員；

或

- (b) 該人士為符合下列任何條件的實體：
 - (i) 該實體與本集團為同一集團的成員公司；
 - (ii) 一個實體為另一個實體(或該實體的母公司、附屬公司或同系附屬公司)的聯營公司或合營公司；
 - (iii) 該實體與本集團為同一第三方的合營公司；
 - (iv) 一個實體為第三方實體的合營公司，而另一個實體為該第三方實體的聯營公司；
 - (v) 該實體為以本集團或與本集團有關聯的實體的僱員為受益人的離職後福利計劃；
 - (vi) 該實體由(a)項界定的人士控制或共同控制；
 - (vii) (a)(i)項界定的人士對該實體有重大影響力，或為該實體(或該實體母公司)的主要管理人員；及
 - (viii) 該實體或該實體所屬集團的任何成員公司為本集團或本集團母公司提供主要管理人員服務。

2.4 Summary of Significant Accounting Policies (Continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives of items of property, plant and equipment are as follows:

	Useful lives
Land and buildings	34-60 years
Machinery	10 years
Office equipment	3-5 years
Motor vehicles	4-5 years
Leasehold improvement	3-5 years or over the remaining term, whichever is shorter

2.4 主要會計政策概要(續)

物業、廠房及設備以及折舊

物業、廠房及設備(在建工程除外)乃按成本減累計折舊及任何減值虧損入賬。物業、廠房及設備項目的成本包括購買價及使資產達到擬定用途運作狀態及地點的任何直接應計成本。

物業、廠房及設備項目投入運作後產生的維修及保養等開支，通常於產生期間自損益扣除。於符合確認標準的情況下，大型檢測開支於資產賬面值中資本化為重置成本。倘物業、廠房及設備的主要部分須定期替換，則本集團將該等部分確認為獨立資產，並設定特定的可使用年期及相應計提折舊。

折舊乃按直線法將各物業、廠房及設備項目的成本於其估計可使用年期內撇銷至其剩餘價值計算。物業、廠房及設備項目的估計可使用年期如下：

	可使用年期
土地及樓宇	34至60年
機器	10年
辦公室設備	3至5年
汽車	4至5年
租賃裝修	3至5年或剩餘期限(以較短者為準)

2.4 Summary of Significant Accounting Policies (Continued)

Property, plant and equipment and depreciation (Continued)

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents items of property, plant and equipment under construction, which are stated at cost less any impairment losses and are not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Investment properties

Investment properties are interests in buildings held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Depreciation is calculated on the straight-line basis to write off the cost of investment properties to their residual value over their estimated useful life of 46 years.

Any gain or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of the retirement or disposal.

2.4 主要會計政策概要(續)

物業、廠房及設備以及折舊(續)

倘物業、廠房及設備項目各部分的可使用年期不同，則此項目的成本將按合理基準於各部分間分配，且每部分將計提個別折舊。至少於各財政年度末會檢討剩餘價值、可使用年期及折舊方法並作出調整(如適當)。

初始確認的物業、廠房及設備項目(包括任何重大部分)於出售後或預期使用或出售不會產生未來經濟利益時終止確認。於資產終止確認年度在損益確認的任何出售或報廢盈虧為有關資產的出售所得款項淨額與賬面值的差額。

在建工程指在建物業、廠房及設備項目，按成本減任何減值虧損列賬而不計提折舊。成本包括建設期間的直接建設成本及相關借款的已資本化借款成本。在建工程於完成並可使用時重新分類至適當的物業、廠房及設備類別。

投資物業

投資物業為持有作賺取租金收入及/或資本增值而非用於生產或供應商品或服務或作行政用途，或持作於日常業務過程中出售的物業權益。該等物業初步按成本(包括交易成本)計量。折舊按直線法於投資物業估計可使用年期46年內將投資物業成本撇銷至其剩餘價值計算。

投資物業退用或出售時所產生任何收益或虧損於退用或出售年度於損益內確認。

2.4 Summary of Significant Accounting Policies (Continued)

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives. The principal estimated useful life of intangible assets is as follows:

Software	5 years
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Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding five to seven years, commencing from the date when the products are put into commercial production.

2.4 主要會計政策概要(續)

無形資產(商譽除外)

單獨收購的無形資產於初始確認時按成本計量。業務合併中購入的無形資產成本為收購日期的公平值。無形資產的可使用年期被評估為有限定年期或無限定年期。有限定年期的無形資產其後按可使用經濟年期攤銷，並於有跡象顯示該無形資產可能出現減值時進行減值評估。有限定可使用年期的無形資產的攤銷期間及攤銷方法至少於各財政年度末檢討。

無形資產按成本減任何減值虧損入賬及以直線法按估計可使用年期攤銷。無形資產的主要估計可使用年期如下：

軟件	5年
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研發成本

所有研究成本均於產生時自損益中扣除。

僅當本集團可證明完成無形資產以供使用或出售在技術上可行、本集團有意完成及有能力使用或出售該資產、資產產生未來經濟利益的方式、有足夠資源完成項目及能可靠計量開發期間的開支時，開發新產品的項目產生的開支方會撥充資本及遞延。不符合該等標準的產品開發開支會於產生時支銷。

遞延開發成本按成本減任何減值虧損列賬並按直線法在有關產品不超出由產品投入商業生產日期起計五至七年的商業壽命期間予以攤銷。

2.4 Summary of Significant Accounting Policies (Continued)

Leases

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

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Office premises and warehouse	2 to 5 years
Leasehold land	50 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

2.4 主要會計政策概要(續)

租賃

本集團於合約開始時評估合約是否屬於或包含租賃。倘合約為換取代價而給予在一段時間內使用已識別資產的控制權，則該合約屬於租賃或包含租賃。

本集團作為承租人

本集團就所有租賃應用單一確認及計量方法，惟短期租賃及低價值資產租賃除外。本集團確認作出租賃付款的租賃負債，以及代表相關資產使用權的使用權資產。

(a) 使用權資產

使用權資產於租賃開始日期(即相關資產可供使用的日期)確認。使用權資產按成本減任何累計折舊及任何減值虧損計量，並根據租賃負債的任何重新計量作出調整。使用權資產的成本包括已確認的租賃負債金額、產生的初始直接成本，以及於開始日期當日或之前支付的租賃付款減所收取的任何租賃優惠。使用權資產於資產的租期或估計可使用年期(以較短者為準)按直線法予以折舊如下：

辦公室物業及倉庫	2至5年
租賃土地	50年

倘租賃資產的擁有權於租期結束時轉讓予本集團或成本反映行使購買選擇權，則折舊按資產的估計可使用年期計算。

2.4 Summary of Significant Accounting Policies (Continued)

Leases (Continued)

Group as a lessee (Continued)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group elected to present the lease liabilities separately in the consolidated statement of financial position.

2.4 主要會計政策概要(續)

租賃(續)

本集團作為承租人(續)

(b) 租賃負債

租賃負債按租期內將支付的租賃付款現值於租賃開始日期確認。租賃付款包括定額付款(包含實質定額款項)減任何應收租賃優惠、取決於指數或利率的可變租賃付款以及預期根據剩餘價值擔保支付的金額。租賃付款亦包括本集團合理確定行使的購買選擇權的行使價,並在租期反映本集團行使終止租賃選擇權的情況下包括有關終止租賃的罰款。並非取決於指數或利率的可變租賃付款在出現觸發付款的事件或情況的期間內確認為開支。

於計算租賃付款的現值時,由於租賃隱含利率不易釐定,本集團使用租賃開始日期的增量借款利率計算。於開始日期後,租賃負債金額的增加反映利息的增長,並會因支付租賃付款而減少。此外,倘出現修訂、租期有所變更、租賃付款有所變更(例如因指數或利率變動導致未來租賃付款有所變更)或購買相關資產的選擇權的評估出現變動,租賃負債的賬面值將會重新計量。

本集團選擇於綜合財務狀況表中獨立呈列租賃負債。

2.4 Summary of Significant Accounting Policies (Continued)

Leases (Continued)

Group as a lessee (Continued)

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

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

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in other income in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as other income in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the leases are accounted for as finance leases.

2.4 主要會計政策概要(續)

租賃(續)

本集團作為承租人(續)

(c) 短期租賃及低價值資產租賃

本集團對機器及設備的短期租賃(即租期為自開始日期起計12個月或以下及不包含購買選擇權的租賃)應用短期租賃確認豁免。其亦將低價值資產租賃確認豁免應用於被視為低價值的辦公室設備租賃。短期租賃及低價值資產租賃的租賃付款於租期按直線法確認為開支。

本集團作為出租人

倘本集團為出租人，則於租賃開始時(或倘發生租賃修改時)將其各項租賃分類為經營租賃或融資租賃。

租賃如未有獲本集團轉讓資產所有權所附帶的絕大部分風險及回報，分類為經營租賃。倘合約包括租賃及非租賃部分，本集團按相對獨立的售價基準將合約代價分配至各部分。由於其經營性質，租金收入於租期內按直線法入賬並計入損益內的其他收入。於磋商及安排經營租賃時產生的初始直接成本計入租賃資產的賬面值，並於租期內按與租金收入相同的基準確認。或然租金於所賺取的期間內確認為其他收入。

租賃如獲轉讓相關資產所有權所附帶的絕大部分風險及回報予承租人，作為融資租賃入賬。

2.4 Summary of Significant Accounting Policies (Continued)

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through Profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

2.4 主要會計政策概要(續)

投資及其他金融資產

初始確認及計量

於初始確認時，金融資產劃分為隨後按攤銷成本計量。

金融資產於初步確認時的分類視乎金融資產合約現金流量的特徵及本集團管理該等資產的業務模式。除並無重大融資成分或本集團就此應用不調整重大融資成分影響的實際可行權宜方法的貿易應收款項外，本集團初步按其公平值加(倘並非按公平值計入損益的金融資產)交易成本計量金融資產。如下文「收益確認」所載政策，並無重大融資成分或本集團並未就此應用實際可行權宜方法的貿易應收款項按國際財務報告準則第15號釐定的交易價格計量。

為使金融資產分類為按攤銷成本或按公平值計入其他全面收益並按此計量，需產生僅為支付本金及未償還本金利息(「僅為支付本金及利息」)的現金流量。現金流量並非僅為支付本金及利息的金融資產分類為按公平值計入損益並按此計量，而不論業務模式。

本集團管理金融資產的業務模式指為產生現金流量管理金融資產的方式。業務模式釐定現金流量會否來自收取合約現金流量、出售金融資產或以上兩者。分類為按攤銷成本計量的金融資產於旨在持有金融資產以收取合約現金流量的業務模式中持有，而分類為按公平值計入其他全面收益計量的金融資產則於旨在持有以收取合約現金流量及出售的業務模式中持有。並非於上述業務模式中持有的金融資產分類為按公平值計入損益計量。

2.4 Summary of Significant Accounting Policies (Continued)

Investments and other financial assets (Continued)

Initial recognition and measurement (Continued)

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 marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

初始確認及計量(續)

所有常規方式買賣的金融資產於交易日(即本集團承諾買賣該資產之日)確認。常規方式買賣乃指須通常於法規或市場慣例約定的時間內交付資產的金融資產買賣。

後續計量

金融資產的後續計量依據其分類分別如下：

按攤銷成本計量的金融資產(債務工具)

按攤銷成本列賬的金融資產隨後使用實際利率法計量，並可予減值。收益及虧損於資產終止確認、修改或減值時於損益中確認。

終止確認金融資產

金融資產(或(倘適用)金融資產的其中部分或一組類似金融資產的其中部分)主要在下列情況下終止確認(即從本集團綜合財務狀況表中刪除)：

- 自資產收取現金流量的權利已屆滿；或
- 本集團已轉移自資產收取現金流量的權利，或已根據「轉付」安排承擔在無重大延誤的情況下將全數所得現金流量支付予第三方的責任；及(a)本集團已轉移資產的絕大部分風險及報酬，或(b)本集團並無轉移或保留資產的絕大部分風險及報酬，惟已轉移資產的控制權。

2.4 Summary of Significant Accounting Policies (Continued)

Derecognition of financial assets (Continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2.4 主要會計政策概要(續)

終止確認金融資產(續)

倘本集團已轉移自資產收取現金流量的權利，或已訂立轉付安排，將評估其是否保留該項資產的擁有權風險及報酬以及保留的程度。倘本集團並無轉移或保留資產的絕大部分風險及報酬，亦無轉移資產的控制權，則本集團在繼續參與的情況下繼續確認已轉移資產。在該情況下，本集團亦確認相關負債。已轉移資產及相關負債乃按反映本集團已保留權利及責任的基準計量。

就已轉移資產作出保證的持續參與，乃以該項資產的原賬面值與本集團或須償還的代價金額上限的較低者計量。

金融資產減值

本集團就所有並非按公平值計入損益持有的債務工具確認預期信貸虧損(「預期信貸虧損」)撥備。預期信貸虧損乃以根據合約應付的合約現金流量與本集團預期收取的所有現金流量之間的差額為基準，按與原有實際利率相近者貼現。預期現金流量將包括來自銷售所持有抵押品或屬合約條款不可或缺部分的其他信用增級的現金流量。

2.4 Summary of Significant Accounting Policies (Continued)

Impairment of financial assets (Continued)

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.4 主要會計政策概要(續)

金融資產減值(續)

一般方法

預期信貸虧損於兩個階段進行確認。對於自初步確認後並無顯著增加的信貸風險，預期信貸虧損就可能於未來12個月內(12個月預期信貸虧損)出現的違約事件計提撥備。對於自初步確認後有顯著增加的信貸風險，須就信貸虧損風險預期的剩餘年期計提虧損撥備，不論違約事件於何時發生(存續期預期信貸虧損)。

於各報告日期，本集團對自初始確認後金融工具的信貸風險是否顯著增加進行評估。在評估時，本集團將於報告日期金融工具發生之違約風險與初始確認日金融工具發生之違約風險進行比較，本集團會考慮合理且可支持的資料，包括無需付出不必要的成本或努力而可得之歷史及前瞻性資料。

本集團將合約付款逾期90日的金融資產視作違約。然而，於若干情況下，當內部或外部資料顯示本集團不可能在本集團採取任何信貸提升安排前悉數收回未償還合約金額時，本集團亦可能認為該金融資產違約。倘並無收回合約現金流量的合理預期，則撤銷有關金融資產。

2.4 Summary of Significant Accounting Policies (Continued)

Impairment of financial assets (Continued)

General approach (Continued)

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables that contain a significant financing component, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

2.4 主要會計政策概要(續)

金融資產減值(續)

一般方法(續)

按攤銷成本計量的金融資產，在一般方法下可能會發生減值，且除採用簡化方法的貿易應收款項(以下詳述)外，它們在以下階段分類用於預期信貸虧損計量。

- 第一階段 – 金融工具自初始確認以來信貸風險並無顯著增加，且其虧損撥備按相當於12個月預期信貸虧損的金額計量
- 第二階段 – 金融工具自初始確認以來信貸風險顯著增加但並非出現信貸減值的金融資產，且其虧損撥備按相當於存續期預期信貸虧損的金額計量
- 第三階段 – 於報告日期出現信貸減值的金融資產(惟收購或產生時並未出現信貸減值)，其虧損撥備按相當於存續期預期信貸虧損的金額計量

簡化方法

對於不包含重大融資成分的貿易應收款項，或本集團採用實際可行權宜方法，不會就重大融資成分的影響調整時，本集團採用簡化方法進行預期信貸虧損計量。根據簡化方法，本集團不會追蹤信貸風險的變化，而是於各報告日期根據存續期預期信貸虧損確認虧損撥備。本集團已根據其歷史信貸虧損經驗建立撥備矩陣，並根據債務人及經濟環境的前瞻性因素作出調整。

就包含重大融資成分的貿易應收款項而言，本集團會計政策選擇採用簡化方法根據上述政策進行預期信貸虧損計量。

2.4 Summary of Significant Accounting Policies (Continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings and payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables and accruals, amounts due to related parties and interest-bearing bank and other borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing bank and other borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

2.4 主要會計政策概要(續)

金融負債

初始確認及計量

於初始確認時，金融負債分類為貸款及借款以及應付款項。

所有金融負債初始按公平值確認及，如屬貸款及借款以及應付款項則扣除直接應佔交易成本。

本集團的金融負債包括貿易應付款項、其他應付款項及應計款項、應付關連方款項以及計息銀行及其他借款。

後續計量

金融負債的後續計量視乎以下分類：

按攤銷成本計量的金融負債(貸款及借款)

於初始確認後，計息銀行及其他借款採用實際利率法按攤銷成本計量，惟貼現影響並不重大，則按成本列賬。收益及虧損於負債終止確認時及按照實際利率攤銷過程中於損益確認。

計算攤銷成本時計及收購所產生的任何折讓或溢價，並包括組成實際利率一部分的費用或成本。實際利率攤銷計入損益的財務成本內。

2.4 Summary of Significant Accounting Policies (Continued)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms an existing liability are subsequently modified, such an exchange or modification is treated as a derecognition of the original liability and recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average method. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks.

2.4 主要會計政策概要(續)

終止確認金融負債

金融負債於負債的責任已獲解除或註銷或屆滿時終止確認。

當現有金融負債被同一貸款人或大致上條款相異的另一項負債取代時，或現有負債的條款出現重大修改時，有關替換或修改被視為終止確認原有負債及確認一項新負債，而各賬面值的差額於損益確認。

抵銷金融工具

倘現時存在可執行合法權利抵銷已確認金額，且有意以淨額結算，或同時變現資產及清償負債，則金融資產及金融負債將予抵銷，且淨金額於財務狀況表呈報。

存貨

存貨按成本及可變現淨值兩者的較低者列賬。成本按加權平均法釐定。可變現淨值乃基於估計售價減完成及出售所產生的任何估計成本計算。

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金及活期存款，以及可隨時兌換為已知金額現金及所涉價值變動風險不高，且一般自取得起計三個月內到期的短期高流動性投資。

就綜合財務狀況表而言，現金及現金等價物包括手頭及銀行現金。

2.4 Summary of Significant Accounting Policies (Continued)

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in “finance costs” in profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2.4 主要會計政策概要(續)

撥備

當過往事件導致目前須承擔責任(法定或推定)，且日後可能需有資源流出以償付有關責任，則會確認撥備，惟該項責任的數額須能夠可靠地估計。

當貼現影響重大時，確認的撥備數額為預期日後用作償付有關責任所需支出於報告期末的現值。當貼現現值隨時間流逝而有所增加，有關增幅會計入損益的「財務成本」內。

所得稅

所得稅包括即期及遞延稅項。與於損益外確認的項目有關的所得稅於損益外確認，即於其他全面收益或直接於權益確認。

即期稅項資產及負債按預期可自稅務機關收回或向其支付的金額計量，採用於報告期末已制定或實質已制定的稅率(及稅法)，計及本集團經營所在國家的現行詮釋及慣例。

遞延稅項使用負債法就於報告期末資產及負債的計稅基礎與其作財務匯報用途的賬面值之間的所有暫時差額計提撥備。

2.4 Summary of Significant Accounting Policies (Continued)

Income tax (Continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.4 主要會計政策概要(續)

所得稅(續)

除下列情況外，對所有應課稅暫時差額確認遞延稅項負債：

- 當遞延稅項負債源於初始確認商譽或一項並非業務合併的交易中的資產或負債，且於該項交易進行時不影響會計溢利及應課稅損益時；及
- 就與於附屬公司的投資有關的應課稅暫時差額而言，當暫時差額的撥回時間可予控制且該暫時差額於可見未來可能不會撥回時。

遞延稅項資產乃就所有可扣減暫時差額、結轉未動用稅項抵免及任何未動用稅項虧損予以確認。遞延稅項資產在有可能出現應課稅溢利用作抵銷該等可扣減暫時差額、結轉未動用稅項抵免及未動用稅項虧損的情況下，方予以確認，惟下列情況除外：

- 有關可扣減暫時差額的遞延稅項資產源於初始確認一項並非業務合併的交易中的資產或負債，且於該項交易進行時不影響會計溢利及應課稅損益；及
- 就與於附屬公司的投資有關的可扣減暫時差額而言，遞延稅項資產僅會於暫時差額有可能會於可預未來撥回及存在應課稅溢利可用作抵銷該暫時差額的情況下予以確認。

2.4 Summary of Significant Accounting Policies (Continued)

Income tax (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

2.4 主要會計政策概要(續)

所得稅(續)

遞延稅項資產的賬面值於各報告期末檢討，並減少至不再可能擁有足夠應課稅溢利以動用全部或部分遞延稅項資產為限。未確認遞延稅項資產於各報告期末重新評估，並於可能有足夠應課稅溢利可收回全部或部分遞延稅項資產時予以確認。

遞延稅項資產及負債按預期適用於資產變現或負債清償期間的稅率計量，並以各報告期末已制定或實質已制定的稅率(及稅法)為基準。

倘及惟倘本集團擁有合法可執行權利將即期稅項資產及即期稅項負債抵銷，而即期稅項資產及即期稅項負債與同一稅務機關向同一應課稅實體或不同應課稅實體(該等實體擬於預期將清償或收回重大金額遞延稅項負債或資產的各未來期間按淨額結算即期稅項負債及資產，或於變現資產的同時清償負債)徵收的所得稅有關。

政府補助

倘能合理肯定收到政府補助及遵守補助附帶的所有條件，有關補助會按公平值確認。倘有關補助與一項開支項目有關，則補助於擬用作補償成本支銷的期間有系統地確認為收入。

2.4 Summary of Significant Accounting Policies (Continued)

Revenue recognition

Revenue from contracts with customers

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.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

2.4 主要會計政策概要(續)

收益確認

來自客戶合約的收益

來自客戶合約的收益於貨品或服務的控制權轉讓予客戶時確認，該金額能反映本集團預期就交換該等貨品或服務有權獲得的代價。

當合約中的代價包含可變金額時，代價金額估計為本集團轉讓貨品或服務予客戶時將有權換取的金額。可變代價於合約開始時估計並受到約束，直至與可變代價相關的不確定因素其後得到解決時，確認的累積收益金額極有可能不會發生重大收益回撥為止。

當合約中包含融資成分，該融資成分為客戶提供超過一年的貨品或服務轉讓融資的重大利益時，收益按應收款項的現值計量，並使用將反映在本集團與客戶在合約開始時的單獨融資交易中的貼現率貼現。當合約中包含融資部分，該融資部分為在本集團提供了一年以上的重大財務利益時，合約項下確認的收益包括按實際利率法在合約負債上加算的利息。就客戶付款至轉讓承諾貨品或服務的期限為一年或者更短的合約而言，交易價格採用國際財務報告準則第15號中實際可行權宜方法，不會對重大融資部分的影響作出調整。

銷售貨品

銷售貨品的收益於資產控制權轉移至客戶的時間點(一般於交付貨品時)確認。

2.4 Summary of Significant Accounting Policies (Continued)

Revenue recognition (Continued)

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income from distribution services is recognised when services are completed at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Subject to shareholders' agreement, the Company may also allot and issue certain new shares in the Company for the purpose of providing incentives for specific employees to remain employed in the Group and to motivate them to strive for the further development and expansion of the Group. Employees (including the directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

2.4 主要會計政策概要(續)

收益確認(續)

其他收入

利息收入按應計基準使用實際利率法確認，即使用在金融工具的預期壽命或更短期間(如適當)準確貼現估計未來現金收入的利率乘以金融資產的賬面淨值。

租金收入於租期內按時間比例確認。並非取決於指數或利率的可變租賃付款於產生的會計期間確認為收入。

分銷服務所得其他收入於服務完成時確認，其金額反映本集團預期有權以該等服務交換的代價。

合約負債

合約負債於本集團轉讓相關貨品或服務前自客戶收取付款或付款到期(以較早者為準)時確認。合約負債於本集團履行合約(即將相關貨品或服務的控制權轉讓予客戶)時確認為收益。

以股份為基礎的付款

本公司運作購股權計劃，旨在為對本集團業務成功作出貢獻的合資格參與者提供獎勵及回報。根據股東協議，本公司亦可向特定僱員配發及發行本公司若干新股份作為其繼續受僱於本集團的獎勵，並激勵彼等為本集團的進一步發展及擴充而努力。本集團僱員(包括董事)按以股份為基礎的付款方式收取薪酬，據此僱員提供服務作為收取股本工具的代價(「股權結算交易」)。

2.4 Summary of Significant Accounting Policies (Continued)

Share-based payments (Continued)

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 25 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

2.4 主要會計政策概要(續)

以股份為基礎的付款(續)

與僱員進行的股權結算交易成本乃參考於授出日期的公平值計量。公平值乃由外部估值師使用二項式模式釐定，進一步詳情載於財務報表附註25。

股權結算交易成本連同股本的相應增加乃於達致表現及／或服務條件的期間內於僱員福利開支中確認。於各報告期末直至歸屬日期為止就股權結算交易確認的累計開支反映歸屬期已屆滿及本集團對將最終歸屬的股本工具數目的最佳估計。於期內扣除自或計入損益的金額指於期初及期末所確認的累計開支變動。

於釐定獎勵在授出日期的公平值時並不考慮服務及非市場表現條件，惟能達成條件的可能性則被評定為將最終歸屬的本集團股本工具數目的最佳估計的一部分。市場表現條件將於授出日期的公平值內反映。獎勵附帶的任何其他條件(惟並無相關服務要求)被視為非歸屬條件。非歸屬條件於獎勵的公平值中反映，並直接支銷獎勵，惟另有服務及／或表現條件則除外。

因未能達致非市場表現及／或服務條件而導致最終並無歸屬的獎勵並不會確認開支。倘獎勵包括一項市場或非歸屬條件，無論市場或非歸屬條件是否達成，該等交易均會被視為已歸屬，前提是所有其他表現及／或服務條件須已達成。

倘若股權結算獎勵的條款有所變更，則在達致獎勵原定條款的情況下，所確認的開支最少須達到猶如條款並無任何變更的水平。此外，倘若按變更日期計算，任何變更導致以股份為基礎的付款總公平值有所增加，或為僱員帶來其他利益，則應該等變更確認開支。

2.4 Summary of Significant Accounting Policies (Continued)

Share-based payments (Continued)

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

Pension schemes

The employees of the subsidiaries in Mainland China are required to participate in a defined central pension scheme managed by the local municipal government of the areas in Mainland China in which they operate. These subsidiaries are required to contribute a certain percentage of the relevant part of the payroll of these employees to the central pension scheme. The Group has no obligation for the payment of retirement benefits beyond the annual contributions. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

In addition to the above, the Group also participates in a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for its employees in Hong Kong. The Company's contributions have been capped to up to HK\$1,500 per month since 1 June 2014 for each of its employees in Hong Kong and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

2.4 主要會計政策概要(續)

以股份為基礎的付款(續)

倘股權結算獎勵註銷，則視為已於註銷日期歸屬，任何尚未確認的獎勵(包括未能符合本集團或僱員可控制的非歸屬條件的任何獎勵)開支，均即時確認。然而，若已授出新獎勵代替已註銷的獎勵，並於授出日期指定為替代獎勵，則如前段所述，已註銷獎勵及新獎勵均視為原有獎勵的變更。

於計算每股盈利時，尚未行使購股權的攤薄影響反映為額外股份攤薄。

其他僱員福利

退休金計劃

中國內地附屬公司的僱員須參與由經營所在中國內地地方市政府管理的定額中央退休金計劃。該等附屬公司須按該等僱員相關部分薪資的若干百分比向中央退休金計劃作出供款。除每年供款外，本集團並無支付退休福利的責任。供款於根據中央退休金計劃的規則應付時，自損益中扣除。

除上述者外，本集團亦根據強制性公積金計劃條例為其香港僱員參與定額供款強制性公積金退休福利計劃(「強積金計劃」)。自2014年6月1日起，本公司就各香港僱員作出的供款上限為每月1,500港元，並於根據強積金計劃的規則應付時自損益中扣除。強積金計劃的資產與本集團的資產分開持有，並由獨立管理的基金管理。本集團的僱主供款於向強積金計劃作出供款時全數撥歸僱員所有。

2.4 Summary of Significant Accounting Policies (Continued)

Other employee benefits (Continued)

Housing fund

Contributions to a defined contribution housing fund administered by the Public Accumulation Funds Administration Centre in Mainland China are charged to profit or loss as incurred.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. At a meeting of the Board held on 30 March 2022, the Directors resolved not to pay final dividends to Shareholders for the Reporting Period.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the Directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared. In the event that the interim dividends are paid out of the share premium account, shareholders' approval at an extraordinary general meeting is needed. When these interim dividends have been approved by the shareholders and declared, they are recognised as a liability.

2.4 主要會計政策概要(續)

其他僱員福利(續)

住房公積金

向中國內地住房公積金管理中心管理的定額供款住房公積金作出的供款於產生時自損益中扣除。

借款成本

收購、建設或生產合資格資產(即需一段時間預備方可作擬定用途或出售的資產)直接應佔的借款成本,會撥充資本作為該等資產的部分成本。當資產已大致備妥作擬定用途或出售時,借款成本不再撥充資本。就特定借款用作合資格資產開支前進行臨時投資所賺取的投資收入,會自撥充資本的借款成本扣除。所有其他借款成本在產生期間列作開支。借款成本包括實體因借入資金所產生的利息及其他成本。

股息

末期股息於獲股東在股東大會批准時確認為負債。董事已於2022年3月30日舉行的董事會會議上決議不會就報告期向股東派付末期股息。

由於本公司組織章程大綱及細則賦予董事權力宣派中期股息,故中期股息的建議派付及宣派同時進行。因此,中期股息於建議派付及宣派時立即確認為負債。倘以股份溢價派付中期股息,則須於股東特別大會上獲得股東批准。該等中期股息獲股東批准及宣派後,方確認為負債。

2.4 Summary of Significant Accounting Policies (Continued)

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

2.4 主要會計政策概要(續)

外幣

該等財務報表以人民幣呈列，而人民幣為本公司的功能貨幣。本集團旗下各實體釐定其各自的功能貨幣，而各實體的財務報表所載項目均以該功能貨幣計量。本集團旗下實體記錄的外幣交易初始以交易當日現行各自功能貨幣匯率記錄。以外幣計值的貨幣資產及負債按報告期末的功能貨幣匯率換算。結算或換算貨幣項目產生的差額於損益中確認。

以歷史成本計量並以外幣計值的非貨幣項目使用首次交易當日的匯率換算。按公平值計量並以外幣計值的非貨幣項目使用計量公平值當日的匯率換算。換算按公平值計量的非貨幣項目產生的收益或虧損的處理方式，與有關項目公平值變動的收益或虧損的確認方式一致(即公平值收益或虧損於其他全面收益或損益中確認的項目的換算差額，亦會分別於其他全面收益或損益中確認)。

為釐定終止確認與預付代價有關的非貨幣資產或非貨幣負債的相關資產、開支或收入於初始確認時的匯率，初始交易日期為本集團初始確認預付代價產生的非貨幣資產或非貨幣負債的日期。倘有多項預付或預收款項，則本集團釐定每項預付或預收代價的交易日期。

2.4 Summary of Significant Accounting Policies (Continued)

Foreign currencies (Continued)

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their profit or loss is translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

3. Significant Accounting Judgements and Estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

Revenue recognition

To determine the timing of revenue recognition, the Group applies judgements in determining the point in time at which customers obtain control of the promised pharmaceuticals and the Group satisfies the performance obligations. Depending on the nature and terms of the agreements, the Group may recognise revenue when the pharmaceuticals inspection report is obtained or when pharmaceuticals are received by customers.

Estimation uncertainty

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, are described below.

2.4 主要會計政策概要(續)

外幣(續)

若干海外附屬公司的功能貨幣為人民幣以外的貨幣。於報告期末，該等實體的資產及負債均按報告期現行匯率換算為人民幣，而其損益則按與交易當日現行匯率相若的匯率換算為人民幣。

因此產生的匯兌差額於其他全面收益確認，並於匯兌波動儲備累計。於出售海外業務時，與該海外業務相關的其他全面收益組成部分於損益確認。

3. 重要會計判斷及估計

編製本集團財務報表須管理層作出判斷、估計及假設，而該等判斷、估計及假設影響收益、開支、資產及負債的呈報金額及隨附披露，以及有關或然負債的披露。該等假設及估計的不確定因素可導致日後須對受影響資產或負債的賬面值進行重大調整。

判斷

收益確認

為釐定確認收益的時間，本集團於釐定客戶取得所承諾藥品的控制權及本集團達成履約責任的時間點時應用判斷。根據協議的性質及條款，本集團或於取得藥品檢驗報告或客戶收取藥品時確認收益。

估計不確定因素

於報告期末關於未来的主要假設及估計不確定因素的其他主要來源具有導致下一財政年度內資產及負債賬面值須作出重大調整的重大風險，論述如下。

3. Significant Accounting Judgements and Estimates (Continued)

Estimation uncertainty (Continued)

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 17 to financial statements.

PRC corporate income tax ("PRC CIT") and Hong Kong corporate income tax ("HK CIT")

The Group's operating subsidiaries in Mainland China are subject to PRC CIT and the operating subsidiary in Hong Kong is subject to Hong Kong CIT. As a result of the fact that certain matters relating to PRC CIT and HK CIT have not been confirmed by the relevant local tax authorities, objective estimates based on currently enacted tax laws, regulations and other related policies are required in determining the provision for PRC CIT and HK CIT to be made. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact the income tax expense and tax provision in the period in which the differences realise. The carrying amount of tax payable as at 31 December 2021 was RMB12,826,000 (31 December 2020: RMB21,999,000).

3. 重要會計判斷及估計(續)

估計不確定因素(續)

貿易應收款項的預期信貸虧損撥備

本集團使用撥備矩陣計算貿易應收款項的預期信貸虧損。撥備率是基於具有類似虧損模式(即按客戶類型及評級)的多個客戶分部組別的逾期日數釐定。

撥備矩陣初始基於本集團的過往觀察所得違約率。本集團將調整矩陣，藉以按前瞻性資料調整過往信貸虧損記錄。舉例而言，倘預測經濟狀況(即國內生產總值)預期將於未來一年惡化，導致違約事件數目增加，則會調整過往違約率。於各報告日期，過往觀察所得違約率獲更新，並分析前瞻性估計變動。

對過往觀察所得違約率、預測經濟狀況及預期信貸虧損之間的關連性進行的評估屬重大估計。預期信貸虧損的金額易受情況變動及預測經濟狀況所影響。本集團過往信貸虧損記錄及預測經濟狀況亦未必能反映客戶日後的實際違約情況。有關本集團貿易應收款項的預期信貸虧損的資料披露於財務報表附註17。

中國企業所得稅(「中國企業所得稅」)及香港企業利得稅(「香港企業利得稅」)

本集團在中國內地的營運附屬公司須繳納中國企業所得稅，而在香港的營運附屬公司須繳納香港利得稅。由於相關地方稅務機關尚未確認有關中國企業所得稅及香港利得稅的若干事宜，因此釐定中國企業所得稅及香港利得稅撥備時須根據現行稅法、法規及其他相關政策作出客觀估計。倘該等事項的最終稅務結果與初始記錄金額有別，該等差額將影響所得稅開支及差額變現期間的稅項撥備。於2021年12月31日，應付稅項的賬面值為人民幣12,826,000元(2020年12月31日：人民幣21,999,000元)。

3. Significant Accounting Judgements and Estimates (Continued)

Estimation uncertainty (Continued)

Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs to be incurred to completion and disposal. These estimates are based on the current market condition and the historical experience of selling products of a similar nature. Management reassesses these estimates at the end of each reporting period. The carrying amount of inventories as at 31 December 2021 was RMB61,270,000 (31 December 2020: RMB242,561,000) and the impairment provision for inventories for the year ended 31 December 2021 was nil (2020: RMB3,248,000) (note 7).

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that sufficient taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying amount of deferred tax assets at 31 December 2021 was RMB860,000 (31 December 2020: RMB646,000). Further details are given in note 15 to financial statements.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets with definite lives are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of sell and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

3. 重要會計判斷及估計(續)

估計不確定因素(續)

存貨可變現淨值

存貨可變現淨值即一般業務過程中的估計售價減完成及出售所產生估計成本。該等估計是基於當前市況及銷售性質相若產品的過往經驗。於各報告期末，管理層重新評估該等估計。於2021年12月31日，存貨的賬面值為人民幣61,270,000元(2020年12月31日：人民幣242,561,000元)，而截至2021年12月31日止年度，存貨減值撥備為零(2020年：人民幣3,248,000元)(附註7)。

遞延稅項資產

根據可能時間表及未來應課稅溢利水平以及未來稅項計劃策略，倘很可能有充足應課稅溢利可用以抵銷可扣減暫時差額及未動用稅項虧損，則會就所有可扣減暫時差額及未動用稅項虧損確認遞延稅項資產。遞延稅項資產於2021年12月31日的賬面值為人民幣860,000元(2020年12月31日：人民幣646,000元)。進一步詳情載於財務報表附註15。

非金融資產減值

本集團於各報告期末評估所有非金融資產是否出現任何減值跡象。年期有限的非金融資產則於有跡象顯示賬面值可能無法收回時進行減值測試。當資產或現金產生單位的賬面值超逾其可回收金額(即公平值減出售成本與其使用價值的較高者)時，則存在減值。計算公平值減出售成本時，按可自類似資產公平交易中具約束力的銷售交易所得數據或觀察所得市場價格減出售資產的增量成本得出。於計算使用價值時，管理層須估計預期資產或現金產生單位的未來現金流量，並選擇適當的貼現率以計算該等現金流量的現值。

4. Revenue and Operating Segment Information

The Group's revenue and contribution to consolidated results are mainly derived from its sales of human albumin solution, antibiotics and other pharmaceuticals focused on therapeutic areas and complementary to human plasma-based products and other fast-growing categories in Mainland China, which are regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for purposes of resource allocation and performance assessment. In addition, the principal non-current assets employed by the Group are located in Mainland China. Accordingly, no segment analysis is presented other than entity-wide disclosures.

An analysis of revenue is as follows:

		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Revenue from contracts with customers	來自客戶合約的收益		
Sales of goods	貨品銷售	2,024,055	2,049,803

Revenue from contracts with customers

(i) *Disaggregated revenue information*

		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Types of pharmaceuticals	藥品類型		
Human albumin solution	人血白蛋白注射液	1,973,223	1,889,012
Antibiotics (Axetine and Medocef)	抗生素(安可欣及麥道必)	50,832	160,791
Total revenue from contracts with customers	來自客戶合約的收益總額	2,024,055	2,049,803

Geographical markets

All revenue from contracts with customers of the Group during each of the two years ended 31 December 2021 and 2020 was attributable to customers located in Mainland China, the place of domicile of the Group's principal operating entities. The Group's non-current assets are all located in Mainland China.

4. 收益及經營分部資料

本集團的收益及對綜合業績的貢獻主要來自其於中國內地的人血白蛋白注射液、抗生素、專注於與人體血漿製品互補的其他治療藥品及其他快速增長類別的銷售額，我們視其為單一的可報告分部，採取與內部向本集團高級管理層報告資料以供資源分配及表現評估一致的方式報告。此外，本集團使用的主要非流動資產位於中國內地。因此，除以實體為單位的披露外，未有呈列分部分析。

收益分析如下：

來自客戶合約的收益

(i) *收益資料明細*

地區市場

本集團於截至2021年及2020年12月31日止兩個年度各年所有來自客戶合約的收益均來自位於中國內地(本集團主要營運實體註冊地)的客戶。本集團的非流動資產均位於中國內地。

4. Revenue and Operating Segment Information (Continued)

Revenue from contracts with customers (Continued)

(i) Disaggregated revenue information (Continued)

Timing of revenue recognition

All revenue from contracts with customers of the Group during each of the years ended 31 December 2021 and 2020 was recognised when goods were transferred at a point in time.

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	於報告期初計入合約負債的已確認收益：		
Sale of pharmaceuticals (note 21)	藥品銷售(附註21)	27,732	8,742

Information about major customers

Revenue from each of the major customers, which amounted to 10% or more of the total revenue, is set out below:

		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Customer A	客戶A	566,149	679,377
Customer B	客戶B	*	*
Customer C	客戶C	*	*

* Less than 10%

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of pharmaceuticals

The performance obligation is satisfied upon delivery of the pharmaceuticals and payment is generally due within 90 to 180 days (2020: 90 to 240 days) from delivery, except for certain customers who make payments in advance prior to delivery of the pharmaceuticals.

4. 收益及經營分部資料(續)

來自客戶合約的收益(續)

(i) 收益資料明細(續)

確認收益的時間

截至2021年及2020年12月31日止年度各年，本集團所有來自客戶合約的收益於轉讓貨品的時間點確認。

下表顯示計入報告期初的合約負債在本報告期內確認為收益的金額：

主要客戶資料

來自各主要客戶佔總收益10%或以上的收益載列如下：

(ii) 履約責任

有關本集團履約責任的資料概述如下：

藥品銷售

履約責任於交付藥物時達成，而付款一般於交付後90天至180天(2020年：90天至240天)內到期，惟若干客戶須於交付藥品前預先付款。

5. Other Income and Gains

An analysis of other income and gains is as follows:

		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Bank interest income	銀行利息收入	518	1,295
Imputed discount on deposits received (note 22(c))	已收按金的估算貼現(附註22(c))	–	8,510
Interest income from financial assets at fair value through profit or loss (note 7)	來自按公平值計入損益的金融資產的利息收入(附註7)	795	615
Interest income from financial assets measured at amortised cost (note 7)	來自按攤銷成本計量的金融資產的利息收入(附註7)	–	39
Government grants*	政府補助*	1,152	447
Net rental income from investment property (notes 7, 13)	投資物業的租金收入淨額(附註7、13)	172	290
Service income	服務收入	8,284	2,434
Others	其他	30	39
		10,951	13,669

* There were no unfulfilled conditions or contingencies relating to the government grants.

5. 其他收入及收益

有關其他收入及收益的分析如下：

* 並無有關政府補助的未履行條件或或然事項。

6. Finance Costs

An analysis of finance costs is as follows:

		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Interest on bank loans and other borrowings	銀行貸款及其他借款利息	21,390	2,833
Interest on deferred settlement of trade payables	遞延結算貿易應付款項利息	–	3,937
Interest on lease liabilities (note 13)	租賃負債利息(附註13)	55	95
Finance charges attributable to issue of letters of credit	開立信用證應佔財務費用	1,141	–
Unwinding of discount on long-term deposits received (note 22(c))	解除貼現已收取長期按金(附註22(c))	6,578	1,932
		29,164	8,797

6. 財務成本

有關財務成本的分析如下：

7. Profit Before Tax

The Group's profit before tax was arrived at after charging/(crediting):

7. 除稅前溢利

本集團的除稅前溢利已扣除/(計入)下列項目：

	Notes 附註	2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Cost of inventories sold	已售存貨成本	1,659,105	1,775,977
Depreciation of items of property, plant and equipment	物業、廠房及設備項目折舊	4,957	7,804
Depreciation of right-of-use assets	使用權資產折舊	1,540	1,138
Depreciation of investment property	投資物業折舊	180	454
Amortisation of intangible assets	無形資產攤銷	22	23
Research and development expenses	研發費用	26,160	812
Provision for/(reversal of) impairment losses recognised on:	就以下各項確認的減值虧損撥備/(撥回)：		
Trade receivables	貿易應收款項	1,020	(350)
Financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及其他資產的金融資產	(164)	48
Short-term lease payments	短期租賃付款	1,000	433
Auditors' remuneration	核數師薪酬	2,850	3,100
Employee benefit expense (including directors' remuneration as set out in note 8):	僱員福利開支 (包括附註8所載董事薪酬)：		
Wages and salaries	工資及薪金	13,731	10,389
Welfare and other benefits	福利及其他利益	1,366	388
Pension scheme contributions	退休金計劃供款		
– Defined contribution fund	– 定額供款基金	1,925	491
Housing fund	住房公積金		
– Defined contribution fund	– 定額供款基金	551	457
Total employee benefit expense	僱員福利開支總額	17,573	11,725
Foreign exchange losses, net	外匯虧損淨額	3,549	6,058
Write-down of inventories to net realisable value	存貨撇減至可變現淨值	–	3,248
Interest income from financial assets at fair value through profit or loss	按公平值計入損益的金融資產利息收入	(795)	(615)
Interest income from financial assets measured at amortised cost	按攤銷成本計量的金融資產利息收入	–	(39)
Net rental income from investment property	投資物業租金收入淨額	(172)	(290)

8. Directors' and Chief Executives' Remuneration and Five Highest Paid Employees

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on the HKSE, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Fees	袍金	732	693
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	2,338	2,134
Pension scheme contributions	退休金計劃供款		
– Defined contribution fund	– 定額供款基金	51	44
		3,121	2,871

8. 董事及主要行政人員薪酬以及五名最高薪僱員

根據香港聯交所證券上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條及公司(披露董事利益資料)規例第2部披露，年內董事及主要行政人員薪酬如下：

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Mr. Liu Wenfang	劉文芳先生	183	160
Mr. Wang Qing	汪晴先生	183	160
Mr. Lau Ying Kit	劉英傑先生	183	160
Mr. Bai Zhizhong	白志中先生	183	53
		732	533

(a) 獨立非執行董事

年內已付獨立非執行董事的袍金如下：

There were no other emoluments payable to the independent non-executive directors during the year.

年內概無應付予獨立非執行董事的其他酬金。

8. Directors' and Chief Executives' Remuneration and Five Highest Paid Employees (Continued)

(b) Executive directors and the chief executive officer

		Salaries, allowances and benefits in kind 薪金、津貼 及實物福利 RMB'000 人民幣千元	Fees 袍金 RMB'000 人民幣千元	Pension scheme contributions 退休金 計劃供款 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
2021	2021年				
Executive directors:	執行董事：				
- Mr. Huang Xiangbin*	- 黃祥彬先生*	2,338	-	51	2,389
- Ms. Zhang Zhijie	- 張志傑女士	-	-	-	-
		2,338	-	51	2,389

8. 董事及主要行政人員薪酬以及五名最高薪僱員(續)

(b) 執行董事及主要行政人員

		Salaries, allowances and benefits in kind 薪金、津貼 及實物福利 RMB'000 人民幣千元	Fees 袍金 RMB'000 人民幣千元	Pension scheme contributions 退休金 計劃供款 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
2020	2020年				
Executive directors:	執行董事：				
- Mr. Huang Xiangbin	- 黃祥彬先生	2,134	-	44	2,178
- Ms. Zhang Zhijie	- 張志傑女士	-	160	-	160
		2,134	160	44	2,338

Notes:

- (a) Mr. Huang Xiangbin is also the chief executive officer of the Company.
- (b) Ms. Zhang Zhijie resigned as an executive director due to personal reasons, with effect from 8 January 2021.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

附註：

- (a) 黃祥彬先生亦為本公司行政總裁。
- (b) 張志傑女士因個人原因已辭任執行董事，自2021年1月8日起生效。

年內概無董事放棄或同意放棄任何薪酬的安排。

8. Directors' and Chief Executives' Remuneration and Five Highest Paid Employees (Continued)

(c) Five highest paid employees

The five highest paid employees during the year included one director (2020: one director), details of whose remuneration are set out above. Details of the remuneration during the year of the remaining four (2020: four) highest paid employees who are neither a director nor a chief executive officer of the Company are as follows:

		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	2,129	2,041
Pension scheme contributions	退休金計劃供款	119	86
		2,248	2,127

The number of non-director highest paid employees whose remuneration fell within the following band is as follows:

		2021	2020
Nil to HK\$1,000,000	零至1,000,000港元	4	4

8. 董事及主要行政人員薪酬以及五名最高薪僱員(續)

(c) 五名最高薪僱員

年內，五名最高薪僱員包括一名董事(2020年：一名董事)，其薪酬詳情載於上文。其餘四名(2020年：四名)並非董事或本公司主要行政人員的最高薪僱員於年內的薪酬詳情如下：

薪酬介乎下列範圍的非董事最高薪僱員的人數如下：

9. Income Tax

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and BVI. The assessable profits of the Group derived from Hong Kong are subject to a two-tiered profit tax rate regime. The first HK\$2,000,000 (2020: HK\$2,000,000) of assessable profits are taxed at 8.25% (2020: 8.25%) and the remaining assessable profits are taxed at 16.5% (2020: 16.5%).

The provision for PRC CIT is based on the respective PRC CIT rates applicable to the subsidiaries located in Mainland China as determined in accordance with the relevant income tax rules and regulations of Mainland China for the year. All subsidiaries domiciled in the PRC were subject to PRC CIT at a rate of 25% during the two years ended 31 December 2021 and 2020.

The major components of income tax expense are as follows:

		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Current – Hong Kong	即期－香港		
Charge for the year	年內開支	12,121	8,049
Current – Mainland China	即期－中國內地		
Charge for the year	年內開支	20,397	14,693
Adjustments in respect of current tax of previous years	調整往年即期稅項	–	(4,999)
Deferred tax (note 15)	遞延稅項(附註15)	(214)	75
Total tax charge for the year	年內稅項開支總額	32,304	17,818

9. 所得稅

根據開曼群島及英屬維爾京群島的規則及法規，本集團毋須繳納開曼群島及英屬維爾京群島的任何所得稅。本集團源自香港的應課稅溢利須按兩級制利得稅率繳稅。應課稅溢利的首2,000,000港元(2020年：2,000,000港元)按8.25%(2020年：8.25%)的稅率繳稅，其餘應課稅溢利則按16.5%(2020年：16.5%)的稅率繳稅。

中國企業所得稅撥備乃根據年內中國內地有關所得稅規則及法規所釐定分別適用於中國內地附屬公司的中國企業所得稅稅率計提。截至2021年及2020年12月31日止兩個年度，於中國註冊的所有附屬公司須按中國企業所得稅稅率25%繳稅。

所得稅開支的主要組成部分如下：

9. Income Tax (Continued)

A reconciliation of the tax expense applicable to profit before tax at the applicable tax rates for companies within the Group to the tax expense at the effective tax rate is as follows:

9. 所得稅(續)

按適用於本集團旗下公司的稅率計算的除稅前溢利適用的稅項開支與按實際稅率計算的稅項開支的對賬如下：

		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit before tax	除稅前溢利	167,387	135,955
Tax at the respective statutory tax rates	按各自法定稅率計算的稅項		
– PRC subsidiaries at 25%	– 中國附屬公司按25%計算	20,585	11,959
– the Company and Hong Kong subsidiary at 8.25%	– 本公司及香港附屬公司按8.25%計算	141	143
– the Company and Hong Kong subsidiary at 16.5%	– 本公司及香港附屬公司按16.5%計算	10,219	17,011
Differences previously not recognised	過往未確認的差額	(2,137)	(811)
Tax losses utilised from previous periods	動用過往期間的稅項虧損	–	(10,429)
Expenses not deductible for tax*	不可扣稅開支*	3,199	3,132
Tax effect on deductible temporary differences not recognised	未確認可扣減暫時差額的稅務影響	(924)	924
Adjustments in respect of current tax of previous years	調整往年即期稅項	–	(4,999)
Income not subject to tax	毋須課稅收入	(2)	–
Tax losses not recognised	未確認稅項虧損	1,223	888
		32,304	17,818

* Expenses not deductible for tax for the years ended 31 December 2021 and 31 December 2020 mainly consisted of administrative expenses, foreign exchange differences incurred by offshore companies and fees for not obtaining formal invoices. These expenses are not expected to be deductible for tax.

* 截至2021年12月31日及2020年12月31日止年度的不可扣稅開支主要包括海外公司所產生的行政開支、匯兌差額以及未取得正式發票的費用。該等開支預期為不可扣稅。

10. Earnings Per Share Attributable to Ordinary Equity Holders of the Company

The calculation of basic earnings per share is based on the profit attributable to ordinary equity holders of the Company for the year ended 31 December 2021 of RMB135,083,000 (2020: RMB118,137,000), and the weighted average number of ordinary shares of 1,736,830,311 (2020: 1,691,890,585) in issue during the year.

The calculation of the diluted earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company, adjusted to reflect the impact of a dilution as the exercise prices of the Company's outstanding share options were lower than the average market prices for the Company's shares during the year ended 31 December 2021. No adjustment has been made to the basic earnings per share amount presented for the year ended 31 December 2020 in respect of a dilution as the exercise prices of the Company's outstanding share options were higher than the average market prices for the Company's shares during the year.

The calculations of basic and diluted earnings per share are based on:

10. 本公司普通權益持有人應佔每股盈利

每股基本盈利是基於截至2021年12月31日止年度本公司普通權益持有人應佔溢利人民幣135,083,000元(2020年: 人民幣118,137,000元)以及年內已發行普通股加權平均數1,736,830,311股(2020年: 1,691,890,585股)計算。

每股攤薄盈利是基於本公司普通權益持有人應佔年內溢利計算,並作出調整以反映本公司尚未行使購股權的行使價低於截至2021年12月31日止年度本公司股份平均市價情況下的攤薄影響。由於本公司尚未行使購股權的行使價高於年內本公司股份的平均市價,因此並無對截至2020年12月31日止年度呈列的每股基本盈利金額作出攤薄調整。

計算每股基本及攤薄盈利是基於:

		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
<u>Earnings</u>	<u>盈利</u>		
Profit attributable to ordinary equity holders of the Company	本公司普通權益持有人應佔溢利	135,083	118,137
		Number of shares 股份數目	
		2021	2020
<u>Shares</u>	<u>股份</u>		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	用於計算每股基本盈利的年內已發行普通股加權平均數	1,736,830,311	1,691,890,585
Effect of dilution – weighted average number of ordinary shares	攤薄影響 – 普通股加權平均數	613,267	–
		1,737,443,578	1,691,890,585

11. Property, Plant and Equipment

11. 物業、廠房及設備

		Land and Buildings 土地及樓宇 RMB'000 人民幣千元	Machinery 機器 RMB'000 人民幣千元	Leasehold improvements and office equipment 租賃裝修及辦公室設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
31 December 2021	2021年12月31日						
Cost:	成本:						
At 31 December 2020 and 1 January 2021	於2020年12月31日及2021年1月1日	175,163	1,509	10,946	18,518	31,237	237,373
Additions	添置	22,150	-	136	31	2,258	24,575
At 31 December 2021	於2021年12月31日	197,313	1,509	11,082	18,549	33,495	261,948
Accumulated depreciation:	累計折舊:						
At 31 December 2020 and 1 January 2021	於2020年12月31日及2021年1月1日	21,983	401	9,252	17,488	-	49,124
Provided for the year (note 7)	年內撥備(附註7)	4,434	133	283	107	-	4,957
At 31 December 2021	於2021年12月31日	26,417	534	9,535	17,595	-	54,081
Net carrying amount:	賬面淨值:						
At 31 December 2020	於2020年12月31日	153,180	1,108	1,694	1,030	31,237	188,249
At 31 December 2021	於2021年12月31日	170,896	975	1,547	954	33,495	207,867
31 December 2020	2020年12月31日						
Cost:	成本:						
At 31 December 2019 and 1 January 2020	於2019年12月31日及2020年1月1日	176,347	1,563	10,903	18,445	31,248	238,506
Additions	添置	-	139	43	73	117	372
Other transfer-out	其他轉出	(1,184)	-	-	-	(128)	(1,312)
Disposals	出售	-	(193)	-	-	-	(193)
At 31 December 2020	於2020年12月31日	175,163	1,509	10,946	18,518	31,237	237,373
Accumulated depreciation:	累計折舊:						
At 31 December 2019 and 1 January 2020	於2019年12月31日及2020年1月1日	17,335	328	8,576	15,274	-	41,513
Provided for the year (note 7)	年內撥備(附註7)	4,648	266	676	2,214	-	7,804
Disposals	出售	-	(193)	-	-	-	(193)
At 31 December 2020	於2020年12月31日	21,983	401	9,252	17,488	-	49,124
Net carrying amount:	賬面淨值:						
At 31 December 2019	於2019年12月31日	159,012	1,235	2,327	3,171	31,248	196,993
At 31 December 2020	於2020年12月31日	153,180	1,108	1,694	1,030	31,237	188,249

As at 31 December 2021, the Group's certain buildings with a net carrying amount of RMB57,159,000 (31 December 2020: RMB70,296,000) were pledged to two banks to secure the Group's bank loans (note 23 (a)). As at 31 December 2021, the Group's certain buildings with a net carrying amount of RMB9,967,000 (31 December 2020: nil) were pledged to obtain bank facilities of RMB60,000,000.

於2021年12月31日，本集團賬面淨值為人民幣57,159,000元(2020年12月31日：人民幣70,296,000元)的若干樓宇已抵押予兩間銀行，作為本集團銀行貸款的擔保(附註23(a))。於2021年12月31日，本集團賬面淨值為人民幣9,967,000元(2020年12月31日：零)的若干樓宇已抵押以獲取人民幣60,000,000元的銀行融資。

12. Investment Property

12. 投資物業

		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Carrying amount at 1 January	於1月1日的賬面值	6,679	7,133
Depreciation provided for the year (note 7)	年內已計提折舊(附註7)	(180)	(454)
Carrying amount at 31 December	於12月31日的賬面值	6,499	6,679

Notes:

- (a) As at 31 December 2021, the fair value of the investment property was estimated to be approximately RMB8,292,000 (2020: RMB8,292,000). The valuation was performed in 2020 by Asia-Pacific Consulting and Appraisal Limited, an independent professionally qualified valuer. There is no significant change during the year and no revaluation has been carried out. Selection criteria of the external valuer include market knowledge, reputation, independence and whether professional standards are maintained. The valuation was estimated using discounted cash flow projections based on reliable estimates of future rental income or market rents for similar properties in the same location and condition, where appropriate. The fair value measurement hierarchy of the investment property requires certain significant unobservable inputs (Level 3).
- (b) The Group's investment property is situated in Mainland China and held under medium lease terms.
- (c) As at 31 December 2021, the investment property was leased to a third party under operating leases.
- (d) As at 31 December 2021, the Group's investment property with a net carrying amount of RMB6,499,000 (31 December 2020: RMB6,679,000) was pledged to obtain bank facilities of RMB150,000,000 (31 December 2020: RMB50,000,000) granted to the Group.

附註：

- (a) 於2021年12月31日，投資物業的公平值估計約為人民幣8,292,000元(2020年：人民幣8,292,000元)。估值由獨立專業合資格估值師亞太評估諮詢有限公司於2020年進行。年內無重大變化，未進行重估。外部估值師的選擇標準包括市場知識、聲譽、獨立性以及是否維持專業標準。估值乃根據對未來租金收入或相同地點及條件下類似物業的市場租金的可靠估計(如適用)使用貼現現金流量預測進行估計。投資物業的公平值計量層級需要若干重大的不可觀察輸入數據(第3級)。
- (b) 本集團的投資物業位於中國內地並根據中期租約持有。
- (c) 於2021年12月31日，投資物業按經營租賃出租予一名第三方。
- (d) 於2021年12月31日，本集團賬面淨值為人民幣6,499,000元(2020年12月31日：人民幣6,679,000元)的投資物業已抵押以獲取授予本集團的銀行融資人民幣150,000,000元(2020年12月31日：人民幣50,000,000元)。

13. Leases**The Group as a lessee**

The Group has lease contracts for office premises and a warehouse used in its operations. The Group entered into certain long-term lease contracts for items of office premises. Lump sum payments were made upfront to acquire the leased land with lease periods of 50 years. Lump sum payments were made yearly upfront to acquire certain leased office premises with lease periods of five years, and no ongoing payments will be made under the terms of the leases after the payments. For other leases, payments were made monthly, quarterly and semi-annually. Leases of office premises have lease terms between 1 and 5 years. Leases of a warehouse have lease terms within five years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

		Leasehold land	Office premises and a warehouse 辦公室物業 及倉庫	Total
		租賃土地 RMB'000 人民幣千元	RMB'000 人民幣千元	總計 RMB'000 人民幣千元
As at 1 January 2020	於2020年1月1日	–	1,041	1,041
Additions	添置	49,114	917	50,031
Depreciation charge (note 7)	折舊開支(附註7)	(82)	(1,056)	(1,138)
As at 31 December 2020 and 1 January 2021	於2020年12月31日 及2021年1月1日	49,032	902	49,934
Depreciation charge (note 7)	折舊開支(附註7)	(982)	(558)	(1,540)
As at 31 December 2021	於2021年12月31日	48,050	344	48,394

The Group's leasehold land included in right-of-use assets is situated in Mainland China and held under long lease terms.

13. 租賃**本集團作為承租人**

本集團擁有營運所用辦公室物業及倉庫的租賃合約。本集團就辦公室物業項目訂立若干長期租賃合約。已預付一次性付款以獲得租期為50年的租賃土地。每年須預付一次性付款以獲得租期為五年的若干租用辦公室物業，付款後根據租賃條款毋須支付任何後續款項。其他租賃則每月、每季及每半年支付。辦公室物業租賃的租期為1至5年。倉庫租賃的租期為五年以內。一般而言，本集團不得向本集團以外人士轉讓及分租租用資產。

(a) 使用權資產

本集團的使用權資產於年內的賬面值及變動如下：

本集團計入使用權資產的租賃土地位於中國內地並根據長期租約持有。

13. Leases (Continued)**The Group as a lessee (Continued)***(b) Lease liabilities*

The carrying amount of lease liabilities and the movements during the year are as follows:

		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Carrying amount at 1 January	於1月1日的賬面值	1,103	1,176
New leases	新租賃	–	917
Accretion of interest recognised during the year (note 6)	年內確認的利息增加 (附註6)	55	95
Payments	付款	(774)	(1,085)
Carrying amount at 31 December	於12月31日的賬面值	384	1,103
Analysed into:	分析為：		
Current portion	流動部分	384	736
Non-current portion	非流動部分	–	367

The maturity analysis of lease liabilities is disclosed in note 33 to the financial statements.

13. 租賃(續)**本集團作為承租人(續)***(b) 租賃負債*

租賃負債於年內的賬面值及變動如下：

租賃負債的到期日分析於財務報表附註33披露。

13. Leases (Continued)**The Group as a lessee (Continued)**

(c) The amounts recognised in profit or loss in relation to leases are as follows:

		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Interest on lease liabilities (note 6)	租賃負債利息(附註6)	55	95
Depreciation charge of right-of-use assets (note 7)	使用權資產折舊開支(附註7)	1,540	1,138
Expense relating to short-term leases (included in administrative expenses) (note 7)	有關短期租賃的開支 (計入行政開支)(附註7)	1,000	433
Total amount recognised in profit or loss	在損益中確認的總額	2,595	1,666

(d) The total cash outflow for leases is disclosed in note 30(c) to the financial statements.

The Group as a lessor

The Group leases its investment property consisting of one commercial property in Mainland China under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. The net rental income recognised by the Group during the year was RMB172,000 (2020: RMB290,000) (note 5).

At 31 December 2021, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Within one year	一年內	170	511
After one year but within two years	一年後但兩年內	-	170
		170	681

13. 租賃(續)**本集團作為承租人(續)**

(c) 在損益中確認有關租賃的金額如下：

		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Interest on lease liabilities (note 6)	租賃負債利息(附註6)	55	95
Depreciation charge of right-of-use assets (note 7)	使用權資產折舊開支(附註7)	1,540	1,138
Expense relating to short-term leases (included in administrative expenses) (note 7)	有關短期租賃的開支 (計入行政開支)(附註7)	1,000	433
Total amount recognised in profit or loss	在損益中確認的總額	2,595	1,666

(d) 租賃現金流出總額於財務報表附註30(c)披露。

本集團作為出租人

本集團根據經營租賃安排租賃其投資物業，為位於中國內地的一項商業物業。租賃條款一般要求租戶支付保證金，並規定根據當時的市況定期調整租金。年內，本集團確認租金收入淨額人民幣172,000元(2020年：人民幣290,000元)(附註5)。

於2021年12月31日，本集團根據與租戶的不可撤銷經營租賃在未來期間應收的未貼現租賃付款如下：

14. Intangible Assets

14. 無形資產

		Software 軟件 RMB'000 人民幣千元
31 December 2021	2021年12月31日	
Cost at 1 January 2021, net of accumulated amortisation	於2021年1月1日按成本，扣除累計攤銷	22
Amortisation provided during the year (note 7)	年內攤銷撥備(附註7)	(22)
At 31 December 2021	於2021年12月31日	-
At 31 December 2021:	於2021年12月31日：	
Cost	成本	403
Accumulated amortisation (note 7)	累計攤銷(附註7)	(403)
Net carrying amount	賬面淨值	-
		Software 軟件 RMB'000 人民幣千元
31 December 2020	2020年12月31日	
At 1 January 2020:	於2020年1月1日：	
Cost	成本	45
Accumulated amortisation (note 7)	累計攤銷(附註7)	(23)
Net carrying amount	賬面淨值	22
At 31 December 2020 and at 1 January 2021:	於2020年12月31日及2021年1月1日：	
Cost	成本	403
Accumulated amortisation	累計攤銷	(381)
Net carrying amount	賬面淨值	22

15. Deferred Tax

The movements in deferred tax assets during the year are as follows:

		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
At beginning of year	於年初	646	721
Deferred tax charged to profit or loss during the year (note 9)	年內自損益扣除的遞延稅項(附註9)	214	(75)
At end of year	於年末	860	646

Notes:

- (a) As at 31 December 2021, the Group had accumulated tax losses arising in Mainland China of RMB13,278,000 (31 December 2020: RMB17,616,000) that would expire in one to five years. Deferred tax assets have not been recognised in respect of these losses as it is not considered probable that taxable profits will be available against which they can be utilised.
- (b) Deferred tax assets related to the PRC subsidiaries have been provided at the enacted corporate income tax rate of 25%.
- (c) Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

As of 31 December 2021, no deferred tax liability has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China. In the opinion of the Directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future after their assessment based on factors which included the dividend policy, the level of working capital required for the Group's operations and the expansion of the Group's operations in Mainland China. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately RMB114,914,000 (31 December 2020: RMB62,851,000).

15. 遞延稅項

年內遞延稅項資產的變動如下：

附註：

- (a) 於2021年12月31日，本集團於中國內地產生的累計稅項虧損為人民幣13,278,000元(2020年12月31日：人民幣17,616,000元)，將於一至五年內到期。並無就該等虧損確認遞延稅項資產，原因為其被視為不大可能有應課稅溢利可供抵銷該等稅項虧損。
- (b) 有關中國附屬公司的遞延稅項資產已按已頒佈的企業所得稅稅率25%計提撥備。
- (c) 根據中國企業所得稅法，就於中國內地成立的外資企業向外國投資者宣派的股息須徵收10%的預扣稅。該規定自2008年1月1日起生效，並適用於2007年12月31日後的盈利。倘中國內地與外國投資者所在司法權區已簽訂稅務協議，則可採用較低的預扣稅率。本集團的適用稅率為10%。因此，本集團須對該等於中國內地成立的附屬公司就自2008年1月1日起產生的盈利所分派的股息繳納預扣稅。

截至2021年12月31日，並無就本集團於中國內地成立的附屬公司須繳納預扣稅的未匯出盈利而須支付的預扣稅確認遞延稅項負債。董事認為，基於股息政策、本集團業務所需的營運資金水平及本集團擴大中國內地的業務等因素進行評估後認為，該等附屬公司於可見將來不大可能分派有關盈利。未就有關於中國內地成立的附屬公司的投資的暫時性差異總額約人民幣114,914,000元(2020年12月31日：人民幣62,851,000元)確認遞延稅項負債。

16. Inventories

At the end of the reporting period, all inventories represent purchased pharmaceutical products.

As at 31 December 2021, the Group's inventories with a carrying amount of RMB56,339,000 (31 December 2020: RMB241,577,000) were pledged to secure the Group's other payables in respect of import agent services as further detailed in note 22(b) to financial statements.

16. 存貨

於報告期末，所有存貨指所購買的藥品。

於2021年12月31日，本集團以賬面值為人民幣56,339,000元(2020年12月31日：人民幣241,577,000元)的存貨作為本集團有關進口代理服務的其他應付款項的抵押，進一步詳情載於財務報表附註22(b)。

17. Trade and Bills Receivables**17. 貿易應收款項及應收票據**

		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Trade receivables	貿易應收款項	216,346	580,778
Impairment	減值	(3,111)	(2,091)
Trade receivables, net of impairment	貿易應收款項(扣除減值)	213,235	578,687
Bills receivable	應收票據	366	-
		213,601	578,687

The Group granted credit terms ranging from 90 days to 180 days (2020: 90 days to 240 days) to customers after the delivery of goods, except for certain customers who were required to make payments in advance prior to the delivery of goods. The Group seeks to maintain strict control over the settlements of its outstanding receivables and has a credit control department to minimise credit risk. Trade receivables are non-interest-bearing. As at 31 December 2021, trade receivables of RMB281,044,000 (31 December 2020: RMB567,169,000) were covered by letters of credit.

除若干客戶須於交付貨品前預付款項外，本集團向客戶授出交付貨品後90天至180天(2020年：90天至240天)的信貸期。本集團尋求對其尚未收回的應收款項結算維持嚴格控制，並設有信貸控制部門，以將信貸風險降至最低。貿易應收款項為不計息。於2021年12月31日，貿易應收款項人民幣281,044,000元(2020年12月31日：人民幣567,169,000元)以信用證結算。

17. Trade and Bills Receivables (Continued)

An ageing analysis of the trade receivables as at the end of the reporting periods, based on the date of revenue recognised and net of loss allowance, is as follows:

		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Within 3 months	3個月內	207,097	576,378
3 to 12 months	3至12個月	6,138	2,309
		213,235	578,687

The movements in the loss allowance for impairment of trade receivables are as follows:

		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
At beginning of year	於年初	2,091	2,441
Provision for/(reversal of) impairment losses (note 7)	減值虧損撥備/(撥回)(附註7)	1,020	(350)
At end of year	於年末	3,111	2,091

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit loss rate. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type and coverage by other forms of insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

17. 貿易應收款項及應收票據(續)

於報告期末基於收益確認日期的貿易應收款項(已扣除虧損撥備)的賬齡分析如下:

貿易應收款項減值虧損撥備變動如下:

於各報告日期均採用撥備矩陣進行減值分析，以計量預期信貸虧損率。撥備率是基於具有類似虧損模式(即按客戶類型及其他保險形式擔保的範圍)的多個客戶分部組別的逾期日數釐定。該計算反映或然率加權結果、貨幣時值及於報告日期可得的有關過往事項、現況及未來經濟狀況預測的合理可靠資料。

17. Trade and Bills Receivables (Continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2021

			Past due 逾期			
		Current 即期	1 to 90 days 1至90天	91 to 180 days 91至180天	More than 180 days 超過180天	Total 合計
Expected credit loss rate	預期信貸虧損率	1.84%	8.56%	61.62%	100%	
Gross carrying amount (RMB'000)	賬面總值 (人民幣千元)	207,793	6,701	28	1,824	216,346
Covered by letters of credit (RMB'000)	以信用證結算 (人民幣千元)	(169,862)	—	—	—	(169,862)
		<u>37,931</u>	<u>6,701</u>	<u>28</u>	<u>1,824</u>	<u>46,484</u>
Expected credit losses (RMB'000)	預期信貸虧損 (人民幣千元)	<u>696</u>	<u>574</u>	<u>17</u>	<u>1,824</u>	<u>3,111</u>

17. 貿易應收款項及應收票據(續)

以下載列有關本集團使用撥備矩陣計算的貿易應收款項的信貸風險資料：

於2021年12月31日

As at 31 December 2020

於2020年12月31日

			Past due 逾期			
		Current 即期	1 to 90 days 1至90天	91 to 180 days 91至180天	More than 180 days 超過180天	Total 合計
Expected credit loss rate	預期信貸虧損率	1.25%	3.04%	66.30%	100%	
Gross carrying amount (RMB'000)	賬面總值 (人民幣千元)	576,495	1,595	2,261	427	580,778
Covered by letters of credit (RMB'000)	以信用證結算 (人民幣千元)	(567,169)	—	—	—	(567,169)
		<u>9,326</u>	<u>1,595</u>	<u>2,261</u>	<u>427</u>	<u>13,609</u>
Expected credit losses (RMB'000)	預期信貸虧損 (人民幣千元)	<u>117</u>	<u>48</u>	<u>1,499</u>	<u>427</u>	<u>2,091</u>

17. Trade and Bills Receivables (Continued)

As at 31 December 2021, the Group endorsed certain bills receivable accepted by banks in Mainland China to certain import agents in order to settle other payables, with a carrying amount in aggregate of RMB20,103,000 (31 December 2020: RMB110,097,000) (collectively referred to as the “Derecognised Bills”). The Derecognised Bills had a maturity term from one to six months at the end of the reporting period. All the Derecognised Bills had been accepted by Banks which are reputable banks in the PRC and had a maturity of within six months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the “Continuing Involvement”). In the opinion of the Directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated advances on discounting. The maximum exposure to loss from the Group’s Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their face amounts. In the opinion of the Directors, the fair values of the Group’s Continuing Involvement in the Derecognised Bills are not significant.

17. 貿易應收款項及應收票據(續)

於2021年12月31日，本集團背書若干獲中國內地銀行承兌的應收票據予若干進口代理，以結算賬面值合共人民幣20,103,000元(2020年12月31日：人民幣110,097,000元)的其他應付款項：(統稱「終止確認票據」)。於報告期末，終止確認票據的到期日為一至六個月。於報告期末，所有終止確認票據已獲中國知名銀行承兌，到期日為六個月。根據《中華人民共和國票據法》，倘中國的銀行違約，終止確認票據的持有人對本集團擁有追索權(「持續參與」)。董事認為，本集團已轉移絕大部分與終止確認票據有關的風險及回報。因此，其已終止確認終止確認票據及相關貼現墊款的全部賬面值。本集團因對終止確認票據的持續參與而面對的最高損失風險及購回該等終止確認票據的未貼現現金流量與其面值相等。董事認為，本集團對終止確認票據的持續參與的公平值並不重大。

18. Prepayments, Other Receivables and Other Assets 18. 預付款項、其他應收款項及其他資產

		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Prepayments in respect of:	以下項目的預付款項：		
– purchase of inventories	– 購買存貨	1,492	–
– consultation service fee	– 諮詢服務費	1,295	814
– others	– 其他	800	756
Deposits in respect of:	以下項目的按金：		
– issuance of letters of credit	– 開立信用證	135,375	24,998
– distribution rights	– 經銷權	127,514	–
– others	– 其他	35,118	5,272
Value-added tax recoverable	可收回增值稅	6,050	5,818
Amounts due from related parties	應收關連方款項	11	–
Other receivables in respect of:	以下項目的其他應收款項：		
– staff advances	– 員工墊款	1,091	359
– others	– 其他	4,649	3,217
		313,395	41,234
Impairment allowance	減值撥備	(356)	(520)
		313,039	40,714

18. Prepayments, Other Receivables and Other Assets (Continued)

The movements in the loss allowance for impairment of financial assets in prepayments, other receivables and other assets are as follows:

		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
At beginning of year	於年初	520	472
Provision for/(reversal of) impairment losses (note 7)	減值虧損撥備/(撥回)(附註7)	(164)	48
At end of year	於年末	356	520

An impairment analysis is performed at each reporting date by considering ECLs, which are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate.

In determining ECLs for financial assets in prepayments, other receivables and other assets, the Directors have taken into account the historical default experience and the future prospects of the industries and/or considered various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of each of the financial assets in prepayments, other receivables and other assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

18. 預付款項、其他應收款項及其他資產 (續)

預付款項、其他應收款項及其他資產中的金融資產減值虧損撥備變動如下：

本集團透過考慮經參考過往虧損記錄使用虧損率法估算的預期信貸虧損，於各報告日期作出減值分析。虧損率於適當時候作出調整以反映現況及預測未來經濟狀況。

在釐定預付款項、其他應收款項及其他資產中金融資產的預期信貸虧損時，董事已考慮歷史違約情況及行業未來前景，及/或在估計預付款項、其他應收款項及其他資產中各項金融資產在其各自的虧損評估時間範圍內發生違約的概率以及各情況下的違約虧損時，考慮外部的實際及預測經濟資料來源(如適當)。

19. Cash and Cash Equivalents and Pledged Bank Balances

19. 現金及現金等價物以及已抵押銀行結餘

		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘	381,067	143,765
Less: pledged bank deposits*	減：已抵押銀行存款*	(55,015)	-
Cash and cash equivalents	現金及現金等價物	326,052	143,765

* The balances as at 31 December 2021 represented bank deposits with original maturity of less than three months when acquired which are pledged to banks to issue letters of credit for the purchase of pharmaceuticals.

* 於2021年12月31日的結餘指取得時原到期日不超過三個月就簽發信用證以購買藥品而抵押予銀行的銀行存款。

The Group's cash and bank balances at the end of the reporting period can be further analysed as follows:

於報告期末，本集團的現金及銀行結餘可進一步分析如下：

		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Denominated in RMB	以人民幣計值	257,299	102,572
Denominated in US\$*	以美元計值	74,138	37,263
Denominated in HK\$*	以港元計值	47,887	3,835
Denominated in C\$*	以加拿大元計值	1,704	40
Denominated in S\$*	以新加坡元計值	39	55
		381,067	143,765

* US\$ stands for the United States dollar. HK\$ stands for the Hong Kong dollar. C\$ stands for the Canadian dollar. S\$ stands for the Singapore dollar.

The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

人民幣不能自由兌換為其他貨幣。然而，根據中國內地《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團可透過獲授權開展外匯業務的銀行將人民幣兌換成其他貨幣。

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for a period of three months and earn interest at the respective deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

銀行現金按根據每日銀行存款利率計算的浮動利率計息。定期存款的存款期為三個月，並按各自的存款利率計息。銀行結餘及定期存款乃存於近期無拖欠記錄且信譽良好的銀行。

20. Trade Payables

An ageing analysis of trade payables as at the end of the reporting period, based on the issuance date of the pharmaceuticals' inspection report, is as follows:

		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Within three months	三個月內	422,933	700,320

Trade payables of the Group are normally settled within 120 to 180 days (2020:120 to 240 days)..

20. 貿易應付款項

於報告期末基於藥品檢驗報告發出日期的貿易應付款項賬齡分析如下：

本集團的貿易應付款項一般於120日至180日(2020年：120日至240日)內結清。

21. Contract Liabilities

Contract liabilities consisted of short-term advances received from customers in relation to the sale of pharmaceuticals. Changes in contract liabilities during the year are as follows:

		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
At the beginning of year	於年初	27,806	38,582
Revenue recognised that was included in the contract liabilities balance at the beginning of the year (note 4)	於年初計入合約負債結餘的已確認收益(附註4)	(27,732)	(8,742)
Transfer to other payables and accruals	轉撥至其他應付款項及應計款項	-	(29,685)
Net increase due to cash received, excluding amounts recognised as revenue during the year	因已收現金產生的增加淨額，不包括於年內確認為收益的金額	27,675	27,651
At the end of year	於年末	27,749	27,806

21. 合約負債

合約負債包括就銷售藥品自客戶收取的短期預付款項。年內，合約負債變動如下：

22. Other Payables and Accruals

22. 其他應付款項及應計款項

	Notes 附註	2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Current portion:	即期部分：		
Payables related to:	有關以下項目的應付款項：		
Payroll and welfare payable	應付工資及福利	2,030	1,218
Deposits received	已收按金 (a)	14,117	4,023
Consulting and professional fees	諮詢及專業費	12,616	6,433
Other tax payables	其他應付稅項	845	1,800
Import agent services	進口代理服務 (b)	1,886	117,848
Interest payable	應付利息	114	–
Other payables	其他應付款項	21,816	30,624
		53,424	161,946
Non-current portion:	非即期部分：		
Payables related to:	有關以下項目的應付款項：		
Deposits received	已收按金 (c)	–	93,422
		53,424	255,368

Notes:

- (a) The balance represented refundable deposits received from the Group's distributors according to distribution contracts in order to guarantee their performance under distribution contracts, which were unsecured and interest-free.
- (b) The balance as at 31 December 2021 mainly represented the payables to one (31 December 2020: three) independent third party, which is principally engaged in import agent services, for their settlement of part of the purchase of pharmaceutical products on behalf of the Group together with the service charge for the import and logistics services. Such payables were non-interest-bearing and secured by inventories with a carrying amount of RMB56,339,000 (31 December 2020: RMB241,577,000) (note 16).
- (c) The balance as at 31 December 2020 mainly represented the payables related to interest-free deposits totalling RMB100 million received from a distributor for a distribution period granted by the Group with the latest repayment date in July 2022, which had been repaid during the year ended 31 December 2021. For the year ended 31 December 2021, the Group recorded imputed discount on deposits of nil (2020: RMB8,510,000) (note 5) and unwinding of discount on deposits of RMB6,578,000 (2020: RMB1,932,000) (note 6).

Other than the other payables mentioned above, all other payables of the Group are non-interest-bearing and unsecured.

附註：

- (a) 結餘指為保證本集團經銷商按照經銷協議履約而根據經銷合約向彼等收取的可退還按金，該等按金為無抵押及不計息。
- (b) 於2021年12月31日的結餘主要指應付予一名(2020年12月31日：三名)主要從事進口代理服務的獨立第三方的款項，因其代表本集團支付部分藥品採購的款項以及進口及物流服務的服務費。有關應付款項為不計息，且由賬面值人民幣56,339,000元(2020年12月31日：人民幣241,577,000元)的存貨(附註16)作抵押。
- (c) 於2020年12月31日的結餘主要指與本集團就授予一名經銷商經銷期而自其收取的不計息按金合共人民幣100百萬元有關的應付款項，最遲還款日期為2022年7月，已於截至2021年12月31日止年度償還。截至2021年12月31日止年度，本集團錄得按金估算貼現為零(2020年：人民幣8,510,000元)(附註5)及解除貼現按金人民幣6,578,000元(2020年：人民幣1,932,000元)(附註6)。

除上述其他應付款項外，本集團的所有其他應付款項均為不計息及無抵押。

23. Interest-Bearing Bank and Other Borrowings

23. 計息銀行及其他借款

		2021			2020		
		Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Notes		實際利率 (%)	到期日	人民幣千元	實際利率 (%)	到期日	人民幣千元
附註							
Current:	即期:						
Bank loans	銀行貸款						
- Secured and guaranteed	- 有抵押及有擔保	(a) 3.37-5.50	2022	80,000	3.73-6.0	2021	69,000
- Guaranteed	- 有擔保	(a) -	-	-	2.9	2021	8,156
Other borrowings	其他借款						
- Unsecured	- 無抵押	(b) 3.79	2022	127,514	-	-	-
Current portion of long term bank loans - guaranteed	長期銀行貸款的即期部分 - 有擔保	(a) 2.75	2022	806	2.75	2021	830
				<u>208,320</u>			<u>77,986</u>
Non-current:	非即期:						
Bank loans	銀行貸款						
- Guaranteed	- 有擔保	(a) 2.75	2023-2025	2,244	2.75	2022-2025	3,042
Other borrowings	其他借款						
- Unsecured	- 無抵押	(c) 10.68	2023	130,000	-	-	-
				<u>132,244</u>			<u>3,042</u>
				<u>340,564</u>			<u>81,028</u>

23. Interest-Bearing Bank and Other Borrowings (Continued) 23. 計息銀行及其他借款(續)

		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Analysed into:	分析為：		
Bank loans Repayable:	應於以下時間償還的 銀行貸款：		
Within one year or on demand	於一年內或按要求	80,806	77,986
In the second year	於第二年	806	830
In the third to fifth years, inclusive	於第三至第五年 (包括首尾兩年)	1,438	2,212
		83,050	81,028
Other borrowings Repayable:	應於以下時間償還的 其他借款：		
Within one year or on demand	於一年內或按要求	127,514	-
In the second year	於第二年	130,000	-
		257,514	-
		340,564	81,028

Notes:

(a) The Group's bank and other borrowings are secured and guaranteed as follows:

- (i) As at 31 December 2021, the bank loan of RMB80,000,000 (31 December 2020: RMB60,000,000) was secured by the Group's certain buildings of RMB57,159,000 (31 December 2020: RMB60,152,000) and was jointly guaranteed by Mr. Huang Xiangbin, the Company and Chengdu Sinco Pharmaceutical Technology Co., Ltd. ("Chengdu Sinco Technology").
- (ii) As at 31 December 2020, the bank loan of RMB9,000,000 was secured by the Group's certain buildings of RMB10,144,000 and guaranteed by Mr. Huang Xiangbin.
- (iii) As at 31 December 2020, the bank loan of RMB8,156,000 was guaranteed by Mr. Huang Xiangbin and Chengdu Sinco Technology.
- (iv) As at 31 December 2021, the bank loan of RMB3,050,000 (31 December 2020: RMB3,872,000) was guaranteed by Mr. Huang Xiangbin.

附註：

(a) 本集團銀行及其他借款由以下作抵押及擔保：

- (i) 於2021年12月31日，銀行貸款人民幣80,000,000元(2020年12月31日：人民幣60,000,000元)由本集團若干樓宇人民幣57,159,000元(2020年12月31日：人民幣60,152,000元)作抵押，並由黃祥彬先生、本公司及成都興科蓉醫藥技術有限責任公司(「成都興科蓉科技」)共同作擔保。
- (ii) 於2020年12月31日，銀行貸款人民幣9,000,000元由本集團若干樓宇人民幣10,144,000元作抵押，並由黃祥彬先生作擔保。
- (iii) 於2020年12月31日，銀行貸款人民幣8,156,000元由黃祥彬先生及成都興科蓉科技作擔保。
- (iv) 於2021年12月31日，銀行貸款人民幣3,050,000元(2020年12月31日：人民幣3,872,000元)由黃祥彬先生作擔保。

23. Interest-Bearing Bank and Other Borrowings (Continued)

Notes: (Continued)

- (b) The balance represented the interest-bearing borrowing amounting to USD20.0 million granted by a third party. During the year ended 31 December 2021, the third party made a payment of USD20.0 million to the Group's supplier on behalf of the Group as the deposit for the relevant distribution rights granted. On 26 January 2022, the supplier repaid the deposit to the third party. Since the date of the repayment, the Group derecognised the interest-bearing borrowing of USD20.0 million due to the third party and the other receivables of USD20.0 million due from the supplier.
- (c) The balance represented the interest-bearing borrowing amounting to RMB130.0 million granted by a third party.
- (d) As at 31 December 2021, except for the bank loan which was denominated in HK\$ amounting to RMB3,050,000, all bank loans were denominated in RMB.

23. 計息銀行及其他借款(續)

附註：(續)

- (b) 餘額指由第三方授予的計息借款20.0百萬美元。截至2021年12月31日止年度，第三方代本集團向本集團供應商支付20.0百萬美元作為相關已授出經銷權的按金。於2022年1月26日，供應商向第三方償還按金。自還款之日起，本集團終止確認應付第三方的計息借款20.0百萬美元及應收供應商的其他應收款項20.0百萬美元。
- (c) 餘額指由第三方授予的計息借款人民幣130.0百萬元。
- (d) 於2021年12月31日，除金額為人民幣3,050,000元的銀行貸款以港元計值外，所有銀行貸款均以人民幣計值。

24. Share Capital Shares**24. 股本股份**

		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Authorised:	法定：		
10,000,000,000 (31 December 2020: 10,000,000,000) ordinary shares of HK\$0.0001 each	10,000,000,000股(2020年12月31日：10,000,000,000股)每股面值0.0001港元的普通股	822	822
Issued and fully paid:	已發行及繳足：		
1,872,890,585 (31 December 2020: 1,691,890,585) ordinary shares of HK\$0.0001 each	1,872,890,585股(2020年12月31日：1,691,890,585股)每股面值0.0001港元的普通股	151	136

24. Share Capital (Continued) Shares (Continued)

A summary of movements in the Company's share capital is as follows:

	Notes 附註	Number of share in issue 已發行股份 數目	Share capital RMB'000 股本 人民幣千元
At 31 December 2020 and 1 January 2021	於2020年12月31日及 2021年1月1日	1,691,890,585	136
Issue of new shares	(a) 發行新股份	169,000,000	14
Share options exercised	(b) 已行使購股權	12,000,000	1
At 31 December 2021	於2021年12月31日	1,872,890,585	151

Notes:

- (a) On 23 July 2021, the Group entered into a subscription agreement with the subscribers, agreeing to allot and issue a total of 169,000,000 subscription shares at a subscription price of HK\$0.5 per subscription share. On 28 September 2021, a total of 169,000,000 subscription shares were allotted and issued to the subscribers at the subscription price of HK\$0.5 per subscription share, resulting in new share capital of HK\$16,900 (before issue expenses).
- (b) The 12,000,000 share options exercised during the year ended 31 December 2021 resulted in the issue of 12,000,000 ordinary shares of the Company and new share capital of HK\$1,200 (before issue expenses).

25. Share Option Scheme

The Company operates a share option scheme (the "Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the development of the Group. Eligible participants of the Share Option Scheme are employees (whether full time or part time) of the Company, its subsidiaries or any entity in which the Group holds any equity interest (the "Invested Entity"), including directors (including independent non-executive directors) and the senior management of the Company, its subsidiaries and any Invested Entity. The Share Option Scheme was approved by the Company's shareholders on 1 February 2016 and became effective upon the listing of the shares of the Company and, unless otherwise cancelled or amended, will remain in force for 10 years from 1 February 2016. Please refer to the 2016 annual report of the Company for details.

24. 股本(續) 股份(續)

本公司股本變動概要如下：

附註：

- (a) 於2021年7月23日，本集團與認購人訂立認購協議，同意按認購價每股認購股份0.5港元配發及發行合共169,000,000股認購股份。於2021年9月28日，合共169,000,000股認購股份以認購價每股認購股份0.5港元獲配發及發行予認購人，導致新增股本16,900港元(扣除發行開支前)。
- (b) 於截至2021年12月31日止年度行使12,000,000份購股權導致發行12,000,000股本公司普通股及新增股本1,200港元(扣除發行開支前)。

25. 購股權計劃

本公司運作購股權計劃(「購股權計劃」)，旨在向為本集團發展作出貢獻的合資格參與者提供獎勵及回報。購股權計劃的合資格參與者為本公司、其附屬公司或本集團持有任何股權的任何實體(「投資實體」)的僱員(無論全職或兼職)，包括本公司、其附屬公司及任何投資實體的董事(包括獨立非執行董事)及高級管理層。購股權計劃已於2016年2月1日獲本公司股東批准並於本公司上市後生效，且除非另行取消或修訂，否則將由2016年2月1日起計十年內維持有效。有關詳情，請參閱本公司2016年年報。

25. Share Option Scheme (Continued)

The following share options were outstanding under the Share Option Scheme during the year:

		Notes 附註	Weighted average exercise price 加權平均行使價 HK\$ per Share 每股港元	Number of options 購股權數目 '000 千份
As at 1 January 2021	於2021年1月1日	(i)	0.568	15,650
Exercised during the year	於年內行使	(ii)	0.568	(12,000)
Forfeited during the year	於年內沒收	(iii)	0.568	(2,500)
As at 31 December 2021	於2021年12月31日	(i)	0.568	1,150

Notes:

- (i) The share options outstanding as at 31 December 2021 represented 1,150,000 share options (31 December 2020: 15,650,000) granted by the Company on 21 September 2016 at an exercise price of HK\$0.568 per share to certain eligible participants of the Company in respect of their contributions to the Group's development under the Share Option Scheme.
- (ii) The 12,000,000 share options exercised during the year resulted in the issue of 12,000,000 ordinary shares of the Company and new share capital of HK\$1,200 (before issue expenses).
- (iii) The 2,500,000 share options granted to one employee under the Share Option Scheme were forfeited following his resignation from the Company during the year.

25. 購股權計劃(續)

於本年度，購股權計劃下有以下購股權尚未行使：

附註：

- (i) 於2021年12月31日尚未行使的購股權指本公司就本公司若干合資格參與者對本集團發展所作出的貢獻，於2016年9月21日根據購股權計劃按行使價每股0.568港元向彼等授出的1,150,000份購股權(2020年12月31日：15,650,000份)。
- (ii) 年內已行使12,000,000份購股權導致發行12,000,000股本公司普通股及新增股本1,200港元(扣除發行開支前)。
- (iii) 根據購股權向一名僱員授予的2,500,000份購股權於彼在本年度從本公司辭任後被沒收。

25. Share Option Scheme (Continued)

The exercise prices and exercise periods of the share options outstanding as at 31 December 2021 and 31 December 2020 are as follows:

31 December 2021

Number of options 購股權數目	Exercise price per share 每股行使價	Exercise period 行使期
'000 千份	HK\$ 港元	
460	0.568	From 21 September 2017 to 20 September 2022 2017年9月21日至2022年9月20日
345	0.568	From 21 September 2018 to 20 September 2022 2018年9月21日至2022年9月20日
345	0.568	From 21 September 2019 to 20 September 2022 2019年9月21日至2022年9月20日
1,150		

25. 購股權計劃(續)

於2021年12月31日及2020年12月31日，尚未行使購股權的行使價及行使期如下：

2021年12月31日**31 December 2020**

Number of options 購股權數目	Exercise price per share 每股行使價	Exercise period 行使期
'000 千份	HK\$ 港元	
6,260	0.568	From 21 September 2017 to 20 September 2022 2017年9月21日至2022年9月20日
4,695	0.568	From 21 September 2018 to 20 September 2022 2018年9月21日至2022年9月20日
4,695	0.568	From 21 September 2019 to 20 September 2022 2019年9月21日至2022年9月20日
15,650		

25. Share Option Scheme (Continued)

There was no share option expense recognised during the reporting periods.

The fair value of equity-settled share options granted under the Share Option Scheme was estimated as of the date of grant, using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Dividend yield (%)	Nil
Expected volatility (%)	48.75
Risk-free interest rate (%)	0.72

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

As at 31 December 2021, the Company had 1,150,000 share options outstanding under the Share Option Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 1,150,000 additional ordinary shares of the Company and additional share capital of HK\$115 and share premium of at least HK\$653,085 (before issue expenses).

At the date of approval of these financial statements, the Company had 1,150,000 share options outstanding under the Share Option Scheme, which represented approximately 0.06% of the Company's shares in issue as of that date.

25. 購股權計劃(續)

於報告期間概無確認任何購股權開支。

根據購股權計劃授出的以權益結算的購股權的公平值是於授出日期以二項式模式估計，並經計及所授出購股權的條款及條件。下表載列所採用的模式參數：

股息率(%)	零
預期波幅(%)	48.75
無風險利率(%)	0.72

預期波幅反映歷史波幅為未來指示性趨勢的假設，但未必為實際結果。

計量公平值時概無納入已授出購股權的其他特徵。

於2021年12月31日，根據購股權計劃，本公司擁有1,150,000份尚未行使的購股權。根據本公司目前的資本架構，倘悉數行使尚未行使的購股權，將導致額外發行1,150,000股本公司普通股以及增加股本115港元及股份溢價至少653,085港元(扣除發行開支前)。

於該等財務報表批准日期，根據購股權計劃，本公司擁有1,150,000份尚未行使的購股權，佔本公司於該日期已發行股份約0.06%。

26. Reserves

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 8 of the financial statements.

(a) Share premium account

The application of the share premium account is governed by the Companies Law of the Cayman Islands. Under the constitutional documents and the Companies Law of the Cayman Islands, the share premium is distributable as a dividend on the condition that the Company is able to pay its debts when they fall due in the ordinary course of business at the time the proposed dividend is to be paid.

(b) Contributed surplus

The contributed surplus represents the aggregate nominal amount of the paid-up capital of Sichuan Sinco Pharmaceuticals attributable to the owners of the Company.

(c) Statutory reserve

In accordance with the Company Law of the PRC and the respective articles of association of subsidiaries domiciled in Mainland China, each of the PRC subsidiaries is required to allocate 10% of its profit after tax, as determined in accordance with PRC Generally Accepted Accounting Principles ("PRC GAAP"), to the statutory surplus reserve (the "SSR") until such reserve reaches 50% of its registered capital.

As Sichuan Sinco Pharmaceuticals, Sinco Shanghai, Chengdu Sinco Pharmaceuticals and Qingdao Yusheng are wholly-foreign-owned enterprises, allocation to the SSR is not required. According to the Rules for the Implementation of Foreign-funded Enterprise Law of the PRC and articles of association of Sichuan Sinco Pharmaceuticals, Sinco Shanghai, Chengdu Sinco Pharmaceuticals and Qingdao Yusheng, they are required to allocate 10% of their profit after tax in accordance with PRC GAAP to the statutory reserve fund (the "SRF") until such reserve reaches 50% of their respective registered capital.

The SSR and the SRF are non-distributable except in the event of liquidation and subject to certain restrictions set out in the relevant PRC regulations. They can be used to offset accumulated losses or capitalised as paid-up capital.

26. 儲備

本集團的儲備金額及其於本年度及過往年度的變動在財務報表第8頁綜合權益變動表呈列。

(a) 股份溢價賬

應用股份溢價賬受開曼群島公司法規管。根據章程文件及開曼群島公司法，倘本公司於派付建議股息時能夠償還日常業務過程中的到期債務，則股份溢價可分派為股息。

(b) 實繳盈餘

實繳盈餘指本公司擁有人應佔四川興科蓉藥業實繳股本總面值。

(c) 法定儲備

根據中國公司法及位於中國內地各附屬公司的組織章程細則，各中國附屬公司須根據中國公認會計原則（「中國公認會計原則」）釐定分配其10%除稅後溢利至法定盈餘儲備（「法定盈餘儲備」），直至該儲備達到其註冊資本的50%。

由於四川興科蓉藥業、興科蓉上海、成都興科蓉醫藥及青島煜盛乃外商獨資企業，故毋須撥款至法定盈餘儲備。根據中國外資企業法實施細則以及四川興科蓉藥業、興科蓉上海、成都興科蓉醫藥及青島煜盛的組織章程細則，該等公司須根據中國公認會計原則分配其10%稅後溢利至法定儲備基金（「法定儲備基金」），直至該儲備金達到其註冊資本的50%為止。

除清盤情況及受相關中國法規所載若干限制所限外，法定盈餘儲備及法定儲備基金不可分派，惟可用於抵銷累計虧損或資本化為實繳股本。

26. Reserves (Continued)**(d) Share option reserve**

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. The amount will either be transferred to the share premium account when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

An amount of RMB2,210,000 was transferred from the share option reserve to share premium account upon the exercise of the share options during the year ended 31 December 2021 (2020: nil). An amount of RMB477,000 was transferred from the share option reserve to retained profits because the 2,500 share options were forfeited following the an employee's resignation from the Company during the year ended 31 December 2021 (2020: nil).

27. Commitments

The Group had the following capital commitments at the end of the reporting period:

		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Contracted, but not provided for:	已訂約但未撥備：		
– Construction of a warehouse	– 建設倉庫	83,008	83,008
– Furbishing of a property	– 翻新物業	2,256	–
		85,264	83,008

28. Contingent Liabilities

At the end of the reporting period, the Group had no significant contingent liabilities.

26. 儲備(續)**(d) 購股權儲備**

購股權儲備包括已授出但尚未行使購股權的公平值，進一步詳情於財務報表附註2.4有關以股份為基礎的付款的會計政策內闡述。該金額將於相關購股權獲行使時轉撥至股份溢價賬，或於相關購股權到期或被沒收時轉撥至保留溢利。

於截至2021年12月31日止年度購股權獲行使後，人民幣2,210,000元由購股權儲備轉撥至股份溢價賬(2020年：零)。於截至2021年12月31日止年度，由於一名僱員從本公司離任後2,500份購股權被沒收，人民幣477,000元由購股權儲備轉撥至保留溢利(2020年：零)。

27. 承擔

本集團於報告期末的資本承擔如下：

28. 或然負債

於報告期末，本集團概無任何重大或然負債。

29. Related Party Transactions

(a) During the year, the Group had the following material transactions with related parties:

		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Guaranteed by Mr. Huang Xiangbin Interest-bearing bank loan	由黃祥彬先生擔保 計息銀行貸款	80,000	81,028
Amount due from Risun	應收Risun款項	11	-

(b) Compensation of key management personnel of the Group

		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Short-term employee benefits	短期僱員福利	2,338	2,134
Pension scheme contributions	退休金計劃供款	51	44
Total compensation paid to key management personnel	支付予主要管理人員的 薪酬總額	2,389	2,178

29. 關連方交易

(a) 年內，本集團與關連方進行的重大交易如下：

(b) 本集團主要管理人員薪酬

30. Notes to the Consolidated Statement of Cash Flows

(a) Major non-cash transactions

During the year ended 31 December 2021, the Group had non-cash additions to short-term borrowings and other receivables of RMB127,514,000 and RMB127,514,000, respectively, in respect of arrangements for the payment of the deposit for the relevant distribution rights granted by the Group's supplier (note 23(b)).

During the year ended 31 December 2020, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB917,000 and RMB917,000, respectively, in respect of lease arrangements for office premises.

30. 綜合現金流量表附註

(a) 主要非現金交易

於截至2021年12月31日止年度，就本集團供應商授予相關經銷權的按金付款安排而言，本集團短期借款及其他應收款項的非現金添置分別為人民幣127,514,000元及人民幣127,514,000元(附註(23(b)))。

截至2020年12月31日止年度，本集團有關辦公室物業租賃安排的使用權資產及租賃負債的非現金添置分別為人民幣917,000元及人民幣917,000元。

30. Notes to the Consolidated Statement of Cash Flows (Continued)

(b) Changes in liabilities arising from financing activities

Year ended 31 December 2021

		Lease liabilities 租賃負債 RMB'000 人民幣千元	Other payables and accruals 其他應付款項及 應計款項 RMB'000 人民幣千元	Interest-bearing bank loans 計息 銀行貸款 RMB'000 人民幣千元
At 1 January 2021	於2021年1月1日	1,103	117,848	81,028
Changes from financing cash flows	融資現金流量變動	(774)	(115,962)	132,063
Foreign exchange movement	外匯變動	-	-	(41)
Other non-cash movement	其他非現金變動	-	-	127,514
Interest expense	利息支出	55	-	-
At 31 December 2021	於2021年12月31日	384	1,886	340,564

30. 綜合現金流量表附註(續)

(b) 融資活動所產生的負債變動

截至2021年12月31日止年度

Year ended 31 December 2020

截至2020年12月31日止年度

		Lease liabilities 租賃負債 RMB'000 人民幣千元	Other payables and accruals 其他應付款項及 應計款項 RMB'000 人民幣千元	Interest-bearing bank loans 計息 銀行貸款 RMB'000 人民幣千元
At 1 January 2020	於2020年1月1日	1,176	216,453	187,484
Changes from financing cash flows	融資現金流量變動	(1,085)	(98,605)	(105,982)
New lease	新租賃	917	-	-
Foreign exchange movement	外匯變動	-	-	(474)
Interest expense	利息支出	95	-	-
At 31 December 2020	於2020年12月31日	1,103	117,848	81,028

30. Notes to the Consolidated Statement of Cash Flows (Continued)**(c) Total cash outflow for leases**

The total cash outflow for leases included in the statement of cash flows is as follows:

		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within operating activities	屬於經營活動	1,000	433
Within financing activities	屬於融資活動	774	1,085
		1,774	1,518

31. Financial Instruments by Category

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

31 December 2021

Financial assets

		Financial assets at amortised cost
		按攤銷成本 計量的金融資產
		RMB'000
		人民幣千元
Trade and bills receivables	貿易應收款項及應收票據	213,601
Financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及 其他資產的金融資產	303,402
Pledged deposits	已抵押存款	55,015
Cash and cash equivalents	現金及現金等價物	326,052
		898,070

30. 綜合現金流量表附註(續)**(c) 租賃現金流出總額**

現金流量表內的租賃現金流出總額如下：

31. 金融工具類別

各類別金融工具於報告期末的賬面值如下：

2021年12月31日

金融資產

31. Financial Instruments by Category (Continued)

31 December 2021 (Continued)

Financial liabilities**31. 金融工具類別 (續)**

2021年12月31日(續)

金融負債

		Financial liabilities at amortised cost 按攤銷成本計量的 金融負債 RMB'000 人民幣千元
Trade payables	貿易應付款項	422,933
Financial liabilities included in other payables and accruals	計入其他應付款項及應計款項的 金融負債	50,549
Interest-bearing bank and other borrowings	計息銀行及其他借款	340,564
Lease liabilities	租賃負債	384
		814,430

31 December 2020

Financial assets

2020年12月31日

金融資產

		Financial assets at amortised cost 按攤銷成本 計量的金融資產 RMB'000 人民幣千元
Trade receivables	貿易應收款項	578,687
Financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及 其他資產的金融資產	33,326
Cash and cash equivalents	現金及現金等價物	143,765
		755,778

31. Financial Instruments by Category (Continued)

31 December 2020 (Continued)

Financial liabilities

		Financial liabilities at amortised cost 按攤銷成本 計量的金融負債 RMB'000 人民幣千元
Trade payables	貿易應付款項	700,320
Financial liabilities included in other payables and accruals	計入其他應付款項及應計款項的 金融負債	252,350
Interest-bearing bank and other borrowings	計息銀行及其他借款	81,028
Lease Liabilities	租賃負債	1,103
		<u>1,034,801</u>

32. Fair Value and Fair Value Hierarchy of Financial Instruments

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values due to short term to maturity, are as follows:

31. 金融工具類別 (續)

2020年12月31日 (續)

金融負債**32. 金融工具公平值及公平值層級**

除賬面值因在短期內到期而與公平值合理相若的本集團金融工具外，本集團該等工具的賬面值及公平值如下：

		Carrying amounts 賬面值		Fair value 公平值	
		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元	2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Financial liabilities	金融負債				
Non-current portion:	非即期部分：				
Interest-bearing bank loans	計息銀行貸款	2,244	3,042	2,137	2,834
Other borrowings	其他借款	130,000	-	131,349	-
Other payables	其他應付款項	-	93,422	-	93,422
		<u>132,244</u>	<u>96,464</u>	<u>133,486</u>	<u>96,256</u>

32. Fair Value and Fair Value Hierarchy of Financial Instruments (Continued)

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, trade and bills receivables, trade payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals and current interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current interest-bearing bank loans, and the non-current other payables have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The fair value of financial liabilities included in non-current other payables approximate to their carrying amount due to the insignificant change in market interest rate. The changes in fair value as a result of the Group's own non-performance risk for non-current financial liabilities as at 31 December 2021 were assessed to be insignificant.

The Group did not have any financial liabilities measured at fair value as at 31 December 2021 (31 December 2020: nil).

The Group did not have any financial assets for which fair values are disclosed as at 31 December 2021 (31 December 2020: nil).

32. 金融工具公平值及公平值層級(續)

管理層已評估現金及現金等價物、已抵押存款、貿易應收款項及應收票據、貿易應付款項、計入預付款項、其他應收款項及其他資產的金融資產、計入其他應付款項及應計款項的金融負債以及即期計息銀行及其他借款的公平值與其賬面值相若，主要由於該等工具於短期內到期。

金融資產及負債的公平值按自願方(並非強逼或清盤出售)之間的當前交易中可進行交換的工具的金額入賬。用於估計公平值的方式及假設如下：

非即期計息銀行貸款及非即期其他應付款項的公平值以具有類似條款、信貸風險及餘下到期日的工具現時可用的利率貼現預期未來現金流量計算得出。計入非流動其他應付款項的金融負債公平值與其賬面值相若，原因為市場利率變動不大。於2021年12月31日，本集團本身有關非流動金融負債的不履約風險被評估為不重大。

本集團於2021年12月31日並無任何按公平值計量的金融負債(2020年12月31日：無)。

本集團於2021年12月31日並無任何已披露公平值的金融資產(2020年12月31日：無)。

33. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise interest-bearing bank and other borrowings and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables, financial assets included in prepayments, other receivables and other assets, trade payables and financial liabilities included in other payables and accruals which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The interest rates and terms of repayment of interest-bearing bank and other borrowings are disclosed in note 23.

The Group had no material exposure to the risk of changes in the market interest rates as the Group's debt obligations with floating interest rates were short term.

The Group manages its cash flow interest rate risk exposure arising from all of its interest-bearing borrowings through the use of fixed rates. In addition, the Group has not used any interest rate swaps to hedge against interest rate risk.

Foreign currency risk

The Group's purchases of products from the overseas suppliers are conducted in US\$. Most of the Group's assets and liabilities are denominated in RMB, except for certain items of cash and cash equivalents, trade receivables, other receivables, interest-bearing bank loans and trade payables, that are denominated in S\$, US\$, C\$ and HK\$.

The Group does not enter into any hedging transactions to manage the potential fluctuation in foreign currencies. Management monitors the Group's foreign currency exposure and will consider hedging significant foreign currency exposure when the need arises.

33. 財務風險管理目標及政策

本集團的主要金融工具包括計息銀行及其他借款以及現金及現金等價物。該等金融工具主要旨在為本集團營運籌集資金。本集團有多種其他金融資產及負債，如其營運直接產生的貿易應收款項及應收票據、計入預付款項、其他應收款項及其他資產的金融資產、貿易應付款項以及計入其他應付款項及應計款項的金融負債。

本集團金融工具產生的主要風險為利率風險、外匯風險、信貸風險及流動資金風險。董事會檢討及協定政策，以管理該等風險，該等風險概述如下。

利率風險

計息銀行及其他借款的利率及還款期限於附註23披露。

由於本集團的浮息利率債務責任屬短期責任，故本集團並無面臨任何重大市場利率變動風險。

本集團透過使用固定利率管理其全部計息借款所產生的現金流量利率風險。此外，本集團並無使用任何利率掉期對沖利率風險。

外匯風險

本集團以美元向海外供應商購買產品。本集團大部分資產及負債以人民幣計值，惟若干現金及現金等價物、貿易應收款項、其他應收款項、計息銀行貸款及貿易應付款項項目以新加坡元、美元、加元及港元計值。

本集團並無訂立任何對沖交易以管理潛在的外匯波動。管理層會監察本集團外匯風險，並將在有需要時考慮對沖重大外匯風險。

33. Financial Risk Management Objectives and Policies (Continued)

Foreign currency risk (Continued)

The following table demonstrates the sensitivity to a 5.0% change in RMB against US\$, HK\$, C\$ and S\$. The 5.0% is the rate used when reporting currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in the foreign currency rate. The sensitivity analysis of the Group's exposure to foreign currency risk at the end of each reporting period has been determined based on the adjustment of translation of the monetary assets and liabilities at the end of each reporting period for a 5.0% change in RMB against US\$, HK\$, C\$ and S\$, respectively, with all other variables held constant, of the Group's profit before tax for the years ended 31 December 2021 and 2020 (due to changes in the fair value of cash and cash equivalents, trade receivables, other receivables, interest-bearing bank loans and trade payables denominated in US\$, HK\$, C\$ and S\$):

		Increase/ (decrease) in US\$/HK\$/C\$/S\$ rate % 美元/港元/ 加元/新加坡元利率 上升/(下降)%	Increase/ (decrease) in profit after tax 除稅後溢利 增加/(減少) RMB'000 人民幣千元
2021	2021年		
If RMB weakens against US\$	倘人民幣兌美元貶值	(5)	4,504
If RMB strengthens against US\$	倘人民幣兌美元升值	5	(4,504)
If RMB weakens against HK\$	倘人民幣兌港元貶值	(5)	(2,589)
If RMB strengthens against HK\$	倘人民幣兌港元升值	5	2,589
If RMB weakens against C\$	倘人民幣兌加元貶值	(5)	2
If RMB strengthens against C\$	倘人民幣兌加元升值	5	(2)
If RMB weakens against S\$	倘人民幣兌新加坡元貶值	(5)	(102)
If RMB strengthens against S\$	倘人民幣兌新加坡元升值	5	102

33. 財務風險管理目標及政策(續)

外匯風險(續)

下表列示人民幣兌美元、港元、加元及新加坡元匯率變動5.0%的敏感度。5.0%為內部向主要管理人員呈報貨幣風險所用比率，為管理層對外幣匯率合理可能變動的評估。本集團於各報告期末面對的外匯風險敏感度分析，為根據在所有其他變量保持不變的情況下，就人民幣兌美元、港元、加元及新加坡元匯率變動5.0%分別調整各報告期末貨幣資產及負債換算值對本集團截至2021年及2020年12月31日止年度除稅前溢利的影響釐定(由於以美元、港元、加元及新加坡元計值的現金及現金等價物、貿易應收款項、其他應收款項、計息銀行貸款及應付貿易款項的公平值變動所致)：

33. Financial Risk Management Objectives and Policies (Continued)

Credit risk

The Group manages this risk by requiring payment in advance from certain customers and offering standardised credit terms to certain customers for a credit period ranging from 0 to 180 days. As disclosed in note 17, the Group seeks to maintain strict control over its outstanding receivables and senior management regularly reviews the overdue balances.

Maximum exposure and year-end staging

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets.

		Lifetime ECLs 存續期預期信貸虧損				
		12-month ECLs Stage 1 12個月預期 信貸虧損 第一階段 RMB'000 人民幣千元	Stage 2 第二階段 RMB'000 人民幣千元	Stage 3 第三階段 RMB'000 人民幣千元	Simplified approach 簡化方法 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
31 December 2021	2021年12月31日					
Trade receivables*	貿易應收款項*	-	-	-	216,346	216,346
Bills receivable	應收票據	366	-	-	-	366
Financial assets included in prepayments, other receivables and other assets**	計入預付款項、其他 應收款項及其他資產的 金融資產**	-	303,758	-	-	303,758
Pledged deposits	已抵押存款					
- Not yet past due	- 尚未逾期	55,015	-	-	-	55,015
Cash and cash equivalents	現金及現金等價物					
- Not yet past due	- 尚未逾期	326,052	-	-	-	326,052
		381,433	303,758	-	327,528	901,537

33. 財務風險管理目標及政策(續)

信貸風險

本集團透過要求若干客戶提前付款及向若干客戶提供標準的信貸期介乎0日至180日而管理該風險。如附註17所披露，本集團對其尚未收回的應收款項結算尋求維持嚴格控制，且高級管理層定期審閱逾期結餘。

最高風險敞口及年末分期

下表顯示根據本集團信貸政策信貸風險的信貸質素及最高風險敞口，除非無須付出成本或努力即可獲得其他資料，否則其主要基於逾期資料，以及於12月31日的年末分期分類。呈列金額為金融資產的總賬面值。

33. Financial Risk Management Objectives and Policies (Continued)

Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

		Lifetime ECLs 存續期預期信貸虧損				Total 總計
		12-month ECLs Stage 1 12個月預期 信貸虧損 第一階段 RMB'000 人民幣千元	Stage 2 第二階段 RMB'000 人民幣千元	Stage 3 第三階段 RMB'000 人民幣千元	Simplified approach 簡化方法 RMB'000 人民幣千元	
31 December 2020	2020年12月31日					
Trade receivables*	貿易應收款項*	-	-	-	580,778	580,778
Financial assets included in prepayments, other receivables and other assets**	計入預付款項、其他應收款項及其他資產的金融資產**	-	33,846	-	-	33,846
Other financial assets measured at amortised cost	按攤銷成本計量的其他金融資產	-	-	-	-	-
Cash and cash equivalents – Not yet past due	現金及現金等價物 – 尚未逾期	143,765	-	-	-	143,765
		<u>143,765</u>	<u>33,846</u>	<u>-</u>	<u>580,778</u>	<u>758,389</u>

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 17 to the financial statements.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 17 to the financial statements.

33. 財務風險管理目標及政策(續)

信貸風險(續)

最高風險敞口及年末分期(續)

* 就本集團應用簡化方法作減值的貿易應收款項而言，資料乃基於財務報表附註17披露的撥備矩陣。

** 倘計入預付款項、其他應收款項及其他資產的金融資產並未逾期且概無資料顯示該等金融資產的信貸風險自初步確認以來顯著增長，則其信貸質素被認作「正常」。否則，該等金融資產的信貸質素被認作「存疑」。

有關本集團所面臨來自貿易應收款項的信貸風險的進一步量化數據，於財務報表附註17披露。

33. Financial Risk Management Objectives and Policies (Continued)

Liquidity risk

The Group monitors its exposure to a shortage of funds by considering the maturity of both its financial liabilities and financial assets and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank and other borrowings, convertible bonds and its own funding sources.

The maturity profile of the Group's financial liabilities at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

		2021			
		On demand	Less than 12 months	1 to 5 years	Total
		按要求	少於12個月	1至5年	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Interest-bearing bank and other borrowings	計息銀行及其他借款	–	224,384	146,107	370,491
Lease liabilities	租賃負債	–	392	–	392
Trade payables	貿易應付款項	–	422,933	–	422,933
Other payables	其他應付款項	50,549	–	–	50,549
		50,549	647,709	146,107	844,365

		2020			
		On demand	Less than 12 months	1 to 5 years	Total
		按要求	少於12個月	1至5年	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Interest-bearing bank and other borrowings	計息銀行及其他借款	–	81,662	3,319	84,981
Lease liabilities	租賃負債	–	753	392	1,145
Trade payables	貿易應付款項	–	700,320	–	700,320
Other payables	其他應付款項	158,928	–	93,422	252,350
		158,928	782,735	97,133	1,038,796

33. 財務風險管理目標及政策(續)

流動資金風險

本集團透過考慮金融負債及金融資產的到期日以及預計經營現金流量監控資金短缺風險。

本集團的目標為透過使用計息銀行及其他借款、可轉換債券及其自身資金來源維持資金持續性與靈活性的平衡。

以下為本集團金融負債於報告期末基於合約未貼現付款的到期情況：

33. Financial Risk Management Objectives and Policies (Continued) Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or raise new capital from its investors. No changes were made in the objectives, policies or processes for managing financial risk during the year.

The Group is currently funding its capital expenditure through internal generated funds from its operations and proceeds from the new bank and other borrowings. The Group monitors capital using a gearing ratio, which is net debt divided by equity plus net debt. Net debt includes interest-bearing bank and other borrowings, trade payables, other payables and accruals, tax payable and lease liabilities, less cash and cash equivalents and pledged deposits. Equity includes equity attributable to the owners of the parent and non-controlling interests. The gearing ratios at the end of the reporting periods were as follows:

33. 財務風險管理目標及政策(續)

資本管理

本集團資本管理的主要目標為確保本集團有能力繼續持續經營及維持穩健的資本比率，以支持其業務及盡量提升股東價值。

本集團按經濟狀況的變動管理其資本架構並對其作出調整。為維持或調整資本架構，本集團或會調整股東股息款項或向其投資者募集新資金。年內，管理財務風險的目標、政策或過程並無任何變動。

本集團現時透過其營運所得內部資金以及新增銀行及其他借款所得款項撥付其資本開支。本集團利用負債比率(負債淨額除權益加負債淨額)監控資本。負債淨額包括計息銀行及其他借款、貿易應付款項、其他應付款項及應計款項、應付稅項及租賃負債減現金及現金等價物及已抵押存款。權益包括母公司擁有人應佔權益及非控股權益。報告期末的負債比率如下：

33. Financial Risk Management Objectives and Policies (Continued) 33. 財務風險管理目標及政策(續)

Capital management (Continued) 資本管理(續)

		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Interest-bearing bank and other borrowings	計息銀行及其他借款	340,564	81,028
Trade payables	貿易應付款項	422,933	700,320
Other payables and accruals	其他應付款項及應計款項	53,424	255,368
Tax payable	應付稅項	12,826	21,999
Lease liabilities	租賃負債	384	1,103
Less: Cash and cash equivalents	減：現金及現金等價物	(326,052)	(143,765)
Pledged deposits	已抵押存款	(55,015)	-
Net debt	負債淨額	449,064	916,053
Equity	權益	374,886	164,429
Equity and net debt	權益及負債淨額	823,950	1,080,482
Gearing ratio	負債比率	54.5%	84.8%

34. Events After the Reporting Period

Placing of new shares under general mandate

On 7 December 2021 and 30 December 2021, the Company entered into a placing agreement and a supplemental agreement (hereinafter collectively referred to as the “Placing Agreement”) with a placing agent (the “Placing Agent”), respectively. Pursuant to the Placing Agreement, the Company conditionally agreed to issue and the Placing Agent agreed to procure not less than six placees (the “Placees”) to subscribe for, on a best effort basis, an aggregate of 160,000,000 placing shares at the price of HK\$1.29 per placing share. on 3 January 2022, all the conditions precedent set out in the Placing Agreement have been fulfilled and the completion took place. An aggregate of 160,000,000 placing shares have been allotted and issued to the Placees at the price of HK\$1.29 per placing share pursuant to the terms and conditions of the Placing Agreement.

34. 報告期後事項

根據一般授權配售新股份

於2021年12月7日及2021年12月30日，本公司與配售代理（「配售代理」）分別訂立配售協議及補充協議（以下統稱「配售協議」）。根據配售協議，本公司有條件同意發行配售股份，而配售代理同意盡最大努力促使不少於六名承配人（「承配人」）按每股配售股份1.29港元的價格認購合共160,000,000股配售股份。於2022年1月3日，配售協議所載的全部先決條件已獲達成，完成已落實。根據配售協議的條款及條件，合共160,000,000股配售股份已按每股配售股份1.29港元的價格配發及發行予承配人。

34. Events After the Reporting Period (Continued) Placing of new shares under general mandate (Continued)

The aggregate nominal value of such placing shares will be HK\$16,000. On the date of the Placing Agreement (i.e. 7 December 2021), the closing price of HK\$1.60 per Share was quoted on the Stock Exchange.

The net proceeds from the placing, after deduction of the commission for the placing and other related expenses, amount to approximately HK\$194.9 million. The Company intends to use the entire net proceeds arising from the placing for the purposes and in the amounts set out below:

- (i) approximately 40% of the net proceeds, or approximately HK\$78.0 million, to be used for relevant costs and expenses incurred for the development of polycaprolactone microsphere facial filler and its materials for injection, including but not limited to development of experimental workshop, research and development equipments and factories construction investment; and
- (ii) approximately 60% of the net proceeds, or approximately HK\$116.9 million, to be used for strategic acquisition/development of new projects/products in the field of medical aesthetic including but not limited to development of new medical aesthetic products, acquisition of medical aesthetic organisations and investing in medical aesthetic projects. In order to formulate and implement its business development plan, the Group has been actively looking for investment/business development opportunities.

For details, please refer to the announcements of the Company dated 7 December 2021, 30 December 2021 and 3 January 2022.

34. 報告期後事項(續) 根據一般授權配售新股份(續)

該等配售股份的總面值將為16,000港元。於配售協議日期(即2021年12月7日)，聯交所所報收市價為每股1.60港元。

經扣除配售事項佣金及其他相關開支後，配售事項所得款項淨額約為194.9百萬港元。本公司擬將配售事項的全部所得款項淨額按下列金額作以下用途：

- (i) 所得款項淨額約40%或約78.0百萬港元將用於撥付開發注射用聚己內酯微球面部填充劑及其材料產生的相關成本及開支，包括但不限於開發實驗車間、研發設備及工廠建設投資；及
- (ii) 所得款項淨額約60%或約116.9百萬港元將用於策略性收購／開發醫療美容領域的新項目／產品，包括但不限於開發新醫療美容產品、收購醫療美容機構及投資醫療美容項目。為制定及實施其業務發展計劃，本集團一直積極物色投資／業務發展機會。

詳情請參閱本公司日期為2021年12月7日、2021年12月30日及2022年1月3日的公告。

34. Events After the Reporting Period (Continued)

The acquisition of Demei Company (as defined below)

On 20 January 2022, the Company (or its designated affiliate) entered into a letter of intent with all beneficial owners of Deyang Demei Medical Aesthetic Clinic (General Partnership)* (德陽德美醫療美容門診部(普通合夥)) (“Demei Clinic”) in relation to potential acquisition of the equity interest in the target after Demei Clinic completes restructuring and conversion.

On 22 March 2022, Sichuan Sinco Biotech Limited Company* (四川興科蓉生物科技有限公司) (a wholly-owned subsidiary of the Company) and Mr. Huang Zhijian (a connected person of the Company, being the son of Mr. Huang, an executive Director, chairman of the Board and substantial shareholder of the Company) entered into (i) each of the respective equity transfer agreements between Deyang Demei Medical Beauty Hospital Limited Company* (德陽德美醫療美容醫院有限公司) (“Demei Company”), being the target after Demei Clinic completes restructuring and conversion, and other parties, and (ii) a loan agreement (with a set of VIE contractual arrangements to be entered into upon the completion under the said equity transfer agreements) for purpose of acquiring the entire equity interest in Demei Company at an aggregate consideration of up to RMB95,000,000.

For details, please refer to the announcements of the Company dated 20 January 2022 and 22 March 2022.

34. 報告期後事項(續)

收購德美公司(定義見下文)

於2022年1月20日，本公司(或其指定聯屬人士)與德陽德美醫療美容門診部(普通合夥)(「德美醫療」)的全體實益擁有人就德美醫療完成重組及轉制後對目標公司股權的潛在收購事項訂立意向書。

於2022年3月22日，四川興科蓉生物科技有限公司(本公司全資附屬公司)及黃智健先生(本公司關連人士，為本公司執行董事、董事會主席兼主要股東黃先生之子)(i)各自與德陽德美醫療美容醫院有限公司(「德美公司」)(德美醫療完成重組及轉制後作為目標公司)及其他各方訂立相關股權轉讓協議；及(ii)訂立借款協議(連同根據上述股權轉讓協議完成後將予訂立的一系列VIE合約安排)，以總代價最高為人民幣95,000,000元收購德美公司全部股權。

詳情請參閱本公司日期為2022年1月20日及2022年3月22日的公告。

35. Statement of Financial Position of the Company

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

35. 本公司財務狀況表

有關本公司於報告期末的財務狀況表資料如下：

		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
NON-CURRENT ASSETS	非流動資產		
Investment in a subsidiary	於一間附屬公司的投資	97,497	65,603
Total non-current assets	非流動資產總值	97,497	65,603
CURRENT ASSETS	流動資產		
Prepayments	預付款項	588	219
Other receivables	其他應收款項	28	-
Amounts due from subsidiaries	應收附屬公司款項	3,320	102,669
Cash and cash equivalents	現金及現金等價物	33,372	127
Total current assets	流動資產總值	37,308	103,015
CURRENT LIABILITIES	流動負債		
Amounts due to a subsidiary	應付一間附屬公司款項	57,285	159,900
Total current liabilities	流動負債總額	57,285	159,900
NET CURRENT LIABILITIES	流動負債淨額	(19,977)	(56,885)
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	77,520	8,718
Net assets	資產淨值	77,520	8,718
EQUITY	權益		
Issued capital	已發行股本	151	136
Reserves (note)	儲備(附註)	77,369	8,582
Total equity	權益總額	77,520	8,718

35. Statement of Financial Position of the Company (Continued)

Note:

The movements in the Company's reserves are as follows:

		Share premium account 股份溢價賬 RMB'000 人民幣千元	Share option reserve 購股權儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2020 and 1 January 2021	於2020年12月31日及2021年1月1日	289,113	2,906	(283,437)	8,582
Equity-settled share option arrangements (note 25)	以權益結算的購股權安排(附註25)	7,777	(2,210)	–	5,567
Issue of new shares	發行新股份	70,161	–	–	70,161
Share issue expenses	股份發行開支	(369)	–	–	(369)
Loss and total comprehensive loss for the year	年內虧損及全面虧損總額	–	–	(6,572)	(6,572)
At 31 December 2021	於2021年12月31日	<u>366,682</u>	<u>696</u>	<u>(290,009)</u>	<u>77,369</u>
At 31 December 2019 and 1 January 2020	於2019年12月31日及2020年1月1日	289,113	2,906	(276,913)	15,106
Loss and total comprehensive loss for the year	年內虧損及全面虧損總額	–	–	(6,524)	(6,524)
At 31 December 2020	於2020年12月31日	<u>289,113</u>	<u>2,906</u>	<u>(283,437)</u>	<u>8,582</u>

附註：

本公司儲備變動如下：

36. Approval of the Financial Statements

The financial statements were approved and authorised for issue by the board of directors on 30 March 2022.

36. 批准財務報表

財務報表已於2022年3月30日獲董事會批准及授權刊發。

Definitions

釋義

“affiliate” 「聯屬人士」	any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person 直接或間接控制指定人士或受其直接或間接控制或與指定人士直接或間接受共同控制的任何其他人士
“AGM” 「股東週年大會」	annual general meeting of the Company 本公司股東週年大會
“Articles” or “Articles of Association” 「細則」或「組織章程細則」	the memorandum and articles of association of the Company (as amended from time to time), conditionally adopted on 1 February 2016 本公司於2016年2月1日有條件採納的組織章程大綱及細則(經不時修訂)
“Board” 「董事會」	the board of Directors 董事會
“Cayman Companies Law” 「開曼群島公司法」	the Companies Law (2013 Revision) of the Cayman Islands, Cap. 22 (Law 3 of 1961), as amended or supplemented or otherwise modified from time to time 開曼群島法例第22章(1961年第3號法例)公司法(2013年修訂版)，經不時修訂或補充或以其他方式修改
“China” or “the PRC” 「中國」	the People’s Republic of China excluding, for the purpose of this report, Hong Kong, Macau Special Administrative Region and Taiwan 中華人民共和國，本報告中不包括香港、澳門特別行政區及台灣
“Company” or “our Company” or “the Company” 「本公司」	Sinco Pharmaceuticals Holdings Limited (興科蓉醫藥控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 16 March 2015 興科蓉醫藥控股有限公司，於2015年3月16日在開曼群島註冊成立的獲豁免有限公司
“Director(s)” 「董事」	the director(s) of the Company 本公司董事
“Group”, “our Group”, “the Group”, “we”, “us”, or “our” 「本集團」、「我們」或「我們的」	our Company and our subsidiaries and, in respect of the period before we became the holding company of our present subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be) 本公司及我們的附屬公司以及(就我們成為現有附屬公司之控股公司前的期間而言)相關附屬公司或其前身(視情況而定)經營的業務
“HK\$” 「港元」	Hong Kong Dollars, the lawful currency of Hong Kong 港元，香港法定貨幣

Definitions 釋義

“HKSE” 「香港聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
“Hong Kong” 「香港」	the Hong Kong Special Administrative Region of the PRC 中國香港特別行政區
“Hong Kong Branch Share Registrar” 「香港證券登記分處」	Computershare Hong Kong Investor Services Limited 香港中央證券登記有限公司
“Human Albumin Solution” 「人血白蛋白注射液」	refers to Octapharma’s human albumin solution 20% (containing 200 grammes of total protein per litre) and human albumin solution 25% (containing 250 grammes of total protein per litre). The term Human Albumin Solution refers to both products or either one of them as the context requires 奧克特瑛瑪生產的20%人血白蛋白注射液(每升含總蛋白200克)及25%人血白蛋白注射液(每升含總蛋白250克)。人血白蛋白注射液表示兩種產品或其中一種(視乎文義)
“Institute of Chinese Medical Sciences” 「中國中醫科學院」	the Institute of Chinese Materia Medica, China Academy of Chinese Medical Sciences (中國中醫科學院中藥研究所) 中國中醫科學院中藥研究所
“Listing Rules” 「上市規則」	the Rules Governing the Listing of Securities on the HKSE, as amended or supplemented from time to time 香港聯交所證券上市規則，經不時修訂或補充
“Main Board” 「主板」	Main Board of the HKSE 香港聯交所主板
“MPCM” 「營銷、推廣及渠道管理」	refers to marketing, promotion and channel management for the sale and promotion of pharmaceutical products for pharmaceutical manufacturers 為醫藥生產商銷售及推銷藥品進行的營銷、推廣及渠道管理
“Mr. Huang” 「黃先生」	Mr. Huang Xiangbin (黃祥彬), our Chairman, Executive Director, Chief Executive Officer and one of our controlling shareholders 黃祥彬先生，我們的主席、執行董事、行政總裁兼控股股東之一
“Octapharma” 「奧克特瑛瑪」	Octapharma AG, a corporation limited by shares incorporated in the Swiss Confederation Octapharma AG，於瑞士聯邦註冊成立的股份有限公司
“PRC” 「中國」	the People’s Republic of China 中華人民共和國
“Prospectus” 「招股書」	the prospectus issued by the Company dated 29 February 2016 本公司於2016年2月29日刊發的招股書

Definitions 釋義

“Reporting Period” 「報告期」	the financial year ended 31 December 2021 截至2021年12月31日止財政年度
“Risun” 「Risun」	Risun Investments Limited, a limited company incorporated in BVI on 16 January 2015, which is a wholly-owned subsidiary of Mr. Huang Risun Investments Limited，於2015年1月16日在英屬維爾京群島註冊成立的有限公司，是黃先生全資擁有的附屬公司
“RMB” 「人民幣」	Renminbi Yuan, the lawful currency of China 人民幣元，中國法定貨幣
“SFO” 「證券及期貨條例」	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time 香港法例第571章證券及期貨條例，經不時修訂或補充
“Share(s)” 「股份」	ordinary share(s) in the capital of the Company with nominal value of HK\$0.0001 each 本公司股本中每股面值0.0001港元的普通股
“Shareholder(s)” 「股東」	holder(s) of Shares 股份持有人
“Share Option Scheme” 「購股權計劃」	the share option scheme conditionally adopted by our Company on 1 February 2016, the principal terms of which are summarised in “Statutory and General Information – D. Other Information – 1 Share Option Scheme” in Appendix VII to the Prospectus 本公司於2016年2月1日有條件採納的購股權計劃，其主要條款概述於招股書附錄七「法定及一般資料—D.其他資料—1購股權計劃」
“U.S. dollars” or “US\$” 「美元」	U.S. dollars, the lawful currency of the United States of America 美元，美利堅合眾國法定貨幣

In this Annual Report, the terms “associate”, “close associate”, “connected person”, “connected transaction”, “controlling shareholder”, “core connected person”, “subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

在本年報中，除文義另有所指外，「聯繫人」、「緊密聯繫人」、「關連人士」、「關連交易」、「控股股東」、「核心關連人士」、「附屬公司」及「主要股東」具有上市規則所賦予的涵義。

The English translation of the PRC entities, enterprises, nationals, facilities, regulations in Chinese are translations of the Chinese names. To the extent there is any inconsistency between the Chinese names of the PRC entities, enterprises, nationals, facilities, regulations and their English translations, the Chinese names shall prevail.

中國實體、企業、國家機構、設施、法規的英文名為中文名的翻譯。倘中國實體、企業、國家機構、設施、法規的中文名稱與其英文譯名有任何歧義，概以中文名稱為準。



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