



朗生醫藥控股有限公司 Lansen Pharmaceutical Holdings Limited

(於開曼群島註冊成立的有限公司)
(Incorporated in the Cayman Islands with limited liability)

Stock Code 股份代號: 503

2019 年報
Annual Report



健朗人生 活力無限
Caring For Health Cherishing Life



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五年財務摘要

Five-Year Financial Summary

截至十二月三十一日止年度

For the year ended 31 December

		二零一五年	二零一六年	二零一七年	二零一八年	二零一九年
		2015	2016	2017	2018	2019
		千美元	千美元	千美元	千美元	千美元
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
業績	RESULTS					
收入	Revenue	93,349	94,824	89,484	56,872	54,257
毛利	Gross profit	47,963	53,776	51,889	30,271	33,329
除所得稅前溢利	Profit before income tax	4,331	7,026	17,045	2,090	18,642
所得稅開支	Income tax expense	(2,260)	(3,190)	(1,416)	(1,930)	(293)
年內溢利	Profit for the year	2,071	3,836	15,629	160	18,349

於十二月三十一日

As at 31 December

		二零一五年	二零一六年	二零一七年	二零一八年	二零一九年
		2015	2016	2017	2018	2019
		千美元	千美元	千美元	千美元	千美元
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
資產及負債	ASSETS AND LIABILITIES					
總資產	Total assets	218,286	222,762	227,745	201,913	183,959
總負債	Total liabilities	(116,839)	(132,386)	(125,726)	(113,462)	(82,584)
資產淨值	Net assets	101,447	90,376	102,019	88,451	101,375

財務摘要

Financial Highlights

		二零一九年 2019	二零一八年 2018	變動 Change
業績(千美元)：	Results (US\$'000):			
收入	Revenue	54,257	56,872	-4.6%
毛利	Gross profit	33,329	30,271	10.1%
經營溢利／(虧損)	Profit/(Loss) from operations	3,959	(587)	774.4%
除所得稅前溢利	Profit before income tax	18,642	2,090	792.0%
本公司擁有人應佔溢利	Profit attributable to owners of the Company	18,349	160	11,368.1%
盈利能力：	Profitability:			
毛利率	Gross profit margin	61.4%	53.2%	8.2%
純利率	Net profit margin	33.8%	0.3%	33.5%
每股基本盈利(美仙)	Basic earnings per share (US cents)	4.54	0.04	4.50
財務狀況(千美元)：	Financial Position (US\$'000):			
總資產	Total assets	183,959	201,913	-8.9%
本公司擁有人應佔權益	Equity attributable to owners of the Company	101,375	88,451	14.6%
總負債	Total liabilities	82,584	113,462	-27.2%
現金及銀行結餘	Cash and bank balances	47,736	33,578	42.2%
流動資金狀況：	Liquidity:			
流動比率(倍)	Current ratio (times)	1.4	1.0	0.4
淨負債權益比率*	Net debt-to-equity ratio*	12.6%	60.7%	-48.1%

* 淨負債權益比率 = (借款 - 現金及銀行結餘) / 總權益

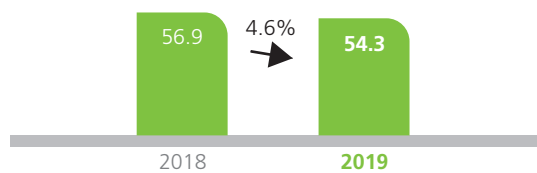
* Net debt-to-equity ratio = (Borrowings - cash and bank balances) / Total equity

財務摘要

Financial Highlights

收入 Revenue

收入
Revenue
(百萬美元)
(US\$ million)



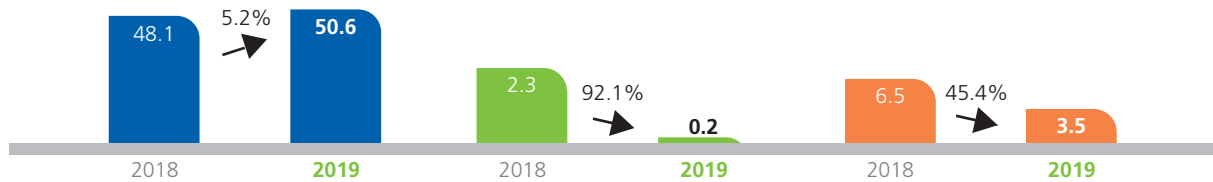
- 收入下降4.6%
- Revenue decreased by 4.6%

分部收入 Segment Revenue

醫藥
Pharmaceuticals
(百萬美元)
(US\$ million)

美容產品
Cosmetic products
(百萬美元)
(US\$ million)

健康產品
Healthcare products
(百萬美元)
(US\$ million)

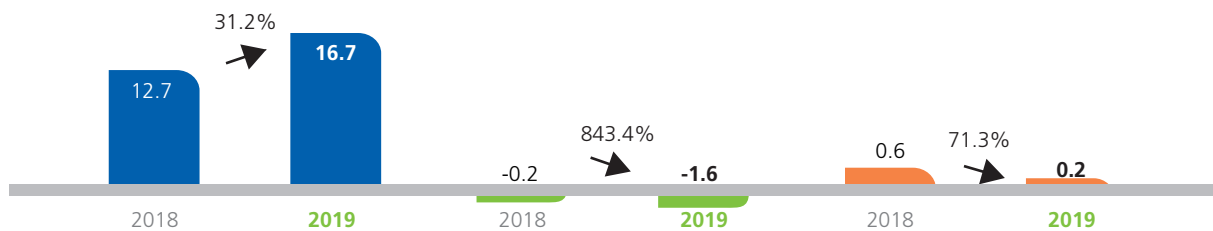


分部溢利 Segment Profit

醫藥
Pharmaceuticals
(百萬美元)
(US\$ million)

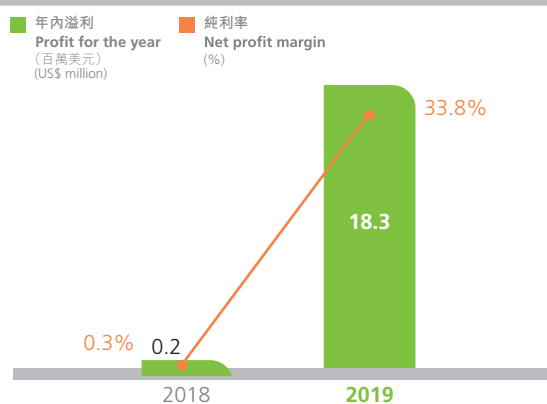
美容產品
Cosmetic products
(百萬美元)
(US\$ million)

健康產品
Healthcare products
(百萬美元)
(US\$ million)



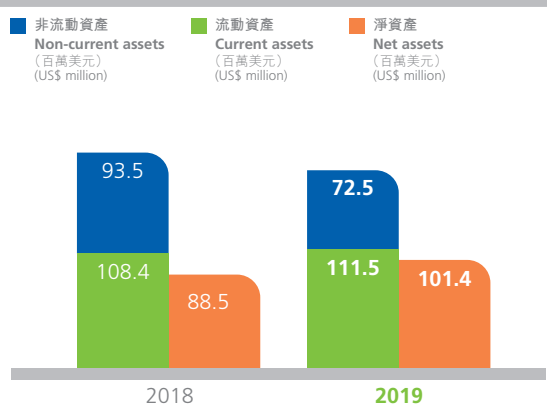
財務摘要 Financial Highlights

年內溢利及純利率 Profit for the year and Net profit margin



- 年內溢利上升11,368.1%
- 純利率上升33.5%
- Profit for the year increased by 11,368.1%
- Net profit margin increased by 33.5%

總資產及淨資產 Total assets and Net assets



- 總資產下降8.9%
- 淨資產上升14.6%
- Total assets decreased by 8.9%
- Net assets increased by 14.6%

主席報告

Chairman's Statement

本人謹代表朗生醫藥控股有限公司(「本公司」)及其附屬子公司(「朗生」或「本集團」)董事會(「董事會」)欣然向全體股東提呈本集團截至二零一九年十二月三十一日止財政年度的年度報告。

二零一九年回顧

二零一九年中華人民共和國(「中國」或「中華人民共和國」)醫療改革政策持續深化,《中華人民共和國藥品管理法》修訂、一致性評價推進、帶量採購落地執行並繼續擴圍、疾病診斷相關分組(DRG)付費試點開啟等多項重磅政策或重要法規的發佈,政策法規具體涉及限制輔助用藥和醫院藥佔比、國家醫保目錄動態調整等多項重大措施持續深化醫改、分類診療、嚴控藥佔比等,涵蓋了從藥品研發與開發到生產、市場准入及終端使用的各個方面,對醫藥行業的生態和格局帶來深遠的影響。面對充滿挑戰的營運環境,本集團及時跟進國家政策法規,繼續實施去年所制定的政策採取果斷的行動,以現金流及利潤優先的策略,集中發展及加速研發自有產品,進一步夯實基礎、完善架構及策略,並於年內成功扭轉經營虧損。同時,本集團年內使用出售非核心業務浙江司太立製藥股份有限公司(「司太立」)的股份所得款積極去槓桿並降低負債,淨負債權益比由二零一八年十二月三十一日的60.7%大幅降至二零一九年十二月三十一日的12.6%。

On behalf of the board (the "Board") of directors (the "Directors") of Lansen Pharmaceutical Holdings Limited (the "Company") and its subsidiaries ("Lansen" or the "Group"), I am pleased to present the annual report of the Group for the financial year ended 31 December 2019 to all shareholders of the Company.

Review of 2019

In 2019, China's medical reform policies of the People's Republic of China ("China" or the "PRC") were continuously deepened, with the amendments to the Pharmaceutical Administration Law of the PRC, the advancement of consistent quality and efficacy evaluations, implementation of the group purchasing operation policy and the expanded scope of its implementation, initiation of the pilot programme of diagnosis-related group (DRG) payment, and the publication of important policies and regulations in relation to the limitation on the proportions of adjuvant drugs and hospital-specific drugs, dynamic adjustment of the National Reimbursement Drug List and other important measures for deepening the medical reform, classified diagnosis and treatment, and strict control of drug proportions, covering all aspects from drug research and development to production, market access and end use. This has had a profound impact on the ecology and landscape of the pharmaceutical industry. In the face of a challenging operating environment, the Group has paid close attention to national policies and regulations in a timely manner, continued to implement the policies formulated last year, and has taken decisive actions. Under the strategy of giving priority to cash flow and profit, it focused on and accelerated the research and development of its self-owned products, further consolidated its foundation, improved its structure and strategies, thus successfully turning operating loss into profit during the year. Meanwhile, during the year, the Group used the proceeds from the disposal of shares in Zhejiang Starry Pharmaceutical Co., Ltd. ("Starry"), a non-core business, for deleveraging and reducing debts, with the net debt-to-equity ratio significantly decreasing from 60.7% as at 31 December 2018 to 12.6% as at 31 December 2019.

本集團於二零一九年收入總額錄得約54.3百萬美元，較去年下降4.6%；二零一九年本集團錄得經營溢利約4.0百萬美元，而二零一八年則錄得經營虧損約0.6百萬美元；二零一九年本集團錄得淨利潤約18.3百萬美元，較去年淨利潤約0.2百萬美元顯著上升。主要歸於：(1)於年內，本集團自有專科藥產品(包括帕夫林、新適確得等)收入較去年上升7.7百萬美元，抵銷代理產品收入下降，但由於自有專科藥產品的毛利率較代理產品為高，所以本集團的整體毛利上升；(2)二零一九年年度因部分出售司太立的股份所錄得的收益較二零一八年年度大幅增加；及(3)淨利潤被以下原因部份抵銷：(i)無形資產撥備；及(ii)本公司於二零一九年六月二十一日就不行使認沽萃健控股有限公司(「萃健」)期權發出公告，本集團因認沽萃健期權撇銷而錄得損失。

醫藥方面，本集團繼續落實其經營策略調整。本集團於二零一九年繼續優化銷售團隊，在順應國家政策的導向下，朗生根據產品組合的特性，下沉銷售渠道並改組或創建五個銷售團隊(1)改組成熟市場團隊，主要負責大醫院銷售，繼續保持並加強主要產品帕夫林在風濕免疫疾病治療領域的學術地位；(2)組建新興市場團隊，主要負責已進藥但仍需加大推廣的中小型醫院；(3)創建OTC團隊，負責零售藥店推廣；(4)改組商務團隊，加強商務分銷；及(5)組建浙江銷售團隊，發揮區域優勢。集團繼續加強學術推廣及擴大大醫院覆蓋、通過合作商加寬並加深小醫院覆蓋，並進而帶動OTC的銷售覆蓋面及以浙江省地區作全產品全覆蓋的銷售試點。本集團重新審視可以恢復生產和銷售的產品，從而增加產品覆蓋，為進一步提升本集團醫藥業務的銷售規模與盈利能力而努力。

For 2019, the Group recorded a total revenue of approximately US\$54.3 million, representing a decrease of 4.6% from last year; profit from operations of approximately US\$4.0 million as compared with the loss of approximately US\$0.6 million in 2018; and net profit of approximately US\$18.3 million, representing a significant increase as compared with approximately US\$0.2 million in the previous year. This was mainly because (1) during the year, the Group's revenue from its self-owned specialty pharmaceutical products (including Pafulin and Sicorten Plus) increased by US\$7.7 million as compared with last year, offsetting the decline in revenue from agency products, but since the gross profit margin of its self-owned specialty pharmaceutical products was higher than that of agency products, the Group's overall gross profit rose; (2) the gain on partial disposal of shares of Starry in 2019 represented a significant increase as compared with 2018; and (3) the net profit was partially offset by: (i) the provision for impairment of intangible assets; and (ii) the write off of the put option granted by Natural Dailyhealth Holdings Limited ("Natural Dailyhealth"), according to the announcement of the Company on 21 June 2019 with regard to the non-exercise of the put option granted by Natural Dailyhealth.

With regard to pharmaceuticals, the Group continued to adjust its business strategies. In 2019, the Group further optimised its sales team. Under the guidance of national policies and according to the characteristics of its product portfolio, Lanser expanded its channels to cover third and lower-tier cities, and reorganised or established five sales teams. It (1) reorganised the mature market team, mainly responsible for sales to large hospitals, continuing to maintain and strengthening the academic status of our key product, Pafulin in the field of treatment of rheumatic immune diseases; (2) established an emerging market team, mainly responsible for sales to small and medium hospitals which had purchased its medicines but for which greater promotion was required; (3) established an OTC team, responsible for the promotion to retail pharmacies; (4) reorganised the commercial team to enhance commercial distribution; and (5) established the Zhejiang Province sales team to give full play to regional advantages. The Group continued to strengthen academic promotion and extended its reach to large hospitals, widened and deepened its reach to small hospitals through partners, while expanding the OTC sales coverage and promoting the pilot sales project covering all of its products in Zhejiang. The Group reviewed the products for which production and sales can be resumed, thus increasing product coverage, and made efforts to further enhance the sales size and profitability of its pharmaceutical business.

集團美容業務包括了醫療美容和生活美容，醫療美容方面透過北京自營的醫療美容診所通過膚美達針劑為高端客戶服務。生活美容方面，二零一九年本集團重點開發生活美容產品線。與此同時，朗生於二零一九年內重建了美容團隊，包括醫療美容團隊基本搭建成型，以及生活美容團隊亦已初見雛形。集團美容業務預期通過富經驗的銷售團隊打通銷售渠道，透過一系列的產品組合，為業務帶來增長。

此外，本集團繼續以萃健為健康業務發展平台。萃健利用其產能和成本優勢，發揮朗生和萃健的互補優勢。萃健堅持大客戶大產品策略，已成功和多個國內外客戶建立穩定合作關係。此外開始依托國際政府合作項目，逐步通過直接向國外的高質量源頭採購原材料，增加相關產品質量和競爭力。

本集團於二零一九年內合共出售9,729,028股之司太立股份，出售所得款項總額合共為人民幣300.0百萬元(相當於約43.5百萬美元)。集團獲得部分出售聯營公司收益約25.5百萬美元。於二零一九年十二月三十一日，朗生仍持有司太立股份6,715,972股(約佔司太立4.0%股權)。二零一九年十二月三十一日司太立股份之賬面值約為9.2百萬美元(相對司太立股份於二零一九年十二月三十一日收市價人民幣42.50元計算，該持股市值約40.9百萬美元)。

The cosmetic business of the Group includes cosmeceutical and skin care. In terms of cosmeceutical, it serves high-end customers with Fillderm injections, through a self-operated cosmeceutical clinic in Beijing. In terms of skin care, the Group focused on developing skin care product lines in 2019. At the same time, Lansen reorganised its cosmetic teams. The cosmeceutical team was basically established, while the skin care team also began to take shape. It is expected that an experienced sales team will open up sales channels for the cosmetic business of the Group, and a portfolio of products will be created for the growth of the business.

In addition, the Group continues to utilise Natural Dailyhealth as a platform for developing its healthcare business. Natural Dailyhealth uses its capacity and cost advantages to give full play to the complementarity of Lansen and Natural Dailyhealth. Natural Dailyhealth adheres to the strategy of high-quality products and large customers, and has successfully established stable cooperative relations with many domestic and foreign customers. In addition, with reliance on international government cooperation, it has begun gradually to improve the quality and competitiveness of relevant products by purchasing raw materials directly from high-quality foreign sources.

The Group disposed of a total of 9,729,028 shares in Starry in 2019, with total proceeds of RMB300.0 million (equivalent to approximately US\$43.5 million). The Group's gain on partial disposal of an associate was approximately US\$25.5 million. As at 31 December 2019, Lansen continued to hold 6,715,972 shares in Starry, representing approximately 4.0% equity interest in Starry. The carrying value of the shares in Starry as at 31 December 2019 was approximately US\$9.2 million (the market value of the shares was approximately US\$40.9 million, based on the closing price of the share of Starry of RMB42.50 as at 31 December 2019).

二零二零年展望

二零二零年春節期間，新型冠狀病毒引發的肺炎（「新冠肺炎」）迅速蔓延，為避免人口大規模流動和聚集，中國政府採取了相應防控措施。在此期間本集團多方協調、迅速行動，及時部署防控措施、採購防護物資，全力確保各地員工的健康安全。在積極採取保障措施的情況下，目前集團生產運營已經大致恢復正常。二零二零預計仍將是富有挑戰的一年，新冠肺炎疫情的爆發，無疑將對醫藥行業產生一定的影響，將主要體現在疫後政府投入、醫保控費、中藥、分級診療和網上銷售處方藥等多個方面。公司將順應形勢，同時繼續積極推進業務發展和執行既定的戰略：通過深耕風濕免疫，建立和保持朗生產品在該領域基礎用藥優先品牌地位，同時積極佈局美容、保健品領域的產品研發和上市，加速成為一家優秀的大健康產業集團。

醫藥業務上，集團將順應國家分級診療政策，利用醫聯體等醫療資源執行下沉策略，醫院、商務、零售多渠道並舉，二三級醫院及基層醫院並重，積極拓展基層醫療、零售藥店產品覆蓋。同時集團將積極探索數字化營銷銷售與信息傳播齊驅的模式，利用患者和醫生的數據庫，發揮公司慢病產品品牌優勢，迎接線上醫保政策落地帶來的機遇。結合國家《「健康中國2030」規劃綱要》及中醫藥在世界範圍內運用與發展的重大機遇，集團將研發資源聚焦在帕夫林增加乾燥綜合症適應症及國際化申報外，充分挖掘自身擁有的豐富的中成藥產品資源，加快中藥普藥產品的復產工作，提供更多產品支持基層醫院及藥店市場拓展。集團將繼續擴大自營產品覆蓋面，全產品全渠道推廣，進一步提升集團醫藥業務的銷售規模與盈利能力。

Outlook for 2020

During the Spring Festival in 2020, the Novel Coronavirus (“COVID-19”) spread rapidly in China. In order to avoid significant population movement and gatherings, the Chinese government took corresponding prevention and control measures. During the period, the Group has coordinated with various parties and acted promptly, taken preventive and control measures in a timely manner, and procured protective equipment to ensure the health and safety of its employees across China. Having taken active safety measures, the Group has basically resumed normal production and operation. Year 2020 is expected to be a challenging year. The outbreak of COVID-19 will undoubtedly have certain impact on the pharmaceutical industry, which will be mainly reflected in government investment, medical insurance expense control, Chinese medicine, graded diagnosis and treatment, and online sales of prescription drugs, etc.. The Company will adjust to the situation and continue to actively advance business development and implement the established strategy: through being deeply engaged in the field of treatment of rheumatic immune diseases, it will maintain the leading brand position of Lansan products for essential drugs in the field. Meanwhile, it will actively plan for research and development and launch of products in the field of cosmetic and healthcare products, and strive to become an outstanding company in the comprehensive health industry.

In terms of the pharmaceutical business, the Group will comply with the national graded diagnosis and treatment policy, and make use of medical consortiums and other medical resources to implement the channel expansion strategy, through hospitals, businesses and retail channels, covering secondary and tertiary hospitals and grass-roots hospitals. It will actively promote its products to grass-roots medical institutions and retail pharmacies. At the same time, the Group will actively explore the digital marketing model and information dissemination, make use of the databases of patients and doctors, give full play to the brand advantages of the Company's products for treating chronic diseases, and embrace the opportunities brought by the implementation of online medical insurance policies. Based on the national “Healthy China 2030” Planning Outline and the significant opportunities for the application and development of traditional Chinese medicine in the world, in addition to focusing its research and development resources on the widening of the indications of Pafulin for sjögren's syndrome and international application, the Group has fully tapped into its rich resources of Chinese medicine products, accelerated the resumption of production of its Chinese medicine generic drugs, and provided more products to support the development of the grass-roots hospital and pharmacy market. The Group will continue to expand the coverage of products shipped and sold by it and promote all of its products through all channels to further enhance the size of sales and profitability of the Group's pharmaceutical business.

主席報告

Chairman's Statement

本集團將繼續策略並慎重地加快美容業務的發展。通過膚美達針劑為高端客戶的服務，獲得顧客對聖博睿(小分子膠原蛋白和細胞因子為成份的高檔護膚品)產品系列(高品質全系列，中價位)長期的支持，形成醫療美容和生活美容的聯動。二零二零年集團將繼續完善美容產業，計劃在北京、上海、成都等地建生活美容自營形象店、導流體驗店及若干聯營加盟店，通過自營與吸引加盟店合營的經營模式，快速開拓公司的美容業務領域，與此同時進一步完善膚美達的應用及推廣。二零二零年將在已推出聖博睿抗衰老系列及功能護膚系列美賽美顏產品基礎上，加快研發推出青春運動系列，增加生活美容系列產品組合。

二零二零年本集團繼續以萃健為健康業務發展平台，創建優質植提產品品牌。在策略上，本集團將繼續堅定不移走大產品和大客戶戰略，優先推廣高利潤以及有特色產品，強化資質和品牌優勢。同時集團將審視二零一九年推出「藥食同源」功能性食品系列的經營策略。

展望未來，本集團將積極把握健康中國國家戰略及中醫藥振興所帶來的契機，開發和推廣有特色的醫藥、健康和美容產品，通過國際化和持續創新，促進業務的持續穩定增長，實現股東、客戶和員工的價值共贏。

吳鎮濤

主席

香港，二零二零年三月三十一日

The Group will continue to strategically and prudently accelerate the development of its cosmetic business. It plans to secure long-term support of customers for San Parietti (high-end skin care products with small molecule collagen and cytokine) product series (high-quality whole series, moderate-priced) while serving high-end customers with Fillderm injections, thus forming a linkage between cosmeceutical and skin care. In 2020, the Group will continue to improve its business in the cosmetic industry, and plans to open self-operated exclusive skin care stores, experience stores and several associate franchised stores in Beijing, Shanghai, Chengdu, etc. and to rapidly expand its business in the cosmetic business sector through the business model of self operation and joint operation with franchised stores. Meanwhile, it will further improve the application and promotion of Fillderm. In 2020, based on San Parietti anti-aging series and Merce MM functional skin care series of products, which have been launched, it will accelerate the research and development of its youth sports series to enrich its skin care series product portfolio.

In 2020, the Group will continue to create a high-quality plant extract product brand with Natural Dailyhealth as the healthcare business development platform. In terms of the strategy, the Group will continue to adhere to the strategy of high-quality products and large customers, giving priority to the promotion of high-profit and featured products, and strengthening its qualifications and brand advantages. Meanwhile, it will review the 2019 business strategy of launching functional food series which is based on the concept of "in Chinese medicine, herbals and food are considered sharing the same origin".

Looking to the future, the Group will actively seize the opportunities brought by the national strategy of healthy China and the revitalisation of traditional Chinese medicine, to develop and promote distinctive pharmaceutical products, healthcare products and cosmetic products. Through internationalisation and continuous innovation, the Group will promote the sustained and stable growth of its business and achieve a win-win outcome for its shareholders, customers and employees.

Wu Zhen Tao

Chairman

Hong Kong, 31 March 2020

管理層討論及分析

Management Discussion and Analysis

業務回顧

根據《「十三五」深化醫藥衛生體制改革規劃》，二零一九年中國各項政策密集出台，全面深化醫藥衛生體制改革，推進健康中國建設。

新修訂的《中華人民共和國藥品管理法》於二零一九年十二月一日起正式施行，該法主要在實施藥品上市許可持有人制度、改革藥品審批制度取消了藥品生產企業的GMP認證、完善藥品全生命週期監管制度、明晰藥品監管職責完善監管措施、加大對違法企業和企業負責人處罰力度，本集團藥品生產子公司寧波立華製藥有限公司(「寧波立華」)及本集團藥品經營子公司寧波朗生醫藥有限公司已獲得GMP和GSP的認證。並將嚴苛遵守相應法律法規，堅守質量和運營規範。

二零一九年九月二十五日中國國家醫療保障局等九部門印發《關於國家組織藥品集中採購和使用試點擴大區域範圍的實施意見》，意味著國家組織藥品集中採購和使用試點實施近半年後，將在全國範圍內推開，截至目前相關入圍採購目錄未包括集團醫藥產品。隨著藥品集中採購及一致性評價政策逐步深入實施，仿製藥的中長期邏輯發生重大變化，集團將集中發展及加速研發自有產品和獨家產品，資源聚焦在帕夫林增加乾燥綜合症適應症及國際化申報、普藥產品恢復生產及銷售。

Business Review

According to the 13th Five-Year Plan for Deepening the Reform of the Medical and Health System, China's policies were frequently published in 2019 to comprehensively deepen the reform of the system and advance the building of a healthy China.

The revised Pharmaceutical Administration Law of the PRC, which came into force on 1 December 2019, mainly involves the adoption of the marketing authorisation holder system, the change in the drug approval system, cancellation of GMP certification of drug manufacturing enterprises, improvement in the drug life cycle supervision system, clarification of drug supervision and administration responsibilities, improvement in supervision and administration measures, and toughening of penalties for enterprises and persons responsible for enterprises violating laws. Ningbo Liwah Pharmaceutical Company Limited ("Ningbo Liwah"), a subsidiary of the Group engaged in production of medicines and Ningbo Lansan Pharmaceutical Company Limited, a subsidiary of the Group engaged in dealing in medicines, have obtained GMP and GSP certifications. They will strictly comply with corresponding laws and regulations, as well as quality and operation standards.

On 25 September 2019, the Implementation Opinions on Expanding the Regional Scope of the Pilot Programme for Centralised Procurement and Use of Drugs Organised by the State was issued by nine departments including the National Healthcare Security Administration of China, which means that after its implementation for half a year, the Pilot Programme for Centralised Procurement and Use of Drugs Organised by the State will be implemented nationwide. Up to now, the relevant procurement list does not include pharmaceutical products of the Group. With the gradual and in-depth implementation of the policies of centralised procurement of drugs and consistent quality and efficacy evaluations, there has been a significant change in the medium-and long-term outlook for generic drugs. The Group will focus on and accelerate the research and development of its self-owned products and exclusive products, and focus its resources on the widening of the indications of Pafulin for sjögren's syndrome, international application, and resumption of production and sales of generic medicine products.

二零一九年六月五日，國家醫療保障局、財政部、國家衛生健康委員會、國家中醫藥管理局聯合印發《關於按疾病診斷相關分組付費國家試點城市名單的通知》，確定了北京等30個城市作為疾病診斷相關分組(DRG)付費國家試點城市。按疾病診斷相關分組付費政策進入實操階段，將對醫藥行業的生態和格局帶來深遠的影響。由於此政策剛進入試點階段，二零一九年對集團業績影響有限，集團將及時跟進國家政策法規，加強相關醫學和專業領域的臨床指南的研究，繼續提升公司專業化的推廣能力。

本集團於二零一九年收入總額錄得約54.3百萬美元(二零一八年：56.9百萬美元)，較去年下降4.6%；二零一九年本集團錄得經營溢利約4.0百萬美元，而二零一八年則錄得經營虧損約0.6百萬美元；二零一九年本集團錄得淨利潤18.3百萬美元，較去年淨利潤約0.2百萬美元顯著上升。主要歸於：(1)於年內，本集團自有專科藥產品(包括帕夫林、新適確得等)收入較去年上升7.7百萬美元，抵銷代理產品收入下降，但由於自有專科藥產品的毛利率較代理產品為高，所以本集團的整體毛利上升約3.1百萬美元，毛利率由二零一八年年度的53.2%上升至二零一九年年度的61.4%；(2)二零一九年年度因部分出售司太立的股份所錄得的收益約25.5百萬美元，較二零一八年年度5.1百萬美元大幅增加；(3)淨利潤被以下原因部份抵銷：(i)無形資產撥備約5.5百萬美元；及(ii)本公司於二零一九年六月二十一日就不行使認沽萃健期權發出公告，本集團因認沽萃健期權撤銷而錄得損失約1.9百萬美元。

On 5 June 2019, the National Healthcare Security Administration, the Ministry of Finance, the National Health Commission, the National Administration of Traditional Chinese Medicine jointly issued the Notice on the List of National Pilot Cities for DRG Payment, selecting 30 cities including Beijing as national pilot cities for diagnosis-related group (DRG) payment. When the DRG payment policy is practically implemented, it will have a profound impact on the ecology and landscape of the pharmaceutical industry. The policy, which was just implemented on a pilot basis, had a limited impact on the Group's results in 2019. The Group will, in a timely manner, pay close attention to national policies and regulations, strengthen the study on clinical guidelines in relevant medical and professional fields, and continue to enhance the professional promotion capability of the Company.

For 2019, the Group recorded a total revenue of approximately US\$54.3 million (2018: US\$56.9 million), representing a decrease of 4.6% from last year; profit from operations of approximately US\$4.0 million as compared with the loss of approximately US\$0.6 million in 2018; and net profit of approximately US\$18.3 million, representing a significant increase as compared with approximately US\$0.2 million in the previous year. This was mainly because (1) during the year, the Group's revenue from its self-owned specialty pharmaceutical products (including Pafulin and Sicorten Plus) increased by approximately US\$7.7 million as compared with last year, offsetting the decline in revenue from agency products, but since the gross profit margin of its self-owned specialty pharmaceutical products was higher than that of agency products, the Group's overall gross profit rose by approximately US\$3.1 million, with the gross profit margin rising from 53.2% in 2018 to 61.4% in 2019; (2) the gain on partial disposal of shares of Starry in 2019 was approximately US\$25.5 million, representing a significant increase as compared with US\$5.1 million in 2018; and (3) the net profit was partially offset by (i) the provision for impairment of intangible assets of approximately US\$5.5 million; and (ii) the write off of the put option granted by Natural Dailyhealth amounting to approximately US\$1.9 million, according to the announcement of the Company on 21 June 2019 with regard to the non-exercise of the put option granted by Natural Dailyhealth.

Management Discussion and Analysis

於二零一九年，醫藥分部的收入為約50.6百萬美元(二零一八年：約48.1百萬美元)，較二零一八年上升5.2%；毛利約33.0百萬美元(二零一八年：約27.6百萬美元)，較二零一八年上升19.4%；分部利潤約16.7百萬美元(二零一八年：約12.7百萬美元)，較二零一八年上升31.2%。醫藥分部的收入及利潤上升主要受惠於醫藥自有專科藥產品(包括帕夫林、新適確得等)的銷售。

於二零一九年，美容產品分部的收入約0.2百萬美元(二零一八年：約2.3百萬美元)，較二零一八年下降92.1%，主要受到代理產品銷售收入減少的影響；負毛利約為0.1百萬美元(二零一八年：毛利約1.4百萬美元)，主要為處理代理產品庫存錄得0.2百萬美元負毛利；該分部虧損約為1.6百萬美元(二零一八年：約0.2百萬美元)。

本集團以萃健為平台發展健康業務。於二零一九年，健康產品分部因對架構及產能的持續調整，收入約3.5百萬美元(二零一八年：約6.5百萬美元)，較二零一八年下降45.4%；毛利約0.5百萬美元(二零一八年：約1.2百萬美元)，較二零一八年下降58.6%；分部利潤約0.2百萬美元(二零一八年：約0.6百萬美元)，較去年下降71.3%。健康業務的營運結果會體現在分享本集團聯營公司萃健的利潤或虧損上，因為年內萃健部分的植提產品毛利因銷售價格下降而受壓，二零一九年內萃健的虧損份額約為0.9百萬美元(二零一八年：約0.8百萬美元)。

For 2019, revenue of the pharmaceutical segment amounted to approximately US\$50.6 million (2018: approximately US\$48.1 million), representing an increase of 5.2% as compared with 2018; gross profit amounted to approximately US\$33.0 million (2018: approximately US\$27.6 million), representing an increase of 19.4% as compared with 2018; and the segment profit amounted to approximately US\$16.7 million (2018: approximately US\$12.7 million), representing an increase of 31.2% as compared with 2018. The increase in the revenue and profit of the pharmaceutical segment was mainly due to the sales of the Group's self-owned specialty pharmaceutical products (including Pafulin and Sicorten Plus).

For 2019, revenue of the cosmetic product segment amounted to approximately US\$0.2 million (2018: approximately US\$2.3 million), representing a decrease of 92.1% as compared with 2018, mainly due to the decrease in sales revenue from agency products; gross loss amounted to approximately US\$0.1 million (2018: gross profit of approximately US\$1.4 million), which was mainly the gross loss of US\$0.2 million arising out of the disposal of the inventory of agency products; and the segment loss amounted to approximately US\$1.6 million (2018: approximately US\$0.2 million).

The Group developed the healthcare business with Natural Dailyhealth as a platform. For 2019, due to the continuous structural and capacity adjustments, the revenue of the healthcare product segment amounted to approximately US\$3.5 million (2018: approximately US\$6.5 million), representing a decrease of 45.4% as compared with 2018; gross profit amounted to approximately US\$0.5 million (2018: approximately US\$1.2 million), representing a decrease of 58.6% as compared with 2018; and the segment profit amounted to approximately US\$0.2 million (2018: approximately US\$0.6 million), representing a decrease of 71.3% as compared with the previous year. The results of operations of the healthcare business will be reflected in profit or loss of Natural Dailyhealth, an associate of the Group. The gross profit from certain plant extract products of Natural Dailyhealth was under pressure due to the decrease in selling prices during the year, and the share of loss from Natural Dailyhealth in 2019 was approximately US\$0.9 million (2018: approximately US\$0.8 million).

醫藥領域

二零一九年中國醫療體制改革繼續深化，各項政策快速落地，藥品控費與質量雙管齊下，控制醫保費用合理支出，醫療衛生政策向基層傾斜。順應國家政策的導向下，本集團延續實施去年所制定的政策，以「自有產品優先、利潤優先、現金流優先」的發展導向，同時根據產品組合的特性，下沉銷售渠道並改組或創建成熟市場團隊、新興市場團隊、商務分銷團隊、OTC團隊及浙江銷售團隊等五個銷售團隊，在醫院、商務、零售多渠道並舉，二三級醫院及基層醫院並重，積極拓展基層醫療、零售藥店產品覆蓋，從而加強學術推廣及擴大大醫院覆蓋、通過合作商加寬並加深基層醫院覆蓋，並進而帶動OTC的銷售覆蓋面及浙江省地區的銷售。

目前，本集團的醫藥業務處於策略調整後的恢復增長階段，醫藥業務繼續聚焦於風濕、皮膚免疫領域專科藥業務。二零一九年受惠於加大發展自有產品的經營策略，帕夫林及新適確得期內的銷售金額較去年同期錄得大幅增長。在此基礎上，本集團重新審視可以恢復生產和銷售的產品，加快中藥普藥產品的復產工作。同時集團也繼續加大對帕夫林等核心產品在作用機制和新適應症及產品國際化等方面的研發投入，並已成功獲得原發性乾燥綜合症臨床試驗默示許可，將按國家臨床試驗的要求組織開展臨床試驗。

隨著醫改的不斷深化，醫藥行業的生態會不停轉變，從中長期來看，醫藥行業仍然是一個朝陽行業，市場規模將持續增長。本集團將堅持發展策略，並根據國家的政策適時調整經營策略，不斷穩固和提升本集團在市場的地位，達到健康可持續發展。

Pharmaceutical segment

In 2019, China's medical system reform continued to be deepened, with rapid implementation of policies, drug cost and quality control, medical insurance expense control for reasonable expenditure, as well as medical and health policies tilting in favour of grass-roots medical institutions. Under the guidance of national policies, the Group continued to implement the policies formulated last year. With the development orientation of "giving priority to self-owned products, profit and cash flow" and according to the characteristics of its product portfolio, the Group has expanded its channels to cover third and lower-tier cities, and reorganised or established five sales teams, namely, mature market team, emerging market team, commercial distribution team, OTC team and Zhejiang Province sales team, to sell its products through hospitals, businesses and retail channels, covering secondary and tertiary hospitals and grass-roots hospitals, grass-roots medical institutions and retail pharmacies. It has enhanced academic promotion and extended its reach to top-tier hospitals. It has widened and deepened its reach to grass-roots hospitals through partners. As a result, there has been an increase in OTC sales coverage and sales in the Zhejiang Province.

At present, the Group's pharmaceutical business is recovering after the strategic adjustment and the Group continues to focus on specialty pharmaceutical businesses in the fields of rheumatology and immunodermatology. In 2019, benefiting from the business strategy of enhanced development of self-owned products, the sales of Pafulin and Sicorten Plus significantly increased as compared with the same period of last year. On this basis, the Group reviewed the products for which production and sales could be resumed, and accelerated the resumption of production of Chinese medicine generic drugs. At the same time, the Group continued to increase its research and development investment for core products including Pafulin in terms of mechanism of action, new indications and product internationalisation. It has successfully obtained the implied permission for the clinic trials of primary sjögren's syndrome, and will organise and carry out clinical trials in accordance with national clinical trial requirements.

With the continuous deepening of the medical reform, the ecology of the pharmaceutical industry will change constantly. In the medium and long term, the pharmaceutical industry is still a sunrise industry with continuous growth in the market size. The Group will adhere to its development strategy and adjust its business strategy in accordance with national policies in a timely manner to continuously stabilise and enhance its position in the market and achieve healthy and sustainable development.

Management Discussion and Analysis

美容領域

二零一九年本集團重點開發生活美容產品線及投入資源開通銷售渠道。於年內完成天津強微特生物科技有限公司20%股權收購，並借助其研發能力，集中發展及加速研發自有產品。聖博睿抗衰老系列產品及聖博睿美賽美顏功能護膚系列產品已推出市場，同時大力推進聖博睿青春運動系列研發進程，預期於二零二零年順利推出。集團計劃在建生活美容自營形象店、導流體驗店及若干聯營加盟店，通過自營與吸引加盟店合營的經營模式，快速開拓公司的生活美容領域銷售渠道。本集團相信自有產品的發展會優化本集團的產品組合，這些有特色、有質量的高檔生美產品，預計能為集團陸續帶來收入。

本集團同時投入資源開通醫療美容銷售渠道，本集團年內重新組建專業銷售團隊，開展和連鎖醫美機構合作，計劃通過膚美達針劑為高端客戶的服務，獲得顧客對聖博睿產品系列長期的支持，形成醫療美容和生活美容的聯動。集團將開拓自營醫美機構客源渠道，進一步完善膚美達的應用及推廣，也會在發展過程中不時審視經營策略。

健康領域

二零一九年，本集團繼續以萃健為健康業務發展平台，在「大健康」國家戰略的支持下，積極調整銷售策略及按策略需要組建更專業的隊伍。在市場拓展策略上，深耕重點產品，計劃通過直接向國外的高質量源頭採購原材料，增加相關產品質量和競爭力，同時加大拓展海內外客戶，建立大客戶長期合作關係。同時通過優化原料採購流程、工藝、技術改造等措施降低現有大宗產品生產成本，提高核心競爭力。

Cosmetic segment

In 2019, the Group focused on developing skin care product lines, and investing resources to open up sales channels. During the year, it completed the acquisition of a 20% equity interest in Tianjin Robustnique Biotechnology Co., Limited, and focused on and accelerated the research and development of its self-owned products, with the research and development capability of the company. The San Parietti anti-aging series of products and San Parietti Merce MM functional skin care series of products have been launched into the market. Meanwhile, efforts have been made to advance the research and development of San Parietti youth sports series, which is expected to be launched in 2020. The Group plans to open self-operated exclusive skin care stores, experience stores and several associate franchised stores and to rapidly expand sales channels of the Company in the skin care segment through the business model of self operation and joint operation with franchised stores. The Group believes that the development of its self-owned products will optimise its product portfolio, and the distinctive, high-quality, high-end skin care products are expected to generate revenue successively for the Group.

At the same time, the Group has invested resources to open cosmeceutical sales channels. During the year, the Group has re-established a professional sales team to carry out cooperation with chain cosmeceutical institutions. It plans to secure long-term support of customers for San Parietti product series through serving high-end customers with Fillderm injections, thus forming a linkage between cosmeceutical and skin care. The Group will develop sources of customers for self-operated cosmeceutical institutions, further improve the application and promotion of Fillderm, and will review its business strategy from time to time during the development process.

Healthcare segment

In 2019, the Group continued to develop its healthcare business with Natural Dailyhealth as a platform. Under the support from the national strategy of "comprehensive health", it actively adjusted the sales strategy and established a more professional team according to the strategy. In terms of the market expansion strategy, it was deeply engaged in producing key products. It planned to improve the quality and competitiveness of relevant products by procuring raw materials directly from high-quality foreign sources. At the same time, it planned to enhance the acquisition of domestic and foreign customers and establish long-term cooperative relations with key customers. Also, it reduced the production cost of existing commodities and improved its core competitiveness by optimising the raw material procurement process, technology, technological transformation and other measures.

管理層討論及分析

Management Discussion and Analysis

於二零一九年推出了第一款「藥食同源」功能性產品，未來將審視適合健康成品的銷售和經營策略。保健品方面，萃健已在國家藥監局申請若干款保健品等待註冊審批。

投資

本集團於二零一九年內合共出售9,729,028股之司太立股份，出售所得款項總額合共為人民幣300.0百萬元(相當於約43.5百萬美元)。集團獲得部分出售聯營公司收益約25.5百萬美元。該次出售後，朗生仍持有司太立股份6,715,972股(約佔司太立4.0%股權)。二零一九年十二月三十一日司太立股份之賬面值約為9.2百萬美元(相對司太立股份於二零一九年十二月三十一日收市價人民幣42.50元計算，該持股市值約40.9百萬美元)。

財務回顧

收入

截至二零一九年十二月三十一日止年度，本集團錄得收入約為54.3百萬美元(二零一八年：約56.9百萬美元)，較去年同期減少4.6%。

截至二零一九年十二月三十一日止年度，醫藥收入約為50.6百萬美元(二零一八年：約48.1百萬美元)，較去年同期上升5.2%。美容產品收入約為0.2百萬美元(二零一八年：約2.3百萬美元)，較去年減少92.1%。健康產品的收入約為3.5百萬美元(二零一八年：約6.5百萬美元)，較去年同期下降45.4%。

本集團核心專科藥產品帕夫林錄得收入約38.2百萬美元(二零一八年：32.4百萬美元)。新適確得共錄得收入約4.5百萬美元(二零一八年：約2.6百萬美元)，較去年上升75.0%。

In 2019, it launched the first functional product that was based on the concept of “in Chinese medicine, herbals and food are considered sharing the same origin”. In the future, it will review the sales and business strategies suitable for healthcare products. In terms of healthcare products, Natural Dailyhealth has applied to the National Medical Products Administration for registration and approval of several healthcare products.

Investment

The Group disposed of a total of 9,729,028 shares in Starry in 2019 with total proceeds of RMB300.0 million (equivalent to approximately US\$43.5 million). The Group's gain on partial disposal of an associate was approximately US\$25.5 million. After the disposal, Lansen continued to hold 6,715,972 shares in Starry, representing approximately 4.0% equity interest in Starry. The carrying value of the shares in Starry as at 31 December 2019 was approximately US\$9.2 million (the market value of the shares was approximately US\$40.9 million, based on the closing price of the share of Starry of RMB42.50 as at 31 December 2019).

Financial Review

Revenue

The Group recorded a revenue of approximately US\$54.3 million (2018: approximately US\$56.9 million) for the year ended 31 December 2019, representing a decrease of 4.6% over the corresponding period of last year.

For the year ended 31 December 2019, revenue from pharmaceuticals amounted to approximately US\$50.6 million (2018: approximately US\$48.1 million), representing an increase of 5.2% over the corresponding period last year. Revenue from cosmetics products amounted to approximately US\$0.2 million (2018: approximately US\$2.3 million), representing a decrease of 92.1% over last year. Revenue from healthcare products amounted to approximately US\$3.5 million (2018: approximately US\$6.5 million), representing a decrease of 45.4% over the corresponding period last year.

Pafulin, the Group's core specialty pharmaceutical product, recorded a revenue of approximately US\$38.2 million (2018: approximately US\$32.4 million). Sicorten Plus recorded a revenue of approximately US\$4.5 million (2018: approximately US\$2.6 million), representing an increase of 75.0% over last year.

Management Discussion and Analysis

毛利

截至二零一九年十二月三十一日止年度，本集團錄得毛利約33.3百萬美元(二零一八年：約30.3百萬美元)，較去年同期上升10.1%。截至二零一九年十二月三十一日止年度的整體毛利率為61.4%(二零一八年：53.2%)，較去年同期上升8.2%。

整體毛利率相比去年上升之主要原因為產品銷售結構改變，毛利率較高的醫藥產品銷售比重上升，由二零一八年佔收入總額的84.5%，上升至二零一九年佔收入總額的93.1%。

其他收入

其他收入於截至二零一九年十二月三十一日止年度約為3.7百萬美元(二零一八年：約2.2百萬美元)，較去年上升65.9%，上升原因主要因為(i)本集團於二零一九年從一家供應商獲得一筆約1.4百萬美元的一次性補償收入，用於提前終止代理產品的經銷合同；和(ii)二零一九年政府補貼較去年上升約0.3百萬美元。本集團收到的政府補貼主要來自地方政府，部分用於嘉許本集團開發高科技藥品的表現。

銷售及分銷開支

截至二零一九年十二月三十一日止年度，本集團銷售及分銷開支上升5.4%，達到約18.0百萬美元，去年同期約為17.1百萬美元。本集團銷售及分銷開支佔本集團總收入上升3.2%，截至二零一九年十二月三十一日止年度為33.3%，去年同期則為30.1%。上升原因主要為增加營銷及學術推廣費用。

Gross profit

For the year ended 31 December 2019, the Group recorded a gross profit of approximately US\$33.3 million (2018: approximately US\$30.3 million), representing an increase of 10.1% over the corresponding period last year. For the year ended 31 December 2019, the overall gross profit margin was 61.4% (2018: 53.2%), representing an increase of 8.2% over the corresponding period last year.

The increase in overall gross profit margin as compared to last year was mainly attributable to the changes in product sales mix. The sales proportion of pharmaceutical products, which have higher gross profit margins, to the total revenue increased from 84.5% in 2018 to 93.1% in 2019.

Other income

Other income amounted to approximately US\$3.7 million (2018: approximately US\$2.2 million) for the year ended 31 December 2019, representing an increase of 65.9% over last year, which was mainly because (i) the Group received an one-off compensation income of approximately US\$1.4 million in 2019 from a supplier for the early termination of a distribution contract of an agency product; and (ii) the government grants received in 2019 increased by approximately US\$0.3 million compared to last year. Government grants received by the Group primarily came from the local government and were partly used as recognition of the Group's efforts in developing high-technology pharmaceutical products.

Selling and distribution expenses

For the year ended 31 December 2019, the selling and distribution expenses of the Group increased by 5.4% to approximately US\$18.0 million from approximately US\$17.1 million in the corresponding period last year. The proportion of the selling and distribution expenses of the Group to the total revenue of the Group increased by 3.2% to 33.3% for the year ended 31 December 2019 from 30.1% in the corresponding period last year. The increase was mainly because of the increase in the expenses on marketing and academic promotion.

管理層討論及分析

Management Discussion and Analysis

管理層相信醫藥與美容產品的營銷模式及學術推廣優勢，是本集團保持市場領先地位的重要因素。本集團致力提高醫藥與美容產品的知名度，積極開展教育活動。透過在全國各地舉行學術推廣座談會，使醫生和用家都能對此類產品的藥理、功效和優點等有更清晰的概念。

行政開支

截至二零一九年十二月三十一日止年度的行政開支約為15.3百萬美元(二零一八年：約15.9百萬美元)，較去年下降3.9%。本集團行政開支佔本集團總收入上升0.2%，二零一九年十二月三十一日止年度為28.1%，去年同期則為27.9%。

財務成本

截至二零一九年十二月三十一日止年度，本集團財務成本增加約0.1百萬美元。主要由於集團平均銀行借款利率上升。

應佔聯營公司的除稅後業績

截至二零一九年十二月三十一日止年度，應佔聯營公司的除稅後業績約為1.3百萬美元(二零一八年：約0.9百萬美元)。

所得稅開支

寧波立華獲高新技術企業認證，享有15%所得稅優惠政策。根據中華人民共和國企業所得稅法(「企業所得稅法」)及所得稅法實施細則，除寧波立華外，本集團其他中國附屬公司的企業所得稅稅率為25%。

本公司擁有人應佔溢利

截至二零一九年十二月三十一日止年度，本公司股東應佔溢利約為18.3百萬美元，較去年同期的約0.2百萬美元增加約18.1百萬美元。

Management believed that the marketing model and academic promotional advantages of pharmaceuticals and cosmetics products are the key factors in maintaining the Group's leading market position. The Group endeavoured to enhance market recognition of its pharmaceutical and cosmetics products and has actively launched educational activities. By organising academic conferences across China, doctors and users were able to have a better understanding of the pharmacology, efficacy and benefits of these products.

Administrative expenses

For the year ended 31 December 2019, administrative expenses amounted to approximately US\$15.3 million (2018: approximately US\$15.9 million), representing a decrease of 3.9% over last year. The proportion of the administrative expenses of the Group to the total revenue of the Group increased by 0.2% to 28.1% for the year ended 31 December 2019 from 27.9% in the corresponding period last year.

Finance costs

For the year ended 31 December 2019, finance costs of the Group increased by approximately US\$0.1 million. This was mainly due to the increase of average interest rate of bank borrowings.

Share of post-tax result of associates

Share of post-tax result of associates for the year ended 31 December 2019 amounted to approximately US\$1.3 million (2018: approximately US\$0.9 million).

Income tax expense

Ningbo Liwah has obtained the certification as a high-technology enterprise and enjoys a preferential income tax rate of 15%. According to the Enterprise Income Tax Law of the PRC and the implementation rules of the income tax law, except for Ningbo Liwah, the enterprise income tax rate for the Group's other PRC subsidiaries was 25%.

Profit attributable to owners of the Company

The profit attributable to owners of the Company for the year ended 31 December 2019 amounted to approximately US\$18.3 million, representing an increase by approximately US\$18.1 million from approximately US\$0.2 million in the corresponding period last year.

Management Discussion and Analysis

流動資金、財務資源及資本架構

本集團主要以經營活動產生現金淨額應付其營運資金及其他資金所需，於經營現金流量不足以應付資金需求時，則會不時尋求外部融資(包括銀行借款)。

於二零一九年十二月三十一日，本集團之流動資產淨值約為31.0百萬美元(二零一八年十二月三十一日：流動負債淨值約為2.6百萬美元)，流動比率為1.4(二零一八年十二月三十一日：1.0)。

於二零一九年十二月三十一日，本集團的現金及現金等價物約為20.4百萬美元(二零一八年十二月三十一日：約11.6百萬美元)。於二零一九年十二月三十一日，本集團擁有已抵押銀行存款約27.4百萬美元(二零一八年十二月三十一日：約22.0百萬美元)作為銀行借款的擔保。

本集團於二零一九年十二月三十一日的借款約為60.5百萬美元(二零一八年十二月三十一日：約87.2百萬美元)。

於二零一九年十二月三十一日，本集團之淨負債權益比率為12.6%(二零一八年十二月三十一日：60.7%)，乃按年末的淨負債(借款減去現金及銀行結餘)除以總權益計算得出。

本集團交易貨幣所承受的外幣風險屬於細微，因為本集團附屬公司持有的大部分金融資產及負債均以該等附屬公司的有關功能貨幣計值。本集團目前並無外幣對沖政策。然而，管理層會密切監察外匯風險，並於有需要時考慮對沖外幣風險。

Liquidity, financial resources and capital structure

The Group primarily finances its working capital and other capital requirements by net cash generated from operating activities and resorts to external financing including bank borrowings from time to time when the operating cash flow is insufficient to meet capital requirements.

As at 31 December 2019, net current assets and current ratio of the Group were approximately US\$31.0 million (31 December 2018: net current liabilities of approximately US\$2.6 million) and 1.4 (31 December 2018: 1.0) respectively.

As at 31 December 2019, the Group's cash and cash equivalents amounted to approximately US\$20.4 million (31 December 2018: approximately US\$11.6 million). As at 31 December 2019, the Group had pledged bank deposits of approximately US\$27.4 million (31 December 2018: approximately US\$22.0 million) to secure bank borrowings.

The Group's borrowings as at 31 December 2019 amounted to approximately US\$60.5 million (31 December 2018: approximately US\$87.2 million).

As at 31 December 2019, the Group's net debt-to-equity ratio was 12.6% (31 December 2018: 60.7%), calculated by net debt (borrowings minus cash and bank balances) at the end of the year over total equity.

The exposure of the Group's transactional currency to foreign currency risk was minimal as most of the financial assets and liabilities held by the subsidiaries of the Group are denominated in the respective functional currency of the subsidiaries. The Group currently does not have any foreign currency hedging policy. However, management would closely monitor foreign exchange exposure and consider hedging foreign currency exposure when necessary.

管理層討論及分析

Management Discussion and Analysis

資產抵押

於二零一九年十二月三十一日，若干銀行存款及應收票據面值合計約34.1百萬美元(二零一八年十二月三十一日：若干銀行存款面值合計約22.0百萬美元)及司太立上市股票市值約25.6百萬美元(二零一八年十二月三十一日：40.7百萬美元)，已就本集團取得銀行融資及銀行借貸及同系附屬公司取得銀行借款作出抵押。

資本承擔

於二零一九年十二月三十一日，本集團有已訂約但尚未於綜合財務報表中撥備的資本開支為約1.1百萬美元(二零一八年十二月三十一日：3.6百萬美元)。

已發行財務擔保

本集團已就本集團同系附屬公司吉林海資生物工程技術有限公司(「吉林海資」)作出的借款向銀行發出擔保。於該擔保下，本集團須承擔吉林海資自銀行提取的最多人民幣130,000,000元(相等於約18,635,000美元)的借款。於二零一九年十二月三十一日，本集團須承擔的擔保負債上限為吉林海資所提取的金額人民幣130,000,000元(相等於約18,635,000美元)(二零一八年十二月三十一日：人民幣107,460,000元(相等於約15,657,000美元))。

除此之外，於二零一九年十二月三十一日，本集團並無任何重大或然負債。

重大收購及出售

截至二零一九年十二月三十一日止年度，本集團透過上海證券交易所的市場交易合共出售9,729,028股司太立股份。出售所得款項總額合共為人民幣300.0百萬元，集團獲得部分出售聯營公司收益約25.5百萬美元。本集團於司太立的股權因出售由10.6%減少至4.0%。

Charges on assets

As at 31 December 2019, certain bank deposits and bills receivables in an aggregate carrying amount of approximately US\$34.1 million (31 December 2018: certain bank deposits of approximately US\$22.0 million) and Starry's listed shares with market value amounting to approximately US\$25.6 million (31 December 2018: US\$40.7 million) were pledged to secure banking facilities and banking borrowings of the Group and bank borrowings of a fellow subsidiary.

Capital commitment

As at 31 December 2019, the Group's capital expenditure contracted for but not provided in the consolidated financial statements amounted to approximately US\$1.1 million (31 December 2018: US\$3.6 million).

Financial guarantee issued

The Group has issued a guarantee to a bank in respect of borrowings made by Jilin Haizi Bio-Engineering Technology Company Limited ("Jilin Haizi"), a fellow subsidiary of the Group. Under the guarantee, the Group is liable for a maximum of RMB130,000,000 (equivalent to approximately US\$18,635,000) borrowings drawn by Jilin Haizi from the bank. The maximum liability of the Group at 31 December 2019 under the guarantee issued represents the amount drawn down by Jilin Haizi of RMB130,000,000 (equivalent to approximately US\$18,635,000) (31 December 2018: RMB107,460,000 (equivalent to approximately US\$15,657,000)).

Save as mentioned above, the Group did not have any material contingent liabilities as at 31 December 2019.

Material acquisitions and disposals

During the year ended 31 December 2019, the Group has disposed of a total of 9,729,028 shares in Starry via on-market sales on the Shanghai Stock Exchange. The gross proceeds from the disposal were in an aggregate RMB300.0 million, and the Group recorded a gain on partial disposal of an associate of approximately US\$25.5 million. As a result of the disposal, the Group's holding in Starry has reduced from 10.6% to 4.0%.

人力資源

於二零一九年十二月三十一日，本集團有逾624名員工。截至二零一九年十二月三十一日止年度，員工成本為約13.5百萬美元。本集團之員工薪酬經參考個人工作表現、專業資格、行業經驗及相關市場趨勢而釐定，當中包括薪金、津貼、醫療保險及公積金。

本集團之員工薪酬維持於競爭水準，並會每年檢討，屆時會密切參考有關勞工市場及經濟情況。本集團通過內部課程及工作坊之形式向員工提供職業提升培訓，並鼓勵員工參加與本集團業務相關之培訓課程。

報告期後事項

自二零二零年一月起，新型冠狀病毒（「COVID-19」）的爆發對全球營商環境產生了影響。直至該等財務報表日期，COVID-19概無對本集團造成重大影響。取決於COVID-19在該等財務業績日期後的發展及蔓延情況，如本集團的經濟狀況出現進一步變動，則本集團的財務報表或會受到影響，惟於該等財務報表日期無法估計有關影響程度。本集團會繼續留意COVID-19的疫情發展，亦會積極應對有關情況對本集團財務狀況及經營業績的影響。

Human resources

The Group had over 624 employees as at 31 December 2019 with employee costs of approximately US\$13.5 million for the year ended 31 December 2019. Staff remuneration of the Group, including salary, allowances, medical insurance and provident fund, is determined with reference to individual performance, professional qualifications, experience in the industry and relevant market trends.

Salaries of employees of the Group have been maintained at a competitive level and are reviewed annually, with close reference to the relevant labour market and economic condition. The Group provides career advancement training in the form of internal courses and workshops for the staff and encourages them to participate in training programmes related to the Group's business.

Event after the reporting period

Since January 2020, the outbreak of Novel Coronavirus ("COVID-19") has impacted on the global business environment. Up to the date of these financial statements, COVID-19 has not resulted in material impact to the Group. Pending the development and spread of COVID-19 subsequent to the date of these financial statements, further changes in economic conditions for the Group arising thereof may have impact on the financial results of the Group, the extent of which could not be estimated as at the date of these financial statements. The Group will keep continuous attention on the situation of the COVID-19 and react actively to its impact on the financial position and operating results of the Group.

環境、社會及管治報告

Environmental, Social and Governance Report

前言

為符合香港聯合交易所有限公司(「聯交所」)證券上市規則附錄二十七《環境、社會及管治報告指引》所載的要求，本集團謹此呈報二零一九年一月一日至二零一九年十二月三十一日的年度環境、社會及管治報告(「環境、社會及管治報告」)，旨在向股東、員工、客戶、合作夥伴等各利益相關方公開報告本集團二零一九年度在履行企業社會責任方面的實踐、績效與發展情況。

環境、社會及管治的戰略與管理

隨著企業規模的不斷壯大發展，本集團正逐步融入可持續發展戰略於整體發展戰略體系之中。

Introduction

In order to be in compliance with the requirements as set out in the Environmental, Social and Governance Reporting Guide under Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the Group herein report the environmental, social and governance report (“ESG Report”) for the year from 1 January 2019 to 31 December 2019, to report practices, performance and development of the Group in corporate social responsibility in 2019 to our shareholders, staff, clients, partners and other stakeholders.

Strategy and Management of Environmental, Social and Governance Matters

With the continuous development and expansion of the scale of enterprise, the Group is gradually integrating the sustainable development strategy into its overall development strategy system.



我們的使命：

為向客戶提供優質產品和服務，提高人們健康水平和生活質量，實現對股東的投資回報最大化和對員工的個人發展需要的最大滿足。

Our mission:

Provide customers with quality products and services to improve people's health and quality of life, while maximising the investment return to shareholders and satisfy the personal development needs of the staff.



我們的願景：

成為大健康行業受人尊敬的知名企業。

Our vision:

To become a reputable enterprise in the healthcare industry.



我們的戰略：

開發和推廣有特色的醫藥、健康和美容產品，通過對行業的併購整合、國際合作和持續創新，促進業務的持續穩定增長，實現股東、客戶和員工的價值共贏。

Our strategy:

To develop and promote the distinctive products of pharmaceutical, healthcare and cosmetic, and promote the continuous and steady growth of its business through merger and acquisition, integration, international cooperation and continuous innovation, and realise the win-win value of shareholders, customers and employees.

利益相關方參與

根據企業營運的實際情況，我們的利益相關方主要為政府與行業監管機構、投資者、客戶與消費者、供應商、員工、社區、同行業者、媒體與社會公眾。二零一九年，我們主要通過以下方式與各利益相關方進行交流，以更好地向社會履責：

利益相關方

Stakeholders

政府與行業監管機構

Governmental and industrial regulators

投資者

Investors

客戶與消費者

Customers and consumers

供應商

Suppliers

Participation of stakeholders

According to the operation situation of the Company, our stakeholders are mainly governmental and industrial regulators, investors, customers and consumers, suppliers, employees, the community, industry peers, media and the general public. In 2019, we communicated with stakeholders mainly by the following methods to better fulfill our social responsibilities:

利益相關方溝通方式

Methods of communication with stakeholders

政府參觀考察、支持政府項目與行業協作

Government visits, supporting government projects and industry collaboration

董事會、信息披露、會議交流、日常來訪、網站、郵件、電話

Board of directors, information disclosure, conference exchange, ordinary visits, website, mail, telephone

學術研討會、新產品上市會、客戶服務、電話諮詢

Academic seminars, new product launching conferences, customer service, telephone consultations

供應商管理制度、採購招標機制、年度評價

Supplier management system, procurement tender mechanism, annual evaluation

環境、社會及管治報告

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利益相關方

Stakeholders

員工

Employees

社區

Community

同業者

Industry peers

媒體與社會公眾

Media and general public

利益相關方溝通方式

Methods of communication with stakeholders

工會、職工代表大會、多類型培訓、安全管理、文體活動、健康體檢、帶薪年假

Trade union, employee congress, multi-type training, safety management, cultural and sports activities, health examination, paid annual leave

公益活動、志願者活動

Community activities, volunteer work

行業組織、行業論壇與會議

Trade organisations, forums and conferences

信息披露、輿情監測、媒體溝通機制、網站

Information disclosure, public opinion monitoring, media communication mechanism, website

環境

本集團持續關注生產運營中的污染物排放問題，嚴格遵守國家各項法律法規，並制定了以下措施，最大限度控制各類污染物排放：

1. 寧波立華積極推進能源結構調整。於二零一三年起，將生產用鍋爐燃料由燃油改為天然氣，較當地政策提前了兩年。並增加餘熱回收裝置，隨時關注蒸汽使用情況，如發現蒸汽回流量過大，寧波立華即刻聯繫使用蒸汽的各部門，安排人員檢查各設備的蒸汽閥門關閉情況，減少不必要的蒸汽浪費，節約天然氣的使用，減少二氧化碳之排放量。
2. 對生活垃圾、工業垃圾、危險廢物等進行強制性分類，引導員工自覺、科學地開展垃圾分類。定期會請外部處理公司進行運輸以及處理。

Environment

The Group pays attention to the issue of pollutant emissions in the course of production on an ongoing basis. It strictly observes the laws and regulations of the country and has formulated the following measures in an effort to combat the emission of various pollutants:

1. Ningbo Liwah actively promotes energy restructuring. Since 2013, it has substituted oil with natural gas as the fuel for its boilers used for production two years earlier than required by the local policy. Ningbo Liwah also added residual heat recovery units and paid attention to the use of steam at all times. When excessive steam flow was identified, Ningbo Liwah will contact all departments that use steam and arrange staff to check if the steam valves of equipment are properly closed to reduce unnecessary steam waste, natural gas usage and carbon dioxide emissions.
2. Compulsory categorisation of domestic, industrial and hazardous wastes is introduced and staff is encouraged to categorise wastes autonomously and scientifically. An external treatment company is regularly engaged to transport and dispose of such wastes.

Environmental, Social and Governance Report

3. 本集團注重對「危廢」管理，從產生、暫存、轉移、入庫、處理、存盤有一系列的管理流程，並且有專用的「危廢倉庫」。為防止危險廢物存放處發生廢物洩漏進入河道，對存放處進行相關改造，防止危險廢物洩漏進入河道。
4. 污水處理方面，有一套專用的污水處理裝置，對下水管實行雨污分離，確保進入河道的水質為天然降水，污水經過污水站處理能完全達到市政管道排放標準。
5. 廢氣處理方面，在寧波立華製藥有限公司鎮海分公司(「立華鎮海分公司」)，原料存儲、輸送環節，以集中儲存、管道輸送的方式，降低有機廢氣在存儲、輸送環節的產生。此外，在尾氣、廢水處理環節，安裝多種裝置用以消除企業生產工程中工藝廢氣外排對環境的影響。並且通過聘請第三方單位，企業每年制訂工作計劃，定期檢測、及時修復，有效減少有機廢氣排放，及監控企業揮發性有機化合物(VOCs)減排措施運行效率。
6. 在管理方面，立華鎮海分公司根據地方環保局要求，持續改進企業在VOCs減排方面的工作。同時每年通過ISO14001企業內審和年度外審，以年度目標指針方案的形式多角度改進有機廢氣回收設備、尾氣吸收裝置的運行效率。
3. The Group stresses the importance of hazardous wastes management and puts in place a series of management procedures for production, temporary storage, transfer, warehousing, handling and filing as well as a dedicated warehouse for hazardous wastes. In order to prevent the leakage of hazardous wastes from the warehouse into the river, the warehouse has been renovated to avoid the wastes leaking into the river.
4. As for sewage treatment, Ningbo Liwah has installed a dedicated sewage treatment facility. By separating rainwater and sewage, Ningbo Liwah has ensured that water directly discharged to the river is rainfall. Sewage disposed of by treatment plant would entirely meet the discharge standard of municipal pipelines.
5. Regarding waste gas treatment, raw materials storage and transmission segments, Ningbo Liwah Pharmaceutical Company Limited Zhenhai Branch (“Liwah Zhenhai Branch”) reduces the production of organic waste gas in the storage and transmission segments through centralised storage and pipe transmission. Furthermore, in the exhaust gas and sewage treatment segments, various devices have been installed to mitigate the impact of waste gas produced on the environment. In addition, by engaging independent third parties, a work plan is developed every year, conducting regular examinations and timely repair, thereby effectively reducing the emission of organic waste gas and monitoring the effectiveness of volatile organic compounds (VOCs) emission reduction measures.
6. In connection with management, Liwah Zhenhai Branch has complied with the requirements of local environmental bureaus to continue to enhance enterprise VOCs emission reduction measures. Meanwhile, ISO14001 internal and external audits are conducted annually to improve the effectiveness of organic waste gas recovery equipment and exhaust gas absorption devices from different perspectives based on the annual performance targets.

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7. 固體廢棄物方面，立華鎮海分公司加強與資源循環利用企業之間的合作，通過增設有機肥料生產、生物質燃料顆粒製作等多元化處置方式，減輕企業一般固廢處置對環境的壓力，提升資源綠色循環利用。
8. 專門成立環境保護及能源管理辦公室，時刻監控公司的日常能耗及環保情況。本集團嚴格依照相關法律法規中對排放量及排放標準的要求，對自身排放數據進行監管，相關法律法規主要包括：
 - 《中華人民共和國環境保護法》
 - 《中華人民共和國大氣污染防治法》
 - 《中華人民共和國固體廢物污染環境防治法》
 - 《中華人民共和國水污染防治法》
 - 《中華人民共和國環境雜訊污染防治法》
 - 《水污染綜合排放標準》(寧波市地方標準)
 - 《鍋爐大氣污染物排放標準》(寧波市地方標準)
 - 《突發環境事件的應急預案》(寧波市環保局備案)
7. Regarding solid wastes, Liwah Zhenhai Branch has strengthened the cooperation between recycling enterprises to alleviate the pressure of general solid wastes disposal on the environment and recycle more resources by adopting diversified disposal methods such as organic fertilisers and biomass fuel granules production.
8. The Group specially sets up an environmental protection and energy management office to constantly monitor the Company's daily energy consumption and environmental protection. The Group monitors its emission indicators stringently according to the requirements of emission volume and standards under relevant laws and regulations, which primarily include:
 - Environmental Protection Law of the PRC
 - Air Pollution Prevention and Control Law of the PRC
 - Prevention and Control of Environmental Pollution by Solid Wastes of the PRC
 - Water Pollution Prevention and Control Law of the PRC
 - The Law on the Prevention and Control of Noise Pollution of the PRC
 - Integrated Wastewater Discharge Standards (Ningbo local standards)
 - Air Pollutant Emission Standards for Boilers (Ningbo local standards)
 - Contingency Plans for Environmental Emergencies (filed to Ningbo Environmental Protection Bureau)

Environmental, Social and Governance Report

本集團用於生產的主要原材料為各類提取物與中草藥，其生產經營對於環境及天然資源或有極輕微影響。本集團積極履行社會責任，始終堅持發展與環境保護並重的理念，合理利用各類資源，以實踐環境保護。集團嚴格遵照《中華人民共和國清潔生產促進法》，並制定相關制度，進一步達到節能降耗、減污增效的目的，盡可能將生產經營過程中對生態系統造成的影響降低。本集團也加強與資源循環利用企業的合作，提升藥渣固體廢棄物再生資源價值。

本集團倡導綠色生產理念，達到節能、降耗、減污的目的。本集團在生產過程中通過完善工藝流程、提升技術含量，亦採取LED節能照明、安裝蒸汽定時開關、純化水濃水回收、大型設備採用變頻控制、鍋爐用水採用餘熱回收等措施，節約各類資源。本集團亦鼓勵員工積極參與各類節能降耗方案設計，不斷提升員工環保意識。本集團廢水、鍋爐廢氣及噪聲等項目皆進行過檢測，所有檢測項目均符合相關標準要求。本集團廠區空調和鍋爐系統已經進行了自動化升級，用自動感應控制取代人為調節，在釋放了勞動力的同時又減少了人為調節造成的能源浪費。空調系統及鍋爐系統能耗同比節省20%。

本集團亦倡導綠色辦公，將低碳經營的理念融入到生產運營中，努力向辦公低碳化、無紙化、節能化方向邁進，減少化石燃料、水、電、樹木等自然資源及能源的使用。

Raw materials used by the Group for production primarily include various extracts and Chinese herbal medicines, and the production of which may have very minor impact on the environment and natural resources. The Group actively fulfills its social responsibilities and always follows the philosophy of maintaining the balance between development and environment protection by employing various resources reasonably to protect the environment. The Group abides by the Cleaner Production Promotion Law of the PRC stringently and has established relevant systems to further the goals of energy saving, consumption reduction, pollution mitigation and effectiveness enhancement with the aim of minimising the impact of its production and operation on the ecological system. The Group also deepens its collaboration with recycling enterprises to increase the recycling value of solid dreg wastes.

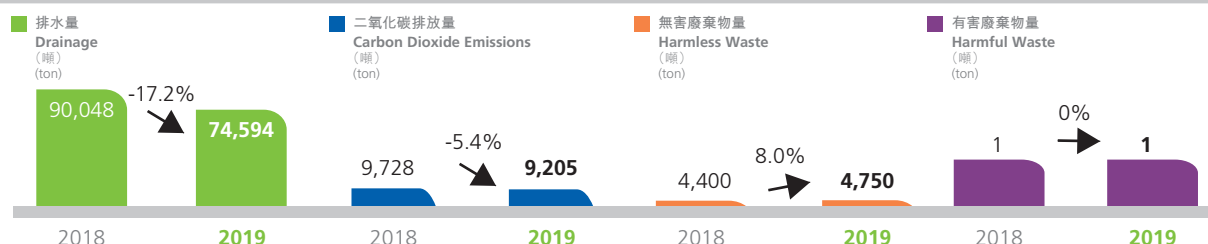
The Group advocates green production with the goals of energy saving, consumption reduction and pollution mitigation in mind. The Group reduces the use of resources by optimising its production process and improving its technologies, together with the use of LED lighting, installation of steam timers, recovery of purified and concentrated water, adoption of variable frequency control for large equipment and implementation of residual heat recovery for boiler water. In addition, the Group also encourages its staff to participate in the design of energy saving solutions and continues to raise their awareness of environmental protection. Waste water, waste gas from boilers and noise produced by the Group are all tested against relevant standards and requirements. The Group has carried out automation upgrading on the air conditioning and boiler systems of its plants. The substitution of human adjustment by auto-induction has released the labour force as well as reduced the energy waste caused by human adjustment. Air conditioning and boiler systems recorded a year-on-year decrease of 20% in terms of energy consumption.

The Group also supports a green office objective by merging low-carbon operation into its production process and aims at low carbonisation, paperless and energy saving by reducing the use of natural resources and energy such as fossil fuels, water, electricity and timbers.

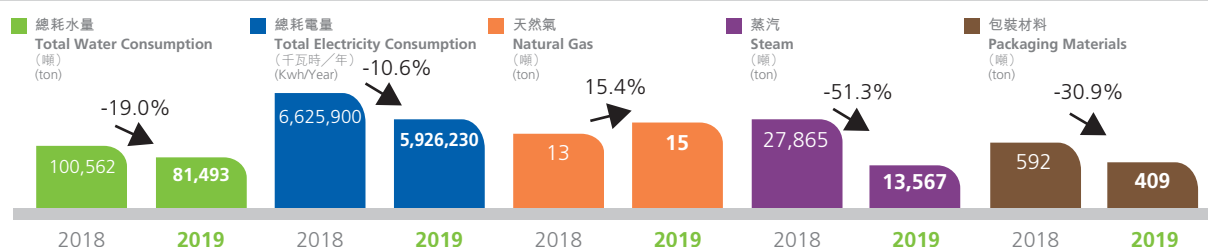
環境、社會及管治報告

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本報告期內主要排放物數據如下：
Major emissions during the reporting period are as follows:



本報告期內主要資源消耗數據：
Major resources during the reporting period are as follows:



企業文化

本集團以深耕風濕免疫處方藥領域，成為該領域基礎用藥第一品牌為目標。同時積極佈局美容、保健品、精準醫療等領域，努力成為優秀的多元化大健康產業集團。專業、國際化、不斷創新、充滿活力是我們的企業文化，讓快樂和健朗的人生開始是我們的不懈追求。本集團提倡團隊合作，明確個人職責，樹立責任及務實、開放、共用的價值觀。為客戶提供高品質的產品，為員工創造高品質的生活，為股東取得高品質的投資，為社會回饋高品質的企業責任。傳承並創新傳統醫藥理論，打造並領導未來健康事業。

Corporate Culture

The Company aims to continue its business in prescription drugs for autoimmune rheumatic diseases and become the number one brand for basic medication in this field. It will also have an active presence in cosmetic, healthcare products, precision medicine and other fields and strive to become a diversified outstanding company in the comprehensive health industry. Professionalism, internationalisation, continuous innovation, and vitality are our corporate culture, and it is our relentless pursuit to help people live a happy and healthy life. The Company promotes team cooperation, and has defined clear individual responsibilities and established values of responsibility, pragmatism, open-mindedness and sharing. It aims to provide its customers with high-quality products, to create high-quality life for its employees, to obtain high-quality investments for its shareholders and to diligently perform its corporate responsibilities for the society. It inherits and introduces innovations on traditional medicine theory in order to develop and lead the future healthcare business.

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員工準則

公司遵循尊重、公平的原則，致力於打造和諧、健康的工作環境及公平、發展的職場氛圍。在提供就業機會、薪酬、培訓、績效考核、晉升等事務上均遵循以上原則，從未因性別、年齡、民族、宗教、文化及教育背景等因素而存在歧視，致力於為所有員工提供平等的發展平台，保障員工的各項合法權益，努力營造健康、和諧的工作環境。本集團的僱用政策嚴格遵守有關薪酬和解僱、招聘和晉升、工作時間、休息時間、平等機會、多樣性、反歧視以及其他福利和福利的現行法律法規。

本集團的勞動合同以國家頒佈的《勞動法》和地方相關勞動法規為依據，一經簽署立即具有法律效力，本集團嚴格按相關法規執行本集團的員工招聘及使用標準均嚴格遵照中國相關勞動法律、法規執行。本集團主要遵守的法律法規包括：

- 《中華人民共和國勞動法》
- 《中華人民共和國勞動合同法》
- 《中華人民共和國未成年人保護法》
- 《禁止使用童工規定》(國務院令第364號)
- 《浙江省女職工勞動保護特別規定》
- 《浙江省高溫補貼發放標準》

二零一九年內，本集團未出現違反上述法律、法規之情形。

Employee Guidelines

On the principle of respect and fairness, the Company is committed to creating a harmonious and healthy working environment, and fair and developmental workplace atmosphere, and also follows the above principles in providing employment opportunities, remuneration, training, performance assessment and promotion, and has never discriminated on the grounds of gender, age, ethnicity, religion, culture and educational background. It is committed to providing all employees with an equal development platform and protecting their lawful interests, and strives to create a healthy and harmonious working environment. The Group's employment policies strictly followed the prevailing laws and regulations regarding compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

The labour contract of the Group is based on the Labour Law promulgated by the state and the relevant labour laws and regulations of the local governments, and it shall have immediate legal effect once signed. The Group's standards for staff recruitment and deployment are in strict compliance with the relevant labour laws and regulations of the PRC. The Company is mainly subject to the following laws and regulations:

- Labour Law of the PRC
- Labour Contract Law of the PRC
- Law of the PRC on the Protection of Minors
- Provisions on the Prohibition against the Use of Child Labour (State Council Order No. 364)
- Special Provisions on Labour Protection of Female Workers in Zhejiang Province
- Standards for Distribution of High-temperature Subsidies in Zhejiang Province

In 2019, the Company did not violate any of the above laws and regulations.

用工政策

本集團招聘選拔旨在引進優秀人才加入本集團，為內部員工提供多種職業發展機會，共同為本集團的發展作出貢獻。本集團注意和瞭解每個人才的職業發展和特長，最高程度地將合適的人才安排在合適的崗位上，關愛員工，達到員工與本集團共同發展的目標。

公司對每一位員工實施科學的績效及發展管理。有效地將本集團的戰略目標和個人及團隊的目標聯繫在一起，進行量化管理，並且在完成業績目標的同時，確保員工個人的發展和成長。

本集團每年根據員工綜合業績、目前薪酬、市場酬資水準、業務環境、通貨膨脹率等資料進行薪酬的調整，並確保公司的整體薪酬具有一定的市場競爭力。並按國家規定為員工繳納養老保險、醫療保險、失業保險、工傷保險、生育保險及住房公積金。本集團奉行不分民族、宗教信仰、性別，與所有員工簽訂了書面形式的勞動合同，為保護員工集體權益，由工會組織和本集團協調簽訂《工資集體協議》、《勞動集體協議》。

本集團一直致力於如何前瞻性的選拔、激勵和保留優秀員工。本集團的組織發展與人才管理著力於不斷為員工提供完善的培訓發展體系，合理的績效評估，制訂科學的職務發展通道，同時關注員工認可及激勵，從而使員工具有長期學習與發展的推動力，最終達到構建整個組織能力的長遠目標。

本集團獲得的每一個進步都與廣大員工的努力密切相關，本集團發展的同時也讓員工分享成功的果實，確保員工能夠公平的獲得價值並按貢獻程度分享價值。

Employment Policy

The Group aims to attract excellent talent to the Group through recruitment and selection and provides multiple career development opportunities for internal employees, jointly contributing to the development of the Group. The Group pays attention to and understands professional development and expertise of each talent, assigns talent to appropriate posts to the extent possible and cares for its employees to achieve the goal of joint development of the employees and the Group.

The Company provides scientific performance and development management to each employee, effectively links strategic objectives of the Group to the objectives of the individual and the team for quantitative management, and ensures individual development and growth of the employee as well as achievement of performance target.

The Group annually adjusts the remuneration of the employees according to comprehensive performance, current remuneration, remuneration level in the market, business environment, and inflation rate and other information to ensure the Company's overall compensation has certain market competitiveness. The Company also makes contributions to pension, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing fund for its employees in accordance with national regulations. Regardless of nationality, religious belief and gender, the Group signs written labour contracts with all employees. In order to protect collective rights and interests of the employees, *Collective Wage Agreement and Collective Labour Agreement* are signed by labour union and the Group through coordination.

The Group has been committed to selecting, motivating and retaining excellent employees in a forward-looking way. Organisational development and talent management of the Group focus on continuously providing employees with a sound training development system and reasonable performance evaluation, formulating a scientific career development channel, and concerning about staff recognition and motivation, so as to provide long-term impetus for learning and development, and ultimately achieve the long-term goal of building the capacity of the whole organisation.

Every progress made by the Group is closely related to the efforts of its employees. The Group also allows its employees to share the fruits of success in its development in order to ensure that employees can receive values fairly based on their contributions.

工作時間

為保護員工勞動及休息權益及幫助員工獲得工作和生活之平衡，本集團員工之工作時間符合《中華人民共和國勞動法》及《中華人民共和國勞動合同法》中的有關要求。本集團行政、管理職能員工實行每周40小時工作時間的制度；生產員工實行輪班、輪休制度。銷售人員實行不定時工作制。若需要員工超時工作本集團會依照國家相關勞動法律、法規的有關規定，向員工支付相應的工作報酬。員工的休息日及法定節日與國家勞動法規一致。

人員結構

我們鼓勵和尊重多元化。集團包括不同性別、年齡、技能、教育背景、行業經驗及其他質素的員工，以達致最適合之結構和平衡。

員工權益及福利

本集團在創造企業經濟效益的同時也積極保障並維護員工權益，提高員工的各項福利待遇，重視提升員工的歸屬感，增強企業的凝聚力。

本集團員工均享受帶薪休假，除享有國家規定的法定節假日外，員工之獎金、津貼、補貼、福利等按國家及集團有關制度發放。本集團除了為員工繳納基本醫療保險外，還為員工提供意外商業保險及補充養老保險，工會互助住院重疾保險及女職工安康保險，與基本醫療養老保險互為補充。同時，本集團還為滿足條件的員工提供一定比例的醫療費用報銷，以減輕員工負擔。於報告期內，本集團走訪慰問病困及離退休員工，並以慰問金、慰問物品等形式給予其關心與資助。

Working Hours

In order to protect labour and rest rights and interests of the employees and help its employees strike a balance between work and life, the working hours of the Group's employees is in compliance with the requirements of the *Labour Law of the PRC and the Labour Contract Law of the PRC*. Under the working system of the Company, administrative and managerial staff work 40 hours per week and production staff work in shifts and take turns to have holidays. Sales staff work irregular hours. If any employee is required to work overtime, he/she will be compensated correspondingly by the Group in accordance with the relevant PRC labour laws and regulations. The employees' days off and statutory holidays are in compliance with the requirements of the national labour laws.

Staff Structure

We encourage and respect diversity. The Group has employees of different genders, ages, skills, educational background, industry experience and other qualities to achieve an optimum structure and balance.

Rights and Benefits of Employees

While creating economic benefits, the Group also actively protects and safeguards the interests of its employees and improves the welfare of its employees. It attaches great importance to improving the sense of belonging of its employees and increasing its cohesion.

All employees of the Group are entitled to paid leaves. In addition to the statutory holidays, its employees also receive bonuses, allowances, subsidies and benefits provided by the Group in accordance with the relevant systems of the PRC and the Group. In addition to basic medical insurance contributions, the Group also makes commercial accident insurance and supplementary pension contributions as well as provides unionised mutual aid hospitalisation insurance for critical illness for its employees and medical insurance cover for its female staff so as to complement the basic medical and pension insurance contributions. Furthermore, the Group reimburses those employees who meet specified conditions for a certain proportion of their medical expenses to reduce their burden. During the reporting period, the Group visited its sick and retired employees and provided them with care and assistance in the form of money and supplies.

本集團依法成立工會組織及職工代表大會制度，旨在保障全體員工的各項合法權益，為員工提供了暢通開放的溝通管道。同時，集團通過自動化辦公平台（「OA辦公平台」）、企業郵箱、內部期刊、宣傳欄、調查問卷等形式及時將集團的最新動態傳遞給每一位員工，並積極聽取員工的意見與建議，針對員工關注度較高的問題及時採取相應的改進措施，保障廣大員工的利益。

本集團為豐富員工業餘生活，成立有羽毛球協會、足球協會、籃球協會，每週為員工提供了籃球場、羽毛球館等運動場地及娛樂設施，並不定期舉辦和兄弟公司、業務合作單位、社區的團體業餘比賽。此外，亦定期發行《新立華》內部月刊，開通〈曩聚朗生〉微信公眾號，豐富員工的文化生活。報告期內，集團共組織包括籃球比賽、羽毛球賽、爬山運動、非洲鼓等在內的豐富多彩的活動，在幫助員工舒緩壓力、豐富業餘生活的同時也為員工搭建了展現自我及相互溝通融合的平台。

員工健康與安全

員工是集團最重要的財富和資源，因此集團始終把員工的健康與安全放在首位，集團以安全生產保護員工，致力於為員工提供健康關懷，亦為員工提供安全、健康及受保障的工作環境。

集團生產車間均裝有除塵、除噪、除濕等設備，並規範設置危險品識別標誌，規範使用。對於有可能造成職業傷害的特種設備，定期保養，專人使用，定期年檢。對於有可能出現危害的有毒、有害工作場所，設置醒示標誌、制訂應急預案。為生產員工提供防護用品等勞保用品，最大限度地降低對員工健康的傷害。同時，集團每年定期舉行消防疏散、自救、急救、逃生等演練，強化員工的安全意識以及自我保護意識，避免員工於工作中發生意外。

The Group has established a labour union and a workers' representative assembly in accordance with the law, aiming to protect the lawful interests of all of its employees and provide free-flowing communication channels for its employees. In addition, the Group keeps every employee informed of its latest development and actively listens to their opinions and suggestions through its office automation platform (the "OA Platform"), corporate emails, internal periodicals, bulletin boards and questionnaires, and takes relevant remedial measures to tackle problems that are of concerns to its employees in order to protect their interests.

In order to enrich the leisure activities of its employees, the Group has established a badminton association, a football association and a basketball association, providing its employees with sports venues and entertainment facilities including basketball courts and badminton halls for weekly activities, and holds amateur team competitions with Group companies, business partners and communities from time to time. Moreover, it publishes the "New Liwah" internal monthly magazine, and operates a Wechat public account named "Gather at Lansen" to enrich the cultural life of its employees. During the reporting period, the Group had organised activities including basketball games, badminton games, hiking, African drum activity, which have built a platform for its employees to exhibit themselves and conduct communication while relieving their pressure and enriching their leisure time.

Staff Health and Safety

Employees are the most important assets and resources of the Group. As such, the Group always puts the health and safety of its employees in the first place. It protects the production safety of its staff, and is committed to providing its employees with healthcare as well as a safe, healthy and protected working environment.

The Group's production workshops are all installed with equipment for dust, noise and poison protection. Signs of dangerous goods are set up, and the use of those goods is regulated. For special equipment which may cause occupational injuries, periodic maintenance and annual check-up would be performed and those equipment can only be used by authorised personnel. For toxic and harmful workplaces that may cause danger, warning signs are set up and contingency plans are formulated. Its production staff members are provided with appliances for labour protection including protection equipment to minimise the damages to the health of its employees. Besides, the Group holds annual drills for fire evacuation, self-help, first aid and escape on a regular basis to enhance the awareness of safety and self-protection of its employees and prevent accidents at work.

Environmental, Social and Governance Report

集團制定了《企業職工健康管理規程》及《衛生和人員健康狀況管理規程》，每年定期組織全體員工進行全面健康體檢。對於從事具有職業危害的員工，集團嚴格執行《中華人民共和國職業病防治法》和相關勞動保護條例等有關規定，通過定期進行健康檢查、療養等方式降低職業疾病發生率。

集團盡全力改善員工的工作環境及設施，致力於為全體員工提供溫馨、舒適的辦公環境。集團宣導無煙化辦公，廠區嚴格禁煙。此外，集團在不同工作場所設有配套餐廳，每天提供營養豐富、品種多樣的健康餐品。

員工培訓與發展

本集團尊重人才，期以發展。本著組織與個人融合發展的理念，二零一九年集團繼續朝著構建學習型組織方向進行，持續推進全方位的人才培訓體系，並取得良好的效果。包括新員工入職系列培訓、生產管理專項培訓、市場銷售專項培訓、通用技能培訓、領導力發展計劃、團隊建設培訓等。

二零一九年集團培訓除人力資源部組織的系列培訓外，醫藥、美容、健康公司分別組織開展了內部培訓，主要圍繞新員工入職培訓、管理開發培訓、專業技能及學歷繼續教育等工作展開。共約有1600餘人次參加，人均培訓時長約16小時，全面提升了員工的業務水準和綜合素質。

The Group has formulated the Employee Health Management Procedures and the Hygiene and Personal Health Condition Management Procedures, and organises all employees to receive regular comprehensive health examinations every year. For its employees at positions with occupational hazards, the Group strictly implements the requirements of the Law of the PRC on Prevention of Occupational Diseases and relevant labour protection regulations, and strives to lower the incidence of occupational diseases through regular health examinations and resting.

The Group made every effort to improve its employees' working environment and facilities and had been dedicated to providing a warm and comfortable working environment for all of its employees. The Group advocates smoke-free office and strictly prohibits smoking in the factory area. In addition, the Group has canteens at different workplaces, providing various healthy food with rich nutrients every day.

Staff Training and Development

The Group values talent and provides a platform for its development by conforming to the philosophy of common development of the Group and employees. In 2019, it continued to build a learning-oriented organisation and promote an all-round talent training system covering new employee induction, special production management training, special sales and marketing training, general skills training, a leadership development plan, team building training, etc, which had produced positive results.

In 2019, in addition to the series of training organised by the Human Resources Department, the pharmaceutical, cosmetics and healthcare units also organised internal training, mainly focusing on new employee induction training, management development training, professional skills and continuing education. A total of more than 1,600 people participated in the training, and around 16 hours of training per person, which comprehensively improved the business standards and comprehensive quality of employees.

案例一：《高效能人士的七個習慣》培訓會

二零一九年年中，由公司人力資源部員工組織的《高效能人士的七個習慣》培訓會在浙江杭州順利開展，此次培訓為期兩天，旨在提高企業管理人員的整體職業素質，為建立一支優秀的管理團隊打下扎實基礎。

高效能人士的七個習慣是一個整體，它們相輔相成，既包括個人，也包括團隊，既對應著做人，也對應著做事，要提高自我分析和解決問題的潛力，務必從改變自我內心深處的價值觀以及對事物的認知入手。本次培訓有針對性的對個人和團隊進行一些知識技能的講解傳授，再輔助一些必要的和實用的有效方法。參會人員結合自身的工作崗位，對本次培訓做了深刻思考，每個人都能從中有所收穫，全力以赴確立目標，進行個人修煉，團隊方面也是通過換位溝通，集思廣益，促進團隊的溝通與合作。

通過此次培訓，人員能更清楚的認識自我個性，更加積極主動尋求自身素質的持續提高，在工作中催生改變，工作的溝通效率也更加高效，實現個人和團隊的共贏。

案件二：鍛造銷售冠軍培訓

為提升銷售領導層的管理水準，保證銷售團隊的銷售能力與公司戰略目標相匹配，集團於二零一九年在武漢開展了鍛造銷售冠軍培訓。銷售團隊成員素質如何，是否敬業，是否高效都直接關係到公司的業績成敗，如何打造一支規範且執行力強的銷售團隊成為了銷售經理主要學習目標，課程中的實戰案例講解，協訪銷售代表技巧學習以及角色扮演，幫助大家從理論到實踐全方位領悟，使之熟練掌握培養、管理、激勵醫藥代表的方法，讓輔導落到實處，有效提升一線代表的執行力。

此次培訓也為企業今後應對外部市場環境帶來的變化提前做好準備。

Case 1: The 7 Habits of Highly Effective People Training Session

In mid-2019, The **7 Habits of Highly Effective People** Training Session, a two-day training organised by the Human Resources Department of the Company, was successfully conducted in Hangzhou, Zhejiang Province, with an aim at improving the overall professional competence of the Company's management, thus laying a solid foundation for developing an excellent management team.

The seven habits are united and complementary as they involve both individuals and team, and equally emphasise the building of sound values and the way of doing things. Improving the potential for self-analysis and problem solving must be started by changing values and perception of things. In the training, trainers elaborated and taught certain knowledge and skills specific to individuals and teams, and further shared certain effective methods that are necessary and practical. On the basis of their own positions, the attendees thought deeply about the training. When it comes to individuals, they decided to improve themselves by setting their own possible goals, and when it comes to the team, the improved empathy and brainstorming brought about more effective communication and teamwork.

Through the training, attendees had a clearer view on their own personality, and became more active to seek for continuous self improvement, bringing about improvements in working style and more efficient communication, thus achieving win-win results for individuals and team.

Case 2: Training for Coaching Salespeople into Sales Champions

In 2019, the Group initiated the training for coaching salespersons into sales champion in Wuhan in order to improve the management skills of the sales leadership, thus ensuring the sales competence of the sales team lines up to the strategic goals of the Company. The quality, dedication and efficiency of the members of the sales team have a direct bearing on the success of a company. How to build a standard sales team with execution power has become the main learning objective for the sales managers. With the case studies, learning of sales skills by visiting customers together, and role playing. The training course was useful for those sales managers as it allowed them to understand sales management from theoretical knowledge to practice. The sales managers therefore had a good command of sales representative fostering, management and motivation. The well-implemented coaching effectively improved the execution power of the front-line representatives.

The training was also part of the Company's efforts to prepare against future possible changes in the external market environment.

供應鏈管理

本集團始終秉承品質是品牌的生命、責任是品質的保證這一宗旨，積極發展與供應商、配送商以及客戶的合作關係，在合理降低公司運營成本、提升產品及服務品質及減少合作風險的前提下，充分發揮供應鏈管理部門在採購和訂單、倉儲和物流管理、銷售發貨等方面的重要作用，樹立公司品牌形象，助力公司發展。

本集團目前經營範圍有藥品、醫療器械、美容產品等領域，相關政府監管部門批准的經營許可證明齊全並在有效期內。本集團為保證供應鏈各環節的高效運行，根據公司各產品的銷售預期，建立了與之匹配的供應制度和流程，並結合品質管制部門對供應商、配送商和客戶的監管，形成較為完善的供應鏈管理體系。

Supply Chain Management

By always adhering to the principle of "Quality is the life of a brand and Responsibility is the guarantee of quality", the Group has been actively developing cooperative relationships with suppliers, distributors and customers. Under the premise of rationally reducing the operating costs, improving the quality of products and services, and reducing cooperation risks, the Group gives full play to the important role of the supply chain management department in purchasing and ordering, warehousing and logistics management, sales and delivery etc., so as to establish the Company's brand image and help its development.

The Group's current business scope includes pharmaceuticals, medical devices and cosmetic products etc., and has obtained all relevant and valid business licences approved by relevant government regulatory authorities. In order to ensure the efficient and effective operation of all links in the supply chain, the Group has established a matching supply system and processes based on the Company's product sales expectations, and has formed a relatively complete supply chain management system combined with the Quality Control Department's supervision of suppliers, distributors and customers.

本集團在供應商管理方面，依據《中華人民共和國藥品管理法》、《藥品生產品質管制規範》、《中華人民共和國藥典》、《藥品經營品質管制規範》、《醫療器械監督管理條例》、《醫療器械經營品質管制規範》等相關法律、法規要求，制定了《供貨單位及產品的審核管理制度》、《首營企業審核程式》、《首營品種審核程式》、《採購管理制度》等一系列制度，首次購進，需由供應鏈管理部和品質管制部共同對供應商進行全面的資質審核，批准後方可將供應商設為首營企業，再經供應鏈管理部安排後續進貨，同時GMP/GSP電腦管理系統自動管控供貨單位的證照有效期，近效期時會預警提醒，到期後系統會自動凍結，需更新企業證照資料後方可解凍，實施採購計劃。另外品質管制部與供應鏈管理部每年至少對供應商進行一次品質評審，建立供貨單位品質評審檔案，根據《供應商甄選與考核標準操作規程》，決定供應商資格的保留或取消，最終形成《合格供應商目錄》，並根據實際情況不斷完善之。本集團對於任何物料的供應，都保證不少於兩家合格供應商，以防止突發情況發生時保障物料的及時供應。對於重點物料供應採取集中招標採購，並對供應商分級管理，保證資源配置合理，達到供應鏈管理效益最大化。

In terms of supplier management, the Group has formulated Suppliers and Products Selection and Management System, Newly-operated Suppliers Selection and Management System, New Product Selection and Management System, Procurement Management System etc. in accordance with the relevant laws and regulations such as the Drug Administration Law of the PRC, Good Manufacture Practice of Medical Products, Pharmacopoeia of the PRC, Good Supply Practice for Pharmaceutical Products, Regulation on the Supervision and Administration of Medical Devices and Good Supply Practice for Medical Devices. For the firstly-purchased products, a comprehensive qualification review of the relevant supplier is required by the Supply Chain Management Department and the Quality Control Department. After approval, the relevant supplier can be categorised as a newly-cooperated enterprise, and subsequent purchases will then be arranged by the Supply Chain Management Department. At the same time, GMP/GSP computer management system automatically monitors the validity period of the licences of the suppliers. It will issue early warning when the expiration date is near and will automatically freeze the cooperation after the expiration date. The licence information needs to be updated before it can be unfrozen and subsequent procurement plan can be implemented. In addition, the Quality Control Department and the Supply Chain Management Department conduct quality reviews of suppliers at least once a year, establish supplier quality review files, and determine the retention or cancellation of supplier qualifications in accordance with the Standard Operating Procedures for Supplier Selection and Evaluation, so as to finally compile the Qualified Suppliers List and constantly improve it according to the actual situation. For the supply of any material, the Group guarantees no less than two qualified suppliers to ensure the timely supply of materials in the event of an emergency. In terms of the supply of key materials, centralised bidding and procurement is adopted, and suppliers are hierarchically managed to ensure reasonable resource allocation and maximise the benefits of supply chain management.

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本集團亦會對所有經營的產品進行年度品質評審，分別和藥品供應商以及其他產品的相關供應商和服務公司簽訂《品質保證協定》，對供應商、配送商、客戶品質管制體系進行年度評價，同時密切關注國家監管部門網站公佈的品質資訊，對評價不合格或出現嚴重品質問題的客商，本集團會立即停止該供應商之供貨和下游客戶發貨，在系統內凍結涉事客商的採購和供應，確保本集團經營產品的品質安全。

本集團於二零一九年加強了對於供應鏈管理工作的內部審計，並根據審計報告及時發現和更正日常管理工作的疏漏，以保證供應鏈管理體系的良性運行。

截至二零一九年十二月三十一日，本集團共向88家供應商採購原材料、輔料及包材。主要分佈情況：華東68家；華南1家；華北5家；華中8家；西南5家；西北1家。此外本集團亦與4家合格供應商合作，其中藥品供應商3家，化妝品供應商1家；主要分佈情況：華東2家，華中1家，台港澳1家。4家均經過供應商和產品資質審核並經過供應商品質管制體系評價合格。

The Group also conducts annual quality appraisal on all of its products. It has signed Quality Assurance Agreement with pharmaceutical suppliers and other related product suppliers as well as service companies, respectively. It also assesses the quality control systems of suppliers, distributors and customers every year, and pays close attention to quality information on the website of national regulatory department. If the supplier does not pass the assessment or serious quality issues are identified, the Group will suspend the supplier's product provisions and its downstream customers' product delivery immediately and freeze their qualification of procurement and supply in its system to ensure the quality and safety of our products.

The Group has enhanced the internal audit of its supply chain management in 2019 and has rectified the identified deficiencies and omissions in the daily management according to audit reports to ensure the efficient operation of the supply chain management system.

For the year ended 31 December 2019, the Company procured raw materials, auxiliary materials and packaging materials from 88 suppliers with geographical distribution as follows: 68 in East China; 1 in South China, 5 in North China; 8 in Central China; 5 in Southwest China and 1 in Northwest China. Furthermore, there were 4 qualified cooperative suppliers, among which 3 and 1 were pharmaceuticals and cosmetics suppliers respectively, with geographical distribution as follows: 2 in East China; 1 in Central China and 1 Taiwan, Hong Kong and Macau. The 4 suppliers all passed our supplier and product qualification assessment and supplier quality management system appraisal.

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產品品質

行業政策法規

本集團所經營的產品主要包括藥品、醫療器械、美容產品等，嚴格遵照國家有關產品安全的法律法規，相關法律法規主要包括：

- 《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》
- 《中華人民共和國產品品質法》
- 《藥品生產品質管制規範》(國家藥品監督管理局)
- 《藥品不良反應報告和監測管理辦法》(衛生部令第81號)
- 《藥品經營品質管制規範》
- 《醫療器械監督管理條例》
- 《醫療器械經營品質管制規範》
- 《化妝品衛生監督管理條例》

本集團依法進行廣告宣傳，進一步保障消費者權益、維護品牌形象。集團嚴格執行《中華人民共和國廣告法》、《醫療廣告管理辦法》、《中華人民共和國藥品管理法》、《藥品廣告審查辦法》等法律法規，保證集團廣告宣傳合法合規，遏制違法廣告等有損集團及品牌形象的情形發生。

Product Quality

Policies, Laws and Regulations Concerning the Industry

The main products operated by the Group including pharmaceutical products, medical devices and cosmetic products, etc. are all in strict compliance with the applicable laws and regulations of the PRC regarding product safety, which mainly include:

- Drug Administration Law of the PRC
- Rules for Implementation of Drug Administration Law of the PRC
- Law of the PRC on Product Quality
- Good Manufacture Practice of Medical Products (China Food and Drug Administration)
- Measures for the Reporting and Monitoring of Adverse Drug Reactions (Ministry of Health Order No. 81)
- Good Supply Practice for Pharmaceutical Products
- Regulations on the Supervision and Administration of Medical Devices
- Good Supply Practice for Medical Devices
- Regulations on Cosmetics Hygiene Supervision

The Group markets and promotes its products in compliance with applicable laws and regulations in order to further protect the rights and interests of consumers and our brand image. The Group strictly abides by relevant laws and regulations such as the Advertisement Law of the PRC, Measures for the Administration of Medical Advertisements, the Drug Administration Law of the PRC, Measures on the Examination and Approval of Medical Advertisements, so as to ensure the advertisement and marketing activities meet the requirements of such laws and regulations and to prevent the occurrence of illegal advertisement which may bring adverse impact to the Group and its brand image.

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品質管制體系

本集團致力於確保產品品質及安全，本著「認真真做藥，踏踏實實做人」的原則為社會提供安全有效的產品。特別是集團的產品大多屬於藥品，保證產品品質及安全是集團工作的重中之重。嚴格遵守相關法律法規，規範管理，避免出現任何違法違規的事件。集團組織結構完整，明確各部門崗位的品質職責，並配備符合崗位資質要求的品質管制人員，對相關崗位人員進行培訓與考核。按照國家相關法律、法規要求制定產品經營品質管制制度、操作規程檔，並根據法律、法規及集團實際情況進行修訂。

本集團配備符合GSP要求的倉儲物流設施設備及電腦資訊管理系統，對冷鏈等相關設備進行定期驗證。

作為一個集產品研發、生產、銷售於一體的大型醫藥公司，本集團一直以來，以「品質第一，規範至上，持續改進，顧客滿意」為品質方針，嚴格遵守藥品GMP管理規範的相關要求，在生產過程中，始終嚴把品質關。二零一九年本集團產品外部抽樣合格率为100%。

本集團建立了品質風險管理制度，確保從產品研發階段、供應商選擇、採購程序控制、驗收儲存管理、生產過程、檢驗過程、銷售過程等方面均進行全面的品質風險評估，確保產品整個生命週期(產品研發到產品退市)的穩定。生產過程中若出現不合格產品，質量管理人員均有權實行一票否決，確保出廠產品完全符合質量要求。

Quality Management System

The Group is committed to ensuring the quality and safety of its products. It provides safe and effective products for the society based on the principle of producing medicine conscientiously and steadfastly. Especially most of the products of the Group are medicines. To ensure the quality and safety of products is the top priority of the Group. It will strictly comply with relevant laws and regulations, standardise its management, and avoid any violations of laws and regulations. The Group is properly organised with various departments, each of which has its own responsibility for quality and has quality control personnel with appropriate qualification who will be responsible for the training and appraisal of relevant staff. We have formulated a product management quality control system and operation code for our products in accordance with the relevant laws and regulations of the PRC and will make relevant amendments according to applicable laws and regulations and the actual practice of the Group.

The Group is equipped with storage and logistics equipment and facilities and computer management system which meet the requirements of GSP, and would regularly check such cold chain equipment.

As a large pharmaceutical company integrating product research and development, production and sales, the Group has always taken “quality oriented, standardisation first, continuous improvement, customer satisfaction” as its quality approach. The Group strictly complies with the relevant requirements of GMP management standard of drugs and strictly controls the quality throughout the production process. In 2019, the qualified rate of external sampling of the Group’s products was 100%.

The Group has established a quality risk management system to ensure a comprehensive quality risk assessment for various aspects, including product research and development, supplier selection, procurement process control, acceptance and storage management, production process, inspection process and sales process, to ensure the stability of the product life cycle (from research and development to pulling off shelf of product). Quality control personnel has absolute discretion to refuse any unqualified products identified during the manufacturing process so as to ensure all products met relevant quality requirements before leaving the factory.

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集團通過認證：

認證類型

Certification Category

藥品生產品質管制規範認證(GMP)

Good Manufacturing Practices in drug production (GMP)

危害分析重要管制點(HACCP)

Hazard Analysis and Critical Control Points (HACCP)

韓國藥品生產品質管制規範認證(KGMP)

Korea Good Manufacturing Practice (KGMP)

經營環節品質控制

本集團實施從原料採購，供應商管理到產品銷售的全線GMP管理模式，從原料採購、進貨直到入庫均採用嚴格的驗收制度。定期進行供應商審計，確保原料來源可靠；生產過程嚴格遵照GMP規範管理，對產品執行內控標準管理，確保出廠產品完全符合品質要求。本集團建立了相關的產品召回程式，對存在品質隱患可能危及或傷害使用者健康的產品能確保及時召回，保障人民用藥安全有效。二零一九年一月至今未發生因產品品質原因的召回。

公司通過有價值的體系認證來不斷完善自己的品質體系，跟上國際化發展趨勢，確保與國際接軌。

The Group has obtained the following certifications:

發證機構

Issuing Agency

國家食品藥品監督管理局

China Food and Drug Administration

瑞士通用公證行(SGS)

Société Générale de Surveillance (SGS)

韓國食品藥物安全部(MFDS)

Ministry of Food and Drug Safety

Quality Control in Operation

The Group has implemented a GMP management model for raw material procurement, supplier management and product sales, and has adopted a strict inspection and acceptance system for the processes of procurement, delivery and storage of raw materials. Regular supplier audit is performed to ensure reliable source of raw materials. The production process strictly abides by GMP standard management, and internal control standard management is implemented for products, ensuring products leaving the factory fully meet the quality requirements. The Group has formulated relevant product recall procedures to make sure that products which have safety defects and may endanger or adversely impact the users' health can be recalled in a timely manner so as to ensure the safety and effectiveness of the products for the consumers. No recall due to product quality issue has occurred since January 2019.

Through the valuable system certification, the Company continuously improves its quality system, keeps up with the trend of internationalisation, and ensures that it is in line with international standards.

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產品品質查詢、投訴、收回管理

質量管理部負責產品質量查詢、投訴問題處理，消費者或下游客戶可通過集團業務人員或客服部回饋查詢、投訴問題。質量管理部根據回饋情況，調查核實問題原因，調查清楚後給予答覆；對於涉及生產方面問題，質量管理部回饋供貨商或生產企業，由後者給予調查、答覆。對於容易重複出現的問題，制定預防措施並跟進。二零一九年顧客投訴處理率為100%。

維護及保障智慧財產權

本集團經營產品中，藥品附有電子監管碼，醫療器械產品附有防串碼，可對產品進行追溯，同時可防止假冒產品冒用集團品牌。同時，本集團一直非常重視知識產權維護和保障，多年來持續不斷的註冊自己商標品牌，積極申報專利保護，一般每年都會新申報發明專利，至今已經擁有註冊商標71件，有效授權發明專利19項。公司通過提升企業智慧財產權意識，提高創新創造活力，從而增強市場競爭力，為企業持續發展護航。

消費者隱私保障

本集團尊重消費者隱私，對消費者回饋的問題如實解答，同時承諾對於消費者的聯繫方式、住址、隱私等個人資訊不向外洩漏。

Enquiry, complaint and recall management in relation to product quality

Our quality management department is responsible for enquiries and complaints handling regarding product quality. Consumers or downstream customers may give feedback and make complaints through the Company's sales personnel or customer service department. The quality management department will inspect and verify the causes based on the feedback before making a reply. As for production issues, the quality management department will forward the issues to suppliers or manufacturing enterprises for their inspection and reply. Preventive and follow-up measures will be formulated for repetitive issues. Customer complaint handling rate in 2019 was 100%.

Intellectual Property Rights Protection

For the products of the Group, pharmaceuticals and medical devices come with electronic monitoring codes and anti-tampering codes respectively, which can be used to track the products and prevent counterfeit products from using the Company's brand. Meanwhile, the Group has always attached great importance to the maintenance and protection of intellectual property rights. The Group has been registering its trademarks and brands and actively declaring patent protection for years. Generally, the Group applied for new patents every year and possesses 71 registered trademarks and 19 valid patented inventions to date. The Company has enhanced its market competitiveness through enhancing the awareness of intellectual property rights and innovation and creativity, with an aim to escort the sustainable development of the enterprise.

Consumer Privacy Protection

The Group respects consumer privacy and would answer consumers' enquiries truthfully while committed to keeping the contact information, addresses and personal information of consumers confidential.

反腐敗

集團規定決不可以提供或給予任何人士賄賂款項、佣金、回扣、非法政治捐獻或其他不正當的款項。商業應酬要合法、合理並符合客戶及所在部門的守則。為避免利益衝突，在集團本職工作以外從事的財務活動或其他交往必須合法，不得與作為集團員工所承擔的本職工作發生利益衝突。不准濫用集團的財力、物力、或影響力，或損壞集團的良好聲譽。凡是有涉嫌犯罪的人員，集團將及時向相關部門檢舉、報告。

集團除了在制度建設上保證員工的廉潔自律以外，建立的內部監督體系也從另一層面約束了員工的違法行為。董事會下設有內審委員會，全面並獨立的負責集團的內部審計監督；亦設有內部審計部門，從風險控制角度對集團的財務賬實相符、資產的安全、經濟效益及其他有關經濟活動，進行監督和風險提示，從而有效控制並降低經營風險。本年度集團內審部門從制度執行的角度出發，不定時抽查員工是否嚴格按照集團制度規定的反腐條款來約束自己，給員工以警示作用。嚴格遏制賄賂、詐騙、貪污等各類違法經營行為的發生，促進集團的依法合規經營。

於報告期內，該等制度及體系對集團風險控制及反腐敗管理方面起到了較好的控制與防範作用，未發現重大缺陷。

Anti-corruption

The Group has established rules that no bribes, commissions, rebates, illegal political donations or other improper payments shall be provided or given to any person. Business entertainment shall be legal, reasonable and in compliance with the codes for customers and the relevant departments. In order to avoid conflicts of interest, any financial activities or other activities not conducted in the course of performing duties for the Group must be legal and shall not conflict with the performance of duties for the Group's employees. None of the Group's financial resources, assets or influence shall be abused, and its good reputation shall not be tarnished. The Company will promptly report any person suspected of a crime to the relevant departments.

In addition to ensuring the staff's integrity and discipline in system development, the established internal supervision system also produces restraint to employees' unlawful acts. An internal audit committee has been established under the board of directors, which is fully and independently responsible for supervising the internal audit of the Group. An internal audit department has also been established to monitor the reconciliation of book accounts and actual situations, safety of assets, economic benefits as well as other related economic activities and provide risk alert from the perspective of risk control, so as to effectively control and lower operational risks. During the year, for the sake of system implementation, the internal audit department of the Group from time to time conducts random inspections on whether employees have exercised self-restraint in light of the Group's anti-corruption rules and regulations for serving as a warning to the staff. In addition, the Group strictly prevents unlawful operations including bribery, fraud and corruption and facilitates the operation of the Group in accordance with relevant laws and regulations.

During the reporting period, these rules and systems played a positive role of control and prevention in risk control and anti-corruption management of the Group, and no major defects were identified.

社會公益

成為有社會責任感的企業公民是集團一以貫之的文化理念，扶危濟困，襄助公益事業是企業履行的重要社會責任之一。集團在不斷發展的同時積極回饋社會。社會公益活動不只是義務，更是集團成長與發展之路的必備條件。集團將經營發展與社會責任高度融合，以「承擔責任」為宗旨積極投身社會公益活動之中。

集團成立至今，已設立冠名基金及專項助學基金，積極參與「同城陽光」活動，每年用來幫助外來務工子女的學習、生活、就醫等。積極參與環境改善、五水共治等綠色環保公益活動。集團在反哺社會的同時，還積極引導集團員工參加各類公益組織，開創出爭當志願者為榮的精神風貌。

Social Welfare

Becoming a corporate citizen with a sense of social responsibility is the cultural philosophy that the Group has been following. Helping the poor and supporting the public welfare undertakings are also one of the significant social responsibilities. The Group corporate actively contributes to the society during its continuous development. To promote social welfare is not just an obligation of the Group, but also necessary for its growth and development. The Group has achieved a high degree of integration of its operation with its social responsibilities, and actively participates in promoting social welfare with the aim of "taking responsibility".

Since its inception, the Group has established funds under its name and special scholarship funds, and has actively participated in "city sunshine" (同城陽光) activities, which were utilised to help with the learning, life and medical treatment of the children of migrant workers each year. It vigorously participates in environment protection and green public welfare activities including environmental improvement, sewage treatment, flood prevention, water drainage, water supply and water saving. While repaying the society, the Group also actively guides its employees to participate in various charity organisations and create a spirit of taking pride in becoming volunteers.

董事及高級管理人員履歷

Biographical Details of Directors and Senior Management

常務執行董事

陳力先生，58歲，為本公司常務執行董事兼集團行政總裁。陳先生在醫藥行業擁有超過25年經驗。於二零一四年七月至加入本集團前，陳先生在中國Alfa Wassermann擔任總經理。陳先生以前曾在多家國際知名醫藥企業工作。二零零九年六月至二零一二年十一月，他在美國雅培擔任中國部總經理；二零零四年至二零零九年六月，他在惠氏製藥公司中國上海擔任助理副總裁。一九九二年至二零零四年期間，分別在葛蘭素史克、赫斯特醫藥中國、拜耳製藥中國、巴斯夫科諾中國、羅素中國工作。陳先生於一九八三年在同濟醫科大學取得醫學學士(內科醫生)學位。

非執行董事

吳鎮濤先生，66歲，為本公司非執行董事兼主席。他也為Cathay International Holdings Limited (「Cathay」)(一間在倫敦證券交易所上市的公司)的執行主席，同時兼任該公司執行委員會及薪酬委員會主席。吳先生為Cathay集團創始人。在過去的二十幾年裡，Cathay集團主要在中華人民共和國經商及投資。吳先生生於北京並在當地接受教育。他於一九八二年畢業於北京工業大學，並持有工商管理學位。吳先生於一九八二年至一九八五年在國家科研機構擔任高級行政人員後，於一九八六年至一九八九年先後出任兩家新成立的國有金融機構董事總經理職務。自一九八八年起，吳先生通過一些公司投資及發展了深圳富苑酒店(現為深圳富苑皇冠假日套房酒店)，成立了國泰國際水務有限公司集團公司，大規模投資中國公用事業及基礎設施。當時的策略性股東包括摩根大通、新加坡科技、瑞銀集團、西班牙國際銀行及野村集富亞洲投資公司。此項業務曾經是中國自來水及污水處理項目最大的外方投資者，淨資產額超過十億美元。

Executive Managing Director

Mr. CHEN Li, age 58, is the Executive Managing Director and Chief Executive officer of the Group. Mr. Chen has over 25 years of experience in the pharmaceutical industry. Prior to joining the Group, Mr. Chen has been General Manager of Alfa Wassermann China since July 2014. Mr. Chen worked for a number of internationally renowned pharmaceutical companies in the past. He was previously General Manager of China with Abbot from June 2009 to November 2012 and Assistant Vice President of Wyeth Pharmaceuticals Shanghai from 2004 to June 2009. During the period from 1992 to 2004, Mr. Chen also worked in GlaxoSmithKline, Hoechst China, Bayer China, BASF Knoll China and Roussel China. Mr. Chen obtained a bachelor's degree in Medicine (Doctor of Internal Medicine) from Tongji Medical University in 1983.

Non-executive Directors

Mr. WU Zhen Tao, age 66, is a non-executive Director and chairman of our Company. He is also executive Chairman and is the Chairman of the Executive and Remuneration Committees of Cathay International Holdings Limited ("Cathay"), a company listed on the London Stock Exchange and founder of the Cathay Group, which has over 20 years' history of business and investment focused on the PRC. He was born and educated in Beijing. He graduated from the Beijing University of Technology in 1982. He also has a degree in Business Administration. Mr. Wu acted as a senior executive in government scientific institutes in the PRC from 1982 to 1985 and as managing director of two newly established state owned financial institutions in the PRC from 1986 to 1989. Since 1988 Mr. Wu has, through companies, invested in and developed the Landmark Hotel (now called Crowne Plaza Hotel & Suites Landmark Shenzhen) in Shenzhen and established the Cathay International Water Limited group of companies, which made substantial investments in public utilities and infrastructure in the PRC. Strategic shareholders were JP Morgan, Singapore Technologies, UBS, Banco Santander and Nomura JAFCO, and this business was once the largest foreign investor in water and waste water treatment projects in the PRC with net assets of over US\$1 billion.

Biographical Details of Directors and Senior Management

Stephen Burnau HUNT 先生，80歲，為本公司非執行董事兼前任主席。Hunt先生於一九九二年加盟國泰國際集團。他為Cathay International Holdings Limited（一間在倫敦證券交易所上市的公司）的副主席兼非執行董事，曾任香港一家投資公司Aliant Capital的董事總經理。Hunt先生為美國人，曾在美國銀行工作24年，擔任國際性管理及借貸職位，並擔任香港美國銀行的高級副總裁及區域總經理。一九八九年，彼出任香港美國商會主席；一九九零年，彼獲委任加入香港政府的國際商業委員會；一九八九年至一九九一年，彼出任香港政府的自由貿易顧問委員會成員。Hunt先生目前出任香港美國商會慈善基金的受託人，由二零零四年十一月至二零一一年六月亦為聯交所主板及創業板上市委員會成員。Hunt先生由二零一二年至二零一五年擔任一家在香港成立的私人投資公司Solar Plus (HK) Limited的董事兼行政總裁。彼於一九六一年於杜克大學取得文學士學位，於一九六三年於哥倫比亞大學取得國際事務碩士學位。

劉雪姿女士，43歲，為本公司非執行董事。劉女士於二零零二年加盟國泰國際控股有限公司，任職於企業發展部及資產管理部，現為國泰副總裁及資產管理部聯席主管。劉女士對企業併購及資產管理擁有超過14年經驗。在加盟國泰前，劉女士為一家美國基建網絡公司的亞太地區區域負責人，負責開發及拓展該公司在亞洲地區的業務。劉女士於一九九九年於美國三藩市大學經濟學院取得工商管理學士學位。

Mr. Stephen Burnau HUNT, age 80, is a non-executive Director and former chairman of our Company. Mr. Hunt joined the Cathay International Group in 1992. He is the deputy chairman and a non-executive director of Cathay International Holdings Limited, a company listed on the London Stock Exchange. Mr. Hunt was formerly the managing director of Aliant Capital, an investment company in Hong Kong. Mr. Hunt, a US citizen, spent 24 years with Bank of America in international management and lending positions. Mr. Hunt was senior vice president and area general manager for Bank of America located in Hong Kong. Mr. Hunt was president of the American Chamber of Commerce in Hong Kong in 1989. In 1990, Mr. Hunt was appointed to the Hong Kong Government's International Business Committee, and from 1989 to 1991 was a member of the Hong Kong Government's Advisory Committee on Free Trade. Mr. Hunt is currently a trustee of the American Chamber of Commerce's Charitable Foundation. Mr. Hunt also served as a member of the Main Board and GEM Listing Committee of the Stock Exchange from November 2004 to June 2011. From 2012 to 2015, Mr. Hunt was a director and Chief Executive Officer of Solar Plus (HK) Limited, a private investment company incorporated in Hong Kong. Mr. Hunt obtained a bachelor of arts degree from Duke University in 1961 and a master's degree in international affairs from Columbia University in 1963.

Ms. LIU Xuezi, age 43, is a non-executive Director of our Company. Ms. Liu joined Cathay International Holdings Limited in 2002 and has been working in the corporate development department and asset management department. She is currently vice president and co-head of asset management of Cathay. Ms. Liu has over 14 years of experience in mergers and acquisitions and asset management. Before joining Cathay, Ms. Liu was head of the Asia-Pacific region of a US network infrastructure company, responsible for the start-up and expansion of the company's business in Asia. Ms. Liu graduated from the School of Economics of University of San Francisco, majoring in business administration, in 1999.

董事及高級管理人員履歷

Biographical Details of Directors and Senior Management

獨立非執行董事

陳記煊先生，68歲，為本公司獨立非執行董事。陳先生於二零一零年四月九日加盟本集團。彼在外聘審核、訊息科技審核、培訓、會計及金融、公司秘書及公司行政管理、資訊系統管理、內部審核、訊息安全、風險管理及合規等專業領域有超過三十年的經驗。陳先生是香港會計師公會（「香港會計師公會」）、英國特許公認會計師公會資深會員及澳洲會計師公會資深會員及訊息科技專家。彼亦是國際資訊系統審計與控制協會認可訊息系統審計師及香港董事學會資深會員。陳先生是思與智顧問有限公司的行政總裁、新里程電腦系統有限公司的高級顧問，於二零一零年九月一日至二零一四年八月三十一日為香港理工大學會計及金融學院的兼任教授。陳先生於二零一六年六月十日獲委任為華融投資股份有限公司（股票代號：2277）的獨立非執行董事及審計委員會主席。陳先生於二零一七年八月十八日獲委任為中國寶力科技控股有限公司（股票代號：0164）的獨立非執行董事，並於二零一七年九月二十六日獲委任為審核委員會主席。彼並於二零一八年九月二十一日獲委任為美臻集團控股有限公司（股票代號：1825）的獨立非執行董事，並於同日獲委任為審核委員會主席。陳先生於一九九一年至一九九六年在康聯人壽保險有限公司（前稱怡和人壽保險有限公司）任職，離職前為合規總經理。彼於一九九六年至二零零零年在道亨銀行／國浩集團有限公司擔任內部審核主管，於二零零一年至二零零三年在星展銀行（香港）有限公司擔任大中華地區合規主管及董事總經理，於二零零四年至二零零五年在南順（香港）有限公司擔任集團財務總監，於二零零六年擔任香港會計師公會專業水平審核總監，並於二零零六年十二月至二零零九年四月擔任中國平安保險（集團）股份有限公司集團合規部主管。陳先生於一九七六年畢業於香港理工學院，獲得高級會計文憑。

Independent non-executive Directors

Mr. CHAN Kee Huen, Michael, age 68, is an independent non-executive Director of the Company. Mr. Chan joined our Group on 9 April 2010. He has over 33 years' experience in external audit, IT audit, training, accounting and finance, company secretarial and corporate administration, MIS management, internal audit, information security, risk management and compliance. Mr. Chan is a fellow of The Hong Kong Institute of Certified Public Accountants ("HKICPA"), The Association of Chartered Certified Accountants; and a fellow and specialist in information technology of CPA Australia. He is also a certified information systems auditor with the Information Systems Audit and Control Association and a fellow of the Hong Kong Institute of Directors. Mr. Chan is the chief executive of C&C Advisory Services Limited, senior advisor of New Frontier Computer Systems Limited and was an adjunct professor in the School of Accounting and Finance of the Hong Kong Polytechnic University from 1 September 2010 to 31 August 2014. Mr. Chan was appointed as an independent non-executive director and Chairman of the Audit Committee of Huarong Investment Stock Corporation Ltd. (stock code: 2277) on 10 June 2016. Mr. Chan was appointed as an independent non-executive director of China Baoli Technologies Holdings Limited (stock code: 0164) on 18 August 2017 and Chairman of the Audit Committee on 26 September 2017. He was also appointed as an independent non-executive director and Chairman of the Audit Committee of Sterling Group Holdings Limited (stock code: 1825) on 21 September 2018. Mr. Chan has worked at CMG Life Assurance Limited (formerly Jardine CMG Life Assurance Limited) from 1991 to 1996 and his last position was general manager, compliance. He was the head of internal audit of Dao Heng Bank/Guoco Group Limited from 1996 to 2000, the head of compliance in Greater China, managing director of DBS Bank (Hong Kong) Limited from 2001 to 2003, the group financial controller of Lam Soon (Hong Kong) Limited from 2004 to 2005, the director of Quality Assurance of HKICPA in 2006 and the head of group compliance of Ping An Insurance (Group) Company of China, Limited from December 2006 to April 2009. Mr. Chan graduated with a higher diploma in accountancy from Hong Kong Polytechnic in 1976.

Biographical Details of Directors and Senior Management

Fritz Heinrich HORLACHER先生，70歲，為本公司獨立非執行董事。Horlacher先生於二零一一年二月十日加盟本集團。彼於醫藥行業擁有超過三十年的經驗。Horlacher先生於一九七四年開始在羅氏澳洲從事醫藥工作。其後由一九八一年至二零零八年於裕利醫藥亞太(「裕利醫藥」)工作，並由一九九五年至二零零八年擔任裕利醫藥的行政總裁，負責提供服務予亞太地區逾125個以研究為主的國際醫藥製造商的業務。Horlacher先生於二零零八年退任裕利醫藥行政總裁一職。由二零零五年至二零零七年，彼為Invida Group Pte Ltd的替任董事。由二零零二年至二零零四年，彼為Australian Pharmaceutical Industries Limited (於澳洲證券交易所上市的公司)的非執行董事。由二零零二年至二零零八年，彼為國際藥物批發商聯合會(International Federation of Pharmaceutical Wholesalers)董事會的亞洲代表。彼為Alliance Boots之醫藥批發部門之亞洲區域董事，並於二零一一年至二零一三年擔任廣州醫藥有限公司之董事兼董事會主席。Horlacher先生由二零一三年一月至二零一五年八月擔任總部設在德國漢堡的全球醫療器械公司BSN Medical顧問委員會的非執行委員。Horlacher先生於一九六九年畢業於瑞士的Montana Institute及於一九七二年畢業於南非的Union College。

楊德斌先生，53歲，為本公司獨立非執行董事。楊先生於二零一八年十月六日加盟本集團。楊先生曾擔任政府資訊科技總監，負責制定香港資訊業在數碼經濟、電子政府、網絡安全及制定香港成為世界領先的智慧城市發展藍圖的政策及策略。他曾擔任香港科技園公司的首席企業發展總監，負責制定科學園的發展策略、培育和支援生物科技、綠色科技、資訊科技及電子企業。楊先生在美國矽谷開展事業，曾任職多家高科技公司。此後，他曾於數家業務遍及亞洲的跨國公司、香港上市公司和私募股權基金擔任高級管理職位。楊先生持有德(克薩斯)州大學奧斯汀總校電機工程理學士學位，普渡大學電機工程理學碩士學位，以及西北大學凱洛管理學院及香港科技大學聯辦的行政人員工商管理碩士學位。

Mr. Fritz Heinrich HORLACHER, age 70, is an independent non-executive Director of our Company. Mr. Horlacher joined our Group on 10 February 2011. He has over 30 years' experience in the pharmaceutical industry. Mr. Horlacher started his pharmaceutical career with Roche Australia in 1974. Mr. Horlacher worked at Zuellig Pharma Asia Pacific ("Zuellig Pharma") from 1981 to 2008 and was the chief executive officer of Zuellig Pharma from 1995 to 2008. He was responsible for its operations servicing more than 125 international research-based pharmaceutical manufacturers in the Asia Pacific region. Mr. Horlacher retired as chief executive officer of Zuellig Pharma in 2008. From 2005 to 2007, Mr. Horlacher was an alternate director of Invida Group Pte Ltd. Mr. Horlacher was a non-executive director of Australian Pharmaceutical Industries Limited (a company listed on the Australian Securities Exchange) from 2002 to 2004. Mr. Horlacher was the Asia representative on the board of directors of the International Federation of Pharmaceutical Wholesalers from 2002 to 2008. He was regional director of Asia for the Pharmaceutical Wholesale Division of Alliance Boots and was also a director and chairman of the Board of Guangzhou Pharmaceutical Corporation from 2011 to 2013. Mr. Horlacher was a non-executive member of the Advisory Board of BSN Medical, a global medical device company based in Hamburg, Germany, from January 2013 to August 2015. Mr. Horlacher graduated in 1969 from Montana Institute in Switzerland and from Union College in South Africa in 1972.

Mr. YEUNG Tak Bun, Allen, age 53, is an independent non-executive Director of our Company. Mr. Yeung joined our Group on 6 October 2018. He served as the former Government Chief Information Officer, responsible for formulation of policies and strategies for Hong Kong's information industry in the development of digital economy, e-government, cyber-security, and formulation of the blueprint for developing Hong Kong into the world's leading smart city. He was the Chief Corporate Development Officer at the Hong Kong Science and Technology Parks Corporation, responsible for the development strategy of the science park, nurturing and supporting bio-tech, green-tech, IT and electronics enterprises. Mr. Yeung started his career in Silicon Valley and had worked for several high-tech companies. Thereafter, he held several senior management positions in multinational corporations, Hong Kong listed companies and private equity funds, with operations throughout Asia. Mr. Yeung holds a Bachelor of Science degree in Electrical Engineering from the University of Texas (Austin), a Master of Science in Electrical Engineering from Purdue University, and an Executive MBA from the Kellogg School of Management of the University of Northwestern in conjunction with the Hong Kong University of Science and Technology.

董事及高級管理人員履歷

Biographical Details of Directors and Senior Management

高級管理人員

南建設先生，54歲，為集團業務發展總監。南先生於二零零七年七月加盟本公司控股股東國泰國際集團，擔任國泰國際醫藥有限公司的投資總監，負責國泰國際集團業務發展及投資。南先生至今在投資併購方面擁有超過20年經驗。在加盟國泰國際集團前，由一九九六年至二零零五年，南先生曾在信託投資公司、製藥／生物工程公司及石油／化工／礦產公司擔任證券部及／或投資部負責人；二零零六年三月至二零零七年六月，在上海復星醫藥(集團)股份有限公司任投資部總監。南先生擁有中國證券經紀及證券諮詢職業資格，南先生於一九八六年在北京工業學院(現北京理工大學)取得工學學士學位，於一九九六年在復旦大學獲得經濟學碩士學位。

李華先生，35歲，為本公司財務中心總監。李先生於二零零七年八月加入本集團，歷任寧波立華財務主管、寧波立華財務部長、本集團營運副總監、本集團財務副總監及本集團財務總監等職。李先生為中國註冊會計師、中國高級會計師，李先生在二零零七年獲得寧波大學會計學學士學位。

洪舟先生，51歲，為寧波立華總經理。洪先生於二零一五年十一月加入本集團，在醫藥界工作超過25年，曾經在江西省藥檢所、諾華製藥、拜耳製藥、雅培製藥公司工作。洪先生在一九八九年年獲得江西大學(現為南昌大學)化學系分析化學專業學士學位。

Senior Management

Mr. NAN Jianshe, age 54, is the head of business development of the Group. Mr. Nan joined our company's controlling shareholder Cathay International Group in July 2007 as investment director of Cathay International Pharmaceutical Limited, responsible for the business development and investment of the Cathay International Group. Mr. Nan has over 20 years of experience in investment M&A. Before joining the Cathay International Group, Mr. Nan worked as head of the securities department and/or investment department in trust and investment companies, pharmaceutical/bioengineering companies and petroleum/chemical/mining companies from 1996 to 2005, and acted as the director of the investment department at Shanghai Fosun Pharma (Group) Co., Ltd. from March 2006 to June 2007. Mr. Nan has qualifications for Chinese securities brokerage and securities consulting. Mr. Nan obtained a bachelor of engineering degree from Beijing Institute of Technology in 1986 and a master's degree in economics from Fudan University in 1996.

Mr. LI Hua, age 35, is the head of the finance management centre of the Group. Mr. Li joined the Group in August 2007 and has held various positions including the supervisor of the finance department, the manager of the finance department of Ningbo Liwah, deputy operating director, the deputy head of finance management centre and head of finance management centre of the Group. Mr. Li is a Chinese Certified Public Accountant, China Senior Accountant and holds a bachelor's degree in accounting from Ningbo University.

Mr. HONG Zhou, age 51, is the general manager of Ningbo Liwah. Mr. Hong joined our Group in November 2015 and has over 25 years' experience in the pharmaceutical industry. Mr. Hong previously worked for Jiangxi Food and Drug Administration, Novartis, Bayer and Abbott. Mr. Hong obtained his bachelor's degree in analytical chemistry from Jiangxi University (now Nanchang University) in 1989.

董事會報告

Report of the Directors

董事會欣然提呈彼等之年度報告連同截至二零一九年十二月三十一日止年度之經審核綜合財務報表。

主要業務

本公司作為投資控股公司。其主要附屬公司及聯營公司之業務分別載於綜合財務報表附註33及20。

業務回顧

本集團截至二零一九年十二月三十一日止年度的業務回顧分別載於第6頁至10頁之「主席報告」、第11頁至21頁之「管理層討論及分析」、第22頁至43頁之「環境、社會及管治報告」及第63頁至85頁之「企業管治報告」。

業績及分派

本集團截至二零一九年十二月三十一日止年度之業績載於第91頁至92頁之綜合損益及其他全面收益表。

董事不建議就截至二零一九年十二月三十一日止年度派發末期股息。

物業、廠房及設備

本集團之物業、廠房及設備於年內之變動詳情載於綜合財務報表附註15。

借款

本集團之借款詳情載於綜合財務報表附註27。

股本

本公司股本於年內之變動詳情載於綜合財務報表附註25。

The Board of Directors are pleased to present their annual report together with the audited consolidated financial statements for the year ended 31 December 2019.

Principal Activities

The Company acts as an investment holding company. The activities of its principal subsidiaries and associates are set out in Notes 33 and 20 to the consolidated financial statements respectively.

Business Review

The business review of the Group for the year ended 31 December 2019 is set out in the sections headed "Chairman's Statement", "Management Discussion and Analysis", "Environmental, Social and Governance Report" and "Corporate Governance Report" on pages 6 to 10, pages 11 to 21, pages 22 to 43 and pages 63 to 85 respectively.

Results and Appropriations

The results of the Group for the year ended 31 December 2019 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 91 to 92.

The Directors do not recommend the payment of final dividend for the year ended 31 December 2019.

Property, Plant and Equipment

Details of the movements in the property, plant and equipment of the Group during the year are set out in Note 15 to the consolidated financial statements.

Borrowings

Particulars of borrowings of the Group are set out in Note 27 to the consolidated financial statements.

Share Capital

Details of movements in share capital of the Company during the year are set out in Note 25 to the consolidated financial statements.

董事會報告

Report of the Directors

購買、出售或贖回上市證券

下表概述於截至二零一九年十二月三十一日止年度本公司每月於聯交所購回本公司的股份的詳情。截至二零一九年十二月三十一日止年度內已購回股份總數為17,803,000股。

Purchase, sale or redemption of listed securities

The table below outlines details of the shares of the Company purchased by the Company on the Stock Exchange on a monthly basis during the year ended 31 December 2019. The total number of shares purchased during the year ended 31 December 2019 was 17,803,000 shares.

Month	月份	股份數目 Number of shares	已付每股最高價 Highest price paid per share 港元 HK\$	已付每股最低價 Lowest price paid per share 港元 HK\$	已付每股平均價 Average price paid per share 港元 HK\$	已付總價 Aggregate price paid 港元 HK\$
January 2019	二零一九年一月	34,000	0.90	0.90	0.90	30,600
February 2019	二零一九年二月	899,000	1.06	0.96	1.01	910,590
March 2019	二零一九年三月	710,000	1.07	0.96	1.00	712,620
April 2019	二零一九年四月	4,842,000	1.11	0.98	1.05	5,063,770
May 2019	二零一九年五月	2,320,000	1.03	0.98	1.00	2,312,300
June 2019	二零一九年六月	8,220,000	1.10	0.97	1.06	8,741,240
July 2019	二零一九年七月	778,000	1.10	1.03	1.06	828,450
		17,803,000				18,599,570

除上述披露外，於截至二零一九年十二月三十一日止年度，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。

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2019.

本公司之可分派儲備

於二零一九年十二月三十一日，按照開曼群島公司法計算，本公司之可分派儲備金額為21,833,000美元。本公司儲備於年內之變動詳情載於綜合財務報表附註26。

Distributable Reserves of the Company

As at 31 December 2019, the Company's reserves available for distribution, calculated in accordance with the Companies Law of the Cayman Islands, amounted to US\$21,833,000. Details of the movements in the reserves of the Company during the year are set out in Note 26 to the consolidated financial statements.

主要客戶及供應商

年內，本集團之五大客戶銷售總額佔本集團銷售總額約30.1%（二零一八年：25.2%），而其中最大之客戶佔本集團銷售總額10.5%（二零一八年：5.7%）。

Major Customers and Suppliers

During the year, the aggregate sales attributable to the Group's five largest customers accounted for approximately 30.1% (2018: 25.2%) of the Group's total sales and sales from the largest customer included therein amounted to 10.5% (2018: 5.7%).

年內，本集團之五大供應商採購總額佔本集團採購總額52.4%（二零一八年：46.2%），而其中最大之供應商佔本集團採購總額16.9%（二零一八年：18.7%）。

董事、其緊密聯繫人或據董事所知擁有本公司股本5%以上之本公司股東，於年內任何時間概無於本集團五大供應商或客戶中擁有任何權益。

董事

於年內及直至本報告日期，本公司之董事如下：

常務執行董事：

陳力先生(行政總裁)

非執行董事：

吳鎮濤先生(主席)

Stephen Burnau Hunt先生

李晉頤先生(副主席)

(於二零一九年十月三十一日辭任)

劉雪姿女士

獨立非執行董事：

陳記煊先生

鄧昭平先生(於二零一九年四月九日辭任)

Fritz Heinrich Horlacher先生

楊德斌先生

按照本公司之章程細則第108條，吳鎮濤先生、Stephen Burnau Hunt先生及Fritz Heinrich Horlacher先生將輪值退任，並符合資格重選連任。

董事之服務合約

擬於應屆股東週年大會(「股東週年大會」)上重選連任之董事概無訂立本集團不可於一年內終止而毋須支付賠償(法定賠償除外)之服務合約。

During the year, the aggregate purchases attributable to the Group's five largest suppliers accounted for 52.4% (2018: 46.2%) of the Group's total purchases and purchases from the largest supplier included therein amounted to 16.9% (2018: 18.7%).

At no time during the year did a Director, a close associate of a Director or a shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's share capital) has an interest in any of the Group's five largest suppliers or customers.

Directors

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

Executive Managing Director:

Mr. Chen Li (*Chief Executive Officer*)

Non-executive Directors:

Mr. Wu Zhen Tao (*Chairman*)

Mr. Stephen Burnau Hunt

Mr. Lee Jin Yi (*Deputy Chairman*)

(*resigned on 31 October 2019*)

Ms. Liu Xuezi

Independent non-executive Directors:

Mr. Chan Kee Huen, Michael

Mr. Tang Chiu Ping, Raymond (*resigned on 9 April 2019*)

Mr. Fritz Heinrich Horlacher

Mr. Yeung Tak Bun, Allen

In accordance with article 108 of the Company's articles of association, Mr. Wu Zhen Tao, Mr. Stephen Burnau Hunt and Mr. Fritz Heinrich Horlacher will retire by rotation and, being eligible, will offer themselves for re-election.

Directors' Service Contracts

No Director proposed for re-election at the forthcoming annual general meeting ("AGM") has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

董事會報告

Report of the Directors

董事及最高行政人員於股份、相關股份及債權證之權益及淡倉

於二零一九年十二月三十一日，董事及其聯繫人於本公司及其相聯法團之股份、相關股份及債權證中擁有記錄於本公司根據證券及期貨條例(「證券及期貨條例」)第352條須存置之登記冊內之權益及淡倉，或根據上市發行人董事進行證券交易的標準守則已知會本公司及聯交所之權益及淡倉如下：

於本公司普通股中持有之好倉：

董事姓名	身分	權益性質	持有已發行 普通股數目	佔本公司已發行 股本之百分比
Name of Director	Capacity	Nature of interest	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
吳鎮濤先生 Mr. Wu Zhen Tao	全權信託創辦人及 信託受益人 Founder of discretionary trusts and beneficiary of a trust	其他權益 Other interest	209,820,000 ^(a) (好倉) (Long position)	52.83%
Stephen Burnau Hunt先生 Mr. Stephen Burnau Hunt	實益擁有人 Beneficial owner	個人權益 Personal interest	100,000 (好倉) (Long position)	0.03%

附註：

(a) 於209,820,000股本公司已發行普通股之權益，乃透過Cathay International Holdings Limited全資擁有之公司持有，吳先生於Cathay International Holdings Limited間接持有61.74%股份權益。

除上文所披露者外，於二零一九年十二月三十一日，概無董事、最高行政人員及其聯繫人於本公司或其任何相聯法團之任何股份、相關股份或債權證中擁有根據證券及期貨條例第352條須予以記錄之任何權益或淡倉，或根據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聯交所之任何權益或淡倉。

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

As at 31 December 2019, the interests and short positions of the Directors and their associates in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and the Stock Exchange pursuant to The Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

Long positions in ordinary shares of the Company:

Note:

(a) The interests in 209,820,000 issued ordinary shares of the Company were held through companies wholly owned by Cathay International Holdings Limited, in which Mr. Wu indirectly held 61.74% shareholding interests.

Save as disclosed above, none of the Directors, Chief Executive nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 31 December 2019 which was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

董事於Cathay International Holdings Limited的購股權

本公司之最終控股公司Cathay International Holdings Limited (「CIH」)設有購股權計劃，旨在將行政人員及僱員與CIH股東的利益緊密相聯，透過吸引、挽留及鼓勵具適當技能的人材以促進CIH及其附屬公司之業務發展。

於年內任何時間，本公司、其控股公司或其任何附屬公司或同系附屬公司概無成為任何安排之訂約方，致使本公司董事可透過購入本公司或任何其他公司之股份或債權證之方式而獲得利益。

董事於重大合約中之權益

吳鎮濤先生，於二零一七年三月三十日獲委任為非執行董事兼主席，截至二零一九年十二月三十一日，持有CIH約61.74%普通股及A股權益。除本報告「關連交易」一節下與CIH有關之交易所披露外，概無本公司、其控股公司、同系附屬公司或附屬公司為其訂約方及董事或與董事有關連的實體直接或間接擁有其重大權益之重大交易、安排及合約，於年末或年內任何時間仍然有效。

管理合約

於本年度內，並無與本公司全部或任何重大部分業務的管理或行政事宜相關的合約訂立或存在。

Directors' Share Options in Cathay International Holdings Limited

Cathay International Holdings Limited (「CIH」), the Company's ultimate holding company, operates share option plan for the purpose of aligning the interests of executives and employees with those of shareholders of CIH and to enable the development of CIH and its subsidiaries' business by attracting, retaining and motivating personnel with appropriate skills.

At no time during the year was the Company, any of its holding company, any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' Interests in Contracts of Significance

Mr. Wu Zhen Tao, appointed as a non-executive Director and chairman of our Company on 30 March 2017, holds approximately 61.74% of Common and A Shares interests in CIH as at 31 December 2019. Save as disclosed in the transactions in relation to CIH under the section headed "Connected Transactions" of this Annual Report, no transaction, arrangement and contract of significance, to which the Company, its holding company, fellow subsidiaries or subsidiaries was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

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 year.

董事會報告

Report of the Directors

主要股東

於二零一九年十二月三十一日，本公司根據證券及期貨條例第336條存置之主要股東名冊顯示，除以上披露有關若干董事之權益外，以下股東亦已知會本公司其於本公司已發行股本中擁有之相關權益及淡倉。

Substantial Shareholders

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

股東名稱	附註	身份	持有已發行 普通股數目	佔本公司已發行 股本之百分比
Name of shareholder	Notes	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
國泰國際醫藥生產及銷售(中國)有限公司 (「國泰國際醫藥(中國)」) Cathay International Pharma Manufacture and Distribution (China) Limited ("CI Pharma China")	1	實益權益 Beneficial interest	209,820,000 (好倉) (Long position)	52.83%
國泰國際長春生物技術及藥業有限公司 (「國泰國際長春」) Cathay International Changchun Biotechnology and Pharmaceutical Limited ("CIC")	1	受控法團權益 Interest of a controlled corporation	209,820,000 (好倉) (Long position)	52.83%
國泰國際生物技術及藥業(中國)有限公司 (「國泰國際生物技術及藥業(中國)」) Cathay International Biotechnology and Pharmaceutical (China) Limited ("CI Biotech & Pharma China")	1	受控法團權益 Interest of a controlled corporation	209,820,000 (好倉) (Long position)	52.83%
國泰國際醫藥有限公司(「國泰國際醫藥」) Cathay International Pharmaceutical Limited ("CIP")	1	受控法團權益 Interest of a controlled corporation	209,820,000 (好倉) (Long position)	52.83%
國泰國際生物技術有限公司(「國泰國際 生物技術」) Cathay International Biotech Company Limited ("CIB")	1	受控法團權益 Interest of a controlled corporation	209,820,000 (好倉) (Long position)	52.83%
Cathay International Holdings Limited ("CIH")	1	受控法團權益 Interest of a controlled corporation	209,820,000 (好倉) (Long position)	52.83%
Cathay International Enterprises Limited ("CIE")	2	受控法團權益 Interest of a controlled corporation	209,820,000 (好倉) (Long position)	52.83%
吳鎮濤 Wu Zhen Tao	3	全權信託創辦人及信託 受益人 Founder of discretionary trusts and beneficiary of a trust	209,820,000 (好倉) (Long position)	52.83%

附註：

- (1) 該等股份由國泰國際醫藥(中國)持有。國泰國際醫藥(中國)由國泰國際長春擁有18%權益及由國泰國際生物技術及藥業(中國)擁有82%權益。國泰國際長春則由國泰國際生物技術及藥業(中國)擁有100%權益。國泰國際生物技術及藥業(中國)則由國泰國際醫藥全資擁有，而國泰國際醫藥乃由國泰國際生物技術全資擁有，後者由CIH全資擁有。因此，國泰國際長春、國泰國際生物技術及藥業(中國)、國泰國際醫藥、國泰國際生物技術及CIH被視為擁有該等股份之權益。
- (2) CIH約61.74%普通股及A股權益由CIE持有。因此，CIE被視為於國泰國際醫藥(中國)所持有之股份中擁有權益。
- (3) CIE之全部已發行股本由吳鎮濤先生及其家族成員之利益成立之信託(「Wu氏家人信託」)持有。作為Wu氏家人信託之創辦人，吳鎮濤先生被視為於CIE所持有之股份中擁有權益。

除上文所披露者外，概無任何人士(本公司董事除外，其權益載於上文「董事及最高行政人員於股份、相關股份及債權證之權益及淡倉」一節)於二零一九年十二月三十一日於本公司股份或相關股份中登記擁有根據證券及期貨條例第336條須予以記錄之權益或淡倉。

獨立性確認

本公司已根據香港聯合交易所有限公司證券上市規則(「上市規則」)第3.13條獲得每名獨立非執行董事作出其獨立性之年度確認。本公司認為所有獨立非執行董事均為獨立人士。

關連交易

根據上市規則之規定，本公司與本公司關連人士(定義見上市規則)之交易構成本公司之關連交易。本公司遵照上市規則規管及管理該等交易。

Notes:

- (1) These shares are held by CI Pharma China. CI Pharma China is owned as to 18% by CIC and 82% by CI Biotech & Pharma China. CIC is in turn owned as to 100% by CI Biotech & Pharma China. CI Biotech & Pharma China is in turn wholly owned by CIP. CIP is wholly owned by CIB, which in turn is wholly owned by CIH. Therefore, CIC, CI Biotech & Pharma China, CIP, CIB, and CIH are deemed to be interested in these shares.
- (2) CIH is held as to approximately 61.74% of Common and A Shares by CIE. Therefore, CIE is deemed to be interested in the shares held by CI Pharma China.
- (3) The entire issued share capital of CIE is held by a trust set up by Mr. Wu Zhen Tao for the benefit of Mr. Wu Zhen Tao and members of his family ("Wu Family Trust"). Mr. Wu Zhen Tao as founder of the Wu Family Trust is deemed to be interested in the shares held by CIE.

Save as disclosed above, no person, other than the Directors of the Company, whose interests are set out in the section "Directors and Chief Executive's interests and short positions in shares, underlying shares and debentures" above, had registered an interest or short position in the shares or underlying shares of the Company as at 31 December 2019 that was required to be recorded pursuant to Section 336 of the SFO.

Confirmation of Independence

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company considers all of the independent non-executive Directors to be independent.

Connected Transactions

Pursuant to the requirements of the Listing Rules, the transactions between the Company and the connected person(s) (as defined under the Listing Rules) of the Company constitute connected transactions of the Company. The Company regulates and manages such transactions in compliance with the Listing Rules.

不獲豁免之持續關連交易

於二零一六年六月二十四日，寧波立華、吉林海資及朗生醫藥控股有限公司〔朗生(BVI)〕訂立了相互擔保協議，據此，於二零一六年七月一日至二零一九年六月三十日內就協議各方的銀行貸款提供擔保或促使其子公司提供擔保。

在二零一七年三月三十一日，寧波朗生醫美科技有限公司〔寧波朗生醫美〕與長春博泰醫藥生物技術有限責任公司〔博泰〕簽訂了經銷合同。根據該合同，博泰同意向寧波朗生醫美出售並指定寧波朗生醫美為膠原填充劑產品在中國的代理經銷商。經銷合同的有效期從二零一七年三月三十一日至二零一八年三月三十一日（經雙方同意可以提前終止或延長合同）。

在二零一八年五月二日，寧波朗生醫美與博泰訂立了新一份經銷合同。根據該合同，博泰同意向寧波朗生醫美出售並指定寧波朗生醫美為膠原填充劑在中國的代理經銷商。經銷合同的有效期從二零一八年五月二日至二零二零年五月二日（經雙方同意可延長）。

於二零一九年五月三日，寧波立華、吉林海資及朗生(BVI)訂立了新相互擔保協議，據此，於二零一九年七月一日至二零二二年六月三十日內就協議各方的銀行貸款提供擔保或促使其子公司提供擔保。

Non-Exempt Continuing Connected Transactions

On 24 June 2016, Ningbo Liwah, Jilin Haizi and Lansen Pharmaceutical Holdings Limited (“Lansen (BVI)”) entered into the cross guarantee agreement, pursuant to which the parties may, provide or procure its subsidiaries to provide certain guarantees to banks in relation to the bank facilities of each other during the period from 1 July 2016 to 30 June 2019.

On 31 March 2017, Ningbo Lansen Medibeauty Tech Limited (“Ningbo Lansen Beauty”) entered into a distribution agreement with Changchun Botai Medicine & Biological Technology Company Limited (“Botai”) pursuant to which, Botai agrees to sell and appoint Ningbo Lansen Beauty as the distributor of the collagen injectable fillers in the PRC. The term of the distribution agreement runs from 31 March 2017 to 31 March 2018 (subject to any early termination or extension which may be agreed by the parties).

On 2 May 2018, Ningbo Lansen Beauty entered into a new distribution agreement with Botai pursuant to which, Botai agrees to sell and appoint Ningbo Lansen Beauty as the distributor of collagen injectable filler in the PRC. The term of the distribution agreement runs from 2 May 2018 to 2 May 2020 (subject to extension which may be agreed by the parties).

On 3 May 2019, Ningbo Liwah, Jilin Haizi and Lansen (BVI) entered into a new cross guarantee agreement, pursuant to which the parties may, provide or procure its subsidiaries to provide certain guarantees to banks in relation to the bank facilities of each other during the period from 1 July 2019 to 30 June 2022.

相互擔保協議

日期

二零一六年六月二十四日
(新相互擔保協議於二零一九年五月三日簽訂)

協議各方

- (a) 吉林海資，為CIH的間接全資附屬公司；
- (b) 寧波立華，為本公司的間接全資附屬公司；及
- (c) 朗生(BVI)，為本公司的直接全資附屬公司。

交易性質

根據相互擔保協議，吉林海資已同意於有效期內(定義見下文)為寧波立華現時或未來新增的銀行融資提供擔保(「吉林海資擔保」)。根據相互擔保協議，出於對等原則的考慮，朗生(BVI)已同意於有效期內促使其認為合適的附屬公司為吉林海資未來新增的銀行融資提供擔保(「朗生(BVI)擔保」)(吉林海資擔保及朗生(BVI)擔保統稱「擔保」)。

佣金費用

年度佣金費用0.5%乃參考擔保服務供應商收取的當前佣金市場費率(約為每年2%)而釐定及商定，並已考慮於相互擔保協議的理由及裨益的多個因素。

有效期

相互擔保協議的有效期於二零一六年七月一日開始，並將於二零一九年六月三十日屆滿。

相互擔保協議的有效期於二零一九年七月一日開始，並將於二零二二年六月三十日屆滿。

Cross Guarantee Agreement

Date

24 June 2016
(A new cross guarantee agreement signed on 3 May 2019)

Parties

- (a) Jilin Haizi, an indirect wholly-owned subsidiary of CIH;
- (b) Ningbo Liwah, an indirect wholly-owned subsidiary of the Company; and
- (c) Lansen (BVI), a direct wholly-owned subsidiary of the Company.

Transaction Nature

Pursuant to the cross guarantee agreement, Jilin Haizi has agreed, during the Effective Period (as defined below), to provide guarantees for the obligations under the bank facilities obtained or to be obtained by Ningbo Liwah (the "Jilin Haizi Guarantees"). Pursuant to the cross guarantee agreement, on a reciprocal basis, Lansen (BVI) has agreed, during the effective period, to procure its subsidiary, as appropriate, to provide guarantees for the obligation under the bank facilities to be obtained by Jilin Haizi (the "Lansen (BVI) Guarantees") (the Jilin Haizi Guarantees and the Lansen (BVI) Guarantees, collectively, the "Guarantees").

Guarantee Commission

The annual guarantee commission rate of 0.5% is determined and agreed with reference to the prevailing market rate of the commission charged by guarantee service providers, which is around 2% per annum, after taking into account of the factors such as reasons for, and benefits of the cross guarantee agreement.

Effective Period

The effective period of the cross guarantee agreement commenced on 1 July 2016 and expired on 30 June 2019.

The effective period of the new cross guarantee agreement commenced on 1 July 2019 and will expire on 30 June 2022.

董事會報告

Report of the Directors

年度上限

截至二零一九年十二月三十一日止年度，根據相互擔保協議進行的不獲豁免持續關連交易的批准年度上限及實際交易金額載列如下：

Annual Caps

For the year ended 31 December 2019, the approved annual caps and the actual transaction amounts of the non-exempt continuing connected transactions under the cross guarantee agreement are set out below:

截至二零一九年十二月三十一日止年度的年度上限 Annual caps for the year ended 31 December 2019	截至二零一九年十二月三十一日止年度的實際交易金額 Actual transaction amounts for the year ended 31 December 2019
吉林海資擔保 Jilin Haizi Guarantee 人民幣130,000,000元 (相當於約18,635,000美元) RMB130,000,000 (equivalent to approximately US\$18.6 million)	吉林海資擔保 Jilin Haizi Guarantee 人民幣130,000,000元 (相當於約18,635,000美元) RMB130,000,000 (equivalent to approximately US\$18.6 million)
朗生(BVI)最高應付佣金 The maximum commission fee payable by Lansen (BVI) 人民幣650,000元 (相當於約94,000美元) RMB650,000 (equivalent to approximately US\$94,000)	朗生(BVI)應付佣金 The commission fee payable by Lansen (BVI) 約人民幣650,000元 (相當於約94,000美元) approximately RMB650,000 (equivalent to approximately US\$94,000)
Lansen (BVI) Guarantee 朗生(BVI)擔保 人民幣130,000,000元 (相當於約18,635,000美元) RMB130,000,000 (equivalent to approximately US\$18.6 million)	Lansen (BVI) Guarantee 朗生(BVI)擔保 人民幣130,000,000元 (相當於約18,635,000美元) RMB130,000,000 (equivalent to approximately US\$18.6 million)
吉林海資最高應付佣金 The maximum commission fee payable by Jilin Haizi 人民幣650,000元 (相當於約94,000美元) RMB650,000 (equivalent to approximately US\$94,000)	吉林海資應付佣金 The commission fee payable by Jilin Haizi 約人民幣650,000元 (相當於約94,000美元) approximately RMB650,000 (equivalent to approximately US\$94,000)

有關簽署經銷合同的持續關連交易

日期

二零一七年三月三十一日
(新經銷合同於二零一八年五月二日簽訂)

The execution of a distribution agreement

Date

31 March 2017
(A new distribution agreement signed on 2 May 2018)

協議各方

- (a) 本公司間接全資附屬公司寧波朗生醫美；及
- (b) CIH (本公司控股股東)間接全資附屬公司博泰。

Parties

- (a) Ningbo Lansen Beauty, an indirect wholly-owned subsidiary of the Company; and
- (b) Botai, an indirect wholly-owned subsidiary of CIH, a controlling shareholder of the Company.

交易性質

根據總經銷合同，在有效期(定義見下文)內，寧波朗生醫美將成為博泰膠原填充劑產品的代理經銷商，並可在有效期內，以訂單的方式從博泰購買膠原填充劑產品。

定價基礎

根據經銷合同，寧波朗生醫美在有效期內向博泰購買膠原填充劑產品的採購單價為固定的價格。該採購單價是雙方經過公平磋商後確定，並參照了以下各項：

- (i) 在中國市場上兩個與膠原填充劑同類產品的價格；
- (ii) 博泰膠原填充劑產品的規格及競爭優勢；及
- (iii) 博泰銷售膠原填充劑給其他方的價格且該價格不低於博泰銷售膠原填充劑給寧波朗生醫美的價格。

此外，為確保膠原填充劑產品的採購單價不遜於可從獨立第三方獲得的同類產品的價格，寧波朗生醫美的市場部已按其一貫程序進行相關市場調研，調研包括非手術美容市場的產品需求及同類產品的銷量趨勢。此外，還參考了在市場上由其他獨立第三方提供的與膠原填充劑產品同類產品的價格及規格。

膠原填充劑產品最終採購單價經雙方公平磋商後商定。但在任何情況下，膠原填充劑產品的採購單價不遜於市場上現有同類產品的價格，以及寧波朗生醫美按總經銷合同購入膠原填充劑產品的條款不遜於其他同類產品的典型總經銷合同中約定的條款。

有效期

總經銷合同的期限，從二零一七年三月三十一日開始到二零一八年三月三十一日(經雙方同意可以延長)，惟任何一方以書面形式通知另一方終止者除外。

新一份經銷合同的期限，從二零一八年五月二日開始到二零二零年五月二日(經雙方同意可以延長)。

Transaction Nature

Pursuant to the exclusive distribution agreement, Ningbo Lansen Beauty will act as the distributor of Botai in respect of the collagen injectable fillers during the Term (as defined below) and it may, during the Term, acquire from Botai, the Collagen Injectable Fillers on an order-by-order basis.

Pricing Basis

The unit purchase price of the collagen injectable fillers to be purchased by Ningbo Lansen Beauty under the new distribution agreement is agreed at a fixed price throughout the Term and is arrived at after arm's length negotiation between the parties. Such unit purchase price is determined with reference to:

- (i) the prices of two comparable collagen injectable fillers products in the PRC market;
- (ii) the product feature and competitive advantage of the Collagen Injectable Fillers; and
- (iii) the sale price of collagen injectable filler offered to any other third party by Botai and such sale price shall not be lower than that offered to Ningbo Lansen Beauty.

Further, to ensure that the unit purchase price of the Collagen Injectable Fillers is no less favourable than those comparable products available from independent third parties, the marketing department of Ningbo Lansen Beauty has followed its standard market research procedures by conducting the relevant research on factors, such as the market demand within the non-surgical cosmetic market and the trend of the sales volume of comparable products. It has also taken reference of the prices and specifications of comparable collagen injectable fillers products from other independent third parties in the market.

The final unit purchase price of the Collagen Injectable Fillers is mutually agreed by the parties after arm's length negotiation, but in any event, the unit purchase price of the Collagen Injectable Fillers is no less favourable than those of the comparable collagen injectable fillers products in the market, and the purchase of the Collagen Injectable Fillers by Ningbo Lansen Beauty under the exclusive distribution agreement is on terms which are no less favourable to Ningbo Lansen Beauty than those under a typical exclusive distribution agreement of similar products.

Term

The term of the distribution agreement commenced on 31 March 2017 and expired on 31 March 2018 (subject to any extension which may be agreed by the parties), unless terminated by either party giving the other written notice of termination.

The term of the new distribution agreement commenced on 2 May 2018 and will expire on 2 May 2020 (subject to any extension which may be agreed by the Parties).

董事會報告

Report of the Directors

年度上限

截至二零一九年十二月三十一日止年度，根據總經銷合同進行的不獲豁免持續關連交易的批准年度上限及實際交易金額載列如下：

Annual Caps

For the year ended 31 December 2019, the approved annual caps and the actual transaction amounts of the non-exempt continuing connected transactions under the distribution agreement are set out below:

截至二零一九年一月一日至 二零一九年十二月三十一日止期間的年度上限 Annual caps for the period from 1 January 2019 to 31 December 2019 人民幣20,000,000元 (相當於約2,901,000美元) RMB20,000,000 (equivalent to approximately US\$2.9 million)	截至二零一九年一月一日至 二零一九年十二月三十一日止期間的實際交易金額 Actual transaction amounts for the period from 1 January 2019 to 31 December 2019 約人民幣346,000元 (相當於約50,000美元) approximately RMB346,000 (equivalent to approximately US\$50,000)
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根據上市規則第14A.56條，董事會已聘請本公司核數師就本集團之持續關連交易進行若干經協定之程序。核數師已向董事會匯報該等程序之事實結果。獨立非執行董事已審閱持續關連交易及核數師報告，並確認該等交易乃本集團於一般及日常業務過程按照一般商業條款及規管該等交易之協議條款訂立，而有關條款屬公平合理並符合本公司股東之整體利益。

Pursuant to Rule 14A.56 of the Listing Rules, the Board engaged the auditor of the Company to perform certain agreed-upon procedures in respect of the continuing connected transactions of the Group. The auditor has reported the factual findings on these procedures to the Board. The independent non-executive Directors have reviewed the continuing connected transactions and the report of the auditor and have confirmed that the transactions have been entered into in the ordinary and usual course of business of the Group on normal commercial terms, and in accordance with the terms of the agreement governing such transactions that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

本公司核數師已向董事會發出函件，確認上述持續關連交易：

The auditor of the Company has issued a letter to the Board confirming that the above continuing connected transactions:

- | | |
|------------------------------|---|
| (i) 已獲得董事會批准； | (i) have received the approval of the Board; |
| (ii) 已按照本集團定價政策定價； | (ii) have been priced in accordance with the pricing policies of the Group; |
| (iii) 已按照規限該等交易之有關協議訂立；
及 | (iii) have been entered into in accordance with the relevant agreements governing the transactions; and |
| (iv) 並無超越各自之年度上限限額。 | (iv) did not exceed the respective annual caps. |

除上文所披露者外，截至二零一九年十二月三十一日止年度，綜合財務報表附註37所披露之關連方交易並不構成根據上市規則第14A章之關連交易或持續關連交易，或僅根據上市規則第14A章的最低限額豁免而構成獲全面豁免之關連交易或持續關連交易。本公司已遵守根據上市規則第14A章的披露規定。

Save as disclosed above, for the year ended 31 December 2019, the related party transactions disclosed in Note 37 to the consolidated financial statements either did not constitute connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules, or only constituted fully exempted connected transactions or continuing connected transactions by virtue of the de minimis exemption under Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

薪酬政策

本集團僱員之薪酬乃按彼等之表現、專業資歷、行業經驗及相關市場趨勢而釐定。

本公司董事之薪酬乃由薪酬委員會視乎本公司之業績、個人表現及可比較市場統計數據而決定。

優先購買權

本公司章程細則或開曼群島法例並無載有要求本公司向現有股東按比例提呈發售新股份之優先購買權條文。

股息政策

本公司採納了一個股息政策，根據股息政策，本公司優先考慮以現金方式分派股息，與股東分享溢利。派息派付之比率將由董事會考慮以下因素後全權酌情釐定或建議（視乎情況而定）：

- 本公司之組織章程細則；
- 開曼群島法律下的適用限制及要求；
- 公司經營業績，財務狀況及現金流量；
- 本公司的經營，資本開支及投資需求；及
- 董事會認可的其他相關因素。

足夠之公眾持股量

於本報告日期，根據本公司可獲得之公開資料及就本公司董事所知，本公司已維持上市規則第8.08條所規定之公眾持股量。

五年財務摘要

本集團業績與資產及負債於過去五個財政年度之摘要載於第2頁。

Emolument Policy

The emoluments of the employees of the Group are determined with reference to individual performance, professional qualifications, experience in the industry and relevant market trends.

The emoluments of the Directors of the Company are decided by the Remuneration Committee, having regard to the Company's results, individual performance and comparable market statistics.

Pre-Emptive Rights

There is no provision for pre-emptive rights under the Company's articles of association, or the laws of the Cayman Islands, which would require the Company to offer new shares on a pro-rata basis to existing shareholders.

DIVIDEND POLICY

The Company has adopted a dividend policy, pursuant to which the Company gives priority to distributing dividend in cash and shares its profit with its shareholders. The dividend payout ratio shall be determined or recommended, as appropriate, by the Board at its absolute discretion after taking into account the following issues:

- the Articles of Association of the Company;
- the applicable restrictions and requirements under the laws of the Cayman Islands;
- the Company's results of operations, financial condition and cash flows;
- operating, capital expenditure and investment requirements of the Company; and
- other factors that the Board may consider relevant.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company as at the date of this report, the Company has maintained the prescribed public float as required under Rule 8.08 of the Listing Rules.

Five-Year Financial Summary

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 2.

董事會報告

Report of the Directors

董事彌償

本公司已就董事及執行人員因處理公司活動而對其提出之法律行動安排適當的責任保險。

就董事及本集團執行人員所招致的責任而提供彌償的批准彌償條文(定義見香港法例第622章香港公司條例第469條)於董事根據香港公司條例第391(1)(a)條編製的董事會報告獲批准時仍然生效，並於截至二零一九年十二月三十一日止年度內持續有效且惠及董事。

核數師

本公司將於應屆股東週年大會上提呈一項決議案，續聘香港立信德豪會計師事務所有限公司為本公司核數師。

代表董事會

朗生醫藥控股有限公司

主席

吳鎮濤

香港

二零二零年三月三十一日

Indemnity of Directors

The Company has arranged for appropriate insurance cover for the liabilities of the Directors and executive officers in respect of legal actions against its Directors and senior management arising out of corporate activities.

A permitted indemnity provision (within the meaning in Section 469 of the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) that provides for indemnity against liability incurred by Directors and executive officers of the Group is currently in force when the Report of the Directors prepared by the Directors is approved in accordance with section 391(1)(a) of the Hong Kong Companies Ordinance and was in force throughout the year ended 31 December 2019 for the benefit of the Directors.

Auditor

A resolution will be proposed at the forthcoming AGM of the Company to re-appoint BDO Limited as auditor of the Company.

ON BEHALF OF THE BOARD

Lansen Pharmaceutical Holdings Limited

Wu Zhen Tao

Chairman

Hong Kong

31 March 2020

企業管治報告

Corporate Governance Report

企業管治常規

由於董事會認為有效的企業管治常規在提升股東價值及保障股東及其他利益相關人士的權益實屬必要，故本公司與董事會致力達致及保持最高標準的企業管治。因此，本公司已採取合理的企業管治原則，以突顯董事會質素、有效的內部監控、嚴格的披露規定和透明度，以及對所有利益相關人士的問責性。

於截至二零一九年十二月三十一日止年度，本公司一直遵守上市規則附錄14所載企業管治守則及企業管治報告（「守則」）的所有守則條文，惟偏離守則條文第A.5條、第A.6.7及第E.1.2條除外。根據守則條文第A.5條，本公司應成立提名委員會，並訂有書面職權範圍，清楚列明其權力及職務。目前，本公司並無成立提名委員會，並將有關職能保留予薪酬委員會。自本公司於二零一零年在聯交所主板上市起，薪酬委員會獲授予提名委員會的職能。因此，董事會認為薪酬委員會成員擁有必要的經驗及知識，履行提名委員會的職能。董事會將不時檢討董事委員會的組成及運作，並於有需要時考慮成立提名委員會。

守則條文第A.6.7條規定，獨立非執行董事及其他非執行董事應出席股東大會。由於在相關時間有其他商務或個人安排，故一位常務執行董事，一位非執行董事及若干獨立非執行董事未有出席本公司於二零一九年五月九日舉行的股東特別大會。

守則條文第E.1.2條規定董事會主席應出席股東週年大會。年內，董事會主席吳鎮濤先生因感冒而未能出席本公司於二零一九年六月十二日舉行之股東週年大會。然而，前副主席兼前非執行董事李晉頤先生已獲主席授權主持前述股東週年大會。

Corporate Governance Practices

The Company and the Board of Directors are devoted to achieving and maintaining the highest standards of corporate governance as the Board believes that effective corporate governance practices are fundamental to enhancing shareholder value and safeguarding interests of the shareholders and other stakeholders. Accordingly, the Company has adopted sound corporate governance principles that emphasise a quality Board, effective internal controls, stringent disclosure practices and transparency and accountability to all stakeholders.

For the year ended 31 December 2019, the Company has complied with all the code provisions of the Corporate Governance Code and Corporate Governance Report (the "Code") set out in Appendix 14 of the Listing Rules, except with a deviation from Code Provision A.5, A.6.7 and E.1.2 of the Code. Under Code Provision A.5 of the Code, the Company should establish a Nomination Committee with specific written terms of reference which deal clearly with its authority and duties. Currently, the Company had not established a Nomination Committee and had retained the functions with the Remuneration Committee. The Remuneration Committee has been delegated the functions of a Nomination Committee since its listing on the Main Board of the Stock Exchange in 2010. As such, the Board is of the view that the members of the Remuneration Committee possess the necessary experience and knowledge to discharge the functions of a Nomination Committee. The Board shall review the composition and operation of the Board Committees from time to time and shall consider establishing a Nomination Committee if such need arises.

Code Provision A.6.7 of the Code stipulates that independent non-executive directors and other non-executive directors should attend general meetings. Due to other business or personal engagements at the relevant time, an executive managing Director, a non-executive Director and some independent non-executive Directors did not attend the extraordinary general meeting of the Company held on 9 May 2019.

Code Provision E.1.2 of the Code stipulates that the chairman of the Board should attend the annual general meeting. During the year, Mr. Wu Zhen Tao, the chairman of the Board, was unable to attend the annual general meeting of the Company held on 12 June 2019 due to illness. However, the former deputy chairman as well as the former non-executive Director, Mr. Lee Jin Yi, was authorised by the chairman of the Board to chair the said annual general meeting.

董事進行證券交易

本公司已採納條款不寬鬆於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」)之有關董事進行證券交易的操守守則。經向全體董事作出特定查詢後，所有董事確認，彼等一直遵守標準守則所載規定標準及本公司所採納有關董事進行證券交易的操守守則。

董事會

董事會負責領導及監控本集團的業務運作。董事會制定本集團的策略性方向、監督其運作，並監察其財務表現。管理層在董事會授權的範圍內管理本集團的業務，包括日常營運決策。管理層向董事會負責本公司的整體營運。

本公司的章程細則列明須由董事會決策的事宜。

公司秘書或其助理負責編製董事會及董事委員會的會議記錄。會議記錄及書面決議案擬稿將於合理期間內向全體董事會成員或董事委員會成員傳閱，以供其審閱及表達意見。會議記錄及書面決議案的最終定稿將於合理時間內送交作記錄，而經簽署的副本將存置於由公司秘書保管的本公司會議記錄冊內，以供董事查閱。

於二零一九年十二月三十一日及於本報告日期，董事會成員包括一名常務執行董事、三名非執行董事及三名獨立非執行董事。董事詳情載於第44至第48頁「董事及高級管理人員履歷」一節及本公司網站。

Directors' Securities Transactions

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the "Model Code"). Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code and the code of conduct regarding Directors' securities transactions adopted by the Company.

The Board of Directors

The Board is responsible for leading and controlling the business operations of the Group. It formulates strategic directions, oversees the operations and monitors the financial performance of the Group. Management manages the businesses of the Group, including the decision making of daily operation within the delegated power and authority given by the Board. Management is accountable to the Board for the Company's overall operation.

The Company's articles of association set out matters which are specifically reserved to the Board for its decision.

The Company Secretary or his assistant is responsible for taking minutes of the Board and Board Committees meetings. Draft minutes and written resolutions will be circulated to all Board members or Board Committees members for review and comment within a reasonable period of time. Final version of the minutes and written resolutions will be provided for record within a reasonable period of time and the signed copies are kept in the Company's minutes book maintained by the Company Secretary for Directors' inspection.

As at 31 December 2019 and at the date of this report, the Board was comprised of one executive managing Director, three non-executive Directors and three independent non-executive Directors. A description of the Directors is set out in the "Biographical Details of Directors and Senior Management" section from pages 44 to 48 and on the Company's website.

於二零一九年十二月三十一日及於本報告日期，董事會包括下列成員：

As at 31 December 2019 and at the date of this report, the Board was comprised of the following members:

董事	Directors	首次獲委任 為董事會成員的日期 Date of first appointment to the Board	最近一次重選連任 為董事的日期 Date of last re-election as Director
常務執行董事：	Executive Managing Director:		
陳力先生(行政總裁)	Mr. Chen Li (Chief Executive Officer)	二零一八年三月一日 1 March 2018	二零一八年六月十五日 15 June 2018
非執行董事：	Non-executive Directors:		
吳鎮濤先生(主席)	Mr. Wu Zhen Tao (Chairman)	二零一七年三月三十日 30 March 2017	二零一七年六月十九日 19 June 2017
Stephen Burnau Hunt先生	Mr. Stephen Burnau Hunt	二零一零年四月九日 9 April 2010	二零一七年六月十九日 19 June 2017
李晉頤先生(副主席) (於二零一九年 十月三十一日辭任)	Mr. Lee Jin Yi (Deputy Chairman) (resigned on 31 October 2019)	二零一零年四月九日 9 April 2010	二零一九年六月十二日 12 June 2019
劉雪姿女士	Ms. Liu Xuezi	二零一六年三月三十日 30 March 2016	二零一八年六月十五日 15 June 2018
獨立非執行董事：	Independent non-executive Directors:		
陳記煊先生	Mr. Chan Kee Huen, Michael	二零一零年四月九日 9 April 2010	二零一九年六月十二日 12 June 2019
鄧昭平先生 (於二零一九年 四月九日辭任)	Mr. Tang Chiu Ping, Raymond (resigned on 9 April 2019)	二零一零年四月九日 9 April 2010	二零一六年六月二十一日 21 June 2016
Fritz Heinrich Horlacher先生	Mr. Fritz Heinrich Horlacher	二零一一年二月十日 10 February 2011	二零一七年六月十九日 19 June 2017
楊德斌先生 (於二零一八年 十月六日獲委任)	Mr. Yeung Tak Bun, Allen (appointed on 6 October 2018)	二零一八年十月六日 6 October 2018	二零一九年六月十二日 12 June 2019

本集團會不時檢討董事會的規模及組成，當中會考慮上市規則的要求、本公司的業務範疇及性質，以確保董事會的規模足夠，得以帶來多方觀點，並作出有效決策。董事擁有不同背景，具備金融、人力資源及醫藥業務領域的專業知識。本公司網站及聯交所網站載有董事更新名單，載明其角色及職能。

The size and composition of the Board are reviewed from time to time, taking into account the requirements under the Listing Rules and the scope and nature of operations of the Company, to ensure that the size of the Board is adequate to provide a diversity of views and facilitate effective decision making. The Directors come from diverse background with varied expertise in finance, human resources and pharmaceutical business fields. The Company has maintained on the Company's website and on the website of the Stock Exchange an updated list of its Directors identifying their roles and functions.

獨立非執行董事

獨立非執行董事為本集團帶來各方面的技術及業務經驗。彼等亦通過董事會會議及董事委員會會議，對策略問題、表現及風險作出獨立評估。

根據上市規則第3.10(1)條，三名獨立非執行董事超過董事會的三分之一。三名獨立非執行董事中，其中一名擁有上市規則第3.10(2)條所規定的會計或相關財務管理專門技術的適當專業資格。

根據上市規則，本公司已收到每名獨立非執行董事有關其獨立性的年度確認函。基於該等確認函，據本公司所知，認為全體獨立非執行董事符合上市規則第3.13條所載的獨立性指引規定，彼等全體均為獨立人士。

主席及行政總裁

主席與行政總裁的職權已予區分。主席和行政總裁的職位由不同的個人擔任。主席負責管理董事會，並領導其制定整體策略及業務發展方向，確保各董事均可獲得足夠、完整及可信的資料，在董事會會議內提到的問題均可得到合理的解釋。行政總裁負責管理本公司業務，實施董事會所制定的政策、業務目標及計劃，並就本公司整體營運向董事會負責。高級管理層在本公司行政總裁的領導下負責本集團的日常營運。

Independent Non-executive Directors

The independent non-executive Directors bring a wide range of skills and business experience to the Group. They also bring independent judgement on issues of strategy, performance and risk through their contribution to the Board meetings and to the Board Committees' meetings.

In compliance with Rule 3.10(1) of the Listing Rules, there are three independent non-executive Directors, exceeding one-third of the Board. Among the three independent non-executive Directors, one of them has appropriate professional qualifications in accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules.

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to the Listing Rules. With reference to such confirmations, the Company, to its best knowledge, considers that all the independent non-executive Directors fulfill the guidelines on independence as set out in Rule 3.13 of the Listing Rules and all to be independent.

Chairman and Chief Executive Officer

The roles of the chairman are segregated from the chief executive officer. The positions of Chairman and the Chief Executive Officer are held by separate individuals. The chairman is responsible for managing the Board, steering the Board to formulate overall strategies and business development plans, ensuring the receipt of sufficient, complete and reliable information by each Director and the receipt of reasonable explanations for the issues raised at the Board meetings. The chief executive officer is responsible for managing the business of the Company and implementing policies, business objectives and plans formulated by the Board, and is accountable to the Board for the Company's overall operation. The senior management team is responsible for the day-to-day operations of the Group under the leadership of the chief executive officer of the Company.

委任、重選及罷免

常務執行董事陳力先生與本公司訂立服務協議，由二零一八年三月一日開始為期三年。各非執行董事及獨立非執行董事均與本公司訂立委任書，由二零一九年四月九日開始為期三年，惟吳鎮濤先生、Fritz Heinrich Horlacher 先生、劉雪姿女士及楊德斌先生除外，其委任日期分別於二零一七年三月三十日、二零一七年二月十日、二零一九年三月三十日及二零一八年十月六日開始。董事會委任的所有董事（不論為填補臨時空缺或屬董事會新增成員）均須於獲委任後首個股東週年大會退任並符合資格重選連任。

於每屆股東週年大會上，當時三分之一的董事（或如董事人數並非三或三的倍數，則最接近但不少於三分之一的人數）均須輪值退任，惟各董事（包括該等按特別年期獲委任者）須至少每三年輪值退任一次。

根據本公司的章程細則條文，吳鎮濤先生、Stephen Burnau Hunt 先生及 Fritz Heinrich Horlacher 先生將輪值退任，並符合資格及願意於應屆股東週年大會上重選連任。

截至二零一九年十二月三十一日止年度，本公司並無成立提名委員會，但將此功能保留在薪酬委員會。薪酬委員會成員不時物色合適的合資格人士出任董事會成員，並挑選或在挑選提名董事或高級管理層人選的過程中向董事會作出推薦建議。於考慮提名新任董事或高級管理層時，薪酬委員會將考慮候選人的資歷、能力、工作經驗、領導才能及專業操守以及（就獨立非執行董事而言）獨立性規定。薪酬委員會已採納新任董事或高級管理層的提名程序，據此，(1) 將與候選人進行面試；及(2) 薪酬委員會將考慮並酌情向董事會提出合適的推薦意見。

Appointment, Re-election and Removal

The executive managing Director Mr. Chen Li has entered into a service agreement with the Company for a term of three years commencing 1 March 2018. Each of the non-executive Directors and the independent non-executive Directors has entered into a letter of appointment with the Company for a term of three years commencing 9 April 2019 except for Mr. Wu Zhen Tao, Mr. Fritz Heinrich Horlacher, Ms. Liu Xuezi and Mr. Yeung Tak Bun, Allen whose commencement date were 30 March 2017, 10 February 2017, 30 March 2019 and 6 October 2018 respectively. All Directors appointed by the Board either to fill a casual vacancy or as addition to the Board shall retire and be eligible for re-appointment at the first general meeting after appointment.

At each AGM 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 provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.

In accordance with the provisions of the Company's articles of association, Mr. Wu Zhen Tao, Mr. Stephen Burnau Hunt and Mr. Fritz Heinrich Horlacher will retire by rotation and, being eligible, offer themselves for re-election in the forthcoming AGM.

For the year ended 31 December 2019, the Company had not established a Nomination Committee but had retained the functions with the Remuneration Committee. The Remuneration Committee members from time to time identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships or senior management. In considering the nomination of new Directors or senior management, the Remuneration Committee will take into account the qualification, ability, working experience, leadership and professional ethics of the candidates as well as the independence requirement in the case of an independent non-executive Director. The Remuneration Committee has adopted procedures for nomination of a new Director or senior management, pursuant to which (1) an interview will be conducted with the prospective candidates; and (2) the Remuneration Committee will consider and, if thought fit, make suitable recommendations to the Board.

企業管治報告

Corporate Governance Report

董事及高級管理層變動

薪酬委員會及執行委員會已批准：

- 鄧昭平先生辭任獨立非執行董事、薪酬委員會主席及審核委員會成員，自二零一九年四月九日生效；及
- 李晉頤先生辭任為非執行董事、薪酬委員會成員、審核委員會成員及執行委員會副主席，自二零一九年十月三十一日生效。

持續專業發展

董事不斷留意作為本公司董事的責任及操守，以及有關本公司業務活動及發展的事宜。公司不時為董事更新及提供培訓，並就與董事的職務及職責有關的上市規則、適用法律、規則及法規的最新發展舉辦研討會。

董事獲董事會委任後將由高級行政人員全面簡介本集團的業務。董事定期獲提供持續教育及資料，確保彼等獲悉本集團經營業務的商業、法律與規管環境的最新變化。

於截至二零一九年十二月三十一日止年度，本公司舉行了一次培訓環節，內容有董事之責任及主板上市規則修訂之內容。全體董事均已出席該次培訓。此外，個別董事亦已出席有關上市公司董事職務、職能及責任的其他課程，或透過參與培訓課程，或利用在線協助或閱讀相關資料進一步加強彼等的專業發展。

企業管治職能

董事會共同負責履行企業管治責任。年內，董事會將以下企業管治責任納入董事會職權範圍：

- 制定及檢討本公司的企業管治政策及常規，並向董事會提出推薦意見；

Changes of Directors and Senior Management

The Remuneration and Executive Committees have approved:

- the resignation of Mr. Tang Chiu Ping, Raymond as an Independent Non-executive Director, the chairman of the Remuneration Committee and a member of the Audit Committee, effective from 9 April 2019; and
- the resignation of Mr. Lee Jin Yi as Non-executive Director, a member of the Remuneration Committee, a member of the Audit Committee and the deputy chairman of the Executive Committee, effective from 31 October 2019.

Continuing professional development

The Directors keep abreast of responsibilities as a Director of the Company and of the conduct, business activities and development of the Company. The Company from time to time updates and provides training to the Directors, and organises seminars on the latest development of the Listing Rules, applicable laws, rules and regulations relating to Directors' duties and responsibilities.

Upon appointment to the Board, the Directors will be provided with a comprehensive briefing of the Group's businesses by senior executives. Continuing education and information are provided to the Directors regularly to ensure that the Directors are apprised of the latest changes in the commercial, legal and regulatory environment in which the Group conducts its businesses.

During the year ended 31 December 2019, the Company has organised a training session covering the topic of directors' duty and amendments to main board listing rules. All Directors attended the training. In addition, individual directors also participated in other courses relating to the roles, functions and duties of a listed company director or further enhancement of their professional development by way of attending training courses or via online aids or reading relevant materials.

Corporate Governance Functions

The Board is collectively responsible for performing the corporate governance duties. During the year, the Board formalised the inclusion of the following corporate governance duties into the terms of reference of the Board:

- to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;

- | | |
|---|--|
| <ul style="list-style-type: none"> — 檢討及監察董事及高級管理人員的培訓及持續專業發展； | <ul style="list-style-type: none"> — to review and monitor the training and continuous professional development of Directors and senior management; |
| <ul style="list-style-type: none"> — 檢討及監察本公司遵守法例及監管規定的政策及慣例； | <ul style="list-style-type: none"> — to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; |
| <ul style="list-style-type: none"> — 制定、檢討及監察行為守則以及遵守本公司僱員及董事適用的合規手冊(如有)；及 | <ul style="list-style-type: none"> — to develop, review and monitor the code of conduct and compliance manual (if any) applicable to the Company's employees and the Directors; and |
| <ul style="list-style-type: none"> — 檢討本公司遵守守則的情況及在其年報內企業管治報告內的披露。 | <ul style="list-style-type: none"> — to review the Company's compliance with the code and disclosure in the Corporate Governance Report in its Annual Report. |

董事會多元化政策

於二零一三年八月二十九日，本公司根據守則所載規定採納董事會多元化政策。本公司確認並深信董事會多元化裨益良多，從而提升其表現質素。為實現可持續及均衡發展，本公司將董事會層面的日益多元化視作支持實現其策略目標及其可持續發展的要素。於設計董事會的組成方式時，已從多方面考慮董事會多元化，包括但不限於性別、年齡、文化及教育背景以及專業經驗。董事會的所有委任將以任人唯才為原則，並在考慮人選時以客觀條件以充分顧及董事會多元化的裨益。

董事會會議

董事會預期定期會晤，每年最少四次。於定期的會議之間，本集團的高級管理層會定期就本集團的業務活動及發展向董事提供資料。在董事認為有必要時，董事可隨時獲取本集團的資料及獨立專業意見。

Board Diversity Policy

On 29 August 2013, the Company adopted the Board diversity policy in accordance with the requirement set out in the Code. The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, and professional experience. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Board Meetings

The Board is expected to meet regularly at least four times a year. Between scheduled meetings, the senior management of the Group provides information to Directors on a regular basis regarding the activities and development in the businesses of the Group. The Directors have full access to information on the Group and independent professional advice at all times whenever deemed necessary by the Directors.

企業管治報告

Corporate Governance Report

截至二零一九年十二月三十一日止年度，董事會舉行了四次會議，而各董事的出席情況如下：

The Board held four meetings during the year ended 31 December 2019 with the attendance of each Director as follows:

董事	Directors	出席會議次數／ 舉行會議次數 No. of meetings attended/No. of meetings held	出席率 Attendance rate
常務執行董事：	Executive Managing Director:		
陳力先生(行政總裁)	Mr. Chen Li (Chief Executive Officer)	4/4	100%
非執行董事：	Non-executive Directors:		
吳鎮濤先生(主席)	Mr. Wu Zhen Tao (Chairman)	3/4	75%
Stephen Burnau Hunt先生	Mr. Stephen Burnau Hunt	4/4	100%
李晉頤先生(副主席) (於二零一九年 十月三十一日辭任)	Mr. Lee Jin Yi (Deputy Chairman) (resigned on 31 October 2019)	3/3	100%
劉雪姿女士	Ms. Liu Xuezi	4/4	100%
獨立非執行董事：	Independent non-executive Directors:		
陳記煊先生	Mr. Chan Kee Huen, Michael	4/4	100%
鄧昭平先生 (於二零一九年 四月九日辭任)	Mr. Tang Chiu Ping, Raymond (resigned on 9 April 2019)	1/1	100%
Fritz Heinrich Horlacher先生	Mr. Fritz Heinrich Horlacher	4/4	100%
楊德斌先生	Mr. Yeung Tak Bun, Allen	4/4	100%

就董事會的定期會晤而言，董事將至少提前十四天獲得書面會議通知及在會議前不少於三天獲得董事會議程及所需文件。就其他會議而言，在合理及切實的情況下，董事會盡量獲給予最早的通知。除本公司的章程細則所容許的該等情況外，於任何合約、交易、安排或向董事會提呈以供考慮的任何其他類別建議中擁有重大權益的董事，將須就相關決議案放棄投票，且有關董事不會被計入法定人數內。

With respect to regular meetings of the Board, the Directors will be given written notice of the meeting at least 14 days in advance and an agenda with supporting Board papers no less than three days prior to the meeting. For other meetings, Directors are given as much notice as is reasonable and practicable in the circumstances. Except for those circumstances permitted by the articles of association of the Company, a Director who has a material interest in any contract, transaction, arrangement or any other kind of proposal put forward to the Board for consideration, will abstain from voting on the relevant resolution and such Director is not counted as quorum.

董事會制定其特定書面職權範圍，載列職務、職責、權力及職能，當中包括以下各項：

- 制定及檢討本公司的企業管治政策及常規，並向董事會提出建議；
- 檢討及監察董事及高級管理層的培訓及持續專業發展；
- 負責根據現行的會計準則及法律編製並真實公平地呈列財務報表、批准財務報表以及委聘本集團外聘核數師及與其保持聯繫；
- 檢討本公司遵守守則的情況及在其年報的企業管治報告內的披露；
- 與所有監管機構及組織協調有關本集團的一切事務，並監察與本集團相關且影響本集團的政策變動；及
- 確保向本集團股東負責及保持足夠溝通。

年內，主席及獨立非執行董事(但不包括其他董事及高級管理人員)舉行會議，討論執行董事的表現。

董事會亦討論了本公司的企業管治政策以及董事會及董事委員會履行的職責(見下文)。

The Board has devised its specific written terms of reference setting out its duties, responsibilities, powers and functions which include the following:

- to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to take responsibility for the preparation and the true and fair presentation of the financial statements in accordance with the prevailing accounting standards and laws, approving the financial statements and appointing and liaising with the Group's external auditors;
- to review the Company's compliance with the code and disclosure in the Corporate Governance Report in its Annual Report;
- to liaise with all regulatory authorities and organisations on all matters relating to the Group, and monitor changes in their policies relating to and affecting the Group; and
- to ensure accountability towards and sufficient communication with the Group's shareholders.

During the year, a meeting of the Chairman and the independent non-executive Directors without the presence of other directors and senior management was held to discuss the performance of the executive director.

The Board also discussed the policy for the corporate governance of the Company and duties performed by the Board and the Board Committees (see below).

董事委員會

董事會已成立審核委員會、薪酬委員會及執行委員會。各委員會的組成及職責請見下文。各委員會須根據各自的職權範圍向董事會提供建議，除各委員會的職權範圍另有訂明者外，其建議最終由董事會決定。

審核委員會

本公司的審核委員會由三名獨立非執行董事組成。獨立非執行董事陳記煊先生現為審核委員會主席。審核委員會預期定期會晤，每年最少三次。

董事會已成立審核委員會，並已制定其書面職權範圍，載列董事會授予彼等的職務、職責及權力。審核委員會的職權範圍登載於本公司及聯交所網站。審核委員會的主要職務及職責包括：

- 監察與外聘核數師的關係，包括：
 - 就委任、續聘及罷免外聘核數師、批准外聘核數師的酬金及委聘條款向董事會提供建議以及處理任何有關核數師辭任或罷免的問題；
 - 按適用標準檢討及監察外聘核數師的獨立性及客觀性以及審核程序的效能；及
 - 就委聘外聘核數師提供非核數服務制定及執行政策；
- 審閱及監察本集團財務報表、年報及半年度報告的完整性，並審閱當中所載的重大財務報告判斷；及
- 檢討本集團財務報告、風險管理及內部監控制度的有效性。

Board Committees

The Board has established the Audit Committee, the Remuneration Committee and the Executive Committee. Please see below for the composition and responsibilities of the committees. Each committee shall provide their recommendations to the Board based on their respective terms of reference. The decisions of the Board on such recommendations shall be final, unless otherwise stated in the terms of reference of these committees.

Audit Committee

The Audit Committee of the Company consists of three independent non-executive Directors. Mr. Chan Kee Huen, Michael, an independent non-executive Director, currently serves as the chairman of the Audit Committee. The Audit Committee is expected to meet regularly at least three times per year.

The Board has established the Audit Committee with specific written terms of reference setting out the duties, responsibilities and authorities delegated by the Board. The terms of reference of the Audit Committee are available on the websites of the Company and the Stock Exchange. The major duties and responsibilities of the Audit Committee include the following:

- to oversee the relationship with the external auditor, including:
 - to make recommendations to the Board on the appointment, re-appointment and removal of the external auditor, approve the remuneration and terms of engagement of the external auditor and address any questions of resignation or dismissal of such auditor;
 - to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards; and
 - to develop and implement policy on the engagement of the external auditor to supply non-audit services;
- to review and monitor the integrity of the Group's financial statements, annual reports and half-year reports, and to review significant financial reporting judgements contained therein; and
- to review the effectiveness of the financial reporting, risk management and internal control systems of the Group.

Corporate Governance Report

截至二零一九年十二月三十一日止年度，審核委員會舉行了三次會議，而各成員的出席情況如下：

The Audit Committee held three meetings during the year ended 31 December 2019 with the attendance of each member as follows:

審核委員會成員姓名	Name of Audit Committee members	出席會議次數／ 舉行會議次數 No. of meetings attended/No. of meetings held	出席率 Attendance rate
陳記煊先生(主席)	Mr. Chan Kee Huen, Michael (Chairman)	3/3	100%
李晉頤先生 (於二零一九年 十月三十一日辭任)	Mr. Lee Jin Yi (resigned on 31 October 2019)	2/2	100%
鄧昭平先生 (於二零一九年 四月九日辭任)	Mr. Tang Chiu Ping, Raymond (resigned on 9 April 2019)	1/1	100%
Fritz Heinrich Horlacher先生	Mr. Fritz Heinrich Horlacher	3/3	100%
楊德斌先生	Mr. Yeung Tak Bun, Allen	3/3	100%

截至二零一九年十二月三十一日止年度，審核委員會已：

During the year ended 31 December 2019, the Audit Committee had:

- 於呈交董事會批准前與管理層及外聘核數師審閱中期業績及年度業績以及有關公告，包括有關披露規定、財務報告的完整性及本集團所採納的會計政策；
 - 與管理層討論影響本集團綜合財務報表的重大判斷；
 - 審閱外聘核數師的薪酬及委聘條款，以及就外聘核數師的委任向董事會提供推薦建議；
 - 審閱及討論內部審核報告，包括在上一份報告中所提出的建議的實施情況；及
 - 審閱及評估本集團內部監控及風險管理的充足性及效力。
- reviewed with management and external auditor on the interim results and annual results and related announcements including the related disclosures, integrity of financial reporting and the accounting policies adopted by the Group prior to submission to the Board for approval;
 - discussed with management on significant judgements affecting the Group's consolidated financial statements;
 - reviewed the remuneration and terms of engagement of the external auditor and recommended the Board on the appointment of the external auditor;
 - reviewed and discussed the internal audit reports including the status of implementing recommendations from the previous reports; and
 - reviewed and assessed the adequacy and effectiveness of the Group's internal control and risk management.

薪酬委員會

本公司的薪酬委員會由三名獨立非執行董事及一名非執行董事組成。獨立非執行董事楊德斌先生現為薪酬委員會主席。薪酬委員會預期定期會晤，每年至少一次。

董事會已成立薪酬委員會，並已制定其書面職權範圍，載列董事會授予彼等的職務、職責及權力。薪酬委員會的職權範圍登載於本公司及聯交所網站。薪酬委員會的主要職務及職責為：

- 就本公司全體董事及高級管理層的薪酬政策及架構向董事會提供推薦建議及為制訂該等薪酬政策制定一套正式透明的程序，並在董事會考慮授予董事及高級管理層的薪酬總額及／或福利前不時提出該等推薦建議；
- 評估執行董事及高級管理層的表現；
- 考慮同類公司支付的薪酬、須付出的時間及職責以及本集團內其他職位的僱用條件；
- 遵守董事會不時指定或本公司組織章程所載或上市規則或任何適用法例所定的任何要求、指示及規例；
- 評估獨立非執行董事的獨立性；
- 釐定提名董事及高級管理層的政策；
- 就有關提名、委任或重新委任董事及高級管理層事宜向董事會作出推薦建議；及

Remuneration Committee

The Remuneration Committee of the Company consists of three independent non-executive Directors and one non-executive Director. Mr. Yeung Tak Bun, Allen, an independent non-executive Director, currently serves as the chairman of the Remuneration Committee. The Remuneration Committee is expected to meet regularly at least once per year.

The Board has established the Remuneration Committee with specific written terms of reference setting out the duties, responsibilities and authorities delegated by the Board. The terms of reference of the Remuneration Committee are available on the websites of the Company and the Stock Exchange. The major duties and responsibilities of the Remuneration Committee are:

- to make recommendations to the Board on the Company's remuneration policy and structure for all Directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy and placing such recommendations before the Board concerning the total remuneration and/or benefits granted to the Directors and senior management from time to time;
- to assess the performance of executive Directors and senior management;
- to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- to conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by the Listing Rules or any applicable law;
- to assess the independence of independent non-executive Directors;
- to determine the policy for the nomination of Directors and senior management;
- to make recommendations to the Board on the nomination, appointment or re-appointment of Directors and senior management; and

- 至少每年審閱董事會的架構、規模及多元化(包括但不限於性別、年齡、文化及教育背景以及專業經驗)，並就任何建議變動向董事會作出推薦建議，以實行本公司的企業策略。

截至二零一九年十二月三十一日止年度，薪酬委員會舉行了一次會議，而各成員的出席情況如下：

- to review the structure, size and diversity (including without limitation, gender, age, cultural and educational background, and professional experience) of the Board at least annually; and make recommendations on any proposed changes to the Board to implement the Company's corporate strategy.

The Remuneration Committee held one meeting during the year ended 31 December 2019 with the attendance of each member as follows:

薪酬委員會成員姓名	Name of Remuneration Committee members	出席會議次數／ 舉行會議次數 No. of meetings attended/No. of meetings held	出席率 Attendance rate
楊德斌先生(主席)	Mr. Yeung Tak Bun, Allen (<i>Chairman</i>)	1/1	100%
鄧昭平先生 (於二零一九年 四月九日辭任)	Mr. Tang Chiu Ping, Raymond (resigned on 9 April 2019)	1/1	100%
Stephen Burnau Hunt先生	Mr. Stephen Burnau Hunt	1/1	100%
李晉頤先生 (於二零一九年 十月三十一日辭任)	Mr. Lee Jin Yi (resigned on 31 October 2019)	1/1	100%
陳記煊先生	Mr. Chan Kee Huen, Michael	1/1	100%
Fritz Heinrich Horlacher先生	Mr. Fritz Heinrich Horlacher	1/1	100%

截至二零一九年十二月三十一日止年度，薪酬委員會：

During the year ended 31 December 2019, the Remuneration Committee:

- 對執行董事及高級管理層的表現進行評估；
- 根據守則B1.2(c)(ii)規定，檢討董事及高級管理層的薪酬架構／待遇以及就其薪酬向董事會提供推薦建議；
- 釐定提名董事的政策；
- 討論董事會多元化政策的實行情況；及
- 就於下屆股東週年大會建議重選退任董事向董事會作出推薦建議。

- assessed the performance of the executive Director and the senior management;
- pursuant to provision B.1.2(c)(ii) of the Code, reviewed the remuneration structure/package of the Directors and the senior management, and made recommendation to the Board on their remuneration;
- determined policy for the nomination of Directors;
- discussed the implementation of the Board diversity policy; and
- made recommendation to the Board on the proposed re-election of the retiring Directors at the forthcoming annual general meeting.

提名政策

本公司已為薪酬委員會採納提名政策，以考慮及推薦股東於股東大會上選舉董事或委任填補臨時空缺的董事。

甄選標準

於評估建議候選人適合與否時，薪酬委員會將使用下列因素作為參考：

- (1) 誠信聲譽；
- (2) 於本集團所從事業務方面的成就及經驗；
- (3) 可投入的時間及對相關利益的承擔；
- (4) 董事會多元化政策內所述之條件；及
- (5) 其他適用於本公司業務的有關因素。

上述因素只供參考，並不旨在涵蓋所有因素，也不具決定性作用。薪酬委員會可決定提名任何其認為適當的人士。

提名程序

- (1) 薪酬委員會將要求推薦的候選人按指定的形式提交必要的個人資料；
- (2) 薪酬委員會召開會議，審閱候選人的提名；
- (3) 對於任何建議的董事會候選人的任命，薪酬委員會應對有關人士進行充分的盡職調查，並提出建議，供董事會審議和批准；
- (4) 就重新委任董事會任何現有成員而言，薪酬委員會須提交建議供董事會考慮及作出推薦，讓候選人可於股東大會上膺選連任；及
- (5) 對推薦候選人於股東大會上參選的所有事宜，董事會擁有最終決定權。

Nomination Policy

The Company has adopted a Nomination Policy for the Remuneration Committee to consider and make recommendations to Shareholders for election as Directors at general meetings or appoint as Directors to fill casual vacancies.

Selection Criteria

The factors listed below would be used as reference by the Remuneration Committee in assessing the suitability of a proposed candidate:

- (1) reputation for integrity;
- (2) accomplishment and experience in the business in which the Group is engaged in;
- (3) commitment in respect of available time and relevant interest;
- (4) factors in accordance with the Board Diversity Policy; and
- (5) such other perspectives appropriate to the Company's business.

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

Nomination Procedures

- (1) The proposed candidates will be asked to submit the necessary personal information in a prescribed form by the Remuneration Committee ;
- (2) The Remuneration Committee shall convene a meeting to consider the nomination of candidates ;
- (3) For the appointment of any proposed candidate to the Board, the Remuneration Committee shall undertake adequate due diligence in respect of such individual and make recommendations for the Board's consideration and approval ;
- (4) For the re-appointment of any existing member(s) of the Board, the Remuneration Committee shall make recommendations to the Board for its consideration and recommendation, for the proposed candidates to stand for re-election at a general meeting ; and
- (5) The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at a general meeting.

截至二零一九年十二月三十一日止年度董事酬金明細如下：

The following table shows the breakdown of Directors' remuneration for the year ended 31 December 2019:

		其他薪酬 Other emoluments				
		袍金	薪金、津貼 和實物福利	酌情獎金	退休福利 計劃供款	總計
		Fees	Salaries, allowances and benefits	Discretionary bonus	Retirement benefit plans contributions	Total
		千美元 US\$'000	千美元 US\$'000	千美元 US\$'000	千美元 US\$'000	千美元 US\$'000
截至二零一九年 十二月三十一日止年度		Year ended 31 December 2019				
常務執行董事：	Executive managing director:					
陳力	Chen Li	—	461	186	17	664
非執行董事：	Non-executive directors:					
吳鎮濤	Wu Zhen Tao	—	—	—	—	—
Stephen Burnau Hunt	Stephen Burnau Hunt	39	—	—	—	39
李晉頤	Lee Jin Yi	—	—	—	—	—
(於二零一九年 十月三十一日辭任)	(resigned on 31 October 2019)	—	—	—	—	—
劉雪姿	Liu Xuezi	—	—	14	—	14
獨立非執行董事：	Independent non-executive directors:					
陳記煊	Chan Kee Huen, Michael	35	—	—	—	35
鄧昭平先生	Tang Chiu Ping, Raymond	—	—	—	—	—
(於二零一九年 四月九日辭任)	(resigned on 9 April 2019)	10	—	—	—	10
Fritz Heinrich Horlacher	Fritz Heinrich Horlacher	32	—	—	—	32
楊德斌	Yeung Tak Bun, Allen	35	—	—	—	35
		151	461	200	17	829

截至二零一九年十二月三十一日止年度高級管理人員的成員按組別劃分的酬金：

The remuneration of the members of the senior management by band for the year ended 31 December 2019:

二零一九年
2019
人數

No of individuals

零至1,000,000港元	Nil – HK\$1,000,000	2
1,000,001港元至1,500,000港元	HK\$1,000,001 to HK\$1,500,000	1

執行委員會

本公司的執行委員會由一名執行董事、兩名非執行董事及一名非董事組成，非執行董事吳鎮濤先生現為執行委員會主席。

Executive Committee

The Executive Committee of the Company consists of one executive Director, two non-executive Directors and one non-Director. Mr. Wu Zhen Tao, a non-executive Director, currently serves as the chairman of the Executive Committee.

董事會已成立執行委員會並制定書面職權範圍，列明董事會賦予的職務、職責及權力。執行委員會的主要職務及職責包括審閱財務及財務相關事宜、協助制訂年度及中長期公司策略、審批新業務發展計劃及審批研發項目。

The Board has established the Executive Committee with specific written terms of reference setting out the duties, responsibilities and authorities delegated by the Board. The major duties and responsibilities of the Executive Committee include reviewing the financials and financial related matters, assisting in developing annual and medium- to long-term corporate strategies, reviewing and approving new business development plans, and reviewing and approving research and development projects.

執行委員會成員通常每月舉行會議，及時了解本集團最新的經營情況和業績表現，以及監察並確保管理層實行董事會所訂立的方向及策略。

Executive Committee members normally meet every month to keep abreast of the latest activities and performance of the Group and to monitor and ensure that management carries out the directions and strategies set by the Board.

企業管治報告

Corporate Governance Report

截至二零一九年十二月三十一日止年度，執行委員會舉行了十次會議，而各成員的出席情況如下：

The Executive Committee held ten meetings during the year ended 31 December 2019 with the attendance of each member as follows:

執行委員會成員姓名	Name of Executive Committee members	出席會議次數／ 舉行會議次數 No. of meetings attended/No. of meetings held	出席率 Attendance rate
吳鎮濤先生(主席)	Mr. Wu Zhen Tao (Chairman)	10/10	100%
李晉頤先生 (於二零一九年 十月三十一日辭任)	Mr. Lee Jin Yi (resigned on 31 October 2019)	8/8	100%
陳力先生	Mr. Chen Li	10/10	100%
劉雪姿女士	Ms. Liu Xuezi	7/10	70%
陶芳芳女士	Ms. Tao Fang Fang	10/10	100%

問責及審核

財務報告

董事知悉彼等須根據法定要求及會計標準編製本集團財務報表的責任，亦知悉彼等須確保本集團財務報表適時刊發的責任。

香港立信德豪會計師事務所有限公司知悉其為本集團截至二零一九年十二月三十一日止年度之綜合財務報表的審計責任。

董事及核數師有關綜合財務報表的責任載列於本報告第86至90頁「獨立核數師報告」。

管理層每月向董事會全體成員提供更新資料，詳細載列有關本集團的表現及狀況，提供平衡及易於理解的評估。

核數師酬金

於本年度，香港立信德豪會計師事務所有限公司獲委任為本集團核數師，任期至下屆股東週年大會結束時止。

Accountability and Audit

Financial Reporting

The Directors acknowledge their responsibilities for preparing the financial statements of the Group in accordance with statutory requirements and accounting standards. The Directors also acknowledge their responsibilities to ensure that the financial statements for the Group are published in a timely manner.

BDO Limited acknowledges its responsibilities for the audit of the Group's consolidated financial statements for the year ended 31 December 2019.

The Directors' and auditor's responsibilities in respect of the consolidated financial statements are set out in the "Independent Auditor's Report" on pages 86 to 90 in this report.

Management has provided to all members of the Board with monthly updates giving a balanced and understandable assessment of the Group's performance and position in detail.

Auditor's Remuneration

During the year, BDO Limited was appointed as the Group's auditor until the conclusion of next AGM.

企業管治報告

Corporate Governance Report

於截至二零一九年十二月三十一日止年度，就香港立信德豪會計師事務所有限公司提供之核數及非核數服務而已付／應付之費用如下：

During the year ended 31 December 2019, the fees paid/payable to BDO Limited in respect of audit and non-audit services were as follows:

服務性質	Services rendered	已付／應付費用 Fee paid/payable 千美元 US\$'000
核數服務	Audit services	271
非核數服務	Non-audit services	111

非核數服務主要包括中期審閱及關於持續關連交易及主要交易的其他專業服務。

The non-audit services mainly consisted of interim review and other professional services in relation to the continuing connected transactions and a major transaction.

公司秘書

公司秘書彭啟輝先生在對董事會的支援上發揮重要作用，確保董事會內資訊暢順流通及依循董事會政策及程序。

Company Secretary

The Company Secretary, Mr. Pang Kai Fai, plays an important role in supporting the Board by ensuring good information flow within the Board and that board policy and procedures are followed.

全體董事可獲得公司秘書的建議及服務，而公司秘書就管治及監管事項定期向董事會提供最新資料，並安排董事的入職培訓及專業發展。

All Directors may access to the advice and services of the Company Secretary who regularly updates the Board on governance and regulatory matters and should also facilitate induction and professional development of Directors.

於截至二零一九年十二月三十一日止年度，公司秘書已進行不少於15小時的專業培訓，符合上市規則第3.29條的規定。

During the year ended 31 December 2019, the Company Secretary has undertaken no less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

內部監控及風險評估

董事會須負責持續監察本集團的風險管理和內部監控系統並須負責檢討該系統的成效，包括財務、營運及合規監控。董事會致力實施有效及完善的內部監控系統以保障股東的利益及本集團的資產。

Internal Control and Risk Assessment

The Board is responsible for monitoring the risk management and the internal control system of the Group and on an ongoing basis has the responsibility for reviewing their effectiveness including financial, operational and compliance controls. The Board is committed to implementing an effective and sound internal control system to safeguard the interest of shareholders and the Group's assets.

本公司多名部門主管定期與內部審核部門會面，確保本集團設有及維持健全的內部監控制度。為增進本集團相關人員的知識，本公司於適當時就相關規則及適用法例向彼等提供培訓。

Several department heads of the Company met with the internal audit department regularly to ensure a sound internal control system is in place and maintained. To enhance the knowledge of relevant staff of the Group, training will be provided to them in the matter of relevant rules and applicable laws as and when appropriate.

本公司的風險管理及內部監控系統旨在管理而非消除未能達成業務目標的風險，而且只能就所有風險問題作出合理而非絕對的保證。我們已採取由下而上的方法以識別、評估及減低在所有業務層面及各功能範疇上的風險。

在風險評估過程中，董事會連同管理層負責識別本集團的風險並決定有關的風險水平。聘請外部顧問提供建議及支援風險評估過程。董事會也負責評估及釐定本集團於實現其策略目標時可接受的風險性質和程度。經過討論及考慮有關的風險應對措施後，相關部門和業務單位將根據其職能及職責獲指派執行相應的風險管理解決方案。已識別之風險連同有關的風險應對措施將記錄於風險登記冊，而該等風險之更新及維護須受董事會監督。

本公司風險管理及內部監控系統的主要元素包括設立風險登記冊以跟進及記錄已識別之風險、評估及檢討風險、制定及不時更新應對措施，以及持續測試內部監控程序以確保其成效。

根據企業管治守則第C.2條的規定，基於審核委員會同意及批准的檢討範圍，內部審核部門已就某些重要監控領域（涉及財務、營運及合規監控以及風險管理功能）進行年度性內部監控審閱（涵蓋二零一九年一月一日至二零一九年十二月三十一日期間）。

此外，管理層已經分析監控環境及風險評估，評估各項所實行的監控措施，並與董事會協定內部監控制度的檢討範圍。檢討方式包括與有關管理層及職員進行討論、審閱有關內部監控系統的文件、對內部監控設計上任何不足之處的結果進行評估，以及提供改善建議（如適用）。

The risk management and internal control system of the Group are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against all risk issues. We have employed a bottom-up approach for the identification, assessment and mitigation of risk at all business unit levels and across all functional areas.

During the process of risk assessment, the Board together with management is responsible for identifying the risks of the Group and deciding on the risk levels. An external consultant was engaged to provide advice and support to the risk assessment process. The Board is also responsible for assessing and determining the nature and extent of the risks that are acceptable to the Group when achieving its strategic objectives. After discussing and taking into consideration the risk responses, the relevant departments and business units have been assigned to implement the risk management solutions in accordance with their respective roles and responsibilities. The identified risks together with the risk responses have been recorded in the risk register and the updating and maintenance of which is subject to the supervision of the Board.

The key elements of the risk management and internal control systems of the Company include the establishment of a risk register to keep track of and document identified risks, the assessment and evaluation of risks, the development and continuous updating of responsive procedures, and the ongoing testing of internal control procedures to ensure their effectiveness.

The internal audit department has performed annual internal control reviews on certain important areas of monitoring including the functions of finance, operations, compliance and risk management respectively covering the period of 1 January 2019 to 31 December 2019 in compliance with the requirements under Code Provision C.2 of the CG Code, according to the scope of review agreed and approved by the Audit Committee.

Also, management has analysed the control environment and risk assessment, assessed the various controls implemented and agreed with the Board on the scope of review over the system of internal controls. The approach of the review includes discussing with relevant management and staff members, reviewing relevant documentation of the internal control system, evaluating findings on any deficiencies in the design of internal controls and developing recommendations for improvement, where appropriate.

管理層已向審核委員會報告檢討結果，使其能就系統的成效進行評估。審核委員會曾舉行會議討論調查所得，並已認可有關的檢討結果送交董事會審閱。截至二零一九年十二月三十一日止年度，董事會已就本集團的風險管理和內部監控系統的有效性進行了年度審閱，基於所提供的資料連同其本身的觀察，並在審核委員會的協助下，董事會信納就本集團的營運及業務性質及規模而言，現行內部監控及風險管理程序達滿意水準。董事會將繼續確保管理層會不時就系統及程序作適當檢討，以保持高水準的內部監控，並將於必要時對內部監控作出改變。

內幕消息

本公司對於有關處理及發放內幕消息的程序及內部監控措施：

- 知悉其根據上市規則及證券及期貨條例項下的責任，原則是涉及內幕消息時必須在有所決定後即時公佈；
- 成立內幕消息監控團隊，監察內幕消息事宜並及時向董事會匯報；
- 根據證券及期貨事務監察委員會頒佈的內幕消息披露指引實施其自訂的政策及申報制度；及
- 就外界對本集團事務作出的查詢訂立及落實回應程序。

董事及高級職員的責任

於二零一九年／二零二零年年度，本公司已為所有董事及高級管理人員更新董事及高級職員的責任保險。該等保險就企業活動上所產生的成本、費用、開支及責任為該等董事及高級管理人員提供保障。

Management has reported the results of the reviews to the Audit Committee for its evaluation on the effectiveness of the system. Meetings were held by the Audit Committee to discuss the findings and the results of the reviews which were endorsed for reporting to the Board. During the year ended 31 December 2019, the Board has conducted its annual review of the effectiveness of the Group's risk management and internal control systems and the Board is satisfied that, based on the information supplied, coupled with its own observations and with the assistance of the Audit Committee, the present internal control and risk management processes are satisfactory for the nature and size of the Group's operations and business. The Board will continue to ensure that appropriate review of the systems and procedures is being carried out by management from time to time to maintain a high standard of internal controls and will make appropriate changes to the internal control system, if necessary.

Inside Information

With respect to the procedures and internal controls for the handling and dissemination of inside information, the Company:

- is aware of its obligations under the Listing Rules and the SFO and the overriding principle that information which is expected to be inside information should be announced once it is the subject of a decision;
- has set up an inside information control team to supervise inside information matters and report to the Board in a timely manner;
- has implemented its own policy and reporting system based on Guidelines on Disclosure of Inside Information issued by the Securities and Futures Commission; and
- has established and implemented procedures for responding to external enquiries about the Group's affairs.

Directors' and Officers' Liability

The Company has renewed Directors' and Officers' liabilities insurance for all the Directors and senior management of the Company for the year 2019/2020. The insurance covers them against costs, charges, expenses and liabilities incurred arising out of corporate activities.

與股東的溝通

董事認同本公司股東長期支持的重要性，故董事會非常重視股東表達觀點的權利，並對股東向本公司提供建議感到由衷感謝。

本公司的投資者關係活動包括：

- 定期與分析員及投資者舉行會議（一對一會議／小組會議、路演或實地考察）；
- 與分析員及傳媒舉行會議，宣佈公司業績；
- 舉行股東週年大會，以提供機會讓股東直接與董事會溝通；
- 按時於本公司及聯交所網站刊發公告、中期報告、年報及／或通函；及
- 於本公司網站提供本集團的最新資料。

於截至二零一九年十二月三十一日止年度，本公司之組織章程大綱及章程細則並無變動。

股東權利

本公司股東週年大會為股東提供機會，可與董事、管理層及外聘核數師會面並向他們提問。

本公司將安排董事會主席及各董事委員會的主席出席股東週年大會，與股東交流意見及解答股東問題。

只要股東的股份已記錄於本公司股東名冊，任何股東便有權出席股東週年大會，且本公司鼓勵股東出席股東週年大會。本公司將於大會舉行前最少20個完整營業日或21整日（以較長者為準）向股東發出股東週年大會通知。

本公司上屆股東週年大會為於二零一九年六月十二日在香港金鐘夏慤道18號海富中心一座十八樓1804A室金鐘會議中心的二零一九年股東週年大會（「二零一九年股東週年大會」）。除吳鎮濤先生外，全體董事及本公司外聘核數師香港立信德豪會計師事務所有限公司均有出席二零一九年股東週年大會。

Communications with Shareholders

The Directors recognise the importance of long-term support from the shareholders of the Company. The Board highly respects the shareholders' rights to express their views and appreciates their suggestions to the Company.

Our investor relations activities include:

- regular meetings (one-to-one/group meetings, roadshows or site visits) with analysts and investors;
- conferences with analysts and the press to announce the Company's results;
- the holding of an AGM which provides an opportunity for the shareholders to communicate directly with the Board;
- the publication of announcements, interim reports, annual reports and/or circulars on a timely basis via the Company's and the Stock Exchange's websites; and
- the availability of the latest information of the Group on the Company's website.

There is no change in the Company's memorandum and articles of association during the year ended 31 December 2019.

Shareholder's Rights

The AGM provides opportunities for the shareholders to meet and raise questions to our Directors, management and the external auditor.

The Company will arrange for the Chairman of the Board and the respective chairman of each of the Board Committees to attend the AGM to exchange views with shareholders and answer their questions.

Any shareholder is encouraged and entitled to attend the AGM, provided that their shares have been recorded in the register of members of the Company. The notice of AGM will be given to all shareholders at least 20 clear business days or 21 clear days (whichever is longer) before the meeting.

The last annual general meeting of the Company was the 2019 annual general meeting ("2019 AGM"), held on 12 June 2019 at Admiralty Conference Centre (ACC), 1804A, 18/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong. All Directors, except Mr. Wu Zhen Tao, and the external auditor of the Company, BDO Limited, attended the 2019 AGM.

本公司於二零一九年股東週年大會上提呈獨立決議案，包括建議宣派末期股息、重選董事、續聘核數師、授權發行及回購股份的一般授權。本公司採用按股數投票方式表決所有決議案。

所有於二零一九股東週年大會上向股東提呈的決議案已獲通過。本公司香港股份過戶登記分處卓佳證券登記有限公司獲委任為監票人，監察及點算於大會的表決票數。按股數投票表決的結果於大會上宣佈以及於本公司及聯交所網站登載。

股東可召開股東特別大會（「股東特別大會」）的途徑

本公司董事須應股東要求立即正式召開股東特別大會，該等股東須於提出要求當日持有附帶於本公司股東大會表決權利的不少於十分一本公司繳足股本，而不論其章程細則為何。

提出要求須列明召開會議目的，並須由要求者簽署，呈交至本公司的主要營業地點（地址為香港德輔道中189號李寶椿大廈12樓1203-4室）予公司秘書，當中或附有若干文件，由一名或多名要求者簽署的各張表格。

有關要求將由本公司的股份過戶登記分處核實，並待彼等確認該要求為恰當後，公司秘書將向董事會提出將有關決議案載入股東特別大會議程內。

如董事自提交要求當日起計二十一內並無正式召開大會，要求者可自行召開大會，惟任何就此召開的大會須於所述日期起計兩個月內舉行。

向董事會提問的程序

問題須以書面提出並隨附提問者的聯絡資料，呈交至本公司的主要營業地點（地址為香港德輔道中189號李寶椿大廈12樓1203-4室）予公司秘書。

At the 2019 AGM, separate resolutions including declaration of final dividend, the re-election of Directors, the re-appointment of auditor, the authorisation to grant the general mandate to issue and repurchase of shares were proposed. The Company adopted poll voting for all resolutions.

All resolutions put to shareholders at the 2019 AGM were passed. The Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, was appointed as scrutineers to monitor and count the poll votes cast at that meeting. The results of the voting by poll were declared at the meeting and published on the websites of the Company and the Stock Exchange.

The way by which shareholders can convene an extraordinary general meeting ("EGM")

The Directors, notwithstanding anything in the Company's articles of association shall, on the requisition of shareholders holding at the date of the deposit of the requisition not less than one-tenth of such of the paid up capital of the Company having the right of voting at general meetings of the Company, forthwith proceed duly to convene an EGM.

The requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the Company Secretary at the Company's principal place of business at Suites 1203-4, 12/F, Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong, and may consist of several documents in like form each signed by one or more requisitionists.

The request will be verified with the Company's Branch Share Registrars and upon their confirmation that the request is proper and in order, the Company Secretary will ask the Board to include the resolution in the agenda for the EGM.

If the Directors do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of two months from the said date.

The procedures for sending enquiries to the Board

The enquiries must be in writing with contact information of the requisitionists and deposited at the Company Secretary at the Company's principal place of business at Suites 1203-4, 12/F, Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong.

於股東大會動議的程序

如於股東週年大會或股東特別大會提呈議案，股東須附上該等議案的書面通知，連同詳細聯絡資料，呈交至本公司的主要營業地點(地址為香港德輔道中189號李寶椿大廈12樓1203-4室)予公司秘書。有關要求將由本公司的股份過戶登記處核實，並待彼等確認該要求為恰當後，公司秘書將向董事會提出將有關決議案載入股東大會議程內。

就股東於股東週年大會或股東特別大會所提呈議案而給予全體股東考慮的通知期限根據議案的性質釐定如下：

- 倘議案於股東特別大會上構成一項普通決議案，最少14日書面通知(通知期包括10個營業日)。
- 倘議案於股東特別大會上構成本公司一項特別決議案或於股東週年大會上構成本公司任何一項決議案，最少21日書面通知(通知期包括20個營業日)。

投資者關係的聯絡事宜

本公司重視股東、投資者及公眾人士的反饋意見。歡迎透過以下途徑向本公司提出查詢及建議：

香港

請按以下方式聯絡我們的公司秘書：

電話 : (852) 2828 9206
 郵件 : 香港德輔道中189號李寶椿大廈
 12樓1203-4室
 電郵 : ir@lansen.com.cn

中國

請按以下方式聯絡我們的投資者關係部：

電話 : (86) 574 8804 6316
 郵件 : 浙江省寧波市海曙區
 高橋工業園區新豐路228號
 (郵編: 315174)
 電郵 : ir@lansen.com.cn

於本公司網站www.lansen.com.cn可提供最新的投資者關係資料。

The procedures for making proposals at Shareholders' Meetings

To put forward proposals at an AGM or EGM, the shareholders should submit a written notice of those proposals with detailed contact information to the Company Secretary at the Company's principal place of business at Suites 1203-4, 12/F, Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong. The request will be verified with the Company's Share Registrars and upon their confirmation that the request is proper and in order, the Company Secretary will ask the Board to include the resolution in the agenda for the general meeting.

The notice period to be given to all shareholders for consideration of the proposal raised by the shareholders concerned at an AGM or EGM varies according to the nature of the proposal, as follows:

- At least 14 days' notice (the notice period must include 10 business days) in writing if the proposal constitutes an ordinary resolution of the Company in an EGM.
- At least 21 days' notice (the notice period must include 20 business days) in writing if the proposal constitutes a special resolution of the Company in an EGM or any resolution of the Company in an AGM.

Investor Relations Contacts

The Company values feedbacks from shareholders, investors and the public. Enquiries and proposals are welcome and can be put to the Company via the following means:

Hong Kong

Please contact our Company Secretary at:

By phone : (852) 2828 9206
 By post : Suite 1203-4, 12/F., Li Po Chun Chambers,
 189 Des Voeux Road Central, Hong Kong
 By e-mail : ir@lansen.com.cn

The PRC

Please contact our Investor Relations Department at:

By phone : (86) 574 8804 6316
 By post : 228 Xinfeng Road, Gaoqiao Industrial Park,
 Haishu District, Ningbo City, Zhejiang Province, PRC
 (Postal code: 315174)
 By e-mail : ir@lansen.com.cn

The latest investor relations information is available on the Company's website at www.lansen.com.cn.

獨立核數師報告

Independent Auditor's Report



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致朗生醫藥控股有限公司股東
(於開曼群島註冊成立的有限公司)

To the shareholders of Lansen Pharmaceutical Holdings Limited
(incorporated in the Cayman Islands with limited liability)

意見

本核數師(以下簡稱「我們」)已審計列載於第91至209頁朗生醫藥控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一九年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及包括主要會計政策概要的綜合財務報表附註。

我們認為，該等綜合財務報表已根據《國際財務報告準則》真實而公平地反映 貴集團於二零一九年十二月三十一日的綜合財務狀況及貴集團截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港《公司條例》的披露規定妥為編製。

意見基礎

我們已根據《國際審計準則》(「國際審計準則」)進行審計。我們於該等準則下的責任，將於我們的報告中「核數師就綜合財務報表的審計須承擔的責任」一節中進一步詳述。根據香港會計師公會「專業會計師道德守則」(「守則」)，我們獨立於 貴集團，並已根據守則滿足我們其他的道德責任。我們相信，我們所獲得的審計憑證能充足和適當地為我們的意見提供基礎。

Opinion

We have audited the consolidated financial statements of Lansen Pharmaceutical Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 91 to 209, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). 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.

BDO Limited
香港立信德豪會計師事務所有限公司

BDO Limited, a Hong Kong limited company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

關鍵審計事項

關鍵審計事項是指根據我們的專業判斷，於審計當前期間綜合財務報表中最重要的事項。我們在審計整體綜合財務報表和就此形成意見時處理此等事項，而不會就此等事項單獨發表意見。

可使用年期無限的無形資產及商譽的減值評估

(請參閱綜合財務報表附註5、18及19)

於二零一九年十二月三十一日，本集團的商譽為6,825,000美元，而可使用年期無限的無形資產為21,670,000美元。管理層已根據《國際會計準則》第36號「資產減值」進行減值審查。現金產生單位的可收回金額根據在用價值計算釐定。在用價值計算包括管理層對估計未來現金流量作出的重大假設及判斷。

我們視可使用年期無限的無形資產商譽的減值評估為關鍵審計事項，原因是該評估對綜合財務報表的重要性，以及本範疇涉及管理層作出重大程度的判斷及估計，特別是對未來現金流量及折現率作出的估計。

有關減值模型所使用的主要假設已於綜合財務報表附註18及19中披露。

我們的回應：

就管理層及可使用年期無限的無形資產及商譽進行的減值評估，我們所採取的程序包括：

- 正就現金流量預測與高級管理人員進行討論；
- 正根據我們對業務及行業的認知，並考慮預算過往的準確程度，對管理層所使用的數據來源及主要假設的合理性進行評估；
- 檢查減值計算的算術準確性；及
- 正進行敏感度分析，包括評估折現率及現金流合理可能變動的影響。

Key Audit Matters

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

Impairment assessment of intangible assets with indefinite useful lives and goodwill

(Refer to Notes 5, 18 and 19 to the consolidated financial statements)

The Group had intangible assets with indefinite useful lives of US\$21,670,000 and goodwill of US\$6,825,000 as at 31 December 2019. Management has performed an impairment review under International Accounting Standard 36 "Impairment of Assets". Recoverable amounts of cash-generating units are determined based on value in use calculations, which include significant assumptions and judgements made by management concerning the estimated future cash flows.

We identified the impairment assessment of intangible assets with indefinite useful lives and goodwill as a key audit matter because of its significance to the consolidated financial statements and because this area involves a significant degree of judgement and estimation made by management, in particular the estimation of future cash flows and discount rate.

See Notes 18 and 19 to the consolidated financial statements where the key assumptions used in the impairment model have been disclosed.

Our response:

Our procedures in relation to management's impairment assessment of intangible assets with indefinite useful lives and goodwill included:

- Discussing cash flow projections with senior management;
- Assessing the reasonableness of the sources of data and key assumptions used by the management based on our knowledge of the business and industry and by considering the historical accuracy of budgeting;
- Checking arithmetical accuracy of the impairment calculation; and
- Performing sensitivity analysis including assessing the effect of a reasonably possible change in discount rate and cash flows.

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本年報的其他資料

董事須負責其他資料。其他資料包括 貴公司年報所載的資料，但不包括綜合財務報表及我們就此編製的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他資料，我們亦對其他資料作出的結論概不表示任何形式的保證。

就我們審計綜合財務報表而言，我們的責任為閱覽其他資料，並就此考慮其他資料與綜合財務報表或我們於審計時獲得的認知是否出現重大不一致情況，或出現重大錯誤陳述。倘根據我們已進行的工作，我們得出本其他資料出現重大錯誤陳述的結論，我們須就此事實作出匯報。就此方面我們並無事項須予匯報。

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《國際財務報告準則》及香港《公司條例》的披露規定編製及公平呈列此等綜合財務報表，及落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表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，董事負責評估 貴集團持續經營的能力，同時於適當時披露與持續經營相關的事項，並使用會計的持續經營基準，除非董事計劃對 貴集團進行清盤或結束其營運，或現實並無替代方案。

董事亦負責監控 貴集團的財務報告過程。審核委員會協助董事履行此方面的責任。

核數師就綜合財務報表的審計須承擔的責任

我們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確定，並出具載有我們的意見的核數師報告。本報告按照審計業務約定書的條文

Other Information in the Annual Report

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

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

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

Directors' Responsibilities for the Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you,

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僅向整體股東報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

合理確定為一項高水平的確定，但並非保證於存在重大錯誤陳述時，根據《國際審計準則》進行的審計能恒常檢測出重大錯誤陳述。錯誤陳述可因欺詐或錯誤引致，對採納此等綜合財務報表為基準的使用者而言，倘可合理預期該等錯誤陳述個別或整體會對他們採取的經濟決定產生影響，則該等錯誤陳述將被視為重大錯誤陳述。

作為根據《國際審計準則》進行的審計的一部分，我們於審計中作出專業的判斷，並抱持專業的懷疑態度。我們亦：

- 識別及評估由欺詐或錯誤導致綜合財務報表出現重大錯誤陳述的風險，設計及執行回應該等風險的審計程序，並獲得充足和適當的審計憑證為我們的意見提供基礎。未能檢測出因欺詐導致的重大錯誤陳述，其風險高於未能檢測出因錯誤所導致者，原因是欺詐可能涉及串謀、偽造、故意遺漏、失實陳述，或凌駕內部監控。
- 了解與審計相關的內部監控，以設計適合此一情況的審計程序，但其目的並非就 貴集團內部監控的有效性發表意見。
- 評估所使用的會計政策的合適性，以及董事作出的會計估計及相關披露的合理性。
- 就董事使用會計的持續經營基準的合適性作出結論，並基於所獲得的審計憑證，對 貴集團繼續持續經營的能力可構成重大疑問的事件或情況，是否存在與之相關的重大不確定性作出結論。倘我們的結論為存在重大不確定性，我們須於核數師報告中，就綜合財務報表中的相關披露提請使用者垂注，或倘該等披露並不充份，則修改我們的意見。我們的結論乃基於截至我們的核數師報告日期所獲得的審計憑證。然而，未來事件或情況可導致 貴集團停止繼續持續經營。

as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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- 就綜合財務報表的整體陳述、結構及內容(包括披露)進行評估，並就綜合財務報表是否以達致公平陳述的方式呈列相關交易及事件進行評估。
- 對 貴集團內的實體或業務活動的財務資料獲得充足適當的審計憑證，以就綜合財務報表發表意見。我們就 貴集團的審計方向、監督及履行情況承擔責任。我們為審計意見承擔全部責任。
- 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.

除其他事項外，我們就審計的計劃範圍及時間，以及重大審計發現(包括於審計期間我們識別的任何內部監控重大缺陷)與審核委員會溝通。

我們亦向審核委員會提供聲明，以說明我們已遵守有關獨立性的相關道德要求，並就有可能合理地認為影響我們的獨立性的所有關係及其他事項，以及(如適用)相關的防範措施與全體審核委員會成員進行溝通。

我們認為與董事溝通的事項對審計當前期間的綜合財務報表最為重要，因此屬關鍵審計事項。除非法律或法規禁止我們披露有關事項，或在極端罕見的情況下，我們認為於報告中溝通某事項，可合理預期其負面後果將大於公眾利益，因而決定不應於報告中進行溝通，否則我們會於核數師報告內描述此等事項。

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, related safeguards.

From the matters communicated with the directors, 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.

香港立信德豪會計師事務所有限公司
執業會計師

梁子慧
執業證書編號：P06158

香港，二零二零年三月三十一日

BDO Limited
Certified Public Accountants

Leung Tze Wai
Practising Certificate Number: P06158

Hong Kong, 31 March 2020

綜合損益及其他全面收益表

Consolidated Statement of Profit or Loss and Other Comprehensive Income

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

		附註 Notes	二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
收入	Revenue	6	54,257	56,872
銷售成本	Cost of sales		(20,928)	(26,601)
毛利	Gross profit		33,329	30,271
其他收入	Other income	6	3,702	2,232
銷售及分銷開支	Selling and distribution expenses		(18,042)	(17,110)
行政開支	Administrative expenses		(15,260)	(15,875)
金融資產的預期信貸虧損撥回／(撥備)	Reversal of/(Allowance for) expected credit losses on financial assets		230	(105)
經營溢利／(虧損)	Profit/(Loss) from operations		3,959	(587)
其他非經營性收入及開支	Other non-operating income and expenses	8	19,559	5,904
衍生金融工具的公平值收益	Fair value gain on derivative financial instrument		—	73
其他金融負債的公平值收益	Fair value gain on other financial liabilities		133	100
衍生金融工具撇銷	Write off of derivative financial instrument		(1,910)	—
財務成本	Finance costs	9	(4,409)	(4,277)
應佔聯營公司之除稅後業績	Share of post-tax result of associates		1,310	877
除所得稅前溢利	Profit before income tax	10	18,642	2,090
所得稅開支	Income tax expense	12	(293)	(1,930)
年度溢利	Profit for the year		18,349	160

綜合損益及其他全面收益表

Consolidated Statement of Profit or Loss and Other Comprehensive Income

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

		附註 Note	二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
其他全面收益	Other comprehensive income			
<i>其後可能重新分類至損益之項目：</i>	<i>Items that may be reclassified subsequently to profit or loss:</i>			
— 換算海外業務產生之匯兌差額	— Exchange differences arising on translation of foreign operations		(2,524)	(4,634)
— 出售一間聯營公司的部分權益時重新分類至損益的匯兌差額	— Exchange differences reclassified to profit or loss upon partial disposal of an associate		1,339	(107)
年度其他全面收益 (扣除稅項)	Other comprehensive income for the year, net of tax		(1,185)	(4,741)
年度全面收益總額	Total comprehensive income for the year		17,164	(4,581)
本公司擁有人應佔溢利	Profit attributable to owners of the Company		18,349	160
本公司擁有人應佔全面收益總額	Total comprehensive income attributable to owners of the Company		17,164	(4,581)
每股盈利	Earnings per share		美仙 US cents	美仙 US cents
— 基本及攤薄	— Basic and diluted	14	4.54	0.04

綜合財務狀況表

Consolidated Statement of Financial Position

於二零一九年十二月三十一日 As at 31 December 2019

		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
		附註 Notes	
資產	ASSETS		
非流動資產	Non-current assets		
物業、廠房及設備	Property, plant and equipment	15	25,140
使用權資產	Right-of-use assets	16	2,698
預付土地租賃款項	Prepaid land lease payment	17	—
預付收購一間公司部份權益之款項	Prepayment for acquisition of partial equity interest in a company		1,869
無形資產	Intangible assets	18	—
商譽	Goodwill	19	612
於聯營公司之權益	Interests in associates	20	25,810
			6,825
			16,143
			72,476
			93,516
流動資產	Current assets		
存貨	Inventories	21	6,652
貿易及其他應收款項	Trade and other receivables	22	49,898
向一間聯營公司的貸款	Loan to an associate	23	7,197
應收稅金	Tax recoverable		—
預付土地租賃款項	Prepaid land lease payment	17	—
衍生金融工具	Derivative financial instrument	38	—
已抵押銀行存款	Pledged bank deposits	24	27,373
現金及現金等價物	Cash and cash equivalents	24	20,363
			111,483
			108,397
總資產	Total assets		183,959
			201,913
權益及負債	EQUITY AND LIABILITIES		
資本及儲備	Capital and reserves		
本公司擁有人應佔權益	Equity attributable to owners of the Company		
股本	Share capital	25	3,972
股份溢價	Share premium	26	16,750
庫存股份	Treasury shares	26	—
外匯儲備	Foreign exchange reserve		(3)
法定儲備	Statutory reserve		(3,795)
保留溢利	Retained profits		9,564
			58,405
總權益	Total equity		101,375
			88,451

綜合財務狀況表

Consolidated Statement of Financial Position

於二零一九年十二月三十一日 As at 31 December 2019

		附註 Notes	二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
非流動負債	Non-current liabilities			
租賃負債	Lease liabilities	36	481	—
遞延稅項負債	Deferred tax liabilities	28	1,636	2,445
			2,117	2,445
流動負債	Current liabilities			
借款	Borrowings	27	60,520	87,224
租賃負債	Lease liabilities	36	413	—
流動稅項負債	Current tax liabilities		1,406	512
貿易及其他應付款項	Trade and other payables	29	16,666	21,487
合約負債	Contract liabilities	30	291	560
其他金融負債	Other financial liabilities	31	1,171	1,234
			80,467	111,017
總負債	Total liabilities		82,584	113,462
總權益及負債	Total equity and liabilities		183,959	201,913
流動資產／(負債)淨值	Net current assets/(liabilities)		31,016	(2,620)
總資產減流動負債	Total assets less current liabilities		103,492	90,896

第91至209頁的綜合財務報表已於二零二零年三月三十一日獲董事會批准及授權刊發，並由以下人士代表簽署：

The consolidated financial statements on pages 91 to 209 were approved and authorised for issue by the Board of Directors on 31 March 2020 and are signed on its behalf by:

董事
Director
陳力
CHEN Li

董事
Director
劉雪姿
LIU Xuezi

綜合權益變動表

Consolidated Statement of Changes in Equity

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

		股本	股份溢價	庫存股份	外匯儲備	法定儲備	保留溢利	總權益
		Share capital	Share premium	Treasury shares	Foreign exchange reserve	Statutory reserve	Retained profits	Total equity
		千美元	千美元	千美元	千美元	千美元	千美元	千美元
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
		(Note 25)	(Note 26)	(Note 26)	(Note 26)	(Note 26)	(Note 26)	(Note 26)
截至二零一八年十二月三十一日止年度	Year ended 31 December 2018							
於二零一八年一月一日之結餘	Balance at 1 January 2018	4,150	18,945	—	2,131	9,233	62,019	96,478
股息(附註13)	Dividends (Note 13)	—	—	—	—	—	(3,443)	(3,443)
股份回購(附註26)	Share repurchase (Note 26)	—	—	(3)	—	—	—	(3)
與擁有人進行交易	Transactions with owners	—	—	(3)	—	—	(3,443)	(3,446)
年度溢利	Profit for the year	—	—	—	—	—	160	160
年度其他全面收益	Other comprehensive income for the year							
— 換算海外業務產生之匯兌差額	— Exchange differences arising on translation of foreign operations	—	—	—	(4,634)	—	—	(4,634)
— 於出售一間聯營公司的部分權益時重新分類至損益的匯兌差額	— Exchange differences reclassified to profit or loss upon partial disposal of an associate	—	—	—	(107)	—	—	(107)
年度全面收益總額	Total comprehensive income for the year	—	—	—	(4,741)	—	160	(4,581)
轉撥至法定儲備	Appropriations to statutory reserve	—	—	—	—	331	(331)	—
於二零一八年十二月三十一日之結餘	Balance at 31 December 2018	4,150	18,945	(3)	(2,610)	9,564	58,405	88,451
截至二零一九年十二月三十一日止年度	Year ended 31 December 2019							
按原定呈列於二零一八年十二月三十一日之結餘	Balance at 31 December 2018 as originally presented	4,150	18,945	(3)	(2,610)	9,564	58,405	88,451
會計政策變動 — 採納國際財務報告準則第16號(附註3.1(i))	Changes in accounting policies — adoption of IFRS 16 (Note 3.1(i))	—	—	—	—	—	(15)	(15)
於二零一九年一月一日之經重列結餘	Restated balance at 1 January 2019	4,150	18,945	(3)	(2,610)	9,564	58,390	88,436
股息(附註13)	Dividends (Note 13)	—	—	—	—	—	(1,855)	(1,855)
股份回購(附註26)	Share repurchase (Note 26)	—	—	(2,370)	—	—	—	(2,370)
註銷已回購的股份(附註26)	Cancellation of shares repurchased (Note 26)	(178)	(2,195)	2,373	—	—	—	—
與擁有人進行交易	Transactions with owners	(178)	(2,195)	3	—	—	(1,855)	(4,225)
年度溢利	Profit for the year	—	—	—	—	—	18,349	18,349
年度其他全面收益	Other comprehensive income for the year							
— 換算海外業務產生之匯兌差額	— Exchange differences arising on translation of foreign operations	—	—	—	(2,524)	—	—	(2,524)
— 於出售一間聯營公司的部分權益時重新分類至損益的匯兌差額	— Exchange differences reclassified to profit or loss upon partial disposal of an associate	—	—	—	1,339	—	—	1,339
年度全面收益總額	Total comprehensive income for the year	—	—	—	(1,185)	—	18,349	17,164
轉撥至法定儲備	Appropriations to statutory reserve	—	—	—	—	337	(337)	—
於二零一九年十二月三十一日之結餘	Balance at 31 December 2019	3,972	16,750	—	(3,795)	9,901	74,547	101,375

綜合現金流量表

Consolidated Statement of Cash Flows

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

		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
來自經營業務之現金流量	Cash flows from operating activities		
除所得稅前溢利	Profit before income tax	18,642	2,090
調整：	Adjustments for:		
財務成本	Finance costs	4,409	4,277
利息收入	Interest income	(454)	(466)
應佔聯營公司之除稅後業績	Share of post-tax result of associates	(1,310)	(877)
無形資產減值撥備	Provision for impairment of intangible assets	5,495	468
物業、廠房及設備減值撥備	Provision for impairment of property, plant and equipment	918	154
於一間聯營公司的權益的減值撥備	Provision for impairment of interest in an associate	396	—
陳舊存貨減值撥備	Provision for impairment of obsolete inventories	1,665	1,955
金融資產的預期信貸虧損(撥回)/撥備	(Reversal of)/Allowance for expected credit loss on financial assets	(230)	105
物業、廠房及設備折舊	Depreciation of property, plant and equipment	2,829	3,096
衍生金融工具的公平值收益	Fair value gain on derivative financial instrument	—	(73)
其他金融負債的公平值收益	Fair value gain on other financial liabilities	(133)	(100)
預付土地租賃款項攤銷	Amortisation of prepaid land lease payment	—	59
使用權資產折舊	Depreciation of right-of-use assets	546	—
無形資產攤銷	Amortisation of intangible assets	561	583
出售物業、廠房及設備的虧損	Loss on disposals of property, plant and equipment	118	72
無形資產撇銷	Write off of intangible assets	—	744
存貨撇銷	Write off of inventories	1,610	170
金融資產撇銷	Write off of financial assets	572	1,159
衍生金融工具撇銷	Write off of derivative financial instrument	1,910	—
出售一間聯營公司部份權益的收益	Gain on partial disposal of an associate	(25,450)	(5,066)
營運資金變動前之經營溢利	Operating profit before working capital changes	12,094	8,350
存貨減少/(增加)	Decrease/(Increase) in inventories	1,929	(350)
貿易及其他應收款項減少	Decrease in trade and other receivables	2,198	78
貿易及其他應付款項(減少)/增加	(Decrease)/Increase in trade and other payables	(4,631)	587
合約負債(減少)/增加	(Decrease)/Increase in contract liabilities	(263)	5
經營產生之現金	Cash generated from operations	11,327	8,670
已付利息	Interest paid	(4,252)	(4,118)
已付所得稅	Income tax paid	(154)	(1,991)
經營活動產生之現金淨額	Net cash generated from operating activities	6,921	2,561

綜合現金流量表

Consolidated Statement of Cash Flows

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

	附註 Notes	二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
來自投資活動之現金流量	Cash flows from investing activities		
已抵押銀行存款 (增加)/減少	(Increase)/Decrease in pledged bank deposits	(5,701)	9,541
購買物業、廠房及設備	Purchase of property, plant and equipment	(1,367)	(1,742)
購買無形資產	Purchase of intangible assets	(2,150)	(3,179)
來自出售一間聯營公司部分權益之所得款項	Proceeds from partial disposal of an associate	43,508	9,848
與出售一間聯營公司部分權益相關的交易成本及其他稅	Transaction costs and other tax in connection with partial disposal of an associate	(1,693)	(355)
收取聯營公司股息	Dividends received from an associate	1,344	122
出售物業、廠房及設備所得款項	Proceeds from disposals of property, plant and equipment	4	68
(向一間聯營公司提供之墊款)	(Advance to)/Repayment from an associate	(358)	72
一間聯營公司還款			
收購一間附屬公司之淨現金流出	Cash outflows from acquisition of a subsidiary, net	—	(992)
收購一間聯營公司款項	Payment for acquisition of an associate	(1,422)	—
預付收購聯營公司款項	Prepayment for acquisition of an associate	—	(612)
已收利息	Interest received	454	466
投資活動產生現金淨額	Net cash generated from investing activities	32,619	13,237
來自融資活動之現金流量	Cash flows from financing activities		
借款所得之款項	Proceeds from borrowings	76,924	113,029
償還借款之款項	Repayment of borrowings	(102,836)	(122,295)
已付股息	Dividends paid	(1,855)	(3,443)
股份回購款項	Payment for repurchase of shares	(2,370)	(3)
償還租賃負債的本金部份	Repayment of principal portion of lease liabilities	(475)	—
融資活動所用之現金淨額	Net cash used in financing activities	(30,612)	(12,712)
現金及現金等價物之淨增加	Net increase in cash and cash equivalents	8,928	3,086
年初現金及現金等價物	Cash and cash equivalents at beginning of the year	11,564	8,891
匯率變動之影響	Effects of exchange rate changes	(129)	(413)
年末現金及現金等價物	Cash and cash equivalents at end of the year	20,363	11,564

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

1. 公司資料

朗生醫藥控股有限公司(「本公司」)於二零零九年九月十日在開曼群島註冊成立為獲豁免有限公司，其股份自二零一零年五月七日起在香港聯合交易所有限公司(「聯交所」)主板上市。本公司的註冊辦事處為Clifton House, 75 Fort Street, P. O. Box 1350, Grand Cayman KY1-1108, the Cayman Islands。本公司的主要營業地點位於香港德輔道中189號李寶椿大廈12樓1203-4室。

本公司的主要業務活動為投資控股。本公司附屬公司(連同本公司，統稱「本集團」)的主要業務活動為製造及買賣藥品。本集團主要在中華人民共和國(「中國」)進行業務，詳情載於附註33。年內，本集團業務概無重大變動。

本公司為Cathay International Holdings Limited (「CIH」)的附屬公司，該公司在百慕達註冊成立，其股份在倫敦證券交易所上市。董事認為直接控股公司和最終控股公司分別為國泰國際醫藥生產及銷售(中國)有限公司及CIH。

2. 綜合財務報表編製基準

綜合財務報表乃根據國際會計準則委員會(「國際會計準則委員會」)頒佈的所有國際財務報告準則、國際會計準則(「國際會計準則」)及詮釋(以下統稱「國際財務報告準則」)及香港《公司條例》的披露規定編製。此外，綜合財務報表包括聯交所證券上市規則(「上市規則」)規定的適用披露。

綜合財務報表根據歷史成本基準編製，惟於各報告期末按公平值計量的若干金融負債則除外。除另有註明外，綜合財務報表以美元(「美元」)(即等同本公司的功能貨幣)呈列，而所有價值均調整至最接近千位。

1. Corporate Information

Lansen Pharmaceutical Holdings Limited (the "Company") is an exempted limited liability company incorporated in the Cayman Islands on 10 September 2009 and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 7 May 2010. The Company's registered office is located at Clifton House, 75 Fort Street, P. O. Box 1350, Grand Cayman KY1-1108, the Cayman Islands. The Company's principal place of business is located at Suites 1203-4, 12/F., Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries (together with the Company referred to as the "Group") are manufacturing and trading of pharmaceutical products. The principal activities of the Group are carried out in the People's Republic of China (the "PRC") and are set out in Note 33. There were no significant changes in the Group's operations during the year.

The Company is a subsidiary of Cathay International Holdings Limited ("CIH"), a company incorporated in Bermuda and whose shares are listed on the London Stock Exchange. The directors consider the immediate holding company and ultimate holding company to be Cathay International Pharma Manufacture and Distribution (China) Limited and CIH respectively.

2. Basis of Preparation of Consolidated Financial Statements

The consolidated financial statements have been prepared in accordance with all International Financial Reporting Standards ("IFRS"), International Accounting Standards ("IASs") and Interpretations (hereinafter collectively referred to as "IFRSs") issued by the International Accounting Standards Board ("IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The consolidated financial statements have been prepared under the historical cost basis except for certain financial liabilities that are measured at fair values at the end of each of the reporting period. The consolidated financial statements are presented in United States Dollars ("US\$"), which is the same as the functional currency of the Company and all values are rounded to the nearest thousand except when otherwise indicated.

Notes to the Consolidated Financial Statements

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

3. 採納新訂或經修訂國際財務報告準則

3.1 採納新訂或經修訂國際財務報告準則 — 自二零一九年一月一日起生效

國際財務報告準則第16號	租賃
國際財務報告準則二零一五年至二零一七年週期的年度改進	國際會計準則第12號 所得稅；國際會計準則第23號 借貸費用； 國際財務報告準則第3號業務合併； 國際財務報告準則第11號合營安排的修訂
國際財務報告準則第9號的修訂	具有負補償之提前還款特性
國際會計準則第28號的修訂	於聯營公司及合營公司之長期權益
國際會計準則第19號的修訂	計劃修訂、縮減或清償
國際財務報告詮釋委員會第23號	所得稅處理的不確定性

除以下所述外，採納此等新訂或經修訂國際財務報告準則對本集團的綜合財務報表並無重大影響。

3. Adoption of New or Revised IFRSs

3.1 Adoption of new or revised IFRSs — effective on 1 January 2019

IFRS 16	Leases
Annual Improvements to IFRSs 2015–2017 Cycle	Amendments to IAS 12 <i>Income Tax</i> ; IAS 23 <i>Borrowing Costs</i> ; IFRS 3 <i>Business Combinations</i> ; IFRS 11 <i>Joint Arrangement</i>
Amendments to IFRS 9	Prepayment Features with Negative Compensation
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement
IFRIC 23	Uncertainty over Income Tax Treatments

Except for as explained below, the adoption of these new or revised IFRSs has no material impact on the Group's consolidated financial statements.

3. 採納新訂或經修訂國際財務報告準則(續)

3.1 採納新訂或經修訂國際財務報告準則 — 自二零一九年一月一日起生效(續)

國際財務報告準則第16號—租賃(「國際財務報告準則第16號」)

(i) 採納國際財務報告準則第16號之影響

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

本集團已採用累計影響法應用國際財務報告準則第16號，並將初次應用國際財務報告準則第16號之所有累計影響確認為對於初次應用日期之期初保留溢利結餘之調整。在國際財務報告準則第16號過渡條文允許下，於二零一八年呈列之比較資料未作重列，並繼續根據國際會計準則第17號及相關詮釋呈報。

3. Adoption of New or Revised IFRSs (Continued)

3.1 Adoption of new or revised IFRSs — effective on 1 January 2019 (Continued)

IFRS 16 — Leases (“IFRS 16”)

(i) Impact of the adoption of IFRS 16

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

The Group has applied IFRS 16 using the cumulative effect approach and recognised all the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of retained profits at the date of initial application. The comparative information presented in 2018 has not been restated and continues to be reported under IAS 17 and related interpretations as allowed by the transition provision in IFRS 16.

Notes to the Consolidated Financial Statements

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

3. 採納新訂或經修訂國際財務報告準則(續)

3.1 採納新訂或經修訂國際財務報告準則 — 自二零一九年一月一日生效(續)

國際財務報告準則第16號—租賃(「國際財務報告準則第16號」)(續)

(i) 採納國際財務報告準則第16號之影響(續)

下表概述過渡至國際財務報告準則第16號對於二零一八年十二月三十一日至二零一九年一月一日之綜合財務狀況表之影響：

3. Adoption of New or Revised IFRSs (Continued)

3.1 Adoption of new or revised IFRSs — effective on 1 January 2019 (Continued)

IFRS 16 — Leases (“IFRS 16”) (Continued)

(i) Impact of the adoption of IFRS 16 (Continued)

The following table summarised the impact of transition to IFRS 16 on the consolidated statement of financial position as at 31 December 2018 to that as at 1 January 2019 as follows:

		千美元 US\$'000
二零一九年一月一日之 綜合財務狀況表	Consolidated statement of financial position as at 1 January 2019	
使用權資產—辦公場所及 辦公設備之租賃	Right-of-use assets — leases of office premises and office equipment	1,021
由預付土地租賃款項重分類為 使用權資產(附註)	Reclassification from prepaid land lease payment as right-of-use assets (Note)	1,921
		2,942
租賃負債	Lease liabilities	(1,036)
預付土地租賃款項	Prepaid land lease payment	(1,921)
		(15)
保留溢利減少淨額	Net reduction in retained profits	(15)

附註： 於二零一八年十二月三十一日，中國租賃土地的預付款項分類為預付土地租賃款項。採納國際財務報告準則第16號時，預付土地租賃款項的流動及非流動部份分別為52,000美元及1,869,000美元已重分類為使用權資產。

Note: Upfront payments for leasehold lands in the PRC were classified as prepaid land lease payment as at 31 December 2018. Upon adoption of IFRS 16, the current and non-current portion of prepaid land lease payment amounting to US\$52,000 and US\$1,869,000 respectively were reclassified to right-of-use assets.

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

3. 採納新訂或經修訂國際財務報告準則(續)

3.1 採納新訂或經修訂國際財務報告準則 — 自二零一九年一月一日生效(續)

國際財務報告準則第16號—租賃(「國際財務報告準則第16號」)(續)

(i) 採納國際財務報告準則第16號之影響(續)

下列對賬說明於二零一八年十二月三十一日應用國際會計準則第17號所披露之經營租賃承擔，與於二零一九年一月一日之綜合財務狀況表內於首次應用日期確認之租賃負債之對賬情況：

3. Adoption of New or Revised IFRSs (Continued)

3.1 Adoption of new or revised IFRSs — effective on 1 January 2019 (Continued)

IFRS 16 — Leases (“IFRS 16”) (Continued)

(i) Impact of the adoption of IFRS 16 (Continued)

The following reconciliation explains how the operating lease commitments disclosed applying IAS 17 at the end of 31 December 2018 could be reconciled to the lease liabilities at the date of initial application recognised in the consolidated statement of financial position as at 1 January 2019:

千美元
US\$'000

經營租賃承擔與租賃負債之對賬

Reconciliation of operating lease commitments to lease liabilities

於二零一八年十二月三十一日的
最低經營租賃承擔
減：使用初次應用日期增量借款
利率折現的影響

Minimum operating lease commitments at
31 December 2018
Less: effect of discounting using the
incremental borrowing rate as at
the date of initial application

1,161

(125)

於二零一九年一月一日確認的
租賃負債

Lease liabilities recognised at
1 January 2019

1,036

於二零一九年一月一日綜合
財務狀況表確認的租賃負債
適用的加權平均承租人增量
借款利率為4.71%。

The weighted average lessee's incremental borrowing rate applied to lease liabilities recognised in the consolidated statement of financial position as at 1 January 2019 was 4.71%.

3. 採納新訂或經修訂國際財務報告準則(續)

3.1 採納新訂或經修訂國際財務報告準則 — 自二零一九年一月一日生效(續)

國際財務報告準則第16號—租賃(「國際財務報告準則第16號」)(續)

(ii) 租賃之新定義

根據國際財務報告準則第16號，租賃界定為一份合約或合約之一部份，透過轉讓於一段時間內使用一項資產(相關資產)之使用權換取代價。當客戶於整個使用期內均：
(a) 有權獲取使用已識別資產帶來之絕大部份經濟效益及
(b) 有權指示已識別資產之用途時，則該合約轉讓可於一段時間內控制使用該已識別資產之權利。

就含有租賃成分以及一項或多項額外租賃或非租賃成分的合約而言，承租人須將合約代價分配至各租賃成分，基準是租賃成分的相對獨立價格及非租賃成分的總獨立價格，除非承租人應用實際權宜方法使承租人可按相關資產類別選擇不從租賃成分中區分非租賃成分，而是將各租賃成分及任何相關非租賃成分入賬列作單一租賃成分。

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

3. Adoption of New or Revised IFRSs (Continued)

3.1 Adoption of new or revised IFRSs — effective on 1 January 2019 (Continued)

IFRS 16 — Leases (“IFRS 16”) (Continued)

(ii) The new definition of a lease

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

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

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

3. 採納新訂或經修訂國際財務報告準則 (續)

3.1 採納新訂或經修訂國際財務報告準則 — 自二零一九年一月一日起生效 (續)

國際財務報告準則第16號—租賃 (「國際財務報告準則第16號」) (續)

(iii) 作為承租人之會計處理

根據國際會計準則第17號，承租人須根據租賃資產擁有權隨附風險及回報與出租人或承租人之相關程度將租賃分類為經營租賃或融資租賃。倘租賃釐定為經營租賃，承租人將於租賃期內將經營租賃項下之租賃付款確認為一項開支。租賃項下之資產將不會於承租人之財務狀況報表內確認。

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

本集團於租賃開始當日確認使用權資產及租賃負債。

3. Adoption of New or Revised IFRSs (Continued)

3.1 Adoption of new or revised IFRSs — effective on 1 January 2019 (Continued)

IFRS 16 — Leases (“IFRS 16”) (Continued)

(iii) Accounting as a lessee

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

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

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

3. 採納新訂或經修訂國際財務報告準則(續)

3.1 採納新訂或經修訂國際財務報告準則 — 自二零一九年一月一日起生效(續)

國際財務報告準則第16號—租賃(「國際財務報告準則第16號」)(續)

(iii) 作為承租人之會計處理(續) 使用權資產

使用權資產應按成本確認並將包括：(i)初步計量租賃負債的金額(見下文就租賃負債入賬之會計政策)；(ii)於開始日期或之前作出的任何租賃付款減已收取的任何租賃獎勵；(iii)承租人產生的任何初步直接成本；及(iv)承租人拆除及移除相關資產以符合租賃條款及條件所規定情況時將產生之估計成本，除非該等成本乃為生產存貨而產生則作別論。

本集團以成本模式計量使用權資產，根據成本模式，本集團按成本扣除任何累計折舊及任何減值虧損計量使用權資產，並就租賃負債之任何重新計量進行調整。

本集團就先前分類為經營租賃的辦公場所及辦公設備有關的租賃確認使用權資產。此外，根據國際財務報告準則第16號，本集團預付土地租賃款項重分類至使用權資產。

租賃負債

租賃負債應按於租賃開始日期未支付之租賃付款的現值確認。租賃付款將按租賃隱含利率(倘該利率可輕易釐定)貼現。倘該利率無法輕易釐定，本集團將採用本集團之增量借款利率。

3. Adoption of New or Revised IFRSs (Continued)

3.1 Adoption of new or revised IFRSs — effective on 1 January 2019 (Continued)

IFRS 16 — Leases (“IFRS 16”) (Continued)

(iii) Accounting as a lessee (Continued) Right-of-use asset

The right-of-use asset should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-of-use assets at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

The Group recognised right-of-use assets in relation to leases of office premise and office equipment which had previously been classified as operating lease. In addition, the Group's prepaid land lease payment was reclassified as right-of-use assets upon adoption of IFRS 16.

Lease liability

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

3. 採納新訂或經修訂國際財務報告準則(續)

3.1 採納新訂或經修訂國際財務報告準則 — 自二零一九年一月一日起生效(續)

國際財務報告準則第16號—租賃(「國際財務報告準則第16號」)(續)

(iii) 作為承租人之會計處理(續) 租賃負債(續)

下列於租賃開始日期未支付的租賃期內就使用相關資產權利支付的款項被視為租賃付款：(i) 固定付款減任何應收租賃獎勵；(ii) 初步按開始日期之指數或利率計量的浮動租賃付款(取決於指數或利率)；(iii) 承租人根據剩餘價值擔保預期將支付的款項；(iv) 倘承租人合理確定行使購買選擇權，該選擇權的行使價；及(v) 倘租賃條款反映承租人行使選擇權終止租賃，終止租賃的罰款付款。

於開始日期後，承租人將透過下列方式計量租賃負債：(i) 增加賬面值以反映租賃負債之利息；(ii) 減少賬面值以反映作出之租賃付款；及(iii) 重新計量賬面值以反映任何重估或租賃修改，如指數或利率變動導致日後租賃付款變動、租賃期變動、實質固定租賃付款變動或購買相關資產之評估變動。

(iv) 作為出租人之會計處理方法

由於國際財務報告準則第16號項下之出租人會計處理方法與國際會計準則第17號項下之規定大致相同，故採納國際財務報告準則第16號並不會對該等財務報告造成重大影響。

3. Adoption of New or Revised IFRSs (Continued)

3.1 Adoption of new or revised IFRSs — effective on 1 January 2019 (Continued)

IFRS 16 — Leases (“IFRS 16”) (Continued)

(iii) Accounting as a lessee (Continued) Lease liability (Continued)

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

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

(iv) Accounting as a lessor

As the accounting under IFRS 16 for a lessor is substantially unchanged from the requirements under IAS 17, the adoption of IFRS 16 does not have significant impact on these financial statements.

Notes to the Consolidated Financial Statements

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

3. 採納新訂或經修訂國際財務報告準則(續)

3.1 採納新訂或經修訂國際財務報告準則 — 自二零一九年一月一日起生效(續)

國際財務報告準則第16號—租賃(「國際財務報告準則第16號」)
(續)

(v) 過渡

誠如上文所述，本集團已採用累計影響法應用國際財務報告準則第16號，並將初次應用國際財務報告準則第16號之所有累計影響確認為對於初次應用日期(二零一九年一月一日)之期初保留溢利結餘之調整。在國際財務報告準則第16號過渡條文允許下，於二零一八年呈列之比較資料未作重列，並繼續根據國際會計準則第17號及相關詮釋呈報。

本集團已於二零一九年一月一日就先前應用國際會計準則第17號分類為經營租賃之租賃確認租賃負債，並以餘下租賃付款之現值計量該等租賃負債，乃使用於二零一九年一月一日承租人之增量借款利率作出貼現。

本集團已選擇於二零一九年一月一日就以往根據國際會計準則第17號分類為經營租賃之租賃確認使用權資產，猶如自開始日期起已應用國際財務報告準則第16號，惟於初始應用日期使用承租人之遞增借貸利率貼現。本集團已於二零一九年一月一日就所有該等使用權資產應用國際會計準則第36號資產減值評估當日是否出現任何減值。

3. Adoption of New or Revised IFRSs (Continued)

3.1 Adoption of new or revised IFRSs — effective on 1 January 2019 (Continued)

IFRS 16 — Leases (“IFRS 16”) (Continued)

(v) Transition

As mentioned above, the Group has applied IFRS 16 using the cumulative effect approach and recognised all the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of retained profits at the date of initial application (1 January 2019). The comparative information presented in 2018 has not been restated and continues to be reported under IAS 17 and related interpretations as allowed by the transition provision in IFRS 16.

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

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

3. 採納新訂或經修訂國際財務報告準則(續)

3.1 採納新訂或經修訂國際財務報告準則 — 自二零一九年一月一日起生效(續)

國際財務報告準則第16號—租賃(「國際財務報告準則第16號」)(續)

(v) 過渡(續)

本集團亦已應用下列實務權宜方法：(i)對具合理相似特徵之租賃組合應用單一貼現率；(ii)應用豁免，不就低價值資產租賃確認使用權資產及租賃負債；(iii)於二零一九年一月一日計量使用權資產時不包括初始直接成本；及(iv)如合約包括延期或終止租賃之選擇權，則使用事後方式釐定租賃期。

除上述以外，本集團已應用實際權宜方法以便：(i)將國際財務報告準則第16號應用於本集團先前應用國際會計準則第17號及國際財務報告詮釋委員會—詮釋第4號識別為租賃之所有租賃合約及(ii)並無將國際財務報告準則第16號應用於先前並無國際會計準則第17號及國際財務報告詮釋委員會—詮釋第4號識別為含有租賃之合約。

3. Adoption of New or Revised IFRSs (Continued)

3.1 Adoption of new or revised IFRSs — effective on 1 January 2019 (Continued)

IFRS 16 — Leases (“IFRS 16”) (Continued)

(v) Transition (Continued)

The Group has also applied the following practical expedients: (i) applied a single discount rate to a portfolio of leases with reasonably similar characteristics; (ii) applied the exemption of not to recognise right-of-use assets and lease liabilities for leases of low-value assets; (iii) excluded the initial direct costs from the measurement of the right-of-use asset at 1 January 2019; and (iv) used hindsight in determining the lease terms if the contracts contain options to extend or terminate the leases.

Other than the above, the Group has applied the practical expedients such that: (i) IFRS 16 is applied to all of the Group’s lease contracts that were previously identified as leases applying IAS 17 and IFRIC-Int 4 and (ii) not to apply IFRS 16 to contracts that were not previously identified as containing a lease under IAS 17 and IFRIC-Int 4.

Notes to the Consolidated Financial Statements

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3. 採納新訂或經修訂國際財務報告準則 (續)**3.1 採納新訂或經修訂國際財務報告準則 — 自二零一九年一月一日生效 (續)****國際財務報告詮釋委員會第23號 — 所得稅處理的不確定性**

該詮釋透過就如何反映所得稅會計處理涉及的不確定性因素提供指引，為國際會計準則第12號所得稅的規定提供支持。根據該詮釋，實體須釐定分別或集中考慮各項不確定稅項處理，以更好地預測不確定性因素的解決方式。實體亦須假設稅務機關將會檢討其有權檢討的金額，並在作出上述檢討時完全知悉所有相關資料。如實體釐定稅務機關可能會接受一項不確定稅項處理，則實體應按與其稅務申報相同的方式計量即期及遞延稅項。否則，釐定稅項涉及的不確定性因素採用「最可能金額」或「預期值」法兩者中能更好預測不確定性因素解決方式的方法來反映。

3.2 已頒佈但尚未生效的新訂或經修訂國際財務報告準則

本集團並無提早採納下列已頒佈但尚未生效的新訂或經修訂國際財務報告準則(與本集團的綜合財務報表可能相關)。

3. Adoption of New or Revised IFRSs (Continued)**3.1 Adoption of new or revised IFRSs — effective on 1 January 2019 (Continued)****IFRIC 23 – Uncertainty over Income Tax Treatments**

The interpretation supports the requirements of IAS 12 *Income Taxes*, by providing guidance over how to reflect the effects of uncertainty in accounting for income taxes. Under the interpretation, the entity shall determine whether to consider each uncertain tax treatment separately or together based on which approach better predicts the resolution of the uncertainty. The entity shall also assume the tax authority will examine amounts that it has a right to examine and have full knowledge of all related information when making those examinations. If the entity determines it is probable that the tax authority will accept an uncertain tax treatment, then the entity should measure current and deferred tax in line with its tax filings. If the entity determines it is not probable, then the uncertainty in the determination of tax is reflected using either the “most likely amount” or the “expected value” approach, whichever better predicts the resolution of the uncertainty.

3.2 New or revised IFRSs that have been issued but are not yet effective

The following new or revised IFRSs, potentially relevant to the Group’s consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

3. 採納新訂或經修訂國際財務報告準則 (續)

3.2 已頒佈但尚未生效的新訂或經修訂國際財務報告準則 (續)

國際財務報告準則第10號及國際會計準則第28號的修訂 投資者與其聯營公司或合資企業之資產銷售或貢獻³

國際會計準則第1號及國際會計準則第8號的修訂 重大的定義¹

國際會計準則第1號的修訂 流動或非流動負債的分類²

國際財務報告準則第3號的修訂 業務的定義¹

國際財務報告準則第9號、國際會計準則第39號及國際財務報告準則第7號的修訂 利率基準改革¹

1 於二零二零年一月一日或之後開始之年度期間生效。

2 於二零二二年一月一日或之後開始之年度期間生效。

3 該等修訂原訂於二零一八年一月一日或之後開始之年度期間生效。生效日期現已延遲/刪除。繼續允許提前應用有關修訂。

國際會計準則第1號及國際會計準則第8號的修訂—重大的定義

該等修訂澄清「重大」的定義及解釋，與所有國際財務報告準則及概念框架之定義相同，且將國際會計準則第1號的支持性規定納入定義。

國際財務報告準則第3號的修訂—業務的定義

該等修訂澄清業務必須包括至少一項投入及一個實質性過程，而兩者對創造產出之能力有重大貢獻，並對「實質性過程」的定義提供廣泛指引。

此外，該等修訂取消市場參與者是否有能力取代任何缺失之投入或過程及持續產出的評估，同時收窄「產出」及「業務」的定義範圍，重點關注向客戶銷售商品及服務所得之回報而非降低成本。

3. Adoption of New or Revised IFRSs (Continued)

3.2 New or revised IFRSs that have been issued but are not yet effective (Continued)

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³

Amendments to IAS 1 and IAS 8 Definition of Material¹

Amendments to IAS 1 Classification of Liabilities as Current or Non-Current²

Amendments to IFRS 3 Definition of a Business¹

Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform¹

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

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

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

Amendments to IAS 1 and IAS 8 — Definition of Material

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

Amendments to IFRS 3 — Definition of a Business

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

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

3. 採納新訂或經修訂國際財務報告準則(續)

3.2 已頒佈但尚未生效的新訂或經修訂國際財務報告準則(續) 國際財務報告準則第3號的修訂—業務的定義(續)

該等修訂亦加入選擇性的集中度測試，允許簡化所收購的一組活動及資產是否並非業務的評估。

董事預期新訂或經修訂國際財務報告準則於應用時將不會對本集團綜合業績及綜合財務狀況造成重大影響。

4. 主要會計政策概要

編製該等財務報表所採用的主要會計政策概述於下文。除另有說明外，該等政策已於所有呈列年度貫徹應用。

綜合基準

附屬公司乃於本集團取得有關附屬公司的控制權起開始綜合入賬，並於本集團失去有關附屬公司的控制權時終止綜合入賬。具體而言，年內所收購或出售附屬公司的收入及開支乃自本集團取得控制權當日起計入綜合損益及其他全面收益表，直至本集團不再控制有關附屬公司的日期為止。

如有需要，將會對附屬公司的綜合財務報表作出調整，使其會計政策與本集團的會計政策一致。

有關本集團成員之間交易的所有集團內公司間的資產及負債、權益、收入、支出及現金流量均於綜合入賬時悉數對銷。未變現虧損亦已對銷，除非該交易提供被轉讓資產出現減值之證據，而在該情況下，虧損乃在損益確認。

當本集團失去附屬公司控制權時，出售的損益以下列的差額計量：(i)所收取代價的公平值及任何保留權益的公平值總額及(ii)該附屬公司的資產(包括商譽)及負債與任何非控股權益的過往賬面值。以往於其他全面收入確認與附屬公司有關的金額，入賬方式相同，猶如相關資產或負債已經出售。

3. Adoption of New or Revised IFRSs (Continued)

3.2 New or revised IFRSs that have been issued but are not yet effective (Continued) Amendments to IFRS 3 — Definition of a Business (Continued)

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

The directors do not expect that these new or revised IFRSs will have a material impact on the Group's consolidated results and consolidated financial position upon application.

4. Summary of Significant Accounting Policies

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated.

Basis of consolidation

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

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

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. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

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

4. 主要會計政策概要(續)

附屬公司

附屬公司為本公司可對其行使控制權的被投資方。倘以下三項要素均存在，則本公司控制被投資方：對被投資方擁有權力；承擔或享有被投資方產生的可變回報的風險或權利；及有能力運用其權力以影響有關可變回報。如有事實及情況顯示控制權的任何此等要素可能有所變動，則會重新評估控制權。

在本公司財務狀況表內，附屬公司權益按成本減任何減值虧損列賬(如有)。附屬公司業績由本公司按報告期末的已收及應收股息入賬。所有股息，不論是否從被投資方的收購前或收購後溢利中收取，均在本公司的損益內確認。

商譽

收購業務所產生的商譽按收購業務當日所確定成本減累計減值虧損(如有)列賬。

就減值測試而言，商譽乃分配予預期會從合併的協同效益中受惠的各現金產生單位。現金產生單位(「現金產生單位」)乃可識別之最小資產組合，其產生的現金流入基本上獨立於其他資產或者資產組組合之現金流入。已獲分配商譽的現金產生單位每年通過對比其賬面值及可收回金額進行減值測試，無論是否有跡象顯示可能出現單位減值。

4. Summary of Significant Accounting Policies (Continued)

Subsidiaries

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

In the Company's statement of financial position, interest in a subsidiary is carried at cost less any impairment losses, if any. The result of the subsidiary is accounted for by the Company on the basis of dividends received and receivable at the end of the reporting period. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.

Goodwill

Goodwill arising on acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

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

4. 主要會計政策概要(續)

商譽(續)

就於一個財政年度進行收購所產生商譽而言，經分配商譽的現金產生單位會於該財政年度年結前進行減值檢測。倘現金產生單位的可收回金額低於其賬面值，則減值虧損會先用作減低任何分配至該單位的商譽的賬面值，其後則按該單位內各項資產賬面值的比例分配至該單位的其他資產。然而，分配至各資產的虧損不會減少個別資產的賬面值至低於其公平值減出售成本(倘可計量)或其使用價值(倘已釐定)(以較高者為準)。商譽的任何減值虧損將直接於損益表確認。就商譽確認的減值虧損不會於往後期間撥回。

出售相關現金產生單位時，商譽的應佔金額乃計入於出售時釐定的損益金額。

本集團有關收購聯營公司所產生商譽的政策於下文「聯營公司」一節詳述。

聯營公司

聯營公司為本集團對其擁有重大影響且並非為附屬公司或屬合營安排的實體。重大影響指參與被投資方的財務及經營決策但並非控制或共同控制該等政策的權力。

聯營公司的業績及資產與負債乃採用權益會計法計入此等綜合財務報表。根據權益法，於聯營公司的權益初步按成本於綜合財務狀況表確認，其後則調整以確認本集團應佔聯營公司的損益及其他全面收益。當本集團應佔聯營公司虧損超出本集團於該聯營公司的權益(包括任何實質上組成本集團於該等聯營公司投資淨額一部分的長期權益)，則本集團將終止確認其應佔進一步虧損。倘本集團代表該等聯營公司產生法定或推定責任或作出付款時，方會確認進一步虧損。

4. Summary of Significant Accounting Policies (Continued)

Goodwill (Continued)

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

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate is described below in the section heading "Associates".

Associates

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

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, interests in associates are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates. When the Group's share of losses of associates exceeds the Group's interest in that associates (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates.

4. 主要會計政策概要(續)

聯營公司(續)

於聯營公司的權益自被投資方成為聯營公司當日起使用權益法入賬。於收購聯營公司的權益時，投資成本超出本集團應佔被投資方可識別資產及負債公平值淨額的任何部分乃確認為商譽，並計入有關投資的賬面值內。本集團應佔可識別資產及負債公平值淨額超出投資成本的任何部分，經重估後乃直接於收購有關投資期間的損益中確認。

國際財務報告準則第9號金融工具(「國際財務報告準則第9號」)的規定乃用於釐定是否需要就本集團於聯營公司的權益確認任何減值虧損。如有需要，投資的全部賬面值(包括商譽)乃根據國際會計準則第36號作為單一資產，並通過比較可收回金額(即使用價值與公平值減出售成本的較高者)與其賬面值進行減值測試。已確認的任何減值虧損構成有關投資賬面值的一部分。該減值虧損的任何撥回乃根據國際會計準則第36號予以確認，惟增加後的賬面值不得超過聯營公司的權益於過往年度倘無確認減值虧損時應釐定的賬面值。

當投資不再作為聯營公司當日或當投資(或其一部分)獲分類為持作出售起，本集團乃終止使用權益法。當本集團保留於前聯營公司的權益，且有關的保留權益為金融資產時，則本集團於該日按公平值計量保留權益，而公平值則被視為根據國際財務報告準則第9號首次確認時的公平值。聯營公司於終止使用權益法當日的賬面值與任何保留權益的公平值及出售聯營公司部分權益所得任何所得款項之間的差額，乃計入於部分出售時所釐定聯營公司的損益。此外，倘該等聯營公司直接出售相關資產或負債，則本集團將需要按相同基準將該等聯營公司以往於其他全面收益確認的所有金額入賬。因此，倘該等聯營公司以往於其他全面收益確認的損益將重新分類為出售相關資產或負債的損益，則本集團乃於終止使用權益法時將來自權益的盈虧重新分類至損益(列作重新分類調整)。

4. Summary of Significant Accounting Policies (Continued)

Associates (Continued)

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

The requirements of IFRS 9 *Financial Instruments* ("IFRS 9") are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's interest in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had impairment loss been recognised for the interests in associates in prior years.

The Group discontinues the use of the equity method from the date when the investment ceases to be associates, or when the investment (or a portion thereof) is classified as held for sale. When the Group retains interests in the former associates and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of partial interests in the associates is included in the determination of the gain or loss on disposal of the associates. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associates on the same basis as would be required if that associates had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associates would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

Notes to the Consolidated Financial Statements

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

4. 主要會計政策概要(續)

聯營公司(續)

當本集團減少其於聯營公司的所有權權益但本集團繼續使用權益法時，則本集團會將以往於其他全面收益確認而有關減少所有權權益比例的盈虧重新分類至損益，惟前提是該盈虧於出售相關資產或負債時將重新分類至損益。

當集團實體與本集團的聯營公司進行交易(例如出售或注入資產)，則與聯營公司交易所產生的損益乃於本集團的綜合財務報表確認，惟僅以與本集團無關的聯營公司權益為限。

物業、廠房及設備

物業、廠房及設備(包括持作生產或提供貨品或服務或作行政用途的土地及樓宇，但按下文所述不包括在建物業)以成本減累計折舊及減值虧損(如有)列賬。

物業、廠房及設備成本包括其購買價及收購該等項目的直接應計成本。

僅當與資產項目相關的未來經濟利益可能流入本集團及該項目成本能可靠計量時，其後成本方會計入該資產賬面值或確認為獨立資產(如適用)。被取代部分的賬面值終止確認。所有其他維修及保養於產生期間在損益內確認為開支。

4. Summary of Significant Accounting Policies (Continued)

Associates (Continued)

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

When a group entity transacts with an associate of the Group (such as a sale or contribution of assets), profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associates that are not related to the Group.

Property, plant and equipment

Property, plant and equipment including land and buildings held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction as described below) are stated at cost less accumulated depreciation and impairment losses, if any.

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

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

4. 主要會計政策概要(續)

物業、廠房及設備(續)

物業、廠房及設備透過於物業、廠房及設備(在建物業除外)的估計可使用年期內以直線法撇銷項目成本減估計剩餘價值後進行折舊。估計可使用年期、估計剩餘價值及折舊法於每個報告期末檢討，任何估計變動影響往後入賬。物業、廠房及設備的主要類別估計年限如下：

樓宇及廠房	20–50年
機器	3–10年
汽車	5–12年
傢具及設備	5–15年

在建工程按成本減減值虧損列賬。成本包括專業費用、直接建築成本及(就合資格資產而言)按本集團的會計政策資本化的借貸成本。當令資產可作其擬定用途所需的一切建築工程大致完成時，該等成本將不再資本化，而在建工程乃轉撥至物業、廠房及設備的適當類別。於完成及預備作其擬定用途之前，在建工程不會計提任何折舊。

倘資產的賬面值高於其估計可收回金額，則資產乃即時撇減至其可收回金額。

物業、廠房及設備項目於出售時或於預期不會因繼續使用有關資產產生未來經濟效益時終止確認。因出售或終止使用物業、廠房及設備項目而產生的任何收益或虧損會按出售所得款項淨額與資產賬面值之間的差額釐定，並於出售時在損益內確認。

4. Summary of Significant Accounting Policies (Continued)

Property, plant and equipment (Continued)

Property, plant and equipment are depreciated so as to write off the cost of items of property, plant and equipment (other than properties under construction) less their estimated residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, estimated residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The estimated useful lives of major categories of property, plant and equipment are as follows:

Building and plant	20–50 years
Machineries	3–10 years
Motor vehicles	5–12 years
Furniture and equipment	5–15 years

Construction in progress is stated at cost less impairment losses. Costs include professional fees, direct costs of construction and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Capitalisation of these costs ceases and the construction in progress is transferred to the appropriate class of property, plant and equipment when substantially all the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided for in respect of construction in progress until it is completed and ready for its intended use.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net sales proceeds and its carrying amount, and is recognised in profit or loss on disposal.

4. 主要會計政策概要(續)**預付土地租賃款項(截至二零一八年十二月三十一日前應用的會計政策)**

預付土地租賃款項指收購土地使用長期權益的首付款。該等付款按成本減累計攤銷及任何減值虧損列賬。攤銷在介乎48至50年的租賃期內按直線法計算。

無形資產(商譽除外)及研發成本**無形資產(商譽除外)**

獨立收購的無形資產初步按成本確認。初步確認後，可使用年期有限的無形資產會按成本減累計攤銷及任何減值虧損列賬。可使用年期有限的無形資產會於估計可使用年期內按直線法作攤銷撥備。無形資產於可供使用時開始計算攤銷。攤銷開支於損益內確認並計入行政開支。

可使用年期無限的無形資產會按成本減其後任何累計減值虧損列賬。

無形資產於出售時或當預期使用或出售無形資產不會產生將來經濟利益時終止確認。終止確認無形資產所產生的損益按出售收益淨額及該資產賬面值的差額計量，並於終止確認該資產時於損益中確認。

4. Summary of Significant Accounting Policies (Continued)**Prepaid land lease payment (accounting policies applied until 31 December 2018)**

Prepaid land lease payment represent up-front payments to acquire long term interest in the usage of land. These payments are stated at cost less accumulated amortisation and any impairment losses. Amortisation is calculated on straight-line method over the lease terms between 48 to 50 years.

Intangible assets (other than goodwill) and research and development costs**Intangible assets (other than goodwill)**

Intangible assets acquired separately are recognised initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any impairment losses. Amortisation for intangible assets with finite useful lives is provided on straight-line method over their estimated useful lives. Amortisation commences when the intangible assets are available for use. The amortisation expense is recognised in profit or loss and included in administrative expenses.

Intangible assets with indefinite useful lives are carried at cost less any subsequent impairment accumulated losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

4. 主要會計政策概要(續)

無形資產(商譽除外)及研發成本(續)

研發成本

個別項目開發開支產生的無形資產在符合以下確認規定時確認：

- 顯示供內部使用或出售的準產品具技術可行性；
- 本集團有意完成及使用或出售無形資產；
- 本集團顯示有能力使用或出售無形資產；
- 無形資產將透過內部使用或出售而產生可能經濟利益；
- 有足夠技術、財務及其他資源支持無形資產的完成；及
- 歸屬於該無形資產的開支能夠可靠計量。

不符上述標準的開發開支及內部項目研究階段的開支於產生時在損益確認。

可使用年期有限的已資本化開發成本於產品可供使用時按直線法於估計可使用年期攤銷。攤銷開支於損益內確認並計入行政開支。可使用年期無限的已資本化開發成本每年進行減值測試。

有形及無形資產(商譽除外)的減值

可使用年期無限的無形資產及尚未可供使用的無形資產通過比較其賬面值與可回收金額每年進行減值測試，而不論是否有跡象顯示其可能減值。

4. Summary of Significant Accounting Policies (Continued)

Intangible assets (other than goodwill) and research and development costs (Continued)

Research and development costs

An intangible asset arising from development expenditure on an individual project is recognised provided they meet the following recognition requirements:

- demonstration of technical feasibility of completing the prospective product for internal use or sale;
- there is intention to complete the intangible asset and use or sell it;
- the Group's ability to use or sell the intangible asset is demonstrated;
- the intangible asset will generate probable economic benefits through internal use or sale;
- sufficient technical, financial and other resources are available for completion; and
- the expenditure attributable to the intangible asset can be reliably measured.

Development expenditure which does not meet the above criteria and expenditure on the research phase of internal projects are recognised in profit or loss when incurred.

Capitalised development costs that have a finite useful life are amortised on straight-line method over their estimated useful lives, when the products are available for use. The amortisation expense is recognised in profit or loss and included in administrative expenses. Capitalised development costs with indefinite useful lives are tested for impairment annually.

Impairment of tangible and intangible assets (other than goodwill)

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

4. 主要會計政策概要(續)

有形及無形資產(商譽除外)的減值(續)

於報告期末，本集團審閱可使用年期有限的有形及無形資產賬面值，以釐定是否存在任何跡象顯示該等資產已遭受減值虧損。倘存在上述任何跡象，本公司將估計資產的可收回金額，以釐定減值虧損(如有)的程度。如無法估計某項個別資產的可收回金額，本集團會估計該項資產所屬的現金產生單位的可收回金額。倘能識別一個合理和貫徹的分配基準，亦會將企業資產分配至個別現金產生單位，或分配至可以識別合理和貫徹的分配基準的現金產生單位最小組合。

可收回金額指公平值減出售成本與在用價值兩者間的較高者。在用價值乃基於預期由資產(或現金產生單位)產生的估計未來現金流量，並以稅前折現率折現至現值，而稅前折現率反映現時市場評估的貨幣時間價值及資產或現金產生單位特定風險。

倘資產(或現金產生單位)的可收回金額估計少於其賬面值，則資產(或現金產生單位)的賬面值將調低至其可收回金額。倘因重估而令資產的賬面值出現減值，則減幅應於損益內確認。然而，倘充足結餘加上資產的任何信貸結餘，減幅應於其他收益中確認。於其他收益表確認的減幅減去重估儲備項下權益累計的金額。

4. Summary of Significant Accounting Policies (Continued)

Impairment of tangible and intangible assets (other than goodwill) (Continued)

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets that have a finite useful life to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less costs of disposal and value in use. Value in use is based on the estimated future cash flows expected to be derived from the asset (or cash-generating unit), discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the assets or cash-generating unit.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognised in profit or loss. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in the equity under the heading of revaluation reserve.

4. 主要會計政策概要(續)

有形及無形資產(商譽除外)的減值(續)

倘有形及無形資產(商譽除外)的減值虧損其後撥回，則資產(或現金產生單位)的賬面值會調高至經修訂的估計可收回金額，惟已增加的賬面值不得超越在資產於過往年度並無確認減值虧損的情況下釐定的賬面值(扣除任何折舊或攤銷)。所有撥回應立即在損益表內確認，除非相關資產按重估金額列值，於此情況下，減值撥回應視作重估，並計入其他全面收入。然而，倘重估資產減值先前已在損益表內確認為開支，則撥回減值虧損應於損益內確認為收益。

金融工具

(i) 金融資產

金融資產(並無重大融資部份的貿易應收款項除外)首次按公平值加上收購或發行直接應佔的交易成本計量(倘屬並非按公平值變動列入損益(「按公平值變動列入損益」)的金融資產)。並無重大融資部份的貿易應收款項初步按交易價格計量。

所有按常規方式購買和出售的金融資產於交易日(即本集團承諾購買或銷售該資產之日)確認。按常規方式購買或出售指購買或出售須在一般按市場規則或慣例確定的期間內交付的金融資產。

附帶嵌入衍生工具的金融資產於釐定其現金流量是否純粹為支付本金及利息時以整體作出考慮。

4. Summary of Significant Accounting Policies (Continued)

Impairment of tangible and intangible assets (other than goodwill) (Continued)

Where an impairment loss of tangible and intangible assets (other than goodwill) subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined, net of any depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. All reversals are recognised in the profit or loss immediately, unless the relevant asset is carried at a revalued amount, in which case any reversal of impairment should be treated as a revaluation and therefore credited to other comprehensive income. However, to the extent that an impairment on the revalued asset was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in the profit or loss.

Financial instruments

(i) Financial assets

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

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

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

4. 主要會計政策概要(續)

金融工具(續)

(i) 金融資產(續)

攤銷成本：為收取合約現金流量而持有，且現金流量僅為支付本金及利息之資產按攤銷成本計量。按攤銷成本計量的金融資產其後採用實際利率法計量。利息收入、匯兌收益及虧損以及減值於損益確認。終止確認的任何收益於損益確認。

按公平值變動列入損益：按公平值變動列入損益的金融資產包括持作買賣的金融資產，於初始確認時指定按公平值變動列入損益的金融資產，或強制要求按公平值計量的金融資產。倘為於近期出售或購回而收購金融資產，則該等金融資產分類為持作買賣。衍生工具(包括獨立嵌入式衍生工具)亦分類為持作買賣，惟該等衍生工具被指定為有效對沖工具則除外。現金流量並非純粹支付本金及利息的金融資產，不論其業務模式如何，均按公平值變動列入損益分類及計量。儘管如上文所述債務工具可按攤銷成本或按公平值計入其他全面收益分類，但於初始確認時，倘能夠消除或顯著減少會計錯配，則債務工具可指定為按公平值變動列入損益。

權益工具

於初次確認並非持作買賣的權益投資時，本集團可不可撤回地選擇將投資公平值的後續變動列報於其他全面收益中。該選擇乃按逐項投資基準作出。按公平值計入其他全面收益(「按公平值計入全面收益」)的權益投資按公平值計量。股息收入於損益內確認，除非該股息收入明確代表了對投資成本的部分償還。其他收益及虧損淨額於其他全面收益確認且不會重新分類至損益。所有其他權益工具分類為按公平值變動列入損益，其公平值變動、股息及利息收入於損益內確認。

4. Summary of Significant Accounting Policies (Continued)

Financial instruments (Continued)

(i) Financial assets (Continued)

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

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

Equity instruments

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

4. 主要會計政策概要(續)

金融工具(續)

(ii) 金融資產減值虧損

本集團就貿易應收款項及其他按攤銷成本計量的債務金融資產的預期信貸虧損(「預期信貸虧損」)確認虧損撥備。預期信貸虧損按以下其中一項基準計量：(1)12個月的預期信貸虧損：即於報告期後12個月內可能發生的違約事件導致的預期信貸虧損；及(2)全期預期信貸虧損：即於金融工具預計年期內所有可能發生的違約事件導致的預期信貸虧損。於估計預期信貸虧損時考慮的最長期間為本集團承受信貸風險的最長合約期間。

預期信貸虧損是信貸虧損的概率加權估計。信貸虧損乃基於本集團根據合約應收的所有合約現金流量與本集團預期將收到的所有現金流量之間的差額計量。該差額其後按與資產原實際利率相近的折現率折現。

對於貿易應收款項的虧損撥備計量，本集團選擇應用國際財務報告準則第9號的簡化方法，並根據全期預期信貸虧損計算預期信貸虧損。本集團已建立以本集團過往信貸虧損經驗為基礎，並根據有關債務人及經濟環境的前瞻性因素加以調整的撥備矩陣。

對於其他債務金融資產，乃根據12個月預期信貸虧損計算預期信貸虧損。然而，倘自初次確認後信貸風險有顯著增加，則會根據全期預期信貸虧損計量撥備。

4. Summary of Significant Accounting Policies (Continued)

Financial instruments (Continued)

(ii) Impairment loss on financial assets

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

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

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

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

4. 主要會計政策概要(續)

金融工具(續)

(ii) 金融資產減值虧損(續)

於釐定金融資產的信貸風險自初次確認後是否有顯著增加及於估計預期信貸虧損時，本集團會考慮相關及毋須付出過多成本或努力即可獲得的合理及可靠資料。此包括基於本集團過往經驗及知情信貸評估且包括前瞻性資料的定量及定性資料分析。

本集團假定金融資產逾期超過30日則信貸風險顯著增加。

本集團認為金融資產於下列情況下出現信貸減值：(1)在本集團不具有追索權(如變現抵押(如持有))的情況下，借款人不大可能向本集團悉數償付其信貸責任；或(2)金融資產逾期超過90日。

出現信貸減值的金融資產利息收入乃按金融資產的攤銷成本(即賬面總值減虧損撥備)計算。並無出現信貸減值的金融資產利息收入按賬面總值計算。

違約的定義

本集團按附註38所披露對金融資產的信貸風險進行分類。內部信貸風險評級乃基於定性(如客戶的經營狀況、財務狀況等)及定量因素(主要包括應收賬款的逾期資料)估計。

4. Summary of Significant Accounting Policies (Continued)

Financial instruments (Continued)

(ii) Impairment loss on financial assets (Continued)

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

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

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

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

Definite of default

The Group classifies credit risk on financial assets as disclosed in Note 38. The internal credit risk ratings are estimated based on qualitative (such as customers' operating conditions, financial positions, etc.) and quantitative factors (mainly includes past due information of the receivables).

4. 主要會計政策概要(續)

金融工具(續)

(ii) 金融資產減值虧損(續)

違約的定義(續)

當內部開發或從外部來源獲取的資料表明債務人不太可能全額償還予其債權人(包括本集團)時,本集團即認為發生違約事件。無論上述情況如何,除非金融集團擁有合理可靠資料證明更滯後的違約標準更為適當,否則本集團即認為當金融資產逾期超過90天時發生違約事件。

如果沒有合理的預期收回金額,相關金融資產的帳面值將被撇銷。該情況通常出現在本集團確定債務人並無資產或收入來源可產生足夠現金流量以償還撇銷金額。

(iii) 金融負債

本集團根據產生有關負債的目的對金融負債進行分類。按公平值變動列入損益的金融負債初步按公平值計量,而按攤銷成本計量的金融負債初步按公平值減直接應佔的已產生成本計量。

按公平值變動列入損益的金融負債包括持作買賣的金融負債及於初次確認時指定為按公平值變動列入損益的金融負債。

4. Summary of Significant Accounting Policies (Continued)

Financial instruments (Continued)

(ii) Impairment loss on financial assets (Continued)

Definite of default (Continued)

The Group considers an event of default occurs when information developed internally or obtained from external sources which indicates that the debtor is unlikely to pay its creditors, including the Group, in full. Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

The gross carrying amount of a financial asset is written off of the extent that there is no reasonable expectation of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

(iii) Financial liabilities

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

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

4. 主要會計政策概要(續)

金融工具(續)

(iii) 金融負債(續)

按公平值變動列入損益的金融負債

金融負債若符合以下標準則可於初次確認時指定為按公平值變動列入損益：(i)如此指定可消除或顯著減少計量或確認的不一致，即如果不做指定，會因不同的基礎計量負債或者確認其產生的收益和虧損而產生這種不一致；(ii)根據書面記載的風險管理策略，有關負債為以公平值為基準進行管理及表現評估的金融負債的一部分；或(iii)該金融負債中包含需分拆入賬的嵌入式衍生工具。

於初次確認後，按公平值變動列入損益的金融負債按公平值計量，而公平值的變動於其產生期間於損益確認，惟因本集團自身的信貸風險產生的收益及虧損除外，該等收益及虧損於其他全面收益確認，而後續不會重新分類至損益表。於損益表確認的公平值收益或虧損淨額不包括就該等金融負債收取的任何利息。

按攤銷成本計量的金融負債

金融負債為支付現金或其他金融資產(包括借款、租賃負債、貿易及其他應付款項)的責任，於本集團成為工具合約責任訂約方時確認。彼等最初按公平值(扣除發行成本)入賬。該等負債其後按攤銷成本使用實際利率法計量。

當負債終止確認以及在攤銷過程中，收益或虧損於損益內確認。

4. Summary of Significant Accounting Policies (Continued)

Financial instruments (Continued)

(iii) *Financial liabilities (Continued)**Financial liabilities at FVTPL*

Financial liabilities may be designated upon initial recognition as at FVTPL if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the liabilities or recognising gains or losses on them on a different basis; (ii) the liabilities are part of a group of financial liabilities which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial liability contains an embedded derivative that would need to be separately recorded.

Subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise, except for the gains and losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised cost

Financial liabilities are obligations to pay cash or other financial assets (including borrowings, lease liabilities, trade and other payables) and are recognised when the Group becomes party to the contractual obligations of the instrument. They are initially recorded at fair value, net of issue costs. They are subsequently measured at amortised cost, using effective interest method.

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

4. 主要會計政策概要(續)

金融工具(續)

(iv) 財務擔保合約

財務擔保合約為因指定債務人未能按債務工具之原有或經修訂條款如期付款時，發行人需支付指定金額予持有人以補償其所遭受損失之合約。本集團已發行及並非指定按公平值減發行財務擔保合約直接應佔交易成本的財務擔保合約。於初步確認後，本集團以(i)虧損撥備金額，即按上述會計政策原則計量的預期信貸虧損撥備；及(ii)初步確認金額減(如適當)根據國際財務報告準則第15號的原則確認的累計攤銷與客戶合約所得收益(「國際財務報告準則第15號」)。

(v) 實際利率法

實際利率法為計算金融負債攤銷成本及於有關期間分配利息開支的方法。實際利率為準確折現金融負債於預計年期或(倘適用)較短期間的估計未來現金付款的利率。

利息開支按實際利率基準確認。

(vi) 權益工具

權益工具為證明本集團於扣減所有負債後在資產中有剩餘權益的任何合約。

本公司所發行的權益工具按已收所得款項減直接發行成本列賬。

4. Summary of Significant Accounting Policies (Continued)

Financial instruments (Continued)

(iv) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of debt instrument. A financial guarantee contract issued by the Group and not designated as at fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the loss allowance, being the ECLs provision measured in accordance with principles of the accounting policy set out in above; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the principles of IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15").

(v) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Interest expense is recognised on an effective interest basis.

(vi) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

4. 主要會計政策概要(續)

金融工具(續)

(vii) 終止確認

本集團在與金融資產有關的未來現金流量合約權利屆滿，或金融資產已轉讓，且該轉讓根據國際財務報告準則第9號符合終止確認標準時，終止確認金融資產。

金融負債於有關合約所訂明責任解除、註銷或屆滿時終止確認。

倘本集團因重新磋商負債條款而向債權人發行本身的權益工具以償付全部或部分金融負債，所發行的權益工具即所付代價，乃初步按有關金融負債(或當中部分)註銷當日的公平值確認及計量。倘已發行權益工具的公平值無法可靠計量，則權益工具按已註銷金融負債的公平值計量。已註銷金融負債(或當中部分)的賬面值與所付代價間的差額乃於年內在損益內確認。

存貨

存貨乃初步按成本確認，並於其後以較低者列賬。成本包括直接材料及(如適用)直接勞工成本及將存貨送達目前位置和狀況所產生的經常性費用。成本按加權平均法計算。可變現淨值指存貨在日常業務中的估計售價減所有估計完工成本以及營銷、銷售及分銷所產生的成本。

現金及現金等價物

現金及現金等價物包括銀行及手頭現金，銀行活期存款及短期而易於套現的投資，而該等投資並無重大的價值變動風險，可隨時兌換成可知數額的現金，且原有到期時限不超過三個月。

4. Summary of Significant Accounting Policies (Continued)

Financial instruments (Continued)

(vii) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with IFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

Where the Group issues its own equity instruments to a creditor to settle a financial liability in whole or in part as a result of renegotiating the terms of that liability, the equity instruments issued are the consideration paid and are recognised initially and measured at their fair value on the date the financial liability or part thereof is extinguished. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the year.

Inventories

Inventories are initially recognised at costs, and subsequently at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Cash and cash equivalents

Cash and cash equivalents represent cash at banks and in hand, demand deposits with banks and short-term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

4. 主要會計政策概要(續)

收入確認

與客戶合約所得收益於貨品或服務轉讓予客戶時按反映本集團為交換該等貨品或服務而預期有權獲取的代價之金額(不包括代表第三方收取的金額)確認。收入不包括增值稅或其他銷項稅並已扣除任何貿易折扣。

視乎合約條款與適用於合約的法律規定，貨品或服務的控制權可隨時間或於某一時間點轉移。倘本集團之履約符合以下情況，則貨品或服務的控制權隨時間轉移：

- 提供客戶同時收取及消耗的所有利益；
- 於本集團履約時創建或優化客戶控制的一項資產；或
- 並無產生對本集團有替代用途的資產，且本集團可強制執行其權利以收取累計至今已完履約部分的款項。

利息收入乃按尚未償還本金額以適用利率按時間比例基準累計。

合約資產及負債

合約資產指本集團就換取本集團已向客戶轉讓的服務而收取代價的權利(尚未成為無條件)。相反，應收款項指本集團收取代價的無條件權利，即代價到期付款前僅需時間推移。

合約負債指本集團因已向客戶收取代價(或已到期收取代價)，而須向客戶轉讓服務的責任。

4. Summary of Significant Accounting Policies (Continued)

Revenue recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Interest income is accrued on a time basis on the principal outstanding at the applicable interest rate.

Contract assets and liabilities

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

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

Notes to the Consolidated Financial Statements

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

4. 主要會計政策概要(續)

所得稅

年內所得稅包括當期稅項及遞延稅項。

當期稅項根據日常業務所得損益(已就毋須繳納所得稅或不獲寬減所得稅的項目作出調整)，按於報告期末已頒佈或實質上已頒佈的稅率計算。

遞延稅項會就用作財務報告用途的資產及負債賬面值與用作稅項用途的相應金額的暫時差額確認。除商譽及不影響會計或應課稅溢利的已確認資產及負債外，會就所有暫時差額確認遞延稅項負債。遞延稅項資產於有可能動用應課稅溢利抵銷可扣減暫時差額時確認。遞延稅項按適用於預期變現資產或結清負債賬面值的方式以及於報告期末已頒佈或實質上已頒佈的稅率計量。

所得稅於損益內確認，惟當所得稅涉及於其他全面收益內確認的項目時，有關稅項亦於其他全面收益內確認，或當所得稅涉及直接於權益內確認的項目時，有關稅項亦直接於權益內確認。

4. Summary of Significant Accounting Policies (Continued)

Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the assets or liabilities is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

4. 主要會計政策概要(續)

外幣

集團實體以其業務營運所處的主要經濟環境貨幣(「功能貨幣」)以外的貨幣進行的交易，按進行交易時的當前匯率入賬。外幣貨幣資產及負債則以報告期末的當前匯率換算。以外幣列值並按公平值列賬的非貨幣項目按釐定公平值日期當前匯率重新換算。按外幣以歷史成本計量的非貨幣項目毋須重新換算。

因結算及換算貨幣項目而產生的匯兌差額會於產生期間在損益中確認。重新換算以公平值列賬的非貨幣項目所產生的匯兌差額於期內計入損益，惟重新換算非貨幣項目產生的盈虧差異於其他全面收益內確認，在此情況下，匯兌差額亦於其他全面收益確認。

於綜合賬目時，海外業務的收入及開支項目按年內平均匯率換算為本集團呈報貨幣(即美元)，除非期內匯率波幅嚴重，在此情況下，則使用交易進行時的相若匯率。海外業務所有資產及負債按報告期末的當前匯率換算。所產生的匯兌差額(如有)在其他全面收益內確認並於權益內作為外匯儲備累計。

出售海外業務時，確認於該業務截至出售日期止的外匯儲備的累計匯兌差額，將重新分類至損益，作為出售收益或虧損的一部分。

4. Summary of Significant Accounting Policies (Continued)

Foreign currencies

Transactions entered into by the group entities in currencies other than the currency of the primary economic environment in which they operate (the “functional currency”) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. US\$) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as foreign exchange reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the gain or loss on disposal.

4. 主要會計政策概要(續)

租賃(自二零一九年一月一日起應用的會計政策)

本集團作為承租人

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

使用權資產

使用權資產應按成本確認並將包括:(i)租賃負債之初步計量金額;(ii)於開始日期或之前作出之任何租賃付款減任何已收取之租賃優惠;(iii)承租人產生之任何初步直接成本;及(iv)承租人在租賃條款及條件規定之情況下拆除及移除相關資產時將產生之估計成本,惟該等成本乃因生產存貨而產生者除外。本集團應用成本模型計量使用權資產。根據成本模型,本集團按成本減去任何累計折舊及任何減值虧損計量使用權資產,並就租賃負債之任何重新計量作出調整。

4. Summary of Significant Accounting Policies (Continued)

Leases (accounting policies applied from 1 January 2019)

The Group as lessee

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

Right-of-use asset

The right-of-use asset should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability; (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Group measures the right-of-use assets applying a cost model. Under cost model, the right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

4. 主要會計政策概要(續)

租賃(自二零一九年一月一日起應用的會計政策)(續)

租賃負債

租賃負債按於租賃開始日期未付之租賃付款之現值確認。租賃付款按租賃隱含利率(倘該利率可輕易釐定)貼現。倘該利率無法輕易釐定，本集團採用本集團之增量借款利率。

下列於租賃期內就並非於租賃開始日期支付之相關資產使用權所作付款被視為租賃付款：(i)固定付款減任何應收租賃優惠；(ii)初步按於開始日期之指數或利率計量之可變租賃付款(其取決於指數或利率)；(iii)承租人根據剩餘價值擔保預期應支付之款項；(iv)倘承租人合理確定行使購買選擇權，該選擇權之行使價；及(v)於承租人行使終止租賃之選擇權之租賃期內支付之終止租賃罰款。

於開始日期後，本集團透過下列方式計量租賃負債：(i)增加賬面值以反映租賃負債之利息；(ii)減少賬面值以反映作出之租賃付款；及(iii)重新計量賬面值以反映任何重估或租賃修改，如指數或利率變動導致日後租賃付款變動、租賃期變動、實質固定租賃付款變動或購買相關資產之評估變動。

租賃(截至二零一八年十二月三十一日前應用的會計政策)

當租賃條款將絕大部分擁有權的風險及回報轉移至承租人時，該租賃分類為融資租賃。其他所有租賃皆歸類為經營租賃。

本集團作為承租人

經營租賃應付的租金總額於租期內以直線法在損益中確認。已收取的租賃獎勵於租期內確認為租金開支總額的組成部分。

4. Summary of Significant Accounting Policies (Continued)

Leases (accounting policies applied from 1 January 2019) (Continued)

Lease liability

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

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

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

Leases (accounting policies applied until 31 December 2018)

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

The Group as lessee

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

Notes to the Consolidated Financial Statements

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

4. 主要會計政策概要(續)

退休福利成本

僱員退休福利透過定額供款計劃提供。

本集團根據強制性公積金計劃條例(「強積金計劃」)設立定額供款退休福利計劃，供所有有資格參加強積金計劃的僱員參與。供款按僱員基本薪金的一定百分比或強積金計劃要求的最高強制性供款作出。

本集團於中國營運的附屬公司僱員則須參加由當地市政府設立的中央退休金計劃。該等附屬公司須按薪金成本的一定百分比向中央退休金計劃供款。

就退休福利計劃而言，本集團的唯一責任為作出指定供款。供款乃於到期應付時確認為有關定額供款福利計劃的開支。倘有欠款或預付款項，則可能確認負債及資產，並基於其通常為短期性質而計入流動負債或流動資產。

4. Summary of Significant Accounting Policies (Continued)

Retirement benefit costs

Retirement benefits to employees are provided through defined contribution plans.

The Group operates a defined contribution retirement benefit plan under the Mandatory Provident Fund Schemes Ordinance (“MPF Scheme”), for all of its employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees’ basic salaries or the maximum mandatory contribution as required by the MPF Scheme.

The employees of the Group’s subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of its payroll costs to the central pension scheme.

The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions. The contributions recognised in respect to defined contribution benefit plans are expenses as they fall due. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short term nature.

4. 主要會計政策概要(續)

借貸成本

直接歸屬於購置、建造或生產合資格資產(須經過相當長時間才可作擬定用途或銷售用途的資產)的借貸成本，應資本化為該等資產成本的一部分，直至有關資產大致可作擬定用途或出售用途為止。有待用於合資格資產的特定借貸在用作臨時投資所賺取的收入，會從合資格資本化的借貸成本中扣除。

所有其他借貸成本於產生期間在損益確認。

政府補助金

政府補助金只能在合理確定可以取得補助金及本集團將符合所有附帶條件時按公平值確認。與成本相關的政府補助金將予遞延，並在損益確認，所確認期間為補助金與擬補助成本相應配合。與購買資產相關的政府補助金於綜合財務狀況表中計入負債作為遞延政府補助金，並於相關資產的預計年內以直線法在損益確認。

與收入相關的政府補助金於綜合損益及其他全面收益表「其他收入」項下合計呈列。

撥備及或然負債

如本集團因過往事件產生法定或推定責任而出現時間或金額未確定之負債，並可合理估計將可能導致經濟利益流出時，即會確認撥備。

如有關債務可能不會導致經濟利益流出，或未能可靠地估計金額，則有關債務會披露為或然負債，除非經濟利益流出之可能性很低。純粹視乎日後有否出現一個或多個情況而可能產生之債務，亦披露為或然負債，除非經濟利益流出之可能性很低。

4. Summary of Significant Accounting Policies (Continued)

Borrowings costs

Borrowing costs attributable directly to the acquisition, construction or production of qualifying assets which require a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Income earned on temporary investments of specific borrowings pending their expenditure on qualifying assets is deducted from borrowing costs eligible for capitalisation.

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

Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase of assets are included in liabilities as deferred government grants in the consolidated statement of financial position and are recognised in profit or loss on straight-line method over the expected lives of the related assets.

Government grants relating to income is presented in gross under "Other income" in the consolidated statement of profit or loss and other comprehensive income.

Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reliably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Notes to the Consolidated Financial Statements

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4. 主要會計政策概要(續)

關連方

(a) 倘屬以下人士，則該人士或該人士的近親為本集團關連方：

- (i) 控制或共同控制本集團；
- (ii) 對本集團有重大影響；或
- (iii) 為本集團或本公司母公司的主要管理層成員。

(b) 倘符合下列任何條件，則該實體為本集團關連方：

- (i) 該實體與本集團屬同一集團的成員公司(即各自的母公司、附屬公司及同系附屬公司乃互相關連)；
- (ii) 一間實體為另一實體的聯營公司或合營企業(或集團成員公司的聯營公司或合營企業，而另一實體亦為該集團的成員公司)；
- (iii) 該等實體均為同一第三方的合營企業；
- (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司；
- (v) 實體為本集團或與本集團有關連的實體就僱員利益設立的離職福利計劃；
- (vi) 實體受(a)內所識別人士控制或共同控制；
- (vii) (a)(i)內所識別人士對實體有重大影響或屬該實體(或該實體的母公司)的主要管理層成員；及
- (viii) 身為其中一方的實體或本集團任何其他成員公司，為本集團或本公司母公司提供管理人員服務。

4. Summary of Significant Accounting Policies (Continued)

Related parties

(a) A person or a close member to that person's family is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Company's parent.

(b) An entity is related to the Group if any of the following conditions apply:

- (i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) both entities are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of 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 Company's parent.

4. 主要會計政策概要(續)

關連方(續)

一名人士的近親指與該實體交易時預期可能影響該名人士或受該名人士影響的家庭成員，並包括：

- (i) 該名人士的子女及配偶或家庭夥伴；
- (ii) 該名人士的配偶或家庭夥伴的子女；或
- (iii) 該名人士或該名人士的配偶或家庭夥伴的家屬。

分部呈報

本集團根據定期向執行董事呈報的內部財務資料確定其經營分部及編製分部資料，該等財務資料乃供執行董事作為決定如何分配資源至本集團各業務分部及檢討該等業務分部表現之用。

本集團根據國際財務報告準則第8號用於呈報分部的計量政策與其根據國際綜合財務報告準則編製的財務報表所採用者一致，惟下述各項除外：

- 以權益法入賬的應佔聯營公司之除稅後業績
- 所得稅
- 其他非經營性收入及開支
- 財務成本
- 非由經營分部業務活動直接應佔的若干收入及開支，於計算經營分部的經營業績時並未被包括在內。

4. Summary of Significant Accounting Policies (Continued)

Related parties (Continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components.

The measurement policies the Group uses for reporting segments under IFRS 8 are the same as those used in its consolidated financial statements prepared under IFRS, except that:

- share of post-tax results of associates accounted for using equity method
- income tax
- other non-operating income and expenses
- finance costs
- certain income and expenses which are not directly attributable to the business activities of any operating segment are not included in arriving at the operating results of the operating segment.

5. 重要會計估計及判斷

於應用本集團的會計政策時，董事須就並非從其他來源顯而易見的資產及負債賬面值作出判斷、估計及假設。估計及相關假設乃以過往經驗及認為屬有關的其他因素為基礎。實際結果有別於該等估計。

估計及相關假設按持續基準檢討。至於對會計估計的修訂，倘修訂僅影響該期間，則於修訂估計期間確認；倘修訂影響當前及未來期間，則於修訂期間及未來期間確認。

貿易應收款項之預期信貸虧損撥備

本集團使用撥備矩陣以計算貿易商款項之預期信貸虧損。撥備率乃基於具有類似虧損模式(即按客戶類型等)的各類客戶組別的逾期天數。

撥備矩陣最初基於本集團過往觀察到的違約率。本集團將通過校準矩陣以調整歷史信貸虧損經驗與前瞻性資訊。例如，倘預測經濟狀況預期將在未來一年內惡化，這可能導致製造業違約數量增加，歷史違約率將予調整。於各報告期末，過往觀察到的違約率都會被更新，並分析前瞻性估計的變化。

對過往觀察到的違約率、預測經濟狀況及預期信貸虧損之間的相關性的評估是一項重要的估計。預期信貸虧損的金額對環境的變化和預測經濟狀況較為敏感。本集團的歷史信貸虧損經驗和對經濟狀況的預測也可能無法代表客戶未來的違約情況。有關本集團貿易應收款項的預期信貸虧損資料於附註38披露。

5. Critical Accounting Estimates and Judgements

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Provision for ECLs of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for grouping of various customers that have similar loss patterns (i.e., by customer type etc).

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 are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default are adjusted. At the end of each of the reporting period, the historical observed default rates are updated and changes in forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 38.

5. 重要會計估計及判斷(續)

存貨之估計撥備

當有事件或情況改變顯示結餘可能無法變現，本集團即將其存貨撇減至可變現淨值。識別過時存貨需使用判斷和估計。當估計與原有金額有差異，該差異將影響該估計改變期間存貨的賬面值及可變現淨值。管理層評估該等存貨的可變現淨值，並認為於各報告期末存貨減值的撥備乃屬足夠及合理。於二零一九年十二月三十一日，已就存貨的賬面值作出2,753,000美元的陳舊存貨撥備(附註21)。

無形資產的可使用年期

管理層估計開發成本(即內部產生的藥業知識產權及永久免專利費許可不會終止的技術專業知識)具有無限使用年期，皆因彼等相信，此等無形資產預計可以提供現金流量的期間並無可預見的期限，而此等知識產權可在某段期間內以極低成本續期，且產品可在市場上存續。

管理層為獨家分銷權及技術專業知識釐定估計可使用年期。該等估計乃參照資產的法定使用期限及本集團有意透過使用無形資產獲取未來經濟利益的估計期限。有關估計可因科技創新、客戶行為變化及競爭對手因應行業週期所採取的行動而顯著改變。

管理層將在估計可使用年期少於先前的估計可使用年期時增加攤銷費用，或將於未來現金流量少於預期及下跌至低於無形資產賬面值時確認減值虧損。

5. Critical Accounting Estimates and Judgements (Continued)

Estimated provision for inventories

The Group writes down its inventories to net realisable value when events or changes in circumstances indicate that the balances may not be realised. The identification of obsolescence requires the use of judgement and estimates. Where the estimate is different from the original amount, such difference will impact the carrying value of inventories and net realisable value for the periods in which such estimate is changed. Management assesses the net realisable value of the inventories and considers that the provision for inventories impairment is adequate and reasonable at the end of each of the reporting period. As at 31 December 2019, the provision for obsolete inventories of US\$2,753,000 was made against the carrying value of inventories (Note 21).

Useful lives of intangible assets

Management estimates the development costs, which represented the intellectual property rights generated internally in pharmaceutical industry and technical know-how with perpetual royalty-free license with no termination, have indefinite useful lives as they believe that there is no foreseeable limit on the period of time over which these intangibles are expected to provide cash flows and these intellectual property rights can be renewable in a period of time at minimal cost and the products are continuing in the market.

The estimated useful lives of the exclusive distribution rights and technical know-how were made by the management with reference to the legal limits on the use of the assets and the estimated periods that the Group intends to derive future economic benefits from the use of intangible assets. It could change significantly as a result of technical innovations, changed customer behavior and competitor actions in response to industry cycles.

Management will increase the amortisation charge where useful lives are less than previously estimated useful lives, or will recognise impairment loss when future cash flows are less than expectation and fall below the carrying amount of the intangible assets.

5. 重要會計估計及判斷(續)

當期所得稅及遞延稅項

本集團須繳納中國所得稅。釐定稅項撥備金額及相關稅項支付時間時，須作出重大判斷。一般業務中有多項交易及計算所釐定的最終稅項並不確定。本集團參考現行稅法及慣例根據可能出現的結果估計確認稅項。若該等事項的最終稅務結果與最初記錄的金額不同，則有關差額將影響釐定期間的所得稅及遞延稅項撥備。

商譽減值

釐定商譽是否減值需要評估獲分配商譽的現金產生單位的在用價值。計算在用價值需要本集團估計預期源自現金產生單位的未來現金流量及合適的折現率以計算現值。當實際未來現金流量低於預期，則可能出現減值虧損。於二零一九年十二月三十一日，商譽賬面值為6,825,000美元。可收回金額計算詳情於附註19披露。

無形資產減值

無形資產的減值虧損乃就賬面值超出其可收回金額的數額確認。可收回金額為公平值減售出成本及在用價值的較高者，乃參考於截至報告期末現有最佳資料釐定。倘本集團管理層改變評估減值的假設(包括現金流量預測中採用的折現率或經營及增長率假設)，或會對減值測試所用淨現值構成重大影響，因而影響本集團的財務狀況及財務表現。於二零一九年十二月三十一日，無形資產賬面值為21,670,000美元(附註18)。

5. Critical Accounting Estimates and Judgements (Continued)

Current income tax and deferred tax

The Group is subject to income taxes in the PRC. Significant judgement is required in determining the amount of the provision for taxation and the timing of payment of the related taxations. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises taxes based on estimates of the likely outcome with reference to current tax laws and practices. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provision in the period in which such determination is made.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the CGUs to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGUs and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, an impairment loss may arise. As at 31 December 2019, the carrying amount of goodwill was US\$6,825,000. Details of the recoverable amount calculation are disclosed in Note 19.

Impairment of intangible assets

Impairment losses for intangible assets are recognised for the amount by which the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and value in use, are determined with reference to the best information available at the end of the reporting period. Changing the assumptions selected by the Group's management in assessing impairment, including the discount rates or the operating and growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Group's financial position and financial performance. As at 31 December 2019, the carrying amount of intangible assets was US\$21,670,000 (Note 18).

5. 重要會計估計及判斷(續)

物業、廠房及設備減值

本集團的物業、廠房及設備佔本集團總資產的重大部分。技術或行業條件的變化可能會導致估計可使用年期或其價值發生變化。需要折舊的物業、廠房及設備至少每年進行一次檢查，以確定是否存在任何減值跡象。每當事件或情況變化顯示其賬面價值可能無法收回時，估計其可收回金額。

或然代價的公平值

本集團根據附註38所披露對相關藥品未來表現結果的預計以及收購協議的條款釐定有關購入無形資產或然代價的公平值。或然代價的公平值將於未來表現結果與此前預測不相符時向上或向下調整，因此，或然代價公平值的變動會影響本集團的財務狀況及財務表現。於二零一九年十二月三十一日，或然負債的賬面值為1,171,000美元(附註31)。

租賃負債的估算增量借款利率

本集團無法輕易釐定租賃內所隱含的利率，因此，使用增量借款利率計量租賃負債。增量借款利率為本集團於類似經濟環境中為取得與使用權資產價值相近之資產，而以類似抵押品與類似期間借入所需資金應支付之利率。因此，增量借款利率反映了本集團「應支付」的利率，當無可觀察的利率時或當須對利率進行調整以反映租賃之條款及條件時，則須作出利率估計。當可觀察輸入數據可用時，本集團使用可觀察輸入數據(如市場利率)估算增量借款利率並須作出若干實體特定的估計(如附屬公司的獨立信貸評級)。

5. Critical Accounting Estimates and Judgements (Continued)

Impairment of property, plant and equipment

The Group's property, plant and equipment comprise a significant portion of the Group's total assets. Changes in technology or industry conditions may cause the estimated period of use or the value of these assets to change. Property, plant and equipment, subjects to depreciation, is reviewed at least annually to determine whether there is any indication of impairment. The recoverable amount is estimated whenever events or changes in circumstances have indicated that their carrying amounts may not be recoverable.

Fair value of contingent consideration

The Group determines the fair value of contingent consideration of purchase of intangible assets as disclosed in Note 38 based on the forecast of future performance results of the related pharmaceutical product and terms of acquisition agreement. The fair value of contingent consideration will be revised upward or downward where future performance results are different from previous forecast and as a result, the change of fair value of contingent consideration will affect the Group's financial position and financial performance. As at 31 December 2019, the carrying amount of contingent liabilities was US\$1,171,000 (Note 31).

Estimating the incremental borrowing rate for lease liabilities

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available or when it needs to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Notes to the Consolidated Financial Statements

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

6. 收入及其他收入

本集團於年內與客戶合約所得的收入及其他收入的分析如下：

6. Revenue and Other Income

An analysis of the Group's revenue which are generated from contracts with customers and other income for the years are as follows:

		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
銷售貨品的收入	Revenue from sales of goods	54,257	56,872
其他收入	Other income		
銀行利息	Bank interest income	454	466
政府補助金	Government grants	878	567
其他	Others	2,370	1,199
		3,702	2,232

本集團獲中國地方政府提供補助金以嘉許本集團的表現及開發高科技藥品。收取的補助金不附帶任何條件。

The Group received grants from the local government in the PRC as recognition of the Group's performance and development of high-technology pharmaceutical products. The grants received were not subject to any conditions.

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

7. 分部資料

就資源分配及評估分部表現而向執行董事(即主要營運決策人)呈報的資料乃以所交付的貨品類型為基礎。

本集團根據國際財務報告準則第8號經營分部(「國際財務報告準則第8號」)的須予呈報及經營分部如下：

- 醫藥：開發、生產及銷售主要用於風濕及皮膚科領域的專科藥品及其他藥品
- 美容產品：銷售美容產品
- 健康產品：開發、生產及銷售健康產品

以下為本集團按須予呈報及經營分部劃分的持續經營所產生的收入及業績分析。

截至二零一九年十二月三十一日止年度

7. Segment Information

Information reported to the executive directors, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance based on the types of goods delivered.

The Group’s reportable and operating segments under IFRS 8 *Operating segments* (“IFRS 8”) are as follows:

- Pharmaceuticals: development, production and sale of specialty pharmaceuticals mainly used in the field of rheumatology and dermatology and other pharmaceuticals
- Cosmetic products: sale of cosmetic products
- Healthcare products: development, production and sale of healthcare products

The following is an analysis of the Group’s revenue and results from operations by reportable and operating segment.

For the year ended 31 December 2019

		醫藥 Pharmaceuticals 千美元 US\$'000	美容產品 Cosmetic products 千美元 US\$'000	健康產品 Healthcare products 千美元 US\$'000	總計 Total 千美元 US\$'000
須予呈報分部收入	Reportable segment revenue	50,537	185	3,535	54,257
須予呈報分部溢利/ (虧損)	Reportable segment profit/ (loss)	16,676	(1,566)	177	15,287

Notes to the Consolidated Financial Statements

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7. 分部資料(續)

截至二零一八年十二月三十一日止年度

7. Segment Information (Continued)

For the year ended 31 December 2018

		醫藥 Pharmaceuticals 千美元 US\$'000	美容產品 Cosmetic products 千美元 US\$'000	健康產品 Healthcare products 千美元 US\$'000	總計 Total 千美元 US\$'000
須予呈報分部收入	Reportable segment revenue	48,055	2,338	6,479	56,872
須予呈報分部溢利/ (虧損)	Reportable segment profit/ (loss)	12,710	(166)	617	13,161

上文所呈報分部收入指來自外在客戶所得的收入。本年度及過往年度並無分部間銷售。

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year and prior year.

本集團經營分部業績的總額與綜合財務報表呈報的本集團主要財務數據的對賬如下：

The totals presented for the Group's operating segments reconciled to the Group's key financial figures as presented in the consolidated financial statements as follows:

		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
溢利或虧損	Profit or loss		
須予呈報分部溢利總額	Total results of reportable segment profit	15,287	13,161
應佔聯營公司的除稅後業績	Share of post-tax result of associates	1,310	877
其他非經營性收入及開支	Other non-operating income and expenses	19,559	5,904
未分配收入	Unallocated income	3,835	2,332
未分配開支	Unallocated expenses	(16,940)	(15,907)
財務成本	Finance costs	(4,409)	(4,277)
除所得稅前溢利	Profit before income tax	18,642	2,090

國際財務報告準則第8號下經營分部的會計政策與附註4所述本集團的會計政策一致。須予呈報分部溢利/(虧損)指各分部的毛利/(毛虧)減銷售及分銷開支，乃向主要營運決策人匯報作資源分配及表現評估用途的計量方法。

The accounting policies of the operating segments under IFRS 8 are the same as the Group's accounting policies described in Note 4. Reportable segment profit/(loss) represents the gross profit/(loss) less selling and distribution expenses by each segment. This is the measure reported to the CODM for the purpose of resources allocation and performance assessment.

若干收入和支出未分配至須予呈報分部，因為它們未包括在主要營運決策人用於評估分部業績的須予呈報分部業績的計量中。

Certain income and expenses are not allocated to the reportable segments as they are not included in the measure of the results of reportable segment that is used by CODM for assessment of segment performance.

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

7. 分部資料(續)

收入約5,708,000美元乃來自醫藥分部一位外部客戶的銷售，其佔本集團截至二零一九年十二月三十一日止年度之收入之10%或以上。沒有外部客戶的銷售佔本集團於截至二零一八年十二月三十一日止年度之收入之10%或以上。

本集團已實際上應用國際財務報告準則第15號，並無披露原定預計年期為一年或以下之合約之餘下履約責任。

在下表中，與客戶合約所得收入按主要地區市場及收入確認時點分類：

		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
主要地區市場	Primary geographical markets		
中國(常駐)	The PRC (domicile)	51,350	53,329
海外	Overseas	2,907	3,543
		54,257	56,872
收入確認之時點	Timing of revenue recognition		
在特定時間點	At a point in time	54,257	56,872

客戶的地區位置以付運貨品的位置為基準。本公司為於開曼群島註冊成立的投資控股公司，而本集團在當地並無任何業務。本集團的主要營運及工作團隊位於中國，因此，中國就國際財務報告準則第8號所規定的披露而言被視作本集團的常駐國家。

於兩個年度，本集團的所有非流動資產幾乎均位於中國。

由於並無定期向主要營運決策人匯報分部資產或分部負債資料，故並無呈列有關資料。

7. Segment Information (Continued)

Revenue of approximately US\$5,708,000 was derived from sales to an external customer under pharmaceuticals segment, which contributed 10% or more of the Group's revenue during the year ended 31 December 2019. No external customer contributed 10% or more of the Group's revenue for the year ended 31 December 2018.

The Group has applied the practical expedient in IFRS 15 not to disclose the remaining performance obligations under the contracts that have an original expected duration of one year or less.

In the following table, revenue from contracts with customers is disaggregated by primary geographical market and timing of revenue recognition:

		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
主要地區市場	Primary geographical markets		
中國(常駐)	The PRC (domicile)	51,350	53,329
海外	Overseas	2,907	3,543
		54,257	56,872
收入確認之時點	Timing of revenue recognition		
在特定時間點	At a point in time	54,257	56,872

The geographical location of customers is based on the location to which the goods were delivered. The Company is an investment holding company incorporated in the Cayman Islands where the Group does not have any activities, the Group has the majority of its operations and workforce in the PRC, and therefore, the PRC is considered as the Group's country of domicile for the purpose of the disclosures as required by IFRS 8.

Almost all of the non-current assets of the Group were located in the PRC in both years.

No segment assets or segment liabilities is presented as they are not regularly reported to the CODM.

Notes to the Consolidated Financial Statements

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

8. 其他非經營性收入及開支

8. Other Non-Operating Income and Expenses

		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
出售一間聯營公司部分權益的 收益(附註(a))	Gain on partial disposal of an associate (Note (a))	25,450	5,066
出售一間聯營公司部份權益的退 稅款(附註(b))	Tax refund in relation to a partial disposal of an associate (Note (b))	—	2,050
無形資產減值撥備(附註18)	Provision for impairment of intangible assets (Note 18)	(5,495)	(468)
於一間聯營公司的權益的 減值撥備	Provision for impairment of interest in an associate	(396)	—
無形資產撇銷(附註18)	Write off of intangible assets (Note 18)	—	(744)
		19,559	5,904

附註：

Notes:

(a) 於二零一八年六月六日，本集團於上海證券交易所透過市場大宗交易出售合共2,400,000股浙江司太立製藥股份有限公司(「司太立」)股份，價格為每股人民幣(「人民幣」)27.22元，產生出售部分權益的收益5,066,000美元。於出售部分權益後，本集團於司太立的股權由二零一七年十二月三十一日的12.6%降低至二零一八年十二月三十一日的10.6%。

於截至二零一九年十二月三十一日止年度，本集團於上海證券交易所透過市場交易進一步出售合共9,729,028股司太立股份，平均價格為每股人民幣30.83元，產生出售部分權益的收益25,450,000美元。於出售部分權益後，本集團於司太立的股權由二零一八年十二月三十一日的10.6%降低至二零一九年十二月三十一日的4.0%。

(b) 於二零一七年，本集團已就第一次出售部分司太立權益已付的稅款提出退稅申請。截至二零一八年十二月三十一日止年度，本集團已達到退稅要求並已收到退稅款人民幣13,597,000元(相等於2,050,000美元)。因此該退稅款於截至二零一八年十二月三十一日止年度之「其他非經營性收入及開支」中確認。

(a) On 6 June 2018, the Group had disposed of a total of 2,400,000 shares in Zhejiang Starry Pharmaceutical Co., Ltd (“Starry”) via on-market block trade sales on the Shanghai Stock Exchange, at the price of Renminbi (“RMB”) 27.22 per share and resulting in a gain on partial disposal of US\$5,066,000. After the partial disposal, the Group’s equity interest in Starry has been reduced from 12.6% as at 31 December 2017 to 10.6% as at 31 December 2018.

During the year ended 31 December 2019, the Group had further disposed of a total of 9,729,028 shares in Starry via on-market sales on the Shanghai Stock Exchange, at the average price of RMB30.83 per share and resulting in a gain on partial disposal of US\$25,450,000. After the partial disposal, the Group’s equity interest in Starry was reduced from 10.6% as at 31 December 2018 to 4.0% as at 31 December 2019.

(b) In 2017, the Group had applied for refund of the tax paid in respect of the partial disposal of shares in Starry. During the year ended 31 December 2018, the Group had fulfilled the relevant requirements of refund and received tax refund amounting to RMB13,597,000 (equivalent to approximately US\$2,050,000). The tax refund was therefore recognised under “Other non-operating income and expenses” for the year ended 31 December 2018.

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

9. 財務成本

9. Finance Costs

		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
銀行借款利息	Interest on bank borrowings	4,199	4,118
租賃負債利息(附註36)	Interest on lease liabilities (Note 36)	53	—
應付同系附屬公司的相互擔保佣金費用(附註37(d))	Cross guarantee commission fee payable to a fellow subsidiary (Note 37(d))	94	98
或然代價折現(附註38(b))	Unwinding of discount on contingent consideration (Note 38(b))	63	61
		4,409	4,277

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

10. 除所得稅前溢利

本集團的除所得稅前溢利乃經扣除／(計入)下列各項得出：

10. Profit before Income Tax

The Group's profit before income tax has been arrived at after charging/(crediting):

		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
核數師酬金	Auditors' remuneration		
— 核數服務	— Audit services	271	275
— 非核數服務	— Non-audit services	111	131
確認為開支的存貨成本(附註)	Cost of inventories recognised as expenses (Note)	20,928	26,601
國際會計準則第17號項下先前分類為經營租賃的預付土地租賃款項攤銷	Amortisation of prepaid land lease payment previously classified as operating leases under IAS 17	—	59
無形資產攤銷	Amortisation of intangible assets	561	583
使用權資產折舊	Depreciation of right-of-use assets	546	—
物業、廠房及設備折舊	Depreciation of property, plant and equipment	2,829	3,096
物業、廠房及設備減值撥備	Provision for impairment of property, plant and equipment	918	154
陳舊存貨減值撥備	Provision for impairment of obsolete inventories	1,665	1,955
金融資產的預期信貸虧損(撥回)／撥備	(Reversal of)/Allowance for expected credit losses on financial assets	(230)	105
匯兌(收益)／虧損淨額	Net exchange (gain)/loss	(364)	179
國際會計準則第17號項下先前分類為經營租賃的土地及樓宇最低租賃付款總額	Total minimum lease payments for leases previously classified as operating leases under IAS 17, in respect of land and building	—	636
研發成本	Research and development costs	828	610
出售物業、廠房及設備的虧損	Loss on disposals of property, plant and equipment	118	72
存貨撇銷	Write off of inventories	1,610	170
金融資產撇銷	Write off of financial assets	572	1,159
員工成本(包括董事薪酬(附註11))	Employee costs (including directors' remuneration (Note 11))		
— 工資及薪金	— Wages and salaries	11,479	12,372
— 退休金計劃供款	— Retirement benefit plans contribution	2,002	2,095
		13,481	14,467

附註：

確認為開支的存貨成本包括員工成本、折舊和攤銷及存貨撇銷有關的金額，這些金額亦包括在上述單獨披露的費用中。已重列比較數字以符合本年呈列。

Note:

Cost of inventories recognised as expenses included amounts relating to employee costs, depreciation and amortisation and write off of inventories, which are also included in the respective expenses disclosed separately above. The comparative figure have been re-presented to conform with the current year's presentation.

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11. 董事和五名最高薪人士的薪酬

董事薪酬

已付或應付予本公司董事的薪酬總額如下：

11. Emoluments of Directors and Five Highest Paid Individuals

Directors' emoluments

The aggregate amount of emoluments paid and payable to the directors of the Company are as follows:

		其他薪酬				
		Other emoluments				
		袍金	薪金、津貼 和實物福利	酌情獎金	退休福利 計劃供款	總計
		Fees	Salaries, allowances and benefits in kind	Discretionary bonus	Retirement benefit plans contributions	Total
		千美元	千美元	千美元	千美元	千美元
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
截至二零一九年 十二月三十一日止年度	Year ended 31 December 2019					
常務執行董事：	Executive managing director:					
陳力	Chen Li	—	461	186	17	664
非執行董事：	Non-executive directors:					
吳鎮濤	Wu Zhen Tao	—	—	—	—	—
Stephen Burnau Hunt	Stephen Burnau Hunt	39	—	—	—	39
李晉頤 (於二零一九年 十月三十一日辭任)	Lee Jin Yi (resigned on 31 October 2019)	—	—	—	—	—
劉雪姿	Liu Xuezi	—	—	14	—	14
獨立非執行董事：	Independent non-executive directors:					
陳記煊	Chan Kee Huen, Michael	35	—	—	—	35
鄧昭平 (於二零一九年 四月九日辭任)	Tang Chiu Ping, Raymond (resigned on 9 April 2019)	10	—	—	—	10
Fritz Heinrich Horlacher	Fritz Heinrich Horlacher	32	—	—	—	32
楊德斌	Yeung Tak Bun, Allen	35	—	—	—	35
		151	461	200	17	829

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

11. 董事和五名最高薪人士的薪酬 (續)

董事薪酬 (續)

11. Emoluments of Directors and Five Highest Paid Individuals (Continued)

Directors' emoluments (Continued)

		其他薪酬 Other emoluments			退休福利 計劃供款 Retirement benefit plans contributions	總計 Total
		袍金 Fees 千美元 US\$'000	薪金、津貼 和實物福利 Salaries, allowances and benefits in kind 千美元 US\$'000	酌情獎金 Discretionary bonus 千美元 US\$'000		
截至二零一八年 十二月三十一日止年度 常務執行董事：	Year ended 31 December 2018 Executive managing director:					
陳力(於二零一八年 三月一日獲委任)	Chen Li (appointed on 1 March 2018)	—	368	121	13	502
執行董事：	Executive directors:					
劉幫民(於二零一八年 一月三十一日辭任)	Liu Bang Min (resigned on 31 January 2018)	—	17	—	1	18
侯淞(於二零一八年 十月二十日辭任)	Hou Song (resigned on 20 October 2018)	—	130	55	2	187
非執行董事：	Non-executive directors:					
吳鎮濤	Wu Zhen Tao	—	—	—	—	—
Stephen Burnau Hunt	Stephen Burnau Hunt	38	—	—	—	38
李晉頤	Lee Jin Yi	—	—	—	—	—
劉雪姿	Liu Xuezi	—	—	—	—	—
獨立非執行董事：	Independent non-executive directors:					
陳記煊	Chan Kee Huen, Michael	35	—	—	—	35
鄧昭平	Tang Chiu Ping, Raymond	35	—	—	—	35
Fritz Heinrich Horlacher	Fritz Heinrich Horlacher	32	—	—	—	32
楊德斌(於二零一八年 十月六日獲委任)	Yeung Tak Bun, Allen (appointed on 6 October 2018)	8	—	—	—	8
		148	515	176	16	855

概無董事放棄或同意放棄截至二零一九年及二零一八年十二月三十一日止年度任何酬金的安排。

酌情獎金取決於董事的表現。

截至二零一九年及二零一八年十二月三十一日止年度，本集團概未向任何董事或任何五名最高薪人士支付任何酬金，作為加入本集團或加入本集團後的獎勵或作為離職補償。

There was no arrangement under which a director waived or agreed to waive any emoluments for the years ended 31 December 2019 and 2018.

Discretionary bonus are determined on director's performance.

During the years ended 31 December 2019 and 2018, no emolument was paid by the Group to the directors or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

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

11. 董事和五名最高薪人士的薪酬 (續)

五名最高薪人士

五名最高薪人士包括本公司一名董事(二零一八年:兩名),彼等酬金詳情於上文所示分析內反映。餘下四名(二零一八年:三名)最高薪人士的薪酬詳情如下:

11. Emoluments of Directors and Five Highest Paid Individuals (Continued)

Five highest paid individuals

The five highest paid individuals consisted of one (2018: two) directors of the Company, details of whose emoluments are reflected in the analysis presented above. Details of emoluments of the remaining four (2018: three) highest paid individuals were as follows:

		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
薪金、津貼和實物福利	Salaries, allowances and benefits in kind	298	253
酌情獎金	Discretionary bonus	128	177
退休福利計劃供款	Retirement benefit plans contributions	34	41
總計	Total	460	471

支付予上述各非董事人士的薪酬介乎以下範疇:

The emoluments paid to each of the above non-director individuals were within the following bands:

		二零一九年 2019 人數 No of individuals	二零一八年 2018 人數 No of individuals
零至1,000,000港元(「港元」)	Nil – Hong Kong Dollars (“HK\$”) 1,000,000	3	2
1,000,001港元至1,500,000港元	HK\$1,000,001 to HK\$1,500,000	1	—
1,500,001港元至2,000,000港元	HK\$1,500,001 to HK\$2,000,000	—	1

12. 所得稅開支

12. Income Tax Expense

		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
當期所得稅項	Current income tax		
— 年度稅項	— Tax for the year	1,004	1,599
— 過往年度撥備不足/ (超額撥備)	— Under/(Over) provision in prior years	75	(205)
遞延稅項(附註28)	Deferred tax (Note 28)	1,079 (786)	1,394 536
所得稅開支	Income tax expense	293	1,930

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

12. 所得稅開支(續)

應課稅溢利稅項已按本集團經營所在稅務司法權區的適用稅率計算。

香港利得稅乃按照年內估計應課稅溢利依稅率16.5% (二零一八年：16.5%)計算。於二零一八年三月二十一日，香港立法會通過《2017年稅務(修訂)(第7號)條例草案》(「條例草案」)，該條例草案引入兩級利得稅率體制。該條例草案於二零一八年三月二十八日獲簽署成為法律，並於翌日於憲報上刊登。

根據兩級利得稅率體制，合資格企業將就首2,000,000港元溢利按8.25%的稅率繳納稅項，並將按16.5%的稅率繳納2,000,000港元以上溢利之稅項。不符合兩級利得稅率體制的企業溢利將繼續按16.5%的稅率納稅。年度兩級利得稅率體制適用於本集團。

根據中國企業所得稅法(「企業所得稅法」)及其實施細則，中國附屬公司的稅率為25% (二零一八年：25%)。

本集團一間附屬公司已獲認證為中國高新科技企業，享有15%的優惠企業所得稅率(二零一八年：15%)。

年內所得稅開支與綜合損益及其他全面收益表所示除所得稅前溢利的對賬如下：

12. Income Tax Expense (Continued)

Tax on assessable profits has been calculated at the applicable rates of tax prevailing in the tax jurisdiction in which the Group operates.

Hong Kong profits tax is calculated at 16.5% (2018: 16.5%) on the estimated assessable profits for the year. On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day.

Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of qualifying corporations will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. The profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The two-tiered profits tax rates regime was applicable to the Group for the year.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% (2018: 25%).

A subsidiary of the Group has been certified as a new high technology enterprise in the PRC and enjoyed a preferential enterprise income tax rate of 15% (2018: 15%).

The income tax expense for the year can be reconciled to the profit before income tax per the consolidated statement of profit or loss and other comprehensive income as follows:

		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
除所得稅前溢利	Profit before income tax	18,642	2,090
按適用於有關司法權區的溢利稅率計算的稅項	Tax on profit at the rates applicable to the jurisdictions concerned	3,597	256
不可扣稅開支的稅務影響	Tax effect on non-deductible expenses	2,143	3,846
毋須課稅收入的稅務影響	Tax effect of non-taxable income	(5,871)	(2,884)
應佔聯營公司除稅後業績的稅務影響	Tax effect of share of post-tax result of associates	(331)	(278)
過往年度撥備不足/(超額撥備)	Under/(Over) provision in prior years	75	(205)
未確認稅率虧損	Tax effect of tax losses not recognised	1,022	500
其他	Others	(342)	695
所得稅開支	Income tax expense	293	1,930

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13. 股息

13. Dividends

		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
年內確認為分派的股息：	Dividends recognised as distribution during the year:		
二零一八年末期股息 — 每股3.58港仙(每股約0.46美仙)	2018 final dividend — HK3.58 cents per share (approximately US0.46 cents per share)	1,855	—
二零一八年中中期股息 — 每股2.90港仙(每股約0.37美仙)	2018 interim dividend — HK2.90 cents per share (approximately US0.37 cents per share)	—	1,534
二零一七年末期股息 — 每股3.58港仙(每股約0.46美仙)	2017 final dividend — HK3.58 cents per share (approximately US0.46 cents per share)	—	1,909
		1,855	3,443

截至二零一八年十二月三十一日，本公司董事建議派付末期股息每股3.58港仙(每股相當於約0.46美仙)，總計14,823,000港元(相當於約1,855,000美元)。

截至二零一九年十二月三十一日，本公司董事不建議派發末期股息。

For the year ended 31 December 2018, the directors of the Company had proposed a final dividend of HK3.58 cents per share (equivalent to approximately US0.46 cents per share), totally amounting to HK\$14,823,000 (equivalent to approximately US\$1,855,000).

For the year ended 31 December 2019, the directors of the Company do not recommend the payment of final dividend.

14. 每股盈利

每股基本盈利按本公司擁有人應佔綜合溢利18,349,000美元(二零一八年：160,000美元)及調整於年內本公司所持或已註銷的庫存股份後的加權平均普通股403,894,600股(二零一八年：414,999,454股)計算。

本集團於年內及上一年度並無潛在攤薄股份。

14. Earnings per Share

The calculation of the basic earnings per share is based on the consolidated profit attributable to owners of the Company of US\$18,349,000 (2018: US\$160,000) and the weighted average number of ordinary shares of 403,894,600 (2018: 414,999,454), after adjusting the treasury shares held or cancelled by the Company, outstanding during the year.

The Group had no potential dilutive shares during the year and prior year.

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15. 物業、廠房及設備

15. Property, Plant and Equipment

		樓宇及廠房 Building and plant 千美元 US\$'000	機器 Machineries 千美元 US\$'000	汽車 Motor vehicles 千美元 US\$'000	傢具及設備 Furniture and equipment 千美元 US\$'000	總計 Total 千美元 US\$'000
於二零一八年一月一日	At 1 January 2018					
成本	Cost	28,328	15,769	686	3,047	47,830
累計折舊及減值	Accumulated depreciation and impairment	(6,837)	(6,815)	(479)	(2,267)	(16,398)
賬面淨值	Net carrying amount	21,491	8,954	207	780	31,432
截至二零一八年十二月三十一日止年度	Year ended 31 December 2018					
年初賬面淨值	Opening net carrying amount	21,491	8,954	207	780	31,432
匯兌調整	Exchange adjustment	(1,013)	(508)	(10)	(28)	(1,559)
添置	Additions	579	778	75	310	1,742
收購一間附屬公司	Acquisition of a subsidiary	—	3	—	34	37
折舊	Depreciation	(1,058)	(1,429)	(53)	(556)	(3,096)
減值	Impairment	—	(154)	—	—	(154)
處置	Disposals	—	(110)	(20)	(10)	(140)
年末賬面淨值	Closing net carrying amount	19,999	7,534	199	530	28,262
於二零一八年十二月三十一日	At 31 December 2018					
成本	Cost	27,473	15,161	531	3,096	46,261
累計折舊及減值	Accumulated depreciation and impairment	(7,474)	(7,627)	(332)	(2,566)	(17,999)
賬面淨值	Net carrying amount	19,999	7,534	199	530	28,262
截至二零一九年十二月三十一日止年度	Year ended 31 December 2019					
年初賬面淨值	Opening net carrying amount	19,999	7,534	199	530	28,262
匯兌調整	Exchange adjustment	(312)	(294)	(4)	(10)	(620)
添置	Additions	28	775	92	472	1,367
折舊	Depreciation	(1,035)	(1,328)	(43)	(423)	(2,829)
減值	Impairment	(5)	(886)	(10)	(17)	(918)
處置	Disposals	—	(98)	—	(24)	(122)
年末賬面淨值	Closing net carrying amount	18,675	5,703	234	528	25,140
於二零一九年十二月三十一日	At 31 December 2019					
成本	Cost	27,050	14,775	612	3,227	45,664
累計折舊及減值	Accumulated depreciation and impairment	(8,375)	(9,072)	(378)	(2,699)	(20,524)
賬面淨值	Net carrying amount	18,675	5,703	234	528	25,140

截至二零一九年十二月三十一日止年度，由於損壞和技術過時，物業、廠房及設備減值撥備為918,000美元(二零一八年：154,000美元)，並已於損益中確認為行政開支一部分(附註10)，以將物業、廠房及設備的賬面值減值至可收回金額。

During the year ended 31 December 2019, provision for impairment of property, plant and equipment of US\$918,000 (2018: US\$154,000) was recognised in profit or loss as part of administrative expenses (Note 10) to reduce the carrying amounts of the property, plant and equipment to their recoverable amounts as a result of physical damaged and technically obsolescence.

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

16. 使用權資產

本集團在其經營的司法管轄區(包括中國及香港)，租賃多處辦公場所、汽車、預付土地租賃及辦公設備。此等資產的租賃只包括在租賃期內的固定付款。

16. Right-of-use Assets

The Group leases a number of office premises, motor vehicle, prepaid land lease and office equipment in the jurisdictions from which it operates, including the PRC and Hong Kong. The leases of these assets comprise only fixed payments over the lease term.

		千美元 US\$'000
截至二零一九年十二月三十一日止年度	Year ended 31 December 2019	
按原定呈列於二零一八年十二月三十一日	Opening net carrying amount at 31 December 2018 as originally presented	—
年初賬面淨值		
於採納國際財務報告準則第16號時的	Change in accounting policies upon adoption of	
會計政策變動(附註3.1(i))	IFRS 16 (Note 3.1(i))	2,942
於二零一九年一月一日年初經重列	Restated opening net carrying amount at	
賬面淨值	1 January 2019	2,942
匯兌調整	Exchange adjustment	(44)
添置	Additions	346
折舊	Depreciation	(546)
年末賬面淨值	Closing net carrying amount	2,698
於二零一九年十二月三十一日	At 31 December 2019	
成本	Cost	4,104
累計折舊	Accumulated depreciation	(1,406)
賬面淨值	Net carrying amount	2,698

按相關資產分類之使用權資產賬面淨值之分析如下：

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

		二零一九年 十二月三十一日 31 December 2019 千美元 US\$'000	二零一九年 一月一日 1 January 2019 千美元 US\$'000
預付土地租賃，按折舊成本列賬	Prepaid land lease, carried at depreciated cost	1,834	1,921
辦公場所、汽車及辦公設備，按折舊成本列賬	Office premises, motor vehicle and office equipment carried at depreciated cost	864	1,021
賬面淨值	Net carrying amount	2,698	2,942

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17. 預付土地租賃款項

17. Prepaid Land Lease Payment

		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
年初賬面淨值	Opening net carrying amount	1,921	2,079
於採納國際財務報告準則第16號 時的會計政策變動(附註3.1(i))	Change in accounting policies upon adoption of IFRS 16 (Note 3.1(i))	(1,921)	—
年初經重列賬面淨值	Restated opening net carrying amount	—	2,079
年內攤銷	Amortisation for the year	—	(59)
匯兌調整	Exchange adjustment	—	(99)
年末賬面淨值	Closing net carrying amount	—	1,921
賬面總值	Gross carrying amount	—	2,577
累計攤銷	Accumulated amortisation	—	(656)
賬面淨值	Net carrying amount	—	1,921
對賬：	Reconciliation:		
計入流動資產的流動部分	Current portion included in current assets	—	52
計入非流動資產的非流動部分	Non-current portion included in non-current assets	—	1,869
賬面淨值	Net carrying amount	—	1,921

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

18. 無形資產

18. Intangible Assets

		獨家分銷權	技術專業知識	開發成本	具無限使用 年期的技術 專業知識	許可證	總計
		Exclusive distribution rights	Technical know-how	Development costs	Indefinite- lived technical know-how	License	Total
		千美元 US\$'000	千美元 US\$'000	千美元 US\$'000	千美元 US\$'000	千美元 US\$'000	千美元 US\$'000
		(附註(a)) (Note (a))	(附註(b)) (Note (b))	(附註(c)) (Note (c))	(附註(d)) (Note (d))	(附註(e)) (Note (e))	
於二零一八年一月一日	At 1 January 2018						
成本	Cost	306	6,274	12,296	9,078	—	27,954
累計攤銷及減值	Accumulated amortisation and impairment	(122)	(3,653)	(123)	—	—	(3,898)
賬面淨值	Net carrying amount	184	2,621	12,173	9,078	—	24,056
截至二零一八年十二月三十一日止年度	Year ended 31 December 2018						
年初賬面淨值	Opening net carrying amount	184	2,621	12,173	9,078	—	24,056
匯兌調整	Exchange adjustment	(8)	(107)	(649)	—	—	(764)
添置 — 內部開發	Additions — internal development	—	—	3,179	—	—	3,179
收購一間附屬公司	Acquisition of a subsidiary	—	—	—	—	1,134	1,134
攤銷	Amortisation	(30)	(553)	—	—	—	(583)
減值	Impairment	—	—	(468)	—	—	(468)
撤銷	Write off	—	—	(744)	—	—	(744)
年末賬面淨值	Closing net carrying amount	146	1,961	13,491	9,078	1,134	25,810
於二零一八年十二月三十一日	At 31 December 2018						
成本	Cost	291	5,973	14,061	9,078	1,134	30,537
累計攤銷及減值	Accumulated amortisation and impairment	(145)	(4,012)	(570)	—	—	(4,727)
賬面淨值	Net carrying amount	146	1,961	13,491	9,078	1,134	25,810
截至二零一九年十二月三十一日止年度	Year ended 31 December 2019						
年初賬面淨值	Opening net carrying amount	146	1,961	13,491	9,078	1,134	25,810
匯兌調整	Exchange adjustment	(1)	(9)	(198)	(3)	(23)	(234)
添置 — 內部開發	Additions — internal development	—	—	1,874	—	—	1,874
添置 — 收購	Additions — acquisition	—	—	—	276	—	276
攤銷	Amortisation	(29)	(532)	—	—	—	(561)
減值	Impairment	(116)	(1,420)	(3,662)	(59)	(238)	(5,495)
年末賬面淨值	Closing net carrying amount	—	—	11,505	9,292	873	21,670
於二零一九年十二月三十一日	At 31 December 2019						
成本	Cost	287	5,876	15,685	9,351	1,108	32,307
累計攤銷及減值	Accumulated amortisation and impairment	(287)	(5,876)	(4,180)	(59)	(235)	(10,637)
賬面淨值	Net carrying amount	—	—	11,505	9,292	873	21,670

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

18. 無形資產(續)

就減值評估而言，與美容產品、健康產品及其他醫藥相關的無形資產，附註15所載列之物業、廠房及設備及附註16所載列之使用權資產已根據性質分配至現金產生單位。

可收回金額以在用價值計算法釐定。該計算法使用基於獲管理層批准未來五年期的財務預算的現金流量預測以15.43%至17.00%的稅前折現率(二零一八年：17.00%)。超過五年期的現金流量採用增長率0%預測。在用價值計算法的其他主要假設乃關於現金流入／流出的估計，當中包括預算銷售及毛利率。有關估計乃基於該單位過往表現以及管理層對市場發展的預期。管理層相信，任何此等假設可能出現的合理變動將不會導致總賬面值超過其可收回總額。

截至二零一九年十二月三十一日止年度，由於相關產品的市場需求不理想，無形資產減值撥備總額為5,495,000美元(二零一八年：468,000美元)，並已於損益中確認為其他非經營性收入及開支(附註8)一部分，以將無形資產的賬面值減值至可收回金額。

截至二零一八年十二月三十一日止年度，本集團決定終止若干正在進行的研發項目，主要是由於原料藥成本不斷攀升所致。撇銷744,000美元已於損益中確認為其他非經營性收入及開支(附註8)一部分，以將無形資產的賬面值撇減至可收回金額。

18. Intangible Assets (Continued)

For the purpose of impairment assessment, intangible assets related to cosmetic products, healthcare products and other pharmaceuticals, property, plant and equipment set out in Note 15 and right-of-use assets set out in Note 16 have been allocated to CGUs according to the nature of projects.

The recoverable amounts have been determined based on value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period, and pre-tax discount rate of ranged from 15.43% to 17.00% (2018: at 17.00%). The growth rate used to extrapolate the cash flows beyond the five-year period is 0%. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the unit's past performance and management's expectations for the market development. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount to exceed the aggregate recoverable amount.

During the year ended 31 December 2019, provision for impairment of intangible assets of US\$5,495,000 (2018: US\$468,000) in aggregate was recognised in profit or loss as part of other non-operating income and expenses (Note 8) to reduce the carrying amounts of the intangible assets to their recoverable amounts as a result of the unsatisfactory market demand for the corresponding products.

For the year ended 31 December 2018, the Group terminated several research and development projects which were under development, mainly due to the surging bulk pharmaceutical costs. Write off of US\$744,000 was recognised in profit or loss as part of other non-operating income and expenses (Note 8) to write down the carrying amounts of the intangible assets to their recoverable amounts.

18. 無形資產(續)

附註：

(a) 於二零一三年十二月，本集團與一名供應商訂立獨家協議，以取得一種藥品在中國為期10年的分銷權。此分銷權按直線基準按10年年期(即自二零一四年一月一日開始的分銷權期間)攤銷。如上所述，減值撥備116,000美元於截至二零一九年十二月三十一日止年度之損益中計提。

(b) 技術專業知識主要指就開發及生產若干藥品而收購的技術及配方。

自二零一一年七月一日起，有關口腔崩解片的技術專業知識人民幣40,993,000元按直線基準按十一年年期攤銷。截至二零一九年十二月三十一日，已在損益中確認減值撥備1,420,000美元。

於二零一三年，本公司之全資附屬公司寧波立華製藥有限公司(「寧波立華」)與CIH的間接附屬公司天津市隆佰生物工程科技有限公司(「隆佰」)訂立藥品技術轉讓協議(「協議」)。根據協議，寧波立華同意以現金代價2,279,000美元(相當於約人民幣14,800,000元)向隆佰收購米索前列醇開發項目。米索前列醇開發項目包括專有技能、相關材料和技術、知識產權、專利、許可證和執照及若干配套設備(「米索前列醇開發項目」)。代價將在多個里程碑付款時由寧波立華以現金支付予隆佰。截至二零一五年十二月三十一日止年度，寧波立華已支付719,170美元(相當於約人民幣4,670,000元)。於二零一六年九月十二日，寧波立華作為索償人向隆佰提出法律訴訟。於該訴訟中，寧波立華指稱隆佰無法指導寧波立華根據協議生產合格樣品。故寧波立華追討已支付人民幣4,670,000元的里程碑付款。於二零一七年四月十四日，寧波市鄞州區人民法院判決隆佰須向寧波立華返還里程碑付款人民幣4,670,000元。因此，719,170美元的技術專業知識已於以前年度全額撇銷。截至二零一九年十二月三十一日止年度，寧波立華收到就相關訴訟的人民幣3,394,000，並已於損益中確認。

18. Intangible Assets (Continued)

Notes:

(a) In December 2013, the Group entered into an exclusive agreement with a supplier to secure the distribution rights of 10 years for one pharmaceutical product in the PRC. This exclusive right is amortised on a straight-line basis over 10 years, being the period of the distribution rights, starting from 1 January 2014. As explained above, an impairment provision of US\$116,000 was made in profit or loss for the year ended 31 December 2019.

(b) Technical know-how mainly represents techniques and formulae acquired for the development and production of certain pharmaceutical products.

With effect from 1 July 2011, technical know-how in relation to the oral disintegrating tablets amounting to RMB40,993,000 has been amortised on a straight-line basis over 11 years. During the year ended 31 December 2019, an impairment provision of US\$1,420,000 was recognised in profit or loss.

In 2013, Ningbo Liwah Pharmaceutical Company Limited ("Ningbo Liwah"), a wholly-owned subsidiary of the Company, entered into a pharmaceutical technology transfer agreement (the "Agreement") with Tianjin Longbai Biological Engineering and Technology Company Limited ("Longbai"), an indirect subsidiary of CIH. Pursuant to the Agreement, Ningbo Liwah agreed to acquire from Longbai the misoprostol development project for a cash consideration of US\$2,279,000 (equivalent to approximately RMB14,800,000). The misoprostol development project comprised the know-how and related materials and technology, intellectual properties, patent, permit(s) and license(s), and certain supporting equipment ("Misoprostol Development project"). The consideration is paid by Ningbo Liwah to Longbai in cash in several milestone payments. Up to the year ended 31 December 2015, Ningbo Liwah had paid US\$719,170 (equivalent to approximately RMB4,670,000). On 12 September 2016, Ningbo Liwah, as claimant, had initiated legal proceedings against Longbai. In this litigation, Ningbo Liwah alleged that Longbai was unable to guide Ningbo Liwah to produce qualified samples according to the Agreement. Ningbo Liwah is therefore seeking the return of the milestone payment of RMB4,670,000 that had been paid. On 14 April 2017, Yinzhou District People's Court in Ningbo City judged that Longbai has to return the milestone payment of RMB4,670,000 to Ningbo Liwah. Accordingly, the technical know-how of US\$719,170 was fully written off in prior years. During the year ended 31 December 2019, an amount of RMB3,394,000 was received as the settlement of the litigation and recognised in profit or loss.

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18. 無形資產(續)

附註：(續)

- (c) 開發成本主要指製藥技術當中內部產生的知識產權(「知識產權」)。

董事認為該等知識產權具無限使用年期，原因在於醫藥業的知識產權預期可提供現金流量的期間並無可見限制。此等知識產權可於一段時間以極低成本重續，而產品亦可繼續應市。

倘知識產權出現減值，資產賬面值應立刻撇減或撇銷至利潤表。具無限使用年期的知識產權不會進行攤銷，並於每個財政年度年末進行年度減值測試，而倘有跡象顯示具無限使用年期的知識產權可能減值，將更頻密地進行減值測試。截至二零一九年十二月三十一日，已在損益中確認減值撥備3,662,000美元(二零一八年：468,000美元)。

- (d) 具無限使用年期的技術專業知識主要指不會終止的永久免專利費許可。

於二零一四年三月二十八日，本公司的間接全資附屬公司朗生藥業(香港)有限公司(「朗生藥業」)(i)與Novartis AG和Novartis Pharma AG(統稱「諾華」)訂立資產購買協議，據此諾華同意向朗生藥業轉讓受讓資產(包括與醫藥產品相關的技術、書籍及記錄、特定商標、商業信息及醫療信息)；及(ii)訂立許可協議，以便發出關於醫藥產品在國內(即中國(不包括香港、澳門及台灣))的許可，總現金代價為8,000,000美元首期付款，加總額最高為1,500,000美元的額外里程碑付款(與朗生藥業取得的銷售額掛鉤)(「或然代價」)。或然代價於報告期末之賬面值為1,171,000美元(二零一八年：1,234,000美元)，並已計入綜合財務狀況表內的其他金融負債(附註31)。

該醫藥產品包含特定的活性藥物成分，是以新適確得商標在國內推廣及銷售的一款乳膏，主要用於治療某些糖皮質類固醇反應性的炎性皮膚病的繼發感染。截至二零一九年十二月三十一日，已在損益中確認減值撥備59,000美元。

- (e) 許可證主要指於二零一八年透過收購一間附屬公司所收購之醫療許可證。有關收購一間附屬公司的進一步詳情載於附註34。

董事認為該醫療許可證具無限使用年期，原因在於醫療美容業的許可證預期可提供現金流量的期間並無可見限制。於二零一九年十二月三十一日，本公司董事認為，醫療許可證的預計可收回金額低於其賬面值，因此在損益中確認減值撥備238,000美元。

18. Intangible Assets (Continued)

Notes: (Continued)

- (c) Development costs mainly represent intellectual property rights ("IPRs") generated internally for the pharmaceutical technology.

The directors consider that these IPRs have indefinite useful lives as there is no foreseeable limit on the period of time over which the IPRs in pharmaceutical industry is expected to provide cash flows. These IPRs can be renewable in a period of time at minimal cost and the products are continuing in the market.

If the IPR becomes impaired, the carrying amounts of the asset should be written down or written off immediately to profit or loss. IPRs with indefinite useful lives are not amortised and are tested for impairment annually at each financial year end or more frequently if there are indications that IPR with indefinite useful lives might be impaired. During the year ended 31 December 2019, an impairment provision of US\$3,662,000 (2018: US\$468,000) was recognised in profit or loss.

- (d) Indefinite-lived technical know-how mainly represents a perpetual royalty-free licence with no termination.

On 28 March 2014, Lansan Medicine (Hong Kong) Limited ("LMHK"), an indirect wholly-owned subsidiary of the Company, entered into (i) the asset purchase agreement with Novartis AG and Novartis Pharma AG (collectively known as "Novartis") pursuant to which Novartis agrees to transfer to LMHK the transferred assets (including know-how, books and records, specified trademarks, commercial information and medical information relating to the pharmaceutical product), and (ii) the licence agreement to grant the licences, relating to the pharmaceutical product in the territory (i.e. the PRC, excludes Hong Kong, Macau and Taiwan) for a total cash consideration comprising an upfront payment of US\$8,000,000, plus additional milestone payments of a total maximum US\$1,500,000, which are linked to sales achieved by LMHK (the "contingent consideration"). The carrying value of the contingent consideration at the end of the reporting period was US\$1,171,000 (2018: US\$1,234,000) and has been recognised as other financial liabilities (Note 31) in the consolidated statement of financial position.

The pharmaceutical product contains specific active pharmaceutical ingredients and it is marketed and sold as a cream under trademark of Sicorten Plus in the territory. It will primarily be used to treat certain corticosteroid-responsive inflammatory skin diseases secondary infection. During the year ended 31 December 2019, an impairment provision of US\$59,000 was recognised in profit or loss.

- (e) License mainly represented the medical license acquired through the acquisition of a subsidiary in 2018. Further details of the acquisition are set out in Note 34.

The directors consider that the medical license has indefinite useful lives as there is no foreseeable limit on the period of time over which the license in cosmeceutical industry is expected to provide cash flows. As at 31 December 2019, the directors of the Company are of the opinion that the estimated recoverable amount of the medical license was less than its carrying value and therefore impairment loss of US\$238,000 was recognised in profit or loss.

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19. 商譽

19. Goodwill

		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
賬面值	Carrying amount	6,825	6,825

本集團收購寧波立華、朗生醫藥(深圳)有限公司(「深圳朗生」)及北京依儷薩醫療美容診所有限公司(「北京依儷薩」)。該等交易以收購會計法入賬。

The Group acquired Ningbo Liwah, Lansen Medicine (Shenzhen) Company Limited (“Shenzhen Lansen”) and Beijing Eliza Medical and Beauty Clinic Company Limited (“Beijing Eliza”). These transactions have been accounted for by the acquisition method of accounting.

本集團於每個財政年度年末就商譽進行年度減值評估，倘有跡象顯示商譽可能減值，將更頻密地進行減值測試。

The Group assesses goodwill annually for impairment at each financial year end, or more frequently if there are indications that goodwill might be impaired.

就減值測試而言，商譽及有關專科藥品的開發成本已分配至一個現金產生單位，包括主要業務為製造及買賣專科藥品的附屬公司，其獲納入類至經營分部的「醫藥」。

For the purpose of impairment testing, goodwill and development costs related to specialty pharmaceuticals have been allocated to one CGU, including subsidiaries with principal activities of manufacturing and trading of specialty pharmaceuticals which is including in the “Pharmaceuticals” under operating segment.

上述現金產生單位可收回金額的基準及其主要相關假設概述如下：

The basis of the recoverable amount of the above CGU and its major underlying assumptions are summarised below:

該現金產生單位的可收回金額以在用價值計算法釐定。該計算法使用基於獲管理層批准未來五年期的財務預算的現金流量預測以及17%的稅前折現率(二零一八年：17%)。超過五年期的現金流量採用增長率0%預測，此增長率乃根據醫藥行業增長預測而定。在用價值計算法的其他主要假設乃關於現金流入／流出的估計，當中包括預算銷售及毛利率。有關估計乃基於該單位過往表現以及管理層對市場發展的預期。管理層相信，任何此等假設可能出現的合理變動將不會導致總賬面值超過其可收回總額。

The recoverable amount of the CGU has been determined based on the value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period, and pre-tax discount rate of 17% (2018: 17%). The growth rate used to extrapolate the cash flows beyond the five-year period is 0% which is based on pharmaceutical industry growth forecast. Other key assumptions for the value in use calculation relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the unit's past performance and management's expectations for the market development. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount to exceed the aggregate recoverable amount.

截至二零一九年十二月三十一日止年度，本集團管理層決定，任何商譽並無減值(二零一八年：無)。

During the year ended 31 December 2019, management of the Group determines that there is no impairment on its goodwill (2018: Nil).

Notes to the Consolidated Financial Statements

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

20. 於聯營公司之權益

20. Interests in Associates

		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
應佔資產淨值	Share of net assets	7,289	17,136
商譽	Goodwill	8,854	13,002
		16,143	30,138

有關本集團於報告期末的聯營公司詳情如下：

Details of the Group's associates at the end of the reporting period are as follows:

名稱 Name	註冊成立地點 及營業地點 Place of incorporation and operation	主要 經營地點 Principal place of business	本集團所持擁有權權益及 投票權的比例 Proportion of ownership interest and voting power held by the Group		主要業務 Principal activities
			二零一九年 2019	二零一八年 2018	
司太立 Starry	中國 The PRC	中國 The PRC	4.0%*	10.6%*	生產及買賣原料藥 和中間體 Production and trading of bulk pharmaceuticals and intermediates
萃健控股有限公司(「萃健」) Natural Dailyhealth Holdings Limited ("Natural Dailyhealth")	英屬處女群島 (「英屬處女 群島」) The British Virgin Islands (The "BVI")	中國 The PRC	30.0%	30.0%	生產及買賣植物提取及 保健產品 Production and trading of plant extract and healthcare products
天津強微特生物科技有限公司 (「強微特」) Tianjin Robustnique Biotechnology Co., Limited ("Robustnique")	中國 The PRC	中國 The PRC	20%*	—	從事新型工業酶製劑、分子 生物學工具酶、化妝品生物 活性因子和生物護膚品的研 發和產業化 Engaging in the research and development and industrialisation of new industrial enzyme preparations, molecular biology tool enzymes, and bioactive factors for cosmetics and biological skincare products

20. 於聯營公司之權益(續)

- * 儘管本集團於司太立擁有權益少於20%，本公司董事認為，由於司太立的其中一名董事為本集團附屬公司的董事，故彼等仍有權對司太立行使重大的影響，因此，將於司太立的權益分類為聯營公司權益。
- # 於二零一八年十二月二十九日，本集團之附屬公司寧波朗生醫療美容科技有限公司(「寧波朗生醫美」)和獨立第三方簽訂一份股權轉讓協議，以人民幣1400萬元(相當於約2百萬美元)現金作交易對價購入強微特20%之股權。該收購事項已於二零一九年二月十八日完成，強微特因此成為本集團的聯營公司。

上述聯營公司乃採用權益法於本集團之綜合財務報表入賬。

司太立

司太立已於二零一六年三月九日成功在上海證券交易所首次公開發售。於截至二零一九年及二零一八年十二月三十一日止年度內，本集團分別出售司太立6.6%及2%股權(附註8(a))。於二零一九年十二月三十一日，本集團所持的司太立權益的公平值約為40,915,000美元(二零一八年：49,103,000美元)。

於二零一九年十二月三十一日，本集團將市值為25,587,000美元的4,200,000股(二零一八年：11,531,000美元的3,000,000股)司太立股份質押予銀行為本集團之銀行借款及銀行融資作抵押(附註27)。

於二零一八年十二月三十一日，本集團將市值為29,212,000美元的7,600,000股司太立股份質押予銀行為一間同系附屬公司之銀行借款(附註37(d))作抵押。

20. Interests in Associates (Continued)

- * Although the Group's ownership interest in Starry is less than 20%, the directors of the Company consider that they still have the power to exercise significant influence on Starry as one of the directors of Starry is the director of the Group's subsidiaries, and therefore have classified the interest in Starry as an associate.
- # On 29 December 2018, the Group's subsidiary, Ningbo Lansan Medibeauty Tech Limited ("Ningbo Lansan Medibeauty"), entered into an equity transfer agreement for the purchase of 20% equity interest in Robustnique from an independent third party for a cash consideration of RMB14 million (equivalent to approximately US\$2 million). The acquisition was completed on 18 February 2019 and accordingly, Robustnique became an associate of the Group.

The above associates were accounted for using the equity method in the Group's consolidated financial statements.

Starry

Starry successfully launched an initial public offering on the Shanghai Stock Exchange on 9 March 2016. During the years ended 31 December 2019 and 2018, the Group disposed of 6.6% and 2% equity interest in Starry, respectively (Note 8(a)). The fair value of the interests in Starry held by the Group was approximately US\$40,915,000 as at 31 December 2019 (2018: US\$49,103,000).

As at 31 December 2019, 4,200,000 shares in Starry held by the Group with market value of US\$25,587,000 (2018: 3,000,000 shares with market value of US\$11,531,000) have been pledged to secure for the bank facilities and bank borrowings of the Group (Note 27).

As at 31 December 2018, 7,600,000 shares in Starry held by the Group with market value of US\$29,212,000 were pledged to banks to secure for bank borrowings of a fellow subsidiary (Note 37(d)).

Notes to the Consolidated Financial Statements

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

20. 於聯營公司之權益(續)

萃健

於二零一九年十二月三十一日止年度內，董事認為聯營公司的權益萃健估計可收回金額低於其帳面值，萃健權益的公平值以收益法釐定及由評估師艾升評值諮詢有限公司進行獨立評估。萃健權益的可收回金額是根據公平價值減去出售成本的計算方法釐定的，該方法使用基於管理層批准的10年期財務預算的現金流預測。用於現金流預測的稅後貼現率為16%。用於推斷10年期以後現金流量的增長率為2.82%，未超過長期增長率。管理層認為，任何基於可收回金額的關鍵假設的合理可能的變化都不會導致帳面價值超過其可收回金額。以下是在第3級計量中使用和分類的關鍵不可觀察輸入數據的摘要：

20. Interests in Associates (Continued)

Natural Dailyhealth

As at 31 December 2019, the directors are of opinion that the estimated recoverable amount of the interest in an associate, Natural Dailyhealth, was less than its carrying value while an independent valuation was performed by the valuer, Ascent Partners Valuation Service Limited, to determine the fair value of Natural Dailyhealth by using income approach. The recoverable amount of interest in Natural Dailyhealth is determined based on a fair value less costs of disposal calculation which uses cash flow projections based on financial budgets approved by management covering a ten-year period. The post-tax discount rate applied to cash flow projections is 16%. The growth rate used to extrapolate the cash flows beyond the ten-year period is 2.82% which does not exceed the long-term growth rate. Management believes that any reasonably possible change in key assumptions on which the recoverable amount is based would not cause the carrying amount to exceed its recoverable amount. Below is a summary of the key unobservable inputs used and categorised within level 3 measurement:

重大不可觀察輸入數據 Significant unobservable inputs	重大不可觀察輸入數據範圍 Range of significant unobservable inputs	不可觀察輸入數據與公平值的關係 Relationship of unobservable inputs to fair value
毛利 Gross margin	29% to 34%	毛利增加導致公平值增加 The increase in the gross margin would result in an increase in fair value.
長期增長率 Long-term growth rate	2.82%	長期增長率增加導致公平值增加 The increase in the long-term growth rate would result in an increase in fair value.
稅後折現率 Post-tax discount rate	16%	稅後折現率增加導致公平值減少 The increase in the post-tax discount rate would result in a decrease in fair value

截至二零一九年十二月三十一日止年度，減值虧損396,000美元於損益中確認(二零一八年：無)(附註8)。

During the year ended 31 December 2019, an impairment loss of US\$396,000 (Note 8) has been recognised in profit or loss (2018: Nil).

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

20. 於聯營公司之權益(續)

- i) 本集團重要聯營公司的財務資料概要載列如下：

司太立

20. Interests in Associates (Continued)

- i) Summarised financial information of the Group's material associate is set out below:

Starry

		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
於十二月三十一日	As at 31 December		
流動資產	Current assets	176,386	141,215
非流動資產	Non-current assets	323,147	306,038
流動負債	Current liabilities	(228,368)	(183,788)
非流動負債	Non-current liabilities	(123,705)	(128,623)
資產淨值	Net assets	147,460	134,842
截至十二月三十一日止年度	Year ended 31 December		
收入	Revenue	189,841	134,232
年度溢利	Profit for the year	24,706	14,496
年度其他全面收益	Other comprehensive income for the year	(268)	(18)
年度全面收益總額	Total comprehensive income for the year	24,438	14,478
年度自聯營公司收取的股息	Dividends received from the associate during the year	1,344	122

Notes to the Consolidated Financial Statements

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

20. 於聯營公司之權益(續)

- i) 本集團重要聯營公司的財務資料概要載列如下：(續)

司太立(續)

以上概述的財務資料與綜合財務報表所確認於聯營公司的權益賬面值的對賬：

20. Interests in Associates (Continued)

- i) Summarised financial information of the Group's material associate is set out below: (Continued)

Starry (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in an associate recognised in the consolidated financial statements:

		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
資產淨值	Net assets	147,460	134,842
減：非控制性權益	Less: Non-controlling interests	4,718	4,651
司太立擁有人應佔權益	Equity attributable to owners of Starry	142,742	130,191
本集團於司太立的擁有權權益比例	Proportion of the Group's ownership interest in Starry	4.0%	10.6%
		5,710	13,800
商譽	Goodwill	3,119	8,746
於收購時公平值調整的影響	Effect of fair value adjustments upon acquisition	234	1,273
其他調整	Other adjustments	114	135
本集團於司太立的權益賬面值	Carrying amount of the Group's interest in Starry	9,177	23,954

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

20. 於聯營公司之權益(續)

- ii) 非重大聯營公司的財務資料概要載列如下：

20. Interests in Associates (Continued)

- ii) Summarised financial information of the immaterial associates are set out below:

		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
於十二月三十一日 綜合財務報表中的賬面值	As at 31 December Carrying amounts in the consolidated financial statements	6,966	6,184
		截至 二零一九年 十二月三十一日 止年度 Year ended 31 December 2019	截至 二零一八年 十二月三十一日 止年度 Year ended 31 December 2018
集團應佔非重大聯營公司金額	Amount of the Group's share of immaterial associates		
— 應佔虧損	— Share of loss	(699)	(768)
— 應佔其他全面收益	— Share of other comprehensive income	—	—
— 應佔全面收益總額	— Share of total comprehensive income	(699)	(768)

21. 存貨

21. Inventories

		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
原材料	Raw materials	1,206	1,529
在製品	Work-in-progress	1,391	990
製成品	Finished goods	4,055	9,446
		6,652	11,965

於二零一九年十二月三十一日止年度內，已就存貨的賬面值作出2,753,000美元(二零一八年：2,558,000美元)的陳舊存貨撥備。

As at 31 December 2019, provision for obsolete inventories of US\$2,753,000 (2018: US\$2,558,000) were made against the carrying value of inventories.

Notes to the Consolidated Financial Statements

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

22. 貿易及其他應收款項

22. Trade and Other Receivables

		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
貿易應收款項	Trade receivables	20,656	24,977
減：虧損撥備	Less: loss allowance	(865)	(1,139)
		19,791	23,838
應收票據	Bills receivables	16,501	13,624
		36,292	37,462
貿易應收款項及應收票據	Trade and bills receivables	36,292	37,462
預付款項及其他應收款項	Prepayments and other receivables	13,606	16,598
		49,898	54,060

董事認為，貿易及其他應收款項的賬面值與其公平值相若。

The directors consider that the carrying amounts of trade and other receivables approximate their fair values.

本集團的政策是向其客戶提供平均90日的信貸期。

The Group has a policy of allowing an average credit period of 90 days to its customers.

本集團並無就該等結餘持有任何抵押品。

The Group does not hold any collateral over these balances.

根據發票日期，於報告期末，本集團的貿易應收款項及應收票據(扣除虧損撥備)賬齡分析如下：

Based on the invoice date, the ageing analysis of the trade and bills receivables (net of loss allowance) of the Group as at the end of the reporting period is as follows:

		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
90日或以下	90 days or below	19,154	27,367
91至180日	91-180 days	15,515	5,327
181至365日	181-365 days	1,463	4,138
超過365日	Over 365 days	160	630
		36,292	37,462

22. 貿易及其他應收款項(續)

於截至二零一九年及二零一八年十二月三十一日止年度內，本集團向金融機構貼現其具完全追索權的部分應收票據。倘應收票據欠款，本集團有義務向金融機構支付拖欠款項。利息按每年從金融機構收取的所得款項5.3%（二零一八年：3.5%至5.0%）計息，直至應收票據收回款項日期止。因此，本集團面臨貼現應收票據信貸虧損及延遲付款的風險。

由於本集團保留貼現應收票據的絕大部分風險及回報，故貼現交易並不符合國際財務報告準則第9號終止確認金融資產的規定。於二零一九年十二月三十一日，應收票據3,441,000美元（二零一八年：10,932,000美元）繼續於本集團綜合財務報表獲確認，儘管其已合法轉讓予金融機構。貼現交易的所得款項已作為資產擔保融資（附註27）計入借款內，直至已收取應收票據或本集團償付金融機構的所有虧損。於二零一九年十二月三十一日，與貼現票據相關的資產擔保融資負債為3,441,000美元（二零一八年：10,932,000美元）。

由於應收票據已合法轉讓予金融機構，故本集團無權釐定應收票據的處置。

於二零一九年十二月三十一日，6,752,000美元（二零一八年：無）的若干應收票據已質押予銀行以為一間同系附屬公司之銀行借款（附註37(d)）作抵押。

23. 向一間聯營公司的貸款

該款項為無抵押、免息且須按要求償還。董事認為此結餘的賬面值與其公平值相若。

22. Trade and Other Receivables (Continued)

During the years ended 31 December 2019 and 2018, the Group discounted part of its bills receivables with full recourse to financial institutions. In the event of default by the bills receivables, the Group was obliged to pay the financial institutions for the amount in default. Interest was charged at 5.3% (2018: ranged from 3.5% to 5.0%) per annum on the proceeds received from the financial institutions until the date the bills receivables were collected. The Group was therefore exposed to the risks of credit losses and late payment in respect of the discounted bills receivables.

The discounting transactions did not meet the requirements in IFRS 9 for de-recognition of financial assets as the Group retains substantially all of the risks and rewards of ownership of the discounted bills receivables. At 31 December 2019, bills receivables of US\$3,441,000 (2018: US\$10,932,000) continued to be recognised in the Group's consolidated financial statements even though they have been legally transferred to the financial institutions. The proceeds of the discounting transactions were included in borrowings as asset-backed financing (Note 27) until the bills receivables are collected or the Group settles any losses suffered by the financial institutions. At 31 December 2019, the asset-backed financing liability related to the discounted bills amounted to US\$3,441,000 (2018: US\$10,932,000).

Due to the bills receivables have been transferred to the financial institutions legally, the Group did not have the authority to determine the disposition of the bills receivables.

As at 31 December 2019, certain bills receivables of US\$6,752,000 (2018: Nil) were pledged to secure for bank borrowings of a fellow subsidiary (Note 37(d)).

23. Loan to an Associate

The amount due is unsecured, interest-free and repayable on demand. The directors consider that the carrying amount of this balance approximates its fair value.

Notes to the Consolidated Financial Statements

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

24. 已抵押銀行存款／現金及現金等價物 24. Pledged Bank Deposits/Cash and Cash Equivalents

		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
現金及銀行結餘	Cash and bank balances	47,736	33,578
減：已抵押銀行存款	Less: pledged bank deposits	(27,373)	(22,014)
現金及現金等價物	Cash and cash equivalents	20,363	11,564

現金及銀行結餘包括銀行及手頭現金以及原到期日在三個月或以下的短期銀行存款。銀行現金根據每日銀行存款利率按浮動利率計息。短期定期存款存入銀行並按市場利率賺取利息。

Cash and bank balances comprise cash at banks and in hand, and short-term bank deposits with an original maturity of three months or less. Cash at banks earn interest at floating rates based on daily bank deposits rates. Short-term time deposits are placed with banks and earn interest at market interest rates.

於二零一九年及二零一八年十二月三十一日的已抵押銀行存款指本集團為取得本集團若干銀行融資及銀行借款(附註27)及一間同系附屬公司之銀行借款(附註37(d))而抵押的銀行存款。

Pledged bank deposits represent the Group's bank deposits pledged to secure for certain banking facilities and bank borrowings of the Group (Note 27) and bank borrowings of a fellow subsidiary (Note 37(d)) as at 31 December 2019 and 2018.

於二零一九年十二月三十一日，本集團的現金及銀行結餘包括37,364,000美元(二零一八年：25,382,000美元)的銀行結餘，該結餘以人民幣計值及存於中國的銀行。人民幣並非為自由兌換的貨幣。

As at 31 December 2019, included in cash and bank balances of the Group was bank balances of US\$37,364,000 (2018: US\$25,382,000) denominated in RMB placed with banks in the PRC. RMB is not a freely convertible currency.

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25. 股本

25. Share Capital

		股份數目 Number of shares	金額 Amount 千美元 US\$'000
股本：	Share capital:		
法定：	Authorised:		
於二零一八年一月一日、 二零一八年十二月三十一日及 二零一九年十二月三十一日	At 1 January 2018, 31 December 2018 and 31 December 2019	20,000,000,000	200,000
已發行及繳足：	Issued and fully paid:		
於二零一八年一月一日及 二零一八年十二月三十一日	At 1 January 2018 and 31 December 2018	415,000,000	4,150
註銷已回購的股份	Cancellation of shares repurchased	(17,828,000)	(178)
於二零一九年十二月三十一日	At 31 December 2019	397,172,000	3,972
庫存股份：	Treasury shares:		
於二零一八年一月一日	At 1 January 2018	—	—
股份回購(附註26)	Share repurchase (Note 26)	25,000	3
於二零一八年十二月三十一日	At 31 December 2018	25,000	3
股份回購(附註26)	Share repurchase (Note 26)	17,803,000	2,370
註銷已回購的股份(附註26)	Cancellation of shares repurchased (Note 26)	(17,828,000)	(2,373)
於二零一九年十二月三十一日	At 31 December 2019	—	—

26. 儲備

本集團

股份溢價指超過已配發股份面值的差額。

外匯儲備指換算外國附屬公司財務報表的匯兌差額。

法定儲備指按照中國有關法例規定，將中國附屬公司的溢利分配至不可分派儲備金賬。

庫存股份指本公司回購自己股份。截至二零一九年十二月三十一日止年度，本公司於聯交所以總代價18,600,000港元(相當於約2,370,000美元)(二零一八年：23,000港元(相當於約3,000美元))回購17,803,000股(二零一八年十二月三十一日：25,000股)本公司普通股(附註25)。

全部約2,373,000美元的回購股份已於二零一九年十二月三十一日止年度註銷。

26. Reserves

Group

The share premium represents the excess over the nominal value for shares allotted.

The foreign exchange reserve represents exchange differences arising from the translation of the financial statements of foreign subsidiaries.

The statutory reserve represents appropriation of profits of the PRC subsidiaries to non-distributable reserve fund account as required by the relevant PRC statute.

Treasury shares represent the repurchase of the Company's own shares. During the year ended 31 December 2019, the Company repurchased 17,803,000 shares (2018: 25,000 shares) of its own ordinary shares on the Stock Exchange at an aggregate consideration of HK\$18,600,000 (equivalent to approximately US\$2,370,000) (31 December 2018: HK\$23,000 (equivalent to approximately US\$3,000)) (Note 25).

All the repurchase shares amounting to approximately US\$2,373,000 were cancelled by the Company for the year ended 31 December 2019.

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26. 儲備(續)
本公司

26. Reserves (Continued)
Company

		股份溢價 Share premium 千美元 US\$'000	庫存股份 Treasury shares 千美元 US\$'000	保留溢利 Retained profits 千美元 US\$'000	總計 Total 千美元 US\$'000
截至二零一八年 十二月三十一日止年度	Year ended 31 December 2018				
於二零一八年一月一日	At 1 January 2018	18,945	—	1,145	20,090
股息(附註13)	Dividends (Note 13)	—	—	(3,443)	(3,443)
		18,945	—	(2,298)	16,647
年度溢利	Profit for the year	—	—	11,038	11,038
年度其他全面收益	Other comprehensive income for the year	—	—	—	—
年度全面收益總額	Total comprehensive income for the year	—	—	11,038	11,038
股份回購(附註26)	Share repurchase (Note 26)	—	(3)	—	(3)
於二零一八年十二月三十一日	At 31 December 2018	18,945	(3)	8,740	27,682
截至二零一九年 十二月三十一日止年度	Year ended 31 December 2019				
按原定呈列於二零一八年 十二月三十一日之結餘	Balance at 31 December 2018 as originally presented	18,945	(3)	8,740	27,682
會計政策變動(應用國際財務 報告準則第16號)	Changes in accounting policies (upon application of IFRS 16)	—	—	(3)	(3)
於二零一九年一月一日之 經重列結餘	Restated balance at 1 January 2019	18,945	(3)	8,737	27,679
股息(附註13)	Dividends (Note 13)	—	—	(1,855)	(1,855)
		18,945	(3)	6,882	25,824
年度虧損	Loss for the year	—	—	(1,799)	(1,799)
年度其他全面收益	Other comprehensive income for the year	—	—	—	—
年度全面收益總額	Total comprehensive income for the year	—	—	(1,799)	(1,799)
股份回購(附註26)	Share repurchase (Note 26)	—	(2,370)	—	(2,370)
註銷已回購的股份(附註26)	Cancellation of shares repurchased (Note 26)	(2,195)	2,373	—	178
於二零一九年十二月三十一日 之結餘	Balance at 31 December 2019	16,750	—	5,083	21,833

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27. 借款

27. Borrowings

		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
定息銀行借款	Fixed-rate bank borrowings	42,579	46,274
浮息銀行借款	Variable-rate bank borrowings	14,500	30,018
資產擔保融資(附註22)	Asset-backed financing (Note 22)	3,441	10,932
		60,520	87,224
有抵押	Secured	22,240	45,303
無抵押	Unsecured	38,280	41,921
		60,520	87,224
		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
銀行借款	Bank borrowings	57,079	76,292
於一年內到期的資產擔保融資	Asset-backed financing due within one year	3,441	10,932
		60,520	87,224

本集團的借款按攤銷成本列賬，並在一年內償還。其中一項借款包含須按要求償還條款。

於二零一九年及二零一八年十二月三十一日，若干銀行融資須待與本集團若干財務狀況比率相關的契諾獲履行後方可作實，有關安排於金融機構的借款安排中屬常見。倘本集團違反契諾，已提取的融資須按要求償還。

本集團定期監控有關契諾迄今的遵守情況，按照定期貸款的償還時間表還款。本集團認為只要本集團繼續符合該等規定，銀行不大可能行使其酌情權要求還款。於二零一九年及二零一八年十二月三十一日，並無違反已提取融資的相關契諾。

The Group's borrowings are carried at amortised cost and due for repayment within one year. One of the borrowings contains a repayment on demand clause.

As at 31 December 2019 and 2018, certain banking facilities are subject to the fulfillment of covenants relating to certain financial position ratios of the Group, as are commonly found in lending arrangements with financial institutions. If the Group breaches the covenants, the drawn down facilities would become repayable on demand.

The Group regularly monitors its compliance with these covenants, up to date, makes repayments in accordance with the repayment schedule of the term loans. The Group does not consider it is probable that the bank will exercise its discretion to demand repayment for as long as the Group continues to meet these requirements. As at 31 December 2019 and 2018, none of the covenants relating to drawn down facilities had been breached.

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27. 借款(續)

銀行借款的賬面值以下列貨幣計值：

27. Borrowings (Continued)

The carrying amounts of bank borrowings are denominated in the following currencies:

		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
以下各項表示：	Represented by:		
人民幣借款	Borrowings in RMB	45,574	55,763
美元借款	Borrowings in US\$	14,500	30,000
港元借款	Borrowings in HK\$	446	1,461
		60,520	87,224
		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
實際年利率：	Effective interest rate per annum:		
銀行借款	Bank borrowings	4.77%	4.71%

本集團擁有已抵押銀行存款13,328,000美元及市值為25,587,000美元的司太立已上市股份(二零一八年：抵押銀行存款17,643,000美元及市值為11,531,000美元的司太立已上市股份)作為本集團銀行融資及銀行借款的擔保。

The Group had pledged certain bank deposits of US\$13,328,000 and Starry's listed equity shares with market value of US\$25,587,000 (2018: pledged bank deposits of US\$17,643,000 and Starry's listed equity shares with market value of US\$11,531,000) to secure for the banking facilities and bank borrowings of the Group.

如附註37(d)所述，本集團與本公司同系附屬公司於二零一六年六月和二零一九年五月訂立相互擔保協議，並同意就協議各方的銀行貸款提供擔保。於二零一九年十二月三十一日，10,751,000美元的無抵押借款由同系附屬公司提供擔保(二零一八年：無)。無抵押銀行借款38,280,000美元(二零一八年：41,921,000美元)由本公司或本集團若干附屬公司擔保。

As explained in Note 37(d), the Group and a fellow subsidiary of the Company entered into cross guarantee agreements in June 2016 and May 2019, and agreed to provide guarantees to banks in relation to the banking facilities of each other. As at 31 December 2019, the unsecured borrowing of US\$10,751,000 was guaranteed by the fellow subsidiary (2018: Nil). The remaining balance of unsecured bank borrowings of US\$27,529,000 (2018: US\$41,921,000) were guaranteed by the Company or certain subsidiaries of the Group.

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27. 借款(續)

資產擔保融資指不符合國際財務報告準則第9號終止確認規定的保理交易所獲得的融資款項。對應金融資產計入貿易及其他應收款項(附註22)。該等借款於一年內到期，並以人民幣計值。

融資活動產生之負債對賬如下：

27. Borrowings (Continued)

The asset-backed financing represented the amount of financing obtained in factoring transactions which did not meet the de-recognition requirements in IFRS 9. The corresponding financial assets were included in trade and other receivables (Note 22). These borrowings mature within one year and are repayable in RMB.

Reconciliation of liabilities arising from financing activities:

		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
於一月一日	At 1 January	87,224	99,135
現金流量變動：	Changes from cash flows:		
借款所得之款項	Proceeds from borrowings	76,924	113,029
償還借款之款項	Repayment of borrowings	(102,836)	(122,295)
		(25,912)	(9,266)
匯兌調整	Exchange adjustment	(792)	(2,645)
於十二月三十一日	At 31 December	60,520	87,224

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28. 遞延稅項負債

28. Deferred Tax Liabilities

		未分派盈利的 中國預扣稅 PRC withholding tax on undistributed earnings 千美元 US\$'000	遞延開發成本 Deferred development costs 千美元 US\$'000	其他 Others 千美元 US\$'000	總計 Total 千美元 US\$'000
於二零一八年一月一日	At 1 January 2018	181	1,625	194	2,000
匯兌調整	Exchange adjustment	—	(91)	—	(91)
於損益扣除(附註12)	Charged to profit or loss (Note 12)	—	367	169	536
於二零一八年十二月三十一日	At 31 December 2018	181	1,901	363	2,445
於二零一九年一月一日	At 1 January 2019	181	1,901	363	2,445
匯兌調整	Exchange adjustment	—	(23)	—	(23)
於損益記入(附註12)	Credited to profit or loss (Note 12)	—	(653)	(133)	(786)
於二零一九年十二月三十一日	At 31 December 2019	181	1,225	230	1,636

根據中國企業所得稅法，自二零零八年一月一日起，就中國附屬公司所賺取溢利而宣派的股息須繳納預扣稅。綜合財務報表內並未就中國附屬公司的52,226,000美元(二零一八年：51,668,000美元)累計溢利所產生的暫時差額作出遞延稅項撥備，原因在於本集團可控制暫時差額的撥回時間，且該等暫時差額可能不會於可預見將來撥回。

因為稅項虧損在一段時間內一直在虧損的附屬公司出現，以及因為未來利潤不可預測的情況下，因此尚未對相關稅項虧損於合併財務報表列認為遞延稅收資產。本集團於中國附屬公司產生的未動用稅項虧損約為10,241,000美元(二零一八年：6,302,000美元)。稅項虧損可從虧損發生年起結轉5年。

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to US\$52,226,000 (2018: US\$51,668,000) as the Group is able to control the timing of the reversal of the temporary differences, it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax asset in respect of tax losses has not been recognised in these consolidated financial statements as they have arisen in subsidiaries that have been loss-making for some time and the unpredictability of future profits streams. The Group has unused tax losses of approximately US\$10,241,000 (2018: US\$6,302,000) incurred by the subsidiaries in the PRC, which can be carried forward for 5 years from the year in which the losses were incurred.

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29. 貿易及其他應付款項

29. Trade and Other Payables

		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
貿易應付款項	Trade payables	3,337	4,209
應付票據	Bills payables	6,020	10,739
其他應付款項及應計款項	Other payables and accruals	7,309	6,539
		16,666	21,487

根據發票日期，於報告期末，本集團的貿易應付款項賬齡分析如下：

Based on invoice date, the ageing analysis of the trade payables of the Group as at the end of the reporting period is as follows:

		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
90日或以下	90 days or below	2,790	2,591
91至180日	91-180 days	4	762
181至365日	181-365 days	27	32
超過365日	Over 365 days	516	824
		3,337	4,209

董事認為，貿易及其他應付款項的賬面值與其公平值相若。

The directors consider that the carrying amounts of trade and other payables approximate their fair values.

30. 合約負債

30. Contract Liabilities

		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
以下項目產生的合約負債： 商品銷售	Contract liabilities arising from: Sale of goods	291	560

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30. 合約負債(續)

30. Contract Liabilities (Continued)

合約負債變動

Movements in contract liabilities

		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
於一月一日的結餘	Balance as at 1 January	560	583
因年內確認收益而導致年初計入合約負債的合約負債減少	Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(397)	(452)
因開票早於收益而導致的合約負債增加	Increase in contract liabilities as a result of billing in advance of revenue	134	457
匯兌調整	Exchange adjustment	(6)	(28)
於十二月三十一日的結餘	Balance at 31 December	291	560

31. 其他金融負債

31. Other Financial Liabilities

		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
或然代價 — 按公平值	Contingent consideration, at fair value	1,171	1,234

誠如附註18(d)解釋，於二零一四年三月二十八日，本集團與諾華達成協議，以收購醫藥產品。該交易的總現金代價包括8,000,000美元的首期付款，另加最高總額為1,500,000美元的里程碑付款(該款項與本集團其後取得的銷售額掛鉤)。

本集團根據此或然代價安排可能須支付的全部未來付款的潛在未貼現金額介乎0美元至1,500,000美元。

或然代價於初始確認時指定為按公平值變動列入損益。於二零一九年及二零一八年十二月三十一日的或然代價之公平值計量，詳情見附註38(b)。

As explained in Note 18(d), the Group entered into an agreement with Novartis to acquire a pharmaceutical product on 28 March 2014. The total cash consideration of the transaction comprised an upfront payment of US\$8,000,000, plus additional milestone payments of a total maximum amount of US\$1,500,000, which are linked to the sales achieved by the Group subsequently.

The potential undiscounted amount of all future payments that the Group could be required to make under this contingent consideration arrangement is between US\$0 and US\$1,500,000.

The contingent consideration was designated upon initial recognition as at fair value through profit or loss. Refer to Note 38(b) for details of the fair value measurements of contingent consideration as at 31 December 2019 and 2018.

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32. 控股公司財務狀況表

32. Holding Company Statement of Financial Position

		附註 Notes	二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
資產	ASSETS			
非流動資產	Non-current assets			
於附屬公司的權益	Interest in a subsidiary		25,020	25,020
使用權資產	Right-of-use assets		43	—
			25,063	25,020
流動資產	Current assets			
應收附屬公司款項	Amount due from a subsidiary		—	31,740
已抵押銀行存款	Pledged bank deposits		5,004	5,054
現金及現金等價物	Cash and cash equivalents		11,968	630
			16,972	37,424
總資產	Total assets		42,035	62,444
權益及負債	EQUITY AND LIABILITIES			
資本及儲備	Capital and reserves			
本公司擁有人應佔權益	Equity attributable to owners of the Company			
股本	Share capital	25	3,972	4,150
股份溢價	Share premium	26	16,750	18,945
庫存股份	Treasury shares	26	—	(3)
保留溢利	Retained profits	26	5,083	8,740
總權益	Total equity		25,805	31,832
流動負債	Current liabilities			
借款	Borrowings		14,500	30,000
應付附屬公司款項	Amount due to a subsidiary		1,359	—
租賃負債	Lease liabilities		45	—
應計款項	Accruals		326	612
總負債	Total liabilities		16,230	30,612
總權益及負債	Total equity and liabilities		42,035	62,444
流動資產淨值	Net current assets		742	6,812
總資產減流動負債	Total assets less current liabilities		25,805	31,832

代表董事會

On behalf of the directors

董事
Director
陳力
CHEN Li

董事
Director
劉雪姿
LIU Xuezi

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33. 本公司附屬公司詳情
附屬公司的一般資料

本公司附屬公司於報告期末的詳情如下：

33. Particulars of Subsidiaries of the Company
General information of the subsidiaries

Details of the Company's subsidiaries at the end of the reporting period are set out follows:

名稱 Name	註冊成立/ 成立地點 Place of incorporation/ establishment	主要營業地點 Principal place of business	已註冊/ 發行股本詳情 Particulars of registered/issued share capital	本集團所持擁有權權益及 投票權的比例 Proportion of ownership interest and voting power held by the Group		主要業務 Principal activities
				二零一九年 2019	二零一八年 2018	
直接持有權益 Interests held directly						
朗生醫藥控股有限公司	英屬處女群島	香港	29,491,360股每股面值 1美元的普通股	100%	100%	投資控股
Lansen Pharmaceutical Holdings Limited	The BVI	Hong Kong	29,491,360 ordinary shares of US\$1 each	100%	100%	Investment holding
間接持有權益 Interests held indirectly						
Brilliant Manufacture Limited	英屬處女群島	香港	1股面值1美元的普通股	100%	100%	投資控股
Brilliant Manufacture Limited	The BVI	Hong Kong	1 ordinary share of US\$1	100%	100%	Investment holding
Flash Universal Limited	英屬處女群島	香港	1股面值1美元的普通股	100%	100%	投資控股
Flash Universal Limited	The BVI	Hong Kong	1 ordinary share of US\$1	100%	100%	Investment holding
Horizon Network Limited	英屬處女群島	香港	1股面值1美元的普通股	100%	100%	投資控股
Horizon Network Limited	The BVI	Hong Kong	1 ordinary share of US\$1	100%	100%	Investment holding
Magnificent Worldwide Limited	英屬處女群島	香港	1股面值1美元的普通股	100%	100%	投資控股
Magnificent Worldwide Limited	The BVI	Hong Kong	1 ordinary share of US\$1	100%	100%	Investment holding
Beauty Sparkle Holdings Limited	英屬處女群島	香港	1股面值1美元的普通股	100%	100%	投資控股
Beauty Sparkle Holdings Limited	The BVI	Hong Kong	1 ordinary share of US\$1	100%	100%	Investment holding
朗生藥業諮詢(BVI)有限公司	英屬處女群島	香港	1股面值1美元的普通股	100%	—	投資控股
Lansen Medicine Consulting (BVI) Limited	The BVI	Hong Kong	1 ordinary share of US\$1	100%	—	Investment holding
朗生藥業(BVI)有限公司	英屬處女群島	香港	1股面值1美元的普通股	100%	—	投資控股
Lansen Medicine (BVI) Limited	The BVI	Hong Kong	1 ordinary share of US\$1	100%	—	Investment holding

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33. 本公司附屬公司詳情(續)

附屬公司的一般資料(續)

33. Particulars of Subsidiaries of the Company (Continued)

General information of the subsidiaries (Continued)

名稱 Name	註冊成立/ 成立地點 Place of incorporation/ establishment	主要營業地點 Principal place of business	已註冊/ 發行股本詳情 Particulars of registered/issued share capital	本集團所持擁有權權益及 投票權的比例		主要業務 Principal activities
				二零一九年 2019	二零一八年 2018	
間接持有權益 Interests held indirectly						
豐勤有限公司 Full Keen Limited	香港 Hong Kong	香港 Hong Kong	1股面值1港元的普通股 1 ordinary share of HK\$1	100% 100%	100% 100%	投資控股 Investment holding
朗生投資(香港)有限公司 Lansen Investments (Hong Kong) Limited	香港 Hong Kong	香港 Hong Kong	100股面值100港元的普通 股 100 ordinary shares of HK\$100	100% 100%	100% 100%	投資控股 Investment holding
朗生醫藥(香港)有限公司 Lansen Pharmaceutical (Hong Kong) Limited	香港 Hong Kong	香港 Hong Kong	1股面值1港元的普通股 1 ordinary share of HK\$1	100% 100%	100% 100%	投資控股 Investment holding
立華植物提取(香港)有限公司 Liwah Plant Extract (Hong Kong) Limited	香港 Hong Kong	香港 Hong Kong	1股面值1港元的普通股 1 ordinary share of HK\$1	100% 100%	100% 100%	投資控股 Investment holding
萊丰國際有限公司 Point Kin International Limited	香港 Hong Kong	香港 Hong Kong	1股面值1港元的普通股 1 ordinary share of HK\$1	100% 100%	100% 100%	投資控股 Investment holding
朗生藥業 LMHK	香港 Hong Kong	香港 Hong Kong	1股面值1港元的普通股 1 ordinary share of HK\$1	100% 100%	100% 100%	醫藥業務 Pharmaceutical business
安美聯繫有限公司 Perfection Link Limited	香港 Hong Kong	香港 Hong Kong	1股面值1港元的普通股 1 ordinary share of HK\$1	100% 100%	100% 100%	投資控股 Investment holding
深圳朗生 Shenzhen Lansen [#]	中國(附註(a)) The PRC (Note (a))	中國 The PRC	人民幣29,498,000元 RMB29,498,000	100% 100%	100% 100%	醫藥業務 Pharmaceutical business

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33. 本公司附屬公司詳情(續)

附屬公司的一般資料(續)

33. Particulars of Subsidiaries of the Company (Continued)

General information of the subsidiaries (Continued)

名稱 Name	註冊成立/ 成立地點 Place of incorporation/ establishment	主要營業地點 Principal place of business	已註冊/ 發行股本詳情 Particulars of registered/issued share capital	本集團所持擁有權權益及 投票權的比例 Proportion of ownership interest and voting power held by the Group		主要業務 Principal activities
				二零一九年 2019	二零一八年 2018	
間接持有權益 Interests held indirectly						
寧波立華 Ningbo Liwah#	中國(附註(b)) The PRC (Note (b))	中國 The PRC	人民幣236,000,000元 RMB236,000,000	100% 100%	100% 100%	醫藥業務 Pharmaceutical business
寧波立華植物提取技術有限公司 Ningbo Liwah Plant Extraction Technology Limited#	中國(附註(b)) The PRC (Note (b))	中國 The PRC	人民幣28,000,000元 RMB28,000,000	100% 100%	100% 100%	醫藥業務 Pharmaceutical business
寧波朗生醫藥有限公司 Ningbo Lansen Pharmaceutical Company Limited#	中國(附註(c)) The PRC (Note (c))	中國 The PRC	人民幣35,000,000元 RMB35,000,000	100% 100%	100% 100%	醫藥業務 Pharmaceutical business
寧波朗生醫藥科技有限公司 Ningbo Lansen Pharmaceutical Technology Company Limited#	中國(附註(b)) The PRC (Note (b))	中國 The PRC	人民幣1,000,000元 RMB1,000,000	100% 100%	100% 100%	醫藥業務 Pharmaceutical business
深圳東奇信息科技有限公司 Shenzhen Dongqi Technology Information Co. Ltd.#	中國(附註(b)) The PRC (Note (b))	中國 The PRC	人民幣500,000元 RMB500,000	100% 100%	100% 100%	醫藥業務 Pharmaceutical business
瀾聖國際貿易(上海)有限公司 Lansen (Shanghai) International Trading Co., Ltd.#	中國(附註(b)) The PRC (Note (b))	中國 The PRC	人民幣10,000,000元 RMB10,000,000	100% 100%	100% 100%	醫藥業務 Pharmaceutical business
瀾聖國際貿易(北京)有限公司 Lansen (Beijing) International Trading Co., Ltd.#	中國(附註(a)) The PRC (Note (a))	中國 The PRC	人民幣2,000,000元 RMB2,000,000	100% 100%	100% 100%	美容業務 Cosmetic business
彩聯國際有限公司 Allied Choice International Limited	英屬處女群島 The BVI	香港 Hong Kong	1股面值1美元的普通股 1 ordinary share of US\$1	100% 100%	100% 100%	投資控股 Investment holding

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33. 本公司附屬公司詳情(續)

附屬公司的一般資料(續)

名稱 Name	註冊成立/ 成立地點 Place of incorporation/ establishment	主要營業地點 Principal place of business	已註冊/ 發行股本詳情 Particulars of registered/issued share capital	本集團所持擁有權權益及 投票權的比例 Proportion of ownership interest and voting power held by the Group		主要業務 Principal activities
				二零一九年 2019	二零一八年 2018	
間接持有權益 Interests held indirectly						
樂泰健康科技(香港)有限公司 Letai Health Technology (Hong Kong) Limited	香港 Hong Kong	香港 Hong Kong	1股面值1港元的普通股 1 ordinary share of HK\$1	100% 100%	100% 100%	投資控股 Investment holding
朗生醫療美容科技(香港)有限公司 Lansen Medibeauty Tech (Hong Kong) Limited	香港 Hong Kong	香港 Hong Kong	1股面值1港元的普通股 1 ordinary share of HK\$1	100% 100%	100% 100%	投資控股 Investment holding
寧波朗生醫美 Ningbo Lansen Medibeauty*	中國(附註(b)) The PRC (Note (b))	中國 The PRC	人民幣1,000,000元 RMB1,000,000	100% 100%	100% 100%	美容業務 Cosmetic business
朗生(瑞士)醫藥諮詢有限公司 Lansen (Swiss) Medicine Consulting Limited	瑞士(附註(d)) Switzerland (Note (d))	瑞士 Switzerland	50,000瑞士法郎 Swiss Franc50,000	100% 100%	100% 100%	暫無營業 Inactive
北京依麗薩 Beijing Eliza*	中國(附註(a)) The PRC (Note (a))	中國 The PRC	人民幣500,000元 RMB500,000	100% 100%	100% 100%	美容業務 Cosmetic business
寧波聖博睿醫美科技有限公司 Ningbo San Parietti Medibeauty Tech Limited*	中國(附註(a)) The PRC (Note (a))	中國 The PRC	人民幣5,000,000元 RMB5,000,000	100% 100%	— —	美容業務 Cosmetic business

* 僅供識別之用

附註：

- (a) 於中國成立為有限公司
- (b) 於中國成立為外商獨資企業
- (c) 於中國成立為中外合資企業
- (d) 於瑞士成立為有限公司

* For identification purpose only

Notes:

- (a) Established as a limited liability company in the PRC
- (b) Established as a wholly foreign owned enterprise in the PRC
- (c) Established as a sino-foreign equity joint venture in the PRC
- (d) Established as a limited liability company in Switzerland

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33. 本公司附屬公司詳情(續)

附屬公司的一般資料(續)

年末概無任何附屬公司發行任何債務證券。

本集團的組成

33. Particulars of Subsidiaries of the Company (Continued)

General information of the subsidiaries (Continued)

None of the subsidiaries had issued any debt securities at the end of the year.

Composition of the Group

主要業務 Principal activities	註冊成立／成立地點 Place of incorporation/ establishment	全資附屬公司數目 Number of wholly-owned subsidiaries	
		二零一九年 2019	二零一八年 2018
醫藥業務 Pharmaceutical business	中國 The PRC	7	7
醫藥業務 Pharmaceutical business	香港 Hong Kong	1	1
美容業務 Cosmetic business	中國 The PRC	4	3
投資控股 Investment holding	香港 Hong Kong	8	8
投資控股 Investment holding	英屬處女群島 The BVI	9	7
暫無營業 Inactive	瑞士 Switzerland	1	1
		30	27

34. 於二零一八年收購一間附屬公司

於二零一八年五月十八日，本集團與獨立第三方就收購一間於中國從事醫療美容業務的公司北京依麗薩之全部權益訂立一份協議，收購金額為人民幣6,750,000元（相當於約993,000美元）。

本集團進行業務合併的主要原因為進一步擴大中國醫療美容業務。商譽約1,000美元乃因包括中國醫療美容業務預期快速增長業務在內的多項因素所致。預期概無已確認商譽可扣所得稅。

收購已於二零一八年七月二十日完成，因此北京依麗薩成為本公司的間接全資附屬公司。

所轉讓代價

現金代價

Cash consideration

千美元
US\$'000

993

於收購日期的收購事項已付代價及已收購資產及所承擔負債之公平值於下表概述：

The following table summarised the consideration paid for the acquisition, the fair value of assets acquired and liabilities assumed at the acquisition date:

		千美元 US\$'000
物業、廠房及設備	Property, plant and equipment	37
無形資產	Intangible assets	1,134
存貨	Inventories	24
現金及現金等價物	Cash and cash equivalents	1
其他應付款項	Other payables	(204)
可識別資產總淨值	Total identifiable net assets	992

34. Acquisition of a Subsidiary in 2018

On 18 May 2018, the Group has entered into a sale and purchase agreement with independent third parties to acquire the entire equity interest in Beijing Eliza for a consideration of RMB6,750,000 (equivalent to approximately US\$993,000). Beijing Eliza is principally engaged in cosmeceutical business in the PRC.

The primary reason for the business combination of the Group was to further broaden the cosmeceutical business in the PRC. Goodwill of approximately US\$1,000 was recognised arising from a number of factors including the expected fast growing business of cosmeceutical business in the PRC. None of the goodwill recognised was expected to be deductible for income tax purpose.

The acquisition was completed on 20 July 2018 and accordingly, Beijing Eliza became an indirect wholly-owned subsidiary of the Company.

Consideration transferred

Cash consideration

千美元
US\$'000

993

The following table summarised the consideration paid for the acquisition, the fair value of assets acquired and liabilities assumed at the acquisition date:

		千美元 US\$'000
物業、廠房及設備	Property, plant and equipment	37
無形資產	Intangible assets	1,134
存貨	Inventories	24
現金及現金等價物	Cash and cash equivalents	1
其他應付款項	Other payables	(204)
可識別資產總淨值	Total identifiable net assets	992

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

34. 於二零一八年收購一間附屬公司 (續) 34. Acquisition of a Subsidiary in 2018 (Continued)

收購所產生的商譽

Goodwill arising on acquisition

		千美元 US\$'000
所轉讓代價	Consideration transferred	993
減：所收購的資產淨值	Less: net assets acquired	(992)
		1

收購之淨現金流出

Net cash outflow on acquisition

		千美元 US\$'000
已付現金代價	Cash consideration paid	993
減：所收購的現金及現金等價物	Less: cash and cash equivalents acquired	(1)
		992

截至二零一八年十二月三十一日止年度，收購相關成本約5,000美元已於綜合損益及其他全面收益表內確認為行政開支。

Acquisition-related costs of approximately US\$5,000 have been recognised as administrative expenses in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2018.

自收購日期起，北京依麗薩並未對本集團收入作出任何貢獻，而虧損190,000美元則計入年內溢利。倘收購事項於二零一八年一月一日完成，本集團截至二零一八年十二月三十一日止年度收入及溢利分別約為56,878,000美元及161,000美元。此備考資料僅供說明用途，並非表明本集團在收購事項已於二零一八年一月一日完成的假設下確實取得的收入及經營業績，亦不擬作為未來表現的預測。

Since the acquisition date, Beijing Eliza has not contribute any revenue to the Group and a loss of US\$190,000 was included in profit for the year. Had the acquisition been completed on 1 January 2018, the Group's revenue and profit for the year ended 31 December 2018 would have been approximately US\$56,878,000 and US\$161,000 respectively. This pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2018, nor is it intended to be a projection of future performance.

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35. 承擔

資本承擔

35. Commitments

Capital commitments

		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
收購以下各項的承擔：	Commitments for the acquisition of:		
無形資產	Intangible assets	1,057	2,162
一間公司部份權益	Partial equity interest in a company	—	1,428
		1,057	3,590

經營租賃承擔－承租人

本集團根據經營租賃安排租用若干物業。其租期為一至五年，可選擇於屆滿日期或由本集團與相關業主共同協定的日期續租。

於二零一八年十二月三十一日，未來最低租賃付款總額到期情況如下：

Operating leases commitments — lessee

The Group leased certain properties under operating lease arrangement. The leases terms are between one and five years, with options to renew the lease terms at the expiry dates or at days as mutually agreed between the Group and the respective landlords.

At 31 December 2018, the total future minimum lease payments were due as follows:

		二零一八年 2018 千美元 US\$'000
不可撤銷營業租約之未來最低租賃付款總額如下：	Future minimum rental payable under non-cancellable operating lease were as follow:	
一年內	Within one year	392
兩年至五年	In the second to fifth year inclusive	769
		1,161

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36. 租賃負債

本集團首次採用累積影響法應用國際財務報告準則第16號，並於二零一九年一月一日調整期初結餘以確認與租賃有關的租賃負債，該等租賃先前已根據國際會計準則第17號歸類為經營租賃。於二零一八年十二月三十一日的比較資料並未重列。有關該過渡的進一步詳情，請參閱附註3.1。

36. Lease Liabilities

The Group has initially applied IFRS 16 using the cumulative effect approach and adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under IAS 17. Comparative information as at 31 December 2018 has not been restated. Refer to Note 3.1 for further details about transition.

二零一九年十二月三十一日	31 December 2019	辦公場所、 汽車及辦公 設備 Office premise, motor vehicle and office equipment 千美元 US\$'000
添置	Additions	346
利息開支	Interest expense	53
租賃付款	Lease payments	528

未來租賃付款的到期情況如下：

Future lease payments are due as follows:

	最低租賃付款 二零一九年 十二月三十一日 Minimum lease payments 31 December 2019 千美元 US\$'000	利息 二零一九年 十二月三十一日 Interest 31 December 2019 千美元 US\$'000	現值 二零一九年 十二月三十一日 Present value 31 December 2019 千美元 US\$'000
一年內	446	33	413
超過一年但不超過兩年	220	18	202
超過兩年但不超過五年	289	10	279
	955	61	894

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36. 租賃負債(續)

36. Lease Liabilities (Continued)

		最低租賃付款 二零一九年 一月一日 Minimum lease payments 1 January 2019 千美元 US\$'000	利息 二零一九年 一月一日 Interest 1 January 2019 千美元 US\$'000	現值 二零一九年 一月一日 Present value 1 January 2019 千美元 US\$'000
一年內	Within one year	392	70	322
超過一年但不超過兩年	Later than one year and not later than two years	284	39	245
超過兩年但不超過五年	Later than two years and not later than five years	485	16	469
		1,161	125	1,036

融資活動產生之負債對賬如下：

Reconciliation of liabilities arising from financing activities:

		二零一九年 2019 千美元 US\$'000
初次應用國際財務報告準則第16號(附註3.1(i))	Initial application of IFRS 16 (Note 3.1(i))	1,036
現金流量變動：	Change from cash flows:	
償還租賃負債的本金部分	Repayment of principal portion of lease liabilities	(475)
償還租賃負債的利息部份	Repayment of interest portion of lease liabilities	(53)
其他變動：	Other changes:	
增加	Additions	346
利息	Interest	53
匯兌調整	Exchange adjustment	(13)
於十二月三十一日	At 31 December	894

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37. 關連方交易

年內，本集團與關連方訂立下列交易：

37. Related Party Transactions

During the year, the Group entered into the following transactions with related parties:

		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
<i>買賣交易：</i>	<i>Trading transactions:</i>		
向同系附屬公司購買貨品	Purchase of goods from a fellow subsidiary	50	95
向聯營公司購買貨品(附註(a))	Purchase of goods from associates (Note (a))	103	108
應付聯營公司委託費(附註(b))	Entrusted fee payable to an associate (Note (b))	173	478
應收聯營公司加工費(附註(c))	Processing fee receivable from an associate (Note (c))	53	2,159
應收聯營公司服務費	Service fee receivable from an associate	3	—
應收同系附屬公司服務費	Service fee receivable from a fellow subsidiary	2	—
<i>其他交易：</i>	<i>Other transactions:</i>		
已付同系附屬公司租金開支	Rental expenses paid to a fellow subsidiary	—	61
支付同系附屬公司租賃負債	Settlement of lease liabilities to a fellow subsidiary	62	—
應付同系附屬公司的相互擔保佣金費用(附註(d))	Cross guarantee commission fee payable to a fellow subsidiary (Note (d))	94	98
應收同系附屬公司的相互擔保佣金收入(附註(d))	Cross guarantee commission income receivable from a fellow subsidiary (Note (d))	94	98

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37. 關連方交易(續)

下列結餘(扣除虧損撥備)於報告期末尚未清償:

37. Related Party Transactions (Continued)

The following balances (net of loss allowance) were outstanding at the end of the reporting period:

		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
聯營公司欠款(附註(e))	Amounts owed by an associate (Note (e))	2,547	3,245
向一間聯營公司的貸款(附註23)	Loan to an associate (Note 23)	7,197	6,807
同系附屬公司欠款(附註(e))	Amounts owed by fellow subsidiaries (Note (e))	8,082	6,781

附註:

- (a) 截至二零一九年十二月三十一日,本集團向萃健及強微特分別購買約35,000美元(二零一八年:108,000美元)及68,000美元(二零一八年:無)的貨品。
- (b) 根據二零一六年九月二十日萃健和朗生(BVI)簽訂的委託加工框架協議(「委託加工框架協議」),萃健可以要求朗生(BVI)及其附屬公司(「朗生(BVI)集團」)與客戶簽署加工訂單合同。年內,向客戶收取之費用與加工產品的全部成本加10%的加成後之差額支付萃健作為委託費。
- (c) 根據委託加工框架協議,萃健可委託朗生(BVI)集團加工植物提取產品。加工費以成本加成方式為定價基礎,金額相當於加工產品的全部成本加10%的加成。

Notes:

- (a) During the year ended 31 December 2019, the Group acquire goods of approximately US\$35,000 (2018: US\$108,000) and approximately US\$68,000 (2018: Nil) from Natural Dailyhealth and Robustnique respectively.
- (b) Pursuant to the entrusted processing framework agreement signed between Natural Dailyhealth and Lansen (BVI) on 20 September 2016 (the "Entrusted Processing Framework Agreement"), Natural Dailyhealth may request Lansen (BVI) and its subsidiaries (the "Lansen (BVI) Group") to enter into the processing order contracts with customers. During the year, an entrusted fee was payable to Natural Dailyhealth for the difference between the amounts received from customers and the costs incurred in relation to the processing of the products plus a mark-up rate of 10%.
- (c) Pursuant to the Entrusted Processing Framework Agreement, Natural Dailyhealth may entrust Lansen (BVI) Group for the processing of the plant extract products. The processing fee is charged on a cost-plus basis, representing all costs incurred in relation to the processing of the products plus a mark-up rate of 10%.

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37. 關連方交易(續)

附註：(續)

- (d) 於二零一六年六月二十四日，寧波立華、吉林海資生物工程技術有限公司(「吉林海資」)，本公司同系附屬公司及朗生(BVI)訂立相互擔保協議，據此，於二零一六年七月一日至二零一九年六月三十日就協議各方的銀行貸款提供擔保或促使其附屬公司提供擔保。佣金費用將就另一方所擔保的貸款向各方收取。新的相互擔保協議於二零一九年五月三日簽署，生效期間由二零一九年七月一日開始，並將於二零二二年六月三十日到期。

於二零一九年十二月三十一日，吉林海資所提取賬面值為18,635,000美元(相當於約人民幣130,000,000元)(二零一八年：15,657,000美元(相當於約人民幣107,460,000元))的銀行借款乃由本集團以6,752,000美元(相當於約人民幣47,102,000元)(二零一八年：無)(附註22)的應收票據及14,235,000美元(相當於約人民幣99,306,000元)銀行存款抵押(二零一八年：本集團所持市值為29,212,000美元的7,600,000股司太立股份擔保(附註20)及4,371,000美元(相當於約人民幣30,000,000元)銀行存款抵押)。另一方面，於二零一九年十二月三十一日，就吉林海資擔保之人民幣130,000,000元之銀行融資，本集團已提取10,751,000美元(相當於約人民幣75,000,000元)(二零一八年：無)。

- (e) 欠款指就將購買貨品或將提供加工服務而給予供應商的墊款及銷售貨品所產生的貿易應收款項。欠款為無抵押、免息及須應要求償還。截至二零一九年及二零一八年十二月三十一日止年度內，無就關連方交易提供或獲得任何擔保。於二零一九年十二月三十一日，就聯營公司欠款及同系附屬公司欠款已分別確認虧損撥備182,000美元(二零一八年：US\$127,000)及101,000美元(二零一八年：58,000美元)。

本公司董事認為，以上關連方交易乃按正常商業條款在一般日常業務中進行。

主要管理人員薪酬指附註11所披露支付予本公司董事的金額。

37. Related Party Transactions (Continued)

Notes: (Continued)

- (d) On 24 June 2016, Ningbo Liwah, Jilin Haizi Bio-Engineering Technology Company Limited ("Jilin Haizi"), a fellow subsidiary of the Company and Lansan (BVI) entered into a cross guarantee agreement, pursuant to which the parties may, provide or procure its subsidiaries to provide certain guarantees to banks in relation to the banking facilities of each other from 1 July 2016 to 30 June 2019. Commission fee would be charged to a party in respect of a loan which is guaranteed by another party. A new cross guarantee agreement was signed on 3 May 2019, and the effective period commenced on 1 July 2019 and will be expired on 30 June 2022.

As at 31 December 2019, the bank borrowings with carrying amount of US\$18,635,000 (equivalent to approximately RMB130,000,000) (2018: US\$15,657,000 (equivalent to approximately RMB107,460,000)) drawn by Jilin Haizi was guaranteed by the Group together with the collateral including bill receivables of US\$6,752,000 (equivalent to approximately RMB47,102,000) (2018: Nil) (Note 22) and bank deposit of US\$14,235,000 (equivalent to approximately RMB99,306,000) (2018: 7,600,000 shares in Starry held by the Group with market values of US\$29,212,000 (Note 20) and bank deposit of US\$4,371,000 (equivalent to approximately RMB30,000,000)) was pledged. On the other hand, banking facilities of RMB130,000,000 was guaranteed by Jilin Haizi and an amount of US\$10,751,000 (equivalent to approximately RMB75,000,000), was drawn down by the Group as at 31 December 2019 (2018: Nil).

- (e) The amounts due represented the advances to suppliers on the goods to be purchased or processing services to be provided and trade receivables arising from the sales of goods. The amounts due are unsecured, interest-free and repayable on demand. The Group did not give or receive any guarantee during the years ended 31 December 2019 and 2018 for the related party transactions. As at 31 December 2019, loss allowances of US\$182,000 (2018: US\$127,000) and US\$101,000 (2018: US\$58,000) was recognised against the amounts owed by an associate and the amounts owed by fellow subsidiaries, respectively.

The directors of the Company are of the opinion that the above related party transactions were conducted on normal commercial terms and in the ordinary and usual course of business.

Remuneration for key management personnel represents amounts paid to the Company's directors as disclosed in Note 11.

38. 風險管理

本集團面對來自其經營及投資活動的多項財務風險。本集團的風險管理於其總部協調，並與董事緊密合作，積極集中確保本集團的短期至中期現金流量。

信貸風險

本集團的信貸風險主要來自貿易及其他應收款項。綜合財務狀況表呈列的金額已扣除應收呆賬撥備，此乃經本集團管理層根據過往經驗及對當前經濟環境的評估得出。

為減低信貸風險，本集團管理層已訂立信貸政策，指派團隊負責釐定信貸限額、信貸審批及其他監控過程，以確保採取跟進行動收回逾期債項。

於二零一九年十二月三十一日，一位外部客戶佔貿易應收款項總額10%或以上(二零一八年：一位)。

流動資金信貸風險有限，皆因對手方是知名銀行。

本集團自過往年度以來一直遵守信貸政策，並認為該等信貸政策一直將本集團的信貸風險控制於合理程度。

貿易應收款項

本集團按相等於全期預期信貸虧損之金額計量貿易應收款項虧損撥備，有關金額乃使用撥備矩陣計算得出。鑑於本集團過往的信貸虧損並未就不同客戶分部顯示重大不同虧損模式，基於逾期狀態的虧損撥備不會進一步於本集團不同客戶基礎之間進一步區分。

38. Risk Management

The Group is exposed to a variety of financial risks which result from its operating and investing activities. The Group's risk management is coordinated at its headquarters in close cooperation with the directors and focuses on actively securing the Group's short to medium term cash flows.

Credit risk

The Group's credit risk is primarily attributable to its trade and other receivables. The amounts presented in the consolidated statement of financial position are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and their assessment of the current economic environment.

In order to minimise the credit risk, the management of the Group has formulated a credit policy and delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

There was one external customer contributed 10% or more of total trade receivables as at 31 December 2019 (2018: one).

The credit risk on liquid funds is limited because the counterparties are reputable banks.

The credit policies have been followed by the Group since prior years and are considered to have been effective in limiting the Group's exposure to credit risk to a desirable level.

Trade receivables

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

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38. 風險管理(續)

信貸風險(續)

貿易應收款項(續)

下表載列於二零一九年及二零一八年十二月三十一日本集團面臨信貸風險的資料及貿易應收款項的預期信貸虧損：

於二零一九年十二月三十一日

At 31 December 2019

		預期虧損率 %	賬面總值 千美元 Gross carrying amount US\$'000	虧損撥備 千美元 Loss allowance US\$'000
即期及逾期1至90日	Current and past due over 1-90 days	0.31	18,705	58
逾期91至275日	Past due over 91-275 days	2.02	1,003	20
逾期超過276日	Past due over 276 days	83.03	948	787
			20,656	865

於二零一八年十二月三十一日

At 31 December 2018

		預期虧損率 %	賬面總值 千美元 Gross carrying amount US\$'000	虧損撥備 千美元 Loss allowance US\$'000
即期及逾期1至90日	Current and past due over 1-90 days	0.61	19,187	117
逾期91至275日	Past due over 91-275 days	1.49	4,201	63
逾期超過276日	Past due over 276 days	60.37	1,589	959
			24,977	1,139

預期虧損率乃根據過往3年的實際虧損經驗預計。該等比率會作出調整以反映已蒐集歷史數據的期間的經濟狀況、當前狀況及本集團對應收款項預期年期的經濟狀況的觀點的差異。

Expected loss rates are estimated based on actual loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

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38. 風險管理(續)

信貸風險(續)

貿易應收款項(續)

既未逾期亦未減值的貿易應收款項與近期並無違約記錄的廣泛客戶有關。

已逾期但未減值的貿易應收款項與和本集團擁有良好往績記錄的若干獨立客戶有關。基於過往經驗，管理層相信毋須僅該等結餘作出減值撥備，原因為信貸質素並無發生重大變動且結餘仍被視為可全數收回。

年內有關貿易應收款項虧損撥備賬之變動如下：

38. Risk Management (Continued)

Credit risk (Continued)

Trade receivables (Continued)

Trade receivables that were neither past due nor impaired related to a wide range of customers for whom there was no recent history of default.

Trade receivables that were past due but not impaired related to a number of independent customers that had a good track record with the Group. Based on past experience, management believed that no impairment allowance was necessary in respect of these balances as there had been no significant change in credit quality and the balances were still considered fully recoverable.

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

		千美元 US\$'000
於二零一八年一月一日之結餘	Balance at 1 January 2018	6,743
匯兌調整	Exchange adjustment	(141)
減值虧損	Impairment loss	174
視作不可收回而撇銷	Written off as uncollectible	(5,637)
於二零一八年十二月三十一日之結餘	Balance at 31 December 2018	1,139
於二零一九年一月一日之結餘	Balance at 1 January 2019	1,139
匯兌調整	Exchange adjustment	(15)
減值虧損撥回	Reversal of impairment loss	(259)
於二零一九年十二月三十一日之結餘	Balance at 31 December 2019	865

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38. 風險管理(續)**信貸風險(續)****其他應收款項**

其他應收款項乃經扣除減值撥備後呈列。於二零一九年十二月三十一日，由於預期若干長期未清償其他應收款項不會全數收回，故已就該等應收款項確認其他應收款項減值撥備總額322,000美元(二零一八年：185,000美元)。本集團並無就該等結餘持有任何抵押品。

年內本集團其他應收款項的減值撥備變動如下：

38. Risk Management (Continued)**Credit risk (Continued)****Other receivables**

Other receivables are shown net of impairment provisions. As at 31 December 2019, total provision for impairment against other receivables of US\$322,000 (2018: US\$185,000) was recognised for certain long outstanding other receivables as these receivables are not expected to be fully recovered. The Group does not hold any collateral over these balances.

Movement on the Group's provision for impairment of other receivables during the year is as follows:

		千美元 US\$'000
於二零一八年一月一日之結餘	Balance at 1 January 2018	469
匯兌調整	Exchange adjustment	(13)
視作不可收回而撇銷	Written off as uncollectible	(282)
減值虧損	Impairment loss	11
於二零一八年十二月三十一日之結餘	Balance at 31 December 2018	185
於二零一九年一月一日之結餘	Balance at 1 January 2019	185
匯兌調整	Exchange adjustment	(5)
減值虧損	Impairment loss	142
於二零一九年十二月三十一日之結餘	Balance at 31 December 2019	322

除減值金額外，上述資產並未逾期或減值。上述結餘內包括的金融資產與近期並無欠款記錄的應收款項有關。

Except for the amount impaired, none of the above assets is either past due or impaired. The financial assets included in the above balances related to receivables for which there was no recent history of default.

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38. 風險管理(續)

信貸風險(續)

向一間聯營公司的貸款

向一間聯營公司的貸款乃經扣除減值撥備後呈列。於二零一九年十二月三十一日，由於預期向一間聯營公司的貸款不會全數收回，故已就該等貸款確認減值撥備129,000美元(二零一八年：244,000美元)。本集團並無就該等結餘持有任何抵押品。

年內本集團向一間聯營公司的貸款的減值撥備變動如下：

38. Risk Management (Continued)

Credit risk (Continued)

Loan to an associate

Loan to an associate is disclosed net of impairment provisions. As at 31 December 2019, provision for impairment of US\$129,000 (2018: US\$244,000) was recognised for loan to an associate as the loan is not expected to be fully recovered. The Group does not hold any collateral over the balance.

Movement on the Group's provision for impairment of loan to an associate during the year is as follows:

		千美元 US\$'000
於二零一八年一月一日之結餘	Balance at 1 January 2018	338
匯兌調整	Exchange adjustment	(14)
減值虧損回撥	Reversal of impairment loss	(80)
於二零一八年十二月三十一日之結餘	Balance at 31 December 2018	244
於二零一九年一月一日之結餘	Balance at 1 January 2019	244
匯兌調整	Exchange adjustment	(2)
減值虧損回撥	Reversal of impairment loss	(113)
於二零一九年十二月三十一日之結餘	Balance at 31 December 2019	129

除減值金額外，上述資產並未逾期或減值。上述結餘內包括的金融資產與近期並無欠款記錄的貸款有關。

Except for the amount impaired, none of the above assets is either past due or impaired. The financial assets included in the above balances related to the loan for which there was no recent history of default.

財務擔保

於報告期末，有關本集團及本公司所發出財務擔保的最大信貸風險為人民幣130,000,000元(相當於約18,635,000美元)(二零一八年：人民幣107,460,000元(相當於約15,657,000美元))，此乃要求提供擔保時本集團及本公司須支付的最高金額(附註37(d))。

Financial guarantees

At the end of the reporting period, the maximum exposure to credit risk in respect of financial guarantees issued by the Group and Company was RMB130,000,000 (equivalent to approximately US\$18,635,000) (2018: RMB107,460,000 (equivalent to approximately US\$15,657,000)) which represented the maximum amount the Group and Company could be required to pay if the guarantees were called on (Note 37(d)).

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38. 風險管理(續)

流動資金風險

本公司董事已建立適當的流動資金風險管理框架以管理本集團的短、中、長期資金及流動資金管理需求。

本集團通過維持充足儲備、銀行融通和儲備借款融資，持續監察預測及實際現金流量和配對金融資產及負債的到期情況以管理流動資金風險。

本集團自過往年度以來一直遵守流動資金政策，並認為該等流動資金政策在管控流動資金風險方面一直有效。

下表詳述本集團非衍生金融負債的餘下合約到期詳情。下表乃根據本集團可被要求還款最早日期的金融負債未折現現金流量編製。具體而言，不論銀行是否可能選擇行使權利，附帶按要求償還條款的銀行借款均計入最早時間範圍。其他非衍生金融負債的到期日分析按已協定還款日期編製。

下表包含利息及本金現金流量。在利息流為按浮動利率計算的情況下，未貼現金額按於報告期末的利率計算。

38. Risk Management (Continued)

Liquidity risk

The directors of the Company have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements.

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The liquidity policies have been followed by the Group since prior years and are considered to have been effective in managing liquidity risk.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank borrowings with repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

		二零一九年 2019				合約未折現 現金流量總計 Total contractual undiscounted cash flows 千美元 US\$'000
		1年內或 按要求 Within one year or on demand 千美元 US\$'000	1至2年 Between one and two years 千美元 US\$'000	2至5年 Between two and five years 千美元 US\$'000	5年以上 Over five years 千美元 US\$'000	
借款	Borrowings	61,810	—	—	—	61,810
租賃負債	Lease liabilities	446	220	289	—	955
貿易應付款項及應付票據	Trade and bills payables	9,357	—	—	—	9,357
其他應付款項及應計款項	Other payables and accruals	5,674	—	—	—	5,674
其他金融負債	Other financial liabilities	1,500	—	—	—	1,500
		78,787	220	289	—	79,296
已發行財務擔保 最高擔保額	Financial guarantee issued Maximum amount guaranteed	18,635	—	—	—	18,635

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38. 風險管理(續) 流動資金風險(續)

38. Risk Management (Continued) Liquidity risk (Continued)

		二零一八年 2018				合約未折現 現金流量總計 Total contractual undiscounted cash flows 千美元 US\$'000
		1年內或 按要求 Within one year or on demand 千美元 US\$'000	1至2年 Between one and two years 千美元 US\$'000	2至5年 Between two and five years 千美元 US\$'000	5年以上 Over five years 千美元 US\$'000	
借款	Borrowings	89,338	—	—	—	89,338
貿易應付款項及應付票據	Trade and bills payables	14,949	—	—	—	14,949
其他應付款項及應計款項	Other payables and accruals	6,139	—	—	—	6,139
其他金融負債	Other financial liabilities	1,500	—	—	—	1,500
		111,926	—	—	—	111,926
已發行財務擔保	Financial guarantee issued					
最高擔保額	Maximum amount guaranteed	15,657	—	—	—	15,657

附帶按要求償還條款的銀行借款計入上述到期分析的「一年內或按要求」時間範圍。

Bank borrowings with a repayment on demand clause are included in the “within one year” time band in the above maturity analysis.

倘浮息變動有別於報告期末所釐定的利率估計，則上文就非衍生金融負債浮息工具所包含的款項或會有變。

The balance included above for the non-derivative financial liabilities bear variable interest rate is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

外幣風險

本集團交易貨幣所承受的外幣風險輕微，原因在於本集團附屬公司持有的大部分金融資產及負債均以該等附屬公司的有關功能貨幣計值。

Foreign currency risk

The Group has minimal transactional currency exposure to foreign currency risk as most of the financial assets and liabilities held by the Group's subsidiaries are denominated in the respective functional currency of such subsidiaries.

本集團目前並無外幣對沖政策。然而，管理層監察外匯風險，並將於有需要時考慮對沖重大外幣風險。

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

38. 風險管理(續)**利率風險**

本集團面對的市場利率變動風險主要與以浮動利率計息的本集團債項責任有關。本集團的銀行借款利率和還款條款已於附註27披露。本集團目前並無任何利率對沖政策。

下列敏感度分析乃根據報告期末非衍生工具的利率風險釐定。就浮動利率負債而言，有關分析乃假設報告期末的尚未償還負債金額於整個年度均未償還而編製。在向主要管理人員內部報告利率風險時使用50個基點上升或下降幅度，此亦為管理層對利率合理可能變動的評估。

倘利率下降／上升50個基點，而所有其他變數維持不變，本集團：

- 截至二零一九年十二月三十一日止年度的溢利及於二零一九年十二月三十一日的保留溢利將分別增加／減少61,000美元(二零一八年：增加／減少125,000美元)，此乃主要由於本集團浮息銀行借款面對的利率風險所致；及
- 本集團於二零一九年十二月三十一日的權益將增加／減少61,000美元(二零一八年：增加／減少125,000美元)。

38. Risk Management (Continued)**Interest rate risk**

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates. The interest rate and terms of repayment of bank borrowings of the Group are disclosed in Note 27. The Group currently does not have an interest rate hedging policy.

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points lower/higher and all other variables were held constant, the Group's:

- Profit for the year ended 31 December 2019 and retained profits as at 31 December 2019 would increase/decrease by US\$61,000 (2018: increase/decrease by US\$125,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate bank borrowings; and
- The Group's equity as at 31 December 2019 would increase/decrease by US\$61,000 (2018: increase/decrease by US\$125,000).

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38. 風險管理(續)

按類別劃分的金融資產及負債概要

綜合財務狀況表所呈列的賬面值與下列金融資產及金融負債類別有關。

38. Risk Management (Continued)

Summary of financial assets and liabilities by category

The carrying amounts presented in the consolidated statements of financial position relate to the following categories of financial assets and financial liabilities.

		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
金融資產	Financial assets		
按攤銷成本計量的金融資產：	Financial assets at amortised cost:		
貿易及其他應收款項	Trade and other receivables	44,942	47,197
向一間聯營公司的貸款	Loan to an associate	7,197	6,807
已抵押銀行存款	Pledged bank deposits	27,373	22,014
現金及現金等價物	Cash and cash equivalents	20,363	11,564
		99,875	87,582
按公平值變動列入損益的金融資產：	Financial assets at fair value through profit or loss:		
衍生金融工具	Derivative financial instrument	—	1,910
		99,875	89,492
金融負債	Financial liabilities		
按攤銷成本列賬的金融負債：	Financial liabilities at amortised cost:		
借款	Borrowings	60,520	87,224
租賃負債	Lease liabilities	894	—
貿易及其他應付款項	Trade and other payables	15,031	21,088
		76,445	108,312
按公平值變動列入損益的金融負債：	Financial liabilities at fair value through profit or loss:		
其他金融負債	Other financial liabilities	1,171	1,234
		77,616	109,546
已發行財務擔保	Financial guarantee issued	18,635	15,657

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38. 風險管理(續)

- (a) 並非按公平值計量的金融工具
並非按公平值計量的金融工具包括貿易及其他應收款項、向一間聯營公司的貸款、已抵押銀行存款、現金及現金等價物、借款、租賃負債以及貿易及其他應付款項。

基於其年期較短的性質，故其賬面值與公平值相若。

- (b) 按公平值計量的金融工具
按公平值計量的金融工具包括其他金融負債及衍生金融工具。公平值層級的分析如下。

其他金融負債的公平值計量

下表呈列於二零一九年十二月三十一日的綜合財務狀況表內，根據公平值層級及按照經常性基準以公平值計量的其他金融負債。公平值層級有以下級別：

- 第1級： 相同資產於活躍市場的報價（未經調整）；
- 第2級： 該資產於第1級所包含的報價以外可直接（即按價格）或間接（即自價格得出）觀察的輸入數據；及
- 第3級： 該資產並非基於可觀察市場數據的輸入數據（不可觀察輸入數據）。

38. Risk Management (Continued)

- (a) **Financial instruments not measured at fair value**
Financial instruments not measured at fair value include trade and other receivables, loan to an associate, pledged bank deposits, cash and cash equivalents, borrowings, lease liabilities and trade and other payables.

Due to their short term nature, their carrying values approximate their fair values.

- (b) **Financial instruments measured at fair value**
Financial instruments measured at fair value include other financial liabilities and derivative financial instrument. Analysis on fair value hierarchy is presented as follows.

Fair Value Measurements of Other Financial Liabilities

The following tables present other financial liabilities included in the consolidated statement of financial position as at 31 December 2019 measured at fair value on a recurring basis according to the fair value hierarchy. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset that are not based on observable market data (unobservable inputs).

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38. 風險管理(續)

(b) 按公平值計量的金融工具(續)

其他金融負債的公平值計量(續)

二零一九年十二月三十一日 31 December 2019		第1級 Level 1 千美元 US\$'000	第2級 Level 2 千美元 US\$'000	第3級 Level 3 千美元 US\$'000	總計 Total 千美元 US\$'000
負債	Liabilities				
按公平值變動列入損益的 金融負債	Financial liabilities at fair value through profit or loss				
— 其他金融負債	— Other financial liabilities	—	—	1,171	1,171

二零一八年十二月三十一日 31 December 2018		第1級 Level 1 千美元 US\$'000	第2級 Level 2 千美元 US\$'000	第3級 Level 3 千美元 US\$'000	總計 Total 千美元 US\$'000
負債	Liabilities				
按公平值變動列入損益的 金融負債	Financial liabilities at fair value through profit or loss				
— 其他金融負債	— Other financial liabilities	—	—	1,234	1,234

截至二零一九年十二月三十一日止年度，已確認其他金融負債的公平值收益133,000美元(二零一八年：100,000美元)。

A fair value gain of US\$133,000 (2018: US\$100,000) on other financial liabilities was recognised during the year ended 31 December 2019.

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38. 風險管理(續)

(b) 按公平值計量的金融工具(續)

其他金融負債的公平值計量(續)

於二零一九年及二零一八年十二月三十一日之或然代價的公平值乃管理層使用貼現現金流估算。公平值乃基於若干不可觀察的參數(包括貼現率、銷售額達標的概率及銷售額達標的期間)釐定。該等重大不可觀察輸入數據及該等輸入數據與或然代價公平值的關係顯示如下:

重大不可觀察輸入數據	不可觀察輸入數據與公平值的關係
------------	-----------------

5.0%的貼現率	貼現率越高，則公平值越低。
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銷售額達標的概率，即100%	銷售額達標的概率越高，則公平值越高。
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銷售額達標的期間	銷售額達標的期間越早，則公平值越高。
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貼現率增加1%，則其他金融負債的公平值減少約56,000美元，而貼現率減少1%，則其他金融負債的公平值增加約59,000美元。

年內的估值技術並無變動。

年內各級之間並無轉撥。

38. Risk Management (Continued)

(b) Financial instruments measured at fair value (Continued)

Fair Value Measurements of Other Financial Liabilities (Continued)

The fair value of the contingent consideration as at 31 December 2019 and 2018 was estimated by the management by applying the discounted cash flows. The determination of fair value is based on certain parameters including the discount rate, the probability of sales achievement and the period of sales achievement, which are unobservable. The significant unobservable inputs and relationship of these inputs to fair value contingent consideration are shown as below:

Significant unobservable input(s)	Relationship of unobservable inputs to fair value
-----------------------------------	---

Discount rate of 5.0%	The higher the discount rate, the lower the fair value.
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Probability of sales achievement, which is 100%	The higher the probability of sales achievement, the higher the fair value.
---	---

Period of sales achievement	The earlier the period of sales achievement, the higher the fair value.
-----------------------------	---

Increased discount rate by 1% would decrease the fair value on other financial liabilities by approximately US\$56,000 whilst decreased discount rate by 1% would increase the fair value on other financial liabilities by approximately US\$59,000.

There were no changes in valuation techniques during the year.

There were no transfers between levels during the year.

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38. 風險管理(續)

(b) 按公平值計量的金融工具(續)

其他金融負債的公平值計量(續)

分類為第3級的金融負債所使用的估值技術乃根據非基於可觀察市場數據的重大輸入值。此級的金融工具期初結餘與期末結餘的對賬如下：

38. Risk Management (Continued)

(b) Financial instruments measured at fair value (Continued)

Fair Value Measurements of Other Financial Liabilities (Continued)

The financial liabilities classified in level 3 use valuation techniques based on significant inputs that are not based on observable market data. The financial instruments within this level are reconciled from opening to closing balances as follows:

		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
負債	Liabilities		
按公平值變動列入損益的金融負債：	Financial liabilities at fair value through profit or loss:		
於一月一日	At 1 January	1,234	1,276
其他金融負債的公平值收益	Fair value gain on other financial liabilities	(133)	(100)
於損益扣除的或然代價折現(附註9)	Unwinding of discount on contingent consideration charged to profit or loss (Note 9)	63	61
匯兌調整	Exchange adjustment	7	(3)
於十二月三十一日	At 31 December	1,171	1,234

按公平值計量的衍生金融工具

於二零一六年三月二十四日，朗生(BVI)簽訂一項買賣協議，收購萃健約19.1%股權，代價為人民幣33.0百萬元(相當於約5,085,000美元)，其中人民幣28.0百萬元為現金，人民幣5百萬元為萃健全部已發行股本。

Fair Value Measurement of Derivative Financial Instrument

On 24 March 2016, Lansen (BVI) signed a sale and purchase agreement to acquire approximately 19.1% equity interest in Natural Dailyhealth, at a consideration of RMB33.0 million (equivalent to approximately US\$5,085,000) of which RMB28.0 million is in cash and RMB5 million by way of consideration shares in entire issued share capital of Natural Dailyhealth.

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38. 風險管理(續)**(b) 按公平值計量的金融工具(續)***按公平值計量的衍生金融工具(續)*

根據認購協議，自二零一六年三月二十九日起15個月內任何時間，朗生(BVI)可全權酌情決定(而沒有義務)進行第二批股份認購，而萃健有義務發行及配發第二批認購股份，加上於二零一六年三月二十四日的已收購19.1%股權，合共擁有不超過萃健30%經擴大後已發行股本，即認購期權。於二零一六年八月二十二日，認購期權獲執行。基於本集團對萃健有重大影響，萃健自該日起成為本集團的聯營公司(附註20)。

另一方面，自二零一六年三月二十四日的第二個週年日開始的三個月期間(「行權期」)，萃健享有行使認沽期權的權利，要求萃健以期權協議價直接購買朗生(BVI)持有的全部認購股份(不能部分行權)。萃健應在行權之日起的六個月內，以現金方式向本集團支付期權協議價。朗生(BVI)享有行使認沽期權的絕對酌情權。如經朗生(BVI)和萃健雙方同意，認購方可在行權期之前任何時間提前行使認沽期權。

於二零一八年六月二十四日，朗生(BVI)及萃健就認購協議訂立一份有條件補充協議，據此，雙方同意延長認沽期權期限十二個月至二零一九年六月二十四日，條件是CIH已根據倫敦證券交易所上市規則就補充協議項下擬進行的交易取得相關簡單多數批准。合共持有多於50%CIH已發行股本之Circle Finance Limited及Mega Worldwide Services Limited已承諾投票贊成有關補充協議之決議案。除延長認沽期權期限外，認購協議所有其他條款維持不變。

38. Risk Management (Continued)**(b) Financial instruments measured at fair value (Continued)***Fair Value Measurement of Derivative Financial Instrument (Continued)*

Pursuant to the subscription agreement, and at any time within 15 months from 29 March 2016, Lansen (BVI) shall have the sole discretion but not the obligation to subscribe for, and Natural Dailyhealth shall have the obligation to issue and allot, the second tranche subscription shares, in aggregate with the acquired equity interest of 19.1% on 24 March 2016, own up to 30% of the enlarged issued share capital of Natural Dailyhealth, which is the call option. On 22 August 2016, the call option was executed. Accordingly, the Group holds 30% equity interest in Natural Dailyhealth. Having significant influence over Natural Dailyhealth, Natural Dailyhealth becomes an associate of the Group (Note 20) since that date.

On the other hand, at any time during the period of three months commencing immediately after the second anniversary of 24 March 2016 (the "Put Option Period"), Natural Dailyhealth is entitled to exercise the put option to require Natural Dailyhealth to purchase all (but not part) of the subscription shares then held by Lansen (BVI) at the put option strike price. Natural Dailyhealth shall pay the put option strike price in cash to the Group within six months from the date of the exercise of the put option. The exercise of the put option is at the absolute discretion of Lansen (BVI). The put option can be exercised at any time prior to the commencement of the Put Option Period if mutually agreed by Lansen (BVI) and Natural Dailyhealth.

On 24 June 2018, Lansen (BVI) and Natural Dailyhealth entered into a supplemental conditional agreement to the subscription agreement pursuant to which the parties agreed that the expiry date of the Put Option Period shall be extended for twelve months to 24 June 2019 on the condition that CIH having obtained the relevant simple majority approvals in respect of the transactions contemplated under the supplemental agreement in accordance with the Listing Rules for the London Stock Exchange. Circle Finance Limited and Mega Worldwide Services Limited, the shareholders of CIH together holding more than 50% of the issued share capital of CIH, have given an undertaking to vote in favour of the resolution in respect of the supplemental agreement. Save for the extension of the Put Option Period, all other terms of the subscription agreement remain unchanged.

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38. 風險管理(續)

(b) 按公平值計量的金融工具(續)

按公平值計量的衍生金融工具(續)

於二零一九年六月二十一日，考慮到本公司的策略性計劃，為了本集團業務的長遠發展，朗生(BVI)決定不會行使認沽期權並繼續持有萃健30%股權。衍生金融工具因此終止確認及虧損1,910,000美元於截至二零一九年十二月三十一日止年度之綜合損益及其他全面收益表中確認。

於二零一八年十二月三十一日之衍生金融工具的公平值乃由獨立評估師使用二項式期權定價模型評估。下表呈列於二零一八年十二月三十一日的綜合財務狀況表內，根據公平值層級按照經常性基準以公平值計量的衍生金融工具。公平值層級有以下級別：

第1級：相同資產於活躍市場的報價(未經調整)；

第2級：該資產於第1級所包含的報價以外可直接(即按價格)或間接(即自價格得出)觀察的輸入數據；及

第3級：該資產並非基於可觀察市場數據的輸入數據(不可觀察輸入數據)。

38. Risk Management (Continued)

(b) Financial instruments measured at fair value (Continued)

Fair Value Measurement of Derivative Financial Instrument (Continued)

On 21 June 2019, Lansen (BVI) decided not to exercise the put option and continues to hold 30% equity interests in Natural Dailyhealth for the long-term development of the Group's business, after taking into account the Company's strategic plan. The derivative financial instrument was therefore derecognised and a loss of US\$1,910,000 was recognised in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2019.

The fair value of the derivative financial instrument at 31 December 2018 was assessed by the independent valuer, by using the binomial option pricing model. The following table presents derivative financial instrument included in the consolidated statement of financial position as at 31 December 2018 measuring at fair value on a recurring basis according to the fair value hierarchy. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset that are not based on observable market data (unobservable inputs).

	第1級 Level 1 千美元 US\$'000	第2級 Level 2 千美元 US\$'000	第3級 Level 3 千美元 US\$'000	總計 Total 千美元 US\$'000
二零一八年十二月三十一日 31 December 2018				

資產：

按公平值變動列入損益的
金融資產

— 衍生金融工具

Assets:

Financial assets at fair
value through profit
or loss

— derivative financial
instrument

— — 1,910 1,910

Notes to the Consolidated Financial Statements

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

38. 風險管理(續)

(b) 按公平值計量的金融工具(續)

按公平值計量的衍生金融工具(續)

公平值乃基於若干不可觀察參數(包括相關股份價格, 年化股息收益率及相關股份預期波幅)釐定。該等重大不可觀察輸入數據顯示如下:

重大不可觀察輸入數據	Significant unobservable input(s)	二零一八年 2018
認沽期權	Put option	
相關股份價格人民幣(元)	Underlying share price of RMB (dollars)	52,778,300
年化股息收益率	Annualised dividend yield	0%
相關股份預期波幅	Expected volatility of underlying share	38.325%

於二零一八年十二月三十一日

相關股份價格上升5%, 則衍生金融工具公平值收益會減少約272,000美元, 而相關股份價格下跌5%, 則衍生金融工具公平值收益會增加約300,000美元。

預期波幅上升5%, 則衍生金融工具公平值收益會增加約97,000美元, 而預期波幅下跌5%, 則衍生金融工具公平值收益會減少約89,000美元。

年化股息收益率上升5%, 則衍生金融工具公平值收益會增加約134,000美元。

38. Risk Management (Continued)

(b) Financial instruments measured at fair value (Continued)

Fair Value Measurement of Derivative Financial Instrument (Continued)

The determination of fair value is based on certain parameters including underlying share price, annualised dividend yield and expected volatility, which are unobservable. The significant unobservable inputs are shown as below:

Significant unobservable input(s)	二零一八年 2018
Put option	
Underlying share price of RMB (dollars)	52,778,300
Annualised dividend yield	0%
Expected volatility of underlying share	38.325%

At 31 December 2018

Increased underlying share price by 5% would decrease the fair value gain on derivative financial instrument by approximately US\$272,000 whilst decreased underlying share price by 5% would increase the fair value gain on derivative financial instrument by approximately US\$300,000.

Increased expected volatility by 5% would increase the fair value gain on derivative financial instrument by approximately US\$97,000 whilst decreased expected volatility by 5% would decrease in fair value gain on derivative financial instrument by approximately US\$89,000.

Increased annualised dividend yield by 5% would increase the fair value gain on derivative financial instrument by approximately US\$134,000.

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

38. 風險管理(續)

(b) 按公平值計量的金融工具(續)

按公平值計量的衍生金融工具(續)

年內各級之間並無轉撥。

分類為第3級的金融資產所使用的估值技術乃根據非基於可觀察市場數據的重大輸入值。此級的金融工具期初結餘與期末結餘的對賬如下：

38. Risk Management (Continued)

(b) Financial instruments measured at fair value (Continued)

Fair Value Measurement of Derivative Financial Instrument (Continued)

There were no transfers between levels during the year.

The financial assets classified in level 3 use valuation techniques based on significant inputs that are not based on observable market data. The financial instruments within this level are reconciled from opening to closing balances as follows:

		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
資產	Assets		
按公平值變動列入損益的金融資產：	Financial assets at fair value through profit or loss:		
於一月一日	At 1 January	1,910	1,840
衍生金融工具的公平值收益	Fair value gain on derivative financial instrument	—	73
衍生金融工具撇銷	Write off of derivative financial instrument	(1,910)	—
匯兌調整	Exchange adjustment	—	(3)
於十二月三十一日	At 31 December	—	1,910

衍生金融工具撇銷1,910,000美元(二零一八年：公平值收益73,000美元)於截至二零一九年十二月三十一日止年度之損益中確認。

Write off of derivative financial instrument of US\$1,910,000 (2018: Fair value gain of US\$73,000) has been recognised in profit or loss for the year ended 31 December 2019.

資本管理

本集團管理其資本，以確保本集團的實體可持續經營，同時藉著優化債務與權益平衡為股東帶來最大回報。本集團的整體策略由往年至今維持不變。

Capital Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior years.

Notes to the Consolidated Financial Statements

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

38. 風險管理(續)

資本管理(續)

本集團的資本架構包括債務(包含附註27披露的借款)、現金及銀行結餘及本公司擁有人應佔權益(包含已發行資本、儲備及保留溢利)。

本集團按其整體融資架構釐定資本金額。本集團應經濟狀況變動及相關資產的風險特點，管理資本架構並作出調整。為維持或調整資本架構，本集團可能調整派付予股東的股息金額、退回資本予股東、發行新股份或出售資產以減債。

截至報告期末的淨資產負債比率如下：

38. Risk Management (Continued)

Capital Management (Continued)

The capital structure of the Group consists of debt, which includes the borrowings as disclosed in Note 27, cash and bank balances and equity attributable to owners of the Company, comprising issued capital, reserves and retained profits.

The Group sets the amount of capital in proportion to its overall financing structure. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The net gearing ratio at the end of the reporting period was as follows:

		二零一九年 2019 千美元 US\$'000	二零一八年 2018 千美元 US\$'000
借款(附註27)	Borrowings (Note 27)	60,520	87,224
減：現金及現金等價物(附註24)	Less: Cash and cash equivalents (Note 24)	(20,363)	(11,564)
減：已抵押銀行存款(附註24)	Less: Pledged bank deposits (Note 24)	(27,373)	(22,014)
債務淨額	Net debt	12,784	53,646
權益	Equity	101,375	88,451
淨負債權益比率	Net debt to equity ratio	12.6%	60.7%

39. 報告期後事項

自二零二零年一月起，新型冠狀病毒(「COVID-19」)的爆發對全球營商環境產生了影響。直至該等財務報表日期，COVID-19概無對本集團造成重大影響。取決於COVID-19在該等財務業績日期後的發展及蔓延情況，如本集團的經濟狀況出現進一步變動，則本集團的財務報表或會受到影響，惟於該等財務報表日期無法估計有關影響程度。本集團會繼續留意COVID-19的疫情發展，亦會積極應對有關情況對本集團財務狀況及經營業績的影響。

39. Event after the reporting period

Since January 2020, the outbreak of Novel Coronavirus ("COVID-19") has impacted on the global business environment. Up to the date of these financial statements, COVID-19 has not resulted in material impact to the Group. Pending the development and spread of COVID-19 subsequent to the date of these financial statements, further changes in economic conditions for the Group arising thereof may have impact on the financial results of the Group, the extent of which could not be estimated as at the date of these financial statements. The Group will keep continuous attention on the situation of the COVID-19 and react actively to its impact on the financial position and operating results of the Group.

企業資料

Corporate Information

董事會

常務執行董事：

陳力先生(行政總裁)

非執行董事：

吳鎮濤先生(主席)

Stephen Burnau Hunt先生

李晉頤先生(副主席)

(於二零一九年十月三十一日辭任)

劉雪姿女士

獨立非執行董事：

陳記煊先生

鄧昭平先生(於二零一九年四月九日辭任)

Fritz Heinrich Horlacher先生

楊德斌先生

審核委員會

陳記煊先生(主席)

李晉頤先生(於二零一九年十月三十一日辭任)

鄧昭平先生(於二零一九年四月九日辭任)

Fritz Heinrich Horlacher先生

楊德斌先生

薪酬委員會

楊德斌先生

(於二零一九年四月九日獲委任主席)

鄧昭平先生(於二零一九年四月九日辭任)

Stephen Burnau Hunt先生

李晉頤先生(於二零一九年十月三十一日辭任)

陳記煊先生

Fritz Heinrich Horlacher先生

執行委員會

吳鎮濤先生(主席)

李晉頤先生(副主席)

(於二零一九年十月三十一日辭任)

陳力先生

劉雪姿女士

陶芳芳女士

BOARD OF DIRECTORS

Executive Managing Director:

Mr. Chen Li (*Chief Executive Officer*)

Non-executive Directors:

Mr. Wu Zhen Tao (*Chairman*)

Mr. Stephen Burnau Hunt

Mr. Lee Jin Yi (*Deputy Chairman*)

(resigned on 31 October 2019)

Ms. Liu Xuezi

Independent non-executive Directors:

Mr. Chan Kee Huen, Michael

Mr. Tang Chiu Ping, Raymond (resigned on 9 April 2019)

Mr. Fritz Heinrich Horlacher

Mr. Yeung Tak Bun, Allen

AUDIT COMMITTEE

Mr. Chan Kee Huen, Michael (*Chairman*)

Mr. Lee Jin Yi (resigned on 31 October 2019)

Mr. Tang Chiu Ping, Raymond (resigned on 9 April 2019)

Mr. Fritz Heinrich Horlacher

Mr. Yeung Tak Bun, Allen

REMUNERATION COMMITTEE

Mr. Yeung Tak Bun, Allen

(appointed as the chairman on 9 April 2019)

Mr. Tang Chiu Ping, Raymond (resigned on 9 April 2019)

Mr. Stephen Burnau Hunt

Mr. Lee Jin Yi (resigned on 31 October 2019)

Mr. Chan Kee Huen, Michael

Mr. Fritz Heinrich Horlacher

EXECUTIVE COMMITTEE

Mr. Wu Zhen Tao (*Chairman*)

Mr. Lee Jin Yi (*Deputy Chairman*)

(resigned on 31 October 2019)

Mr. Chen Li

Ms. Liu Xuezi

Ms. Tao Fang Fang

授權代表

陳力先生
姚志鴻先生
(於二零一九年六月十三日辭任)
彭啟輝先生(於二零一九年六月十三日獲委任)

公司秘書

姚志鴻先生
(於二零一九年六月十三日辭任)
彭啟輝先生(於二零一九年六月十三日獲委任)

註冊辦事處

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75 Fort Street
P.O. Box 1350
Grand Cayman
KY1-1108
Cayman Islands

總部及中國主要營業地點

中國
浙江省
寧波市
海曙區
高橋工業園區新豐路228號
郵編：315174

香港主要營業地點

香港
德輔道中189號
李寶椿大廈12樓
1203-4室

核數師

香港立信德豪會計師事務所有限公司
執業會計師

法律顧問

羅夏信律師事務所(香港)
浙江導司律師事務所(中國)
Esteria Trust (開曼群島)

主要往來銀行

中國農業銀行
興業銀行
中國銀行
浦發銀行
富邦銀行
大華銀行

AUTHORISED REPRESENTATIVES

Mr. Chen Li
Mr. Yiu Chi Hung
(resigned on 13 June 2019)
Mr. Pang Kai Fai (appointed on 13 June 2019)

COMPANY SECRETARY

Mr. Yiu Chi Hung
(resigned on 13 June 2019)
Mr. Pang Kai Fai (appointed on 13 June 2019)

REGISTERED OFFICE

Clifton House
75 Fort Street
P.O. Box 1350
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KY1-1108
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

228 Xinfeng Road
Gaoqiao Industrial Park
Haishu District, Ningbo City
Zhejiang Province
PRC
Postal Code: 315174

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 1203-4
12/F., Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

AUDITOR

BDO Limited
Certified Public Accountants

LEGAL ADVISORS

Stephenson Harwood (Hong Kong)
Dos Law Firm (China)
Esteria Trust (Cayman Islands)

PRINCIPAL BANKERS

Agricultural Bank of China
Industrial Bank
Bank of China
SPD Bank
Fubon Bank
United Overseas Bank

企業資料

Corporate Information

主要股份過戶登記處

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P.O. Box 1350
Clifton House
75 Fort Street
Grand Cayman
KY1-1108
Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
香港皇后大道東183號
合和中心54樓

股份代號

503

網址

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股東及投資者的公司聯絡資料

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請聯絡我們的投資者關係部：
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HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
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Hong Kong

STOCK CODE

503

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Please contact our Company Secretary at:
Telephone: (852) 2828 9206

The PRC

Please contact our Investor Relations Department at:
Telephone: (86) 574 8804 6316



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